

## State not eligible to claim Impact Aid due to delayed paperwork

Written by Staff Reports  
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Following the state's ruling on House Bill 6 on April 5, Gallup-McKinley County Schools has been given another reason to feel optimistic about district funding.

In a letter dated April 15, Federal Impact Aid Program Director Faatimah Muhammad issued a new determination for FY21 for the State of New Mexico under section 7009(b) of the Elementary and Secondary Education Act of 1965, revoking a certification issued on Dec. 7, 2020 pertaining to Impact Aid.

As a result, the state is no longer eligible to consider Impact Aid payments as local resources in determining state aid entitlements for FY21.

District Superintendent Mike Hyatt told the *Sun* this means \$24 million slated for GMCS in Impact Aid funding between July 1 through June 30 will remain with the district. He explained this outcome happened because when GMCS challenged the state to get that funding back, the state was late in submitting the appropriate documents to the federal government.

### ***TIMELINE***

The state submitted a letter to the Impact Aid Program on Feb. 13, 2020, notifying the program of their intent to claim a portion of the Impact Aid payments made to local education agencies during FY21.

Existing legislation has allowed the state to effectively take funding away from school districts that receive Impact Aid. The state calculates 75 percent of the amount of Impact Aid a district receives and subtracts that amount from state funding.

The money that is removed from state funding is then re-allocated by the state to other districts. Critics of the legislation said the act of claiming the aid allowed the state to favor urban districts, since most of the Impact Aid recipients are smaller rural districts.

On March 6, 2020, the state submitted revenue data and additional descriptive information to show whether it met the disparity test for the fiscal year. After receiving the disparity test submission from the Impact Aid Program began its standard procedure that follows a request for certification, and found New Mexico met the disparity test in the Dec. 7 certification.

However, on Jan. 15, an administrative law judge issued an initial decision in a hearing regarding the Impact Aid Program's FY20 determination for New Mexico, in which the judge stated in a footnote that the state's March 6 submission for FY21 was made three days beyond the deadline.

After reviewing the administrative record, the Impact Aid Program concluded that while New Mexico submitted its intent to take payments into account before the deadline, it did not submit the required accompanying data until three days after the deadline.

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While the ruling made it so the state can't claim the Impact Aid for FY21, GMCS might not be finished with the matter yet.

"The state could still challenge this decision," Hyatt said. "And there is still a decision to be made [with the Impact Aid taken] for FY20."