



The Transforming Army and Impact Aid: Remembering Military Children

Introduction

The United States Army is in a time of great change with the advent of four wide-ranging transformational processes: ongoing privatization of military housing, the Base Realignment and Closure (BRAC) round of 2005, the Global Rebasing Initiative and the Army Modular Force Initiative. These revolutionary changes will have a profound impact on how and where Soldiers function as part of the 21st century U.S. Army. An important factor to consider regarding this shift in doctrine and homebasing is the effect of these changes on the military family.

Background

Quality of life for today's Soldiers and their families remains an important factor to consider when relocating members of today's all-volunteer force. One element that is often overlooked regarding the effect of moving military families is the education of servicemembers' children. Some 80 percent of children of military personnel attend local public schools, whether they live on-base or off-base. The large majority of a child's education in the public school systems across the country is funded by local and state taxes including those levied on real estate, vehicles, sales and income. School districts lose revenue due to the Servicemembers' Civil Relief Act of 2003, which exempts military personnel from paying various local and state taxes. Another

compounding factor is that these children's military parents may live and shop on base, which again diminishes tax revenues. Also, military personnel work on federal—nontaxable—land.

To bridge this gap in funding and maintain the quality of education without placing too much stress on local budgets, the Department of Education created a program called Impact Aid. This program is intended to provide federal funding to replace the loss of local and state tax revenue vital to public education. This funding applies to all federally connected students, while including not only military children but also children living on Indian lands, children residing in federal low-rent housing and children of federally employed civilians who work on federal land but do not live on federal property. At least 400 students or 3 percent of the school's average daily attendance must be federally connected for the school district to receive Impact Aid directly from the Department of Education. Some school districts have particularly high concentrations of military children and are therefore eligible for the Department of Defense Supplement to Impact Aid (not to be confused with budget supplementals). This supplement is available to schools where at least 20 percent of the average daily attendance comprises children of military servicemembers.

The Pentagon's recommendations for the most recent round of BRAC include closing 33 major bases and



realigning 29 others for a total savings of \$48.8 billion over the next 20 years. The BRAC commission is currently deliberating and assessing the various installations on the list submitted by Secretary of Defense Donald Rumsfeld on 13 May 2005.

The Global Rebasing Initiative is part of a larger plan called the Integrated Global Presence and Basing Strategy (IGPBS) with the main purpose of shifting troop presence from Europe and South Asia back to the United States. This comes as the Army continues its transformation away from the Cold War mentality as potential threats change dramatically. The move will result in 70,000 Soldiers (100,000 people overall including families) returning stateside, with the greatest concentration coming from Germany and Korea.

The Army Modular Force Initiative is a change in doctrine which in the simplest of terms translates into a move away from divisions and toward brigade combat teams (BCTs) as the newest independently operable unit of measurement in today's Army. This modification will mean more cohesive units with more predictable rotations and longer tours at respective duty stations.

A movement toward housing privatization has occurred in the past few years to remedy the large backlog in repairs and renovations and meet the needs for construction of new homes. The Residential Communities Initiative (RCI) is resulting in higher quality of living for military families and shuffling the distribution of military children in school districts surrounding the installation.

The Issues

The 2005 round of Base Realignment and Closure and the Global Rebasing Initiative will result in an influx of military students to some districts and an exodus from others. The inundation of students in some districts will require additional infrastructure ranging from teachers to books, school buses, crossing guards and facilities. One facet of Impact Aid makes budgeting for federally connected children difficult at times—the aid is assessed using the previous year's statistics. **The appropriation is not received prior to the academic school year; in other words, it is not forward-funded.** This makes hiring the right number of teachers difficult and having enough classroom space and facilities virtually impossible due to the construction time needed for new facilities. The

forward-funding issue will most likely always be present, but the fight to ensure that Impact Aid is fully funded is vital to maintain quality of education and to prevent localities from being forced to make up for losses of revenue resulting from an influx of military children. In addition to Department of Education Impact Aid, the DoD Impact Aid Supplement must be funded to a level that allows those students in schools with high concentrations of military children to receive quality education.

The Army Modular Force Initiative has the potential to eventually make continuity of budgeting easier because this transformation is designed to allow families to be stationed in one location for longer periods of time. This change in force posture will result in increases in numbers of Soldiers (and their families) at various installations across the United States as new brigades are activated at various installations such as Fort Riley, Kansas, and Fort Bliss, Texas. These longer post assignments will mean higher quality of life for military children as they are able to acclimate to their new environment and consequently enjoy a longer period of stability in their learning atmosphere. Overall, better communication and information sharing must exist among the Department of Defense, the Department of Education and the local school districts to provide opportunities for better planning and appropriate funding to allow each military child to obtain the best education he or she can receive.

Privatization of military housing also contributes to a shift in military students from one district to another. In a perfect world, involvement by the school district early in the process and communication with the contracted developer would ensure that facilities and other resources can be in place to support the increase in students as a result of housing privatization. In actuality, the school district is often not informed of the addition of students until it is too late to pass bond referendums, acquire temporary classroom facilities, augment transportation infrastructure or otherwise furnish the district with all it needs to support the increase in attendance.

One finer point regarding Impact Aid funding is the issue of whether the land upon which the newly privatized housing is built is federally owned or not. If that land is under federal ownership, more funding is available because the state is not collecting taxes on the land. The costs of construction must be taken into account

when analyzing the economic impact of privatization, and DoD Impact Aid Supplement funding must be provided and designated for various efforts required to support the needs of the military students entering school districts as a result of housing privatization.

Appropriate planning will help to prevent loss of quality, but some unknown variables will still present possible challenges. Specific moving dates and numbers of students entering a school district will be difficult to ascertain, and specific school districts that will be receiving the students will also be relatively unknown.

To assist schools greatly affected by BRAC, Global Rebasing and/or force structure changes, Senate and House provisions exist as part of the proposed National Defense Authorization Act for Fiscal Year 2006. For local agencies whose enrollment will fluctuate by 250 or more students as a result of these initiatives, an additional \$15 million has been authorized by the Senate (and \$10 million in the House of Representatives) above and beyond the general-distribution DoD Impact Aid Supplement for heavily impacted school districts. These provisions must be passed into law to ensure that BRAC, Global Rebasing and the Modular Force

initiative do not result in less than acceptable educational opportunities for military children.

Summary

The Base Realignment and Closure round of 2005, the Global Rebasing Initiative, the Army Modular Force Initiative and the Residential Communities Initiative will have profound effects on the footprint of today's Army and will bring change to the lives of all Soldiers and their families. Quality of life for those in uniform and their families must be taken into account when assessing the impact of these changes.

One of the secondary effects of such shifts is their impact on the education of military children. The Department of Education and the Department of Defense subsidize local school districts educating military children to make up for lost tax revenue. This Impact Aid funding and its DoD Supplement must be sufficient to ensure quality of education for all children of military personnel. As these transformational processes unfold, large numbers of students will enter U.S. public schools, and extra funding to offset the BRAC-related increase or decrease must be appropriated to ensure that no military child is left behind.

Key Points

- Currently, 80 percent of military children are educated in local public schools, and more than 32,000 students are projected to return from overseas in the near future.
- Public school education is funded through local and state taxes. Many servicemembers do not pay these taxes to the state in which they are assigned due to legal residency in another state, exemption and/or the fact that they live and purchase goods on base.
- Sufficient notice and appropriate funding must be provided by the Department of Defense to allow the affected school districts to have sufficient classroom space, transportation, teachers and other resources needed to provide a high-quality education.
- **Bottom line: Now, more than ever, Impact Aid must be fully funded in a timely manner.**

