



Special Education Reserve Fund

Warrant Article 11

Presentation to Town Meeting

April 27, 2023



Warrant Article 11

To see if the Town will vote to accept the provisions of Chapter 40, Section 13E of the Massachusetts General Laws to establish a Special Education Reserve Fund to be utilized in the upcoming fiscal years, for the general purposes of funding, without further appropriation, unanticipated or unbudgeted costs of special education and recovery high school programs, out-of-district tuition or transportation, all as provided for by law; such funds to be distributed after a majority vote of the School Committee and a majority vote of the Select Board only; provided that the balance in such reserve fund shall not exceed 2 per cent of the annual net school spending amount established for the school district; or take any other action with respect thereto.



What is a Special Education Reserve Fund?

- The Special Education Reserve Fund was created through the Municipal Modernization Act (Chapter 218 of the Acts of 2016).
- By a majority vote of the School Committee and of the legislative body, a municipality may establish a Special Education Reserve Fund to be utilized in the upcoming fiscal years, to pay for without further appropriation unanticipated or unbudgeted costs of special education, out-of-district tuition, or transportation.
- The Special Education Reserve Fund is governed by MGL Chapter 40A, Section 13E.



Massachusetts General Laws, Chapter 40A, § 13E

Any school district which accepts this section, by a majority vote of the school committee and a majority vote of the legislative body or, in the case of a regional school district by a majority vote of the legislative bodies in a majority of the member communities of the district, may establish and appropriate or transfer money to a reserve fund to be utilized in the upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education and recovery high school programs, outof-district tuition or transportation. The balance in such reserve fund shall not exceed 2 per cent of the annual net school spending of the school district.

Funds shall only be distributed from the reserve funds after a majority vote of the school committee and a majority vote of the board of selectmen or city council, or, in the case of a regional school district by a majority vote of the board of selectmen or city council in a majority of the member communities of the district.

The district treasurer may invest the monies in the manner authorized in section 54 of chapter 44 and any interest earned thereon shall be credited to and become part of the fund.



How is the Special Education Reserve Fund Funded and Expended?

- If approved by Town Meeting, the Reserve Fund will be funded through the allocation of year-end savings at an amount to be determined by School Committee.
- Any interest earned becomes part of the fund.
- The release of funds to pay for expenses is authorized by vote of the School Committee and Select Board.
- Any balance in the fund can be carried into future fiscal years and remains in the fund until needed and expended.
- Fund balance cannot exceed 2% of annual net school spending, which is equivalent to approx. \$940K.



Some Nearby Communities with Special Education Reserve Funds

- Arlington
- Belmont
- Cohasset
- Framingham
- Lexington
- Lowell
- Salem
- Swampscott
- Winchester