

HB 558 -- HOLD-HARMLESS SCHOOL AID PAYMENTS

SPONSOR: Bahr

This bill phases out hold-harmless school aid payments over a three-year period beginning in school year 2017-18. By July 1, 2017, the Department of Elementary and Secondary Education must create a list of hold-harmless school districts that is rank ordered using a specified calculation based upon a school district's September enrollment from the 2016-17 school year and the proportion of state aid payments to total expenditures for that school year. Districts with a factor in the lowest one-third will have their payments reduced to what the formula calculation provides in the 2017-18 school year and the remaining districts will be reduced in groups of one-third at a time. Beginning with school year 2019-20, if a school district's formula calculation is zero, it cannot receive a basic school aid payment.

The bill repeals a duly enacted section.