



Arizona State Board for Charter Schools

Classroom Site Fund – Project 1013

Classroom Site Fund (CSF) monies may only be spent on certain items. Pursuant to [A.R.S. § 15-977](#), CSF monies must be spent on: a) teacher base salary increases and employment related expenses (Project 1011 – 20 percent); b) teacher compensation increases based on performance and employment related expenses (Project 1012 – 40 percent); and c) maintenance and operation purposes, which are defined as class size reduction, teacher compensation increases, assessment intervention programs, teacher development, dropout prevention programs and teacher liability insurance premiums (Project 1013 – 40 percent).

The following guidance is provided to assist charter schools in ensuring their practices related to the 40 percent of CSF monies associated with Project 1013 comply with the law. This guidance should not be considered legal advice; therefore, please consult your attorney for additional clarification or if you have questions.

The law states CSF monies distributed for class size reduction, assessment intervention and dropout prevention programs must only be used for “instructional purposes.”

How is “instructional purposes” defined?

According to [A.R.S. § 15-977\(N\)](#), CSF monies distributed for class size reduction, assessment intervention and dropout prevention programs “shall only be used for instructional purposes in the instruction function as defined in the uniform system of financial records, except that monies shall not be used for school-sponsored athletics.” The Uniform System of Financial Records for Charter Schools defines the “Instruction” function (code 1000) as follows:

Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities []. It may also be provided through some other approved medium such as television, radio, computer, Internet, multimedia, telephone, and correspondence that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process. If proration of expenses is not possible for department chairpersons who also teach, include department chairpersons who also teach in instruction. Full-time department chairpersons’ expenses should be included only in function 2400. As an alternative to using a separate optional element for course codes, schools may establish course codes under this function.

You may view the Uniform System of Financial Records for Charter Schools chart of accounts at <https://www.azauditor.gov/reports-publications/charter-schools/manuals-memorandums>.

How does the law define “assessment intervention”?

According to [A.R.S. § 15-977\(O\)\(1\)](#), assessment intervention means “summer programs, after school programs, before school programs or tutoring programs that are specifically designed to ensure that pupils meet the Arizona academic standards as measured by the statewide assessment prescribed by section 15-741.” In addition, [A.R.S. § 15-977\(N\)](#) requires monies distributed for assessment intervention to be used for instructional purposes in the instruction function as defined in the uniform system of financial records, except that monies shall not be used for school-sponsored athletics (see previous question and answer).

How does the law define “class size reduction”?

According to [A.R.S. § 15-977\(O\)\(2\)](#), class size reduction means “any maintenance and operation expenditure that is designed to reduce the ratio of pupils to classroom teachers, including the use of persons who serve as aides to classroom teachers.” In addition, [A.R.S. § 15-977\(N\)](#) requires monies distributed for class size reduction to be used for instructional purposes in the instruction function as defined in the uniform system of financial records, except that monies shall not be used for school-sponsored athletics (see first question and answer).