

Understanding



School District Reimbursements for Out of District Placement

Laws and Student Rights



IDEA Individuals with Disabilities Education Act

Both federal and state law require every student to be provided a “free and appropriate public education” (FAPE)



Most students can be served effectively in their local public schools.

When public schools cannot, approved special education schools **collaborate with the public districts** to meet the districts’ special education mandates.

Increasing Numbers*



20.6% of MA students, (and rising) receive special education services, compared to 15% nationally.



1985

2025

The number of students requiring special education services has **doubled** in the past 40 years.

The past 10 years have seen a nearly **600% increase in the rate of autism** diagnoses alone.

A small % of special education students will be served in a specialized placement.



Who Decides the Cost

Needs + Services = Costs

The Team (Districts + parents/caregivers) determines the student’s needs; schools provide the services at cost.



DESE approves private schools for specific mandated services. Before an approved schools’ tuition rate can be determined (or changed), all required services must be approved by DESE.



OSD authorizes the tuition, and annually monitors spending, which includes limits on certain salaries, strict financial disclosures, financial and regulatory oversight, and prohibitions on profit.

On average, the private special education schools’ salaries are significantly lower than public school salaries.

Inflation & Reimbursement

Approved schools receive **an annual inflation**, which helps schools keep pace with rising costs so they can continue to provide educational services to the exceptional students they serve.

More than 50% of approved special education schools operate at a deficit in order to meet the IEP needs of students as determined by districts.

State \$

Local \$

The Commonwealth covers a significant portion of out of district costs.

Massachusetts reimburses districts 75% of all costs for out of district tuition over the set minimum spend per year, **plus transportation** reimbursements, through the Special Education Circuit Breaker reimbursement.

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Costs and Growing Needs

NEEDS + SERVICES = COSTS

Special education costs are directly related to services as required by the students' learning needs, as directed by the Team (District + Families)

Special education is funded at a variety of levels:

- LOCAL
- STATE (Circuit Breaker, H.55, Ch. 70)
- FEDERAL (IDEA)

State Reimbursements

Massachusetts specifically funds local districts for out-of-district students:

Massachusetts reimburses districts 75% of all costs for the tuition over the set minimum spend per year, **plus transportation.**

This year, **H.4227** (1596-2516) included **\$58M for FY'25 transportation costs**, and an **additional \$190M for FY'26 to the Special Education Circuit Breaker Account.**

- Accessible to school districts for claims in FY'25
- Allows districts to be reimbursed the full 75% for transportation in FY25

What about recent rate increases?

*In FY24 and FY25 the Commonwealth allocated an **additional \$95 million reimbursement to districts** for out of district tuitions to **FULLY COVER** the one-time-only extra inflation increases.*

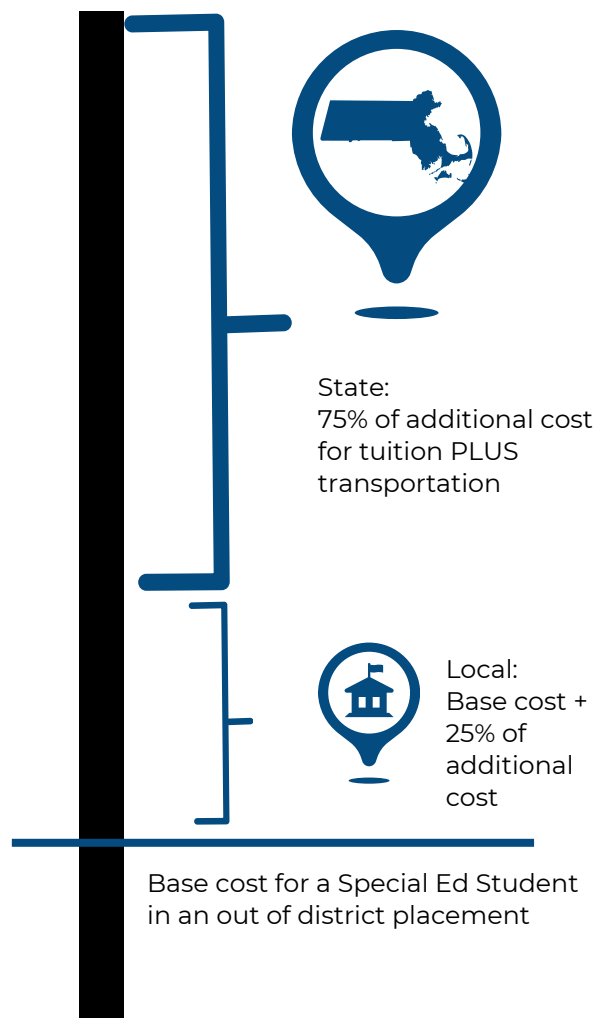
Federal Reimbursements

Districts also receive federal funds via the **Individuals with Disabilities Act (IDEA).**

In 2025, MA received about \$344,227,568 in IDEA funds.

The federal funding mechanism is a critical part of the Commonwealth's delivery of our constitutionally assured **"free and appropriate public education."**

Out of District Reimbursements:



Join the MAAPS ACTION NETWORK in advocating for more federal funding through IDEA and improvements to the federal formula.