

**National Indian Education Association**

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## Funding Indian Education through Impact Aid

**Background Information.** The federal government established the Impact Aid program (Title VIII of the No Child Left Behind Act) under the Truman Administration. Its purpose is to provide direct payments to public school districts as reimbursement for the loss of traditional property taxes due to a federal presence or federal activity. Because many public school districts that serve Native American children cannot draw tax revenue from Indian land or sales made on Indian land, they rely heavily on Impact Aid funding. In fact, many of the 640 Indian impacted school districts are totally dependent on these resources to operate.

In addition to Indian impacted school districts, Impact Aid also assists school districts that serve children in low rent housing, children of military servicemen and servicewomen, and children with civilian parents that work on federal property.

**Funding Shortage and Anticipated Shocks.** Impact Aid was last fully funded in 1960, and our school districts have had to go to great lengths to make the most of these limited resources. A prorated distribution of available revenues is employed based on a combination of the percentage of impacted students, percentage of a school's budget that impact aid funds represent, and the local contribution rate. This complex negotiation is made more difficult with the anticipated influx of 32,000–40,000 military children returning home with their parents as part of military modernization measures. These children will swell the recipient pool, which will lead to a smaller portion of Impact Aid dollars for everybody.

**School Facilities and Construction Funding.** It is imperative that Impact Aid retain a strong construction budget. Because of lack of funding, Indian children are forced to attend schools with severe infrastructure damage. Many Indian impacted school districts lack the local resources with which to bond for building projects and often go to absurd lengths to raise small amounts of money. For example, due to lack of funding and resources, the New Town School District in North Dakota, a heavily impacted Indian school, passed a 15-year bond measure for \$90,000 (\$6,000 per year) for teacher housing. The total cost was \$280,000 and the school district made up the difference through such activities as raising the price of tickets by \$2 at high school athletic events and donations. Also, a few years ago, the National Indian Impacted Schools Association conducted a facility survey. It highlighted what we all know: many of the impacted schools of Indians are in deplorable condition. Further, almost every single district serving federally connected Indian children reported a major need for facility improvement. Over 60% of the districts have not passed a bond issue in the past twenty years due to scarce resources.

In recent years, Administration budgets have proposed to cut school construction funding. In response, the Impact Aid community agreed to make up the difference by taking funds away from basic support, resulting in less grant funds for eligible recipients. Schools should never be forced to make this kind of decision.

**The Future of Impact Aid.** In this tight budgetary environment, we must all remain vigilant to ensure the vitality of this program. Impact Aid is responsible for providing our children with the resources to succeed. Indeed, many of our schools would simply cease to operate without it.