

TO: Lemont HS 210 Board of Education

FROM: Cathie Pezanoski, Lemont High School Impact Aid Consultant

RE: Impact Aid Update

DATE: December 8, 2025

Happenings on the Hill

The great news this fall regarding Impact Aid for Lemont High School 210 is that we received the FY 2026 foundation payment directly after the government reopened and the November 21st NAFIS article below shares why:

On Monday, NAFIS and its subgroups—the Federal Lands Impacted Schools Association (FLISA), Learning Opportunity Impacted Schools Association (LO~ISA), Military Impacted Schools Association (MISA), and National Indian Impacted Schools Association (NIISA)—sent a [joint letter](#) to the Office of Management and Budget (OMB) urging the swift release of Impact Aid funds made available by last week's legislation ending the government shutdown. The letter noted the effects of the shutdown on federally impacted school districts across the country and emphasized the urgent need to issue initial FY 2026 Impact Aid payments as quickly as possible.

OMB has since released the funds, and the U.S. Department of Education began distributing Impact Aid payments earlier this week. The Impact Aid Program (IAP) staff fulfilled early payment requests and issued 7002 foundation payments and 7003 initial payments at 50% LOT to many school districts. IAP staff will continue to release payments as additional funds become available. NAFIS is closely monitoring the situation and will share updates as they come.

However, we still have many hurdles to face as a NAFIS and FLISA organization moving forward. The challenge we have right now is the threat of the Department of Education dismantling and all of its programs being placed in other departments. So, the FLISA Board met via zoom on November 10th and I attended as a board member and as a representative for Lemont HS 210. The purpose of the meeting was to discuss if we had our choice of departments that we feel would best serve us for our Impact Aid support, what department would that be. As a Board we felt the most important aspect was to stay together as an entire NAFIS family with military, Indian reservations and federal properties all moving to the same department together. We also decided that our first preference would be to move as an entire group to the Department of Treasury. Tom Schneider, FLISA Executive Director, then shared this conversation and outcome with the new NAFIS Executive Director, Cherise Imai. Unfortunately, according to this NAFIS article below written on November 21st, we are not sure how much voice Cherise was afforded in her conversations with Senators and Representatives. Please see the article below:

This week, the U.S. Department of Education (ED) [announced](#) interagency agreements that will shift management of nearly half of ED's discretionary programs to four other federal agencies. Under these agreements, the Departments of Labor (DOL), Interior, State, and Health and Human Services (HHS) will take on responsibility for managing grant competitions, providing technical assistance, and integrating ED programs into their existing structures. ED will retain statutory authority and program oversight. A newly released [fact sheet](#) outlines ED's agreement with DOL to administer a wide range of elementary and secondary programs—including Impact Aid—under this new structure. ED states the partnership is intended to streamline federal oversight and better align education and workforce programs, consistent with recent executive orders. The fact sheet argues that stronger coordination between schools and workforce systems will improve student outcomes.

Programs shifting administration to DOL include:

- Title I Parts A–D, Title II-A, Title III-A, Title IV-A/B, and Title V Rural programs
- Education for Homeless Children and Youth
- Insular Areas and Palau Grants
- More than a dozen competitive programs, including Comprehensive Literacy, Charter Schools, Promise Neighborhoods, Magnet Schools, and Full-Service Community Schools

*Impact Aid is explicitly named, marking a major change in how the program will be administered. NAFIS is **deeply concerned** about the inclusion of Impact Aid in the ED/DOL partnership and the potential consequences for federally impacted school districts. Impact Aid is a uniquely complex, data-driven program that requires specialized expertise within ED. Shifting its day-to-day administration to the DOL, an agency with no history of administering K-12 formula programs, raises significant questions about capacity, continuity, and the timely processing of payments. Federally impacted districts rely on Impact Aid for critical operating funds, and even small disruptions can have immediate effects on students. NAFIS will actively engage policymakers to ensure program integrity is maintained and that districts receive clear, timely guidance throughout the transition.*

As you can see from the article above, NAFIS is deeply concerned about the proposed movement of Impact Aid to the Department of Labor. This is not a done deal yet as you can see from the article below that our NAFIS voice has now been heard by our Senators. The Senate Democrats are calling on the Education Department to reverse the tentative interagency agreements. Please see below the NAFIS December 5th article:

*This week, a majority of Senate Democrats sent **a letter** to Education Secretary Linda McMahon urging the U.S. Department of Education (ED) to reverse the recently announced interagency agreements (IAAs) that would shift administration of more than \$30 billion in federal education programs—including Impact Aid—to other federal agencies, primarily the Department of Labor. The Senators argue that the agreements raise substantial legal, operational, and policy concerns that would have wide-ranging consequences for students, families, educators, and local school districts. In addition to outlining how the IAAs appear to violate multiple federal statutes, the letter emphasizes that the changes could disrupt program continuity, delay payments, and undermine accountability structures that Congress has intentionally built into education laws. As the Administration signals that more IAAs may come, the concerns raised in this letter carry significant implications for federally impacted school districts.*

The NAFIS December 5th Newsletter also included an article sharing that a major lawsuit was filed earlier this fall focusing on blocking the U. S. Department of Education's reduction-in-force actions and other efforts to scale back the agency. This lawsuit has now been amended to challenge the interagency agreements. Please see this NAFIS December 5th article below:

*A major lawsuit filed earlier this fall, initially focused on blocking the U.S. Department of Education's reduction-in-force (RIF) actions and other efforts to scale back the agency, **has been amended** to directly challenge the interagency agreements (IAAs) shifting administration of education programs to other agencies. The coalition of national education organizations behind the suit argues that the restructuring is unlawful and would damage the delivery of essential services to students and school systems.*

The updated complaint includes extensive analysis of the IAAs, contending that they would limit ED's ability to carry out its statutory obligations and disrupt critical services that Congress requires the Department to provide.

Notably, the lawsuit includes discussion of special education programs. While no IAA has yet transferred administration of these programs, ED has publicly stated its intention to do so. The plaintiffs argue that such a transfer would severely undermine compliance monitoring, support for state implementation, and the federal role in upholding IDEA requirements.

*A separate **legal memorandum** from EducationCounsel, developed with the Sligo Law Group, also questions the Administration's authority to implement the IAAs. The memo concludes the agreements face serious legal vulnerabilities, stating they appear to violate appropriations laws that bar ED from transferring funds in this manner and likely exceed the statutory authority cited to justify restructuring major components of the agency without congressional approval.*

I am confident we will hear how successful both these actions have been at our FLISA Winter Conference at the end of January, if not sooner.

Happenings with FLISA

As you have read above, there is much happening in D. C. with our NAFIS office and their representation of all subgroups, most importantly FLISA, regarding the future of Impact Aid support for our districts.

During the NAFIS Conference in the fall FLISA met twice as a subgroup to plan for our meetings on the Hill and truly understand what was occurring at that time with Congress and on the Hill. As a federal properties organization, one of the concerns we have is the current President has the misbelief that federal properties impact aid does not directly impact students. The reason for this misbelief is because our application annually focuses on federal acres whereas the military and Indian reservation applications focus on student count. We all know that our impact aid dollars annually "impact" all our students but we continue to need to educate our senators and congressmen that this understanding of impact on all our students is vitally important to each of our districts. So, that was one of our talking points on the Hill along with the ask of a total of \$80 million dollars for Section 7002 for FY 27. This is only an increase of \$1million.

It was also great to meet our new NAFIS Executive Director, Cherise Imai. Cherise is already showing her great knowledge of our need as an organization and is being very vocal on the Hill for us as well. One of the concerns of the entire NAFIS organization regarding the previous executive director was that we felt since she was not living in D. C., her presence for us on the Hill was minimal. We are confident that will not be the case in the future. The NAFIS Board put language in the new Executive Director's contract regarding the NAFIS staff being present in the D. C. office weekly and the importance of NAFIS' presence on the Hill with Congressmen and Senators on a regular basis. We are already seeing this improvement from more recent previous years.

FLISA is preparing for our Winter Conference in Clearwater at the end of January. I am already registered to attend as a representative for Lemont HS 210. The strategic planning committees will meet on Thursday, January 29th in the afternoon with a Board meeting in the evening of the 29th. Then the entire membership meeting will occur all day on January 30th. I am confident much of our discussion will be concerning what we can continue to do as an organization to voice our concern about the interagency agreements that are proposed to shift the Department of Education's discretionary programs, including Impact Aid.

Happenings at Lemont HS 210

- I had conversations with Tony and Matt in August/early September to finalize the "leave behind" for the Hill visits at the NAFIS Fall Conference.
- Prior to the Fall NAFIS Conference, I visited Lemont HS to pick up copies of the "leave behind" and other FLISA gadgets Mary had created for her Advocacy Committee. The little

notebooks have been a great hit for new members. Thank you, Lemont HS Board of Education for making this donation to our FLISA organization.

- I attended all NAFIS and FLISA meetings at the Fall NAFIS Conference and represented Lemont HS 210 on the Hill at the following offices: Senator Durbin, Representative Foster, Senator Duckworth, Representative Casten, and Representative Underwood. The “leave behind” was very well received, especially by Representative Foster who really liked the map on the back of the “leave behind.” Tony Hamilton gets all the credit for this great idea.
- In early October, Tony and I worked together to create messages that members of the Lemont HS 210 family could send to their local federal representative regarding opposition to the U. S. Department of Education’s termination of the Impact Aid Office as part of a widescale reduction in force. Thank you to the administration and the Board of Education for being willing to send these messages. As of right now I would say your voice was heard because we still have our Impact Aid office in tact.
- As I shared earlier, I joined a November 10th FLISA Board meeting via zoom to discuss if the Impact Aid Office was moved from the Department of Education, where do we feel as an organization would be the best department for us to continue to be successful in receiving our annual foundation payments in a timely manner.
- I have reached out to Ken Parchem to make sure he is ready to complete the FY 27 application when it opens this week, hopefully. I will continue to check to make sure this application is completed in a timely manner as we have been told to not wait to complete in case there will be some movement with the Impact Aid Office prior to the holidays.

Please let me know if you have any questions about any content of this update. I am more than happy to have a conversation on the phone or meet with you in person. .

Enjoy your holiday season with family and friends.



