



Arizona Department of Education
(Office of Policy & Government Relations)

On March 18, 2021, Governor Ducey signed [SB 1139](#) modifying distribution requirements for monies from the Classroom Site Fund (CSF).

The following changes from SB 1139 apply to school districts and charter schools allocating monies from CSF:

- Removes the requirement for schools to distribute CSF monies as follows:
 - 40% for teacher compensation increases based on performance or employment-related expenses;
 - 20% for teacher base salary increases and employment-related expenses; and
 - 40% for maintenance and operation purposes.
- Includes the following as allowable expenses for CSF monies:
 - Teacher compensation, including a base pay and performance pay component; and
 - Student support services.
- Defines “student support services” as any expenditure in the student support services function defined in the Uniform System of Financial Records (USFR).

This legislation will be effective on the general effective date which is not yet definitive. The general effective date is 90 days after the Legislature adjourns and it is still in session, currently.

These changes allow for flexibility in the allocation and use of monies from the CSF and gives authority to local education agencies to determine how to distribute these funds. [According to USFR, below are some examples of student support services that these funds may be spent on:](#)

- Guidance services
- Attendance and social work services
- Health services
- Psychological services
- Speech pathology and audiology services
- Occupational/physical therapy
- Heads of components support services

To clarify, although these changes removed some allocation requirements of CSF monies, school districts are still required to adopt a performance-based compensation system. No changes have been made to the specific elements that must be included in the compensation system on which a governing board is required to vote other than the removal of the percentage requirement.

On March 31, 2021, the Joint Legislative Budget Committee (JLBC) estimated that schools will receive \$733 per weighted student from CSF in Fiscal Year 2022, which is a \$308 increase from last year. More information on JLBC’s estimation can be found [here](#).