MEMORANDUM

To: Superintendents, School Business Officials and Special Education Directors
From: Jay Sullivan, Associate Commissioner, District & School Finance
Date: April 23, 2024
Subject: FY2024 Circuit Breaker Relief Reimbursements

The Commonwealth Special Education Reimbursement program, commonly known as Circuit Breaker, has two Relief components for fiscal year 2024: Extraordinary Relief and Reserve Relief. Each component was enabled through separate legislative action, and this memo intends to clarify funding sources and district spending requirements for reimbursements provided through each.

**Extraordinary Relief**

Extraordinary Relief is the traditional Circuit Breaker Relief component with no substantive changes in FY24. To qualify for Extraordinary Relief, a district must demonstrate allowable FY24 special education instruction and tuition costs exceed FY23 costs claimed under the program by 25%.

Reimbursements in this category are enabled by M.G.L. Chapter 71B section 5A, with a target of reimbursing districts 75% of qualified expenses above the annual threshold, subject to appropriation.

For FY24, we’ve received eligible claims totaling $33.8m in reimbursement and we had $27.8m set aside for this purpose. Consequently, the program will distribute approximately $27.8 million paid through the Circuit Breaker line item, which equates to reimbursement at roughly 62%. Additionally, to close the gap between 62% and full reimbursement, the program will distribute approximately $6.0 million in Extraordinary Relief through the Reserve Relief line item, bringing Extraordinary Relief to 75% reimbursement or $33.8 million in total.

**Reserve Relief**

Reserve Relief is a new program component for FY24. To qualify for Reserve Relief, a district must demonstrate allowable FY24 special education instruction and tuition costs exceed FY23 costs

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1 The FY24 claim threshold is $51,721 in per-student expenses.
2 For historic perspective, Circuit Breaker Extraordinary Relief payments were $4.54 million in FY23, $2.58 million in FY22, $2.71 million in FY21, with each of these years at 75% reimbursement. FY20 payments totaled $5.0 million at 64.7% reimbursement.
claimed by 7.5%, and that increase must be greater than 0.5% of the district’s FY23 Net School Spending (NSS).

Reimbursements in this category are enabled by the Acts of 2023 Chapter 77 item 1599-0012, with a target of reimbursing districts 100% of qualified expenses above the calculated expense threshold. Additionally, the legislative language specifies, “that funds paid from this provision in fiscal year 2024 shall not be reimbursable in fiscal year 2025,” so reimbursements paid from the Reserve Relief budget in FY24 will be deducted from Circuit Breaker reimbursements for FY24 expenses due to be paid quarterly in FY25.

For FY24, the program will distribute approximately $20.8 million in Reserve Relief.³

**Reimbursement and Expenditure Timing**

Extraordinary Relief and Reserve Relief have specific timeline requirements for district expenditures. A summary of those requirements can be found in the table provided:

<table>
<thead>
<tr>
<th>FY24 Relief Reimbursement Category</th>
<th>FY24 Relief Payment</th>
<th>Impact to FY25 Circuit Breaker Reimbursements⁴</th>
<th>Expenditure Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary Relief paid through the Circuit Breaker line item</td>
<td>May 2024</td>
<td>None</td>
<td>Must be spent in current fiscal year; spend by June 30, 2024</td>
</tr>
<tr>
<td>Extraordinary Relief paid through Reserve Relief line item</td>
<td>May 2024</td>
<td>FY24 reimbursements paid in this category are deducted from FY25 reimbursements</td>
<td>May carry forward one fiscal year; must be spent by June 30, 2025</td>
</tr>
<tr>
<td>Reserve Relief paid through Reserve Relief line item</td>
<td>May 2024</td>
<td>FY24 reimbursements paid in this category are deducted from FY25 reimbursements</td>
<td>May carry forward one fiscal year; must be spent by June 30, 2025</td>
</tr>
</tbody>
</table>

The Circuit Breaker office is continuing to review Relief claims and anticipates final reimbursement amounts will be determined in early May, at which time districts will be informed of their reimbursement status.

Additionally, all districts that qualify for Relief will be invited to join a webinar on Thursday, May 2nd at noon where the Circuit Breaker team will provide clarification of FY24 Relief payments and allow opportunity for district questions. Any questions in the meantime should be directed to the Circuit Breaker liaison assigned to your district.

³ The Reserve Relief budget will provide total reimbursement of $26.7 million in FY24: $20.8 million through the Reserve Relief program component and $6.0 million through the Extraordinary Relief component.

⁴ Final Circuit Breaker reimbursements are paid quarterly during FY25 to reimburse districts for expenses incurred during FY24 and submitted in a year-end claim in July 2024.