

Importance of Impact Aid

Presentation to:

Virginia Military Advisory Council

Presenter:

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Federal Impact Aid

Reimbursement to school districts for lost tax dollars due to the federal presence in a community.

Quality of life issue for military families.

Federal Presence Impact on a Community Tax Base

Examples include:

- Federally owned property is not subject to local real estate property taxes
- Members of the armed forces that have their legal residence in another state may not pay personal property tax or pay vehicle registration fees (Service Members Civil Relief Act)
- Federal government does not pay business license tax
- Commissary sales are not subject to state sales tax
- Members of the armed forces who are not Virginia residents are not subject to Virginia income tax on their military pay

Funding and Uses of Impact Aid

- Impact aid is an operating revenue in school district budgets to cover the cost of teachers, para-educators, bus drivers, instructional equipment and supplies, and so on.
- For the York County School Division it is \$9.45m or 7.5% of the budget. Equates to 189 (20%) teacher positions.
- Funds flow directly from the federal government to school districts based on the counts in the application.
- Federal government funds impact aid at approximately 50% of entitlement. Shifts responsibility to the state and local governments. Often requires school divisions to reduce services.

Eligibility for Funding

Section 8003 – Basic Support Payments for Federally Connected Children

- Nationwide—over 940,000 federally connected students enrolled in over 1,300 districts that enroll over 11 million students.
- In Virginia—over 106,000 federally connected children in 27 districts with a total enrollment of over 726,000 students (14.6% federal impactation).
- Virginia ranks in the top 15 states in the nation for Impact Aid funding.

Impact Aid Application Process

Section 8003

- District conducts the federal student survey. Make sure we get a survey card from each student.
- District works with base housing office to complete source check if appropriate.
- If Table 9 eligible (students displaced due to base housing renovations), district must work with base housing officials to certify the housing that is being renovated.
- District completes and files application with the **USDOE**.