



PROPOSITION 100



OFFICIAL TITLE

SENATE CONCURRENT RESOLUTION 1001

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 12.1; RELATING TO TEMPORARY TRANSACTION PRIVILEGE AND USE TAXES.

TEXT OF PROPOSED AMENDMENT

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. Article IX, Constitution of Arizona, is proposed to be amended by adding section 12.1 as follows if approved by the voters and on proclamation of the Governor:

12.1. Temporary taxes: repeal from and after May 31, 2013

SECTION 12.1. A. A TEMPORARY TAX IS LEVIED FOR THE PURPOSE OF RAISING STATE REVENUES FOR PRIMARY AND SECONDARY EDUCATION, HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY.

B. THE TEMPORARY TAX IS LEVIED AND SHALL BE COLLECTED BEGINNING ON JUNE 1, 2010 AND SHALL CONTINUE FOR THIRTY-SIX CONSECUTIVE CALENDAR MONTHS, AFTER WHICH THE TEMPORARY TAX IS REPEALED.

C. THE TEMPORARY TAX IS LEVIED AS A SEPARATE RATE INCREMENT IN ADDITION TO THE STATE TRANSACTION PRIVILEGE TAX RATES AND THE USE TAX RATE. THE RATE OF THE TEMPORARY TAX IS ONE PER CENT OF THE TAX BASE FOR EACH TRANSACTION PRIVILEGE CLASSIFICATION THAT IS SUBJECT TO A RATE OF FIVE PER CENT OR MORE AND ONE PER CENT OF THE TAX BASE FOR THE USE TAX.

D. THE TEMPORARY TAX IS SUBJECT TO THE SAME EXEMPTIONS, DEDUCTIONS AND EXCLUSIONS AS PROVIDED BY LAW FOR EACH TRANSACTION PRIVILEGE TAX CLASSIFICATION AND FOR THE USE TAX.

E. THE NET REVENUES DERIVED FROM THE TEMPORARY TAX IMPOSED BY THIS SECTION ARE NOT SUBJECT TO DISTRIBUTION TO COUNTIES, MUNICIPALITIES OR OTHER GOVERNMENTAL ENTITIES BUT SHALL BE CREDITED TO, AND SEPARATELY ACCOUNTED IN, THE STATE GENERAL FUND AND APPROPRIATED AS FOLLOWS:

1. TWO-THIRDS OF THE REVENUES SHALL BE APPROPRIATED FOR PUBLIC PRIMARY AND SECONDARY EDUCATION.

2. ONE-THIRD OF THE REVENUES SHALL BE APPROPRIATED FOR HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY PURPOSES.

F. THE TEMPORARY TAXES UNDER THIS SECTION ARE DUE AND PAYABLE AT THE SAME TIME AND IN THE SAME MANNER, AND ARE SUBJECT TO THE SAME PROVISIONS FOR ADMINISTRATION AND ENFORCEMENT, AS PROVIDED BY LAW FOR OTHER TRANSACTION PRIVILEGE AND USE TAXES.

G. THE REPEAL OF THE TEMPORARY TAX UNDER THIS SECTION DOES NOT AFFECT THE CONTINUING VALIDITY OF OUTSTANDING AND UNPAID TAX OBLIGATIONS THAT ACCRUE UNDER THIS SECTION, INCLUDING ANY PENALTIES AND INTEREST THAT ACCRUE THEREAFTER BY LAW ON THE UNPAID OBLIGATIONS.

H. THE TEMPORARY TAX UNDER THIS SECTION IS REPEALED FROM AND AFTER MAY 31, 2013.

2. The Secretary of State shall submit this proposition to the voters at a special election called to be held for that purpose on May 18, 2010 as provided by article XXI, Constitution of Arizona.

ANALYSIS BY LEGISLATIVE COUNCIL

Beginning June 1, 2010, Proposition 100 would amend the Arizona Constitution to temporarily increase the state transaction privilege and use taxes ("state sales tax") by one cent per one dollar for three years. For most purchases, the state sales tax would increase from the current 5.6 cents per one dollar to 6.6 cents per one dollar. The monies collected from the temporary tax would be separately accounted for in the state general fund and would be allocated as follows:

1. Two-thirds would be appropriated for public primary and secondary education.

2. One-third would be appropriated for health and human services and public safety purposes.

Under Proposition 100, the temporary tax would be administered and enforced in the same manner as the existing state sales tax and would be subject to the same exemptions, deductions and exclusions as the existing state sales tax, except that the current distribution to cities and counties of a portion of the existing state sales tax would not include any temporary tax revenue.

The temporary tax is repealed on May 31, 2013.

FISCAL IMPACT STATEMENT

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of Proposition 100. Beginning June 1, 2010, Proposition 100 would amend the Arizona Constitution to temporarily increase the state transaction privilege and use taxes ("state sales tax") by one cent per one dollar for three years.

Proposition 100 is projected to increase state sales tax revenues by \$918 million in the first year. The proposition is projected to increase state sales tax revenues by \$968 million in the second year and \$1.06 billion in the third year.

PROPOSITION 100

ARGUMENTS “FOR” PROPOSITION 100

Vote YES on Proposition 100

In 28 years of public service, and with a proven and consistent track record as a trusted conservative, I have never voted to raise taxes. But as hard as it is to do, I am a “YES” vote on Proposition 100.

Since taking office last year, my top priority has been to solve the worst budget crisis in Arizona history. The answer to me is tough, but simple - reject the phony politics, and DO THE RIGHT THING. That’s why I’m voting “YES” on Proposition 100.

Our citizens are fed up with weak politicians who don’t have the leadership abilities to make the tough decisions. I’m voting “YES” on Proposition 100 to maintain funding for Arizona’s K-12 education system at reasonable levels, to keep our students learning and classroom sizes manageable.

This tax is TEMPORARY but necessary. Funding will go to our universities and community colleges to keep higher education affordable. It will keep felons locked up, and it will provide Arizona’s poorest families the basic help they earnestly need.

I’ve been a truth teller my entire career. So, here’s the truth: without the temporary revenue a “YES” vote will bring, these programs must be cut by more than \$1 billion immediately. The damage done to education and public safety would be far too great.

That’s why Proposition 100 is the right thing to do.

These new revenues alone will NOT solve the problem. As Governor, I have already implemented the largest reductions in state government in Arizona history. The decisions are tough, but doing the right thing often means doing the hard thing.

It’s a tough decision. But it’s the right decision. Please help me preserve public safety and education for our state and for our future.

Please vote “YES” on Proposition 100.

Jan Brewer, Governor, Phoenix

Paid for by “Yes on 100 Committee”

We fully support the proposed increase of one cent in the State sales tax. For 2 years we have suffered dramatic cuts in State services due to the economic recession – deep cuts in education and health & social services, closures of State parks and highway rest-stops, and much more. *And the State budget deficit for next year promises to be several times larger!* The sales tax increase will blunt future cuts by over \$1 billion per year for 3 years. Although many of us would prefer other types of revenue enhancements as alternatives or supplements to the sales tax increase, there simply is no other option available. A majority of our legislators has steadfastly refused to consider other revenue enhancements. The House of Representatives have even passed a schedule of future *tax decreases for businesses*, but the Senate has not and hopefully will not follow suit. Now is the time to conserve and enhance revenues to avoid the worst of program cut-backs; once the crisis has passed we need to turn our attention to reforming our entire tax base and system. *Remember, the proposed increase in the sales tax will end in 3 years.* Put more dramatically, let’s plug the holes in our sinking ship now and then work on designing a more sea-worthy craft once we reach shore. **Please join us in supporting and voting for the sales tax increase!**

Dale L. Keyes, Tucson

Paula J. Keyes, Tucson

Is there anyone who really wants a tax increase? I think not, but there are many who think there is simply no choice. I am one of those people.

No sales tax increase most certainly means that Arizona classrooms will bear the brunt of these most difficult economic times. Arizona is already in the bottom five of state education expenditure per pupil.

The education process in Arizona is not perfect, but it is manned by caring and hard working men and women. They often use their own money for things students need to succeed; they are used to being economical every day. Deep cuts in educational funding will put a strain on educational delivery that will adversely affect our state.

As a high school teacher, I know first hand that students simply can not learn as much or as well in a room where one teacher tries to meet the needs of 35-40 students.

Do we want a state where students entering the work force not as prepared as they need to be in order to be creative and forceful employees? Even if you don’t have a child in school, you are dramatically affected by the kinds of students that your schools produce. They are the office managers, the physicians, the judges, the engineers and the teachers that will make your world either better or worse. How well-educated do you want your doctor or police to be?

Do not punish the students for an economic situation that they did not create. Educational funding is astonishingly low to begin with; it must be maintained. Don’t shortchange your future. Vote yes.

Dianne G. Braden, Phoenix Union High School District, teacher, retired, Phoenix

Do you believe America is the greatest country in the world? I do. And I want to keep it that way. Supporting our schools is one of the most patriotic things we can do.

I am old enough to remember the GI Bill, which provided college education for the WW2 veterans. The result was a well-educated work force that sent a man to the moon and created an economy that ruled the world for decades.

The world today is more competitive than ever. Arizona is not only competing with China and India (which is educating twice as many college students as the United States), we are competing with every other state in the union for new business. And without new business, which brings jobs, Arizona will wither on the vine.

So here’s the question: why would a big company with lots of good jobs move to a state that doesn’t support education? Why move to a place with a lousy workforce?

New Jersey spends more than twice as much per child as Arizona. Even Alabama, Arkansas, and Mississippi, spend more per child. We simply must do a better job of educating our children, for Arizona’s future. This small tax is an investment in Arizona’s future – and America’s. Support our schools. It’s the patriotic thing to do.

Terry G. Swann, Phoenix

As an Arizona native, product of the public school system and superintendent of Chandler Unified School District, I am personally asking for the public's support on the temporary 1-cent-per-dollar sales tax increase on the May 18 ballot measure. Like so many, Arizona public schools have been hit hard by budget cuts each of the last two years and are bracing for further lost revenue as state lawmakers grapple with the effects of a slumping economy.

We have tightened up the fiscal belt, kept the cuts as far away from the classroom as possible and leveraged our limited funding by partnering with city, businesses and corporations. Ongoing decreases in revenue will make it difficult, if not impossible, to control teacher/pupil ratios, recruit and retain quality staff and preserve successful programs.

Sales tax monies generated by the temporary sales tax increase will provide a much-needed financial boost to schools throughout Arizona. Please join me in support of public schools by voting "Yes" for Prop. 100. In fact, I hope you will vote "Yes" and then get involved in your local school districts and help make the decisions needed to move us forward.

Dr. Camille Casteel, Ahwatukee

ARGUMENT IN SUPPORT OF THE 1% TEMPORARY SALES TAX BALLOT MEASURE

The Executive Board of the Scottsdale Parent Council urges Arizonans who care about education to vote yes on the temporary 1% sales tax. While we acknowledge the validity of arguments that a sales tax is the least consistent of revenue sources, that no one wants to pay higher taxes in a recession, and that this tax will only partially address our ever growing deficit, there is one simple fact that is inescapable: Without these funds in our State's coffers, children in Arizona will suffer.

Two-thirds of the revenue from this tax will go directly to support public schools, where nearly 90% of Arizona's children are educated. Our schools and universities have endured over \$900 million in cuts over the last 2 years; there is little left to take. We understand that, even with this tax, we will likely sustain more cuts; such is the extent of the deficit we face. But we hope we can count on Arizonans to join us in telling our children that, even when times are tough, we value them and their education. Please join us in voting yes on the temporary 1% sales tax, and in saying yes to Arizona's future.

Anna Marie Mars, President, Scottsdale Parent Council, Phoenix

Mike Baranack, Vice President Legislative Liaison, Scottsdale Parent Council, Phoenix

Paid for by "The Scottsdale Parent Council"

Dear Arizona Neighbor:

As the president of the Arizona Highway Patrol Association and a Sergeant with the state Department of Public Safety, I've spent 20 years working to keep our streets and communities safe. Every day, I witness what criminals do to destroy the fabric of our lives and I see the peace of mind the presence of pro-active, engaged police officers brings to Arizonans everywhere.

Because public safety, along with education, is the primary responsibility of state government, and because we cannot compromise with criminals, **the AHPA is strongly advocating for a YES VOTE on PROPOSITION 100.**

If we are to stay safe, we need to continue to fund public safety, not at a "luxury level," but at the core level necessary to keep felons locked up, patrolmen on the streets and our court system functioning. Unfortunately, the economic downturn has put pressure on government as it has on your family and mine. In response, state government has been cut by more than 10 percent, and state agencies have been forced to slash all but the most essential services. Still, a temporary infusion of revenue is a must. Otherwise, the state will be forced to cope with 2010 problems, 2010 prisoner counts and 2010 school enrollments at 2004-era revenue levels.

That impossible task can only have one outcome - we will see serious, long-term damage to the state of Arizona, its neighborhoods, our schools and our core social services. As a father of two, and a cop, I can't let that happen.

Your **YES on 100 vote** is a vote that embraces a temporary solution meant to ensure a long-term gain for every Arizonan. Please join me in **supporting Proposition 100.**

Jimmy Chavez, President, Arizona Highway Patrol Association, Phoenix

Paid for by "Associated Highway Patrolmen of Arizona PAC"

It is all but certain that K-12 education is going to face draconian budget cuts without additional state revenue. The system can only absorb these cuts by increasing classroom size. Imagine your child in a classroom with forty or fifty other children. This isn't a mere possibility. It's what's going to happen if Proposition 100 fails.

When we cut education, we cut our future. As a retired Kindergarten teacher I know the value of teacher/student ratios. Large class sizes deny individual attention to deserving students. A room filled with young children who are given limited access to equipment and space compromises the learning environment. Each child is unique and can only achieve his or her potential if tended to by a qualified teacher who can devote time to addressing the child's individual learning style.

It would be a tragedy to cut corners at this time. Research has proven the importance of early learning. Teachers with an overloaded classroom will spend most of their time on classroom management rather than addressing individual needs. It will rob them of the important focus of teaching concepts in creative and inspiring ways. Children who are quiet, shy and needing motivation will quickly get lost in the chaos. We cannot let this happen.

Please do not allow our children to be stuffed into over-crowded classrooms where the joy of learning will suffer. Please join me, teachers, parents, and citizens concerned about Arizona's future in voting yes on Proposition 100.

Marilyn Kanefield, Retired Kindergarten Teacher, Phoenix

Argument in favor of the Temporary Sales Tax, May 18 Election

Arizona faces a persistent deficit of more than \$2 billion that can be resolved only through permanent spending reductions or revenue enhancements. The deficit in the near term is even larger. Spending already is lower than the state's historical norm and the average of other states; revenues currently are 40% less than the historical norm. Reductions in revenue, due in part to the economic recession but mostly a result of numerous and substantial tax reductions since the early 1990s, are the cause of the deficit.

If the proposed temporary sales tax increase is passed, it will solve only a portion of the problem, and only for three years. The tax burden will remain far below the state's historical norm and that of most other states. For a low-income household that spends \$10,000 per year on taxable items (which do not include food), the additional annual tax will be only \$100.

Economic models predict negligible adverse effects of the tax on the economy with effects of commensurate budget cuts actually more damaging.

More than half of the general fund supports education, with nearly all of the other appropriations going to public safety and health and human services. Without an increase in revenue, all of these programs will have to be cut further. Education is of particular significance due to its important role in economic development. Yet per pupil spending on elementary and secondary education already is second lowest in the nation.

This sales tax increase—and additional revenue enhancement—is essential for the state to continue to provide the public services necessary to be successful in economic development. Without the additional revenue, the long-term health of the Arizona economy will suffer along with the economic well-being of the state's residents.

Dennis Hoffman, Tempe

Argument for an Increase in the Sales Tax Rate

The general fund of Arizona's state government has a huge budget deficit. While some of the deficit will go away as the economy improves, more than \$2 billion will remain. The only ways to eliminate the remaining deficit are to increase revenues or decrease spending.

Though some have claimed that "excessive spending" is the cause of the deficit, the reality is that general fund expenditures, after adjusting for the size of the state's economy, have been lower than the state's historical norm since the mid-1990s. However, general fund revenues relative to the size of the economy are much further below the historical average: 40% lower currently. Even after the economy recovers, revenues are expected to remain at least 25% less than the norm. This is the result of the tax reductions that have been passed since the early 1990s that take away more than \$2.5 billion in revenue each year. These tax cuts have lowered the tax burden in Arizona from near the national average to among the bottom 10 states in the nation.

The proposed increase in the sales tax rate will raise about \$1 billion per year—not even half of what is needed. The annual cost to the typical resident will be on the order of \$100. This is a small price to pay, particularly since most of the tax proceeds will go to K-12 education. The alternative to this tax increase is deep spending cuts to education, which receives 60% of the general fund appropriations, public safety, and health and human services.

An increase in the sales tax rate will have a short-term negative effect on the economy. However, spending reductions will have a larger negative economic impact.

Tom R. Rex, Mesa

Arizona State Constitution, Article 11 – Section 10

In addition to such income the legislature shall make such appropriations, to be met by taxation, as shall insure the proper maintenance of all state educational institutions, and shall make such special appropriations as shall provide for their development and improvement.

Not only are we required to provide adequate funding for programs such as education, it is our moral responsibility. Schools in Arizona are already educating the population with inadequate funding and failure to maintain current levels of needed appropriations will only make the situation worse. Imagine an Arizona without Athletics, Art, Music, Gifted Education, Career/Technical Education, Physical Education, etc. in our schools. The consequences of these actions include not producing a competitively educated workforce to lead our state or nation in a time when other countries are taking the lead academically and economically. Furthermore, who would want to locate a company here if the local workforce is not educated?

If this one-cent on the dollar increase does not pass, the impact on education will be devastating.

This is an example of how one Arizona school district will be affected:

*Elimination of:

- 3 out every 20 staff positions
- High School & Middle School Athletics
- Career and Technical Education
- K-8 Art, Music, & PE Programs & Teachers
- Full-day Kindergarten
- Textbooks & classroom equipment
- Classroom supplies
- Field Trips
- After school programs
- Gifted Education

* Reduction of:

- Special Education staff & programs
- Teacher pay by \$2,000+

Education will look very different if this proposition is not passed. Arizona is ranked 50th among all states in per-capita for K12 spending. In contrast, Arizona ranked 2nd among all states in per-capita spending on correctional facilities. Do we care more about taking care of prison inmates than children?

Please vote YES on this proposition!

Jack Pruitt, Vail

Dear Arizona Voter:

With more than 1,500 members and a 55-year history throughout the state, the Arizona Association of School Business Officials (AASBO) is a non-profit professional organization dedicated to promoting the highest standards of school business management in Arizona.

The members of AASBO stand united in urging a YES VOTE on PROPOSITION 100.

As leaders in the Arizona education community, the members of AASBO have premised our careers on providing a quality education for the more than 1 million students who study in Arizona's schools. The well-being of these students and ensuring their futures are at the heart of every decision we make. With that in mind, saying YES to this temporary increase in the state's sales tax – at a time when Arizona's education funding hangs in the balance – appears to be not only a must, but the only responsible course of action possible.

Anything less would mean permanent damage to primary and secondary education in this state, a course of destruction we cannot tolerate because of what it will mean not only to the future of our children, but to our state's ability to maintain a quality education system and to compete in the global economy.

Arizona needs to preserve education funding. A YES VOTE on PROP 100 will do exactly that. We hope you will join the members of AASBO in supporting this measure.

Thank you for your time, and for your YES vote.

Dr. David Peterson, President, Arizona Association of School Business Officials, Phoenix

Tom Elliott, President Elect, Arizona Association of School Business Officials, Phoenix

Paid for by "Arizona Association of School Business Officials"

Kenneth was born in 1921. Over the years he weathered many difficult times – his parent's divorce when he was just a young boy, the Great Depression, WWII, the loss of his only child in Vietnam, and after nearly 63 years, the death of his beloved wife, Betty.

I got to know Kenneth late in his life, distantly connected to him through a second marriage to a much younger cousin. And although he lived several states away, he took a keen interest in my 10 year-old daughter's education. Every month she would receive a letter from his with a crisp, twenty-dollar bill inside. In return, my daughter would send him samples of school assignments and papers she had written on various subjects.

I would often admonish him for sending money. I knew he lived on a fixed income, and as he grew older, I knew it was only a matter of time before he would need costly medical care. But the money kept coming, along with his kind and encouraging words of support.

Kenneth died this past summer and we miss him greatly. But his legacy of generosity and sacrifice lives on. You see Kenneth had hope for the future. He felt he had a responsibility, an obligation to insure that the next generation would have the same opportunities that were granted to him. As Kenneth used to tell me, "You make a living by what you get, but you make a life by what you give."

Vote yes in support of K-12 Education. Vote YES on proposition 100.

Rosemary Feraldi-McCain, Vail

Voters are asked to approve a temporary one-cent sales tax increase. The period of this tax increase will last for three years starting on June 1, 2010 and ending May 31, 2013. Two-thirds of this revenue would assist public primary and secondary education and one-third to health and human services.

Cottonwood's Partners-In-Education strongly supports this one-cent sales tax increase since it will lessen dramatic cuts to education and provide some sense of stability for public education in a time of budgetary crisis. School districts have already experienced substantial reductions in funding. During the 2009-2010 school year districts had their soft capital funding reduced approximately seventy percent. Soft capital funds are used for computers, textbooks, classroom supplies and other instructional aides. The Governor recommends that full-day kindergarten be eliminated, as well as numerous state grants and all soft capital funds.

Public education understands that they must share a portion of the burden due to the financial crises; however, this one-cent tax increase will lessen the devastation on an education system that consistently ranks in the bottom of per-pupil spending, even in the best of times.

Partners-In-Education recommends a "Yes" vote.

Angel (Sonny) Rodriguez, Treasurer, Partners In Education, Cottonwood

Eric Wyles, Member, Partners In Education, Cottonwood

Paid for by "Eric Wyles"

I encourage your YES vote. Although the one penny increase in the sales tax alone is not enough to meet the existing demands for K-12, AHCCCS, Universities, and prisons, it prevents further cuts to an already despicable level of funding. Our public health programs, child care assistance, state-only support for disabled children and adults, and many other programs will continue to be in danger, but likely will be eliminated without this temporary increase. I encourage your YES vote.

Jorge Luis Garcia, State Senate Democratic Leader, Tucson

The Arizona Transit Association supports the temporary one-cent sales tax that is on the May ballot. This tax is a tough decision for Arizona citizens to face. Not everyone that supports or opposes the sales tax does so for the same reasons. Many believe that we need additional resources while others are fearful of any tax, even a constitutionally legal temporary tax. Most of us know that without this revenue the state's infrastructure for a safe, stable, livable community is in peril. This sales tax is not a complete solution but will begin to heal our state's deep financial wounds. Without this temporary solution there will be \$1 billion less in revenue. This may create an ongoing series of measures that take away available sources of revenue that have an important purpose, including lottery revenues that fund services for the disabled, elderly, and citizens who need transportation services. With the current economy, the State has eyed obligated revenue to help balance the budget. Not having the

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Issued by the Arizona Secretary of State's Office

billion dollars in sales tax dollars will put those investments in further jeopardy. Lost transit routes for thousands of Arizonans will mean the inability to get to work. These dollars also provide specialized transit services for seniors and the disabled that gives them the independence they need to make vital trips to the grocery store, the doctor, or the pharmacy. Without this transportation, many would no longer live independently and will end up institutionalized, which may lead to a more expensive way of caring for these citizens. Supporting independence is the primary reason this program exists. We must try hard to ensure that Arizona citizens, who need to go to work, receive medical care, and buy groceries have the ability to access these facilities. For this reason, AzTA supports the temporary sales tax.

**Bryan Jungwirth, President, Arizona Transit Association,
Mesa**

**Debbie Cotton, Vice President, Arizona Transit Association,
Mesa**

Paid for by "Arizona Transit Association"

Arizonans Should Ask Questions About the Proposed Sales Tax Increase

Before voting on this sales tax measure, Arizonans need to know the answers to several related questions:

(1) Are All Arizonans Going to Share Equally in the Tax Increase?

The Arizona legislature has been debating the idea of combining this 18% increase in sales tax with a 28% decrease in corporate tax and a 10% decrease in income tax. Arizona needs to know if the voters approve the sales tax increase, will the legislature then vote to decrease corporate and income taxes.

(2) Will Increasing the Sales Tax Maintain the Current Level of Services?

The revenues generated from the sales tax increase are dedicated to education, health care and public safety. Arizona needs to know whether or not the projected \$940 million of increased sales tax revenues will be enough to maintain the level and quality of services currently provided by the state.

(3) Are Other Revenue Generating Options Available to the State?

The Arizona legislature has been considering a proposal to allow existing horse and greyhound tracks to operate slot machines at their current locations. This proposal would generate state revenues of over \$400 million per year and would enable the state to immediately borrow \$1 billion against future revenues. Arizona needs to know why this revenue generating proposal wasn't included as an option in this special election.

The public relations campaigns associated with this ballot measure should provide direct answers to these questions. With these answers, Arizonans will be able to make more informed decisions about the best public policy for the entire State of Arizona.

Kenneth D. Pritsker, President, Civil Nation, Phoenix

Arizona is struggling with the deepest economic downturn in several generations, with unemployment and foreclosures both on the rise. This economic meltdown has resulted in an over \$3 billion shortfall in the state's revenue. Over the past two budget years K-12 education has absorbed cuts of over \$590 million to funding levels that are now the lowest in the nation. In an effort to prevent further catastrophic cuts to public education, the legislature, with a bi-partisan vote, wisely referred Proposition 100, a TEMPORARY one cent sales tax to the ballot. This temporary measure represents the best chance we have of preventing additional deep cuts to a public education system that is already on life support.

If this measure fails, schools will be forced to cut academic support programs for student struggling in the early grades; cut elective programs such as art, music and athletics; and, raise class sizes dramatically. Children who are struggling will not get the individualized attention they need. Districts report that, with the funding cuts to date, class sizes have already gone up by as much as thirty percent. Additionally, Arizona's school funding will drop below the amount required by federal law, putting at risk hundreds of millions of dollars in federal funding.

Passage of Proposition 100 also makes sense from an economic development perspective. Businesses looking to locate in Arizona place a high priority on the quality of the public schools and the availability of a skilled workforce, both of which will be seriously undermined by the failure of this measure. Together we can help to ensure the future is a little brighter for our students of today and our skilled workers of tomorrow. Now is the time for Arizonans to come together and stand for children by voting YES on Proposition 100.

Jeff Winkler, Arizona Advocacy Director, Stand for Children, Phoenix

Please join Children's Action Alliance in supporting the temporary sales tax increase. This sales tax is a band-aid for Arizona's broken budget. It is a band-aid our children and families desperately need. The sales tax revenue will cover about one-third of our budget deficit. Without these funds, additional budget cuts to children, k-12 education, and health care will be so deep that Arizona may never recover our state infrastructure and competitiveness. With the temporary sales tax, we have the chance to rebuild the assets most important to our families and our future.

Please vote YES and be part of the solution for Arizona.

**Nora Hannah, Chairperson, Children's Action Alliance,
Phoenix**

**Christine Nowaczyk, Vice-Chairperson, Children's Action
Alliance, Phoenix**

Paid for by "Children's Action Alliance"

Our state budget crisis was caused by long-term, massive overspending combined with widespread economic collapse. For the most part, the people who are being asked to solve it are not the ones who caused it.

A great burden has fallen on the shoulders of those in leadership today, and I admire their willingness to confront reality rather than hide behind platitudes. Ironically, nothing speaks to that leadership more clearly than letting voters to decide on this tax. Doing so was an act of rare political honesty and courage that required sophisticated and thoughtful analysis.

By allowing voters to decide whether to temporarily tax themselves on sales, state leaders have accepted their share of political liability rather than passing it along to local governments that are already facing reductions in the ranks of police and fire, suspension of important infrastructure projects and park closures.

The Governor and the Legislature have terminated wasteful spending, and should be commended for those efforts. They have also advanced initiatives to create jobs and grow the economy, some of which already have begun to take root.

Unfortunately, all of this combined cannot get the state on stable footing in time to avoid significant lapses in basic public services. That is why the tax proposed in Proposition 100 is necessary.

A temporary "consumptive" tax, such as this, is preferable to those – like taxes on property, earnings, estates and investments – that punish families who work hard and carefully manage what they earn and invest. It is the one over which we have greatest control because we can generally avoid the tax by avoiding a purchase.

Like many other fiscal conservatives, I plan to vote "yes" on Prop 100. I hope you will join me.

Maria Baier, Arizona State Land Commissioner, Phoenix

Support Proposition 100 – Temporary Sales Tax

There is no solution to the present budget challenge that does not involve elements most of us would prefer to avoid. There are limited means to balance the budget: expand the economy to grow tax revenues and fees, increase revenue by raising taxes and/or fees, reduce discretionary expenditures, sell State assets, or incur debt. Many of these steps have already been taken.

We must nurture our economy. Top employers want a skilled workforce, infrastructure and transportation, and the most important decision factors are the quality of school systems, access to healthcare, logistics and operating costs. Education is at the top of the list, taxes are somewhere in the bottom half. Arizona universities have already been cut significantly by over \$200 Million since 2008 and K-12 is funded at 2006 levels (with more students in the system than were here in 2006). Without new revenues more cuts to both are inevitable. Would that really reflect our priorities? What would that mean for Arizona's next generation? Their competitiveness for quality jobs in the future?

The current estimate of our deficits for FY 2010 and FY2011 are nearly \$1.5 Billion and nearly \$3.5 Billion respectively. We can hope that the Arizona economy recovers from this recession with the rest of the country, but we will likely be slower. To cope with our fiscal challenge in the least painful way possible, a balanced approach to bringing down expenses and increasing revenues should be employed.

Proposition 100 states that this tax will end in three years. No one wants higher taxes but the consequences of not doing so at this time would be worse. Please support this temporary tax increase needed to sustain primary and secondary education, health care and public safety at minimum levels.

Sarah B. Smallhouse, Tucson

It is imperative that the one percent temporary sales tax passes. Arizona education desperately needs the two-thirds funding it would receive from this one percent sales tax.

Since 1992 the legislature has repeatedly lowered our taxes for many different reasons including the "surplus" it had, thereby creating the "rainy day fund." By lowering taxes, the process reduced funding to K-12 education. To support the lowering of taxes during these years, the legislature borrowed monies on buildings and properties which is illegal under the Constitution of the state of Arizona. It continues to justify their magical accounting practices by moving monies around or borrowing from other funds.

Reduction in spending has already hit programs across the state from state parks to healthcare, senior centers and, yes, Arizona schools. We can't possibly take any more away from our schools to run even at a "below standard" level. Our legislature has lowered taxes for this generation but the result is raising taxes for future generations. This is IMMORAL! Arizona cannot continue to take away the very funds that are set aside for our future leaders.

Vote YES on raising the temporary three-year sales tax by one percent. Our future is at stake.

Sharon R. O'Malley, Phoenix

The Arizona Education Network urges Arizonans who care about the economic future of the state to pass the 1% temporary sales tax. The tax, which will automatically repeal on July 1, 2013, will dedicate two-thirds of proceeds to education and one-third to health and public safety. These are areas which have already experienced major budget cuts. Because of the cuts already made to education, many Arizona schools are dealing with increased class sizes, are without librarians, books and even paper. Additional cuts will be made to public education even if the temporary 1% sales tax education passes. However, if Proposition 100 does not pass, as much as one-quarter of all public education funding could be cut.

Cuts to public education are placing Arizona's economic future in jeopardy. In order for Arizona to compete in a global economy, attract new companies to the state and keep our military facilities, we need to have a strong public education system. If Arizona fails to fund quality public education our professionals may leave for states that provide better educational opportunities for their families, property values may decrease, and crime rates may increase. Therefore, we urge you to vote yes for Proposition 100 to position our state for a brighter economic future.

Ann-Eve Pedersen, President, The Arizona Education Network, Tucson

MaryLee Moulton, Vice President, The Arizona Education Network, Tucson

Paid for by "Arizona Education Network"

Dear Voters,

As you consider Proposition 100, I think it is important to look at Arizona's budget crisis in context:

In just 3 years, state tax revenues have declined by over 35%. This is the worst recession the state has ever faced. Arizona's state revenues are at or below 2004 revenues levels. At the same time, since 2004, Arizona has grown - adding over 140,000 students to K-12 and the University system, over 11,000 new prisoners and over 475,000 Medicaid enrollees. The result is Arizona is trying to do more today with less - to serve a growing population.

Arizona must continue to attract new businesses and new talent to the state, as well as support our existing small businesses throughout the state. With new business, future tax cuts for individuals and businesses will follow to help attract

investment and grow our future economy. Making Arizona as business friendly as possible is the key to our long-term economic success.

However, in the interim, it is appropriate for Arizona to look for a temporary revenue source to maintain critical government functions such as public safety and education services to our growing population. As such, a temporary one-cent sales tax increase is a reasonable solution to this problem. A majority of Republican legislators, along with Democrats in both state houses voted to place Proposition 100 on the ballot.

Combined with a comprehensive tax reform package that reduces future taxes for both individuals and businesses, Prop 100 would be an appropriate tool to help Arizona build towards economic recovery and meet the needs of a fast growing state.

Sincerely,
Randy Pullen, Phoenix

Dear fellow Arizonans,

Yá'át'ééh! The Navajo People – the Diné – have a long history of persevering and sacrificing for our children and the future. We are committed to building a brighter future for our children with an economy that is positive for our people and the state as a whole. To get there, core Arizona state services are vital. The Navajo and all citizens of Arizona have a major stake in the quality of our education system, state health and human services, and public safety protection. These services are now being compromised by the budget crisis and the hundreds of millions of dollars of program cuts that have already occurred because of it. Further cuts will collapse the state's ability to provide these necessary programs in the future.

Proposition 100 is a common sense approach to our state's immediate budget shortfall-the worst since the Great Depression. It will provide the means to preserve core state services that are necessary to ensure our future. The one percent tax continues only until 2013. At that point, most economists believe our economy will once again be headed in a positive direction. But for now, we cannot stand by and allow budget cuts to compromise our children's education and health services our seniors and children so desperately need. I urge you to vote Yes on Proposition 100 on May 18.

Sincerely,
Dr. Joe Shirley Jr., President, The Navajo Nation, Window Rock
Paid for by "Paul M. Bielecki"

The Arizona School Boards Association (ASBA) urges you to vote **YES ON 100**. We are a non-profit, non-partisan organization that is comprised of more than 240 public school governing boards and more than 1,200 volunteer school board members. Our primary mission is to advocate for a quality education for more than 1.1 million children statewide.

With those students and with our state's future in mind, we strongly urge every Arizonan to vote **YES on 100**.

Without the passage of Proposition 100, the budget for K-12 education in Arizona will face devastating cuts that puts our students', and State's, futures in jeopardy. Class sizes will rise, classroom resources will grow more scarce and quality teachers will flee our schools. In a global economy that grows more competitive with each passing day, this will put Arizona's school-children at a disadvantage they may never make up.

Proposition 100 – a temporary tax increase that will be shared by all of us, and that will also help keep our neighborhoods' safe and our frail cared for – will fill in the budget gaps that threaten the quality of an Arizona education. All of us at ASBA understand, just as you do, how hard it is to contemplate even a few dollars' increase in our tax burdens during such challenging times. We face those tough budgetary decisions every day on our local school boards. But we also know that a short-term sacrifice in the present will help us protect what every Arizonan values in the long-term – the future of our school children and the future of our state.

Thank you for your time and your consideration. Please join us in voting YES on 100 and give the youngest Arizonans a leg up on tomorrow.

Debbie King, President, Arizona School Boards Association, Phoenix
Paid for by "Arizona School Boards Association"

Panfilo H. Contreras, Executive Director, Arizona School Boards Association, Phoenix

Dear Voter,

Greater Phoenix Leadership (GPL) members are among the Region's top 100 companies and represent over 250,000 employees. We believe that essential government services such as a top-flight education, preserving public safety, and health-care for the poor are integral parts of our State's quality of life. That is why we are supporting Proposition 100.

Arizona is facing one of the greatest economic downturns in our history. The current budget challenge is not a short-term problem that will go away in a couple of years, even if this year's and next year's budgets could be addressed. Without permanent changes to spending, revenue, or both, the State will continue to have an annual structural deficit exceeding \$3 billion for many years.

The magnitude of the problem has been exacerbated by the continuing national and local economic slowdown and the collapse of the investor-driven real estate boom. Any delay in starting to address the problem makes the problem bigger day by day. Mathematically, it is impossible to solve our long term, structural deficit without changing both spending and revenue levels permanently. Economic growth will not solve the problem.

State reliance on long-term borrowing to fund current operations has grown dramatically (leaseback of state buildings, roll-overs, securitizing future revenues). While this solves the momentary crisis, it does not reduce the structural deficit and, in fact, increases it.

We need a temporary bridge as the fundamental changes necessary to restore fiscal health to our State are made. Proposition 100 provides that temporary, targeted bridge.

Help keep Arizona moving in the right direction. Please join Greater Phoenix Leadership in voting yes on Prop 100.

Thomas R. Franz, President & CEO, Greater Phoenix Leadership, Phoenix
Paid for by "Greater Phoenix Leadership"

Lisa A. Atkins, Vice President, Greater Phoenix Leadership, Litchfield

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Issued by the Arizona Secretary of State's Office

On behalf of the Arizona Education Association’s 34,000 members and the state’s 1 million students, we urge you to vote YES on PROPOSITION 100. Without this temporary infusion of revenue, our state’s public education system stands to suffer serious damage. While we bridge the funding gap with this measure, we can work together to create a lasting solution.

The last few years have been hard ones in households and in classrooms across Arizona. As our state’s population has continued to increase – Arizona has added 150,000 K-12 students since 2004 – our state’s revenues have plummeted 34 percent in the past 3 years.

That math is impossibly hard. Already funding for education is down to 2006 levels with additional cuts looming. While Arizona educators are working hard to do with more with less, there comes a breaking point – a moment when the system can no longer function.

We’re at that point, and an education system that can’t function leads to a state that’s broken and to children whose futures are compromised.

We believe, and we hope you agree, that this is unacceptable.

Please VOTE YES on PROPOSITON 100. We believe it’s a vote to preserve opportunity for children statewide. Thank you.

**John Wright, President, Arizona Education Association,
Phoenix**

**Andrew Morrill, Vice-President, Arizona Education Association,
Phoenix**

Paid for by “Arizona Education Association”

We urge you to support Proposition 100, which will provide temporary revenue to support public safety. This additional revenue will help maintain adequate funding levels for the Arizona Department of Public Safety (DPS) and the Arizona Department of Corrections (DOC) during this difficult economic period. Unfortunately, our state is confronting a fiscal “perfect storm” that is threatening the ability of DPS and DOC to perform their vitally important functions, which in turn, presents a threat to public safety in Arizona.

This fiscal “storm” stems from numerous factors including federal and state protected spending and mandates, a prolonged economic downturn and a corresponding decline in state revenues. Unfortunately, the DPS and DOC budgets do not benefit from any of these federal or state mandates or protections.

Historic spending reductions have been enacted to balance the state’s budget. While DPS and DOC have been significantly impacted by the budget reductions, public safety has not been compromised due to careful planning. However, future budget reductions will be necessary to annually balance the state budget over the next several fiscal years and the DPS and DOC budgets will be targeted for proportionally larger budget reductions since our agencies are not protected areas of the budget.

A portion of the additional revenue generated by this temporary tax is dedicated for public safety. These additional revenues are critical to maintain adequate financial support for DPS and DOC and to continue to ensure that public safety is not compromised by this financial crisis.

A vote in favor of Proposition 100 is a vote for public safety and we urge your support of this important measure.

Robert Halliday, Director, Arizona Department of Public Safety, Phoenix

Charles L. Ryan, Director, Arizona Department of Corrections, Phoenix

CHOICES Network of Arizona, Inc. is a network of non-profit as well as small and medium-sized businesses that, together, make up a significant portion of Arizona’s public mental health infrastructure. We serve persons with serious mental illness or the depressed. We ensure Arizona citizens have the support they need to make it through their daily lives. The agony of mental illness will not go away because of our budget deficit. It cannot be willed away, put off or repealed. Without the partnership of government, not-for-profit and public agencies, the mentally ill will not have the resources to live successfully in the community, including the opportunity to make meaningful contributions to our community through work and other recovery activities. Their ability to parent, or share in family life diminishes. While Arizona is experiencing this budget crisis, emergency resources need to be identified that can keep those who are still receiving services stable. Without this temporary tax increase thousands who used to receive consistent, high quality care are at great risk of no longer receiving services or having services significantly reduced. Supporting this temporary sales tax can help keep services for this vulnerable population intact. Remember, when the seriously mentally ill fall through the cracks, they do not fall out of sight. They land in emergency rooms, or on our streets, or in our jails. Jails and emergency rooms are costly alternatives to providing basic services. Living with a serious mental illness should not mean living on the streets. We have turned away from institutionalization as our only option for behavioral health recipients who can live independently and successfully on their own or with their family. But community support is critical. If another billion dollars disappears from the state budget, the safety net will soon give way.

Ron Smith, CEO, CHOICES Network of Arizona, Phoenix
Paid for by “CHOICES Network of Arizona”

Wayne Hochstrasser, CEO, Triple R Behavioral Health, Phoenix

Dear Voter:

The Arizona Chapter Associated General Contractors strongly encourages you to vote YES on PROPOSITION 100. Like you and your family, our members have been hit hard by Arizona’s economic struggles. Even so, we see this temporary penny bump in the state’s sales tax as a must.

The schools and colleges our children rely on must remain functional. The neighborhoods we’ve built with our hands and hearts must remain safe. And the safety net afforded to those in need, the poorest and the most at-risk, must remain whole.

At AGC, we believe PROP 100 will do all of these things.

Over the last few years, we, Arizona’s voters, have asked the state to expand services. We wanted more money for education, we wanted to preserve open space, and we wanted expanded health programs. Unfortunately, because of the recession, the state no longer can afford those measures. The Governor and Legislature have cut more than 20 percent from the state budget, but it is not enough. Without this temporary tax increase, education expenditures will be cut even more and our public safety will be put at risk.

This tax will provide the temporary relief that our state needs to weather this storm. Please vote yes on PROPOSITION 100.
David M. Martin, President, Arizona Chapter, Associated General Contractors, Phoenix **Sarah Morgan, Vice President, Arizona Chapter, Associated General Contractors, Phoenix**
Paid for by "Arizona Chapter, Associated General Contractors"

Arizona Public Service (APS):

As Arizona's largest power provider – with more than one million customers, more than 7,200 employees, and a 125-year history in the state – all of us at Arizona Public Service have a vested interest in doing what's right for our Arizona. Like you, we live here, work here and want to thrive here.

For all those reasons, **we urge a "YES" vote on PROPOSITION 100.**

At APS, we're committed to a vibrant Arizona. That means having enough revenue to support core services: K – 12 education, colleges and universities, public safety and helping the least fortunate and most vulnerable in our state.

Because a government can't turn its back on its basic responsibilities, we believe a temporary, one-cent increase in the state sales tax absolutely demands the support of voters. Of equal importance is the need to maintain Arizona's quality of life, not just for the sake of residents, children and businesses, but to ensure that the state continues to be an economic magnet, drawing new jobs and new capital to our communities.

We need an Arizona that ensures our neighborhoods are safe, our children are educated and our jobs are competitive.

Please help us keep Arizona the home we cherish. **Please VOTE YES on PROPOSITION 100.**

Martin L. Shultz, Vice President, Government Affairs, Pinnacle West Capital Corporation, Phoenix **Donald G. Robinson, President & Chief Operating Officer, Arizona Public Service Company, Phoenix** **David P. Falck, Executive Vice President, General Counsel & Secretary, Pinnacle West Capital Corporation, Arizona Public Service Company, Phoenix**

Paid for by "Arizona Public Service Company (APS)"

BALLOT ARGUMENT IN FAVOR OF PROPOSITION 100

(Temporary Sales Tax Increase)

Recognizing that the State of Arizona faces unprecedented financial challenges, on June 11, 2009, the Tohono O'odham Legislative Council passed a resolution in support of Governor Brewer's proposal to address the state budget deficit, including a temporary sales tax increase.

It is important to note that Indian tribes govern lands comprising more than one-quarter of the State of Arizona and are therefore essential partners in addressing the challenges facing the State during the current recession. Furthermore, the majority of Tohono O'odham Nation members are also Arizona citizens who are directly impacted by reductions in State services and by the priorities reflected in annual State budgets.

While increasing taxes is never a preferred method of balancing a budget, we recognize that a temporary tax increase in an important means of maintaining key public safety, education and health services that are vital to all Arizonans. Therefore, we encourage you to please vote "Yes on 100."

Dr. Ned Norris, Jr., Chairman, Tohono O'odham Nation, Sells

Paid for by "Tohono O'odham Nation"

Arizona Sales Tax Increase – Ballot Measure Argument

The Southern Arizona Leadership Council (SALC) stands in full support of the temporary one-cent sales tax increase identified as Ballot Proposition 100.

Current tax revenues for the state of Arizona have dropped far below the level needed to preserve the state's core services. Significant cuts have been made and state borrowing is at record levels, yet our budget for 2011 and beyond is over \$3 billion short each year if revenue is not increased.

In these unprecedented economic times, SALC believes that Arizona must continue to provide basic services to ensure the health and well-being of those most vulnerable among us. Equally important is the need to maintain minimum levels of investment in public primary and secondary education as well as in public safety.

Arizona's future depends on our ability to grow our current business base and attract new businesses that will provide the jobs so desperately needed by the citizens of Arizona. Most often the first questions asked by businesses considering a move to Arizona are:

1. Does Arizona have a trained workforce to fill the jobs we create?
2. Does Arizona have a quality education system for the families of our employees?

The passage of Proposition 100 will help allow our state to answer "yes" to these important questions.

As citizens of Arizona our choice is simple: Find new revenue or face devastating cuts in critical areas such as education, healthcare and public safety. We can pass Proposition 100 and position Arizona for future prosperity, or we can fail to pass it and do irreparable harm, especially to our children, and to our state's reputation as a good place to live and work.

We urge you to join us and pass Proposition 100. Our future depends on it.

Ronald E. Shoopman, SALC President, Southern Arizona Leadership Council, Tucson **Michael S. Hammond, SALC Vice Chair, PICOR Commercial Real Estate Services, Tucson**

Paid for by "Southern Arizona Leadership Council, Inc."

Valley of the Sun United Way supports Proposition 100 in an effort to protect our state's most vulnerable populations.

For more than 80 years, Valley of the Sun United Way has served the human care needs of individuals and families across Maricopa County. Deeper cuts to vital programs protecting Arizonans would result in a failing safety net for residents most in need – victims of domestic violence, individuals and families experiencing homelessness, the disabled and seriously mentally ill and children and youth at risk.

Proposition 100 will help preserve critical services on which so many rely. Please join us in supporting Proposition 100.
Merl E. Waschler, President & CEO, Valley of the Sun United Way, Scottsdale
Katherine Cecala, Chief Operating Officer, Valley of the Sun United Way, Phoenix
Brian Spicker, Senior Vice President, Community Impact, Valley of the Sun United Way, Scottsdale
Paid for by "Valley of the Sun United Way"

VOTE YES ON THE TEMPORARY SALES TAX INCREASE

The Arizona Chamber of Commerce and Industry supports the temporary sales tax increase as part of our comprehensive approach to resolving the state's fiscal and economic crisis, which is among the nation's most severe. In addition to this measure, the Arizona Chamber supports further sustained expenditure reductions, longer-term tax restructuring and job creation legislation as outlined in the Chamber's budget recommendations, and the implementation of a statewide debt policy.

The Arizona Chamber of Commerce and Industry believes that a temporary increase in the sales tax will serve as a bridge to reduce the need for borrowing and help lessen the amount of additional cuts to core state services. It also will reduce the possibility that Arizona simply becomes insolvent and is unable to pay its bills. Arizona has already cut more than \$1 billion of annual expenditures, probably the most in our state's history. We have also been on a massive borrowing binge, which includes having essentially mortgaged our State Capitol. We will need to pay these borrowed funds back -- with interest.

In conjunction with a temporary sales tax increase, the Arizona Chamber believes that additional legislation is needed to retain and create jobs in Arizona. We must work to diversify our economy, which in the long run should help to resolve the state's structural deficit. For an update on the status of legislation supporting this position, as well as the Chamber's 2010 budget recommendations, please visit the Chamber's Web site at www.azchamber.com.

The Arizona Chamber of Commerce and Industry urges a YES vote as part of our comprehensive plan to fix Arizona's budget and economy.

Glenn Hamer, President & CEO, Arizona Chamber of Commerce & Industry, Phoenix
Paid for by "Arizona Chamber of Commerce & Industry"
Don Robinson, Chairman, Arizona Chamber of Commerce & Industry, Phoenix

United Way of Northern Arizona supports Proposition 100 in an effort to protect our state's most vulnerable populations.

United Way of Northern Arizona serves the human care needs of individuals and families across northern Arizona. Deeper cuts to critical programs protecting Arizonans would result in a failure to provide services to residents with the highest needs, including victims of domestic violence; individuals and families experiencing homelessness; the disabled and mentally ill; and children and youth with characteristics that put them at risk.

Proposition 100 will help preserve vital services that provide a safety net for these individuals. Please join us in supporting Proposition 100.

Kerry Blume, President & CEO, United Way of Northern Arizona, Flagstaff
Paid for by "United Way of Northern Arizona"
Scott Kemp, Treasurer, United Way of Northern Arizona, Flagstaff

The state is facing a huge deficit (\$3 billion) as far as the eye can see. This deficit is structural and cannot be solved solely by spending cuts. Taxes must be increased.

There is a populist belief that taxes should be cut to stimulate the economy or, conversely, taxes can never be raised without hurting the economy. Not true. The state legislature has made 42 tax cuts to the three major General Fund revenue sources (sales, income and corporate income taxes) since 1992 and it has also completely eliminated statewide property taxes that accrued to the General Fund. Tax cuts imposed since the mid-1990s are the equivalent of cutting \$2.6 billion annually from today's revenues (after adjusting for cost of living and population growth).

Raising taxes will not hurt Arizona's economy. Proceeds are not burned, buried or flushed; rather, they are re-spent in the state employing people, paying vendors, and provided needed services to Arizonans. Those dollars are put right back into the economy. There are additional reasons to support this tax increase. First, a portion of Arizona's sales taxes are "exported" to non-Arizonans, i.e., tourists. Second, Arizona imposes a very low tax burden on its residents, so taxes can increase without hurting Arizona's competitiveness; Arizona ranked 41st in 2008 according to the Tax Foundation. Third, low taxes are not the only factor businesses consider when selecting locations. They require a quality workforce, which is largely dependent on the health and education systems of the state, and infrastructure, much of which is provided by the public sector.

The people we elected to the legislature won't vote for a tax increase because they are afraid they won't get reelected. That leaves it up to voters. Let's hope they do, for Arizona's future standard of living is at stake.

Alberta H. Charney, Ph.D., Tucson

Pima County Interfaith Council urges you to vote YES on 100.

Like many states across the country, Arizona finds itself in a precarious financial situation. The Governor and Legislature have cut more than 20 percent from the state budget. This has put vital services such as education, health and human services and public safety in jeopardy. The state continues to have a large budget shortfall. We must increase revenue or risk losing core services to all Arizonans.

The sales tax will adversely affect many of our families. Although there are better methods of creating revenue, this is our only option— *at this time*— to protect vital core services for all. This temporary increase in the sales tax is necessary to provide the relief that Arizona needs to weather this storm.

Pima County Interfaith Council believes in providing hope for families through Faith, Power and Action. A "Yes" vote on Proposition 100 will help provide critical services for families in Arizona.

Andrea S. Robson, Co-Chair, Pima County Interfaith Council, Tucson
Paid for by "Pima County Interfaith Council"
Ernie Lujan, Treasurer, Pima County Interfaith Council, Tucson

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

The temporary sales tax increase is the “worst tasting medicine” being offered to help the critically ill “State of Arizona” patient. No other medicine is being offered at this time. Therefore, if one does not take the medicine now, the patient’s prospects for survival are dismal. If you value the patient’s life (i.e. Arizona children, the state of healthcare in Arizona, its quality of life and economic prosperity) please vote for the sales tax increase on May 18. The alternatives to non-passage of this sales tax proposal are too bleak and will affect **every family and individual** who chooses to stay in the State of Arizona.

Kimberly Ferreira, Education Advocates, Tucson
Paid for by “Kim Ferreira”

Larry Sakin, Education Advocates, Tucson

Arizona state government needs a lot more revenue to continue to provide the public programs that it has provided to Arizona’s residents for decades. Without more revenue, Arizona will not be able to continue even its very modest current level of education spending per student. Expenditures for public safety will need to be reduced. Help for the needy will have to be cut back even further. Money to maintain and improve the physical infrastructure—particularly roads and highways—will not be available.

Quality employers do not locate or expand in a state that has a subpar educational system and a deficient physical infrastructure. Thus, jobs that pay well and provide benefits (including health insurance), will be limited in number in Arizona if the state cannot provide the public services that businesses require.

Literally, Arizona’s future is at stake. Without a willingness to invest in ourselves through support for public education and the infrastructure we all use, the quality of life in the state will steadily deteriorate, as will the economic standard of living.

Raising the sales tax rate for three years is only a beginning to solving the problem. It will raise \$1 billion per year for these three years, but the state needs more than \$3 billion per year permanently in additional revenues in order to maintain public spending at the modest-to-moderate levels of the past. It needs even more in the near term, given the still-weak economy.

Raising the sales tax rate is hardly the preferred option for raising revenue, since it is a regressive and narrow tax on which the state is overly dependent. However, it is the only option that can be implemented immediately—state government is desperate for a cash infusion.

Marshall J. Vest, Tucson

Dear Arizona Voter:

The Arizona Association of County School Superintendents urges you to vote “Yes” on the “One Cent Sales Tax” referral. As elected county officials, our responsibilities require close work with school districts to develop and manage their budgets. At the same time, we fully understand the dilemma facing the State Legislature. These are unprecedented times in Arizona’s history that require extraordinary strength and unity of purpose to safeguard the already perilous financial situation facing our schools.

Since the 2010-2011 budget has not yet been established by the Arizona Legislature, we cannot provide specific details regarding what will be eliminated from school budgets if this proposal is defeated. We can however, speculate that the following areas are likely to be considered by school districts:

- reductions in staff and increases in class sizes;
- reduction or elimination of extracurricular activities such as athletics, band, music, drama, and art;
- reduction or elimination of many non-required courses and student activity programs;
- reduction in classroom supplies, equipment, and transportation;
- reduction in technology support and purchases;
- reduction in maintenance of facilities; and
- reduction in the length of the school week.

Some school district governing boards are discussing the possibility and likelihood of closing neighborhood schools.

On top of deep financial cuts experienced by schools over the last several years, additional cuts will intensify the already “bare bones” educational environment of Arizona children. The “fat” is long gone from school district budgets. Unfortunately, lawmakers will have only one option left available – to cut educational funding even further. Children and families will suffer, and Arizona’s future will be at risk. Arizona’s economic strength and future development require dynamic schools and a well-educated work force.

Please vote Yes.

Dr. Linda O’Dell, President, Arizona Association of County School Superintendents, Phoenix

Paid for by “Arizona Association of County School Superintendents”

Yes on Proposition 100

On behalf of the Arizona State Board of Education, I urge your support for a temporary tax to maintain our state’s education system. While it is true that Arizona is facing an historic economic crisis, we must not compound the problem by decimating our K-12 schools. Arizona’s schools have already absorbed massive cuts. A yes vote on Proposition 100 will provide the needed revenue to weather this fiscal storm and allow our teachers and students to pursue high academic achievement. Governor Jan Brewer, along with business and community leaders from both political parties, understand the severe consequences of failure. If we move backwards, then our state’s ability to attract new businesses and grow our way out of this recession is in jeopardy because long-term economic development is based on a fundamentally sound education system.

The State Board believes our school system must be held accountable and parents need to know that their children’s schools are making real progress against meaningful standards. However, we cannot ignore the simple fact that if our public is not willing to provide the necessary resources, more schools will close, more teachers will lose their jobs and more classrooms will overflow beyond a single teacher’s ability to engage their students.

We can avoid this outcome: Let our students and teachers know Arizonans are willing to come together in this time of crisis and adopt a temporary increase in taxes so that we can provide them with an opportunity to gain a lifetime of academic suc-

cess. Years from now we can look back on this period and remember how we stood for something more important than our own self-interest – A quality K-12 education system for all children.

Please vote YES on Proposition 100!

Jaime A. Molera, Board Member, Arizona State Board of Education, Phoenix

Arizona voters are urged to support the 1-cent increase in the state sales tax to raise nearly \$1 billion in revenue that will help fund critical needs in education, public safety and health and human services.

Without this increase, Arizona’s economy will be crippled by additional budget cuts, resulting in the loss of thousands of jobs to health care workers, educators and public safety personnel.

In addition, failure to approve the 1-cent increase could result in: 1) permanently closing state parks and roadside rest areas; 2) increasing school class sizes, thereby eroding the quality of education for our children; 3) overloading hospital emergency rooms with families who have lost health insurance; 4) shredding the safety net protecting vulnerable adults and children; and 5) increasing officer response times on our state highways and reducing security.

Failure to pass this 1-cent sales tax increase will critically impact the state’s economy. The deterioration in the quality of life for all Arizonans will be both substantial and devastating; especially for our residents who can least afford it - children, the elderly and families already suffering from job loss in this tough economic downturn.

We urge all voters to come together and vote yes to approve this critical increase in revenue.

Joseph P. Anderson, Vice President, Monsignor Edward J. Ryle Fund, Phoenix

Pamela M. Gralton, Treasurer, Monsignor Edward J. Ryle Fund, Phoenix

Paid for by “Monsignor Edward J. Ryle Fund”

TERROS Board of Directors Supports One Cent Sales Tax

These are unprecedented times, and we believe we must take action and support the temporary one cent sales tax to enable the State to maintain essential services.

TERROS is a community-based behavioral health organization that helps people recover from substance abuse and treats people who have a wide range of behavioral problems. It provides an array of services including mobile crisis intervention, substance abuse prevention, outpatient treatment and specialized services to assist persons who have serious mental illnesses. For decades, TERROS has operated efficiently as a nonprofit community organization. This community infrastructure assists families and individuals struggling with a variety of life problems, reduces inappropriate placements to hospitals and jails and provides support to help people be productive and healthy parents, co-workers and neighbors.

Without these services, the more expensive and less efficient alternatives, specifically, jail, prison and hospital emergency rooms become the fall back providers to these families and individuals, resulting in our society being less stable and productive. That is why we support the temporary one cent sales tax increase. We know that without those dollars, the state will be forced to make another billion dollars in cuts, most of which will be cuts to treatment and services throughout the State. That will adversely impact all Arizonans, including the people served by TERROS.

We understand that voting for a tax is never an easy choice. We hope that you agree that a temporary one cent sales tax increase is a better choice than turning away thousands of Arizonans who need help, through treatment, as they try to better their lives.

Donald J. Newman, Board Member, TERROS, Phoenix
Paid for by “TERROS, Inc.”

Hank Radda, Board Member, TERROS, Phoenix

Vote Yes on Proposition 100.

The great promise of America is that each generation will improve the lot of, and opportunities for, the next. And each - often at great sacrifice - has done so. Until now.

America, and Arizona, can't compete for economic growth - and the jobs of the future - with lower wage jobs. We must compete for higher value jobs. Jobs that create the new ideas and products that the rest of the world will buy. Jobs that result from higher education.

The rest of the world is competing for those jobs and making massive investments in higher education. Meanwhile, as America falls behind in degree production, Arizona is 49th of the 50 states. Our state is not competing for the new jobs of a knowledge based economy.

In fact, we have cut universities deeper than ever before in our states’ history. Funding for higher education - as a percentage of the Arizona state budget - is half what it was 25 years ago.

Proposition 100 is temporary revenue to help us get through these difficult times without closing the doors of education to thousands of worthy Arizona students who will create the jobs of the future.

If this proposition fails, the Legislature has made it crystal clear that education will take the extra budget cuts - notwithstanding the cuts already taken.

No tax is easy to support. But I do so as an education advocate who believes that this is a sacrifice we owe our country, our state and our children.

Fred DuVal, Phoenix

Paid for by “Arizona Solutions Through Higher Education”

I strongly support Prop. 100. Its passage will help mitigate the massive budget cuts to education. Education has traditionally been the pathway to Arizona’s prosperity. Higher education provides the critical career training and preparation necessary to create a skilled workforce. This workforce will attract new business to our state. Arizona needs prepared citizens if it is to be competitive and successful in the marketplace. Cuts to education funding, needed because of a revenue shortfall, do nothing to help with the economic recovery which Arizona badly needs.

Arizona’s public universities have been cut over \$231.5M since 2009. Yet our student population continues to rise. Our universities are doing more with less money. However, if Prop. 100 is not approved, additional funding reductions must be

Spelling, grammar and punctuation were reproduced as submitted in the “for” and “against” arguments.

made to K-12 and higher education. If not passed, it is possible that university funding may be reduced by at least \$120M – an amount almost equal to all of the state funding for Northern Arizona University. These cuts, and many more that are necessary to resolve the budget without the tax, will cripple education in Arizona.

Although many cuts have been made, cuts alone will not solve our revenue shortfall problem. No one likes a tax increase, but this proposed tax increase is temporary and provides Arizona with the revenue to help avoid a possible \$1B round of over-all cuts. This temporary solution will help Arizona avoid an imminent catastrophe.

Please invest in Arizona education and economic recovery. Please do so by joining me in voting YES on Prop. 100.

Ernest Calderón, Phoenix

Paid for by "Arizona Solutions Through Higher Education"

I support Prop 100 and ask you to join me and vote yes on this temporary sales tax increase.

Having served on the U.S. Senate Appropriations Committee for 18 years, I know how difficult it can be to make tough budgetary decisions. The decision to raise taxes in order to address an historic shortfall is not easy, and can be politically risky. In my view, however, this action is necessary to maintaining the health and prosperity of our state and to ensuring a brighter future for Arizonans. During my Senate tenure, I supported a Federal budget in 1993 that cut Federal spending and raised some taxes. The result was a major reduction in the Federal budget deficit and an actual surplus.

Arizona is now facing a similar decision. The state has already made massive budget cuts to some of our most important programs, including education, healthcare and public security. Historically, education has endured large cuts, rolling back funding to near 2006 levels. Without this temporary tax increase, we face the prospect of even more drastic cuts. Additional revenue is critical to ensure the viability of state services and the ability to overcome the economic downturn.

I urge you to vote YES on this important budget matter.

Dennis DeConcini, United States Senator, Retired, Tucson

Paid for by "Arizona Solutions Through Higher Education"

I support Prop 100 and will vote Yes for the temporary tax increase.

Our state faces a massive budget deficit that cannot be repaired by cuts alone. In the past year, our state budget has already been cut by \$1 billion, the state workforce reduced by 10%. And yet we face additional cuts if we do not vote to bring new revenue in to fund education, healthcare and public safety.

Education is critical to the future success of our state. A highly skilled workforce will be essential to bring job growth to Arizona and help with our economic recovery. In Tucson, I have seen the impact from the University of Arizona, as it draws major employers, and with them the jobs that help to provide a better quality of life for Tucsonans.

If this tax does not pass, over \$1 billion in additional cuts will be made to the state's essential services, including higher education.

We must ensure our state has the ability to recover from this economic downturn, with an educated workforce to compete globally.

Support education, vote Yes on prop 100.

Rick Myers, Chief Operating Officer, Critical Path Institute, Tucson

Paid for by "Arizona Solutions Through Higher Education"

Vote YES on Prop. 100.

We are in the midst of one of the largest budget shortfalls in Arizona's history. To address this shortfall, the state's budget has been cut by \$1 billion. These historic cuts are larger than any cuts made by any other governor in the state's history. Even with these massive cuts, without additional revenue from the temporary tax increase, the state will be forced to cut critical programs, including education. The solution can not be reached by cuts alone. We must pass this temporary tax increase to ensure we protect education, healthcare and public safety.

Protecting education from further cuts is essential to ensure the competitiveness of our state. A quality education system provides a highly skilled workforce, which is necessary to attract and maintain a vibrant business community that will help to grow jobs for Arizonans. This temporary tax will provide the state the ability to realize economic recovery, while raising the necessary revenue to prevent additional cuts to education.

If we want a solution to our budget crisis, the answer is clear; invest in education and ensure a highly qualified workforce that will foster an environment for job creation and growth.

Protecting education is good for Arizonans, and good for our economy. Join me and vote YES for Prop 100.

Fred T. Boice, Tucson

Paid for by "Arizona Solutions Through Higher Education"

Vote yes on Proposition 100.

Despite our state's population growth, Arizona has addressed its massive budget shortfalls by cutting nearly \$1 billion dollars from vital services. That is why Proposition 100 is critical to bring additional revenue to our most necessary programs, including education. While the tax increase will not bring in enough money to restore the massive cuts already endured, it will mitigate additional cuts.

If Proposition 100 is not approved, additional cuts will be made to the state support for K-12 education and the universities. Yet we know that a strong education system is critical to attract and grow businesses. We cannot cut our budget further, lest we risk jeopardizing the future competitiveness of our state. We must work to ensure Arizona has an educated workforce, so that we are able to realize economic recovery and improve the quality of life for Arizonans.

Vote yes for Prop 100 and vote to support education for Arizona.

Bob McLendon, Yuma

Paid for by "Arizona Solutions Through Higher Education"

Support Prop 100 and vote for quality education.

A vote to support the temporary tax increase is critical to the future of education in Arizona. Over \$1 billion has already been cut from the state's budget and our education system has endured a massive hit. We cannot solve our budget crisis by continuing to cut away at essential programs.

Additional cuts to education will only further slow our economic recovery. Without strong university and K-12 systems, Arizona will be unable to compete for the growth in the biosciences, technology and other high-wage-job producing industries. We cannot afford to fall further behind. That is why your Yes vote on Proposition 100 is critically important.

Continuing to balance the budget at the expense of education is shortsighted. At risk is the future competitiveness of our state, the success of our economy and the quality of life of our citizens.

Vote YES on Prop 100

Christopher J. Bavasi, Chairman, Northern Arizona University Foundation; Member, Flagstaff Unified School District Governing Board, Flagstaff

Paid for by "Arizona Solutions Through Higher Education"

Vote Yes on Prop. 100

As student leaders, we advocate for the best interest of students. But we feel this goes hand in hand with what is best for the state as well. We believe that education is essential to Arizona's future. We believe that education provides the tools to be better Arizonans, to contribute to both our state economy and to improve the social good. We believe that education provides Arizonans with opportunities they wouldn't have otherwise.

Proposition 100 is critical to address the massive budget gap that the state faces. We've already seen the state budget cut, including \$231 million cut from the Universities. The students have already felt the impact, as tuition and fees have helped to fill the hole left by this cut in state support. We've watched as California's students face 32% tuition increases and we wait to see if we will face the same fate.

That is why your Yes vote on Proposition 100 is critically important.

If Proposition 100 is not approved, additional reductions will be made to the state support for universities and K-12 education. We cannot continue to cut our education system. This temporary tax increase will be critical to bring in additional revenue to ensure our state has a bright a prosperous future.

Please join us in voting Yes on Prop 100.

Brendan O'Kelly, President, ASU Undergraduate Student Government, Tempe

Chris Nagata, President, Associated Students of the University of Arizona, Tucson

Kathleen Templin, President, Associated Students of Northern Arizona University, Mesa

Paid for by "Arizona Solutions Through Higher Education"

The times facing our State have never been tougher; nor have the choices all Arizonans must make. In our extreme economic situation, Arizona's citizens and elected officials must work together to find solutions.

The Greater Phoenix Chamber of Commerce, representing 3,100 Valley businesses, strongly urges a **YES** vote on **Proposition 100**. This temporary, one-cent sales tax proposal is a critical step toward balancing Arizona's budget.

Facing declining revenues, businesses react by cutting spending wherever possible. The Arizona Legislature and Governor Brewer have responded to the state's budget deficit by streamlining agencies and eliminating more than \$1 billion in spending over the past year.

With the deepest budget cuts in state history, Arizona still faces a monstrous budget deficit, one that demands consideration of alternative sources of revenue to cover critical needs as the economy recovers. While the Chamber would prefer not to raise taxes - taxes that businesses must pay as well - we have come to the undeniable conclusion that there is no way to balance the budget without additional revenues and more difficult and deeper cuts.

The Chamber understands this increase is not a long-term solution to our unprecedented financial crisis and that the burden of solving this crisis cannot lie solely with taxpayers. We are confident the Legislature will do its part to right our fiscal ship of state and return Arizona to prosperity.

We believe this short-term assistance, with a shelf life of three years, is a step in the right direction. It must be combined with further strategic cuts in spending, implementation of pro-growth legislative policies and the reformation of government. These steps are critical to stabilizing our economy and charting a course to fiscal prosperity.

Please join the Greater Phoenix Chamber in voting **YES on 100**.

Todd Sanders, President & CEO, Greater Phoenix Chamber of Commerce, Phoenix

Connie Perez, Chair of the Board, Greater Phoenix Chamber of Commerce, Phoenix

Paid for by "Greater Phoenix Chamber of Commerce"

What kind of state do we want for Arizona's families? At a time when many people have lost their jobs, insurance benefits and homes, there is a rising demand for the basic necessities: health care, child care, services for children, the elderly and persons with disabilities. No more cuts can be sustained by health and social service providers without serious risks to public safety.

The Arizona Council of Human Service Providers represents 77 agencies that provide critical services statewide. Our members understand the need for these services. That's why we're supporting the temporary sales tax increase.

Why should the voters be concerned about these cuts if they are not using the services themselves? The answer is simple—more cuts will cause the loss of services for Arizonans with mental illness and addictions. Without treatment, they will seek help in emergency rooms, causing even longer wait times for your family. Kids with behavioral issues will monopolize their teachers' time, taking valuable attention away from your children. Crisis services will be cut, leading to longer response times from police and fire departments because they will be tied up taking people with serious mental illness and addictions to hospitals and jails. People with drug and alcohol addictions will have nowhere to go because clinics are closed to anyone who does not have insurance that covers the services.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

At a time when Arizonans are struggling to put food on the table, we can't afford more devastating cuts to services that mean the difference between life and death. Unless we take action now, Arizona will see lost jobs, lost stability and lost opportunities. Please vote yes on Proposition 100.

Emily L. Jenkins, President/CEO, Arizona Council of Human Service Providers, Phoenix
Paid for by "Arizona Council of Human Service Providers"

Steve Carter, Secretary of the Board of Directors, Arizona Council of Human Service Providers, Phoenix

The Protecting Arizona's Family Coalition (PAFCO) board supports the increase in the sales tax and urges voters to vote YES on the referral on May 18, 2010.

Clearly the state needs new and increased revenues after over 15 years of tax cuts which, along with this deep recession, have severely curtailed state revenues.

We support this increase reluctantly, but in keeping with our principles which urge new revenues and tax reform in the state.

- Health and human services must be shielded from further cuts. This new revenue is necessary but does NOT solve the budget crisis.
- Even with this new revenue, the Governor and Legislature still propose and require severe and deep cuts to health and human services programs which serve children, families and vulnerable adults.
- We strongly oppose these additional cuts.
- Arizona's poor families must be protected.
- The overall tax structure must be reformed.
- Tax cuts are wrong in the current economy.
- We oppose any tax cuts until the state economy is fully recovered.
- We must not dig the revenue hole deeper.
- More bipartisan solutions are needed.

Bruce Liggett, Chairperson & Officer, Protecting Arizona's Family Coalition, Phoenix
Paid for by "Timothy J. Schmaltz"

Timothy J. Schmaltz, CEO & Officer, Protecting Arizona's Family Coalition, Phoenix

Vote Yes on PROP. 100

The Arizona Students' Association (ASA), which represents over 120,000 students that attend Arizona State University, the University of Arizona, and Northern Arizona University, supports Proposition 100. ASA is a non-profit, non-partisan advocacy organization directed and funded by Arizona's public university students. ASA works for affordable and accessible higher education in Arizona.

The Arizona Students' Association supports Proposition 100 due to the fact that Arizona is facing the worst budget crisis in the country and Proposition 100 will significantly help to alleviate a situation that is currently only getting worse.

Students in Arizona have witnessed firsthand the devastating effects from the over \$230 million dollars cut from the universities over the past two years. Students and families in Arizona saw tuition increase not once, but twice last year, and students this year are facing the largest tuition increases ever proposed. If Proposition 100 does not pass, students that are graduating high school right now and applying to attend ASU, NAU, or the UA could see their costs double over the next four years, making a higher education unattainable.

We ask that Arizona voters support education and support Proposition 100.

Elma Delic, Chair, Arizona Students' Association, Phoenix

Ben Henderson, Vice Chair, Arizona Students' Association, Phoenix

Paid for by "Arizona Students' Association"

Dear Arizonan,

Many Arizonans are facing stark economic realities, greatly increasing the demand for health and welfare safety net programs that we manage as part of State Government. People who have never had to reach out for assistance before now find themselves in need. At the same time demand for services has peaked, available State resources have greatly diminished resulting in an unprecedented budget crisis. We believe it's critical to describe the importance of a yes vote on Proposition 100 as part of the overall budget solution.

Despite the increasing need for health and safety net services, Arizona has been forced to reduce or eliminate critical services for children, newborns just home from intensive care and prenatal care.

The State has cut reimbursement to healthcare providers, day care providers, foster parents and those who serve people with developmental disabilities. Arizona has eliminated health coverage to 9,000 parents, frozen enrollment in KidsCare, established a child care wait list of over 11,000 children from low income working families, eliminated independent living supports that help 1,800 seniors remain safely at home, and eliminated services for over 1,000 victims of domestic violence.

Even if Proposition 100 passes, more reductions are necessary.

If Proposition 100 does not pass, policymakers must make \$900 million more in cuts to critical services. This will result in more children, families and vulnerable adults losing essential health care, behavioral health, critical safety net and protective services.

We are committed to working with the Governor, lawmakers and Arizona's citizens as we continue to carry out our mission, while doing our share to assist with the resolution of the budget crisis. In these difficult economic times, the services provided by our Departments and community providers are needed now, more than ever.

Tom Betlach, Director, AHCCCS, Phoenix

Neal Young, Director, DES, Phoenix

Will Humble, Interim Director, DHS, Phoenix

Paid for by "Thomas Betlach"

Valle del Sol is one of Arizona’s largest nonprofit, community-based organizations, assisting thousands of Arizonans with behavioral health, human services and leadership development programs. When one considers Valle del Sol’s mission, values, vision and the dedication of the staff, it is easy to understand how Valle del Sol has earned a place as an important pillar of the community.

Notwithstanding our continued efforts, the economic downturn has severely impacted Arizona families who are struggling to provide for their basic needs. The fiscal crisis has resulted in an increased demand on the safety net that provides vital services. Services for vulnerable populations, such as children, mentally ill, the disabled and seniors, have been reduced or eliminated. While the need for services has increased, budget reductions have resulted in increased caseloads and placed on additional strain on the system designed to provide support to those in need. A “yes” vote on Proposition 100 will replenish the revenue stream and prevent additional devastating cuts to the safety net that would decimate the last remaining provisions of basic human services. Please vote yes on Proposition 100.

Luz Sarmina, President/CEO, Valle del Sol, Phoenix
Paid for by “Valle del Sol”

Kurt R. Sheppard, Valle del Sol, Phoenix

To protect vital public services and prevent further tax increases, we must vote yes on Proposition 100.

Prop 100 would temporarily raise the state’s sales tax by one cent for three years. A penny on every dollar. In return, the measure would provide much needed revenue to the state of Arizona, whose finances have been devastated by the economic downturn. There are simply no other options left. All state agencies have taken massive cuts. The state closed parks and rest centers, eliminated programs, hiked tuition, dropped our fellow citizens from health care rolls and laid off employees.

And after all that anguish, the state still can’t cut itself out of the crisis. Voters have mandated certain levels of spending in education and health care. Those programs make up the majority of state spending. After including costs to run state prisons, there is no room left in the budget to cut.

It gets worse. Over the past few years, the state has been shifting a number of programs and costs to county governments, forcing local property taxpayers to pick up the tab. The state has forced counties to pay a larger share of judges’ salaries, to pay the costs of housing and treating violent prisoners. Lawmakers forced our fellow supervisors to send tens of millions of dollars to the state. As counties struggle to deal with their own revenue downturn, they now must take on an additional \$119 million of state cost shifts. If Proposition 100 fails, those cost shifts and money transfers will continue to grow.

The proposed sales tax increase should bring in \$1 billion in badly-needed funds to support essential public functions and get through this recession. It will protect vital services to residents all over the state. Voting yes is a wise decision and the only option.

Liz Archuleta, Coconino County Supervisor, Flagstaff

David Tenney, Navajo County Supervisor, Linden

Max Wilson, Maricopa County Supervisor, Phoenix

Fellow Arizonans:

I strongly encourage you to vote yes on Proposition 100. Chicanos Por La Causa is a statewide community development corporation committed to building stronger, healthier communities across the state of Arizona. Our programs and experience have been recognized nationally and internationally to help develop strong social and economic development programs. Because our programs serve so many Arizona families, we understand the impact the current budget crisis is having on Arizona.

The current economic downturn is also creating significant stresses on non-profit organizations, such as CPLC, who serve Arizona’s most vulnerable communities. That’s why we encourage you to vote yes on Proposition 100. Even with the resources provided by Proposition 100, Arizona will continue to have to make deep cuts in programs that affect all Arizonans. Furthermore, Arizona’s non-profit, social service providers will continue to do their important work across the state.

Your vote for Proposition 100 will simply allow our state leaders to have access to resources needed to preserve our state’s core essential functions. It will also allow our state to continue important programs that allow Arizonan’s families to achieve a brighter future. Thank you for your consideration of this important request.

Arjelia Gomez, Chief Operating Officer, Chicanos Por La Causa, Phoenix
Paid for by “Chicanos Por La Causa”

State Sales Tax Ballot Argument
 In Support Of Prop 100

The 6,500 members of the Professional Fire Fighters of Arizona are proud to support Proposition 100. This budget crisis cannot be resolved through cuts alone. Over the past three years sales tax revenues have declined by over 30%, personal income taxes are down 38% and corporate income taxes are down nearly 60%. Yet our needs as a state continue to grow. Since 2004 we have added over 140,000 students, over 11,000 new prisoners and over 475,000 Medicaid enrollees.

There are so many amongst us who are less fortunate. There are our children whose education will determine our future. There are those who have chosen to break the law and are in prison. Prison is where they should stay.

The Governor and the Legislature have already cut the state workforce by over 10% and reduced spending by more than one billion.

Our state budget cannot recover without additional income. Without the income provided for by this sales tax Arizona will not be able to carry out its core service responsibilities; public safety, health care for the less fortunate and public education.

No one wants to pay taxes but that is the price we pay to live in a civil, just and moral society. Without this critical addition to our states revenue, each of these situations and many more will become ever more desperate.

Not a single fire fighter or local fire department will benefit from the passage of the sales tax. We simply recognize that without your help and ours the ability of the state to carry out its obligations to all of us is not possible.

ARGUMENTS “FOR” PROPOSITION 100

The Fire Fighters urge you to vote YES ON PROPOSITION 100
Tim Hill, President, Professional Fire Fighters of Arizona, Phoenix
Paid for by "Professional Fire Fighters of Arizona"

Bryan Jeffries, Executive Vice President, Professional Fire Fighters of Arizona, Phoenix

The Fort McDowell Yavapai Nation, with about 1000 members in Central Arizona, supports PROPOSITON 100. YES on 100 is a worthy cause. In fact, we believe this temporary sales tax must pass – that we must VOTE YES – to keep Arizona the place that we all rely on and love to call home.

Like our 6 million neighbors in the state, the Fort McDowell Yavapai Nation understands sacrifice and hard work. Only through many years of perseverance have we been able to build a stable community and a stable economy. We believe that education, health care and public safety are essential to a community's or state's success.

Proposition 100 is a reflection of that belief. While the state battles its economic crisis, cutting workers by the thousands and dealing with \$1 billion in reduced services, there comes a time when all of us need to say "enough" and pitch in a little bit. This penny tax imposed for the next 3 years is our chance to stand strong.

If we say YES on 100, we will say YES to:

- A K-12 education system able to deliver high quality schooling, even as the student population continues to grow by an average of more than 20,000 students a year.
- Affordable universities and colleges, essential to building a competitive work force for tomorrow.
- Safe neighborhoods and a court system able to deal with serious offenders.
- A public health care system able to care for the poor and the elderly, even as those populations continue to explode.

Please join the Fort McDowell Yavapai Nation in support of YES on 100. Arizona badly needs this temporary help.

Dr. Clinton M. Pattea, President, Fort McDowell Yavapai Nation, Fountain Hills

Bernadine Burnette, Vice President, Fort McDowell Yavapai Nation, Fountain Hills

Paid for by "Fort McDowell Yavapai Nation"

Statement in Support of a Temporary Increase in State Sales Tax

I urge voters to support the temporary one percent increase in the State sales tax to help begin a return of the state's revenues to a responsible level after disastrous and ideologically driven tax cuts in recent years. Contrary to the claims of a vocal but small number of anti-tax ideologues, taxes in Arizona are not high. In fact, they are lower than they have been in many years. This proposed increase in the sales tax should be only the beginning in a process to recreate a viable and responsible tax structure.

In addition to voting yes on this measure, voters should speak out, and urge others to speak out, in favor of a balanced and fair system of revenues to support essential state services, especially for education, health care for children and poor adults including those needing mental health services, and other safety net programs. Legislators and other public officials should be urged to reexamine any pledge they may have made in earlier times to cut taxes and never to vote for an increase in any kind of tax. That was then. This is now.

While sales taxes are regressive because they have a greater impact on lower income people than on any other group, they are an important part of a balanced revenue structure. Please vote for this temporary increase but, more importantly, please get engaged in working for other revenue increases, at least to the point where we were a few years ago when we had a tax structure that would result in a balanced budget if it were in place today.

Michael J. Valder, Phoenix

Dear Arizona Voters:

Arizona Interfaith Network (AIN) is comprised of Yuma County Interfaith representing Yuma County, Northern Arizona Interfaith Council representing Yavapai and Coconino Counties, Pima County Interfaith Council representing Pima County and Valley Interfaith Project, representing Maricopa County. AIN is comprised of 150 faith communities, non-profits, and teachers' associations statewide.

Arizona's financial situation has put the state in jeopardy. Recent cuts in education and health services damage our families. They also discourage businesses from relocating to Arizona, depriving us of the very jobs and revenues needed to restore vitality to our state. Without solid investment in our core structures now, our communities will not be prepared when the economic recovery occurs. If we do not make the appropriate investments in our healthcare, education, and infrastructure, Arizona will fall further behind.

Arizona Interfaith Network encourages voters to vote yes on proposition 100 to ensure the vitality of the state.

Richard H. White, President, Arizona Interfaith Network, Chandler

Bonnie Danowski, Treasurer, Arizona Interfaith Network, Scottsdale

Paid for by "Arizona Interfaith Network"

Valley Interfaith Project's Pro Argument on Prop 100

Valley Interfaith Project urges you to vote "Yes" for this temporary sales tax increase.

In struggling to balance the horrendous state budget deficit, a sales tax is not ideal; however, the consequences of decimating the public sector are even worse. Elected officials have cut the public safety net of essential health and human services for the poor and vulnerable. Our children are losing KidsCare health insurance coverage. Programs so important to the developmentally disabled and mentally ill are being slashed. Education is being decimated. Classrooms are becoming crowded, all day kindergarten is on the chopping block, university tuitions soar, and Arizona is once again 48th in the country in per pupil expenditures. These are essential services to invest in the state's human and economic development.

The answer to our fiscal crisis is not to cut essential programs and handcuff our future. Arizona has failed to invest adequately in human capital, and the state needs new revenues.

Contrary to popular belief, our tax burden is much lower than other states. In the past fifteen years, policy makers chose to cut taxes, while ignoring the long term revenue needs of a growing population.

Arizona's quality of life will improve and our economy will recover only if we preserve the structures that support a strong middle class. Relocating and emerging businesses look for an excellent education system, health care and public services for employees. We cannot be short sighted but rather must plan courageously for long term security and success for our families and our state. Vote "Yes."

David Ryan, Vice President, Valley Interfaith Project, Phoenix

Joseph de Groot, Treasurer, Valley Interfaith Project, Scottsdale

Paid for by "Valley Interfaith Project"

Among factors essential for economic development in the 21st century, an educated 21st century, workforce and a modern physical infrastructure are at the top of the list. The public sector plays a critical role in both.

The quality of the workforce is heavily dependent on educational attainment and achievement, from the elementary school system through post-graduate studies; most individuals obtain their educations at public schools. Job training is also key to a skilled workforce, and this generally involves a public-private partnership. Similarly, much of our key physical infrastructure, particularly transportation, is primarily provided by the public sector. So the public sector must have adequate revenues to provide these key services, or economic development and our standard of living of the residents will suffer.

Currently, Arizona state government does not have the funds to continue to provide these basic services, even at the minimal level of the past (for example, per pupil spending for elementary and secondary education is second-lowest in the nation). The temporary sales tax will help to provide funding for education—the ballot measure specifies that two-thirds of the revenues raised will be dedicated to primary and secondary education—but is not a permanent solution and will not provide as much revenue as the state needs.

This sales tax increase—and additional revenue enhancement—is essential for the state to continue to provide the public services necessary to be successful in economic development. Without the additional revenue, the long-term health of the Arizona economy will suffer along with the economic well-being of the state's residents.

Paul R. Portney, Dean, Eller College of Management, University of Arizona, Tucson

We ask Arizonans to vote in support of Proposition 100 which temporarily raises the state's sales tax for three years.

As a percentage of the state general fund, Arizona's budget shortfalls are among the worst in the country. The current economic climate threatens essential state services that must be sustained.

In this situation, budgets must first be cut, and the legislature has cut hundreds of millions of dollars out of the state budget. K-12 education has been severely cut, vital social services have been cut, and universities have been cut by nearly a quarter of their state support.

Federal stimulus dollars have been a life saver, but will be exhausted by 2010. While the proposed sales tax increase is temporary, it will be in place to absorb some of the shock when one-time federal stimulus dollars disappear. The temporary tax increase will give the economy time to recover, providing revenue to avoid further cuts to education and other essential programs.

While some say that raising taxes in a recession will worsen the problem, studies show that unemployment created by massive public sector cuts will hurt the economy even more – without taking into account the long term damage that will result from fundamentally weakening our education & research system and other necessary services.

A state's education system is a crucial building block for the economy, providing brain power and innovation to help a state grow quickly out of economic downturns. Arizona's universities have managed some of the largest cuts in the nation. Without these temporary sales tax revenues, we fear that the universities will be pushed into a downward spiral that will damage Arizona, diminish its workforce, and derail its future.

The temporary sales tax increase is a small price to pay for large benefits to our state.

Dr. Michael M. Crow, Paradise Valley

Dr. John D. Haeger, Flagstaff

Dr. Robert N. Shelton, Tucson

Paid for by "Yes on 100 Committee"

Dear Voters,

The Yes on 100 committee is a statewide coalition of business leaders, educators, civic leaders, parents and concerned citizens – Arizonans from every corner of the state and from each political party – dedicated to helping preserve education and public safety in every Arizona community.

Our home state has been faced with the largest budget cuts in its history. Even with these reductions, Arizona's economy still has not recovered and the revenues that fund essential state services remain depressed.

We believe that the depth of the problem is so severe that we cannot solve it through cuts alone, not without permanently damaging Arizona's quality of life. For this reason, we are encouraging every Arizonan to vote Yes on 100.

Proposition 100 is a temporary fix to fund the state's most critical needs while our economy recovers:

- **Support Quality Education** – As you read this, the state's revenues have fallen to 2004 levels. Since that time, however, the state has added 162,000 additional students in grades K-12 and our universities. The revenue raised by Prop 100 will be used primarily to maintain 2006 funding levels for education until our economy recovers.

- **Protect Public Safety** – We must maintain the highest level of the safety for our citizens. Until the economy recovers, we need to find ways for Arizona to continue to offer the essential public services that it provides to its citizens.

Now is the time to make a difference. As you no doubt know, healing Arizona's economy and creating jobs requires an educated work force and the ability to maintain safe neighborhoods and a high quality of life. To attract new employers and jobs to our state – and to lead Arizona into its second century – we must be able to offer these essential services.

Please vote Yes on 100

**Drew M. Brown,
Chairman, DMB Associates,
Inc., Paradise Valley**

Paid for by "Yes on 100 Committee"

**Philip L. Francis, Executive
Chairman, PetSmart, Par-
adise Valley**

**Patrick J. Quinn, Scotts-
dale**

**Diane McCarthy,
Glendale**

Dear Arizona Voter:

I am honored to serve as the Chancellor of the Maricopa Community College System, one of the largest higher education providers the United States. The following is submitted solely in my capacity as an interested citizen, without any use of public resources, and does not speak for the Community College System.

Our Colleges are recognized for their dedication to educational excellence and for meeting the needs of businesses and the citizens of Maricopa County. During these difficult economic times, we have seen our enrollment numbers skyrocket, while simultaneously experiencing serious challenges to our budgets. We are meeting these challenges by implementing difficult and responsible financial policies. Our faculty and staff are also working hard to maintain the highest level of quality in all our programs. From traditional college courses, to focused job training and retraining, Arizona's community colleges will continue to help Arizona recover from significant economic challenges facing our state and citizens.

Arizona's educational system cannot continue to lead the way, however, without the basic resources needed to maintain basic services. That is why I am encouraging you to join me in voting for Proposition 100. This temporary sales tax increase will not solve all the challenges facing Arizona's educational system and will not eliminate the need for additional difficult budget cuts. It will, however, provide essential revenues that will allow Arizona's educators to continue to provide the educational services needed to help Arizona work its way out of these difficult times.

Please vote yes on Proposition 100 and help support the important work being done to help Arizona's economy recover and prosper. Thank you for your consideration.

Rufus Glasper, Ph.D., CPA, Chandler

Paid for by "Yes on 100 Committee"

Dear Citizens of Arizona,

The Arizona State budget has been a most difficult situation, but tough times call for tough decisions. We greatly appreciate the Governor and the legislature's willingness to work together to find a reasonable solution to help fix Arizona's budget while preserving the state's essential services.

WESTMARC is the regional coalition of the leaders of government, education, business and community organizations in Western Maricopa County, and we are proud of our 20 years of leadership and advocacy. We believe that Proposition 100 is a critical component to a state budget that protects funding and public policies for K-20 education, healthcare for the poor, and public safety.

Although not an easy decision, we believe that a TEMPORARY tax is essential to help avoid even deeper budget cuts while the state recovers. We also believe that supporting education, protecting public safety, defending healthcare for the poor, and protecting state shared revenues for local governments are critical to making sure that Arizona remains a leader in economic development and job creation.

It is clear that Proposition 100 has the best interest of Arizona and its future in mind, and is part of a responsible budget and plan that not only minimizes and mitigates the effects of the economy on essential government services but provides a path to restructuring our financial future.

With the future of the West Valley and Arizona in WESTMARC's mind, we strongly encourage voters to vote Yes on Proposition 100.

Art B. Othon, Chairman, WESTMARC, Peoria

Paid for by "Yes on 100 Committee"

Jack W. Lunsford, President & CEO, WESTMARC, Peoria

The Arizona Hispanic Chamber of Commerce is a vibrant and dynamic organization committed to building Arizona's economy and serving the needs of the Chamber's diverse businesses. While our State continues to experience significant economic challenges, our state's businesses and entrepreneurs will undoubtedly recover and lead Arizona to a prosperous future. In order to do so, however, we need our state must have the resources necessary to perform critical services.

In difficult economic times, businesses and governments must cut spending where possible. As President and CEO of the Arizona Hispanic Chamber of Commerce, I have seen firsthand how successful businesses and business leaders respond and adapt to serious challenges. Even with such necessary changes to government, however, certain critical services such as economic development, education, and public safety must be funded at adequate levels to ensure that Arizona maintains the foundation necessary for its businesses to succeed and grow. Proposition 100 will not solve all of Arizona's budgetary challenges. Nevertheless, combined with sound fiscal policies and reforms, this temporary and necessary revenue increase will provide the resources necessary to allow Arizonans to weather this economic recession.

Therefore, I respectfully request that you join me in voting yes on Proposition 100.

Armando Contreras, President/CEO, Arizona Hispanic Chamber of Commerce, Phoenix

Paid for by "Yes on 100 Committee"

Dear Voters:

As you read this, more than a million and a half people call the East Valley home. They rely on our public schools and our publicly funded transportation systems, on the hand-up of the state Medicaid system, on our community colleges and universities, and on our police officers and firefighters.

In short, all of us rely on services funded by taxpayer dollars.

Right now, because of an economic downturn that has decimated states across America, many of those services are in serious jeopardy.

That's why Arizona needs to vote YES on PROP 100.

With our struggling economy draining billions of dollars from Arizona's General Fund since 2007, our Governor and our Legislature have worked to streamline all but the most vital of functions of state government. While we at the East Valley Partnership remain confident that both branches will continue to reduce or eliminate those "extras" that can be reduced or eliminated, there comes a point where cuts to education and public safety will impact the long-term health of our state. We believe Arizona has reached that point.

If approved by the voters, PROP 100 will allow the state a little breathing room in dealing with a suffocating budget deficit, a hole that threatens to cripple many functions of state government. At the East Valley Partnership, we've worked hard for the past year or so to preserve our region's quality of life and the state's fiscal integrity. To do so today requires a YES vote on PROP 100.

Angela Creedon, Chair, Board of Directors, East Valley Partnership, Mesa

Paid for by "Yes on 100 Committee"

F. Rockne Arnett, President & CEO, East Valley Partnership, Mesa

I am proud to serve as the President of the GateWay Community College. The following is submitted solely in my capacity as an interested citizen, without any use of public resources, and does not speak for the College.

During these difficult economic times, our enrollment numbers have increased dramatically, while our funding has been subject to serious cuts. Notwithstanding these challenges, our faculty and staff are dedicated to serving our students and community by providing educational programs that will allow Arizonans to recover from the current recession.

We need your help, however, to continue to provide excellent services to our community. That is why I encourage you to vote yes for Proposition 100. This temporary sales tax increase will provide essential revenues that will allow us to continue to provide the educational programs necessary to help Arizona's economy rebound and prosper.

Please vote yes on Proposition 100.

Dr. Eugene Giovannini, Gilbert

Paid for by "Yes on 100 Committee"

Dear Voter:

I have been at the forefront of health care policy in Arizona for more than two decades, including 10 years as chair of the House and Senate health committees and three years as Director of the Arizona Department of Health Services. I know firsthand how our most vulnerable residents rely on critical state services, and I know the value of each tax dollar.

Because of the critical importance of these safety net services, I will vote YES on PROPOSITION 100. I ask you to please do the same.

The economic downturn has touched all of us, making money tighter and forcing us to reconsider every area of our family budget. The same has happened at the state level. With over \$1 billion cut from government services in the past year, the cuts in Arizona have been deep and historic. The trouble is, demands on the state continue to grow.

While revenues are down more than 33 percent in the past three years – and sit now at 2004 levels – the state's Medicaid health care system has added 475,000 enrollees since 2004, and more than 200,000 new enrollees in just the past year. Many of these are people who never imagined they would need government help, but the economic collapse left them without jobs or health insurance.

While some cuts are unavoidable, we can't compromise the essential health care safety net that so many people rely on. All of us are affected because those children and adults who fall through that safety net will turn to our already overcrowded emergency rooms for medical help, further driving up the cost of health care for everyone.

I will VOTE YES on PROPOSITION 100. I ask you, please, to join me and help preserve the quality of life for all Arizonans.

Susan Gerard, Phoenix

Paid for by "Yes on 100 Committee"

Cities and towns in Arizona provide essential services, such as police and fire services, street maintenance, water and wastewater treatment, parks and other amenities that make Arizona communities a great place to live and do business. Decisions made at the statewide level also affect the city or town you live in. The State of Arizona is experiencing severe economic conditions resulting in hardships on our citizens as well as major reductions to state and local government revenues, making our state's economy one of the most troubled in the nation. Since the beginning of the economic downturn, cities and towns across the state have reacted responsibly to decreased revenues by reducing or eliminating programs, improving efficiency, reducing operating hours, and furloughing or laying off employees. Various solutions on the statewide level have emerged to shift the responsibility for a balanced state budget onto cities and towns, which could result in further budget shortfalls locally. We recognize the need for this temporary sales tax in these extraordinary times. Please support Proposition 100 as the responsible and realistic way to get Arizona back on track.

Robert B. Strain, Mayor, City of Sierra Vista, Sierra Vista

Paid for by "Yes on 100 Committee"

Fellow Arizonan:

Please vote YES on 100. As a long-time Arizona resident, and a former member of the Arizona Board of Regents, I have watched Arizona weather countless economic storms. But none is as deep or long-lasting as the one we are currently experiencing. The reductions made in state government have been deep and, for many, painful. Without this temporary addition to the sales tax, Arizona's education, public safety and healthcare systems will suffer further. It is not an exaggeration when I say that the decision we, the voters, make in this election will shape the future of our state in the foreseeable future. It is a test of

our values, our priorities and our character. I believe in Arizonans and I believe that we will rise to the occasion and preserve the Arizona we love. Please vote YES on Proposition 100.

Tio Tachias, Phoenix

Paid for by "Yes on 100 Committee"

Dear Voter,

Times are bad as we all know, but let's not shortchange our children by cutting their education. They represent our future. They are counting on us to supply them with all the tools needed for their success in life. Please don't let them down. Let's keep their education a top priority. Proposition 100 will authorize the necessary funding to provide children with the resources they need to have a quality education. Please, vote YES on proposition 100.

Mary Ann Cleveland, Chairperson, C.O.V.E. Citizens of Vail for Education, Tucson

Paid for by "Yes on 100 Committee"

The state of Arizona is standing on the edge of a chasm that is much greater than our national landmark. We are facing a drop in educational funding that would make the Grand Canyon look like a pothole. Who can we turn to for help? Is there anyone we can call to help fill the financial void which is swelling before our eyes? Yes...ourselves.

During this election, every registered voter in the state of Arizona has the power to allocate money for education. How? Just vote yes to the 1 cent sales tax.

This temporary, 3-year tax will provide much needed educational funding to districts state-wide. Without this tax, all districts will be forced to cut programs which are vital to the well-rounded education of every student. Some districts may even have to close schools.

Since Arizona is already ranked 49th in educational funding nationwide; if we vote no, we are plunging ourselves and our children even further into the darkness of a poorly educated future in which businesses and residents will catapult themselves out of our state with fervor and haste.

Without the passage of the sales tax, we will further exacerbate our financial problems by saddling our children with the burden of paying for their own education like pack mules on an endless canyon expedition.

For the sake of my children, their children and all of Arizona's children, I implore you to vote yes and let's start climbing out of this chasm together.

Kristi Hill, Co-Chair, PAVE (Parent Advocates of Vail for Education), Tucson

Paid for by "Yes on 100 Committee"

Dear Voter,

Proposition 100 will help improve the quality of life and boost the long-term economy for Arizona residents. The issue of a temporary tax is not one to be taken lightly. However, when you consider the fact that Arizona is faced with one of the largest budget deficits in the country and the fact that they have already cut \$1 billion from state, the picture becomes more clear.

K-12 education, university education, public safety, and others has already been dramatically impacted by our current budget crisis. These essential government services are the foundations of our quality of life and the key to our long-term economic success.

Education, public safety, jobs and long term economic prosperity are all interrelated. Arizona must provide quality educated students to help build our long-term revenue, and compete in the global marketplace. An educated workforce and a safe environment are needed to attract high-wage employers and businesses to locate in Arizona.

More cuts are not the answer. We need a TEMPORARY solution to maintain our critical government services until the economy recovers.

I encourage everyone to join in and vote Yes on Proposition 100. It is vital to the future of the economy and to our quality of life.

J. Doug Pruitt, Chairman & CEO, SUNDT Construction, Tempe

Paid for by "Yes on 100 Committee"

Dear Neighbor:

With a career in state law enforcement in my recent past and as the father of three young children, two numbers stand out to me above all others as I consider the debate surrounding Proposition 100.

➤ The **11,000 prisoners** Arizona has added since 2004, at a time when our state's revenues have fallen to 2004 levels. These prisoners cost the state more than \$400 million each year.

➤ The **145,000 new K-12 students** Arizona has added in that same time. These students cost the state more than \$1 billion a year.

Our exploding prisoner count and our growing school rolls compel me to vote YES on PROPOSITION 100 on May 18th. I ask that you please do the same.

As a small businessman, I understand all too well how tough the past two years have been on all of us in Arizona. Even so, I don't see any other way to shore up Arizona's budget. The state needs this temporary boost in revenue if we are to protect the safety of our neighborhoods, protect the future of our children and keep Arizona the livable, secure place we all rely upon and cherish.

As a 24-year Arizona resident, a man who fought crime for a living and a dad who looks forward to sending his two sons and daughter to college, I hope you'll join me in voting Yes On 100.

Andy Swann, Past President, Arizona Highway Patrol Association, Tempe

Paid for by "Yes on 100 Committee"

Dear Voter,

The Arizona Hospital and Healthcare Association (AzHHA) is an organization of hospitals and health systems dedicated to providing leadership on issues affecting the quality, delivery and access to healthcare. We recommend a "Yes" vote on Proposition 100 to ensure healthcare is available for those who need it the most.

Rising enrollment in Arizona's Arizona Health Care Cost Containment System (AHCCCS), Arizona's Medicaid agency, has created even greater financial strain on an already growing budget deficit. Since 2004, Arizona's Medicaid system has added 475,000 new members and annual costs of nearly \$1.5 billion to the state's General Fund. In just the past 12 months, it has grown by 207,800 members.

Economists agree that hospitals are economic engines for the state. It makes no sense to weaken hospitals, particularly at this time when they could participate in Arizona's economic recovery.

A study conducted by the W.P. Carey School of Business at Arizona State University's L. William Seidman Research Institute demonstrated hospitals are significant contributors to the state's economy. They deliver \$11.5 billion annually to Arizona's gross state product. Hospitals generate a total of 198,800 Arizona jobs, including 80,000 hospital employees and 118,800 jobs created as a result of hospital operations as well as the goods and services purchased by their employees. Hospital employees account for 7 percent of Arizona's wages and salaries.

For the sake of those in need and the economic recovery of the state, we urge Arizona residents to vote Yes on Proposition 100.

John R. Rivers, President & CEO, Arizona Hospital and Healthcare Association, Phoenix

Paid for by "Yes on 100 Committee"

I am voting YES on 100. Very few people enjoy paying more of their hard-earned income to the government. It is particularly difficult to ask citizens to approve a tax increase in the face of the truly devastating economic conditions that Arizonans have confronted over the past few years. It seems natural, as well as noble, for policymakers to feel hesitation to reach into our wallets and purses to a greater degree.

The Governor and Legislature have worked to reduce or eliminate state funding to everything but the most vital of functions of state government. I am confident that both branches will continue to reduce or eliminate those functions that can be reduced or eliminated. However, there comes a point where cuts to education and public safety will impact the long-term health of our state. I believe we are at that point. If approved by the voters, this temporary tax increase will allow the state a little breathing room in dealing with a suffocating budget deficit, one that threatens to affect all functions of state government. Including the ones you use, and the ones I use.

I support the proposal for a temporary tax increase.

Dan Schweiker, Paradise Valley

Paid for by "Yes on 100 Committee"

Dear fellow Arizonan:

I love this State and am voting YES on Proposition 100. While it is difficult to ask hard working Arizonans to approve a tax increase in the face of the truly challenging economic conditions, these resources are needed to allow the State to provide essential and vital services to its citizens.

As a member of the Arizona House of Representatives, I have worked to reduce or eliminate state spending where possible. And, we will continue to work to reduce spending. Nevertheless, there comes a point where additional cuts to education, health care and public safety will threaten the long-term health of our state. I believe we are at that point. If approved by the voters, this temporary tax increase will simply allow the state to deal with its difficult budget issues, and preserve programs that are critical to Arizona and its citizens.

I support the proposal for a temporary tax increase and encourage you to do the same.

Jack A. Brown, Arizona House of Representatives, Phoenix

Paid for by "Yes on 100 Committee"

Dear Arizona Voter:

Like you, I am committed to strong health care and educational systems. As an Arizona State Senator, I am working hard to fix our state's budget crisis, while maintaining Arizona's schools and health care system. We are facing difficult economic times but we know that each of us must do all we can to ensure that our children have access to a quality education and that our state's most vulnerable populations have access to quality health care.

At the Legislature, I am focused on doing everything possible to balance our budget through strong fiscal policies and tough decisions. Even with decisions that have been made, including cuts, we simply do not have the resources necessary to preserve essential services. That's why I'm encouraging you to vote yes on Proposition 100. A yes vote on Proposition 100 will provide a temporary sales tax increase that will help us survive these difficult times. We will continue to make difficult decisions at the state legislature, but we need this funding to prevent drastic cuts that will threaten essential state education and health care services.

Thank you for your consideration and please vote yes on Proposition 100.

Linda Lopez, Arizona State Senator, Phoenix

Paid for by "Yes on 100 Committee"

Yavapai College provides high quality, convenient, and cost-effective learning opportunities for the diverse population of Yavapai County. The following is submitted solely in our capacity as concerned citizens, without use of any public resources, and does not speak for the college. The college has main campuses in Prescott and Verde Valley (Clarkdale), specialized campuses in Chino Valley and Prescott Valley, and centers in Sedona and Camp Verde. Yavapai College offers 80 plus certificate, degree and transfer options to students in more than 60 different programs of study. In challenging economic times, Yavapai

College and Arizona's other community colleges are the learning institutions that help provide training and education that lead directly to economic recovery.

We understand the need for tough fiscal decisions and are working to streamline our College and make it as efficient as possible. Still, without the revenues that will be provided by Proposition 100, Arizona's education system will be subject to more severe and drastic cuts. This is not sustainable or in Arizona's best interest. Proposition 100 funds will be used to help Arizona's economic recovery and help Arizona and its educators develop an educated workforce that will allow our state to prosper now and in the future.

That's why we encourage you to join Yavapai College and educators and students across the state, in voting yes on Proposition 100. Together, we can and will build a stronger Arizona.

Dr. James F. Horton, President, Yavapai College, Prescott

Steve Walker, Vice President, College Development/Foundation, Yavapai College, Prescott

Paid for by "Yes on 100 Committee"

Dear Voter:

Everywhere you look in our state, finances are tough and resources are in short supply. It's true in your house. It's true in my house. And it's true at every level of government. Every one of us doing more with less, finding creative ways to save a few dollars.

It's not easy. And it will not be easy to VOTE YES on PROPOSITION 100 at a time like this, but I'm going to do it, and I'm asking you to do the same.

I'm a YES vote because I believe that this temporary, three-year sales tax, one penny on the dollar, is absolutely needed. Without our help, the Arizona our families and our neighbors love and rely on simply won't be the same.

For the past 40 years, I've had the privilege of serving all corners of this state. I've been the Executive Director of Big Brothers Big Sisters of Northern Arizona. I served on the Arizona Board of Regents, on hospital boards and worked as a mediator in our court system. I've seen what our K-12 and university programs mean to Arizona, the necessity of safe neighborhoods, and how non-profits and state agencies can save the lives of those at risk. It's these core services that PROP 100 will preserve. That's why I'm a YES vote.

Help our children. Keep our streets free of crime. Preserve the basic functions that boost Arizona's quality of life. Please VOTE YES on PROPOSITION 100.

Kay McKay, Flagstaff

Paid for by "Yes on 100 Committee"

My fourth grade daughter Jazmine spent a recent Saturday working for her uncle. He paid her \$20 for her time. Well before the payment occurred, my daughter had decided to use the money for a new pair of shoes. On Tuesday night she discussed at length the color combination for the shoes and she did her best to get a commitment from me for the trip to the store. She just could not wait to buy those new shoes.

On Wednesday night, the conversation at dinner took an unexpected turn. My daughter told us she had changed her mind about how to spend the money. She had heard adults talking about the budget crisis in our state and the difficulties it was likely to cause at her school. She decided that instead of getting the shoes she had longed for, she wanted to spend her \$20 on classroom supplies. My immediate response was to explain that her small effort would have little effect on the budget problem. Then I suddenly realized that she was taking responsibility – choosing to make a personal sacrifice for the sake of civic responsibility. I encouraged her decision as pride filled my heart. I knew how much those shoes meant to her...yet she willingly gave them up. So we talked about how many packs of paper, expo markers, and pencils she could get for \$20. The trip to the store was a celebration in service and giving.

Please follow Jazmine's lead. Please make a decision to support K-12 education in Arizona. Please vote "yes" on proposition 100.

Your vote – your pennies – matter.

Bonnie Banks, Tucson

Paid for by "Yes on 100 Committee"

Today, we ask ourselves "what is the most important responsibility in our lives in spite of our hard-times economy? You are right! OUR CHILDREN AND THEIR EDUCATION. As an educator of 35 years in all levels of elementary and secondary schools and 22 years of university teaching, I can vouch for the quality of education and for the success of students when they are given the community's financial support. So, join us in passing the 1% sales tax to preserve quality education in our state.

Dorothy Jasiecki, Retired Educator, Tucson

Paid for by "Yes on 100 Committee"

Dear Voter,

Blue Cross Blue Shield of Arizona (BCBSAZ) is a local, independent and not-for-profit health insurance company headquartered in Phoenix. With more than 1,500 employees statewide, BCBSAZ has been in business in Arizona since 1939. Today, we provide health insurance, services and networks to more than 1.3 million Arizonans.

BCBSAZ strongly recommends a YES vote on Proposition 100.

This temporary sales tax proposal will help ensure that core health care services for those in need remain available. It will also shore up the state's education system, retain jobs and continue to move the Arizona economy forward. While this is a difficult "ask," BCBSAZ believes there is no better solution available.

Faced with double-digit unemployment and increased enrollment in programs that provide health care for the poor, the state must continue to care for those in need. Not to do so could risk federal funding for critical programs. Even worse, it risks the lives of Arizonans.

While revenue in Arizona has dropped more than 30 percent in the past 3 years, to levels not seen since 2004, the state's Medicaid agency, the Arizona Health Care Cost Containment System (AHCCCS), has added **nearly a half-million new enrollees since 2004**. This need for services has created an even greater financial strain on an already growing budget deficit. In these tough economic times, we must make sure we can take care of those who are truly in need.

For the sake of those in need and the economic recovery of the state, we at BCBSAZ urge Arizona residents to vote Yes on Proposition 100.

Sandy Gibson, Executive Vice President - External Operations, Blue Cross Blue Shield of Arizona, Phoenix
Paid for by "Blue Cross Blue Shield of Arizona"

Sue Navran, Executive Vice President - Internal Operations, Blue Cross Blue Shield of Arizona, Phoenix

Please vote yes on Proposition 100.

I have the good fortune to witness firsthand the talent, potential and contributions of Arizona's students. Arizona schools must deliver the 21st century education needed by our children, businesses and communities. Unfortunately, Arizona's education system, both K-12 and higher education, are facing a crisis like never seen before.

Schools have faced budget reductions over the past two years and future cuts threaten to undermine the very foundation of Arizona's public education system. That's why I'm encouraging you to vote yes on Proposition 100. While this temporary sales tax will not solve all our funding problems, it will allow us to preserve essential services and maintain the progress that we have been making in our schools.

A strong education system is necessary for a strong economy. Our children deserve a strong education and our state needs a strong education system to thrive. Please join me in voting yes for Proposition 100.

Kent P. Scribner, Ph.D., Laveen

My Fellow Voters:

Proposition 100 is critical to Arizona's education system and its future ability to create and sustain quality jobs.

As you may know, to this point, Federal stimulus funds have kept support for education in check - requiring the state to maintain education funding at no lower than 2006 levels. However, as the stimulus money expires in 2011, this mandate ends and the future of education funding becomes uncertain.

Without additional revenue, we risk losing jobs, undermining our education system and eroding the quality of life that makes our state unique. The top requirements for future job creation are an educated work force and the ability to maintain public safety.

To keep Arizona's economy healthy and to attract new employers and jobs to our state, we must be able to offer these essential services. Please join me in voting Yes on 100.

James E. Pederson, Phoenix

ARGUMENTS "FOR" PROPOSITION 100

ARGUMENTS “AGAINST” PROPOSITION 100**Say “NO” to Bait-and-Switch Tax and Spending Increase**

Don't be swayed by the desperate appeals of the spending lobby selling Prop 100's historic tax increase. Never forget these special interests stand to benefit by having our pocketbook compensate for their lack of spending and management discipline.

Despite extravagant claims of record spending cuts, they count one-time raids on dedicated accounts, future debt gimmicks such as “K-12 rollovers” and the massive federal taxpayer bailout explicitly designed to prevent states from shrinking the size and scope of government.

State spending was \$6 billion in 2003. This year it's about \$9.9 billion. By 2013, it'll grow to \$10.5 billion. Only in government can such a litany be twisted into a tale of woe about unprecedented spending cuts.

With Prop 100, the spending interests demand \$1 billion more annually in sales taxes after engineering last fall's \$250 million property tax hike on homeowners and job creators. They clearly don't get it. Prop 100 will make it harder for too many Arizona citizens to make ends meet and push more small businesses to close their doors.

A sales tax increase might have been justified had certain fiscal disciplines been enacted:

1. reform of Proposition 204 which currently places one in five Arizonans on state Medicaid roles;
2. reform of K-12 school spending to wring out excessive administrative overhead. We now spend less money in the classroom as a percentage than we did in 2000 when Prop 301 was passed which promised to reverse that trend; and
3. passage of a comprehensive jobs creation program to make Arizona more competitive.

Raising taxes should be a last resort, not a first resort. Send a message to the tax-and-spenders – get your house in order before you try to raid our pocketbooks again!

Tim Lawless, Phoenix

Vote “NO” More Taxes!

Healthcare (indigents, employees and retirees) and education consume about 70% of Arizona's General Fund, and billions more in federal and local taxes. U.S. spending in these areas greatly exceeds that of Japan and other competitors, yet brings inferior results.

America spends 17.3% of GDP on healthcare vs. less than 9% for Japan. Studying others could bring much lower Arizona health care expenditures.

America spends an estimated 5.7% of GDP on education vs. 3.6% for Japan. However, comparisons of pupil achievement repeatedly find Japanese and other high-school students substantially outscoring Americans. Inflation-adjusted per-pupil K-12 expenditures in America have increased to about 250% of 1970-71 levels and now total about \$10,000/pupil in Arizona; meanwhile, little if any improvement has occurred in 17-year-olds' national performance on the federal NAEP test.

Arizona should reduce costs by cutting many teachers' pay and benefits to levels comparable to most private school teachers, increasing class size to Japanese levels, allowing qualified 10th graders to enter college (planned by eight states), and reducing overheads (nearly half of staff). At the same time we can improve pupil outcomes by lengthening our school year from 180 days to Japan's 240, increasing parental involvement, and substantially raising pupil expectations - while reducing costs to Japanese levels.

Potential university savings include ceasing to pay professors for useless 'research' (99% of discoveries are made by 1% of researchers - Julius Axelrod, Nobel-prize winner), both increasing professors' teaching workloads and reducing overhead staffing to former levels, teaching more high-school Advanced Placement classes, and cutting the almost half of admitted students that don't graduate.

Vote “NO” --> reform --> lower taxes and tuition, better results.

Loyd Eskildson, former Chief Deputy, Maricopa County School Supt. Office, and Ancillary Services Director, Maricopa County Health System, Paradise Valley

In 2005 when I began my service in the State Senate, Arizona had a budget deficit of approximately \$450 million. As a member of the Senate Appropriations Committee, I and the other committee members began to work our way through the state's budget with a very sharp pencil. Our budget analysts helped us through what seemed like endless spread sheets and we began to cross out items that seemed illogical, items of duplication and even some items of triplication.

While our work continued, the real estate bubble began to expand. As property values rose, the nation began a spending spree that resulted in increased tax revenue to the State.

With tax receipts on the rise, a majority of the Legislature was no longer interested in rooting out wasteful spending. That year state spending rose from \$6.2 Billion to \$8.2 Billion. The following year spending rose to 10.2 Billion. State revenue continued to rise into 2008 when the real estate bubble burst. As income began to fall, rather than reducing state spending to match revenue, my colleagues continued to spend at a still increasing rate. The 2008 budget rose to \$10.8 billion. In 2009, budgeted spending was \$11.3 billion dollars. During the last 5 years government spending increased, outpacing inflation and population growth by well over 100%. Some will make the argument that we need to take more of your money to cure the budget problem. I think you will agree with me that we need to send a message to Government that the State should tighten its belt and learn to live within means, just like you and me. Please join me in voting NO on proposition 100.

Ron Gould, State Senator, Lake Havasu City

I was for the tax increase, in order to stave off the deficit spending, the State of Arizona and many of its municipalities find themselves in! Then upon thinking more on the deficit subject, it would only be rewarding more deficit spending and passing the obligation to repay the debt owed to future generations! This is in reality a very poor precedent to set and a very ugly thing to do to future generations. They should not have to pay for our follies! The state government continues to keep early civil service retirements and paid holidays that the private sector does not have and is taxed for. Why not save millions and level the playing field and use it to pay on the deficit? The private sector is not the only group that gets older and should have their ben-

efits reduced! When will it ever end? It is time to say enough is enough to the government and vote no on the tax increase and bring about responsibility by your elected state representatives!

David A. Rabert, Sun City West

Argument Against Proposition 100

Arizona taxpayers need to work hard to defeat Proposition 100. This is a terrible time to raise taxes on Arizona's struggling families and businesses.

Unfortunately, the governor and many legislators are still not serious about dealing with Arizona's fiscal problems.

One sign that our politicians are not serious is that they have thus far failed to move forward on giving the state a strong spending limit. This entire deficit crisis was caused by reckless overspending by government during the middle years of this decade. During the real estate bubble, tax revenues came pouring in, and the legislators (with lots of pushing from Gov. Napolitano) spent far more than was sustainable. When the bubble popped, the revenues went away, and we now have to make tough choices: we need to lay off excess state workers and get rid of unnecessary programs.

But instead of letting us vote on a spending limit, the politicians are trying to get us to raise taxes and give them more money!

If Arizona resorts to a tax increase, we will tell potential investors, businesses, workers, and retirees that Arizona is the next California: we are stuck in a cycle in which the government spends too much money in boom years, goes into deficit crises, raises taxes to keep government spending at high levels, and then repeats the process until it hits bankruptcy.

If taxpayers rise up and defeat Proposition 100, we will force the state government to achieve efficiencies in government.

For ideas on balancing the budget without raising taxes, contact the Arizona chapter of Americans for Prosperity, at www.aztaxpayers.org, (602) 478-0146, or tomjenney@cox.net.

Tom Jenney, Arizona Director, Americans for Prosperity, Phoenix

Have we become a nation of sheep?

Our forefathers revolted against the British Empire over taxes on household necessities such as tea, and England's general infringement of our personal liberty. The French people, likewise, revolted against Louis XVI when he put a tax on their bread.

But, today, if you go into an Arizona grocery store to buy basic household goods, you must pay tribute to Ceasar by way of a sales tax of almost 9% for your staff of life. And, how do we, the people, react? Well, we allow our politicians to increase and extend this outrageous and oppressive tax, and even direct us to vote to increase this high level of tax. No bread for our kids and grandkids, without a big cut for our glorious leaders' pet projects.

Another tea party will not give us back our daily bread and basic necessities such as aspirin and toothpaste. We must vote out all politicians, who refuse to lower taxes and reduce so-called government "services", and, instead, vote in only those true patriots, who believe in less government and more personal responsibility with private charity and solidarity.

Edmund D. Kahn, LCDR JAG USNR Ret., Tucson

The PACHyderm Coalition strongly opposes this Proposition

Common sense and history tells us that government taking more money out of the economy in the middle of a recession only increases the depth and length of the recession. The 1920 depression was deeper than the 1930 "Great Depression". Government tax cuts and reduced spending reversed the 1920 depression quickly, while the 1930's Progressive FDR policies increased taxes and government spending, sending the economy into a ten-year tailspin. Learn from failures or repeat them.

Compassion for citizens, especially those on fixed incomes, who are currently being driven from their homes by ever-increasing taxes must be protected. Reducing their disposable income further will cause critical harm to those who are on the edge. The Greatest Generation who fought for our Free Enterprise successes cannot be discarded while we continue to spend millions on failed socialist programs.

Consultants. Colleagues & campaign cohorts convinced the governor to increase taxes from day one. To this date, there has been no reform of government waste/fraud/abuse or eliminating "feel-good" programs. When the legislature passed budgets with reforms reducing the size/scope of government, they were summarily vetoed.

Reduced Spending. NOT Increased Taxes:

Reconstitute critical service agencies and close "fluff" bureaucracies

Eliminate failed programs and amend deficiencies

Facilitate parental choice in education; direct 65% of tax\$ to classroom

Order immigration enforcement including deploying National Guard

Reduce property and income tax rates to stimulate economic growth

Mandate reduction in future size of government through Constitutional Amendments:

Fight climate change/regressive green energy policies

Repeal Prop105 along with unnecessary regulations

Enact TABOR, Prop13, Educational Choice

Eliminate duplication of services/programs

Demand accountability/transparency for all taxpayer\$

Obey the Constitution, balanced budget without long-term debt

Mandate that **ALL** state funds be subject to legislative appropriation

We strongly urge a NO vote.

Don Goldwater, Chairman PACHyderm Coalition, Phoenix

Paid for by "Pachyderm Coalition PAC"

I am appalled at the lack of legislative backbone/ability to balance the budget. In opposition to any new taxes, why not look at cutting the size of government, and being more creative in making new jobs at the same time. Instead of stealing money from the Parks, why not more private/public relationships with concessions and park cleaning by the private sector? Why not

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also try this also with all of the closed rest areas instead of endangering us on the highways. Don't say "it's a federal law". If we had leaders with backbone they could stand up to the Feds. Stop passing mandates and financial cuts to the Counties, towns and cities. I am still paying the darn bills! Why not have only 90 school districts (6 per county) instead of 230 +. Imagine getting rid of a couple of hundred high paying positions, boards, commissions redundancy, overlays, duplication and leaving the \$\$ to the good teachers, the classrooms (Our kids! Our future!) and cut the administration! Instead of continuing to ramp up social/medical increases in the public sector, why not stop this drive towards socialism? Stop the double dipping retirement system where public employees now retire then can be at the same job the next day with a huge pension. How about Health Savings Accounts instead of deluxe insurance for the public employees? How about abolishing agencies that are best served by the private sector? How about re-visiting some of the big tax breaks handed out over 10 years old that are now just gravy for corporations? How about challenging our antiquated drug laws that are costing us? How about the legislature doing its job? How about a private bi-partisan commission on cutting government so your butts are covered from political fallout and then we accomplish something??

John Fillmore, Apache Junction

Since the state of Arizona can afford to give 55 million tax dollars to private and religious schools each year, and a similar amount of tax dollars to public schools where the parents are more affluent, we see no reason to increase the sales tax which will cause a disproportionate burden on the poor.

Phyllis Wassenberg, Tucson

There is no problem facing the State of Arizona for which a tax increase is the proper solution. Government has grown far beyond the legitimate needs of Arizona taxpayers.

Advocates of liberty should look at this crisis as an opportunity to reduce the size of state government. Vote no on this and on all tax increases.

Roy Miller, Phoenix

ARGUMENT AGAINST PROPOSITION 100

Increasing the sales tax by 18 percent is a bad idea. A good idea is to cut spending. Whenever public spending exceeds revenues, the automatic solution of politicians and bureaucrats is not to reduce spending but to increase taxes.

In order to pressure the public to support tax increases, they always cut services to the public first, instead of reducing administrative overhead, salaries, perks, and eliminating unnecessary expenditures. Average private sector wages are substantially below government wages and provide less vacation time and other benefits, while government jobs also are mostly protected from layoffs, which is not the case in the private sector. Government wages for comparable work should be lower, not higher.

But so far the solution to Arizona's budget deficit has been to close many state parks, eliminate MVD offices, reduce library hours, while administrative and other spending is not being reduced enough to make a difference.

On February 24 the Arizona Republic reported that the nine largest Maricopa County municipalities pay \$2.2 million per year in additional "car allowances" to middle managers and other employees whose salaries average \$121,536. Many of those people never leave their office while working. Phoenix spends \$380,000 per year to provide a 24-hour police detail to drive Mayor Gordon around - a sergeant and three officers. These are typical of the expenses our governments have increased, while the private sector suffers.

It's time to cut out the fat, not cut out services in an attempt to pressure voters to approve a tax increase.

**VOTE NO ON PROPOSITION 100 !
Robert E. Hannay, Paradise Valley**

Argument Against Proposition 100

Stand up Arizona and fight the urge to solve our problems by raising taxes. We all want great services from our government. I believe that the State generates enough revenue to provide great services if the State agencies are managed efficiently and effectively, and we cut out the unnecessary waste in government. We need to modernize how we are doing business in our State and it will not happen with continued band-aids and bailouts such as a tax increase.

Like our own households, Arizona government must learn to live within its means. Continuing to raise taxes only encourages the bad management that got our great State into this position. We must fight to defeat Proposition 100 and send a message to our political leaders that they must make the tough decisions to keep our State spending in line with our revenues. Go to AZCHECKBOOK.COM and look at what is being spent in State Government. You will see that there is plenty of room to cut, streamline and economize. Over the last few years the State went on a spending binge and now they want you to clean up the mess.

Not too many years ago our State ran a surplus and had a rainy day fund. We can do this again with the right leadership in State Government. You have the power. Demand more from our leaders. Vote NO!

Pamela Christofferson, Phoenix

10 REASONS TO REJECT PROPOSITION 100

1. **Small Business Opposes It.** A survey of NFIB/Arizona's 7,500 small business members found 71 percent oppose the one-cent sales tax increase.
2. **Big Business, Big Labor Support It.** Large out-of-state corporations, healthcare special interests and government employee unions support this temporary fix to a chronically flawed state government.
3. **Tax Hikes Are Job-Killers.** This 18-percent tax hike will further exacerbate major drivers of small business failure and job loss—historically low consumer confidence and dramatically lower consumer spending.
4. **Our Sales Tax is Already Too High.** Arizona taxpayers already pay the 5th highest sales taxes in the U.S. Annually, the average Arizonan pays \$1,440.83 in sales tax which is 43 percent above the national average.

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- 5. **Double-Digit Rate for Many.** Upon passage, 34 communities, more than a third of Arizona's cities, will have a combined state, county and local sales tax rate higher than 10 percent.
- 6. **Private Sector Squeezed.** State government must prioritize, economize and downsize rather than load heavier tax burdens on our citizens and small businesses.
- 7. **Over-Promising.** One cent of last year's sales tax collected \$751 million. Proposition 100 proponents make the unbelievable claim that their additional one cent will raise \$943 million next year, \$968 million the next and \$1 billion in the third year.
- 8. **Under-Delivering.** Even accepting \$2.911 billion in new revenue, the state's structural budget deficit will still total more than \$6.5 billion over the three-year life of the tax hike.
- 9. **Inevitable Spending Cuts.** With annual deficits remaining in the billions of dollars even after passage, threats to popular spending programs will remain and grow.
- 10. **Common Sense.** "The last thing we want to do is raise taxes in the middle of a recession," President Barack Obama, August 5, 2009.

Farrell Quinlan, State Director National Federation of Independent Business – Arizona, Phoenix
 Paid for by "NFIB/Arizona"

Michael A. Crowe, Chairman, Leadership Council National Federation of Independent Business – Arizona, Mesa

As a State Senator, I was a strong opponent of this tax increase and continue to oppose it. It is bad for the taxpayers of this state and bad for Arizona's economy. When you want to turn an economy around, you don't do it by taking more money out of the economy and giving it to government. That is what this tax increase does. If it passes, a billion dollars will be taken out of Arizona's economy and given to our state government. This will not help turn our economy around in Arizona. It will only further the economic recession we find ourselves in.

Arizona families will pay an average of \$400 more in taxes if this tax passes. This is money that many families are depending upon to buy groceries, make car payments, and buy school supplies. This tax increase will also cost our state jobs. Some estimates predict that our state will lose over 10,000 jobs if this tax passes. With so many Arizonans looking for work right now, we cannot afford to lose jobs.

Tax increases are bad for our state in good times. They are even worse in a recession. It's time for our state government to live within its means and stop spending money it doesn't have. Join me in voting NO on Proposition 100.

Pamela Gorman, Candidate for Congress (CD3), Phoenix

Arizonans are suffering the worst economic reversal since the Great Depression following on the heels of a housing boom that helped fund a large expansion of government. Fundamentally, our state is in its current financial condition because of excessive spending growth, not because Arizonans are taxed too little. Our leaders, especially at the Executive level have continually kicked the budget can down the road, failing to take immediate action to rein in spending once it was obvious that spending was out of line with what Arizonans could pay.

Our economy cannot afford a 17 percent increase in the state's share of the sales tax. Estimates from the Goldwater Institute indicate that between 14,000 and 16,000 private jobs would be lost if this large tax increase is passed. Arizona would be among the top 10 states in terms of overall sales tax burden.

Given that prior to the recession and for a period of years programs were expanded both by initiative and by the legislature so that spending increased much faster than population and inflation combined, it seems clear that first priority in this present fiscal crisis is to determine how spending can be cut. This can be accomplished through prioritization and many other methods. Arizonans deserve better than gimmicks and tax increases.

Brenda Schlomach, Phoenix

The primary mission of the Valley Business Owners (and Concerned Citizens), Inc. has always been to promote truth in government.

The truth is:

- No tax is ever temporary.
- This tax is *not* about education, health and human services and public safety.
- This is a bait and switch scam to divert funds already designated for these purposes to make up for a staggering misappropriation of public funds.

It is already the state's job to provide these services. In fact, they are priority.

This tax is business as usual. This tax rewards cronyism, special interests and wasteful spending. This tax rewards failed politicians and the failed policies that created the problem in the first place. This tax feeds an addiction to tax and spend. Give them more money and they will just do it all over again.

Politicians may live in La, La Land, but we are forced to live in the real world. We can't *afford* any more taxes. To force beleaguered families to tighten their belts because state government doesn't want to do its job is unconscionable.

In the name of public safety, government services, and education the state wants an 18% increase. It is not only the state that concocted this scam! The Town of Gilbert wants a 17% increase. When is enough, enough?

It is time we tell them all to go pound sand. It is time our elected officials do the job we elected them to do. Public safety and education should already be priority number one.

We do not have to designate a tax for a priority that already exists. We need to prioritize and cut back on spending. **VOTE NO** on Prop 100. Tell the Government, "We are Taxed Enough Already!"

David Molina, President, Mesa

Janeva A Hibbard, Treasurer, Gilbert

Paid for by "Valley Business Owners (and Concerned Citizens), Inc."

A DAY OF RECKONING

It's sad to watch. Elected officials, who promise to look out for their neighbors, suddenly become the enablers for a growing Cancer called Government.

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The growth in public spending at all levels has sent our Cities, State and Country into crippling financial dependency. Our elected State leaders, after years of over spending, have concluded that protecting Government spending is now more important than protecting our jobs.

Led by the usual big spending cheerleaders, "Government Employees" and "The Arizona Republic Newspaper", we are being begged to vote for an 18% increase in our sales tax. This is a ridiculous request, and our collective answer must be NO. The negative impact of higher taxes in a depressed economy is just one reason to vote NO. Government must learn to live within its means. Allowing higher taxes as a way to bail out years of reckless spending sends the wrong message.

We must not defer tough choices in order to make it easier for Government bureaucrats to buy friends. Ignore the Scare tactics and empty editorials; for big spenders this is a time of reckoning. Voting NO is your opportunity to insure real reform and accountability, with a smaller Government as an added bonus.

Kevin M Ross, Former Maricopa County Assessor, Gilbert

Vote NO on increasing the already too high state sales tax

Do not cave in to threats that we must increase the undependable and regressive (puts burden on those least able to pay) sales tax in order to avoid fatal cuts in vital programs like juvenile justice, GED diploma, K-12 education, universities and health care.

We cannot trust the state government to use the money to fund these programs if we increase the sales tax. Instead they will continue to PERMANENTLY cut more progressive taxes as they have done for many years.

The legislature has already aggravated budget problems by radically decreasing state revenue - Examples: deeply cut and flatten income tax, cut property taxes and shift burden from businesses to homeowners, divert tax money from K-12 education by increasing tax credits to individuals and businesses who donate to private schools.

This shift from progressive revenue sources to sales tax has been a major cause of the budget crisis we now face. Increasing the sales tax will discourage retail sales that businesses desperately need to increase in order to survive.

The legislature has a long track record of neglecting health, education and social services even when they had the money. And if we give them more sales tax, they will not support them now.

Since 1952 at least two state "education" sales tax increases vanished into the general fund and the state did not increase support for education. Recently voters approved yet another "education" sales tax. It paid some earmarked costs but overall education support has not improved.

We won't save our vital programs if we continue to allow more sales tax increases so the legislature can then permanently cut more taxes on those most able to pay.

STOP this financial suicide. Vote NO

Ruth H. Stokes, Tucson

The 1% increase will shrink the consumer's purchasing power even more. It acts as a regressive tax, as the proposal wants to tax some food items once again along with services that all of the population uses regardless of income levels.

Let's tax private party automobile sales instead, easily collected at the registration window at ADOT authorized offices, easily calculated by using any number of weekly value guides, i.e. Black Book, Kelly Blue Book, etc. Assess the tax based on "average" value and permit the buyer to appeal if the vehicle shows excessive miles or wear.

No cheating, just compliance. Maybe we can continue funding school sports, advanced placement classes, and counseling. California and Texas are two of the many states that don't exempt private party sales from tax. This isn't a fresh idea.

The general public will be key beneficiaries of this alternative. Car dealers are aggressively involved with their local communities through donations and charity work. They are high volume employers and hire the handicapped. The dealerships could use a more level playing field. Title status would be determined at that time to be legitimate and serve to inspire "clean" transactions that will help eliminate fraudulent representations by sellers.

Many local vendors all have the same opinion. Internet sales avoid sales tax, so it's increasingly harder to compete as a local business. The extra 1% sales tax may not sound like much, but these days shoppers are looking for every penny. Look for more small Arizona businesses to fold and more joblessness if the sales tax increase is approved.

Larry Berkson, Tucson

Vote NO on proposition 100

Your **NO** vote will help protect Arizona's future

Arizona taxpayers regardless of their political affiliation need to work hard to defeat Proposition 100 that will be on the May 18 state special election ballot.

The reality is that **Proposition 100 is an 18 percent increase in your state sales tax.** That's big, especially to those on fixed incomes.

Defeating Proposition 100 will not be easy. In a low-turnout election, the sky-is-falling propaganda from public employee unions, AHCCCS providers and other progressives' interests could persuade uninformed voters.

You cannot tax your way out of a recession. This tax and spend philosophy will make the current fiscal problem worse and set Arizona up for a long-term fiscal catastrophe. The sales tax increase will allow unrestrained growth in the size and scope of the very bureaucracies that created the problems. In 2013, when the tax goes away, we will face an increased structural deficit of a billion dollars a year.

Passage would also damage our economy in other critical areas—at a time when we're already hurting. We have record unemployment, foreclosures and homes on the market.

By resorting to a tax increase instead of reducing spending, we will lose jobs (up to 24,000 according to the Goldwater Institute) and tell potential investors, businesses, workers, and retirees that Arizona is the next California: we must stop the cycle in which the government spends too much money in boom years, goes into deficit crises, raises taxes to keep government spending at high levels, and then repeats the process until it hits bankruptcy.

Taxpayers need to rise up and **Vote NO** on Proposition 100 to force the state government to get serious about achieving efficiencies in government.

Thayer Verschoor, Chairman Ax The Tax, Gilbert

Diane Douglas, Treasurer Ax The Tax, Glendale

Russell Pearce, Ax The Tax, Mesa

Buz Mills Says NO on Proposition 100

Now is not the time to raise taxes

Professional politicians just don't get it.

When they see a budget that has \$9.5 billion in spending, and revenues of only \$6 billion, what do they do? They tell us that we're not paying enough and then try to raise taxes.

The recession has cost over 300,000 of my fellow Arizonans their jobs, and the collective political response is to *raise taxes*? The last thing the people of Arizona can afford is a tax increase.

When I see a budget deficit, I see a responsibility to cut spending. I will NOT raise your taxes.

As a businessman, that's how I've always approached the tough times. There are times when you have to scale back and tighten your belt. You balance the budget by making tough decisions and cutting expenses. Government should be no different. Yet, government spending increased 57% from 2004 - 2009 even though there were clear signs of an economic slowdown.

Governor Jan Brewer's response to the budget crisis has been to raise taxes. She raised property taxes last year and now her plan to raise the statewide sales tax will be before you on the May ballot. This is an 18 percent sales tax rate increase (from 5.6% to 6.6%), and will give Arizona the 5th highest sales tax rate in the U.S. That's **not** leadership - it's the politician's response to dump their problems onto others.

It's the wrong plan at the wrong time.

I am voting 'NO' on Prop. 100. It's time to cut government spending . . . not raise taxes.

Buz Mills, Scottsdale

Paid for by "Buz Mills for Governor"

No on Proposition 100

Are taxes in Arizona too low?

That's the question to ask before you cast your vote on Prop. 100, which raises Arizona's sales tax rate by 17.8 percent.

Arizona's budget problem is due to excessive spending, not because taxes are too low.

In fact, when combined with local sales taxes, Arizona's average statewide sales tax rate is already the 9th highest in the country. If Prop. 100 passes, we will have the 3rd highest combined rate in the country behind only Tennessee and California (according to the Tax Foundation). Raising taxes in recession just destroys jobs, over 14,000 according to a study by the Goldwater Institute. We need tax policies that help create jobs not destroy them.

When the economy was thriving just a few years ago, Arizona's budget exploded. After double-digit increases in revenues, politicians responded with double-digit increases in spending. Now that the economy has tanked and government is essentially broke, politicians want to tax us more to bail them out. Does this make sense?

We need to use this historic budget crisis to make cuts in spending, not raise taxes. We need to restructure government. Make it leaner, smaller, and more efficient. This won't happen with a tax increase.

Please vote No on Proposition 100.

Steve Voeller, President, Arizona Free Enterprise Club, Phoenix

Dean Riesen, Chairman, Arizona Free Enterprise Club, Phoenix

Paid for by "Arizona Free Enterprise Club"

Just Vote NO

Raising the state sales tax by 18% will make Arizona's budget crisis worse. The problem with Arizona State Budget deficit is not too low taxes, it is out of control spending. Placing the responsibility where it belongs, the spike in spending across state government was caused by the reckless overspending demands of Governor Napolitano.

The creation of new programs and increasing the number of eligible recipients did much more than just increase immediate spending. The programs also created expectations of new rights that are treated as untouchable by many at the Capitol. The fact is these programs cost far more than is reasonable or sustainable.

In addition, it appears many who have the responsibility of determining public spending priorities do not recognize the seriousness of our current fiscal crisis, because they refuse to even talk about the largest single expenditure in the budget.

According to JLBC and the Superintendent's Report for 2009, Arizona K-12 schools are now given more than twice the tax dollars they received only six years ago. In fact, the percentage of Arizona Tax Revenues spent for K-12 has grown from 43% in 2003 to over 80% this year.

Unless we deal with an area that consumes this huge portion of our tax revenues, we will not solve Arizona's out-of-control spending problem. If we ignore this vital area, we will surely fail to move toward financial solvency.

Long-term, we need a strong spending limit for state government and we exhort our fellow legislators to pass appropriate legislation this session.

It's time for the taxpayers of this state to say **NO** to "fluff" programs; **NO** to the status-quo of waste, fraud and abuse in the system; and **NO** to this bad Proposition.

Don't raise taxes. Cut the spending.

Thayer Verschoor, State Senator and Chairman Arizona Budget Commission, Gilbert

Laurin Hendrix, State Representative LD22, Gilbert

Paid for by "Elect Thayer Verschoor"

Arizonans are struggling to make ends meet. Consumer confidence is at all time lows, unemployment is high, and sales of big ticket items like cars and homes are down dramatically.

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Yet, last September Governor Brewer used her line-item veto power to INCREASE spending by nearly half a billion dollars after RAISING property taxes by a quarter billion dollars! (This is why many Arizonans saw their home values drop but property taxes increase). As a result, state spending hit historic highs last fall, with October being the second most expensive in state history, and November the HIGHEST IN STATE HISTORY!

Faced with the possibility of bouncing checks, in January the Governor SOLD the State Capitol and spent the cash in five days.

Now you are being asked to raise sales taxes by 18% to bailout the Government for continued fiscal mismanagement. You have been told this is the only way to solve this problem, but there is another way. Half of next year's \$3 billion budget "deficit" is just to maintain President Obama's "stimulus" spending levels. Arizona can get out of this fiscal mess by freezing spending and restructuring our existing debt.

Don't take my word for it. Check it out for yourself. I put every dime the state collects and spends online at www.AZcheckbook.com. Ignore the scare tactics, and make up your own mind; after all it is YOUR MONEY, not the government's.

We must stabilize this economy by attracting people to move into these vacant homes, and attract economic investment to create jobs. We cannot do that by making it more expensive to live and work here.

We need to reduce spending, and create jobs, not take more from existing taxpayers.

Vote NO on this government bailout. If we have to live within our means, shouldn't government?

Dean Martin, State Treasurer, Phoenix

Regardless of what this tax increase is needed for, and regardless of how much it's needed, there is one overriding, inescapable truth: The people of this state are taxed to a level that precludes any tax increase at this time.

Just as our citizens have to face the harsh reality of job loss and also of foreclosure, our elected officials need to realize that they need to try something else because our citizens have all of the financial problems they can handle. Our unemployment rate is at a level not seen since the Great Depression and we are facing a second wave of foreclosures.

There are still plenty of reasonable cuts that can be made and government inefficiencies that can be corrected. And that doesn't include stupid things like selling state buildings and buying them back at twice the price.

There is an enormous number of tax loopholes that have been put in place over the years by people who have lawyers and influence and who aren't paying their fair share. The legislature hasn't even looked at closing those loopholes, which should have done before proposing a regressive tax falls most heavily on those who can least afford it.

The Pima Association of Taxpayers is not opposed to fair and reasonable taxes. But we cannot believe that Arizona's leadership is so insensitive and out of touch with the current situation that they would waste our tax money to hold an election on this issue,

The Pima Association of Taxpayers urges a massive "NO" vote to send them a message that they apparently need. Taxpayers are invited to check our website: PimaAssocianOfTaxpayers.com for news and information during the campaign.

John Kromko, President, Tucson

Richard E. Basye, V.P., Pima Association of Taxpayers, Tucson

Paid For by "The Pima Association of Taxpayers"

This enormous tax increase is an addition to a problem that has been getting worse and worse in our country, and is now threatening our country itself.

There was a time when corporations paid their fair share of taxes, which enabled us to build the vast infrastructure which contributed to America's power and greatness. The corporate income tax, at one time, accounted for approximately one-third of government revenue. Those times are long gone, and now corporations pay very little income tax. Many very large and very profitable corporations pay no income tax and all.

This has been accomplished by shifting the burden of taxation on to the backs of middle-class Americans.

The Tea Party has it right that taxes have become very burdensome. But they don't have it right about the cause.

Government spending is the cause of taxes of course, but spending has not increased enough to account for what has happened in our state and our country.

For example, and few years ago we had to pass a statewide sales tax because there wasn't enough money for education. Just before that, corporate and business taxes had been reduced by approximately \$300 million per year for 10 consecutive years.

Corporations often support increases in the sales tax because it is a tax that they generally don't pay.

People especially can't afford to pay this sales tax because other jurisdictions are also increasing taxes. Indeed, the hated sales tax on food is starting to reappear. Years ago I did an initiative petition which resulted in the repeal of the state tax on food, but unfortunately cities are able to impose this very regressive tax.

John Kromko, Former State Representative, Tucson

Argument "Against" Sales Tax Increase

An Economic Sink, Cut Costs and Eliminate Exemptions First

The proposal to increase State Sales Tax by 1% is not in the best interest of the citizens and consumers of the State of Arizona as such tax is a "regressive" economic maneuver that results in an "Economic Sink". An "Economic Sink" results when money is taken from the general economy and given to government that does not produce goods and services. In essence it's money down the drain that hurts our economy vs benefits it.

The real solution to budget deficits in the State of Arizona is to cut operating costs and size of government and eliminate "Sales Tax Exemptions". Currently examples of businesses that collect no sales taxes yet use all of our state services are CPA's who prepare tax returns (product), Architects and Engineers who produce drawings, renderings and engineering specification documents (All of which are Products), Lawyers who produce wills, trusts, contracts etc etc (the Products). I could go on and on listing businesses that are EXEMPT from Sales taxes. Ask yourself, why should a photographer who spends his time taking a photograph, developing the photo and then selling it have to collect sales taxes when the same or similar business entities which examples are listed above not collect sales tax but use all of our state services. The answer is simple they are EXEMPT.

Please vote against increasing sales taxes and harming our economy further.

Philip A. Vickers, A small business owner and former practicing CPA, Sedona

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Issued by the Arizona Secretary of State's Office



PROPOSITION 100 ~ SAMPLE BALLOT/BALLOT FORMAT



SAMPLE BALLOT/BALLOT FORMAT

PROPOSITION 100

**PROPOSED AMENDMENT TO THE ARIZONA CONSTITUTION
BY THE LEGISLATURE RELATING TO TEMPORARY
TRANSACTION PRIVILEGE AND USE TAXES**

<u>OFFICIAL TITLE</u> PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 12.1; RELATING TO TEMPORARY TRANSACTION PRIVILEGE AND USE TAXES.
<u>DESCRIPTIVE TITLE</u> TEMPORARILY INCREASES THE STATE TRANSACTION PRIVILEGE (SALES) AND USE TAX BY ONE CENT PER DOLLAR FROM JUNE 1, 2010 THROUGH MAY 31, 2013 FOR THE PURPOSE OF FUNDING PRIMARY AND SECONDARY EDUCATION, HEALTH AND HUMAN SERVICES AND PUBLIC SAFETY.

A "yes" vote shall have the effect of temporarily adding one cent per dollar to the transaction privilege (sales) and use tax for three years for the purpose of funding primary and secondary education, health and human services and public safety.	YES <input type="checkbox"/>
A "no" vote shall have the effect of keeping the transaction privilege (sales) and use taxes at their current rates.	NO <input type="checkbox"/>

SAMPLE BALLOT FOR PROPOSITION 100