

Department of Education
IMPACT AID
Fiscal Year 2012 Budget Request

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NOTE

A regular 2011 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-322, Dec. 22, 2010; 124 Stat 3518) that provides funding through March 4, 2011. No new language is included for this account. All programs are authorized under the expired Elementary and Secondary Education Act; when new authorizing legislation for the Elementary and Secondary Education Act is enacted, a budget request for these programs will be proposed.

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Amounts Available for Obligation
(\$000s)

	2010	2011 CR	2012
Discretionary appropriation:			
Appropriation	\$1,276,183	0	\$1,276,183
Annualized CR (PL 111-322)	<u>0</u>	<u>\$1,276,183</u>	<u>0</u>
Subtotal, discretionary appropriation	1,276,183	1,276,183	1,276,183
Unobligated balance, start of year	19,103	3,704	3,704
Unobligated balance, start of year, Recovery Act	60,309	0	0
Recovery of prior-year obligations	2,046	0	0
Recovery of prior-year obligations, Recovery Act	53	0	0
Unobligated balance expiring	-128	0	0
Unobligated balance expiring, Recovery Act	-1	0	0
Unobligated balance, end of year	<u>-3,704</u>	<u>-3,704</u>	<u>-21,213</u>
Subtotal, direct obligations	1,293,500	1,276,183	1,258,674
Subtotal, direct obligations, Recovery Act	<u>60,361</u>	<u>0</u>	<u>0</u>
Total, direct obligations	1,353,861	1,276,183	1,258,674

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Obligations by Object Classification
(\$000s)

	2010	2011 CR	2012
Personnel compensation and benefits:			
Full-time permanent, Recovery	\$66	0	0
Other personnel compensation, Recovery	12	0	0
Civilian personnel benefits, Recovery	<u>17</u>	<u>0</u>	<u>0</u>
Subtotal, Personnel compensation	95	0	0
Contractual services and supplies:			
Advisory and assistance services	0	\$10	\$10
Peer review	0	0	20
Peer review, Recovery	58	0	0
Other services	1	50	50
Purchases of goods and services from			
Government accounts	0	20	20
Supplies and Materials, Recovery	<u>1</u>	<u>0</u>	<u>0</u>
Subtotal, Contractual services	60	80	100
Grants	1,293,499	1,276,103	1,258,574
Grants, Recovery	<u>60,207</u>	<u>0</u>	<u>0</u>
Subtotal	1,353,706	1,276,103	1,258,574
Subtotal, obligations	1,293,500	1,276,183	1,258,674
Subtotal, Recovery obligations	<u>60,361</u>	<u>0</u>	<u>0</u>
Total, obligations	1,353,861	1,276,183	1,258,674

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Authorizing Legislation
(\$000s)

Activity	2011 Authorized	2011 CR Estimate	2012 Authorized	2012 Request
Payments for federally connected children:				
Basic support payments (<i>ESEA-VIII-8003(b) and (e)</i>)	0 ¹	\$1,138,000	0 ¹	\$1,138,000
Payments for children with disabilities (<i>ESEA-VIII-8003(d)</i>)	0 ¹	48,602	0 ¹	48,602
Facilities maintenance: (<i>ESEA-VIII-8008</i>)	0 ¹	4,864	0 ¹	4,864
Construction (<i>ESEA-VIII-8007</i>)	0 ^{1,2}	17,509 ³	0 ¹	17,509 ⁴
Payments for Federal property (<i>ESEA-VIII-8002</i>)	<u>0¹</u>	<u>67,208</u>	<u>0¹</u>	<u>67,208</u>
Total definite authorization				
Total appropriation (request subject to reauthorization)		1,276,183		1,276,183

¹ The GEPA extension expired September 30, 2008; Reauthorizing legislation is sought for FY 2012.

² The statute provides that 40 percent of the funds appropriated for Construction under section 8007 shall be used to make formula payments under section 8007(a) and 60 percent shall be used to make competitive awards under section 8007(b).

³ The 2011 CR estimate is based on appropriations language in 2010 making Construction funds available for formula grants only.

⁴ The Administration proposes that the Construction funds requested in fiscal year 2012 be available for competitive awards only.

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Appropriations History
(\$000s)

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2003	\$1,140,500	\$1,185,000	\$1,176,500	\$1,188,226
2004	1,015,500	1,238,324	1,193,226	1,229,527
2005	1,229,527	1,250,893	1,229,527	1,243,862
2006	1,240,862	1,240,862	1,240,862	1,228,453
2007	1,228,453	N/A ¹	N/A ¹	1,228,453
2008	1,228,100	1,278,453	1,248,453	1,240,717
2009	1,240,718	1,290,718 ²	1,240,718 ²	1,265,718
Recovery Act Supplemental (PL 111-5)	0	100,000	100,000	100,000
2010	1,265,718	1,290,718	1,265,718 ³	1,276,183
2011	1,276,183	1,276,183 ⁴	1,296,183 ³	1,276,183 ⁵
2012	1,276,183			

¹ This account operated under a full-year continuing resolution (P.L. 110-5). House and Senate Allowance amounts are shown as N/A (Not Available) because neither body passed a separate appropriations bill.

²The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

³ The level for the Senate allowance reflects Committee action only.

⁴ The level for the House allowance reflects the House-passed full-year continuing resolution.

⁵ The level for appropriation reflects the continuing resolution (P.L. 111-322) passed December 22, 2010..

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)

Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Impact Aid						
1. Payments for federally connected children:						
(a) Basic support payments (ESEA VIII, section 8003(b))	D	1,138,000	1,138,000	1,138,000	0	0.0%
(b) Payments for children with disabilities (ESEA VIII, section 8003(d))	D	48,602	48,602	48,602	0	0.0%
2. Facilities maintenance (ESEA VIII, section 8008)	D	4,864	4,864	4,864	0	0.0%
3. Construction (ESEA VIII, section 8007)	D	17,509	17,509	17,509	0	0.0%
4. Payments for Federal property (ESEA VIII, section 8002)	D	67,208	67,208	67,208	0	0.0%
Total	D	1,276,183	1,276,183	1,276,183	0	0.0%

NOTES: Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

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Summary of Request

The Impact Aid program provides financial assistance to school districts affected by Federal activities. The presence of certain children living on Federal property across the country can place a financial burden on the local educational agencies (LEAs) that educate them. The property on which the children live is exempt from local property taxes, denying LEAs access to the primary source of revenue used by most communities to finance education. These communities must, therefore, provide for the education of their federally connected children from other revenue sources. Impact Aid helps replace the lost local revenue that would otherwise be available to LEAs to pay for the education of these children.

The Administration requests level funding of \$1.28 billion in fiscal year 2012 for Impact Aid payment authorities, including:

- \$1.138 billion for **Basic Support Payments** on behalf of federally connected children. These funds provide grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs.
- \$48.6 million for **Payments for Children with Disabilities**. These payments are made on behalf of federally connected children with disabilities in order to help eligible LEAs meet the mandate under the Individuals with Disabilities Education Act to provide a free appropriate public education to all children with disabilities.
- \$4.9 million for **Facilities Maintenance**. The Department of Education owns and maintains 24 school facilities that originally were built to enable LEAs and the Department of Defense to educate federally connected students. The request would enable the Department of Education both to continue to transfer these schools to LEAs and to make emergency repairs to the remaining school buildings.
- \$17.5 million for **Construction** payments to LEAs, with the money to be used only for the competitive portion of the program. LEAs generally pay for most of their school construction costs using local, as opposed to State and Federal, resources and rely on property taxes to finance these costs. Competitive grants assist federally affected LEAs that do not have access to those local resources in making emergency repairs and renovations and modernizing schools.
- \$67.2 million for **Payments for Federal Property**. This authority provides payments to LEAs in which real property owned by the Federal Government generally represents 10 percent or more of the assessed value of real property in the LEA.

The Impact Aid programs are among the Elementary and Secondary Education programs subject to reauthorization. The Administration is proposing minor changes to these programs.

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(Elementary and Secondary Education Act, Title VIII, section 8003(b) and (e))

FY 2012 Authorization (\$000s): 0 ¹

Budget Authority (\$000s):

<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
\$1,138,000 ²	\$1,138,000	0

¹ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2012.

² Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

PROGRAM DESCRIPTION

Impact Aid Basic Support Payments compensate local educational agencies (LEAs) for the expense of educating federally connected children. In communities across the country, the presence of Federal activities can both increase the number of students and decrease the local property tax base, which is the major source of revenue for education in most LEAs. Basic Support Payments go into the general funds of these LEAs, which use them for such expenses as teacher salaries, computers, curricular materials, regular and special instruction programs, and utilities.

The Impact Aid statute authorizes Basic Support Payments to LEAs on behalf of the following categories of federally connected students:

(A) students who live on Federal property with a parent employed on Federal property situated in whole or in part within the boundaries of the LEA, or with a parent who is a foreign military officer accredited by a foreign government;

(B) students who live on Federal property and who have a parent on active duty in the uniformed services of the United States;

(C) students who live on certain Indian lands;

(D) students who do not live on Federal property but who have a parent on active duty in the uniformed services of the United States, or a parent who is a foreign military officer accredited by a foreign government;

(E) students who reside in a low-rent housing project assisted under the United States Housing Act of 1937;

(F) students who live on Federal property but otherwise do not fit into any of the categories described above; and

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(G) students who do not reside on Federal property but who have a parent employed on Federal property situated in whole or in part in the same State as the LEA.

An LEA that claims students living on Indian lands under category (C) is required to consult with the parents and tribes of these children concerning their education and to ensure that these children receive equal educational opportunities. The LEA must develop and file with the Department a set of Indian policies and procedures describing how it meets this requirement. Children living on Indian lands receive a weight of 1.25 in the Basic Support Payments formula, higher than the weights assigned to other categories of federally connected children. These children often are disadvantaged and live in isolated rural areas, factors that can result in increased costs to the school districts that serve them.

The law authorizes two different types of Basic Support Payments: Regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. Under the statutory payment formula, funds are used first to make the maximum payment for each of the heavily impacted LEAs. The remaining funds are used to make regular Basic Support Payments.

Regular Basic Support Payments (section 8003(b)(1))

An LEA is eligible for Basic Support Payments only if the total number of eligible federally connected students described above is at least 400 in average daily attendance or 3 percent of total average daily attendance. In order to receive payments on behalf of students in categories (F) and/or (G) (formerly referred to as "civilian b's"), an LEA must have at least 1,000 such students in average daily attendance, or the number of such students must equal or exceed 10 percent of the total average daily attendance in that LEA.

To determine the *maximum payment* an LEA may receive, the statute specifies weights for each category of federally connected students. The formula multiplies this weighted student count by the greatest of four *local contribution rates* (LCRs), which are intended to represent the local share of the cost of educating these students, to determine the LEA's maximum payment. The four LCR options are:

- one-half of the U.S. average per-pupil expenditure for education;
- one-half of the State per-pupil expenditure (SPPE);
- the LCR of comparable LEAs in the State; and
- the product of the SPPE and the *local contribution percentage* (the percentage of education expenditures that comes from the local level) in the State.

If appropriations are insufficient to make maximum payments in full, the formula reduces maximum payments by multiplying them by a percentage, called the *Learning Opportunity Threshold* (LOT) percentage, which is the sum of:

- the percentage of the LEA's students in average daily attendance who are federally connected; and
- its maximum payment under the Basic Support Payments formula as a percentage of total current expenditures.

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The sum of these two percentages may not exceed 100 percent. In addition to this maximum LOT, LEAs with an enrollment of fewer than 1,000 students and a per-pupil expenditure below the State or national average receive a minimum LOT of 40 percent. A LOT percentage, when multiplied by a maximum payment, results in a LOT payment. If the appropriation is insufficient to provide LOT payments in full, the formula ratably reduces these payments. If the level of funding exceeds the level needed to fund LOT payments fully, but is insufficient to provide maximum payments to all LEAs, the formula ratably increases these payments above the LOT. These ratably increased LOT payments, however, may not exceed an LEA's maximum payment.

Basic Support Payments for Heavily Impacted LEAs (section 8003(b)(2))

The eligibility criteria and payment formulas for Basic Support Payments for Heavily Impacted LEAs are particularly complex. There are two sets of eligibility criteria. One set is for LEAs that received these payments in fiscal year 2000 and the second, more stringent set is for all other eligible LEAs. The latter LEAs were not eligible to receive payments until fiscal year 2002. LEAs that received a payment in fiscal year 2000 and fail to meet the eligibility criteria in a subsequent year continue to receive a Basic Support Payment for Heavily Impacted LEAs in the first year that they fail to meet the criteria.

The "heavily impacted" payments are based on a formula that is similar to the regular Basic Support Payments but that produces much larger payments for the heavily impacted LEAs. Under the formula for heavily impacted LEAs, LEAs receive funds on behalf of students in categories (F) and (G) (formerly referred to as civilian "b's") even if the number of those students falls below the threshold of 1,000 or 10 percent that applies to regular Basic Support Payments. Moreover, many recipients' payments are based on substantially higher weights for federally connected students than apply to regular payments for the same types of students. Heavily impacted LEAs receive higher weights for their federally connected students based on the number of students in the LEA, the composition of the students within the LEA, or a combination of the two. For instance, federally connected students receive weights ranging from .05 to 1.35 under the regular Basic Support Payments formula, but receive a weight of 1.75 per student under the Basic Support Payments for Heavily Impacted LEAs formula, provided that the LEA has 100 or fewer federally connected students.

The local contribution rates (LCRs) are also much higher under the heavily impacted formula. They are the higher of:

- 80 percent of the U.S. average per-pupil expenditure for education; or
- 80 percent of the SPPE.

Basic Support Payments for Heavily Impacted LEAs are not reduced by the LOT, nor are they reduced when funds are insufficient to fully fund LOT payments for LEAs under section 8003(b)(1). Heavily Impacted LEAs receive their maximum Heavily Impacted payments so long as funding is sufficient to cover the maximum payments for these LEAs.

The authorizing law also makes an LEA meeting certain unique criteria eligible for Basic Support Payments for Heavily Impacted LEAs. A school district is eligible under this provision if:

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- its boundaries are identical to island property designated by the Secretary of the Interior as being held in trust by the Federal Government,
- it has no taxing authority, and
- it received a regular Basic Support Payment in fiscal year 2001.

Funding levels for the past 5 fiscal years were:

	(\$000s)
2007	\$1,091,867
2008	1,105,535
2009	1,128,535
2010	1,138,000
2011 CR	1,138,000

FY 2012 BUDGET REQUEST

For 2012, the Administration requests \$1.138 billion for Basic Support Payments, the same as the 2011 CR level.

The request recognizes that the so-called “a” students (Indian, military, and civilian) – primarily students who reside on Indian lands or who reside on and whose parents work on Federal property – represent a major financial expense for LEAs that must educate them. LEAs lack the ability to raise funds to educate these students using property taxes, which are the primary source of local revenue for public education costs, because federally owned land and Indian lands are exempt from local taxes.

Although the presence of the so-called “b” students (military, civilian, and low-rent housing) residing on, or whose parents work on, private property does not create the same financial burden for LEAs, it is still significant. The families of military “b’s” pay property taxes on their residences but typically pay little in sales tax and, often, because of the Soldiers and Sailors Relief Act, do not pay income taxes to their State or locality of residence. While all types of “b” students either reside on, or have parents who work on, property that the district cannot tax, the education of children who reside in low-rent housing is particularly costly to districts because these children bring to schools all the issues associated with poverty.

The 2012 request level would be sufficient to maintain the Department’s commitment to more than 937,000 federally connected students. While LEAs may expend their payments for either current operations or capital costs, the program’s formula is designed to compensate LEAs for current expenditures for educating federally connected students. Most districts report that they use Basic Support Payments for payroll and general operating expenditures.

The Basic Support Payments program is authorized by the Elementary and Secondary Education Act of 1965 and is, therefore, subject to reauthorization. The Administration is proposing some changes to this authority, most notably basing payment calculations on current-year data rather than prior-year data for districts that experience enrollment increases of greater

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than 100 students or 10 percent of their total federally connected students as a direct result of global rebasing. The Administration's request assumes that the program will be implemented under the reauthorization in fiscal year 2012.

PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
All eligible LEAs			
Number of LEAs receiving payments	1,203	1,203	1,203
Range of payments	\$295- 52,874,792	\$300- 52,874,792	\$300- 52,874,792
Regular LEAs			
Number of LEAs receiving Payments	1,176	1,172	1,172
Range of payments	\$295- 39,719,204	\$300- 39,719,204	\$300- 39,719,204
Heavily impacted LEAs			
Number of LEAs receiving Payments	27	23	23
Range of payments	\$956,560- 52,874,792	\$956,560- 52,874,792	\$956,560- 52,874,792
Number of federally connected students			
In all eligible LEAs	937,981	937,981	937,981
In regular LEAs	879,834	886,825	886,825
In heavily impacted LEAs	58,147	51,156	51,156
Total payments for students			
In regular LEAs	\$904,373,384	\$932,334,844	\$932,334,844
In heavily impacted LEAs	\$233,626,616	\$205,665,156	\$205,665,156
Average payment per student			
In all LEAs	\$1,213	\$1,213	\$1,213
In regular LEAs	\$1,028	\$1,050	\$1,050
In heavily impacted LEAs	\$4,018	\$4,020	\$4,020
Percentage of LEAs by size of payment			
\$1-4,999	5.8%	5.8%	5.8%
\$5,000-49,999	32.9%	32.3%	32.3%
\$50,000-499,999	39.2%	39.4%	39.4%
\$500,000 or more	22.1%	22.5%	22.5%

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PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
Total dollar amount of payments by size of payment			
\$1-4,999	\$175,068	\$177,477	\$177,477
\$5,000-49,999	\$8,386,909	\$8,149,426	\$8,149,426
\$50,000-\$499,999	\$88,107,207	\$87,509,838	\$87,509,838
\$500,000 or more	\$1,041,330,816	\$1,042,163,259	\$1,042,163,259
Average payment per child by percentage of federally connected children			
0-19 percent	\$197	\$200	\$200
20-39 percent	\$889	\$900	\$900
40-59 percent	\$3,178	\$3,133	\$3,133
60-79 percent	\$4,759	\$4,763	\$4,763
80 percent or more	\$6,467	\$6,467	\$6,467
Number of students			
“a” students ¹	228,187	228,187	228,187
Indian “a” students	114,216	114,216	114,216
Military “a” students	111,080	111,080	111,080
Civilian “a” students	2,891	2,891	2,891
“b” students ²	709,794	709,794	709,794
Military “b” students	249,179	249,179	249,179
Low-rent housing “b” students	248,491	248,491	248,491
Civilian “b” students	212,124	212,124	212,124
Total payments			
“a” students ¹	\$995,145,376	\$997,127,931	\$997,127,931
Indian “a” students	\$577,105,014	\$579,022,779	\$579,022,779
Military “a” students	\$411,649,426	\$411,661,757	\$411,661,757
Civilian “a” students	\$6,390,936	\$6,443,395	\$6,443,395
“b” students ²	\$142,854,624	\$140,872,069	\$140,872,069
Military “b” students	\$101,254,749	\$101,352,729	\$101,352,729
Low-rent housing “b” students	\$17,122,278	\$17,164,586	\$17,164,586
Civilian “b” students	\$24,477,597	\$22,354,754	\$22,354,754

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PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
Average payments per child			
“a” students ¹	\$4,361	\$4,370	\$4,370
Indian “a” students	\$5,053	\$5,070	\$5,070
Military “a” students	\$3,706	\$3,706	\$3,706
Civilian “a” students	\$2,211	\$2,229	\$2,229
“b” students ²	\$201	\$198	\$198
Military “b” students	\$406	\$407	\$407
Low-rent housing “b” students	\$69	\$69	\$69
Civilian “b” students	\$115	\$105	\$105
Cost of fully funding maximum payments	\$1,923,966,286	\$1,921,784,991	\$1,921,784,991

Note: All figures are estimates based on student count and payment data from 2010.

¹ “a” students are generally those students who live on Indian lands or whose parents both live and work on Federal property, as defined in subsections 8003(a)(1)(A)-(C).

² “b” students are generally those students who either reside on Federal land with their parents or whose parents work on Federal land, as defined in subsections 8003(a)(1)(D)-(G).

PROGRAM PERFORMANCE INFORMATION

Performance measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2012 and future years, and the resources and efforts invested by those served by this program.

Goal: To provide appropriate financial assistance for federally connected children who present a genuine burden to their school districts.

Objective: *Properly compensate districts for revenue lost due to a Federal presence.*

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Measure: The percentage of Basic Support Payment recipients (excluding districts that receive payments for “heavily impacted” districts) that have per-pupil expenditures between 80 and 120 percent of their State average per-pupil expenditure.		
Year	Target	Actual
2007		63.9
2008		61.8
2009	65	62.7
2010	65	
2011	65	
2012	67	

Measure: The percentage of Basic Support Payment recipients designated as “heavily impacted” districts that have per-pupil expenditures between 80 and 120 percent of their State average per-pupil expenditure.		
Year	Target	Actual
2007		50.0
2008		55.6
2009	60	60.7
2010	60	
2011	60	
2012	75	

Additional information: These measures, developed by the Department in 2008, serve as proxies for how well Impact Aid payments make up for the revenue lost due to the presence of federally connected students. Districts spending more than 20 percent above or below the State average are likely being under- or over-compensated. In 2009, 31.8 percent of regular districts spent more than 120 percent of the State average while 39.3 percent of heavily impacted districts spent more than 120 percent of the State average. Targets were set using 2006 data as the baseline with short-term targets set for 2009 through 2011 and a long-term target set for 2012. Data compiled for 2009 show that the target was met for heavily impacted districts but not for the regular districts, though there was an improvement over 2008. Performance data for 2010 will be available in late summer or early fall of 2011, after expenditure data have been reviewed and payment data have been calculated.

Efficiency measures

Measure: The number of requests to forgive overpayments of Basic Support Payments.		
Year	Target	Actual
2007	10	4
2008	10	2
2009	10	7
2010	10	1
2011	10	
2012	10	

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Additional information: This performance measure provides a proxy for calculating the extent to which the Department's payments are accurate. The data show that the accuracy of payments has not been a recent problem. The Department did not receive any overpayment forgiveness requests from LEAs in FY 2010.

Measure: The percentage of eligible applicants that receive initial Basic Support Payments within 60 days after the enactment of an appropriation.		
Year	Target	Actual
2007	90	94
2008	90	86
2009	90	95
2010	90	87
2011	90	
2012	90	

Additional information: This measure tracks the timeliness of Basic Support Payments made by the Department. In the past 4 years, the Department's performance has alternated between successfully meeting the performance target and falling slightly below the target.

Other Performance Information

The Department contracted for a study of the Impact Aid program in 2007 that examined the financial burdens that school districts face due to a Federal presence and how well Impact Aid funds are targeted to those affected districts. While targeting of funds to the districts with the greatest financial need was found to be poor overall, the analysis found better results with models that excluded heavily impacted districts and districts with Indian lands.

The Department contracted for additional analyses in 2008, published in 2010, that expanded on the previous study by examining the extra costs of educating students living on Indian lands, determining the impact of the Local Contribution Rates (LCRs) on the formula allocations, and developing an improved model to track the performance of the funding formula. The second evaluation study found that districts serving students living on Indian lands face higher costs of education associated with higher need, due to many of the same challenges that districts serving other minority groups face as well as challenges unique to Native American populations, including geographic isolation and unique cultural needs. In looking at the various local contribution rate options that exist in the current Basic Support Payments formula, the study found that the elimination of the National Average Per-Pupil spending as a local contribution rate would narrow the difference in per-pupil spending between Impact Aid districts and comparable non-Impact Aid districts but would not improve the targeting of funds to districts with the greatest need.

Finally, a new option for a performance measure that measures how well Impact Aid funds are compensating districts for the loss of revenue associated with a Federal presence was discussed and analyzed in the study. The Department plans to test this option and determine whether it should be used in place of the current performance measures that measure compensation.

IMPACT AID

Payments for children with disabilities

(Elementary and Secondary Education Act, Title VIII, section 8003(d))

FY 2012 Authorization (\$000s): 0¹

Budget Authority (\$000s):

<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
\$48,602 ²	\$48,602	0

¹ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2012.

² Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

PROGRAM DESCRIPTION

The Individuals with Disabilities Education Act (IDEA) mandates that local educational agencies (LEAs) provide a free appropriate public education to students with disabilities, whose educational costs are generally higher than those of other students. Payments for Children with Disabilities provides supplemental assistance to LEAs that are deprived of local revenue due to a Federal presence by providing a portion of the cost of educating federally connected students with disabilities that, in other LEAs, is met with local funds.

ESEA section 8003(d)(1) authorizes payments for the following categories of federally connected students who are eligible for services under the IDEA:

(A) students who live on Federal property with a parent who is a foreign military officer accredited by a foreign government;

(B) students who live on Federal property and who have a parent on active duty in the uniformed services of the United States;

(C) students who live on Indian lands; and

(D) students who do not live on Federal property but who have a parent on active duty in the uniformed services of the United States or a parent who is a foreign military officer accredited by a foreign government.

Available funds are paid to LEAs based on the number of eligible students with disabilities enrolled in each LEA, except that a student in category (D) receives one-half of the weight provided for students in categories (A), (B), and (C). Funds are ratably distributed based on the weighted student count.

LEAs that receive payments under this authority must use the funds to provide the students who are counted with a free appropriate public education in accordance with the IDEA. These

IMPACT AID

Payments for children with disabilities

payments are intended to help pay the "excess costs" of educating these students (that is, those costs that are greater than what is spent on educating a student without a disability).

Funding levels for the past 5 fiscal years were:

	(\$000s)
2007	\$49,466
2008	48,602
2009	48,602
2010	48,602
2011 CR	48,602

FY 2012 BUDGET REQUEST

For 2012, the Administration requests \$48.602 million for Payments for Children with Disabilities, the same as the 2011 CR level. These payments would be made on behalf of federally connected children with disabilities in order to help eligible LEAs meet the mandate under the Individuals with Disabilities Education Act (IDEA) to provide a free appropriate public education to all children with disabilities.

Payments for Children with Disabilities help federally affected LEAs provide the special education services required by the Individuals with Disabilities Education Act. A Department publication, *What Are We Spending on Special Education Services in the United States, 1999-2000*, estimated the cost of educating a student with a disability to be about twice the amount needed for the typical regular education student with no special needs. In 2012, using the national average per-pupil expenditure as the measure of excess cost of educating a federally connected student with a disability, the combination of IDEA funds and Payments for Children with Disabilities would provide, on average, 25 percent of the excess cost to eligible LEAs. The supplemental funding under this authority is justified because federally affected LEAs are unable to tax Federal property even though they educate children with disabilities who reside with their parents on Federal lands.

The Payments for Children with Disabilities program is authorized by the Elementary and Secondary Education Act of 1965 and is, therefore, subject to reauthorization. The Administration is not proposing changes to this authority.

IMPACT AID

Payments for children with disabilities

PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
School districts			
Number of LEAs receiving payments	897	897	897
Range of payments	\$534- 1,402,091	\$534- 1,402,091	\$534- 1,402,091
Percentage of payments by size of payment			
\$1-4,999	20.4%	20.4%	20.4%
\$5,000-19,999	33.1%	33.1%	33.1%
\$20,000-99,999	33.7%	33.7%	33.7%
\$100,000 or more	12.8%	12.8%	12.8%
Total dollar amount of payments by size of payment			
\$1-4,999	\$455,091	\$455,091	\$455,091
\$5,000-19,999	\$3,302,143	\$3,302,143	\$3,302,143
\$20,000-99,999	\$14,118,992	\$14,118,992	\$14,118,992
\$100,000 or more	\$30,725,774	\$30,725,774	\$30,725,774
Number of "a" students eligible ¹	30,739	30,739	30,739
Number of "b" students eligible ²	<u>23,220</u>	<u>23,220</u>	<u>23,220</u>
Total eligible students	53,959	53,959	53,959
Total funding for "a" students	\$35,277,725	\$35,277,725	\$35,277,725
Total funding for "b" students	\$13,324,275	\$13,324,275	\$13,324,275
Average payment per "a" student	\$1,148	\$1,148	\$1,148
Average payment per "b" student	\$574	\$574	\$574
Average payment per student ³	\$901	\$901	\$901
Average IDEA Grants to States funding per student	<u>\$1,736</u>	<u>\$1,735</u>	<u>\$1,765</u>
Total average Federal funding per student	\$2,637	\$2,636	\$2,666

Note: All figures are estimates based on student count and payment data from 2010.

¹ "a" students are generally those students who live on Indian lands or whose parents both live and work on Federal property, as defined in subsections 8003(a)(1)(A)-(C).

² "b" students are generally those students who either reside on Federal land with their parents or whose parents work on Federal land, as defined in subsections 8003(a)(1)(D)-(G).

³ Impact Aid Payments for Children with Disabilities.

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Payments for children with disabilities

PROGRAM PERFORMANCE INFORMATION

Performance measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2012 and future years, and the resources and efforts invested by those served by this program.

Efficiency measures

Measure: The number of requests to forgive overpayments of Payments for Children with Disabilities.		
Year	Target	Actual
2007	10	4
2008	10	2
2009	10	7
2010	10	0
2011	10	
2012	10	

Additional information: This performance measure provides a proxy for calculating the extent to which the Department's payments are accurate. The data show that the accuracy of payments has not been a recent problem. The Department did not receive any overpayment forgiveness requests in FY 2010.

Measure: The percentage of eligible applicants who receive initial Payments for Children with Disabilities within 60 days after the enactment of an appropriation.		
Year	Target	Actual
2007	90	94
2008	90	86
2009	90	95
2010	90	87
2011	90	
2012	90	

Additional information: This measure tracks the timeliness of Basic Support Payments made by the Department. In the past 4 years, the Department's performance has alternated between successfully meeting the performance target and falling slightly below the target. In FY 2010, the Department made initial payments to 87 percent of eligible applicants within 60 days after the enactment of the 2010 appropriation, a decrease from the previous year.

IMPACT AID

Facilities maintenance

(Elementary and Secondary Education Act, Title VIII, section 8008)

FY 2012 Authorization (\$000s): 0 ¹

Budget Authority (\$000s):

<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
\$4,864 ²	\$4,864	0

¹ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2012.

² Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

PROGRAM DESCRIPTION

Section 8008 of the Elementary and Secondary Education Act (ESEA) authorizes funding for emergency repairs and for comprehensive capital improvements to schools that the Department of Education (ED) owns but that local educational agencies (LEAs) use to serve federally connected military dependent students. In addition, the law mandates that the Secretary transfer these facilities to the appropriate LEAs or other entities as soon as practicable. ED may not charge LEAs for the use of these school buildings, and ED must gain an LEA's consent to accept them. Subject to these restrictions, ED may make the transfers on such terms as the Secretary deems appropriate. Funds for this program are available until expended.

Currently, the Department owns 42 schools that are on military bases and serve students whose parents are in the armed forces. Either the Department of Defense (DoD) or LEAs operate these schools. Since 1983, DoD has assumed financial responsibility for maintenance and renovation for the majority of these school facilities, which DoD operates as Domestic Dependents Elementary and Secondary Schools (DDESSs). The DoD is currently responsible for 21 facilities while ED continues to be directly responsible for the other 21, which LEAs operate and use to educate military dependent students.

Funding levels for the past 5 fiscal years were:

	(\$000s)
2007	\$4,950
2008	4,864
2009	4,864
2010	4,864
2011 CR	4,864

IMPACT AID

Facilities maintenance

FY 2012 BUDGET REQUEST

For 2012, the Administration requests \$4.864 million for Facilities Maintenance, the same as the 2011 CR level. These funds would be used to upgrade and transfer school facilities currently owned by ED to local educational agencies (LEAs), which can manage school buildings in their communities more effectively than can the Federal Government. In addition, funds would be used to provide emergency repairs, such as correcting health and safety hazards, in school facilities owned by ED that have not yet been transferred.

Since fiscal year 2008, ED has completed the transfer to DoD at no cost to ED, titles to 38 facilities that the Department of Defense operates as Domestic Dependents Elementary and Secondary Schools (DDESSs) bringing the remaining number of schools owned by ED to the current 42. ED is in the final stages of transferring to DoD the titles to the remaining 21 facilities funded and operated by DoD.

LEAs operate the 21 remaining school facilities for which ED will continue to be responsible. In many instances, these facilities are deteriorated, overcrowded, or otherwise do not meet current standards. Most LEAs are unwilling to accept the schools unless ED provides sufficient funds to the LEA to correct the problems.

The estimated total cost for repairs and renovations to all 21 schools is approximately \$105 million, a per-school cost of approximately \$5 million.

The Facilities Maintenance program is authorized by the Elementary and Secondary Education Act of 1965 and is, therefore, subject to reauthorization. The Administration is not proposing changes to this authority.

PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
Number of properties receiving emergency repairs	1	2	2
Number of facilities transferred (owned by ED and operated by LEAs)	1	2	2

IMPACT AID

Facilities maintenance

PROGRAM PERFORMANCE INFORMATION

The Department's measure of progress for this program is the number of schools removed from the inventory of ED-owned facilities through transfers to LEAs. (The measure does not include no-cost transfers to DoD, as the maintenance of those schools is not supported through the program. However we will continue to track these DoD transfers until all of that inventory is accepted by DoD.) Since 1999, the number of schools for which the Department is responsible has decreased by 60 percent, from 53 to 21, thus reducing the Federal Government's responsibility for maintenance and renovation.

IMPACT AID

Construction

(Elementary and Secondary Education Act, Title VIII, section 8007)

FY 2012 Authorization (\$000s): 0¹

Budget Authority (\$000s):

<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
\$17,509 ²	\$17,509	0

¹ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2012.

² Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

PROGRAM DESCRIPTION

Section 8007 authorizes both formula and competitive grants to support school construction in local educational agencies (LEAs) that educate federally connected students or have federally owned land. The authorizing law provides that 40 percent of appropriated funds must be used for formula grants under section 8007(a) and 60 percent for competitive grants under section 8007(b). However, in fiscal years 2006, 2007, 2010 and under the 2011 CR, funds were provided only for the formula grants, and in 2008 and 2009 funds were provided only for the competitive grants.

Formula grants (section 8007(a))

Three categories of LEAs are eligible for formula Construction grants:

- those in which the number of students living on Indian lands is at least 50 percent of the LEA's total average daily attendance and that receive a regular Basic Support Payment;
- those in which the number of students with a parent in the uniformed services is at least 50 percent of the LEA's total average daily attendance and that receive a regular Basic Support Payment; and
- those that receive Basic Support Payments for Heavily Impacted LEAs.

One-half of the formula funds are paid to eligible LEAs on behalf of students residing on Indian lands and one-half are paid to eligible LEAs on behalf of students whose parents are in the uniformed services. Payments are determined by ratably distributing the available funds among eligible LEAs according to the relative weighted count of federally connected students in average daily attendance, as specified in the regular Basic Support Payments formula.

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Construction

Competitive grants (section 8007(b))

The authorizing statute establishes the following priorities for awarding competitive construction grants:

First priority is given to emergency grants for “heavily impacted” school districts and school districts with little or no bonding capacity that receive Impact Aid Construction formula grants.

Second in priority are emergency grants for:

- school districts that: (1) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; (2) are at 75 percent or more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average, and
- schools that: (1) are not an LEA that would otherwise be eligible for an emergency Construction grant; (2) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; and (3) are an LEA that has used 75 percent or more of its limit of bonded indebtedness and has an equalized assessed value of property per student that is below the State average.

Third in priority are modernization grants for school districts that: (1) receive any type of Impact Aid payment; (2) are either “heavily impacted” or have little or no bonding capacity; and (3) have school facility needs resulting from the presence of the Federal Government.

Fourth in priority are modernization grants for:

- school districts that either: (1) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; (2) have used 75 percent or more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average; or (1) receive an Impact Aid Payment for Federal Property; (2) have used 75 percent or more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average, and
- schools that: (1) are not inside an LEA that would otherwise be eligible for a modernization grant; (2) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; and (3) are an LEA that has used 75 percent or more of its limit of bonded indebtedness and has an equalized assessed value of property per student that is below the State average.

Construction funds are awarded on a competitive basis under the four priorities listed above. Within each of the four priorities, grants are awarded based on:

- the LEA’s level of bonded indebtedness,
- the assessed value of real property per student in the LEA compared to the average assessed value of real property per student in the State,

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Construction

- the tax rate for school purposes in the LEA compared to the average rate in the State,
- funds available for capital expenditures,
- the percentage of property that is not taxable due to a Federal presence, and
- the number and percentage of certain types of federally connected students.

In addition, emergency grants are awarded in part based on severity of emergency, and modernization grants are awarded in part based on the severity of the need for modernization.

Competitive grant funds for certain LEAs may not exceed (1) 50 percent of the total cost of the project assisted, or (2) \$4 million during any 4-year period. Since 2002, competitive grants have only been awarded to districts under the first priority. When the appropriation for Construction has included funding for competitive grants, funds have been made available for 2 years.

Funding levels for the past 5 fiscal years were:

	(\$000s)
2007	\$17,820
2008	17,509
2009	17,509
Recovery Act	100,000
2010	17,509
2011 CR	17,509

FY 2012 BUDGET REQUEST

For fiscal year 2012, the Administration requests \$17.5 million for Construction, the same as the 2011 CR level. These funds would be entirely for competitive grants and would be available for 2 years, a reversal of the policy enacted for 2010 and applicable under the 2011 CR, which provided 1-year funding entirely for formula construction grants.

Because school construction is primarily financed from local funds, and because federally affected local educational agencies (LEAs) cannot tax certain lands, LEAs with large percentages of federally connected students need supplemental funds for construction. The competitive grants enable eligible districts to undertake emergency renovations and modernizations. Past projects have included replacement of elementary schools; purchase of water filtration systems; replacement of heating, ventilation, and air conditioning systems; repair of electrical systems; and replacement of faulty windows and roofs. Because the emergency grant eligibility pool is limited to some of the poorest districts in the Nation, which are heavily dependent on Federal funding for their operating and maintenance expenses, the program is well-targeted.

The Impact Aid Construction program is authorized by the Elementary and Secondary Education Act of 1965 and is, therefore, subject to reauthorization. The budget request assumes that the program will be implemented in fiscal year 2012 under reauthorized legislation, and the request

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Construction

is based on the Administration's reauthorization proposal, which would eliminate the formula grants component of the program. By sending out funds through a competitive process the Department can ensure that districts with the greatest needs receive meaningful amounts of funding to make emergency repairs.

PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
<u>Formula grants</u>	\$17,509,000	\$17,509,000	0
Number of LEAs receiving formula payments	179	179	0
Average LEA payment	\$97,815	\$97,815	0
Range of payments	\$828-1,704,012	\$828-1,704,012	0
Average payment per student	\$129	\$129	0
<u>Competitive grants</u>	0	0	\$17,509,000
Number of LEAs receiving competitive awards	0	0	8-15
Range of payments	0	0	\$50,000-5,000,000
Peer review of new award applications	0	0	\$15,000

PROGRAM PERFORMANCE INFORMATION

Performance measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2012 and future years, and the resources and efforts invested by those served by this program.

Goal: To provide appropriate financial assistance for federally connected children who present a genuine burden to their school districts.

Objective: *Improve the quality of public school facilities used to educate federally connected children.*

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Construction

Measure: The percentage of participating LEAs reporting that the overall condition of their school buildings is adequate.		
Year	Target	Actual
2007	61	65
2008	65	65
2009	67	69
2010	70	70
2011	70	
2012	70	

Additional information: LEAs that received formula or competitive construction payments in the previous year are asked to rate the quality of their buildings on a 6-point scale in their application for Impact Aid Basic Support payments. The percentage of such LEAs reporting adequate or better conditions increased to 70 percent in 2010, meeting the target.

Efficiency measures

Measure: The average number of days elapsed between the initial Impact Aid competitive construction award and the LEAs' awarding of contracts.		
Year	Target	Actual
2007	250	N/A
2008	250	
2009	250	
2010	250	N/A
2011	250	
2012	250	

Additional information: This efficiency measure is a measure of the speed with which LEAs award construction contracts after the Department makes the initial competitive construction awards. There are no data for 2007 and 2010 because the competitive grant program was not funded in those years. Targets for 2008, 2009, 2011, and 2012 have been set for 250 days. Data for 2008 and 2009 are not available yet because not all of the LEAs that received a competitive grant have awarded contracts.

Measure: The percentage of all formula construction payments made by July 31 of the application year.		
Year	Target	Actual
2007	30	94
2008	50	N/A
2009	70	N/A
2010	90	91
2011	90	
2012	90	

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Additional information: Prior to 2007, formula construction payments were not made until the end of the fiscal year. Since then, the Department has attempted to make awards earlier in the year so that LEAs will have access to funds during the summer, when most construction projects take place. The short-term target for 2007 was to make 30 percent of the formula payments by the end of July, while the long-term target is to reach 90 percent by the end of July for fiscal year 2010. As a baseline, the Department did not award any fiscal year 2006 payments by July 31, but did make 95 percent by the end of August. For 2007, the target was met, as 94 percent of the formula grant awards were made by July 31. Data are not shown for 2008 or 2009 because no funding was appropriated for formula grants for those years. The long-term target was met for FY 2010 as 91 percent of the formula grant awards were made by July 31.

IMPACT AID

Payments for Federal property

(Elementary and Secondary Education Act, Title VIII, section 8002)

FY 2012 Authorization (\$000s): 0 ¹

Budget Authority (\$000s):

<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
\$67,208 ²	\$67,208	0

¹ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2012.

² Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

PROGRAM DESCRIPTION

The Department makes Payments for Federal Property under section 8002(b) to LEAs that have had a loss of tax base of at least 10 percent of assessed value due to the acquisition, since 1938, of real property by the United States Government. If the payment authority were fully funded, the formula would provide payments by multiplying the current levied local real property tax rate of the LEA (or, in financially dependent school districts, an imputed real property tax rate) by the estimated current aggregate assessed value of the Federal property, as determined by the local tax assessor, based on the highest and best use of adjacent property.

The payment authority, however, has not been fully funded in recent years. When full funding is not provided, payments are based on a “hold-harmless” formula designed to preserve historic funding levels for individual LEAs.

- First, a “foundation payment” is made to LEAs that were eligible (or later deemed by statute to be eligible) for a section 8002 payment for any fiscal year from 1989 to 1994 in an amount that is equal to 38 percent of the maximum payment for which they were eligible for 1994 (or, for LEAs not eligible in 1994, the latest year for which they were eligible).
- Second, payments are made to 1995 grant recipients (and LEAs determined by statute to have filed a timely application for 1995) in an amount equal to the product of: (1) the difference between the appropriation level in 1995 and the total amount of foundation payments in the current year; and (2) the LEA’s pro-rata share of the assessed value of eligible Federal property for fiscal year 1995.
- Third, a special payment is made to the Highland Falls, New York LEA.
- Fourth, 25 percent of the remaining funds is distributed based on pro-rata shares of the foundation payments under the first step, and 75 percent is distributed based on pro-rata shares of maximum payments for the current year.

Payments for Federal Property may not exceed either of two different caps placed on these payments. The first cap limits these payments to an LEA’s maximum regular Basic Support Payment or the maximum Payment for Federal Property, whichever is greater. The second cap

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Payments for Federal property

reduces the payment in the event that the combination of the calculated payment and any revenue the LEA received from the Federal property exceeds the maximum payment. In the event that funds are reduced due to either of these caps and the formula is subject to the hold-harmless provisions, the reduced funds are redistributed under the fourth payment step.

Funding levels for the past 5 fiscal years were as follows:

	(\$000s)
2007	\$64,350
2008	64,208
2009	66,208
2010	67,208
2011 CR	67,208

FY 2012 BUDGET REQUEST

For 2012, the Administration requests \$67.2 million for Payments for Federal Property, the same as the 2011 CR level. This authority provides payments to LEAs in which real property owned by the Federal Government generally represents 10 percent or more of the assessed value of real property in the LEA and, thus, the removal of this property from the tax rolls has a significant impact on the ability of the district to raise money for education. The request level will help enable LEAs to overcome the loss of property tax revenues.

The Payments for Federal Property program is authorized by the Elementary and Secondary Education Act of 1965 and is, therefore, subject to reauthorization. The Administration is proposing a minor change for this program that would make the aggregate assessed value of Federal property a determination made by the Secretary following consultation with the local official responsible for assessing the value of real property.

PROGRAM OUTPUT MEASURES

	<u>2010</u>	<u>2011 CR</u>	<u>2012</u>
Number of LEAs receiving payments	210	210	210
Average payment	\$320,038	\$320,038	\$320,038
Range of payments	\$150- 5,500,000	\$150- 5,500,000	\$150- 5,500,000
Cost of fully funding maximum payments	\$2,900,000,000	\$2,900,000,000	\$2,900,000,000

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Payments for Federal property

PROGRAM PERFORMANCE INFORMATION

Performance measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2012 and future years, and the resources and efforts invested by those served by this program.

Goal: To provide appropriate financial assistance for federally connected children who present a genuine burden to their school districts.

Objective: *Manage Section 8002 Payments for Federal Property to disburse funds accurately and efficiently under the statutory formula.*

Measure: The percentage of eligible Section 8002 applicants reviewed during the year.		
Year	Target	Actual
2007	33.3	7.0
2008	33.3	20.0
2009	33.3	0
2010	33.3	
2011	33.3	
2012	33.3	

Additional information: The goal for this measure is for the Department to review and verify assessed values for one third of all applicants each year. The target has not been met in the past 4 years. Staff are currently completing reviews of 2008 and 2009 applicants and have begun reviewing 2010 and 2011 applicants.

Measure: The percentage of initial payments to eligible LEAs that are made by the end of the second quarter.		
Year	Target	Actual
2007	75	62
2008	75	89
2009	75	9
2010	75	39
2011	75	
2012	75	

Additional information: The long-term goal for the second measure is to make 75 percent of initial payments to eligible LEAs by the end of the second quarter. After meeting and exceeding the target for the first time in 2008, the Department has failed to meet the target in the following

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Payments for Federal property

2 years, making only 9 percent of initial payments by the end of the second quarter in FY 2009 and 39 percent of initial payments by the end of the second quarter in FY 2010. The percentage of initial payments made by the second quarter was significantly lower in FY 2009 because the full appropriation for this program was not available until the end of the second quarter.