



STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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SECRETARY OF EDUCATION

MICHELLE LUJAN GRISHAM
GOVERNOR

January 26, 2024

MEMORANDUM

TO: Superintendents, Charter School Leaders and Business Managers
FROM: Antonio Ortiz, Director of Finance and Operations
RE: 23-24 Public School Capital Improvements Act (SB-9) State Match Allocations

The New Mexico Public Education Department (PED) has calculated the final FY 23-24 awards for the SB-9 State Match which is illustrated on Exhibit C. Please note that the attached allocations will not be sent out on a reimbursement basis. Payment will be advanced directly to your school district and charter school. Therefore, all school districts and charter schools shall alert their auditors of the State Board of Finance's spending requirements and the limited purposes for expenditures of the bond proceeds to ensure regular tracking and accountability. Also note, that all previous awarded allocations in fund 31700 will continue to be administered through a reimbursement basis and **shall be drawn down before any cash in fund 31703 is expended or budgeted**. Adherence to the requirements as detailed in the supplement and documentation supporting expenditures is required.

Please note the following New Mexico State Legislation appropriation information and compliance requirements specific to this award:

Award Name: 2022 Public School Capital Improvements Act (SB-9) State Match (31703) Funding Agency: NM Public Education Department, Public School Capital Improvement Act, NM Laws of 2001, Chapter 338, Section 1, Item (C)

Compliance Requirements: NM Procurement Code (1.4.1 NMAC), Procurement Code (13-1- 28 through 13-1-99) NMSA 1978

NM Department of Finance Administration Rules and Regulations
<https://www.nmdfa.state.nm.us/financial-control/resource-information>

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Please submit a Budget Adjustment Request (BAR) for the award amount indicated on Exhibit C using **Fund Code 31703** and **Revenue Code 43202** within the Operating Budget Management System (OBMS) located on the PED OBMS website. Please attach a copy of this award memo including the Supplement and Exhibit C to the Bar.

If you have fiscal questions, please contact Valerie Padilla, Fiscal Grants Management Bureau at Valerie.Padilla@ped.nm.gov, (505) 827-3848. If you have programmatic questions, please contact Consuelo Barraza, Financial Coordinator, at Consuelo.Barraza@ped.nm.gov, (505) 677-6691.

Enc. (2): Supplement
Exhibit C

**NM Public Education Department's State Appropriation-
Capital Outlay Bureau (SB-9 State Match)**

SUPPLEMENT

PURPOSE AND ALLOWABLE USE OF FUNDING

22-25-2. Definitions. (SB-9 State Match)

As used in the Public School Capital Improvements Act:

A. "program unit" means the product of the program element multiplied by the applicable cost differential factor, as defined in Section [22-8-2](#) NMSA 1978; and

B. "capital improvements" means expenditures, including payments made with respect to lease-purchase arrangements as defined in the Education Technology Equipment Act or the Public School Lease Purchase Act but excluding any other debt service expenses, for:

- (1) erecting, remodeling, making additions to, providing equipment for or furnishing public school buildings and pre-kindergarten classroom facilities;
- (2) purchasing or improving public school or pre-kindergarten grounds;
- (3) maintenance of public school buildings or public school or pre-kindergarten grounds, including the purchasing or repairing of maintenance equipment and participating in the facility information management system as required by the Public School Capital Outlay Act and including payments under contracts with regional education cooperatives for maintenance support services and expenditures for technical training and certification for maintenance and facilities management personnel, but excluding salary expenses of school district employees;
- (4) purchasing activity vehicles for transporting students to extracurricular school activities;
- (5) purchasing computer software and hardware for student use in public school classrooms; and
- (6) purchasing and installing education technology improvements, excluding salary expenses of school district employees, but including tools used in the educational process that constitute learning and administrative resources, and that may also include:
 - (a) satellite, copper and fiber-optic transmission; computer and network connection devices; digital communication equipment, including voice, video and data equipment; servers; switches; portable media devices, such as discs and drives to contain data for electronic storage and playback; and the purchase or lease of software licenses or other technologies and services, maintenance, equipment and computer infrastructure information, techniques and tools used to implement technology in schools and related facilities; and
 - (b) improvements, alterations and modifications to, or expansions of, existing buildings or tangible personal property necessary or advisable to house or otherwise accommodate any of the tools listed in this paragraph.

Indirect Cost Rate

Indirect costs are NOT ALLOWED

FISCAL REQUIREMENTS

Reporting Requirements

Please review Exhibit A, and submit a BAR through OBMS for the appropriate amount using fund code 31703 and revenue object code 43202. Please adhere to the following timelines and cited statutory regulations, required for budgeting, obligation, and RfR submission:

- Submit your BAR, and a copy of this letter, including the Supplement and Exhibit A, through OBMS by February 23, 2024.
- Pursuant to NMSA 6-5-3, the appropriate fund shall be encumbered prior to the issuance of vouchers or purchase orders or the engagement of contracts.
- **NMAC 6.20.2.10 BUDGET MAINTENANCE STANDARDS:**
 1. Budget adjustment requests shall be submitted on the most current form prescribed by the department. The school district shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes.
 2. School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.
 3. School districts shall submit periodic financial reports to the department using the department-approved format. Reporting shall be either monthly or quarterly. Required reporting frequency may be changed by the department at any time during the year. Reports are due at the department by the last working day of the month following the end of the required reporting period, unless extended to a later date by the secretary of education.

[02-03-93, 11-01-97, 01-15-99; 6.20.2.24 NMAC - Rn, 6 NMAC 2.2.1.24, 05-31-01; A, 10-15-

03; A, 11-30-06]