

March 5, 2007

Issue: Camden County Schools – Federal Impact Aid

Impact Aid was conceived in 1950 as a vehicle to ensure the federal government pays its share of the educational costs of children in communities with a significant federal presence. Funding is provided to schools “in lieu of taxes” to compensate for a digest reflective of the tax-exempt status granted to military and civilian enterprises on federal property. Since our community bears the responsibility for educating children within its borders, Camden County Schools received **\$6,609,553** in Impact Aid in FY’06, which equates to just over five mills of property tax. The tax digest supporting education would grow by an amount far greater than that received through Impact Aid if businesses operating on Kings Bay were not exempt.

President Bush’s budget proposal for FY’08 freezes Impact Aid at current levels. The President, by not reducing funding during a difficult budget year, recognizes the role Impact Aid plays in federally connected school districts. Although aid is frozen, costs continue to rise, eroding funding available for quality instruction. Fuel and electricity, for example, will cost Camden County Schools **\$1,813,150** in FY’07, which is an 11% increase over FY’05.

Georgia legislators play an important role in protecting Impact Aid because it means so much to the military and civilian families in our state. Collectively, Georgia Schools will receive **\$19,074,517** in Federal Impact Aid in FY’07.

- Impact Aid is funded at 60% of need based on formulas prescribed by the statute
- Impact Aid is not forward funded which means schools depend on the funds included in the FY '07 Labor-HHS-Education Appropriations bill
- The President’s budget fails to recognize the potential effects base realignment and closure and global rebasing will have on the need for Impact Aid funds as soldiers and families transfer back to America’s bases and the schools that serve them
- Impact Aid cannot afford to see across the board cuts to education discretionary programs

Action:

Continued funding for the Impact Aid Program is essential to successfully educate the nation’s federally connected children. We urge congressional support to insure the passage of the Appropriations bill for Labor-HHS-Education without undue delay and to support amendments that would add a minimum of \$2 billion to the bill.

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