



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

MICHELLE LUJAN GRISHAM  
GOVERNOR

May 27, 2021

**MEMORANDUM**

**TO: Superintendents and Licensed School Business Officials**<sup>DS</sup>

**FROM: Director Marrujo, School Budget Bureau, NM PED** *EM*

**RE: FINAL ADJUSTMENT-STATE EQUALIZATION**

**GUARANTEE**

**\*\* ACTION REQUIRED BY JUNE 3, 2020 \*\***

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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.

Final Adjustment SEG

May 26, 2021

Page 2 of 3

A file titled "FY21 June SEG Attachments" is attached. Once the District/Charter selection is done on the sheet "FINAL SEG 2020-2021 ATTACH 2", it will auto-populate total program costs, the June 2020 930F credits, forest reserve revenue, impact aid proportionality per USDE, energy renewable bonds at 90% value, and the SEG amount distributed from July 2020 through May 2021. Please verify the information!

Please use the data-entry sheet "FINAL RECEIPTS ATTACH 3" to enter the data for taxes and impact aid. The sheet "FINAL SEG 2020-2021 ATTACH 2" will use the data to calculate SEG considering impact aid credit and alternatively SEG NO impact aid credit. Therefore a final June distribution considering impact aid credit and considering NO impact aid credit (please reference rows 37 and 39). Depending on PED's decision to appeal the latest USDE decision regarding impact aid credits, the School Budget Bureau will use the appropriate amount.

Please complete this form no later than June 3, 2021, and upload the signed form to the FTS in the folder "Final Reports." The reports will be reconciled, and final distribution of SEG will be made on or before a target date of June 18, 2021.

The distribution is dependent on SBB receiving Final SEG Adjustment reports from all districts and charter schools before the June 3, 2021 deadline.

### **Attention Impact Aid Districts**

Enclosed is a summary report of Impact Aid Payments ("YTD2020-2021 by District") for the period June 1, 2020, through May 31, 2021, 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 Mr. Anthony Duran immediately at (Anthony.Duran@state,nm.us). The Impact Aid payment report is used to determine the final impact aid credit for SEG for fiscal year 2020-2021 if PED decided to appeal the current ruling.

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 2020 Impact Aid payment and it is not present on the attachments we are showing, please notify Mr. Anthony Duran immediately. SBB is aware of the recent FY21 Impact Aid decision. However, at this point in time, the state is considering its legal options, and state law continues to require Impact Aid credits for FY21. If the legal environment around Impact Aid credits changes, we may need to recertify June SEG.

### **Year-End Closeout**

Districts/Charters will be provided instructions for completing the 2020-2021 final reports by June 25, 2021. The deadline for submitting budget adjustment requests (BAR's) for this fiscal year for all funds other than Operational (11000), inclusive of Flow-through, is June 1, 2021, close of business. The deadline for the Operational fund's BAR's, including maintenance BAR's, is July 31, 2021. The deadline for submitting Cash Transfer requests is June 30, 2021.

Final Adjustment SEG

May 26, 2021

Page 3 of 3

Attachments:

1. FY21 June SEG Attachment Excel file
2. 2020-2021 Impact Aid Payments Excel file (“YTD2020-2021 by District”)

RM

cc:

Adan Delgado, Deputy Secretary, Finance and Operations, PED

Scott Wright, Director of Operations, PED

School Budget Bureau, PED

Finance Analysis Bureau, PED