

Hanover Public Schools

Matthew A. Ferron
Superintendent of Schools

Deborah St. Ives
Assistant Superintendent



Thomas R. Raab, Ed.D.
Business Manager

Joan Woodward
Student Services Director

MEMORANDUM

To: Hanover School Committee
From: Thomas Raab, Business Manager
Cc: Matthew Ferron, Superintendent of Schools
Date: February 3, 2016
Re: Circuit Breaker Funding 2012-2016

I am pleased to present a brief history of Hanover's Circuit Breaker funding from FY '12 through FY '16. Circuit Breaker is a state program that reimburses school districts for extraordinary Special Education expenses. The following is taken from "A Primer on Financial Aspects of Special Education" published in 2008 on the DESE website, <http://www.doe.mass.edu/finance/circuitbreaker/finance.html>.

*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. 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. (In FY '15, the state average foundation budget per pupil is \$10,486, so if a special education student cost a district \$50,000, the district's eligible reimbursement for that student would be $(\$50,000 - (4 * \$10,486)) * .75 = \$6,042$.) Circuit breaker reimbursements are for the district's prior year's expenses. Each summer, districts submit claim forms to ESE listing the types and amounts of special education instructional services provided to each student during the previous fiscal year. Payments are made to districts on a quarterly basis. 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.*

Each year, we take into account anticipated Circuit Breaker funding as part of the expense budget. We build the expense budget including Special Education tuitions and then subtract anticipated Circuit Breaker funding from the total arriving at the amount of town appropriation needed. In Hanover the balance of the Special Education tuitions is funded through a combination of the Annual Town Meeting article for Special Education and the operating budget. Please see Budget 2.0 for a breakdown of Expenses in this manner.

Circuit Breaker History FY 2012 - 2016

State Calculations								
	Fiscal Year	Eligible Students Claimed	Total Eligible Expenses	Total Foundation (4X state average per pupil)	Net Claim (above and beyond Foundation)	Reimbursement % of net claim	Total Reimb	Total CB Funds Received
	<i>example</i>		\$ 1,000,000	\$ 700,000	\$ 300,000	73%	\$ 219,000	
			(\$ 1,000,000 = \$700,000 + \$300,000)			(\$300,000 X .73 = \$219,000)		
Revenue	2016	18	\$ 1,197,814	\$ 754,992	\$ 442,822	73%	\$ 323,260	\$ 323,260
	2015	17	\$ 1,183,519	\$ 662,528	\$ 520,991	72%	\$ 375,112	\$ 375,112
	2014	17	\$ 1,063,980	\$ 627,936	\$ 436,044	75%	\$ 327,033	\$ 327,033
	2013	22	\$ 920,597	\$ 622,656	\$ 297,941	74.50%	\$ 222,254	\$ 283,701
	2012	26	\$ 1,507,485	\$ 950,700	\$ 556,785	68.71%	\$ 382,556	\$ 396,164

Hanover Public Schools Circuit Breaker Funds Spent								
Expenditures	Fiscal Year							
	2016		\$ 328,719	Anticipated	Includes a 13K expense from FY 15 that was paid at the beginning of July in new Fiscal Year.			
	2015		\$ 148,368					
	2014		\$ 467,882					
	2013		\$ 457,611					
	2012		\$ 83,096					
	Total Revenue			\$ 1,705,270				
	Total Expended			\$ 1,485,676				
	Total FY '17 Carryover			\$ 219,595	This number is constantly changing throughout the year.			