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## All federal hurricane impact funds to flow to schools

AUSTIN – All federal impact aid sent to Texas to help cover the cost of educating Hurricane Katrina evacuees will be promptly sent to affected school districts and charter schools, Commissioner of Education Shirley J. Neeley announced today.

“Our schools have acted in good faith by taking in about 46,000 evacuees. They shouldn’t be penalized financially for this act of kindness. We appreciate every dollar the federal government is sending to us to help cover the cost of educating hurricane evacuees, but it is clear that the federal funds appropriated so far will fall short of covering all costs incurred by local districts and the state,” Neeley said.

“Consequently, I believe the right thing to do is to flow all the federal impact aid funds to the schools who are dealing directly with the children and we are going to do that,” Neeley said. “We hope Congress will consider appropriating additional federal funding so that the state too can be made whole financially,” she said.

Last month when there had been some hope that the federal funding would more fully cover costs, the Texas Education Agency had announced that it would retain a portion of the hurricane impact aid in order to repay state expenses.

When Congress appropriated \$645 million in impact aid to be shared by 49 states, lawmakers had planned to provide \$6,000 in federal funding for each regular education student and \$7,500 for each student with disability.

However, the initial count turned into the U.S. Department of Education by the states shows that districts are educating 157,743 students eligible for this funding, which means funding proration is all but certain. Some Texas congressmen are predicting that about \$4,000 per student will ultimately be available.

“Congress and USDE have gone above and beyond their normal spending levels to provide this funding and we appreciate it. But the needs of these students are great and have caused our districts to spend millions of dollars that were not originally budgeted. We must, and we will, send all the federal funds to our schools that are helping these children,” Neeley said.

By December, Texas districts had reported spending \$140 million educating the evacuees. School district costs are likely to rise to about \$300 million before the school year is over.

However, Texas officials learned earlier this month that the state would initially receive \$35.2 million in federal impact aid. That is the first of four installments. If the funding remained at this level, it means the state will receive \$140.8 million for this entire school year. The funding levels are likely to change, however, because they will be recalculated by USDE each quarter as enrollments between states fluctuate.

In a written statement, U.S. Secretary of Education Margaret Spellings said, “We are balancing the immediate need for aid with the need to be fair to all schools that have taken in

students. Our funding formula is based upon a conservative starting point, and it's important to note that the increases may be made once complete data is available.”

For the first quarter, Texas public and private schools reported educating 46,324 students. That figure had dropped slightly by the second quarter to 43,919. Less than 2,000 of those students are in private schools. The third quarter enrollment count, which has just been received by TEA, stands at 38,544, with 3,538 of these students in private school.

In addition to impact aid, Texas has been notified that it will receive at least \$78.2 million in federal funding from the Hurricane Education Recovery Act to help restart schools that were closed or damaged by Hurricane Rita or Hurricane Katrina.

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