

IMPACT AID FACT SHEET

1. **What is Impact Aid?** A federal program that provides revenue to local governmental entities, including school districts, in lieu of property taxes not received from federal lands.
2. **How many parts are there to Impact Aid?** Four (4). The Basic Payment, Indian Set-aside, Special Education Add-on, and Construction Funds.
3. **What property is included in Impact Aid?** These lands include property owned by the U.S. Forest, the Bureau of Land Management, National Laboratories, Indian Reservations and any other federally owned property.
4. **What percentage of Impact Aid payments do school districts receive from the federal program?** One hundred percent (100%).
5. **Does the state take Impact Aid credit?** Yes. The state takes credit for the basic payment portion of Impact Aid. Because New Mexico is an equalized state, the state takes 75% credit of federal Impact Aid payments to the districts, 75% credit of the local 0.5 mil levy, and 75% credit of federal forest reserve payments to the districts. *This ensures that total district revenue received through the funding formula remains consistent with the amount calculated to meet student need throughout the state. Therefore, each public school student in the state receives **equal access** to programs and services appropriate to educational need.*
6. **How does 75% credit work?** The 75% is taken into consideration when the state calculates the program cost using the funding formula.

For example, if a district’s program cost is \$100.00 and it received \$10.00 in federal Impact Aid funds, the district would receive \$92.50 from the state.	
\$100.00	Program Cost
−\$7.50	\$10 Impact Aid district received − .75 (75%) = \$7.50
=\$92.50	Amount district would receive in addition to their existing Impact Aid funds. This \$92.50 is called the State Equalization Guarantee (SEG)

In other words, the state does not take Impact Aid from districts. The formula takes Impact Aid received into consideration when calculating the SEG.

7. **Are districts required to consult with their neighboring Native American communities regarding Impact Aid?** Yes. Districts are required to consult with local Pueblos, Tribes and Nations to determine which programs will be most beneficial to Native American students enrolled in the local district. Pueblos, Tribes and Nations acknowledge this collaboration through the Indian Policies and Procedures agreement with the local district.