



New Mexico
Indian Affairs Department

Impact Aid – Title VIII A 50 State Comparison

Presented by:

New Mexico Indian Affairs Department

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Impact Aid originated in 1950 to provide Federal compensation to school districts not receiving adequate funding from property taxes



Impact Aid Summary

- ❖ ***Impact Aid is a means to provide federal funds to public schools on Indian reservations***
- ❖ ***Two reasons:***
 - ❖ ***Lack of local tax revenue***
 - ❖ ***The unique needs of a predominately Native American population – specifically to strengthen education programs in general***
- ❖ ***Use of Impact Aid Funds:***
 - ❖ ***Salaries for teachers and teacher aides***
 - ❖ ***Purchasing of textbooks***
 - ❖ ***Computers and other equipment***
 - ❖ ***After-school programs***
 - ❖ ***Remedial tutoring***
 - ❖ ***Advanced placement classes***
 - ❖ ***Special enrichment programs***



Summary Continued.....

❖ Eligibility - Basic Support

❖ Impact Aid Section 8003 establishes several broad categories of federally connected school children who may generate funds for their school districts

- ❖ Child residing on eligible Indian lands (no employment requirement)
- ❖ Child residing on federal property with a parent employed on federal property, on active duty, or an official of a foreign government or foreign military officer
- ❖ Child resides in eligible low-rent housing
- ❖ Child has a parent on active duty



Summary Continued....

❖ Eligibility - Children with disabilities

- ❖ LEAs that serve federally connected children with disabilities may receive an additional payment to assist with the excess costs of providing educational services
- ❖ The services provided must be in accordance with the Individuals with Disabilities Education Act (IDEA) and have a current Individual Education Plan (IEP)
- ❖ **Categorical funding: to be used specifically for the identified service(s)**
- ❖ **Non-categorical: can be used for any school related costs**



Summary Continued....

❖ Section 8007A – Construction Payments

- ❖ This section authorizes payments for capital expenditure assistance to LEAs that receive a Basic Support Payment under section 8003(b)
- ❖ Funds must be used for construction activities:
 - ❖ Preparing drawings and specifications for school facilities
 - ❖ Erecting, building, acquiring, altering, remodeling, repairing or extending school facilities
 - ❖ Inspecting and supervising the construction of school facilities
 - ❖ Debt services for construction activities



State Equalization Guarantee

❖ State Equalization Guarantee (SEG)

- ❖ In 1974 New Mexico Legislature enacted the Public School Finance Act based on a model developed by the National Education Finance Project (NEFP) in 1960/70
- ❖ The formula is designed to distribute operational funds to school districts objectively and in a non-categorical manner
- ❖ Accounts for more than 90% of school districts' operational revenue
- ❖ The SEG is the largest state distribution used to defray most of the districts program costs



SEG Continued....

❖ State Equalization Guarantee (SEG):

❖ SEG Formula:

- ❖ Adds together revenue coming into the district generated through property tax levy and Impact Aid**
- ❖ Multiply the result by 75% (revenue state take credit)**
- ❖ Cash balance credit is forwarded back to the public school district from which the funds were generated to cover program costs**



Funding Calculations

- ❖ Each state uses their local tax rate for their public schools.
- ❖ The funding formula consists of:
 - ❖ Weighted Student Unit (WSU) for Indian students on Indian lands = 1.25
 - ❖ WSU for Spec. Ed. Students = .50
 - ❖ Formula: ***1.25 x student count x state tax rate = generated funds***
 - ❖ SPED: ***.50 x student count x state tax rate = generated funds***



New Mexico

❖ **PED School Budget and Finance Bureau:**

- ❖ Request payment voucher be forwarded from school district
- ❖ Analyst calculates using the State Equalization Guarantee (SEG) formula
- ❖ Balance after calculations is forwarded to school district
- ❖ Normally 80% of the funds are received by Nov/Dec
- ❖ 20% balance can arrive between 1 to 4 years later



New Mexico Continued....

- ❖ Total – 89 public school districts in New Mexico
- ❖ 23 public school districts have significant Native American student populations
- ❖ 20 public school districts apply for Impact Aid funds
- ❖ Impact Aid Funds:
 - ❖ 20 public school districts receive a share of the 25% balance
 - ❖ 69 public school districts receive a share of the 75% balance
- ❖ Some public school districts have opted not to apply for Impact Aid Funds. Example: Santa Fe Public Schools does not apply and they receive funding through the SEG.



RESOURCES

- ❖ National Association of Federally Impacted Schools
 - ❖ <http://www.nafisdc.org>
- ❖ John Forkenbrock, Executive Director, NAFIS
 - ❖ johnfork@nafisdc.org or
 - 444 N. Capitol Street NW, Suite 419
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