

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an **INITIATIVE** or a **REFERENDUM** (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the **MEASURE** or **CONSTITUTIONAL AMENDMENT** (circle appropriate word) intended to be **INITIATED** or **REFERRED** (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

The Quality Education and Jobs Act will strengthen Arizona's economy by equipping children to succeed in the classroom, ensuring an educated workforce and creating jobs. This act, which renews the one-cent sales tax, will provide dedicated funding linked to performance and accountability for students of all ages and prevent legislators from cutting K-12 funding. Scholarships will ensure that universities and community colleges remain affordable. Investment in vocational education will allow students to graduate ready to work. This act protects public safety by ensuring continued funding for DPS officers and creates jobs by funding road, rail, transit and other transportation projects.

Ann-Eve Pedersen
Signature of Applicant
Ann-Eve Pedersen
Printed Name of Applicant
4729 E. Sunrise Drive, No. 210
Address
Tucson, AZ 58718
City State Zip
(520) 390-5693
Telephone Number

Quality Education and Jobs in Support of _____
Name of Organization (if any)
802 N. 3rd Avenue
Address
Phoenix, AZ 85003
City State Zip
(520) 390-5693
Telephone Number
Ann-Eve Pedersen, Chairman
Name of Officer and Title
4729 E. Sunrise Drive, No. 210
Address
Tucson, AZ 85718
City State Zip
(520) 390-5693
Telephone Number
George Cunningham, Treasurer
Name of Officer and Title
P.O. Box 1008
Address
Phoenix, AZ 85001
City State Zip
(520) 390-5693
Telephone Number

Date of Application March 9, 2012
Signatures Required 172,809
Deadline for Filing July 5, 2012
Serial Number Issued I-16-2012
FOR OFFICE USE ONLY

Revised 11/92

CFID # 201200362

2012 MAR -9 AM 10:08

RECEIVED
SECRETARY OF STATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

OFFICIAL TITLE
AN INITIATIVE MEASURE

AMENDING SECTION 15-901.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-981 AND 15-982; AMENDING SECTION 15-1472, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1642.01; AMENDING SECTIONS 28-5808 AND 28-6533, ARIZONA REVISED STATUTES; AMENDING TITLE 28, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28; AMENDING SECTION 36-2995, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-113; AMENDING SECTION 42-5010, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-5029.02; AMENDING SECTION 42-5155, ARIZONA REVISED STATUTES; RELATING TO TAXATION.

Be it enacted by the People of the State of Arizona:

Section 1. Section 15-901.01, Arizona Revised Statutes, is amended to read:

15-901.01. Inflation adjustments; prohibited funding reductions

A. If approved by the qualified electors voting at a statewide general election, for fiscal years ~~2001-2002 through 2005-2006~~, the legislature shall increase the base level or other components of the revenue control limit by two per cent. ~~For fiscal year 2006-2007~~ 2013-2014 and each fiscal year thereafter, the legislature shall increase the base level or AND other components of the revenue control limit by a minimum growth rate of either two per cent or the change in the GDP price deflator, as defined in section 41-563, from the second preceding calendar year to the calendar year immediately preceding the budget year, whichever is less, except that NEITHER the base level NOR THE AMOUNT APPROPRIATED FOR EQUALIZATION ASSISTANCE PURSUANT TO SECTION 15-971 shall never EVER be reduced below the base level established OR THE AMOUNT APPROPRIATED FOR EQUALIZATION ASSISTANCE for fiscal year ~~2001-2002~~ 2011-2012 OR FISCAL YEAR 2012-2013, WHICHEVER IS GREATER.

B. IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A STATEWIDE GENERAL ELECTION, FOR FISCAL YEAR 2012-2013 AND EACH FISCAL YEAR THEREAFTER, THE BASE SUPPORT LEVEL PRESCRIBED IN SECTION 15-943, THE MAXIMUM INDEBTEDNESS ALLOWED FOR SCHOOL DISTRICT BONDS AND THE MAXIMUM ALLOWED FOR SCHOOL DISTRICT BUDGET OVERRIDES SHALL NOT BE REDUCED BELOW THAT AMOUNT ALLOWED BY LAW ON JANUARY 1, 2012.

Sec. 2. Title 15, chapter 9, article 5, Arizona Revised Statutes, is amended by adding sections 15-981 and 15-982, to read:

15-981. Quality education and performance fund

A. THE QUALITY EDUCATION AND PERFORMANCE FUND IS ESTABLISHED CONSISTING OF MONIES DISTRIBUTED PURSUANT TO SECTION 42-5029.02. THE DEPARTMENT SHALL ADMINISTER THE FUND.

B. MONIES IN THE FUND SHALL BE DISTRIBUTED TO SCHOOL DISTRICTS AND CHARTER SCHOOLS BASED ON THE PERCENTAGE OF STATEWIDE UNWEIGHTED STUDENT COUNT SERVED BY EACH SCHOOL. FOR THE PURPOSES OF THIS SECTION, STUDENT COUNT SHALL HAVE THE MEANING PRESCRIBED IN SECTION 15-901, SUBSECTION A, PARAGRAPH 13, AND SHALL INCLUDE ANY NONRESIDENT PUPILS WHO ATTEND SCHOOL IN THE SCHOOL DISTRICT.

C. SCHOOL DISTRICTS AND CHARTER SCHOOLS RECEIVING MONIES PURSUANT TO THIS SECTION MAY USE THE MONIES FOR SCHOOL OPERATIONS, INCLUDING THE FOLLOWING:

1. TO ASSIST SCHOOL DISTRICTS AND CHARTER SCHOOLS TO COMPLY WITH INCREASED ASSESSMENT AND ACCOUNTABILITY REQUIREMENTS, INCLUDING STATE ACADEMIC STANDARDS SUCH AS THE COMMON CORE STATE STANDARDS INITIATIVE.

2. TO PROVIDE NEW TEACHER AND PRINCIPAL EVALUATION SYSTEMS THAT REQUIRE THIRTY-THREE TO FIFTY PER CENT OF A TEACHER'S OR PRINCIPAL'S EVALUATION TO BE BASED ON STUDENT ACADEMIC ACHIEVEMENT PURSUANT TO SECTION 15-203, SUBSECTION A, PARAGRAPH 38.

1 3. TO PROVIDE FOR SCHOOL ACCOUNTABILITY AND FOR IMPROVEMENT PLANS FOR
2 FAILING SCHOOLS PURSUANT TO SECTION 15-241.

3 4. TO IMPROVE READING PROFICIENCY OF PUPILS WITH READING DEFICIENCIES
4 BEFORE THE END OF GRADE THREE UNDER SECTION 15-701.

5 5. TO IMPLEMENT THE BOARD EXAMINATION SYSTEM AND THE AWARD OF GRAND
6 CANYON DIPLOMAS PURSUANT TO SECTIONS 15-792, 15-792.01, 15-792.02 AND 15-792.03.

7 15-982. Education accountability and improvement fund; statewide performance
8 measurements

9 A. THE EDUCATION ACCOUNTABILITY AND IMPROVEMENT FUND IS ESTABLISHED
10 CONSISTING OF MONIES DISTRIBUTED PURSUANT TO SECTION 42-5029.02. THE
11 DEPARTMENT SHALL ADMINISTER THE FUND. BEGINNING IN FISCAL YEAR 2015-2016,
12 MONIES IN THE FUND SHALL BE USED TO PROVIDE PERFORMANCE FUNDING TO SCHOOL
13 DISTRICTS AND CHARTER SCHOOLS BASED ON THE ACTUAL PERFORMANCE OF SCHOOLS
14 IN THIS STATE AND SHALL BE DISTRIBUTED ON A PER PUPIL BASIS. THE STATE BOARD OF
15 EDUCATION SHALL ADOPT STATEWIDE PERFORMANCE MEASUREMENTS AND ANNUALLY
16 ALLOCATE DISTRIBUTIONS BASED ON THE STATEWIDE OVERALL IMPROVEMENT IN THE
17 PERFORMANCE MEASUREMENTS UNDER SUBSECTION B OF THIS SECTION. THE
18 DEPARTMENT MAY RETAIN UP TO ONE MILLION DOLLARS, ADJUSTED ANNUALLY FOR
19 INFLATION, OF THE MONIES IN THE FUND TO DEVELOP THE MEASURES AND ADMINISTER
20 THE FUND. BEGINNING IN FISCAL YEAR 2017-2018, UNENCUMBERED MONIES THAT REMAIN
21 IN THE FUND AT THE END OF THREE CONSECUTIVE FISCAL YEARS SHALL BE TRANSFERRED
22 TO THE SCHOOL FACILITIES BOARD AND SHALL BE USED TO REDUCE PRINCIPAL ON
23 OUTSTANDING DEBT UNLESS THE REDUCTION OF PRINCIPAL WOULD RESULT IN A
24 PREPAYMENT PENALTY. IF NO OUTSTANDING DEBT EXISTS OR A PREPAYMENT PENALTY
25 WOULD BE INCURRED, MONIES TRANSFERRED TO THE SCHOOL FACILITIES BOARD
26 PURSUANT TO THIS SUBSECTION SHALL BE USED FOR THE CONSTRUCTION OR REPAIR OF
27 SCHOOL BUILDINGS.

28 B. THE STATEWIDE PERFORMANCE MEASUREMENTS ADOPTED PURSUANT TO THIS
29 SECTION SHALL CONSIST OF THE FOLLOWING MEASURES:

30 1. FIFTY PER CENT OF THE PERFORMANCE MEASUREMENTS SHALL CONSIST OF
31 MEASURES OF ACADEMIC PROGRESS, INCLUDING THE STATEWIDE PERCENTAGE OF THIRD-
32 GRADE STUDENTS MEETING STATE READING STANDARDS PRESCRIBED PURSUANT TO
33 SECTION 15-701, STATEWIDE GRADUATION AND DROPOUT RATES AND STATEWIDE
34 PERFORMANCE ON NATIONALLY ADMINISTERED NORM-REFERENCED ASSESSMENTS SUCH
35 AS THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS AND NATIONALLY
36 ADMINISTERED COLLEGE PLACEMENT AND ADMISSION EXAMINATIONS.

37 2. TWENTY-FIVE PER CENT OF THE PERFORMANCE MEASUREMENTS SHALL BE
38 BASED ON MEASURES OF PARENTAL SATISFACTION.

39 3. TWENTY-FIVE PER CENT OF THE PERFORMANCE MEASUREMENTS SHALL BE
40 BASED ON STUDENT ENGAGEMENT.

41 C. BEGINNING IN FISCAL YEAR 2013-2014, MONIES DISTRIBUTED PURSUANT TO THIS
42 SECTION MAY BE USED, IN THE DEPARTMENT'S DISCRETION, TO TRAIN TEACHERS AND FOR
43 TECHNOLOGY NECESSARY TO IMPLEMENT THE 2010 ACADEMIC STANDARDS AND THE
44 NEWLY ALIGNED STATEWIDE ASSESSMENTS.

45 Sec. 3. Section 15-1472, Arizona Revised Statutes, is amended to read:

46 15-1472. Community college district workforce development accounts; reports

47 A. Each community college district, PROVISIONAL COMMUNITY COLLEGE DISTRICT AND
48 INDIAN TRIBAL POSTSECONDARY EDUCATIONAL INSTITUTION shall establish a separate
49 workforce development account to receive only tax revenues authorized pursuant to section 42-5029,
50 subsection E, paragraph 3 AND SECTION 42-5029.02. Each community college AND PROVISIONAL
51 COMMUNITY COLLEGE district board AND INDIAN TRIBAL POSTSECONDARY EDUCATIONAL
52 INSTITUTION shall approve the expenditure of these monies in accordance with section 15-1461 and
53 consistent with subsection B of this section.

54 B. Monies received pursuant to subsection A of this section shall be expended for workforce
55 development and job training purposes. These expenditures may include:

56 1. Partnerships with businesses and educational institutions.

1 2. Additional faculty for improved and expanded classroom instruction and course offerings.
2 3. Technology, equipment and technology infrastructure for advanced teaching and learning in
3 classrooms or laboratories.

4 4. Student services such as assessment, advisement and counseling for new and expanded job
5 opportunities.

6 5. The purchase, lease or lease-purchase of real property, for new construction, remodeling or
7 repair of buildings or facilities on real property AND ACQUIRING, REMODELING OR REPAIRING
8 MOBILE TEACHING FACILITIES.

9 C. The state treasurer shall transfer monies under this section into each district's OR
10 INSTITUTION'S workforce development account by the fifteenth day of each month. The state treasurer
11 shall also allocate and distribute any pooled interest earnings earned from revenues authorized in section
12 42-5029, subsection E, paragraph 3 to each district in accordance with the method prescribed in subsection
13 D, paragraph 2 of this section.

14 D. Revenues authorized for community college districts in section 42-5029, subsection E, paragraph
15 3 shall be distributed by the state in the following manner:

16 1. For thirteen fiscal years beginning in fiscal year 2001-2002 the state treasurer shall allocate one
17 million dollars per fiscal year for the purpose of bringing this state into compliance with the matching
18 capital requirements prescribed in section 15-1463. The state treasurer shall distribute the monies
19 authorized in this subsection to each district in the order in which each campus qualified for funding
20 pursuant to section 15-1463.

21 2. After the monies have been paid each year to the eligible districts pursuant to paragraph 1 of this
22 subsection, the state treasurer shall distribute monies from the workforce development fund to each
23 community college district in the following manner:

24 (a) Each district shall receive the sum of two hundred thousand dollars.

25 (b) After each district has received the payments prescribed in subdivision (a), the remainder of
26 monies in the fund shall be distributed to each district according to each district's full-time equivalent
27 student enrollment percentage of the total statewide audited full-time equivalent student enrollment in the
28 preceding fiscal year prescribed in section 15-1466.01. For the purposes of this subdivision, the full-time
29 equivalent student enrollment of a provisional community college district shall be added to the full-time
30 equivalent student enrollment of the community college district that contracts with the provisional
31 community college district pursuant to section 15-1409, subsection A, and that portion of the monies
32 distributed under this subdivision to that community college district shall be used to provide services to
33 students enrolled in that provisional community college district as approved by the provisional community
34 college district's governing board as part of the annual budget process pursuant to section 15-1461. The
35 percentage distribution under this subdivision shall be adjusted annually on October 1 of each year. For the
36 purposes of this subdivision, the following distribution procedures apply:

37 (i) If a community college district established pursuant to section 15-1402.01 contracts with another
38 community college district pursuant to section 15-1402.01, subsection B, the full-time equivalent student
39 enrollment of that district shall be added to the full-time equivalent student enrollment of the other
40 community college district that contracts with that district pursuant to section 15-1402.01, subsection B, and
41 that portion of the monies distributed under this subdivision to the other community college district shall be
42 used to provide services to students enrolled in the community college district established pursuant to section
43 15-1402.01 as approved by that district's governing board as part of the annual budget process pursuant to
44 section 15-1461.

45 (ii) If a community college district established pursuant to section 15-1402.01 is no longer required
46 to contract with another community college district pursuant to section 15-1402.01, subsection B, that
47 community college district shall receive monies as provided in this subdivision according to its full-time
48 equivalent student enrollment.

49 E. Revenues received by community college districts AND INDIAN TRIBAL POSTSECONDARY
50 EDUCATIONAL INSTITUTIONS shall not be used by the legislature to supplant or reduce any state aid
51 authorized in this chapter or supplant any proceeds from the sale of bonds authorized in this article and
52 article 5 of this chapter.

53 F. Monies received under this section shall not be considered to be local revenues for purposes of
54 article IX, section 21, Constitution of Arizona.

55 G. Each community college district or community college that is owned, operated or chartered by a
56 qualifying Indian tribe on its own Indian reservation shall submit a report once every two years of its

1 workforce development plan activities and the expenditures authorized in this section to the governor,
2 president of the senate, speaker of the house of representatives, joint legislative budget committee and
3 department of commerce by December 1 of every even-numbered year. The report shall include the purpose
4 and goals for which the workforce development monies were expended by each district or community college
5 together with a general accounting of the expenditures authorized in subsection B of this section. A copy of
6 the final report shall also be provided to the secretary of state. For the purposes of this subsection,
7 "qualifying Indian tribe" has the same meaning prescribed in section 42-5031.01.

8 Sec. 4. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding section 15-
9 1642.01, to read:

10 15-1642.01. University scholarship, operations and infrastructure fund; student
11 scholarships; university operating and infrastructure expenses

12 A. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH THE UNIVERSITY
13 SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE FUND FOR THE PURPOSES OF
14 PROVIDING SCHOLARSHIPS TO STUDENTS AND MONIES TO THE THREE STATE
15 UNIVERSITIES FOR OPERATING AND INFRASTRUCTURE EXPENSES. THE FUND CONSISTS OF
16 MONIES TRANSFERRED TO THE FUND PURSUANT TO SECTION 42-5029.02.

17 B. THE BOARD SHALL ADOPT RULES TO GOVERN THE ADMINISTRATION OF THE
18 UNIVERSITY SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE FUND. THE BOARD SHALL
19 ALLOCATE AN AMOUNT NOT LESS THAN FIFTY PER CENT NOR MORE THAN SIXTY PER CENT
20 OF THE MONIES RECEIVED BY THE FUND EACH YEAR TO PROVIDE SCHOLARSHIPS TO
21 RESIDENT STUDENTS BASED ON FINANCIAL NEED OR ACADEMIC ACHIEVEMENT. THIS
22 AMOUNT SHALL BE IN ADDITION TO ANY AMOUNT OF FINANCIAL AID THAT IS AWARDED
23 BY THE UNIVERSITIES PURSUANT TO ANY BOARD-ESTABLISHED TUITION SET-ASIDE
24 PROGRAM. THE REMAINING MONIES SHALL BE ALLOCATED BASED ON PERFORMANCE IN
25 MEETING GOALS SET BY THE BOARD.

26 C. THE LEGISLATURE SHALL NOT REDUCE FUTURE STATE GENERAL FUND
27 APPROPRIATIONS FOR EACH OF THE THREE UNIVERSITIES BELOW THE GREATER OF THE
28 AMOUNT APPROPRIATED IN FISCAL YEARS 2011-2012 OR 2012-2013.

29 Sec. 5. Section 28-5808, Arizona Revised Statutes, is amended to read:

30 28-5808. Vehicle license tax distribution

31 A. ~~Except as provided in subsection D of this section,~~ The director shall distribute monies collected
32 by the director pursuant to section 28-5801, except monies deposited in the state general fund, on the first
33 and fifteenth calendar day of each month as follows:

34 1. On the first calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, all
35 of the Arizona highway user revenue fund monies received from the first through the fifteenth calendar day
36 of the preceding month in the Arizona highway user revenue fund, except that on the first calendar day the
37 director shall deposit, pursuant to sections 35-146 and 35-147, in the parity compensation fund established
38 by section 41-1720, 1.51 per cent of the portion of vehicle license tax revenues that otherwise would be
39 deposited in the state highway fund from the first through the fifteenth calendar day of the preceding month.

40 2. On the fifteenth calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147,
41 all of the Arizona highway user revenue fund monies received from the sixteenth through the last day of the
42 preceding month in the Arizona highway user revenue fund, except that on the fifteenth calendar day, the
43 director shall deposit, pursuant to sections 35-146 and 35-147, in the parity compensation fund established
44 by section 41-1720, 1.51 per cent of the portion of vehicle license tax revenues that otherwise would be
45 deposited in the state highway fund from the sixteenth through the last day of the preceding month. On the
46 fifteenth calendar day, the director shall distribute or deposit all other monies received during the entire
47 preceding month as follows:

48 (a) The county general fund monies to the county general fund.

49 (b) The county transportation monies to the state treasurer to be apportioned among the counties
50 for any purposes related to transportation, as determined by the board of supervisors, on the basis that the
51 population of the unincorporated area of each county bears to the population of the unincorporated areas of
52 all counties in this state.

53 (c) The incorporated cities and towns monies to the incorporated cities and towns of the county in
54 proportion to the population of each.

1 3. The deposit of the monies in the parity compensation fund pursuant to paragraphs 1 and 2 of this
2 subsection shall not impact the distribution of vehicle license tax revenues to the state general fund and to
3 cities, towns and counties pursuant to this section.

4 B. The director shall distribute monies collected by the director pursuant to sections 28-5804,
5 28-5805, 28-5806 and 28-5810, except monies deposited in the state general fund, on the first and fifteenth
6 calendar day of each month as follows:

7 1. On the first calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147,
8 37.61 per cent of all monies received from the first through the fifteenth calendar day of the preceding
9 month in the highway user revenue fund.

10 2. On the fifteenth calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147,
11 37.61 per cent of all monies received from the sixteenth through the last day of the preceding month in the
12 highway user revenue fund and distribute or deposit the following amounts as a percentage of all monies
13 received pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810 during the entire preceding month as
14 follows:

15 (a) 20.45 per cent to the county general fund.

16 (b) 4.91 per cent to the state treasurer to be apportioned among the counties for any purposes
17 related to transportation, as determined by the board of supervisors, on the basis that the population of the
18 unincorporated area of each county bears to the population of the unincorporated areas of all counties in
19 this state.

20 (c) 20.45 per cent to the incorporated cities and towns of the county in proportion to the population
21 of each.

22 (d) 1.64 per cent, pursuant to sections 35-146 and 35-147, in the state highway fund established by
23 section 28-6991.

24 (e) 4.09 per cent in the state highway fund established by section 28-6991.

25 (f) 10.85 per cent, pursuant to sections 35-146 and 35-147, in the state general fund to aid school
26 financial assistance.

27 C. For purposes of this section the population of a county, city or town shall be determined as
28 provided by section 28-6532 or 42-5033.01. If an incorporated city or town has had no federal enumeration
29 of population, the supervisors shall both:

30 1. Appoint a qualified person to take an accurate census of the incorporated city or town.

31 2. Certify the results to the county treasurer, and the incorporated city or town shall share in the
32 distribution as provided by this section.

33 D. ~~On the fifteenth calendar day of each month, the director shall transfer to the state general fund
34 from the portion of vehicle license tax revenues that otherwise would be deposited in the state highway fund
35 pursuant to section 28-6538, subsection A, paragraph 1 the following amounts:~~

36 ~~1. An amount equal to ninety per cent of the fees collected pursuant to section 28-4802, subsection A
37 in the preceding month.~~

38 ~~2. An amount equal to sixty per cent of the fees collected pursuant to section 28-4802, subsection B
39 in the preceding month.~~

40 ~~E. On the fifteenth calendar day of each month, the director shall transfer to the state general fund
41 from the portion of vehicle license tax revenues that otherwise would be deposited in the state highway fund
42 pursuant to section 28-6538, subsection A, paragraph 1 the difference between the actual amount of the
43 vehicle license tax revenue collected as a result of registration of vehicles pursuant to section 28-2159 in the
44 preceding month for a five-year registration period and the amount that would have been collected if those
45 same vehicles had been registered for a two-year vehicle registration period.~~

46 D. NOTWITHSTANDING ANY OTHER LAW, VEHICLE LICENSE TAX MONIES SHALL BE
47 DEPOSITED AND DISTRIBUTED PURSUANT TO THIS SECTION. VEHICLE LICENSE TAX
48 MONIES SHALL NOT BE SUBJECT TO REVERSION, FUND SWEEP OR TRANSFER TO ANY
49 OTHER FUND BY THE LEGISLATURE.

1 (e) LANDSCAPING FOR STREETS OR HIGHWAYS, INCLUDING EARTHWORKS,
2 STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER
3 DELIVERY SYSTEMS.

4 (f) BUILDINGS AND FACILITIES.

5 (g) LIGHTING SYSTEMS, COMMUNICATIONS FACILITIES, ENERGY CONSERVATION
6 SYSTEMS AND OTHER SYSTEMS THAT ENHANCE PUBLIC SAFETY.

7 (h) TRAFFIC CONTROL SYSTEMS AND DEVICES, INCLUDING SIGNALS, CONTROLS,
8 MARKINGS AND SIGNAGE.

9 (i) LAND CLEARANCE ACTIVITIES, DEMOLITION OF PUBLIC AND PRIVATE BUILDINGS
10 AND FACILITIES AND ENVIRONMENTAL REMEDIATION.

11 (j) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONNEL RELATED TO THE
12 ITEMS LISTED IN THIS PARAGRAPH.

13 2. TO ACCELERATE STATE HIGHWAYS, STATE ROUTES AND INTERSTATE
14 IMPROVEMENT PROJECTS.

15 3. TO MAKE PAYMENTS IN CONNECTION WITH PUBLIC-PRIVATE PARTNERSHIPS
16 RELATING TO TRANSPORTATION PROJECTS.

17 4. TO PAY FOR OTHER INCIDENTAL COSTS ASSOCIATED WITH HIGHWAY PROJECTS.

18 5. TO FUND ENVIRONMENTALLY SENSITIVE DESIGNS.

19 6. TO FUND WILDLIFE IMPROVEMENT PROJECTS THAT ARE DISRUPTED BY
20 TRANSPORTATION PROJECTS.

21 7. TO PAY THE PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER
22 FINANCIAL OBLIGATIONS FOR TRANSPORTATION PROJECTS, INCLUDING COSTS OF
23 ISSUANCE. 28-9302. Additional bonding authority

24 IN ADDITION TO ANY OTHER AUTHORITY FOR THE ISSUANCE OF BONDS UNDER THIS
25 TITLE, THE DIRECTOR, WITH THE APPROVAL OF THE BOARD, IS AUTHORIZED TO ISSUE
26 BONDS NECESSARY TO PAY FOR ANY OF THE TRANSPORTATION-RELATED PROJECTS
27 AUTHORIZED IN SECTION 28-9301, SUBSECTION C. MONIES IN THE STATE INFRASTRUCTURE
28 FUND ESTABLISHED BY SECTION 28-9301 OR MONIES TO BE DEPOSITED INTO THAT FUND
29 MAY BE USED TO SECURE THE BONDS AND TO PROVIDE FOR ANY PAYMENT NECESSARY TO
30 CARRY OUT THE PURPOSES OF THIS SECTION.

31 Sec. 8. Section 36-2995, Arizona Revised Statutes, is amended to read:

32 36-2995. Children's health insurance program fund; sources of monies; use; reversion;
33 claims

34 A. The children's health insurance program fund is established. The administration shall
35 administer the fund and shall use fund monies to pay administrative and program costs associated with the
36 operation of the program established by this article.

37 B. Separate accounting shall be made for each source of monies received pursuant to subsection C
38 of this section for expenses and income activity associated with the program established pursuant to this
39 article.

40 C. Monies in the fund ~~are comprised~~ CONSIST of:

41 1. Federal monies available to this state for the operation of the program.

42 2. Tobacco tax and state general fund monies appropriated as state matching monies.

43 3. Gifts, donations and grants from any source.

44 4. Interest paid on monies deposited in the fund.

45 5. ~~Third party~~ THIRD-PARTY liability recoveries.

46 6. MONIES DISTRIBUTED PURSUANT TO SECTION 42-5029.02.

47 D. If a gift, a donation or a grant of over ten thousand dollars received from any private source
48 contains a condition, the administration shall first meet with the joint legislative study committee on the
49 integration of health care services to review the condition before it spends that gift, donation or grant.

50 E. All monies in the fund other than monies appropriated by this state do not lapse.

51 F. Monies appropriated from the medically needy account of the tobacco tax and health care fund
52 are exempt from section 35-190 relating to lapsing of appropriations. Notwithstanding section 35-191,
53 subsection B, the period for administrative adjustments extends for only six months for appropriations made
54 for administration covered services.

1 G. Notwithstanding sections 35-190 and 35-191, all approved claims for system covered services
2 presented after the end of the fiscal year in which they were incurred shall be paid either in accordance with
3 this section or in the current fiscal year with the monies available in the funds established by this section.

4 H. Claims for covered services that are determined to be valid by the director and the grievance
5 and appeal procedure shall be paid from the children's health insurance program fund.

6 I. All payments for claims from the children's health insurance program fund shall be accounted for
7 by the administration by the fiscal year in which the claims were incurred, regardless of the fiscal year in
8 which the payments were made.

9 J. Notwithstanding any other law, county owned or contracted providers and special health care
10 district owned or contracted providers are subject to all claims processing and payment requirements or
11 limitations of this chapter that are applicable to noncounty providers.

12 Sec. 9. Title 41, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 41-113,
13 to read:

14 41-113. Family stability and self-sufficiency fund; report; nonlapsing; definition

15 A. THE HUMAN SERVICES SELF-SUFFICIENCY FUND IS ESTABLISHED CONSISTING OF
16 DONATIONS FROM ANY PUBLIC OR PRIVATE SOURCE AND MONIES DISTRIBUTED PURSUANT
17 TO SECTION 42-5029.02. THE GOVERNOR'S OFFICE SHALL ADMINISTER THE FUND AND EACH
18 YEAR MAY USE UP TO ONE PER CENT OF THE MONIES IN THE FUND FOR ADMINISTRATIVE
19 COSTS. THE GOVERNOR'S OFFICE SHALL ANNUALLY ALLOCATE THE MONIES IN THE FUND
20 TO STATE AGENCIES OR AWARD MONIES IN THE FUND TO PRIVATE NONPROFIT ENTITIES
21 TO PROVIDE SERVICES FOR THE BASIC NEEDS OF CHILDREN, FAMILIES AND VULNERABLE
22 ADULTS WHOSE HOUSEHOLD INCOME IS LESS THAN TWO HUNDRED PER CENT OF THE
23 FEDERAL POVERTY LEVEL. MONIES IN THE FUND SHALL BE USED TO THE EXTENT
24 PRACTICABLE TO MATCH FEDERAL FUNDS.

25 B. ALL MONIES RECEIVED UNDER THIS SECTION SHALL BE USED TO SUPPLEMENT
26 AND NOT SUPPLANT EXISTING AND FUTURE APPROPRIATIONS FOR THE PURPOSES
27 DESCRIBED IN THIS SECTION. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED
28 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING
29 OF APPROPRIATIONS.

30 C. THE GOVERNOR'S OFFICE SHALL PROVIDE AN ANNUAL REPORT ON THE
31 GOVERNOR'S WEBSITE THAT DELINEATES THE AMOUNT OF ALLOCATIONS AND CONTRACT
32 AWARDS UNDER THIS SECTION, THE PURPOSES, THE AMOUNT OF MONEY NOT ALLOCATED
33 IN THE PRIOR FISCAL YEAR AND THE OUTCOMES OF ALLOCATIONS AND AWARDS,
34 INCLUDING THE NUMBER OF INDIVIDUALS AND FAMILIES WHO MADE PROGRESS TOWARD
35 FAMILY STABILITY AND SELF-SUFFICIENCY.

36 D. FOR THE PURPOSES OF THIS SECTION, "BASIC NEEDS" INCLUDES PREVENTING
37 HUNGER, HOMELESSNESS AND FAMILY AND DOMESTIC VIOLENCE AND PROVIDING CHILD
38 CARE AND OTHER COMMUNITY AND SOCIAL SERVICES THAT LEAD TO FAMILY STABILITY
39 AND SELF-SUFFICIENCY.

40 Sec. 10. Section 42-5010, Arizona Revised Statutes, is amended to read:

41 42-5010. Rates; distribution base

42 A. The tax imposed by this article is levied and shall be collected at the following rates:

43 1. Five per cent of the tax base as computed for the business of every person engaging or continuing
44 in this state in the following business classifications described in article 2 of this chapter:

- 45 (a) Transporting classification.
- 46 (b) Utilities classification.
- 47 (c) Telecommunications classification.
- 48 (d) Pipeline classification.
- 49 (e) Private car line classification.
- 50 (f) Publication classification.
- 51 (g) Job printing classification.
- 52 (h) Prime contracting classification.
- 53 (i) Owner builder sales classification.
- 54 (j) Amusement classification.
- 55 (k) Restaurant classification.
- 56 (l) Personal property rental classification.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

(m) Retail classification.

2. Five and one-half per cent of the tax base as computed for the business of every person engaging or continuing in this state in the transient lodging classification described in section 42-5070.

3. Three and one-eighth per cent of the tax base as computed for the business of every person engaging or continuing in this state in the mining classification described in section 42-5072.

4. Zero per cent of the tax base as computed for the business of every person engaging or continuing in this state in the commercial lease classification described in section 42-5069.

B. Twenty per cent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (a) through (i) of this section is designated as distribution base for purposes of section 42-5029.

C. Forty per cent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (j) through (m) of this section is designated as distribution base for purposes of section 42-5029.

D. Thirty-two per cent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 3 of this section is designated as distribution base for purposes of section 42-5029.

E. Fifty-three and one-third per cent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 4 of this section is designated as distribution base for purposes of section 42-5029.

F. Fifty per cent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 2 of this section is designated as distribution base for purposes of section 42-5029.

G. In addition to the rates prescribed by subsection A of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment is imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection A of this section. The department shall separately account for the revenues collected with respect to the rates imposed pursuant to this subsection and the state treasurer shall distribute all of those revenues in the manner prescribed by section 42-5029, subsection E. The rates imposed pursuant to this subsection shall not be considered local revenues for purposes of article IX, section 21, Constitution of Arizona. The additional tax rate increment is levied at the rate of six-tenths of one per cent of the tax base of every person engaging or continuing in this state in a business classification listed in subsection A, paragraph 1 of this section.

H. IN ADDITION TO THE RATES PRESCRIBED BY SUBSECTION A OF THIS SECTION, IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A STATEWIDE GENERAL ELECTION, AN ADDITIONAL RATE INCREMENT IS IMPOSED AND SHALL BE COLLECTED BEGINNING FROM AND AFTER MAY 31, 2013. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SUBSECTION A OF THIS SECTION. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED PURSUANT TO THIS SUBSECTION, AND THE STATE TREASURER SHALL DISTRIBUTE ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5029.02. THE RATES IMPOSED PURSUANT TO THIS SUBSECTION SHALL NOT BE CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA. THE ADDITIONAL TAX RATE INCREMENT IS LEVIED AT THE RATE OF ONE PER CENT OF THE TAX BASE OF EVERY PERSON ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS CLASSIFICATION LISTED IN SUBSECTION A, PARAGRAPH 1 OF THIS SECTION.

I. Any increase in the rate of tax that is imposed by this chapter and that is enacted by the legislature or by a vote of the people does not apply with respect to contracts entered into by prime contractors or pursuant to written bids made by prime contractors on or before the effective date of the legislation or the date of the election enacting the increase. To qualify for the exemption under this subsection, the prime contractor must maintain sufficient documentation, in a manner and form prescribed by the department, to verify the date of the contract or written bid.

J. For taxpayers taxable under this chapter other than prime contractors taxable pursuant to section 42-5075:

1 1. Any increase in the rate of tax that is levied by this article or article 2 of this chapter enacted by
2 the legislature or by a vote of the people does not apply for a period of one hundred twenty days from the
3 date of the tax rate increase to the gross proceeds of sales or gross income from the business of the taxpayer
4 with respect to written contracts entered into before the effective date of the tax rate increase unless the
5 taxpayer has entered into a contract that contains a provision that entitles the taxpayer to recover from the
6 purchaser the amount of the additional tax levied.

7 2. The provisions of this subsection apply without regard to the accounting method used by the
8 taxpayer to report the taxes imposed under article 2 of this chapter.

9 3. The provisions of this subsection shall not be considered in determining the rate of tax imposed
10 under chapter 6, article 3 of this title.

11 Sec. 11, Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-
12 5029.02, to read:

13 42-5029.02. Remission and distribution of monies; nonlapsing; audit requirement

14 A. IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A STATEWIDE GENERAL
15 ELECTION, ALL MONIES COLLECTED PURSUANT TO SECTION 42-5010, SUBSECTION H AND
16 SECTION 42-5155, SUBSECTION E SHALL BE DISTRIBUTED PURSUANT TO THIS SECTION.

17 B. OF THE FIRST ONE BILLION DOLLARS COLLECTED PURSUANT TO SECTION
18 42-5010, SUBSECTION H AND SECTION 42-5155, SUBSECTION E, THE MONIES SHALL BE
19 DISTRIBUTED BEGINNING IN FISCAL YEAR 2013-2014 AS FOLLOWS:

20 1. FIVE HUNDRED MILLION DOLLARS PLUS ANY REMAINDER AMOUNT UNDER
21 PARAGRAPH 9 OF THIS SUBSECTION IS APPROPRIATED EACH FISCAL YEAR, TO BE IN
22 MONTHLY INSTALLMENTS, TO THE QUALITY EDUCATION AND PERFORMANCE FUND
23 ESTABLISHED BY SECTION 15-981.

24 2. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPH 1 OF THIS
25 SUBSECTION, TEN MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR, TO BE PAID IN
26 MONTHLY INSTALLMENTS, TO THE EDUCATION LEARNING AND ACCOUNTABILITY FUND
27 ESTABLISHED BY SECTION 15-249.02. NOTWITHSTANDING SUBSECTION D OF THIS SECTION,
28 IF THE MONIES IN THE EDUCATION LEARNING AND ACCOUNTABILITY FUND ESTABLISHED
29 BY SECTION 15-249.02 ARE NO LONGER NECESSARY FOR THE PURPOSES OF SECTION 15-249,
30 ANY OR ALL OF THE MONIES APPROPRIATED UNDER THIS PARAGRAPH SHALL BE
31 APPROPRIATED TO THE EDUCATION ACCOUNTABILITY AND IMPROVEMENT FUND
32 ESTABLISHED BY SECTION 15-982.

33 3. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 AND 2 OF THIS
34 SUBSECTION, NINETY MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR, TO BE PAID
35 IN MONTHLY INSTALLMENTS, TO THE EDUCATION ACCOUNTABILITY AND IMPROVEMENT
36 FUND ESTABLISHED BY SECTION 15-982.

37 4. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1, 2 AND 3 OF THIS
38 SUBSECTION, ONE HUNDRED MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR, TO
39 BE PAID IN MONTHLY INSTALLMENTS, TO THE STATE INFRASTRUCTURE FUND
40 ESTABLISHED BY SECTION 28-9301.

41 5. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 4 OF
42 THIS SUBSECTION, TWENTY-FIVE MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR,
43 TO BE PAID IN MONTHLY INSTALLMENTS, TO THE CHILDREN'S HEALTH INSURANCE
44 PROGRAM FUND ESTABLISHED BY SECTION 36-2995. NOTWITHSTANDING SUBSECTION D OF
45 THIS SECTION, THE MONIES APPROPRIATED UNDER THIS PARAGRAPH MAY BE REDUCED
46 OR ELIMINATED IF EITHER OF THE FOLLOWING APPLIES AND THE AMOUNT
47 APPROPRIATED UNDER THIS PARAGRAPH SHALL BE APPROPRIATED TO THE FAMILY
48 STABILITY AND SELF-SUFFICIENCY FUND ESTABLISHED BY SECTION 41-113:

49 (a) THE FEDERAL GOVERNMENT PROVIDES FUNDING FOR THE CHILDREN'S HEALTH
50 INSURANCE PROGRAM AND THAT FUNDING SUPERSEDES STATE FUNDING FOR THE
51 PROGRAM.

52 (b) THE DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
53 ADMINISTRATION DETERMINES THAT A PRIVATE OR NONPROFIT ENTITY HAS PROVIDED
54 FUNDING FOR THE CHILDREN'S HEALTH INSURANCE PROGRAM.

55 6. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 5 OF
56 THIS SUBSECTION, ONE HUNDRED MILLION DOLLARS IS APPROPRIATED EACH FISCAL

1 YEAR, TO BE PAID IN MONTHLY INSTALLMENTS, TO THE FAMILY STABILITY AND
2 SELF-SUFFICIENCY FUND ESTABLISHED BY SECTION 41-113.

3 7. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 6 OF
4 THIS SUBSECTION, FIFTY MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR, TO BE
5 PAID IN MONTHLY INSTALLMENTS, TO THE UNIVERSITY SCHOLARSHIP, OPERATIONS AND
6 INFRASTRUCTURE FUND ESTABLISHED PURSUANT TO SECTION 15-1642.01.

7 8. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 7 OF
8 THIS SUBSECTION, FOR FISCAL YEARS 2013-2014 AND BEYOND, AN AMOUNT SUFFICIENT TO
9 FUND THE INFLATIONARY ADJUSTMENT REQUIRED BY SECTION 15-901.01, SUBSECTION A
10 SHALL BE TRANSFERRED TO THE STATE GENERAL FUND. NO MORE THAN ONE HUNDRED
11 TWENTY-FIVE MILLION DOLLARS SHALL BE TRANSFERRED PURSUANT TO THIS SECTION. IF
12 THE AMOUNT TRANSFERRED PURSUANT TO THIS PARAGRAPH DOES NOT FULLY FUND THE
13 INFLATIONARY ADJUSTMENT REQUIRED BY SECTION 15-901.01, AN ADDITIONAL AMOUNT
14 SUFFICIENT TO FULLY FUND THE INFLATIONARY ADJUSTMENT SHALL BE TRANSFERRED
15 TO THE STATE GENERAL FUND DIRECTLY FROM THE QUALITY EDUCATION AND
16 PERFORMANCE FUND ESTABLISHED BY SECTION 15-981.

17 9. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPH 8 OF THIS
18 SUBSECTION, ANY REMAINDER AMOUNT NOT NECESSARY TO FULLY FUND THE
19 INFLATIONARY ADJUSTMENT REQUIRED BY SECTION 15-901.01 SHALL BE TRANSFERRED
20 PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION.

21 C. AFTER TRANSFERRING THE MONIES PURSUANT TO SUBSECTION B OF THIS
22 SECTION, ANY AMOUNT COLLECTED IN ANY FISCAL YEAR PURSUANT TO SECTION 42-5010,
23 SUBSECTION H AND SECTION 42-5155, SUBSECTION E THAT EXCEEDS ONE BILLION DOLLARS
24 SHALL BE TRANSFERRED IN MONTHLY INSTALLMENTS FOR THE REMAINING MONTHS OF
25 THE FISCAL YEAR AS FOLLOWS:

26 1. THIRTY-THREE PER CENT SHALL BE TRANSFERRED TO SCHOOL DISTRICTS AND
27 CHARTER SCHOOLS IN PROPORTIONATE AMOUNTS BASED ON THE PROPORTION OF
28 STUDENTS IN THE SCHOOL DISTRICT OR CHARTER SCHOOL WHO QUALIFY FOR FREE OR
29 REDUCED PRICE LUNCHE UNDER THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION
30 ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1785) AS A PERCENTAGE OF THE
31 TOTAL NUMBER OF STUDENTS WHO QUALIFY FOR FREE OR REDUCED PRICE LUNCHE IN
32 THIS STATE, EXCEPT THAT THE AMOUNT UNDER THIS PARAGRAPH SHALL NOT EXCEED
33 ONE HUNDRED MILLION DOLLARS IN ANY FISCAL YEAR UNLESS AN ADDITIONAL AMOUNT
34 IS AVAILABLE AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (b) OF THIS
35 SUBSECTION. SCHOOL DISTRICTS AND CHARTER SCHOOLS MAY USE THE MONIES
36 TRANSFERRED UNDER THIS PARAGRAPH TO IMPROVE STUDENT ACHIEVEMENT FOR
37 STUDENTS WHO QUALIFY FOR FREE OR REDUCED PRICE LUNCHE AND TO PROVIDE
38 INSTRUCTION IN VOLUNTARY PRESCHOOL PROGRAMS.

39 2. TWENTY-TWO AND ONE-HALF PER CENT SHALL BE TRANSFERRED TO
40 COMMUNITY COLLEGE AND PROVISIONAL COMMUNITY COLLEGE DISTRICTS AND INDIAN
41 TRIBAL POSTSECONDARY EDUCATIONAL INSTITUTIONS FOR DEPOSIT INTO THEIR
42 WORKFORCE DEVELOPMENT ACCOUNTS ESTABLISHED PURSUANT TO SECTION 15-1472 TO
43 SUPPORT COMMUNITY COLLEGE SCHOLARSHIPS AND CAREER AND TECHNICAL TRAINING
44 PROGRAMS, EXCEPT THAT THE AMOUNT UNDER THIS PARAGRAPH SHALL NOT EXCEED
45 SIXTY-SIX MILLION DOLLARS IN ANY FISCAL YEAR UNLESS AN ADDITIONAL AMOUNT IS
46 AVAILABLE AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (e) OF THIS
47 SUBSECTION. EIGHTY-FIVE PER CENT OF THE MONIES TRANSFERRED PURSUANT TO THIS
48 PARAGRAPH SHALL BE ALLOCATED AMONG COMMUNITY COLLEGE AND PROVISIONAL
49 COMMUNITY COLLEGE DISTRICTS AND INDIAN TRIBAL POSTSECONDARY EDUCATIONAL
50 INSTITUTIONS BASED ON THE FULL-TIME STUDENT EQUIVALENT COUNT SERVED BY EACH
51 DISTRICT OR INSTITUTION. FIFTEEN PER CENT OF THE MONIES DISTRIBUTED PURSUANT
52 TO THIS PARAGRAPH SHALL BE ALLOCATED BASED ON PERFORMANCE STANDARDS TO BE
53 DEVELOPED BY AGREEMENT AMONG THE COMMUNITY COLLEGE AND PROVISIONAL
54 COMMUNITY COLLEGE DISTRICTS AND INDIAN TRIBAL POSTSECONDARY EDUCATIONAL
55 INSTITUTIONS ELIGIBLE TO RECEIVE MONIES PURSUANT TO THIS PARAGRAPH.

1 3. NINE PER CENT SHALL BE TRANSFERRED TO JOINT TECHNICAL EDUCATION
2 DISTRICTS TO SUPPORT CAREER AND VOCATIONAL TRAINING, INCLUDING TO INCREASE
3 STUDENT ENROLLMENT AND TO PROVIDE STATE-OF-THE-ART TECHNICAL EQUIPMENT,
4 EXCEPT THAT THE AMOUNT UNDER THIS PARAGRAPH SHALL NOT EXCEED TWENTY-NINE
5 MILLION DOLLARS IN ANY FISCAL YEAR UNLESS AN ADDITIONAL AMOUNT IS AVAILABLE
6 AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (f) OF THIS SUBSECTION.
7 EIGHTY-FIVE PER CENT OF THE MONIES DISTRIBUTED PURSUANT TO THIS PARAGRAPH
8 SHALL BE DISTRIBUTED BASED ON THE FULL-TIME STUDENT EQUIVALENT COUNT SERVED
9 BY EACH DISTRICT. FIFTEEN PERCENT OF THE MONIES DISTRIBUTED PURSUANT TO THIS
10 PARAGRAPH SHALL BE DISTRIBUTED BASED ON PERFORMANCE METRICS DETERMINED BY
11 THE DEPARTMENT OF EDUCATION.

12 4. TWO PER CENT SHALL BE TRANSFERRED TO THE DEPARTMENT OF EDUCATION
13 TO FUND ADULT EDUCATION PROGRAMS, EXCEPT THAT THE AMOUNT UNDER THIS
14 PARAGRAPH SHALL NOT EXCEED FIVE MILLION DOLLARS IN ANY FISCAL YEAR.

15 5. TWENTY-TWO AND ONE-HALF PER CENT SHALL BE TRANSFERRED TO THE
16 UNIVERSITY SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE FUND ESTABLISHED
17 PURSUANT TO SECTION 15-1642.01, EXCEPT THAT THE AMOUNT UNDER THIS PARAGRAPH
18 SHALL NOT EXCEED TWO HUNDRED FIFTY MILLION DOLLARS IN ANY FISCAL YEAR UNLESS
19 AN ADDITIONAL AMOUNT IS AVAILABLE AND TRANSFERRED PURSUANT TO PARAGRAPH 8,
20 SUBDIVISION (d) OF THIS SUBSECTION.

21 6. ELEVEN PER CENT OF THE REMAINING MONIES COLLECTED SHALL BE
22 TRANSFERRED TO THE STATE INFRASTRUCTURE FUND ESTABLISHED BY SECTION 28-9301,
23 EXCEPT THAT THE AMOUNT UNDER THIS PARAGRAPH SHALL NOT EXCEED ONE HUNDRED
24 MILLION DOLLARS IN ANY FISCAL YEAR UNLESS AN ADDITIONAL AMOUNT IS AVAILABLE
25 AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (c) OF THIS SUBSECTION.

26 7. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 6 OF
27 THIS SUBSECTION, ANY REMAINING MONIES SHALL BE TRANSFERRED AS FOLLOWS:

28 (a) TWO THIRDS OF ANY REMAINING MONIES SHALL BE TRANSFERRED TO THE
29 UNIVERSITY SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE FUND ESTABLISHED
30 PURSUANT TO SECTION 15-1642.01, EXCEPT THAT THE TOTAL TRANSFERS MADE PURSUANT
31 TO THIS PARAGRAPH AND PARAGRAPH 5 OF THIS SUBSECTION SHALL NOT EXCEED TWO
32 HUNDRED FIFTY MILLION DOLLARS IN ANY FISCAL YEAR, UNLESS AN ADDITIONAL
33 AMOUNT IS AVAILABLE AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (d)
34 OF THIS SUBSECTION.

35 (b) ONE THIRD OF ANY REMAINING MONIES SHALL BE TRANSFERRED TO THE STATE
36 INFRASTRUCTURE FUND ESTABLISHED BY SECTION 28-9301, EXCEPT THAT THE TOTAL
37 TRANSFERS MADE PURSUANT TO THIS PARAGRAPH AND PARAGRAPH 6 OF THIS
38 SUBSECTION SHALL NOT EXCEED ONE HUNDRED MILLION DOLLARS IN ANY FISCAL YEAR,
39 UNLESS AN ADDITIONAL AMOUNT IS AVAILABLE AND TRANSFERRED PURSUANT TO
40 PARAGRAPH 8, SUBDIVISION (c) OF THIS SUBSECTION.

41 8. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 7 OF
42 THIS SUBSECTION, ANY REMAINING MONIES SHALL BE TRANSFERRED AS FOLLOWS:

43 (a) FORTY PER CENT OF THESE REMAINING MONIES SHALL BE TRANSFERRED TO
44 THE QUALITY EDUCATION AND PERFORMANCE FUND ESTABLISHED BY SECTION 15-981.

45 (b) THIRTY PER CENT OF THESE REMAINING MONIES SHALL BE TRANSFERRED AND
46 DISTRIBUTED TO SCHOOL DISTRICTS AND CHARTER SCHOOLS PURSUANT TO THE
47 FORMULA SET FORTH IN PARAGRAPH 1 OF THIS SUBSECTION.

48 (c) TEN PER CENT OF THESE REMAINING MONIES SHALL BE TRANSFERRED TO THE
49 STATE INFRASTRUCTURE FUND ESTABLISHED BY SECTION 28-9301.

50 (d) SEVEN AND ONE-HALF PER CENT OF THESE REMAINING MONIES SHALL BE
51 TRANSFERRED TO THE UNIVERSITY SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE
52 FUND ESTABLISHED PURSUANT TO SECTION 14-1642.01.

53 (e) TWO AND ONE-HALF PER CENT OF THESE REMAINING MONIES SHALL BE
54 TRANSFERRED TO COMMUNITY COLLEGE AND PROVISIONAL COMMUNITY COLLEGE
55 DISTRICTS AND INDIAN TRIBAL POSTSECONDARY EDUCATIONAL INSTITUTIONS PURSUANT
56 TO THE FORMULA ESTABLISHED BY PARAGRAPH 2 OF THIS SUBSECTION.

1 (f) TWO AND ONE-HALF PER CENT OF THESE REMAINING MONIES SHALL BE
2 TRANSFERRED TO JOINT TECHNICAL EDUCATION DISTRICTS PURSUANT TO THE FORMULA
3 ESTABLISHED BY PARAGRAPH 3 OF THIS SUBSECTION.

4 (g) SEVEN AND ONE-HALF PER CENT OF THESE REMAINING MONIES SHALL BE
5 TRANSFERRED TO THE EDUCATION ACCOUNTABILITY AND IMPROVEMENT FUND
6 ESTABLISHED BY SECTION 15-982.

7 D. ALL MONIES TRANSFERRED PURSUANT TO THIS SECTION SHALL BE USED TO
8 SUPPLEMENT AND NOT SUPPLANT EXISTING AND FUTURE APPROPRIATIONS FOR THE
9 PURPOSES DESCRIBED IN THIS SECTION. MONIES TRANSFERRED PURSUANT TO THIS
10 SECTION ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS
11 OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS.

12 E. IF, IN ANY FISCAL YEAR, LESS THAN ONE BILLION DOLLARS IS COLLECTED
13 PURSUANT TO SECTION 42-5010, SUBSECTION H AND SECTION 42-5155, SUBSECTION E, THE
14 AMOUNTS DISTRIBUTED UNDER SUBSECTION B OF THIS SECTION SHALL BE
15 PROPORTIONATELY REDUCED.

16 F. NOTWITHSTANDING ANY OTHER LAW, MONIES COLLECTED PURSUANT TO
17 SECTION 42-5010, SUBSECTION H AND SECTION 42-5155, SUBSECTION E AND DISTRIBUTED
18 UNDER THIS SECTION ARE NOT SUBJECT TO ANY APPROPRIATION OR EXPENDITURE
19 LIMITATION UNLESS THE LIMITATION WAS ENACTED BEFORE JANUARY 1, 2012.

20 G. THE TAX BASE UNDER THIS TITLE SHALL NOT BE ADJUSTED IN ANY MANNER
21 THAT CAUSES A REDUCTION TO THE ANNUAL AMOUNT COLLECTED AND DISTRIBUTED
22 UNDER THIS SECTION TO BE LESS THAN THE AMOUNT THAT WAS COLLECTED AND
23 DISTRIBUTED IN THE PRIOR FISCAL YEAR INCREASED BY SIX PER CENT UNLESS THE
24 REDUCTION IN THE TAX BASE IS OFFSET BY A CORRESPONDING CHANGE IN THE TAX BASE
25 THAT EFFECTIVELY RESULTS EITHER IN NO CHANGE IN THE ANNUAL AMOUNT
26 COLLECTED OR AN INCREASE IN THE AMOUNT COLLECTED. ON WRITTEN REQUEST BY A
27 LEGISLATOR, THE DEPARTMENT SHALL PROVIDE AN ESTIMATE OF THE CHANGES OR
28 ADJUSTMENTS TO THE TAX BASE THAT IS CONTAINED IN PROPOSED LEGISLATION THAT IS
29 SCHEDULED FOR A COMMITTEE HEARING. THE DEPARTMENT SHALL ELECTRONICALLY
30 PROVIDE THE ESTIMATE TO ALL LEGISLATORS.

31 H. IF A COURT OF COMPETENT JURISDICTION FINALLY DETERMINES THAT TAX
32 MONIES DISTRIBUTED PURSUANT TO THIS SECTION WERE ILLEGALLY COLLECTED UNDER
33 THIS ARTICLE OR ARTICLES 5 AND 8 OF THIS CHAPTER AND ORDERS THE MONIES TO BE
34 REFUNDED TO THE TAXPAYER, THE DEPARTMENT SHALL COMPUTE THE AMOUNT OF SUCH
35 MONIES THAT WAS DISTRIBUTED TO EACH ENTITY OR FUND PURSUANT TO THIS SECTION.
36 THE DEPARTMENT SHALL NOTIFY THE STATE TREASURER OF THAT AMOUNT PLUS THE
37 PROPORTIONATE SHARE OF ADDITIONAL ALLOCATED COSTS REQUIRED TO BE PAID TO
38 THE TAXPAYER. EACH ENTITY'S OR FUND'S PROPORTIONATE SHARE OF THE COSTS SHALL
39 BE BASED ON THE AMOUNT OF THE ORIGINAL DISTRIBUTION THAT ENTITY OR FUND
40 RECEIVED PURSUANT TO THIS SECTION. EACH MONTH THE STATE TREASURER SHALL
41 REDUCE THE AMOUNT OTHERWISE DISTRIBUTABLE TO EACH ENTITY OR FUND BY ONE
42 THIRTY-SIXTH OF THE TOTAL AMOUNT TO BE RECOVERED FROM THAT ENTITY OR FUND
43 UNTIL THE TOTAL AMOUNT HAS BEEN RECOVERED, BUT THE MONTHLY REDUCTION FOR
44 ANY ENTITY OR FUND SHALL NOT EXCEED TEN PER CENT OF THE FULL MONTHLY
45 DISTRIBUTION TO THAT ENTITY OR FUND. THE REDUCTION SHALL BEGIN FOR THE FIRST
46 CALENDAR MONTH AFTER THE FINAL DISPOSITION OF THE CASE AND SHALL CONTINUE
47 UNTIL THE TOTAL AMOUNT, INCLUDING INTEREST AND COSTS, HAS BEEN RECOVERED.

48 I. A PERFORMANCE AUDIT OF THE MONIES DISTRIBUTED PURSUANT TO THIS
49 SECTION SHALL BE CONDUCTED EVERY FIVE YEARS. THE PERFORMANCE AUDIT SHALL BE
50 CONDUCTED BY AN INDEPENDENT, THIRD-PARTY AUDITOR AND NOT BY ANY STATE
51 AGENCY. THE PERFORMANCE AUDIT REQUIRED BY THIS SUBSECTION SHALL DETERMINE
52 THE AMOUNT OF MONIES DISTRIBUTED, THE PURPOSES FOR WHICH THOSE FUNDS WERE
53 USED, AND THE EFFECTS OR OUTCOMES OF THE EXPENDITURES MADE WITH THOSE
54 MONIES, INCLUDING ANY EFFECTS OR OUTCOMES ON THE PERFORMANCE MEASURES
55 REFERENCED IN THIS SECTION AND IN SECTION 15-982.

1 J. THE AUDIT REQUIRED BY PARAGRAPH I OF THIS SECTION SHALL BE PROCURED
2 AND FUNDED AS FOLLOWS:

3 (a) FOR ALL MONIES DISTRIBUTED TO SCHOOL DISTRICTS, CHARTER SCHOOLS, AND
4 JOINT TECHNICAL EDUCATION DISTRICTS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION
5 SHALL PROCURE THE AUDIT REQUIRED BY SUBSECTION I AND MAY USE THE MONIES
6 APPROPRIATED BY SUBSECTION B, PARAGRAPH 2 OF THIS SECTION TO PAY ANY COSTS OF
7 THE AUDIT.

8 (b) FOR ALL MONIES DISTRIBUTED TO THE STATE INFRASTRUCTURE FUND, THE
9 ARIZONA DEPARTMENT OF TRANSPORTATION SHALL PROCURE THE AUDIT REQUIRED BY
10 SUBSECTION I AND MAY USE THE MONIES APPROPRIATED BY THIS SECTION TO THE STATE
11 INFRASTRUCTURE FUND TO PAY ANY COSTS OF THE AUDIT.

12 (c) FOR ALL MONIES DISTRIBUTED TO THE UNIVERSITY SCHOLARSHIP, OPERATIONS
13 AND INFRASTRUCTURE FUND, THE ARIZONA BOARD OF REGENTS SHALL PROCURE THE
14 AUDIT REQUIRED BY SUBSECTION I AND MAY USE THE MONIES APPROPRIATED BY THIS
15 SECTION TO THE UNIVERSITY SCHOLARSHIP, OPERATIONS AND INFRASTRUCTURE FUND TO
16 PAY ANY COSTS OF THE AUDIT.

17 (d) FOR ALL MONIES DISTRIBUTED TO COMMUNITY COLLEGE AND PROVISIONAL
18 COMMUNITY COLLEGE DISTRICTS, THE DISTRICT RECEIVING THE FUNDS SHALL PROCURE
19 THE AUDIT REQUIRED BY SUBSECTION I AND MAY USE THE MONIES APPROPRIATED BY
20 THIS SECTION TO THE DISTRICT'S OR INSTITUTION'S WORKFORCE DEVELOPMENT
21 ACCOUNT TO PAY ANY COSTS OF THE AUDIT.

22 K. THE REQUIREMENTS OF SUBSECTION I DO NOT APPLY TO MONIES TRANSFERRED
23 PURSUANT TO THIS STATUTE TO THE CHILDREN'S HEALTH INSURANCE PROGRAM FUND, TO
24 THE FAMILY STABILITY AND SELF-SUFFICIENCY FUND, TO THE STATE GENERAL FUND, OR
25 TO INDIAN TRIBAL POSTSECONDARY EDUCATIONAL INSTITUTIONS.

26 Sec. 12. Section 42-5155, Arizona Revised Statutes, is amended to read:

27 42-5155. Levy of tax; tax rate; purchaser's liability

28 A. There is levied and imposed an excise tax on the storage, use or consumption in this state of
29 tangible personal property purchased from a retailer or utility business, as a percentage of the sales
30 price. A manufactured building purchased outside this state and set up in this state is subject to tax under
31 this section and in this case the RATE IS A percentage ~~is~~ OF sixty-five per cent of the sales price.

32 B. The tax imposed by this section applies to any purchaser which purchased tangible personal
33 property for resale but subsequently uses or consumes the property.

34 C. The tax rate shall equal the rate of tax prescribed by section 42-5010, subsection A as applied to
35 retailers and utility businesses according to the respective classification under articles 1 and 2 of this chapter
36 for the same type of transaction or business activity.

37 D. In addition to the rate prescribed by subsection C of this section, if approved by the qualified
38 electors voting at a statewide general election, an additional rate increment of six-tenths of one per cent is
39 imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this
40 subsection at the same time and in the same manner as under subsection C of this section. The department
41 shall separately account for the revenues collected with respect to the rate imposed pursuant to this
42 subsection, and the state treasurer shall pay all of those revenues in the manner prescribed by section
43 42-5029, subsection E.

44 E. IN ADDITION TO THE RATE PRESCRIBED BY SUBSECTION C OF THIS SECTION, IF
45 APPROVED BY THE QUALIFIED ELECTORS VOTING AT A STATEWIDE GENERAL ELECTION,
46 AN ADDITIONAL RATE INCREMENT OF ONE PER CENT IS IMPOSED AND SHALL BE
47 COLLECTED BEGINNING FROM AND AFTER MAY 31, 2013. THE TAXPAYER SHALL PAY TAXES
48 PURSUANT TO THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER
49 SUBSECTION C OF THIS SECTION. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR
50 THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS
51 SUBSECTION, AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE
52 MANNER PRESCRIBED BY SECTION 42-5029.02.

53 F. Every person storing, using or consuming in this state tangible personal property purchased
54 from a retailer or utility business is liable for the tax. The person's liability is not extinguished until the tax
55 has been paid to this state.

1 F. G. A receipt from a retailer or utility business that maintains a place of business in this state or
2 from a retailer or utility business that is authorized by the department to collect the tax, under such rules as
3 it may prescribe, and that is for the purposes of this article regarded as a retailer or utility business
4 maintaining a place of business in this state, given to the purchaser as provided in section 42-5161 is
5 sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

6 Sec. 13. Conforming legislation

7 A. The legislative council staff shall prepare proposed legislation conforming the Arizona Revised
8 Statutes to the provisions of this measure for consideration in the fifty-first legislature, second regular
9 session.

10 B. Notwithstanding subsection A of this section, the executive director of legislative council may
11 blend nonconflicting changes made by the legislature with the changes in the measure.

12 C. The legislature may make technical and conforming changes to any section of this measure,
13 subject to article IV, part 1, section 1, Constitution of Arizona.

14 Sec. 14. Initial performance audit

15 Notwithstanding section 42-5029.02, subsection I, as added by this initiative measure, the first
16 performance audit required by section 42-5029.02, subsection I shall be prepared by December 31, 2016 and
17 shall cover the period from the effective date of this initiative measure through the end of fiscal year 2015-
18 2016. Further audits shall be conducted every five subsequent years pursuant to section 42-5029.02,
19 subsection I, as added by this initiative measure.

20 Sec. 15. Severability

21 If a provision of this act or its application to any person or circumstance is held invalid, the
22 invalidity does not affect other provisions or applications of the act that can be given effect without the
23 invalid provision or application, and to this end the provisions of this act are severable.

24 Sec. 16. Short title

25 This measure shall be cited as the "Quality Education and Jobs Act".



KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA



RECEIPT

The Arizona Secretary of State has completed his duties in accordance with Arizona Revised Statutes § 19.121.01(A). **Quality Jobs and Education Supporting I-16-2012** has filed a total of **21,858** petition signature sheets containing **273,870** signatures to initiative number I-16-2012, which are eligible for verification. This receipt does not constitute an acknowledgement or determination by the Secretary of State that any of those signature sheets are in compliance with legal requirements for placing a measure on the November 6, 2012 General Election ballot. That determination can only be made after the Secretary of State and the County Recorders have performed their duties with respect to initiative petitions as required by law.

Dated this 23rd Day of July, 2012.

Mary C. Jontes on behalf of
KEN BENNETT
Secretary of State

Sheets Removed by the Secretary of State's Office During Processing of Petitions and Reasons for Removal

Reasons	Sheets	Signatures
Title and text were not attached (ARS §§ 19-112(B) & 19-121.01(A)(1)(a))	0	0
Attached text incomplete, missing or wrong initiative text (ARS § 19-112(B) & 19-121.01(A)(1)(a))	170	2,224
Petition Serial Number is missing (ARS § 19-121.01(A)(1)(c))	2	25
Affidavit of Circulator is incomplete or missing (ARS § 19-121.01(A)(1)(d))	54	715
Notary incomplete or missing or notary expired (ARS § 19-121.01(A)(1)(e))	19	222
Paid or Volunteer circulator not marked (ARS § 19-101(C) & (D))	7	93
Signatures obtained after notarization (ARS § 19-121(A)(1)(f))	200	2,521
Sheets removed per 19-121.01(A)(3)(f)	41	562
Whole sheet contained signatures that would have been removed by following ARS § 19-121.01(3)	30	130

TOTAL 523 6,492



KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA



August 15, 2012

The Honorable Jan Brewer
Office of the Governor
1700 West Washington Street
Phoenix, Arizona 85007

GOVERNORS OFFICE 8TH FLR
2012 AUG 15 P 2:11

Dear Governor Brewer:

You are hereby notified, pursuant to Arizona Revised Statutes § 19-121.04(B), that the initiative measure I-16-2012, Quality Education and Jobs, has met the signature requirements for placement on the November 6, 2012 General Election Ballot. The Proposition number assigned as provided in Arizona Revised Statutes, Title 19, section 19-125, is Proposition 204.

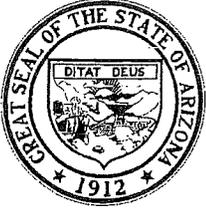
Enclosed are the final tabulation of the random sampling and a copy of the official receipt.

Sincerely,

A handwritten signature in cursive script that reads "Ken Bennett".

KEN BENNETT
Secretary of State

Enclosures



KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA



TO: Ann-Eve Pedersen
Quality Education and Jobs Supporting I-16-2012
802 North 3rd Avenue
Phoenix, Arizona 85003

Having completed the requirements of A.R.S. § 19-121.04, I, Ken Bennett, Secretary of State, hereby certify that:

523 signature pages bearing **6,492** signatures for initiative petition serial number **I-16-2012** have been refused for filing in this office because the person circulating them was a county recorder or justice of the peace at the time of circulating the petition or due to defects in the circulator's affidavit. A total of **7,337** signatures included on the remaining petition sheets were found to be ineligible. Of the total random sample of **13,694** signatures, a total of **3,658** signatures were invalidated by the county recorders resulting in a failure rate of **26.71** per cent. The actual number of remaining signatures for such initiative petition number **I-16-2012** are equal to or in excess of the minimum required by the constitution to place a measure on the general election ballot. The number of valid signatures filed with this petition, based on the random sample, appears to be at least one hundred per cent of the minimum required or through examination of each signature has been certified to be greater than the minimum required by the constitution.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at the Capitol in Phoenix, this 15th day of August, 2012.

A handwritten signature in cursive script that reads "Ken Bennett".

KEN BENNETT
Secretary of State

ARIZONA
 SECRETARY OF STATE'S OFFICE
 DETERMINATION OF VALID SIGNATURES
 INITIATIVE PETITION SERIAL NUMBER I-16-2012

	Sheets	Signatures
Committee purported	19,071	290,849

DETERMINATION OF RANDOM SAMPLE

Secretary of State counted	22,381	287,699
Secretary of State removed per A.R.S. § 19-121.01(A)(1)	523	6,492
Secretary of State removed per A.R.S. §§ 19-121.01(A)(2) & (3)		7,337
Total number of signatures eligible for verification		273,870
5% of the total number of signatures eligible for verification per A.R.S. § 19-121.01(B)		13,694

DETERMINATION OF INVALIDITY RATE

County removed per A.R.S. § 19-121.02		3,658
Divided by the number of signatures submitted to the counties for verification		13,694
INVALIDITY RATE		26.71%

DETERMINATION OF TOTAL VALID SIGNATURES

Total number of signatures eligible for verification		273,870
Less number of signatures removed by County		3,658
Subtotal of valid signatures		270,212
Multiplied by Invalidity Rate		26.71%
Total number of invalid signatures		72,174
TOTAL VALID SIGNATURES		198,038

DETERMINATION OF TOTAL PERCENTAGE OF VALID SIGNATURES

Total Valid Signatures		198,038
Divided by minimum signature requirement		172,809
TOTAL PERCENTAGE OF VALID SIGNATURES		114.60%

(Constitutional changes: 1,728,081 total votes cast for Governor at the November 2010 General Election x 15% = 259,213)

(Statutory changes: 1,728,081 total votes cast for Governor at the November 2010 General Election x 10% = 172,809)

(Referenda: 1,728,081 total votes cast for Governor at the November 2010 General Election x 5% = 86,405)

Ariz. Const. Art. IV, Part 1, §1