



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
300 DON GASPAR  
SANTA FE, NEW MEXICO 87501-2786  
Telephone (505) 827-5800  
[www.ped.state.nm.us](http://www.ped.state.nm.us)

HANNA SKANDERA  
SECRETARY OF EDUCATION

SUSANA MARTINEZ  
GOVERNOR

September 11, 2015

Principal Cindy Montoya  
New Mexico School for the Arts  
275 E. Alameda St.  
Santa Fe, NM 87501

Dear Principal Montoya:

Congratulations! The Public Education Department is pleased to award New Mexico School for the Arts a total of \$96,214.50 to implement its Pay for Performance (PPP) pilot program(s) for the current school year, as articulated in the approved application. This award is composed of two separate components: \$64,143.00 for individual educator awards and \$32,071.50 for group awards.

The New Mexico Pay for Performance Pilot establishes individual- and group-based incentive programs designed to recognize and reward New Mexico's high-performing teachers and principals. By using local expertise and negotiating with local partners, PPP grantees will create innovative systems primarily to reward teachers and principals for their excellence. Any and all awards given as part of the Pay for Performance Pilot are considered supplemental wages and are therefore subject to tax withholding according to the Employer's Tax Guide, Publication No. 15 (2015) Section 7, published by the Internal Revenue Service (<http://www.irs.gov/pub/irs-pdf/p15.pdf>).

The award amount contained in this letter is the total amount of the award, to be used for both the individual educator pay for performance program and the group program (as applicable based on the approved application). No additional funds will be available to implement the pilot. If in the course of implementing the pilot more staff qualify for awards than contained in the application, compensation amounts per individual will need to be decreased to meet demand. It is important to ensure staff understands that individual awards may be *up to* the amount contemplated in your application. If your application contemplated using data from school grades and NMTEACH evaluations, 2015 school grades and 2016 NMTEACH evaluation measures must be used to calculate awards.

Expenditures may be incurred after final budget authority is approved by the PED. The funding through this initiative is to be used for stipends and is not to be included in the personnel's regular salary; it is in addition to their regular salary. The stipends are subject to tax withholding. These funds are provided on a reimbursement basis and must be requested using the Request for Reimbursement (RfR) process. Documentation of school personnel receiving the award, the amount received by each individual and the criteria used to identify staff for an award(s) must be submitted as part of the reimbursement request.

In order to budget these funds, please submit an electronic Budget Adjustment Request (BAR) in the specified amount using the PED's Operating Budget Management System (OBMS). Please note: As individual awards and group awards are two separate fiscal programs, districts implementing both individual and group awards are expected to submit their RfRs as such, with two distinct requests between the individual award expenditures and group award expenditures, regardless of whether or not personnel are eligible for both awards. **The Fund Code for individual awards is 27188 and the Fund Code for group awards is 27190 and the Revenue Code is 43202.** These awards must be fully expended by June 30, 2016. The final date for RfR submission is **July 7, 2016.**

If you have questions, please contact Matthew Pahl, Policy Director, at (505) 470-9909 or [matt.pahl@state.nm.us](mailto:matt.pahl@state.nm.us). To reach the Fiscal Grants Management Bureau, please contact Susan Lucero at (505) 827-3848 or [susan.lucero@state.nm.us](mailto:susan.lucero@state.nm.us).

Best regards,



Hipolito "Paul" Aguilar  
Deputy Secretary, Finance and Operations

Cc: Leighann Lenti, Deputy Secretary, Policy and Program  
Ms. Beverly Aguilar, Business Manager