

Circuit Breaker Program Overview

The state special education reimbursement program, commonly known as the circuit breaker program, was started in FY04 to provide additional state funding to districts for high-cost special education students. In FY17 approximately \$263 million was paid to districts under this program.

The threshold for eligibility is tied to four times the state average foundation budget per pupil as calculated under the chapter 70 program, with the state paying 75 percent of the costs above that threshold if funds allow.

Circuit breaker reimbursements are for the district's prior year's expenses. Each summer, districts submit claim forms to DESE listing the types and amounts of special education instructional services provided to each student during the previous fiscal year. Administrative and overhead costs are not reimbursable. Standard rates for each type of service are established annually by DESE based on statewide surveys and are used to calculate the reimbursable cost for each student; this simplifies the claim process and minimizes the documentation which needs to be submitted. For students attending private 766 schools, the eligible cost for reimbursement is based on the approved tuition rate set by the state's Operational Services Division.

Payments are made to districts on a quarterly basis. Because the program is subject to appropriation, the first quarter's payments are usually calculated using an interim reimbursement rate of less than 75 percent. After all the claim forms have been received and reviewed, and DESE verifies that there are sufficient appropriations to pay all claims, the reimbursements are recalculated using the full 75 percent rate.

Circuit breaker reimbursements should be deposited into a special education reimbursement account. These funds may be expended by the school committee in the year received or in the following fiscal year for any special education-related purposes, without further appropriation. As with all special revenues, the appropriating authority can and should consider the projected reimbursements for the following fiscal year when deliberating on the school district's general fund budget.

In general, special education costs are the responsibility of the district where the student resides or, if the student is living in a residential program, where his or her parents reside. In cases where the student has no parents or legal guardian in the commonwealth, or where the residency of the parents is in dispute, DESE's Office of Special Education Planning and Policy will make a determination.

The "move-in" law (M.G.L. c.71B, s.5) applies to students in private 766 placements who move from one Massachusetts town to another during the course of the year. The fiscal responsibility for these students remains with their prior district until the end of the fiscal year. In addition, if the move takes place between April 1 and June 30, the fiscal responsibility remains with the prior district for not only the current year but the following fiscal year as well.

Many special education students require special transportation services, which the district must provide if it is included in the student's IEP. Transportation costs are not currently reimbursable under the circuit breaker program, and a separate statewide reimbursement program for special education transportation has not been funded since FY03.

Hopedale Public Schools
Circuit Breaker Analysis

Fiscal Year	Eligible Expenses	Net Claim	%	Reimbursement Received
2006-2007	714,208	226,007	75.00%	169,505
2007-2008	699,646	243,889	75.00%	182,917
2008-2009	889,566	309,477	72.00%	222,824
2009-2010	755,979	230,671	42.34%	97,670
2010-2011	819,252	239,038	43.66%	104,375
2011-2012	707,637	251,301	68.71%	178,806
2012-2013	989,637	522,645	74.50%	375,987
2013-2014	881,086	313,918	75.00%	235,441
2014-2015	713,612	175,308	73.50%	128,959
2015-2016	743,272	198,000	75.00%	148,500
2016-2017	981,857	232,157	73.16%	169,839
2017-2018	1,003,529	292,478	65.00%	190,109
				Also received \$198,500 Extraordinary Relief