



# National Association of Federally Impacted Schools

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## NAFIS Testimony

Oversight Hearing entitled “Native American Education – Examining Federal Programs at the U.S.  
Department of Education”  
U.S. Senate Committee on Indian Affairs  
April 2, 2025

Chairwoman Murkowski, Vice Chairman Schatz, and distinguished Members of the Committee:

Thank you for the opportunity to testify today. My name is Nicole Russell, Executive Director of the National Association of Federally Impacted Schools (NAFIS), and I am here representing more than 1,000 federally impacted school districts nationwide that educate nearly eight million public school students, including over 105,000 students living on Tribal lands. Federally impacted school districts are those which depend on the continued support of Impact Aid—a program that is not only foundational to public education in federally impacted areas but is a critical promise kept between the federal government and Native communities. It provides resources that empower Native American youth with the skills, knowledge, and opportunities to thrive academically, professionally, and personally.

NAFIS is grateful for Congress’s bipartisan support of the Impact Aid program and hopes that strong support will continue. As an example of that, eight committee members have joined the Impact Aid Caucus. Seven signed a bipartisan Dear Colleague letter led by Senator Luján supporting robust Impact Aid funding in FY 2025.

Impact Aid is the oldest elementary and secondary education funding program, celebrating its 75<sup>th</sup> anniversary this year. Impact Aid represents the Federal Government’s responsibility to those local communities where it holds significant non-taxable property, such as Indian trust and restricted fee land, Alaska Native Claims Settlement Act land, military installations, Federal low-rent housing facilities, national parks, national laboratories, and other federal property. Among all student categories for the Section 7003 Basic Support program, those who resided on Indian lands—to use the legal term—are the group that receives the highest weight in formula allocations, and the only group that increased enrollment from FY 2024 to FY 2025. Native American student enrollment is not declining in public schools – it is increasing.

Impact Aid is not a handout. It is a federal obligation—born of treaties, trust responsibility, and the unique status of Tribal lands as non-taxable. In the United States Code, Impact Aid’s statutory purpose acknowledges a need to provide financial assistance to local school districts to, in part, “fulfill the responsibilities of the Federal Government with respect to Indian tribes” (20 U.S.C. 7701). Public schools—including public charter schools—that serve Native American students, military-connected children, and all students in districts impacted by federal lands face significant fiscal

disadvantages because they cannot rely on traditional state and local property tax revenue to fund their schools. Impact Aid exists to bridge that gap. It is the mechanism by which the federal government fulfills its commitment to ensure educational access for these communities.

Additionally, Section 7002 Federal Property program compensates local school districts for federal property and recognizes the trustee relationship that the United States plays in administering trust and restricted fee lands for Tribes or allottees. The Section 7007 Construction Grants program helps pay for the construction and repair of school buildings and sets aside 20 percent for schools who enroll children living on Tribal lands.

### **Keep Impact Aid in the U.S. Department of Education**

Today, we are confronted with serious discussions about the potential dismantling of the U.S. Department of Education and the erosion of federal support for public schools. Eliminating the Department would be devastating for federally impacted school districts and the students they serve—many of whom are Native American. In fact, despite some recent statements that suggest the Department does not play a role in educating Native American students, the vast majority of Native American students (well over 90%) are educated in traditional public schools.

Impact Aid is unique. It is not a program administered with strings attached, and by nature it is flexible to allow for maximum local control. It does not impose curriculum or federal mandates. It is administered efficiently by sending funds directly to school districts, which allows school leaders to make local decisions with local control—precisely the kind of governance many are advocating for today. It does, however, require specialized technical knowledge from the federal program analysts who lead and oversee its implementation. Moving Impact Aid to a different agency would introduce unnecessary bureaucratic hurdles, result in a loss of valuable institutional knowledge, and lead to significant delays in payments to schools serving Native students. If the Department of Education is dismantled, the very schools that heavily rely on Impact Aid will be the first to suffer.

### **Increase Funding for Impact Aid**

Federally impacted school districts cannot afford stagnant or a loss of funding, given their continuing high student needs and high inflation. Despite its importance, Impact Aid has not been fully funded since 1969, leaving schools struggling to fill financial gaps. Since then, a needs-based proration formula determines payments, which is included in the law, adding an additional layer of complexity to an already intricate program. Schools serving Native students must make difficult choices, such as cutting academic programs, delaying facility repairs, or increasing class sizes, all of which negatively impact student outcomes.

Impact Aid is one of the only federal K-12 education programs that is not forward funded so relies on annual appropriations to distribute payments. When Congress passes continuing resolutions that delay final appropriations, many school districts serving large populations of Native American students face uncertainty in budgeting and planning. Ultimately, that can cause delays in hiring and staffing, reduced program offerings, and cash flow challenges that hinder the quality of education that students receive.

Impact Aid was designed to fulfill the federal government's obligation to federally impacted school districts, yet chronic underfunding and delayed payments undermines this responsibility. Fully

funding Impact Aid would provide schools with the financial stability needed to enhance educational opportunities, improve infrastructure, and ensure Native students receive the support they need.

NAFIS is grateful for Senator Luján's and Senator Tillis's leadership of the bipartisan Advancing Toward Impact Aid Full Funding Act. We look forward to the re-introduction this year. That bill would create a five-year plan to fully fund Section 7003 Basic Support and offer a proportional increase to Section 7002 Federal Property. It would also provide substantial boosts to Section 7003(d) Children with Disabilities and Section 7007 Construction. These increases would deliver significant annual funding improvements for school districts, helping ensure all students have the resources they need to reach their full potential.

Many schools that receive Impact Aid are the economic engines that drive the community forward as a major employer and fulfill vital community roles like a disaster shelter and civic center. Federally impacted school districts can use Impact Aid for any legal purpose, including special education services, technology upgrades, and transportation, based on the needs of the local community. These are not luxuries; they are essentials. For Native American students, Impact Aid can provide critical support for culturally relevant instruction, language revitalization programs, teacher housing, and safe, modern school facilities.

### **Invest in School Infrastructure**

Many school facilities serving Native students are in urgent need of repair. Unlike most public schools, federally impacted districts have limited to no bonding capacity or are unable to raise local property taxes to fund school construction or renovation. Impact Aid Construction Grants provide critical funding for infrastructure improvements yet demand far exceeds available resources. Many schools serving Native students operate in buildings that are decades old, with documented health and safety concerns.

The American Society of Civil Engineers (ASCE) recently gave public schools a D+ on its 2025 Infrastructure Report Card, highlighting a projected \$429 billion funding gap for essential renovations between 2024 and 2033, based on current federal investment levels. Without significant reform, this shortfall will continue to grow.

The average public school is 49 years old, reaching the critical 50-year design life, when essential facility systems need major upgrades or replacements. However, less than one half of all public school buildings have undergone significant renovations since construction, and less than one third have seen improvements in the last 15 years. Currently, 41% need HVAC updates, and 28% require upgrades to lighting, roofing, or security systems. In many cases, rebuilding is now more cost-effective than the extensive repairs.

The current Impact Aid Construction allocation of just \$19 million per year is insufficient to meet most internal renovation needs and provides no funding to build new schools or address teacher housing.

That's why we are grateful to Senator Hirono for leading the Impact Aid Infrastructure Partnership Act, which proposes an additional \$250 million per year over four years for the program, providing students and staff in federally impacted school districts with access to safe, modern education

facilities. This legislation also expands the allowable use of Impact Aid Construction funds to include teacher housing, which is a major challenge for many school districts located on Indian lands. These school districts are often remote, and teachers must either live in district-provided housing or commute long distances. This directly affects staff recruitment and retention, as many educators leave these districts for better working conditions, ultimately impacting the quality of education Native students receive.

### **Recognize the Importance of Tribes and Native Families in Education**

Similar to Johnson-O-Malley and Title VI grants, Impact Aid has Tribal consultation requirements. The Indian Policies and Procedures (IPP) provision in the Impact Aid program ensures that school districts receiving Impact Aid funds that serve students who reside on Indian lands meaningfully engage with Tribal representatives and parents of Native American students. These districts must develop and implement IPPs to ensure Native American communities can provide input on educational programs and services affecting their children. School districts must respond to that input, facilitating government-to-government communications with the Tribe on the needs of their children. These policies promote collaboration, transparency, culturally relevant solutions, and on par access to educational resources, aligning with federal requirements to support the unique needs of Native American students in federally impacted districts.

In addition, Tribal partnerships assist school districts in maximizing their Impact Aid payments. Through working with the Tribe, districts can more effectively navigate the Impact Aid student count process—a crucial step in the application cycle that involves certifying each student’s connection to federal land—and ensure that every eligible student is accounted for in the payment formula.

### **Conclusion**

Impact Aid is not just a budget line item. It reflects this nation's moral and legal obligation to Native communities. Eliminating or reducing it would break faith with generations of families who have entrusted their children to the public school system under the premise that the federal government would do its part.

I urge this committee—and the full Senate—to protect and prioritize Impact Aid. If anything, it should be expanded, not endangered. The education of Native American students, the next generation of Native leaders, and the integrity of our nation’s promises, depend on it.

Thank you for your time, your attention, and your continued commitment to tribal nations and federally impacted communities.