

## Impact Aid – Why is it unique in Kansas?

Kansas uses an equalization school funding formula, approved by the U.S. Department of Education, which allows districts to deduct 30% of the federal impact aid they receive in computing state aid. Impact aid funds may be used in whatever manner the district chooses in accordance with their local and State requirements. The purpose of this formula is to provide equal education to all students in Kansas.

There is no property tax levied against federal property, i.e. military installations, etc.

In Kansas, the School District Finance and Quality Performance Act provides the formula for computing state aid for unified school districts in Kansas. When a Kansas school district loses property tax revenue due to federal lands, the state aid is automatically increased to make up for the loss of this revenue. Instead of deducting 100% of the federal impact aid, Kansas only deducts 70% of the federal impact aid. Due to the formula, the school district receives the state aid, plus the 30% of impact aid.

In addition to the general state aid a district receives, the law allows local school boards to approve additional spending in the form of a local option budget. The local option budget allows districts to raise money locally for enhancing their educational programs. State law places a number of restrictions on the adoption of local option budgets.

## More on Impact Aid....

Many local school districts across the United States include within their boundaries parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls by the Federal Government, including Indian lands. These school districts face special challenges — they must provide a quality education to the children living on the Indian and other Federal lands and meet the requirements of the No Child Left Behind Act, while sometimes operating with less local revenue than is available to other school districts, because the Federal property is exempt from local property taxes.

Since 1950, Congress has provided financial assistance to these local school districts through the Impact Aid Program. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands. The Impact Aid law (now Title VIII of the Elementary and Secondary Education Act of 1965 (ESEA)) provides assistance to local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, or other Federal properties and, to a lesser extent, concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property.