

## **SULLIVAN SCHOOL BOARD GUIDANCE**

### **MEB: Special Education Tuition and Expendable Trust Fund**

This document was reviewed by the School Board to provide guidance in determining the funding level for the Special Education and Expendable Trust Fund.

Special education is one of the most expensive and variable parts of a school district budget. The provision of special education services in all public schools is governed and enforced by the Federal and State government. School districts have the obligation to provide a free and appropriate public education to children identified with special education needs. In addition, school districts are legally obligated to pay these expenses by State and Federal law. The law provides the framework for how special education services are enacted and enforced.

The Sullivan School District is legally obligated to pay for special education expenses. As such, New Hampshire law allows for special education expenditures to exceed the appropriated budget. Without an appropriate level of funds in the Special Education and Expendable Trust as a financial safeguard, the school district would require a deficit appropriation and face the potential tax impact on residents.

The Sullivan School District has experienced relatively high and unanticipated special education expenses over the past several years. These special education expenses have a significant impact the Sullivan School District budget, where the majority of the budget is established through the contracted tuition rates. The School Boards' legal counsel, Wadleigh Law, references that current out of district special education costs can range from over \$100,000 per student to upward of \$400,000 per student, per year, when you factor in expenses for transportation, related services, and residential placements. It is important to know that the State provides partial reimbursement for extraordinary special education expenses via Special Education Aid, otherwise known as catastrophic aid or excess cost aid. However, this reimbursement occurs during the subsequent fiscal year and not at the time of the expense to the district.

The Sullivan School Board believes that it is responsible governance to plan for the potential for such expenses through appropriate funding of the Special Education Tuition and Expendable Trust.

The Sullivan School Board endorses a plan to build the Special Education Tuition and Expendable Trust to a \$500,000 maintenance level. This level of funding will provide a stronger financial safeguard for the school district, help to ensure that funds are available if needed, and assist in minimizing the tax impact on residents.

As of January 24, 2025, the balance available in the Special Education Tuition and Expendable Trust was approximately \$340,555. The Sullivan School Board endeavors to build the trust to a \$500,000 maintenance level through the following strategies.

- A School Board commitment to seek voter approval by warrant article at the annual district meeting to appropriate funds to the Trust that may be available from the year end surplus.
- A School Board commitment to seek voter approval by warrant article at the annual district meeting to raise an amount to be determined to add to the Trust.

Note that the Sullivan School Board has the option to propose a warrant article for resident consideration to name the School Board as agents to expend the Special Education and Expendable Trust. This step would eliminate the requirement to hold a special meeting to request utilization of these trust funds for required special education expenditures over the appropriated budget.

The school board will monitor the status of the Special Education Tuition and Expendable Trust Fund, review this guidance as needed, and modify for changing circumstances.

Reference: RSA 198:20-c Trust Funds Created for Specific Purposes  
RSA 186-C Special Education  
RSA 186-C:18 State Aid

Reviewed by the School Board: 2/12/2025