



National Association of Federally Impacted Schools

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March 25, 2010

The Honorable George Miller
Chairman
Education and Labor Committee
2181 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Kline
Ranking Minority Member
Education and Labor Committee
2101 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Miller and Ranking Member Kline,

The education community has been very responsive to the Department of Education's publication of "A Blueprint for Reform," the Administration's Elementary and Secondary Education Act (ESEA) reauthorization proposal. The National Association of Federally Impacted Schools (NAFIS) is appreciative the Obama Administration is taking the necessary first steps toward making ESEA a salient issue.

The proposal recognizes that many of the school district requirements, as found in "No Child Left Behind," are in need of reform and should be changed to reflect the realities school districts large and small, urban and rural face as they prepare students to be successful in today's competitive world. NAFIS - like many education organizations and school districts - is concerned by a move that would foster greater inequity between school districts through a competitive funding system, creating a lack of flexibility in the turnaround models of consistently low-performing schools. Teacher recruitment and retention continues to be a problem for federally connected schools located in rural and often isolated areas. The promotion of "Grow Your Own" teacher models, for example, should be recognized as a way to encourage homegrown students to become teachers and return to their communities.

The most common reaction is that the reform document should provide more clarification on measures of growth, standardized testing improvements, and turnaround model flexibility. These three factors are central to the proposal, yet the Blueprint lacks specific, research-based suggestions for moving forward in these areas. Additionally, there is a disconnection between the rhetoric of the proposal and the funding streams in the President's budget. "A Blueprint for Reform" states on page 19, "*The federal government has a responsibility to provide assistance to certain high-need regions and areas, including rural districts and districts that are affected by federal property and activities.*" NAFIS is grateful the Administration recognizes this responsibility, yet the proposed budget froze the Impact Aid funding stream that allows the affected school districts to meet the basic needs of their students. The National Association of Federally Impacted Schools (NAFIS) looks forward to your efforts to illuminate the

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uncertainties in an attempt to better the education experience of every child. With that, NAFIS turns to Title VIII of ESEA.

Title VIII – Impact Aid

The Administration's Elementary and Secondary Education Act (ESEA) proposed draft, "A Blueprint for Reform," states on page 23, "*Our reauthorization proposal will continue formula grant support designed to compensate districts for the expense of educating federally connected children and for the presence in their districts of tax exempt property or other property removed from the tax rolls by the federal government. Because these funds are compensatory, districts enjoy broad flexibility in the use of these funds.*" NAFIS applauds the Administration for their recognition of the obligation that Congress recognized 60 years ago when P.L. 81-815 (school construction) and P.L. 81-874 (general operations support) were signed into law by President Truman.

Today, the Impact Aid Program continues that obligation. For many school districts, Impact Aid funding represents over 25% of their operating budget; for others it helps ensure smaller classes; it pays for extra counselors for districts impacted with military dependent children and it helps cover the transportation cost for districts serving Native American children who travel hundreds of miles each day to school and back home again. The program is just as important today as it was in 1950.

As your committee prepares to reauthorize the Elementary and Secondary Education Act, NAFIS asks that you reaffirm the obligation the Federal Government has to those communities impacted by a federal presence by reauthorizing Title VIII, and to consider the proposed changes to the current law NAFIS is proposing.

On September 18, 2006, the NAFIS membership voted to go forward with the Association's Impact Aid reauthorization proposal. The vote was the culmination of two years' work from both its membership and other groups interested in the Impact Aid Program. At the very outset, the objective was to improve the present program without compromising the "need-based" component Congress instituted in the 1994 reauthorization (The Improving America's Schools Act of 1994).

The NAFIS proposal was first introduced in the 110th Congress (H.R. 4540) and again in the first session of the current Congress (H.R. 2280) by Representative Mazie Hirono and 18 co-sponsors. We are looking at introducing a modification of H.R. 2280 approved by the NAFIS membership at our 2009 Fall Conference by 98.2% of the membership. The modifications were in response to on-going Department of Defense force restructuring activities, and changes to Section 8002 of the law (Federal Property) that will increase program efficiency allowing the Department of Education to make final Section 8002 payments as much as 18 months sooner than at present. NAFIS hopes to reintroduce the proposal as a free standing bill including these modifications later this spring.

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The legislation, as noted above, does not compromise the 1994 reforms. Because Impact Aid is not funded at a level that would ensure full funding for all districts, the NAFIS reauthorization would ensure a more equitable distribution of Section 8003 dollars while maintaining the need component inserted in the law in 1994. In addition to the Section 8002 changes noted above, the NAFIS proposal would:

- Remove a number of “special fixes” from the program whenever possible;
- Change the LOT formula to allow for a pro-rated distribution of funds;
- Keep the (Section 8003) eligible student categories the same and maintain the four local contribution rate options;
- Assure the law stays in tune with the on-going Department of Defense housing privatization initiative to ensure funding stability;
- Reform the state equalization provision (Section 8009) to conform with current state court decisions recognizing equalization does not ensure each child is receiving an adequate educational program within a state;
- Bring the construction provision (Section 8007) in line with the original NAFIS construction proposal – increasing formula grants and targeting discretionary payments to Indian Land districts only (does allow “all” districts with increased enrollments of federal students due to a federal action to be considered eligible to apply);
- Make certain changes to the Section 8003(b)(2) – Heavily Impacted group that attempts to standardize both eligibility and district payment calculations;
- Reaffirms the purpose of the program, i.e. tax loss imposed on a school district because of the presence of the Federal Government within the boundaries of the school district; and
- Distribute un-obligated dollars to districts before they revert back to the Treasury

We very much appreciate the opportunity the committee has afforded us to share our views on not only the Administration’s reauthorization, “The Blueprint for Reform,” but to also share with the committee the NAFIS Impact Aid (Title VIII) reauthorization proposal. NAFIS looks forward to working with the committee as you move forward toward ESEA reauthorization. Should either of you or your staff have any questions or wish a more thorough briefing on the NAFIS proposal, please contact me at any time.

Sincerely,



John B. Forkenbrock
Executive Director