

**Proposed Amendments to 603 CMR 10.07 (9):
School Finance – Special Education “Circuit Breaker” Reimbursement Program**

For consideration and initial action by the Board of Education: April 25, 2006

Period of public comment: through June 9, 2006

Final action by the Board of Education anticipated: June 27, 2006

The proposed amendments revise section 10.07 (9) of the regulations, relating to the special education “circuit breaker” reimbursement program. The purpose of the amendment is to clarify the accounting treatment of funds remaining at the close of a fiscal year.

In accordance with the Administrative Procedure Act, G.L. c. 30A, § 3, the Board of Education invites written comments on the proposed amendments to the regulations. Following the period of public comment, the Board is expected to adopt the regulations in final form at its meeting on June 27, 2006.

The proposed amendments to the regulations are indicated below by underscore (new language). Sections of the regulations that are unchanged are not reproduced in this document. The full text of 603 CMR 10.00 is available on the Department of Education website at <http://www.doe.mass.edu/lawsregs/603cmr10.html>.

10.07: Special Education Payments and Reimbursements

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(9) Reimbursement for Individual Districts. Instructional costs eligible for reimbursement under this program shall be reported by a school district to the Department in a form and manner as prescribed by the Department. The Department may require such reports to include state-assigned student identification numbers (SASIDs) and such other personal identifying information as is needed. The Department shall review reports provided by individual districts and shall approve reported costs that are eligible for reimbursement pursuant to 603 CMR 10.07 within 30 days of the submission by the district, subject to the following requirements:

(a) **Annual Calculation.** Calculation of costs for individual students shall be based on the actual costs of the student's program. Services included in the calculation shall be supported by documentation of the student's IEP and associated student records which shall be kept on-site at the district and made available to the Department or the Department's authorized representative upon request.

(b) **Temporary Absences.** Districts may claim reimbursement for students experiencing temporary changes in the delivery of an IEP program due to illness or temporary absence, provided that such absence does not exceed 20 consecutive school days.

(c) **State Reimbursement.** Subject to appropriation, for each student the state's share shall equal 75% of the prior year's approved instructional costs in excess of four times the full amount of the prior year's state average per pupil foundation budget as defined in M.G.L. c.70 and as set by the Department. For students who have no father, mother, or guardian living in the commonwealth, and for any school age child placed in a school district other than a home town by, or under the auspices of, the department of transitional assistance or the department of social services, the state's share shall equal 100% of the prior year's approved instructional costs in excess of said four times the full amount of the prior year's state average per pupil foundation budget. In the event that appropriations are insufficient to fully fund all reimbursements due under 603 CMR 10.07, the total due to each district shall be prorated by an equal percentage.

(d) **Local Budget Planning.** In preparing a budget recommendation for the subsequent fiscal year for consideration by the local appropriating authority, a school district shall exclude the estimated reimbursement expected to be received under this program.

1. Upon receipt of reimbursements paid under this program, such amounts shall be deposited in the Special Education Reimbursement Fund and recorded as additional appropriations to the school committee and may be spent by the school committee without further action on the part of the local appropriating authority.

2. Reimbursements shall be made by the Department to the school district in four quarterly payments. Reimbursements shall coincide with the distribution of funds made available pursuant to M.G.L. c.70. Each payment shall equal 25% of the estimated annual reimbursement, provided that payments may be adjusted to reflect audit determinations for prior year claims.

3. Reimbursements made by the Department and deposited in the Special Education Reimbursement Fund may carry forward for one fiscal year.

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