

What is Special Education Circuit Breaker

The special education circuit breaker program (MGL Chapter 71B §5A) is intended to provide partial reimbursement to school districts for the cost of individual special education students. The reimbursement formula provides for a 75 percent reimbursement of the special education costs in excess of four times the state average per pupil foundation budget. The foundation budget is an amount, calculated by the Department of Elementary and Secondary Education (ESE), that assigns an adequate, but not excessive, spending level for each local and regional school district.

The circuit breaker replaces the old “50/50” special education reimbursement program that provided for a 50 percent state reimbursement only for residential school placements. In contrast, the circuit breaker provides reimbursement for all high cost special education pupils regardless of the type of their placement. During FY2012, funding for this program was only enough to provide for a 65 percent reimbursement rather than the full 75 percent reimbursement.

For budgetary planning purposes, school districts should reduce the special education appropriation by the estimated amount of the circuit breaker reimbursement. When state reimbursements are received each quarter they are placed in a special fund called the “State Special Education Reimbursement Fund” and may be spent by the school department without further appropriation. Initially, special education expenses incurred are charged to the regular school committee appropriation and then these expenses are transferred to the Fund as the state reimbursements are received. The amount of the reimbursement is based on the actual costs incurred in the prior year.

As these costs tend to be volatile, local officials should review the actual revenues and expenditures to see how well they match estimates. Another worthwhile practice is to allow the circuit breaker reimbursement fund to accumulate a balance so this can be drawn on when unexpected special education costs arise. Current ESE regulations allow school districts to carry one year’s worth of special education reimbursements forward into the next fiscal year.