STATE OF NEW MEXICO
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RYAN STEWART, ED.L.D.
SECRETARY OF EDUCATION

MICHELLE LUJAN GRISHAM
GOVERNOR

June 1, 2020

MEMORANDUM

TO: Superintendents and Licensed School Business Officials

FROM: David Craig, School Budget and Finance Analysis Bureau, NM PED

RE: FINAL ADJUSTMENT-STATE EQUALIZATION GUARANTEE
**** ACTION REQUIRED BY JUNE 8, 2020 ****

Section 22-8-25(G), NMSA 1978 provides:

The state equalization guarantee distribution shall be distributed prior to June 30 of each fiscal year . The calculation shall be based on the local and federal revenues specified in this section received from June 1 of the previous fiscal year through May 31 of the fiscal year for which the state equalization is being computed. In the event that a school district or charter school has received more state equalization guarantee funds than its entitlement, a refund shall be made by the school district or charter school to the state general fund.

Attachment (1) is a worksheet entitled "2019-2020 Receipts and Distributions" indicating the 2019-2020 final funded program units, final funded program cost, actual Operational Impact Aid received July 2019 through May 2020, actual Forest Reserve receipts, and actual Energy Renewable Bond withholding. Also included are the total June 2019 credits as reported to PED with the June 2019 end of year reports from the 930F form, and the amount of State Equalization Guarantee (SEG) distributed July 2019 through May 2020. **Please** verify this information, as it will be needed to complete the enclosed reports.

Attachment (2) is the Final Adjustment for 2019-2020 State Equalization Distribution and Attachment (3) is the Operational Portion of Receipts Report. These forms are to be completed and returned to the School Budget and Finance Analysis Bureau (SBFAB) as soon as possible after the close of May, but no later than **JUNE 8, 2020**. The reports will be reconciled and final distribution of SEG will be made on or before a target date of **JUNE 19, 2020.**

The distribution is dependent on SBFAB receiving Final SEG Adjustment reports from all districts and charter schools before the JUNE 8, 2020 deadline.

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Attention Impact Aid Districts

Enclosed is a summary report of Impact Aid Payments for the period June 1, 2019, through May 31, 2020, which are based on Impact Aid Vouchers provided by the U.S. Department of Education. Breakouts for these impact aid payments have already been provided. If a payment has been received that is not listed, please contact Anthony Duran immediately at (Anthony.Duran@state,nm.us). The Impact Aid Payment report is used to determine the final 75% credit for State Equalization for fiscal year 2019-2020. This report may be used to reconcile payments to your accounting system and for year-end reporting, so accuracy is important. If you received a June 2019 Impact Aid payment and it is not present on the attachments we are showing, you did not report it, so please notify us immediately if you believe this to be in error. We are aware of the recent FY20 Impact Aid determination. However, at this point in time, the state is considering its options for appeal and state law continues to require Impact Aid credits. If the legal environment around impact Aid credits changes, we may need to recertify June SEG.

IMPORTANT

Please also double check "School Tax Levy - June 2019 Credits" on attachment (1) "2019-2020 Receipts and Distributions" report for accuracy. This amount should be 100% of what was received from the County Treasurer for **June 2019 only.** Please do not place year-to-date figures on any 930F form.

OTHER ITEMS

Year-End Closeout

Districts will be provided instructions for completing the 2019-2020 final reports by June 25, 2020. The deadline for submitting budget adjustment requests (BAR's) for this fiscal year for all funds other than Operational (11000), inclusive of Flowthrough, is **JUNE 1, 2020 close of business. The deadline for the Operational fund's BAR's, including maintenance BAR's, is June 30, 2020.** The deadline for submitting Cash Transfer requests is **JUNE 30, 2020.** A separate memorandum will be issued for closeout requirements for flow-through programs.

Attachments:

1. 2019-2020 District Receipts and Distributions Report
2. 2019-2020 Final Adjustment SEG Distribution Form
3. 2019-2020 Operational Portion of Receipts Report Form
4. 2019-2020 Impact Aid Payments Report (Most Current)
5. 2019-2020 Forest Reserve

cc: Adan Delgado, Deputy Secretary, Finance and Operations, PED School Budget and Finance Analysis Bureau, Budget Analysts, PED