SGSA EXECUTIVE SUMMARY

The following report contains an analysis and recommendation for the FY2002 Supplemental General State Aid (SGSA) plan submitted by Chicago Public School District 299. Section 18-8.05 (H) of the Illinois School Code requires the State Board of Education to approve this plan before these funds can be distributed and expended.

State law was changed in 1979 to require that a portion of General State Aid generated by the Title I student weighting factor be distributed to schools in Chicago on the basis of poverty. The major concern and the legislative intent for these early plans was to make sure that these monies were distributed properly to Chicago public schools. The Chicago Board of Education was given great latitude in the utilization of these funds once they were distributed to the schools.

In 1988 as a component of the school reform effort, the statute was amended to require that all funds generated by the poverty weighting factor be distributed to schools on the basis of poverty in increasing percentages each year. The 1988 revision also added the following provisions:

1. Contravention - As State Chapter One funds increase in schools with the highest concentration of poverty level students, other funds in these schools cannot be shifted to schools with lower percentages of poverty.

2. 90% Rule - No school can reduce its per pupil expenditure by more than 10% of its prior year's total.

3. Hold Harmless - Those schools that receive a lower State Chapter One allocation due to the change in the distribution formula (1988 Reform Act) must receive additional funding equal to the amount of their loss.

Since the law requires approval of the Chicago SGSA plan before funds may be expended, in 1991 the statute was amended again to move the plan’s annual submission date from December 1 to July 15 in order for the State Board to approve the plan at the beginning of the school year. The Chicago schools use a September 1 to August 31 fiscal year, therefore, it was understood that funds budgeted in the plan submitted July 15 would be estimates with a final modified plan due no later than December 1.

In May 1995, the statute was amended again to guarantee that notwithstanding any other provisions of the act, no less than $261,000,000 would be allocated to schools in 1995-96 and all subsequent years. This revision also eliminated the hold harmless and
90% rule requirements. The statute also changed Chicago Public School District’s fiscal year from July 1 to June 30, effective July 1, 1997.

In August 1995 a committee made up of Chicago Board and State Board staff met to review and revise Chicago’s State Chapter One Plan application forms and guidelines. The new plan format developed by this committee provided a stronger focus on learning outcomes and the educational environment.

Effective July 1, 1998, HB452 amended the statute by removing this funding from the General State Aid reimbursement claim filed by each Illinois school district annually. As of FY99, these funds were appropriated as a separate grant known as Supplemental General State Aid. The provision that $261,000,000 be annually distributed to individual Chicago schools remains. It also remains the responsibility of the Illinois State Board of Education to monitor the expenditure of these funds.

The State Board of Education has mandated the addition of the following three elements to all future Chicago SGSA Plan applications beginning with the FY01 Plan:

1. A needs assessment that aligns with the school district’s School Improvement Plans;
2. Evidence of what is accomplished through the use of these funds, particularly in terms of academic achievement; and,
3. A methodology that documents that the plan is in compliance with the statutory requirement that these funds supplement and not supplant other district funding sources.

An updated plan is expected by December 1 that will contain final expenditure data for FY01 and FY02 amendments made by local schools this fall.

Schools without approved Plans will not be permitted to expend Supplemental General State Aid funds until the Local School Councils and Chicago Reform Board of Trustees approve their Plans.