

Federally Impacted School Districts and Impact Aid

Mad River is a “Federally Impacted” school district. Our Federal impactation is from Wright Patterson Air Force Base. The purpose of this article is not to complain about the effect of the Base on our District, but to inform residents of the effects of having a federal installation in our community and what the federal government has done to help school districts with the loss of tax revenue and additional costs from federal impactation.

In 1950, under President Harry Truman, the federal government created a program called “Impact Aid”. This program is administered by the U.S. Department of Education. Mad River receives funds under two Impact Aid programs. Section 8002 provides funds to make up for lost property taxes from the presence of federal property, and Section 8003 provides funds for the education of students from military families. Don’t get me wrong, despite the loss of revenue we wouldn’t trade the Base as part of our community for anything. There are many economic benefits to our community that are derived from the presence of the Base. The Base contributes over \$4 billion to the Dayton area economy annually.

How are we impacted by the federal government? Mad River School District is impacted in two ways by the presence of the Base. First the District was impacted by the federal government’s purchase of land within the school district which removed it from the tax rolls. When the federal government owns land, it does not pay property taxes on that land. That means that for the 660 acres of property on which the Base resides in our District, the school district receives no property taxes from the federal government. Since school districts in Ohio are partially funded by property taxes, the loss of tax revenues from the 660 acres of Base property is a financial loss to the school district. If the Base property were taxable, it would provide approximately \$1,059,478 in funding to the school district.

The second way that Mad River School District is impacted by the federal government is that the presence of the Base has brought many children of military families to the school district to be educated. These children are a wonderful addition to our school district and part of what makes up the unique culture of Mad River. Their presence has contributed to us having many programs such as career technical education and a strong Air Force Junior ROTC within the District.

The problem with the Impact Aid program is that it only makes up a small percentage of the lost property tax and cost per pupil to educate a student, and has not kept up with inflation. The federal government should meet its obligation to the students and school districts which are impacted by fully funding the Impact Aid Program. Mad River is a member of NAFIS (National Association of Federally Impacted Schools) and we lobby our US Congressman and Senators every year to support and fund the Impact Aid Program. If you have an opportunity to communicate with our federal representatives, please remember to ask for support for Impact Aid.

Hope you had a good holiday season, and as always, if you have any questions please call me at 937-259-6610 or email me at jerry.ellender@madriverschools.org

Jerry Ellender, CPA

Treasurer/CFO