

U.S. DEPARTMENT OF EDUCATION
IMPACT AID PROGRAM (IAP)

**INSTRUCTIONS FOR COMPLETING THE
FISCAL YEAR (FY) 2027 APPLICATION FOR
IMPACT AID, SECTION 7003**

PROGRAM CONTACT INFORMATION

Email: Impact.Aid@ed.gov

DEADLINE: 11:59 p.m. EST, February 2, 2026

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0687. Public reporting burden for this collection of information is estimated to average 11.72 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit (20 USC 7703). If you have any comments concerning the accuracy of the time estimate, suggestions for improving this individual collection, or if you have comments or concerns regarding the status of your individual form, application or survey, please contact Impact Aid Program, U.S. Department of Education, 400 Maryland Ave., SW Washington, DC 20202-6244, or email Impact.Aid@ed.gov.

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The Impact Aid Section 7003 Program

Section 7003 Payments for Federally Connected Children under section 7003 of the Elementary and Secondary Education Act (ESEA), as amended, assist local educational agencies (LEAs) that have lost a portion of their local tax base due to federal activity. To be eligible, an LEA must demonstrate that it educates at least 3% or 400 federally connected children in average daily attendance (ADA) as described in [20 USC 7703\(a\)\(1\)\(A\)-\(E\)](#) and/or 10% or 1,000 children described in [20 USC 7703\(A\)\(1\)\(F\)-\(G\)](#). These may be the children of members of the uniformed services, children who live on Indian lands, children who live on federal property or certain types of Federally subsidized low rent housing, and children whose parents work on federal property. Section 7003 grants include supplemental payments for certain categories of federally connected children who receive

We recommend that you review the authorizing statute ([Section 7003 of the Elementary and Secondary Education Act, as amended](#)) and regulations ([34 CFR Part 222](#)), as they provide detailed eligibility requirements, definitions of terms, and the specific requirements of various sections of the law.

Eligibility Thresholds

Basic Eligibility Threshold - In order to receive an Impact Aid payment, an LEA must have at least 400 or 3% eligible Federally connected children in average daily attendance (ADA) as described in [20 USC 7703\(a\)\(1\)\(A\)-\(E\)](#).

Additional Eligibility Threshold - To receive a payment for children who only reside on federal property (other than low rent housing) or only work on federal property, an LEA must have at least 1,000 in or 10% of these children in ADA as described in [20 USC 7703\(A\)\(1\)\(F\)-\(G\)](#). This is an additional threshold to the 400 or 3% in ADA for the other categories of children.

Who May Apply

Any LEA that serves significant proportions of federally connected children may apply for assistance.

When to Apply

Deadline— The deadline for submitting this electronic application is 11:59 p.m., Eastern Standard Time, February 2, 2026.

How to Apply

An LEA must submit this application using the Impact Aid Grant System (IAGS) which is available at <https://impactaid.ed.gov>. An LEA must have one registered core user and a Login.Gov account to begin the application process. To register or change a core user, please visit the [Request Access form](#), read the directions at the top of the page and submit a fully completed form. Your [state assigned Impact Aid](#) analyst will review the request and make any necessary changes to the LEAs account. All users must have a login.gov account to access IAGS. If the user does not have a Login.Gov account, they may create one at <https://www.login.gov/create-an-account/>. Once the user is established, they may sign into IAGS by clicking

on the Sign in with Login.Gov icon.

Sign in with  LOGIN.GOV

Complete instructions on how to use Login.gov to connect to the IAGS are available on our website [here](#). We encourage you to log on to the site and familiarize yourself with it at your earliest convenience, and to complete the application process **well before February 2, 2026**. Videos covering how to start an application and navigate the IAGS are available [here](#).

Ask For Help

Contact IAP by clicking the “Ask for Help” link at the top of the application page if you have questions about these instructions.

Late Applications

Applications that are incomplete on February 2, 2026 (e.g., missing documentation or not fully signed and submitted through IAGS) but are completed before **April 3, 2026**, will receive payments for that fiscal year with a 10% late penalty. See the [Mandatory Forms](#) section for a list of required documents for a complete application.

Example- if an LEA submits an application with estimated child counts and **did not survey their federally** connected children using an approved method, the application is considered incomplete and will be deleted. If your LEA claims children residing on Indian lands and do not have a valid Indian Policy and Procedures or Waiver letter dated between February 1, 2025 - January 31, 2026, your application is incomplete and will be deleted. You may reapply before the late deadline and your application will be assessed a 10% penalty.

Amendments

LEAs may amend their application to modify and update their applications until **June 30, 2026**. If an LEA amends the application to include additional students, those students must be enrolled in your school district as of the survey date. **A survey must be conducted annually.**

Mandatory Forms

Your application must contain all mandatory information upon submission, including:

- **LEA Applicant Information**
- **Membership and Average Daily Attendance**
- **Heavily Impacted Tax Rate Certification Form-** An LEA must upload this form if they check the box on the cover page indicating that they wish to apply for heavily impacted funding at the time of application.
- **Housing Undergoing Renovation or Rebuilding Contact Information** – This form must be uploaded at time of application submission for LEAs that have military installation or Indian housing undergoing renovation or rebuilding.
- **Expenditures for Children with Disability (CWD)** – ONLY IF DISPLAYED
- **Applicants that have U.S. Department of Education Schools in their LEA** – ONLY IF DISPLAYED
- **Fiscal Report on Expenditures of all Construction Related Funds and Accounts** – ONLY IF DISPLAYED
- **LEAs Claiming Children Residing on Indian Lands**
 - **Board Approved Indian Policies and Procedures (IPPs)** (must be board approved after 2/1/2025); **OR**
 - **Indian Policy and Procedure (IPP) Waivers** – waivers will only be accepted at the time of application.
- **Electronically signed Section 7003 Full Assurances**

LEAs may amend their application to modify and update their applications until **June 30, 2027**. If you are amending your application to include additional students, those students must be enrolled in your school district as of the survey date. **A survey must be conducted annually.** Incomplete applications will be deleted. You may reapply before the late deadline and your application will be assessed a 10% penalty.

Special Section 7003 Application Note—An LEA newly established **by the State** that is **in its first year of operation** may apply for section 7003 assistance for both FY 2026 and FY 2027 using this application. Newly established LEAs may apply for FY 2027 using current year data. If you believe that your school district meets these very narrow requirements, you should submit a letter with your application requesting consideration for FY 2026 and 2027 funding. The deadline for the few new districts applying for FY 2027 assistance under this exception is also 11:59:59 p.m. Eastern Standard Time February 2, 2026.

Cover Page

If your LEA has applied for Impact Aid in previous years, most of the items on the cover page will be copied from your LEA's application from last year. **If any of this information has changed or is missing, make the necessary corrections before submitting this year's application.** New applicants must provide the requested information on the cover page and at a minimum complete every field with an asterisk.

Survey Date—Enter the date that the first membership survey was taken. It must be between the 4th day of school and January 30.

Survey Forms, Source Check Forms or Electronic Data Collection (EDC) – Select all options used to indicate how you collected information on the federally connected children in membership.

Impact Aid Number – If you have applied for Impact Aid before, this number should display.

PR/Award Numbers— If you have applied for Impact Aid before, this number should display.

Applicant Name and Address—Your LEA's name and address will be displayed as they are listed in the IAGS. The name should be your LEA's legal name, and the address should be the mailing address of your school district offices.

Contact Person—The contact should be for the person on your LEA's staff who is most knowledgeable about this application and the data used to create it. Please verify the email address. If you need to change the contact person, you can do this from your LEA's record.

Section 7003(b)(2) Heavily Impacted Districts—Check this box only if your LEA qualifies as a heavily impacted district. Only a very select few LEAs meet the percentage of federally connected students in average daily attendance (ADA), the per-pupil expenditure (PPE) and tax rate requirements.

If you are applying for funding under section 7003 (b)(2), you must select the box on the first page **AND** submit a copy of the [Heavily Impacted Tax Rate Certification Form](#). You should contact your state educational agency (SEA) for assistance obtaining the data necessary to complete the form. The form must be signed and certified by the person who is providing the data.

1. Enter the name of the LEA
2. Enter the LEA's Impact Aid number
3. For school year 2023-2024 enter the LEA's:
 - Mill levy for current expenditures
 - Mill levy for debt service
 - Mill levy for capital outlay
 - Total mill levy
4. For school year 2023-2024 enter the State's average:
 - Mill levy for current expenditures

- Mill levy for debt service
 - Mill levy for capital outlay
 - Total mill levy
5. For school year 2023-2024 enter the LEA's total average daily attendance
 6. Enter the contact information for the person entering the data including:
 - Name
 - Title
 - Signature
 - Phone Number
 - Email

Membership and Average Daily Attendance

Under Current Year Membership, enter, for the application's survey date, the following:

- The number of children enrolled in the LEA school year (SY 2025-2026) **on the survey date.**
 - o **Do not include** students for whom tuition is paid to attend schools outside the LEA.
 - o **Do include open enrollment students that opt to attend your schools**
- The number of children for whom the LEA receives tuition payments (tuition-in).
 - o **Do not include open enrollment students here. They should be included in the total membership above.**
- The number of children for whom the LEA pays tuition to other LEAs or other educational entities (tuition out) under tuition agreements.
 - o **Do include** students for whom there is a formal tuition agreement and tuition is paid to attend schools outside the LEA.
 - o **Do include open enrollment students that opt to attend schools outside your district.**

Average Daily Attendance – Every state except the District of Columbia has a state average attendance rate. Entering actual ADA is optional. If you do elect to complete this, choose Total ADA for the Year or Sampled ADA, and enter the required information. For Total ADA, enter the actual annual ADA for the preceding regular school year (2024-2025) of children reported on line 5 of the preceding year membership. Include tuition-out ADA; but exclude tuition-in ADA. In addition, you must upload your report indicating your ADA. You may also enter the hours of summer school attendance for the preceding school year (Summer 2024), by checking the appropriate box, if your LEA offered summer school. To calculate summer school ADA, you must also enter the number of days in the regular school year. For Sampled ADA, download the template and enter the days you have sampled. Upload the completed form to use sampled ADA.

Housing Undergoing Renovation or Rebuilding

This is option information that may be submitted by applicant LEAs where housing on a military installation or on Indian lands is temporarily unavailable for occupancy because it is undergoing renovation or rebuilding.

The LEA must identify the:

1. Housing official's first and last name
2. Housing official's email address
3. Housing official's phone number

You will find this form by checking the Housing Renovation box on the left side of the screen. If you are providing information for more than one military installation, add an explanation at the bottom of the screen with the additional contact information.

Expenditures for Children with Disabilities

If your LEA received a payment for children with disabilities (CWD) on last year's application, you must complete the table for Expenditures for Children with Disabilities. Most of this information will come from the LEA's annual financial report.

Line 1. – Report **additional** expenditures for educational services for all children with disabilities **beyond** standard educational costs (e.g., ramps and accessible rest rooms, additional administrative costs, assessment costs, counselors or social workers, special teachers, etc.). Do not include expenditures for gifted and talented children or expenditures for the regular educational cost of children with disabilities.

Line 2. – Report the total number of children with disabilities in the LEA's membership, both federally connected and not federally connected, with current signed Individualized Education Program (IEPs) in effect on the Individuals with Disabilities Education Act (IDEA) count date. **Do not include children who have IEPs solely because they are in gifted and talented programs.**

Fiscal Report on Expenditures of all Construction Related Funds and Accounts

If displaying in the application, complete the Fiscal Report on Expenditures of all Construction Related Funds and Accounts. The amount of funds your LEA received will be pre-filled. Indicate whether your LEA spent or saved the funds. If your LEA spent the funds, provide a brief (500 characters or less) description of the grant-funded expenditures.

Report on Condition of Facilities

Rate the overall condition of your LEA's facilities. Choose one selection to indicate the overall condition of your LEA's facilities. This number should represent both the physical condition of the facilities and the ability of the buildings to meet the functional requirements of instructional programs.

Federally Connected Children

Pre-Kindergarten Children (pre-k)

You may claim pre-k children if they are federally connected children who receive a **free public education** from your LEA. In addition, federal funds other than Impact Aid (e.g., Head Start, Early Learning grants, IDEA) cannot constitute a substantial portion of the funding of the education program for these children. **If you claim pre-K children, you must include all pre-K children in membership and ADA in that section.**

Claiming Children

Count total children for each property only once. For example, if a child resides on Indian lands, and the parent is employed on federal property, you will claim this child under category C- Children Residing on Indian Lands and **you do not count them in any other category**. For certain categories (categories A(ii), B, C, D(i) and D(ii)), indicate how many of the total children are CWD, i.e. those who have an IEP or Individualized Family Service Plan (IFSP) on the survey date (not gifted and talented programs).

You will be asked to categorize the federally connected children into the following general groups ahead of entering them into the application:

- Children residing on Indian lands (section 7003(a)(1)(C))
- Children whose parents are in the Uniformed Services (section 7003(a)(1)(B) and (D)(i))
- Children whose parents are both an accredited foreign government official and a foreign military officer (section 7003(a)(1)(A)(ii) and (D)(ii))
- Children who reside on federally owned low rent housing (section 7003(a)(1)(E))
- Children not included in the above categories who either reside on federal property, or whose parents work on federal property, or both (section 7003(a)(1)(A)(i), (F), (G)(i), and (G)(ii))

Children Residing on Indian lands

If you claim children residing on Indian lands, you must submit a copy of your current IPP or a waiver statement from each local tribe for the children attending your school district **with your application by the application deadline**. These documents must be approved and updated annually with an approval date after February 1, 2025, and before January 31, 2027. You can upload either document in PDF format to your electronic application. Whichever method you chose, IPP or a waiver, is the only method you may use for that year. You may not switch from an IPP to a waiver. If you apply without an updated and regulatory compliant IPP or a waiver, your application **is not complete**. Incomplete applications will be deleted. An LEA may apply within the late application period to update their application. There will be a 10% late penalty assessed for each payment related to that application.

Make sure that your IPP or waiver letter uploads correctly with the application. Download the checklist document in the application for more information on the requirements for IPPs and waivers.

Enter the total number of children for each Indian lands property and indicate how many of those children are CWD, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

Children Whose Parents Are in the Uniformed Services

If you claim children whose parents are in the Uniformed Services and who also live on federal property, enter the property the children reside on first. Enter the total number of children for each property and indicate how many of those children are children with disabilities, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

Enter the total number of children for each property and indicate how many of those children are CWD, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

Enter total children whose parents are in the Uniformed Services, but who do not reside on federal property below the section of children who reside on federal property. Enter the total number of children that are CWD, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

Applicants that have U.S. Department of Education Schools in Their LEA

Column (1) – Enter the name of the building owned by the U.S. Department of Education.

Column (2) – Enter the total number of children attending this school on the survey date.

Column (3) – Enter the number of children of active-duty uniformed services that live on federal property attending this facility.

Column (4) – Enter the number of children of active-duty uniformed services that do not live on federal property attending this facility.

Children Whose Parents Are Both an Accredited Foreign Government Official and a Foreign Military Officer

If you claim children whose parents are accredited foreign government officials and foreign military officers and who also live on federal property, enter the property the children reside on first. Enter the total number of children for each property and indicate how many of those children are CWD, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

Enter total children whose parents are accredited foreign government officials and foreign military officers, but who do not reside on federal property below the section of children who reside on federal property. Then indicate how many of those children are CWD, i.e. those who have an IEP or IFSP on the survey date (not gifted and talented programs).

Children Who Reside in Federal Low Rent Housing

If you claim children who live in federal low rent housing, enter the property the children reside on first, then enter the total number of children who reside there and attend school in your LEA. Eligible federal low rent housing does not include housing funded by Section 8 vouchers, Housing Choice Voucher Programs, Rental Assistance Demonstration Grants, or Low-Income Tax Credits.

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

There is no supplemental CWD payment for this category.

Children Who Live on and Whose Parents Work on Federal Property

Enter the property the children reside on first, then enter the property that the parent works on. Then enter the total number of children who are associated with the two properties.

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

There is no supplemental CWD payment for this category.

Indicate whether the new property is a residence or a place of employment, then add the companion property.

Children Who Live on Federal Property

To receive a payment for children who only reside on federal property (other than low rent housing) or only work on federal property, your LEA must have at least 1,000 in or 10 percent of these children in ADA. The application will tell you how many children you need to have in these categories to qualify for payment.

If you claim children who only live on federal property, who were not claimed elsewhere, enter the name of the federal property first, then enter the total number of children who reside there.

If you have a child who lives on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

If you do not have the required number of students in this category to qualify for payment, new properties in this category will be removed from your application upon submission and will not be researched for property eligibility.

There is no supplemental CWD payment for this category.

Children Whose Parents Work on Federal Property

To receive a payment for children who only reside on federal property (other than low rent housing) or only work on federal property, your LEA must have at least 1,000 in or 10 percent of these children in ADA. The application will tell you how many children you need to have in these categories to qualify for payment.

If you claim children whose civilian parents work on federal property, who were not claimed elsewhere, enter the name of the federal property first, then enter the total number of children with a parent who works on the property.

If you have a child whose parents work on federal property that is not already in the federal property database, you may click “Add New Property” to enter the name and location information on the table below the table of properties that exist in the database.

If you do not have the required number of students in this category to qualify for payment, new properties in this category will be removed from your application upon submission and will not be researched for property eligibility.

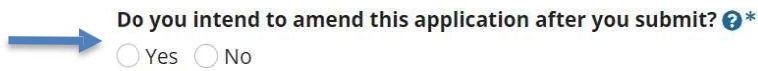
There is no supplemental CWD payment for this category.

Submission

On the 7003 Application Review page, you will see a summary of all the data you have entered on the application. Please confirm that all required documents are uploaded, and all child counts are correct. When you are satisfied that the application is complete, click the “Ready for Signature” button. If the page does not change, there are likely errors on that page. Please scroll up and look at the items highlighted in red or with a red text message. Once all errors are cleared, click the “Ready for Signature” button again. You should receive a pop-up message that the application will be sent to users in your LEA who are able to sign the application. Users who can sign, (Signatories and Core users), can log in to IAGS, navigate to the task list on the left side of the dashboard. Click on the task “7003 Application

Signature.”

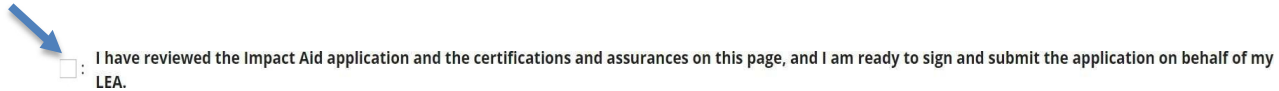
When the task opens, the signatory can review the application information and make any edits necessary. The user must select yes or no to the question “Do you intend to amend the application after you submit?” The answer will not stop you from amending if you need to later.

A screenshot of a survey question. A blue arrow points to the question text. The question is "Do you intend to amend this application after you submit?" followed by a question mark icon and an asterisk. Below the question are two radio button options: "Yes" and "No".

Do you intend to amend this application after you submit? ?*

☐ Yes ☐ No

Once the application is complete, the user can review the assurances at the bottom of the page and check the box at the bottom indicating that the user has read and understands the assurances.

A screenshot of a checkbox. A blue arrow points to the checkbox. The text next to the checkbox is "I have reviewed the Impact Aid application and the certifications and assurances on this page, and I am ready to sign and submit the application on behalf of my LEA."

☐ I have reviewed the Impact Aid application and the certifications and assurances on this page, and I am ready to sign and submit the application on behalf of my LEA.

State Educational Agency (SEA) Copy

You no longer need to submit a copy to the SEA. All SEAs can now log into IAGS and view the applications for their state.

Impact Aid Program

HEAVILY IMPACTED TAX RATE CERTIFICATION FORM

LEA Name	
Impact Aid Number	

LEA Tax Rates(s) in Mills	
School Year:	2023-2024
Current Expenditures:	
Debt Service:	
Capital Outlay:	
Other:	
TOTAL TAX RATE:	

STATE AVERAGE Tax Rate(s) in Mills	
School Year:	2023-2024
Current Expenditures:	
Debt Service:	
Capital Outlay:	
Other:	
TOTAL TAX RATE:	

LEA Average Daily Attendance	
School Year:	2023-2024
Average Daily Attendance:	

CERTIFIED:

Signature	
Name	
Title	
Telephone Number	
Email Address	