

Perseverance

The mission of the National Association of Federally Impacted Schools, a nationally recognized advocacy group for children affected by a federal presence, is to ensure that the principles upon which the impact aid program were based are maintained in statute, to ensure the program is fully funded, and to provide technical assistance to member school districts through securing expanded political support and a broadened, informed and united membership.



**The National Association of Federally Impacted Schools
2004 Annual Report**

Dear Colleagues:

The 2003-2004 fiscal year has been one in which the association saw positive growth while at the same time prepared itself for a slowdown in Impact Aid funding as Congress faced the enormous task of funding a war effort and a mounting federal deficit. On behalf of the staff and board members of the National Association of Federally Impacted Schools (NAFIS), we are pleased to report NAFIS is in good standing and our relationship with Congress remains strong.

The association's finances remain sound. Association revenue increased primarily as the result of an increase in conference revenue. For the first time since before 9/11, conference attendance was up with the fall 2004 conference attendance topping 425. We hadn't been above 380 since before 9/11. NAFIS continues to appreciate the support of the membership both in terms of your membership as well as your attendance at the spring and fall conferences and other NAFIS-sponsored functions.

Fiscal Year 2005 funding that marked the end of the 108th Congress did not meet the NAFIS funding goals for fiscal year 2005. We realized in March that it would be difficult to keep pace with inflation since we needed at least a five percent overall increase in funding to maintain both Section 8002 and Section 8003 funding at Fiscal Year 2004 levels. Working with both the House and Senate Impact Aid Coalitions, NAFIS put together a letter to both the House and Senate Budget and Appropriation Committees justifying the NAFIS fiscal year 2005 funding request. In the end, our goals were not achieved. However, when compared to the myriad of other programs administered by the Department of Education, Impact Aid fared better than most.

The overall Department of Education budget increased by less than a billion dollars - the lowest increase in dollars since 1996 - with Title I and IDEA receiving most of the increase. Impact Aid received an aggregate program increase of just over one percent, while virtually all other Department of Education programs either lost money as a result of direct cuts or suffered a 0.008 percent loss as the result of an across-the-board cut that occurred before the passage of the Omnibus Appropriation Bill for Fiscal Year 2005. When evaluating outcomes based on comparisons to other programs, Impact Aid did better than most, which can be attributed to the continued bipartisan support the program receives in Congress.

As NAFIS awaits the start of the 109th Congress, we do so realizing the political and economic climate will remain, at least in the first session, pretty much as is. This equates to another tough year ahead as NAFIS works to keep Impact Aid a priority program. As it has been for so many times in the past, membership involvement will be the catalyst that keeps the program as a congressional priority. It is important for all NAFIS member districts to stay focused and to keep NAFIS energized as we fight the battles that await us in 2005.

Sincerely,

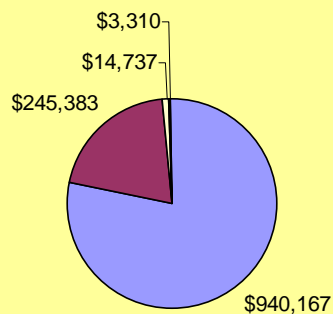


Charles Patterson
President



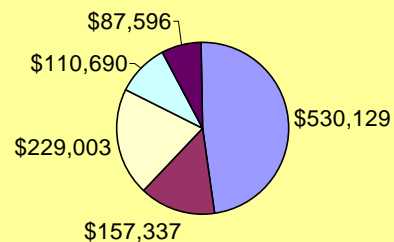
John Forkenbrock
Executive Director

NAFIS FY'04 Revenue



■ Membership Dues ■ Conference Fees
□ Investment Income □ Miscellaneous

NAFIS FY'04 Expenses



■ Member Services ■ Legislative Awareness
□ Conferences □ General & Administrative
■ Membership Development

January

◆ A student whose parents are reservists called to active duty can now be counted as an impact aid child as long as that parent is away at the time of the count. Due to the wars in Afghanistan and Iraq, several districts may now have more military impacted students than ever before.

◆ The house passed the conference report to H.R.2673 (the fiscal year 2004 omnibus appropriations package), but the Senate did not. As a result, districts will have to wait until February to receive payment.

◆ Although the release of the Blue Book online occurred last year, this year it is accessible online through PDF format. Hard copies of the Blue Book can be purchased through NAFIS for a small fee.

◆ NAFIS announces the arrival of online registration for its future conferences. Bringing NAFIS into the 21st century will not only be more convenient for its members, but it will also allow future conferences to run more smoothly.

February

◆ As the second session of the 108th Congress opened, the Senate was able to pass the Conference Report to the Fiscal Year 2004 Omnibus Appropriations Bill with a vote of 65-28.

◆ NAFIS and other groups wait patiently for the President's FY 2005 budget.

Senator Barbara Milkulski joins the Senate Impact Aid Coalition. Her contributions to the coalition are sure to increase the strength and support behind Impact Aid.

◆ Election kits created by NAFIS are now available at request of the members. These kits break down the specifics of Impact Aid issues and members are encouraged to send them to their candidates.

◆ The NAFIS Board met and released the funding levels as well as a timeline for reauthorization.

◆ Nominations for board candidates were provided by the current board citing Ivan Small for secretary, Judy Preston for treasurer, Ron Singletary for Region II, John Deegan for Region IV, Tom Anthony for Region VI, Sandra Murie for At-Large II, and Brent Gish for At Large IV.

◆ Section 8002 Winter Meeting was held in San Diego from January 9-11. Cathy Schagh from the Department of Education gave attendees an update on the FY '05 application process which as mentioned on numerous occasions is only available in an online application form.

◆ FISEF Level One Workshop is announced as it will take place in Washington on April 17, 2004. This workshop is beneficial for anyone who may know very little or a great deal about FISEF as various materials are covered.

March

◆ President Bush's budget maintains Impact Aid funding, allotting \$1,229,526,739 to the program. Despite this effort, NAFIS is still concerned the freeze in funding is a sign of problems to come.

◆ A record number of school districts attended the Region IV, V, and VI meeting in Las Vegas running from February 5-6. At this informational meeting, attendees were updated on President Bush's Fiscal Year 2005 budget proposal as well as the upcoming reauthorization.

◆ Capwiz is now available to members

to strengthen the communications between members their elected officials. With the click of a button, a personalized letter can be sent to targeted officials.

◆ Spring Conference information is released, including the tentative agenda, dates and reminder that all registration is taking place online.

April

◆ Other programs and political issues seem to be overshadowing Impact Aid as even coalition members show little enthusiasm. As a result of maintained funding, the consensus appears that Impact Aid is in a "safe" position while it is actually the opposite as the lack of advocating



for more funding will likely diminish future funding.

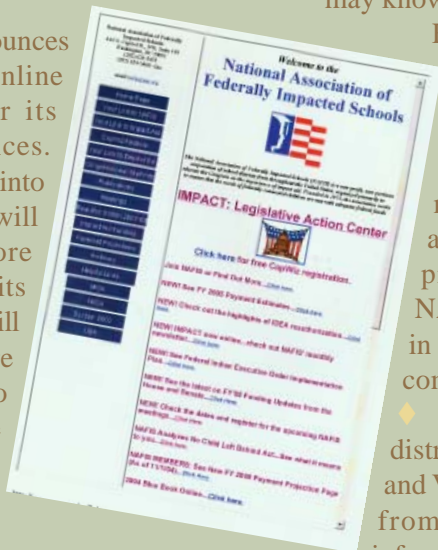
◆ Despite NAFIS' suggestions for an equal allocation of competitive grant dollars going towards both highly impacted military Indian Land school districts, Congress maintained the current law. They also approved a change to Section 8007 by providing for a competitive grant program.

◆ The Spring Conference overview highlights NAFIS's concern about the funding freeze and future funding for the program. Although the program was not cut, the freeze can still result in some of the same difficulties. Numerous workshops take place, informing members of all Impact Aid aspects.

May

◆ Newly elected NAFIS Board members for the 2004-2005 board are announced; Secretary, Ivan Small; Treasurer, Judy Preston; Region II Director, Ron Singletary; Region IV Director, John Deegan; Region VI Director, Tom Anthony; At Large II Director, Sandria Murie; At Large IV Director, Brent Gish.

- Gail McSpadden and Erin Rome, of NAFIS staff, conduct follow-up visits with congressional staff members who were visited by their school districts during the conference. At these meetings, staff



answered any additional questions and provided the necessary information.

June

◆ NAFIS provides instructions on how to properly read your Impact Aid voucher. Properly reading the voucher is key to insuring the government has not made a mistake and to determine what your final payment might be.

◆ Surveys are sent to Indian Land School districts by NAFIS staff Erin Rome to better understand the difficulties those districts face. The surveys included a list of questions as well as places for commentary. With these surveys, NAFIS hopes to better serve its Indian Land school districts.

◆ Federal Property school districts meet to begin the reauthorization process. The groups will work to create the “highest and best” formula to be implemented under the reauthorization.

◆ FISEF plans to hold its first Level Two Impact Aid training session to begin a day before the annual Fall Conference. Topics covered will vary from generally understanding the Impact Aid Law to how to calculate your payments.

◆ NAFIS board decides to waive the \$25,000 loan previously dispersed to the Federally Impacted Schools Educational Foundation. FISEF has a goal of generating \$100,000 in fundraising revenues.

◆ A reauthorization meeting will be held at this year’s Fall Conference to prepare for the upcoming 2007 reauthorization. This session hopes to generate some ideas and promote a unity within the program.

July/August

◆ Fiscal Year 2005 funding begins with a slow start and no end is in sight. Under the House bill, Impact Aid would receive a 1.7 percent increase raising the total Impact Aid funds to \$1,251,000,000.

◆ Several subcommittees conduct summer meetings including Federal Properties districts, NIISA, and MISA.

◆ A working group has been established to understand and properly implement the Indian Lands Executive Order signed by the President on April 30, 2004.

September

◆ The NAFIS board and executive director took some time to visit Impacted school districts including Grants-Cibola County schools, Zuni Public Schools and Window Rock Unified School District.

◆ NAFIS plans to hold a Level Two Training Session in October, covering materials such as understanding the law, calculating your payments and appealing to the Department of Education.

◆ Congressman Ralph Regula will receive a 2004 “Friend of NAFIS Award” at this year’s Fall Conference. His work as the Chairman of the House Labor, HHS and Education Appropriations Committee earned him the unanimous vote by the Board of Directors.

◆ The Fall Conference will include evening events including a raffle with all proceeds going to FISEF and a holiday themed party, the “Monster Mash.”

October

◆ In an attempt to understand the average Indian Land child, NAFIS has made several strides to gain information from the students and their districts. Most recently, a student session was held at the Fall Conference promoting a



discussion from a student’s point of view.

◆ Registration begins for the Region IV-VI Conference in Las Vegas.

◆ NAFIS plans to meet with NCIS to discuss Reauthorization issues. The meeting will take place in Dallas on November 20.

◆ This year’s Fall Conference is a success. Attendees left with the knowledge necessary to successfully contribute to the Impact Aid program and many memories from the evening events.

November

◆ NAFIS continues its search to properly define a profile of the typical Indian land child. To do so, NAFIS has used various sources including questions, meetings and students sessions. We will continue to strive to develop accurate picture of Indian Land children.

◆ With the election approaching, Congress goes into recession until November 16. Four bills were passed and sent to the present with nine remaining, of which it is believed they will fold into an omnibus bill.

December

◆ There was a delay in the Omnibus Appropriations Bill due to inaccurate wording regarding tax returns. When the bill is completed and signed, Impact Aid will receive \$1,229,526,739.

