

**Town of Bedford Reserve Policy Special Education Reserve Fund**

- **March 2024 - Approved by Bedford School Committee on 3/13/24**
- **Edits shown with strikethrough and bold are based on feedback from FINCOM on 3/21/2024. If approved by the Select Board, the revised policy will be sent back to the School Committee to be ratified again.**

**Objective:** Pursuant to Section 24 of Chapter 218 of the Acts of 2016, special reserve accounts are allowed by Massachusetts General Law to allow savings to be set aside. The Special Education Stabilization Fund (Fund) provides a proactive, strategic approach to planning for unforeseeable special education costs and to provide stability in the delivery of public education that could otherwise be adversely impacted by unanticipated expenses. This policy will be reviewed periodically for modification to ensure that the reserve fund is meeting its objective and financial goal.

**Financial Goal:** The purpose of the Fund is to provide for payment of unbudgeted or unforeseen special education expenses in any year, without forcing cuts to other school services during that year.

**Note:** Confidentiality of student records is of the utmost importance to the Bedford Public Schools. The Town of Bedford and its committees acknowledge the need to maintain student confidentiality per state and federal law (FERPA and IDEA).

**Transfers In:**

- The funding ceiling (FC) for this Fund shall be \$950,000 and the target funding floor (TFF) shall be \$200,000. If the balance of the Fund drops below the TFF, the Town and Schools shall formulate a plan to restore the Fund to an agreed-upon amount based on available funds.
- The first funding source will be free cash derived from year-end surpluses from the appropriated school budget. The Town may also consider designating Medicaid Reimbursements for the Fund.
- The second funding source will be free cash derived from any other funding source.
- If other available funding sources are identified, they may be considered by the School Committee, Select Board, and Finance Committee through the standard budget process prior to a Town Meeting.

**Transfers Out:** To request a transfer out of the Fund, the School Department will provide a report comparing the aggregate special education expense of the line items below. This report will compare actual expenses versus the originally budgeted line item amounts.

1. Out-of-District Tuitions
2. Special Education Transportation Contract Services
3. Special Education staffing contracted services
4. Special Education other contracted Services (e.g. evaluation, tutoring, testing)

**Withdrawal Procedures:** Below is an outline of the specific procedure for executing withdrawals from the Fund:

- The School Committee will annually create a budget for each of the line items above.
- The Select Board will annually place an article in the town warrant to authorize an expenditure limit from the Special Education Stabilization Fund in the event that it may be needed.
- If the School Committee determines that a withdrawal from the Fund is necessary, it must make a request by a majority vote of the School Committee. The School Committee will prepare a budget report that will be shared with the Finance Committee prior to presenting a formal withdrawal request to the Select Board.
- The Select Board must approve any transfer out request by a majority vote.

School Committee Approved: April 9, 2024