

Questions from BOS:

Circuit Breaker / Special Ed Tuition 5-Year Summary

See attached spreadsheet.

How does the Circuit Breaker Program work?

The state circuit breaker program was started in FY04 to provide funding to districts for high-cost special education students. The threshold for eligibility is four times the state average foundation budget per pupil as calculated under the chapter 70 program. That number is currently \$10,128, and four times foundation is therefore \$40,512. The district must pay the first \$40,512 of the educational expenses for each student. In the following year, the state will reimburse a percentage of the cost incurred in excess of the \$40,512. The reimbursement percentage is subject to appropriation each year, with a maximum set by the legislation at 75%. For recent years the reimbursement rates have been as follows:

FY07	75%
FY08	75%
FY09	72%
FY10	42.34%
FY11	43.66% (supplemented by Stimulus Grants)
FY12	68.71%
FY13	70% (as of 1-2-13)

Circuit Breaker reimbursements in each year are based on the district's prior year expenses. Each summer, districts submit claim forms to the DESE listing the types and amounts of special education instructional services provided to each student during the previous fiscal year.

A standard rate for each type of service is established annually by the DESE based on statewide surveys. These are used to calculate the reimbursable cost for each student. Services may include: small group instruction, 1:1 instruction, 1:1 assistant, therapies such as Speech, OT, PT, Counseling, Home-based services, ABA services, nursing care, consultation from PhD level consultants, etc. Tuitions approved by the state's Operational Services Division are also claimed. Administrative and overhead costs are not reimbursable. Transportation costs, including the cost of a 1:1 monitor during the ride, are not reimbursable.

Circuit Breaker claims are audited by the DESE, and adjustments are made to future payments in the event of disallowed costs. The single biggest reason for costs being disallowed is that services have not been clearly documented on the student's IEP.

Payments are made to the district in the following year on a quarterly basis. The "extraordinary relief" program may be able to provide additional funds in a year where expenses have increased by more than 25% over the prior year (we were eligible for this program in FY11).

Breakdown of Other Funding Sources – Revolving Accounts

See attached schedule for the balances in the revolving accounts as of 7/1/12. Balances at 12/31/12 are not yet available. It is important to note that because the funds operate on a cash basis, mid-year balances will reflect the fact that revenues are generally received at the start of the year, while expenses are charged over the course of the following 12 months. Fees and other receipts from activities can only be used to support the activity for which they are received, and cannot be used to offset unrelated areas of operations.

The School Choice account had a balance of \$352,000 at the start of FY13. This amount is earmarked to cover the \$353,000 in offsets to School Choice that are included in the FY13 School Budget. School Choice receipts in FY13 are currently expected to be approximately \$337,000, which will be used to partially offset \$353,000 in the FY14 School Budget. We generally do not zero out the account at the end of the fiscal year.

Special Ed Tuition Expenditure and Circuit Breaker Summary
FY08 to FY14

	FY08	FY09	FY10	FY11	FY12	FY13 Budg at SOY	FY13 Budg at 11-28-12	FY14 Budg at 1-2-13
	Actual	Actual	Actual	Actual	Actual			
<u>Actual tuition expense incurred for the year:</u>								
Charged to General Fund appropriation	1,282,047	1,435,829	1,295,613	1,145,487	2,047,714	1,830,990	1,830,990	2,402,984
Charged to Circuit Breaker receipts from prior year	179,987	251,063	399,202	421,338	477,800	832,691	857,092	631,400
Charged to Circuit Breaker receipts from current year	70,013	98,937					268,600	268,600
Charged to Circuit Breaker Extraordinary Relief (available 1 year only)				197,002				
Charged to IDEA Stimulus Grant (available 1 year only)				368,546				
Charged to SFSE Stimulus Grant (available 1 year only)				120,009				
Prepaid with available funds from prior year	116,251	199,033	162,865	179,905	334,390		200,467	-
Total Special Ed Tuition Expense	1,648,298	1,984,862	1,857,680	2,432,287	2,859,904	2,663,681	3,157,149	3,302,984
% increase (decrease) over prior year		20.4%	-6.4%	30.9%	17.6%		10.4%	4.6%
<u>Budget for Special Ed Tuitions:</u>								
General Fund appropriation	1,185,881	1,235,881	1,235,881	1,235,881	1,930,990	1,830,990	1,830,990	2,402,984
Circuit Breaker funds	250,000	350,000	414,119	414,119	437,701	832,691	832,691	900,000
Total budgeted for Special Ed Tuitions	1,435,881	1,585,881	1,650,000	1,650,000	2,368,691	2,663,681	2,663,681	3,302,984
Excess expenditure compared to budgeted funding sources	212,417	398,981	207,680	782,287	491,213	-	493,468	-
<u>Reconciliation - funding of excess expenditure:</u>								
Funded by Stimulus Grants				488,555				
Funded by Circuit Breaker Extraordinary Relief				197,002				
Funded by Circuit Breaker receipts in excess of budgeted amount			(14,917)	7,219	40,099		293,001	
Difference in prepaid tuitions	(82,782)	36,168	(17,053)	(154,485)	133,923		200,467	
Funded by savings in other areas of the School Dept budget	295,199	362,813	239,650	243,996	317,191		-	
	212,417	398,981	207,680	782,287	491,213		493,468	
Circuit Breaker receipts for current year	321,076	498,139	421,338	477,800	857,092		EST	EST
(excluding one-time extraordinary relief of \$197,002 received and expended in FY11)							900,000	900,000
							subject to legislative appropriation & CB audit	
Balance in Circuit Breaker account at end of year (FY09 to FY12)								
Estimated balance in Circuit Breaker Account at end of year (FY13 & FY14) (required to be used in the following year - FY13 and FY14 are estimates)	251,063	399,202	421,338	477,800	857,092		631,400	631,400
NOTE: FY14 assumptions:								
1. there will not be funds available at the end of FY13 to prepay any tuitions for FY14								
2. if there is a deficit in the tuition budget at the end of FY13, the deficiency will be funded with current year (FY13) circuit breaker funds. if in fact we have available funds in other lines of the school budget at the end of FY13, we can preserve the current year circuit breaker funds for use in FY14.								
3. FY13 and FY14 Circuit Breaker receipts will equal \$900,000 (subject to legislative appropriation)								
4. FY14 Circuit Breaker budget offset is maintained at the original amount of \$900,000, which represents the latest estimated carryover of \$631,400 from FY13 plus the use of \$268,600 of current year FY14 Circuit Breaker receipts								
5. It is assumed that we will strive to maintain a balance in the Circuit Breaker account to carryover to future years. This will provide a level of assurance that we will not need to go back to the town in the subsequent year for a supplemental appropriation in the event of unexpected new out-placements.								

**WESTFORD PUBLIC SCHOOLS
OTHER FUND BALANCES AT JUNE 30, 2012**

	Balance at 7/1/11	Receipts	Expenses	Balance at 6/30/12	COMMENTS
SCH CHOICE / FOUNDATION GRANTS / CIRCUIT BREAKER:					
School Choice	319,665	271,300	238,740	352,225	There were 52 incoming School Choice students in FY12.
Foundation Grants	55,074	-	55,074	-	These funds were used in FY12 to repair a roof section at Abbot School.
Circuit Breaker	477,800	831,873	477,800	831,873	Balance must be expended on Special Education costs in FY13. Does not include supplemental payment of \$25,219 received in July 2012 for FY12 claim.
	852,539	1,103,173	771,614	1,184,098	
OTHER OUTSIDE SOURCES:					
<i>Ch 44 Sec 53 E 1/2 Revolving Accounts:</i>					
Transportation Fees Revolving	20,737	504,053	506,687	18,103	Receipts are trending downward, and we may have to consider raising the fee in FY14.
WA Parking Fees	14,465	15,650	27,063	3,052	Balance can be carried forward for future parking lot expenses.
<i>Other Revolving Accounts:</i>					
Athletic Revolving	68,660	540,943	536,641	72,962	Fees for FY12 were \$225 per sport, with no family cap.
Custodial Extra Detail Revolving	1,612	59,001	59,539	1,074	Fees charged cover overtime wages paid. There may be timing differences.
Facility Use Revolving	28,685	49,662	40,464	37,883	Expenses include direct costs and allocated operating and custodial costs.
Simmons Partnership	58,251	24,300	26,960	55,591	Fees support courses offered to staff in conjunction with Simmons College.
Lost Books Revolving	15,437	4,835	4,532	15,740	Balances belong primarily to the middle schools and the high school.
Kindergarten Extended Day	203,692	236,757	263,147	177,302	For the near-term future, increases in program costs will be funded using the balance in the account from prior years. Excess indirect expenses for FY12 funded by the brought forward balance were \$26,390.
Special Ed Integrated Preschool	67,057	167,436	178,390	56,103	Balance includes deposits for FY12.
Special Ed Integrated Kindergarten	33,236	93,625	69,180	57,681	There are two classrooms of full-day integrated kindergarten at the Miller School.
WA Grey Ghost Academy	250	5,875	5,875	250	Enrichment programs for students at WA.
Gr 9-12 Activity Fees	7,381	35,500	35,213	7,468	The planned budget offset was \$30,000 for FY12.
Gr 6-8 Activity Fees	42,336	27,050	19,750	49,636	The planned budget offset was \$19,750 for FY12.
Gr 3-5 Instrumental Fees	43,795	135,537	140,898	38,434	Actual instrumental music staff salaries were \$168,000, of which \$141,000 was offset against the fees received. School Choice was charged for \$10,000 and the operating budget absorbed the remaining \$17,000.
5th Grade Environmental Program	161	33,969	26,756	7,374	Additional expenses of \$6,633 were paid after the end of FY12, producing an actual ending balance after this year's camp of \$741. The fee paid to the Town for the use of the East Boston Camps property was \$4,000, and is included in the expenditure total.
Elementary Early Arrival Option	465	67,527	66,990	1,002	Direct and indirect costs are charged to the account.
Summer School for Performing Arts	37,520	149,089	91,038	95,571	Balance includes deposits for the Summer 2012 activities, but expenses will not be reflected until the first quarter of FY13.
Special Ed Summer Program	1,200	7,475	1,612	7,063	Attendees who were not special needs students paid a participation fee.
Middle School Techno Summer Camp	969	-	-	969	This program did not take place in FY12.
Other Elementary Programs	7,478	-	-	7,478	This program did not take place in FY12.
Miscellaneous School Activities	-	63,156	64,956	(1,800)	This is a timing difference. The corresponding deposit was made in July 2012.
TOTAL - OTHER OUTSIDE SOURCE	653,387	2,221,240	2,165,691	708,936	
TOTAL	1,505,926	3,324,413	2,937,305	1,893,034	