

PROPOSITION 204

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.

TEXT OF PROPOSED AMENDMENT

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.

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

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

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

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

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

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

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

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

3. TWENTY-FIVE PER CENT OF THE PERFORMANCE MEASUREMENTS SHALL BE BASED ON STUDENT ENGAGEMENT.
 C. BEGINNING IN FISCAL YEAR 2013-2014, MONIES DISTRIBUTED PURSUANT TO THIS SECTION MAY BE USED, IN THE DEPARTMENT'S DISCRETION, TO TRAIN TEACHERS AND FOR TECHNOLOGY NECESSARY TO IMPLEMENT THE 2010 ACADEMIC STANDARDS AND THE NEWLY ALIGNED STATEWIDE ASSESSMENTS.

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

15-1472. Community college district workforce development accounts: reports

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

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

1. Partnerships with businesses and educational institutions.
2. Additional faculty for improved and expanded classroom instruction and course offerings.
3. Technology, equipment and technology infrastructure for advanced teaching and learning in classrooms or laboratories.
4. Student services such as assessment, advisement and counseling for new and expanded job opportunities.
5. The purchase, lease or lease-purchase of real property, for new construction, remodeling or repair of buildings or facilities on real property AND ACQUIRING, REMODELING OR REPAIRING MOBILE TEACHING FACILITIES.

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

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

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

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

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

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

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

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

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

G. Each community college district or community college that is owned, operated or chartered by a qualifying Indian tribe on its own Indian reservation shall submit a report once every two years of its workforce development plan activities and the expenditures authorized in this section to the governor, president of the senate, speaker of the house of representatives, joint legislative budget committee and department of commerce by December 1 of every even-numbered year. The report shall include the purpose and goals for which the workforce development monies were expended by each district or community college together with a general accounting of the expenditures authorized in subsection B of this section. A copy of the final report shall also be provided to the secretary of state. For the purposes of this subsection, "qualifying Indian tribe" has the same meaning prescribed in section 42-5031.01.

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

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

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

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

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

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

28-5808. Vehicle license tax distribution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 6. Section 28-6533, Arizona Revised Statutes, is amended to read:

28-6533. Arizona highway user revenue fund

A. The officer collecting all highway user revenues, as defined in section 28-6501 and in article IX, section 14, Constitution of Arizona, and all fees, penalties and fines collected under sections 28-1101, 28-1103, 28-1105 and 28-1521 shall transfer the revenues to the department. After the deduction of all exemptions and refunds and after taking actions required under subsection C of this section, the department shall immediately deposit, pursuant to sections 35-146 and 35-147, the revenues in a fund designated as the Arizona highway user revenue fund.

B. The revenues in the Arizona highway user revenue fund shall only be spent for the purposes prescribed in article IX, section 14, Constitution of Arizona. Counties and incorporated cities and towns shall not spend highway user revenue fund monies distributed to them pursuant to this article for enforcement of traffic laws or administration of traffic safety programs. If the auditor general reports to the state treasurer after conducting a performance audit pursuant to section 41-1279.03, subsection A, paragraph 7 that a jurisdiction has not used revenues as required by this subsection, the state treasurer shall withhold the noncomplying jurisdiction's revenues until the noncomplying jurisdiction presents evidence that is satisfactory to the auditor general and that shows that the jurisdiction has spent monies for purposes prescribed in this subsection from another general revenue source equal to the amount of the revenues diverted from the uses prescribed in this subsection.

C. If there is any default, the department shall deduct all amounts required by law or any resolution authorizing the issuance of bonds of the board to be placed in the principal funds, interest funds, reserve funds or sinking funds or any other funds established to service bonds issued or to be issued by the board before the revenues are deposited in the Arizona highway user revenue fund.

D. NOTWITHSTANDING ANY OTHER LAW, MONIES IN THE ARIZONA HIGHWAY USER REVENUE FUND ARE NOT SUBJECT TO REVERSION, FUND SWEEP OR TRANSFER TO ANY OTHER FUND BY THE LEGISLATURE, BUT THE MONIES MAY BE USED TO FUND THE HIGHWAY PATROL DIVISION.

Sec. 7. Title 28, Arizona Revised Statutes, is amended by adding chapter 28, to read:

CHAPTER 28

STATE INFRASTRUCTURE FUNDING

ARTICLE 1. ADDITIONAL FUNDING FOR STATE INFRASTRUCTURE

28-9301. State infrastructure fund

A. THE STATE INFRASTRUCTURE FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS, FEDERAL MONIES, PRIVATE GRANTS, GIFTS, CONTRIBUTIONS, DEVISES AND MONIES DEPOSITED IN THE FUND PURSUANT TO SECTION 42-5029.02. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR THE PURPOSES PRESCRIBED IN THIS SECTION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

B. THE DIRECTOR SHALL ADMINISTER THE FUND AND, WITH THE APPROVAL OF THE TRANSPORTATION BOARD, SHALL USE AND DISTRIBUTE THE MONIES IN THE FUND SOLELY FOR THE PURPOSES SET FORTH IN THIS SECTION. NOTWITHSTANDING ANY OTHER LAW, MONIES HELD IN THE FUND AND ANY INTEREST THAT IS CREDITED TO THE FUND SHALL NOT BE SUBJECT TO REVERSION, FUND SWEEP OR TRANSFER BY THE LEGISLATURE. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED IN SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

C. FUND MONIES MAY BE USED FOR ANY OF THE FOLLOWING:

1. THE COSTS ASSOCIATED WITH THE PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, IMPROVING, FINANCING OR MAINTAINING OF THE FOLLOWING:

- (a) STATE HIGHWAYS, REST STOPS, STATE ROUTES AND INTERSTATE HIGHWAYS.
- (b) STREETS, BRIDGES, ROADWAYS AND PARKING FACILITIES, INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS, EGRESS AND PARKING.
- (c) PUBLIC TRANSPORTATION AND PASSENGER RAIL SYSTEMS.
- (d) AREAS FOR PEDESTRIAN, BICYCLE OR OTHER NONMOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING.
- (e) LANDSCAPING FOR STREETS OR HIGHWAYS, INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS.
- (f) BUILDINGS AND FACILITIES.
- (g) LIGHTING SYSTEMS, COMMUNICATIONS FACILITIES, ENERGY CONSERVATION SYSTEMS AND OTHER SYSTEMS THAT ENHANCE PUBLIC SAFETY.
- (h) TRAFFIC CONTROL SYSTEMS AND DEVICES, INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE.
- (i) LAND CLEARANCE ACTIVITIES, DEMOLITION OF PUBLIC AND PRIVATE BUILDINGS AND FACILITIES AND ENVIRONMENTAL REMEDIATION.
- (j) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONNEL RELATED TO THE ITEMS LISTED IN THIS PARAGRAPH.

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

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

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

5. TO FUND ENVIRONMENTALLY SENSITIVE DESIGNS.

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

7. TO PAY THE PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER FINANCIAL OBLIGATIONS FOR TRANSPORTATION PROJECTS, INCLUDING COSTS OF ISSUANCE.

28-9302. Additional bonding authority

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

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

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

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

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

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

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

2. Tobacco tax and state general fund monies appropriated as state matching monies.
3. Gifts, donations and grants from any source.
4. Interest paid on monies deposited in the fund.
5. ~~Third party~~ THIRD-PARTY liability recoveries.
6. MONIES DISTRIBUTED PURSUANT TO SECTION 42-5029.02.
- D. If a gift, a donation or a grant of over ten thousand dollars received from any private source contains a condition, the administration shall first meet with the joint legislative study committee on the integration of health care services to review the condition before it spends that gift, donation or grant.
- E. All monies in the fund other than monies appropriated by this state do not lapse.
- F. Monies appropriated from the medically needy account of the tobacco tax and health care fund are exempt from section 35-190 relating to lapsing of appropriations. Notwithstanding section 35-191, subsection B, the period for administrative adjustments extends for only six months for appropriations made for administration covered services.
- G. Notwithstanding sections 35-190 and 35-191, all approved claims for system covered services presented after the end of the fiscal year in which they were incurred shall be paid either in accordance with this section or in the current fiscal year with the monies available in the funds established by this section.
- H. Claims for covered services that are determined to be valid by the director and the grievance and appeal procedure shall be paid from the children's health insurance program fund.
- I. All payments for claims from the children's health insurance program fund shall be accounted for by the administration by the fiscal year in which the claims were incurred, regardless of the fiscal year in which the payments were made.
- J. Notwithstanding any other law, county owned or contracted providers and special health care district owned or contracted providers are subject to all claims processing and payment requirements or limitations of this chapter that are applicable to noncounty providers.

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

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

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

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

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

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

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

42-5010. Rates; distribution base

- A. The tax imposed by this article is levied and shall be collected at the following rates:
1. Five per cent of the tax base as computed for the business of every person engaging or continuing in this state in the following business classifications described in article 2 of this chapter:
 - (a) Transporting classification.
 - (b) Utilities classification.
 - (c) Telecommunications classification.
 - (d) Pipeline classification.
 - (e) Private car line classification.
 - (f) Publication classification.
 - (g) Job printing classification.
 - (h) Prime contracting classification.
 - (i) Owner builder sales classification.
 - (j) Amusement classification.
 - (k) Restaurant classification.
 - (l) Personal property rental classification.
 - (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. Any increase in the rate of tax that is levied by this article or article 2 of this chapter enacted by the legislature or by a vote of the people does not apply for a period of one hundred twenty days from the date of the tax rate increase to the gross proceeds of sales or gross income from the business of the taxpayer with respect to written contracts entered into before the effective date of the tax rate increase unless the taxpayer has entered into a contract that contains a provision that entitles the taxpayer to recover from the purchaser the amount of the additional tax levied.

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

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

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

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

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

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

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

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

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

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

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

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

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

6. AFTER TRANSFERRING MONIES PURSUANT TO PARAGRAPHS 1 THROUGH 5 OF THIS SUBSECTION, ONE HUNDRED MILLION DOLLARS IS APPROPRIATED EACH FISCAL YEAR, TO BE PAID IN MONTHLY INSTALLMENTS, TO THE FAMILY STABILITY AND SELF-SUFFICIENCY FUND ESTABLISHED BY SECTION 41-113.

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

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

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

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

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

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

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

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

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

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

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

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

(b) ONE THIRD OF ANY REMAINING MONIES SHALL BE TRANSFERRED TO THE STATE INFRASTRUCTURE FUND ESTABLISHED BY SECTION 28-9301, EXCEPT THAT THE TOTAL TRANSFERS MADE PURSUANT TO THIS PARAGRAPH AND PARAGRAPH 6 OF THIS SUBSECTION SHALL NOT EXCEED ONE HUNDRED MILLION DOLLARS IN ANY FISCAL YEAR, UNLESS AN

ADDITIONAL AMOUNT IS AVAILABLE AND TRANSFERRED PURSUANT TO PARAGRAPH 8, SUBDIVISION (c) OF THIS SUBSECTION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. In addition to the rate prescribed by subsection C of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment of six-tenths of one per cent 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 C of this section. The department shall separately account for the revenues collected with respect to the rate imposed pursuant to this subsection, and the state treasurer shall pay all of those revenues in the manner prescribed by section 42-5029, subsection E.

E. IN ADDITION TO THE RATE PRESCRIBED BY SUBSECTION C OF THIS SECTION, IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A STATEWIDE GENERAL ELECTION, AN ADDITIONAL RATE INCREMENT OF ONE PER CENT 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 C OF THIS SECTION. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SUBSECTION, AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5029.02.

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

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

Sec. 13. Conforming legislation

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

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

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

Sec. 14. Initial performance audit

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

Sec. 15. Severability

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

Sec. 16. Short title

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

ANALYSIS BY LEGISLATIVE COUNCIL

The temporary state sales tax rate of 6.6 percent enacted on May 28, 2010 expires on May 31, 2013, resulting in a decrease of the sales tax rate to 5.6 percent. Proposition 204 would permanently increase the state sales tax rate by one cent per dollar beginning June 1, 2013, to a rate of 6.6 percent. The proposition anticipates the tax increase to generate at least one billion dollars. The monies collected from the tax increase would be used for educational programs, public transportation infrastructure projects and human services programs as summarized below. Proposition 204 also would require the Legislature to annually increase specific components of the school finance formula. In addition, Proposition 204 would provide that the specified funding levels for the state's kindergarten-through-twelfth-grade and state university systems cannot be reduced below the levels for fiscal year 2011-2012 or 2012-2013, whichever is greater, that limits on school district bonds and overrides cannot be below those in effect for 2012, that vehicle license tax and related highway user revenues cannot be diverted for any other purpose and that the sales tax base applicable to the proposed one cent sales tax increase cannot be adjusted in a way that causes the amount of sales tax collected to be less than the amount collected in the prior year, plus six per cent, unless there is a corresponding change in the tax base that results in no reduction in the amount of sales tax collected. The Legislature would not have the ability to adjust the new tax increase disbursements under any circumstances.

Proposition 204 would annually distribute the first one billion dollars of additional sales tax as follows, or, if one billion dollars is not collected, the money would be proportionally distributed as follows:

1. Five hundred million dollars into the "quality education and performance fund", to be used to assist school districts and charter schools to comply with assessment and accountability requirements, including improvement plans for failing schools, to provide teacher and principal evaluation systems based in part on student achievement, to improve pupil reading proficiency by the end of third grade and to implement a system of testing and awarding Grand Canyon diplomas to high school students who demonstrate readiness for college level math and English.

2. Ten million dollars into the "education learning and accountability fund", to be used by the state Department of Education to maintain a system for compiling longitudinal student level data and school finance data to meet state and federal reporting requirements.

3. Ninety million dollars into the "education accountability and improvement fund" to provide performance funding to school districts and charter schools based on performance measures to be adopted by the State Board of Education relating to academic

progress, parental satisfaction and student engagement, to provide teacher training and for technology necessary to implement state-wide academic standards and assessments. Monies in this fund that remain unspent for three consecutive years would be transferred to the School Facilities Board, first to pay down existing school construction debt and then to fund construction or repair of school buildings.

4. One hundred million dollars into the "state infrastructure fund", to be used by the state Department of Transportation for costs associated with a variety of transportation infrastructure projects, the acceleration of highway improvement projects, for public-private partnerships relating to transportation projects, to fund environmentally sensitive designs and to fund transportation-related wildlife improvement projects and pay for bonding and other finance costs related to transportation projects.

5. Twenty-five million dollars into the "children's health insurance program fund", to be used for costs associated with the current publicly funded health care program for children under nineteen years of age whose household income is at or below two hundred per cent of the federal poverty level.

6. One hundred million dollars into the "family stability and self-sufficiency fund", to be distributed by the Governor's office to state agencies and private nonprofit entities as a match for federal funds for programs that provide for the basic needs of children, families and vulnerable adults whose household income is below two hundred per cent of the federal poverty level.

7. Fifty million dollars into the "university scholarship, operations and infrastructure fund", to be distributed according to rules adopted by the Board of Regents. Between fifty and sixty per cent of the fund monies must be used to provide university scholarships to resident students based on financial need or academic achievement, and the remaining fund monies would be allocated to the three state universities for operating and infrastructure expenses based on performance in meeting goals set by the Board of Regents.

8. Up to one hundred twenty-five million dollars to the state general fund to fund the required inflationary adjustment for the kindergarten-through-twelfth-grade school system.

Proposition 204 would annually distribute the amount of additional sales tax over one billion dollars as follows:

1. Thirty-three per cent to school districts and charter schools, based on the proportion of students participating in the federal free or reduced lunch program, to improve student achievement for those participating students and to provide voluntary preschool programs.

2. Twenty-two and one-half per cent to community college districts, provisional community college districts and Indian tribal postsecondary institutions to support scholarship and career and technical training programs.

3. Nine per cent to joint technical education districts to support career and vocational training.

4. Two per cent to the state Department of Education to fund adult education programs.

5. Twenty-two and one-half per cent to the "university scholarship, operations and infrastructure fund".

6. Eleven per cent to the "state infrastructure fund".

Proposition 204 would also require that an independent third-party audit of fund distributions be conducted every five years for all distributions, except there is no state audit required for the children's health insurance program fund, the family stability and self-sufficiency fund, the state general fund and to Indian tribal postsecondary educational institutions.

ANALYSIS BY THE JOINT LEGISLATIVE BUDGET COMMITTEE

State law requires the Joint Legislative Budget Committee Staff to prepare a summary of the fiscal impact of certain ballot measures. Proposition 204 would enact a 1 cent per dollar transaction privilege and use tax ("sales tax") and allocate those monies to specified programs.

The 1 cent tax is projected to generate \$971 million in revenue in its first year. Of that amount, \$753 million would be distributed to education, \$97 million to transportation and \$121 million to human service programs.

The proposition would also have the following fiscal impacts:

1) Specified funding levels for the state's kindergarten through 12th grade and state university systems cannot be reduced below the levels for fiscal year 2011-2012 or 2012-2013, whichever is greater.

2) Specific components of the K-12 school finance formula would be annually adjusted for inflation. This increase would initially be paid from the 1 cent sales tax. Given the proposition's allocation formula, the 1 cent sales tax is projected to fully cover the cost of the cumulative increases through approximately 2018 and partially cover the cumulative cost after that time.

3) The limits on school district bonds and overrides cannot be below those in effect for 2012.

4) Vehicle license tax and related highway user revenues cannot be transferred to any other fund. Highway user revenues may continue to fund the Department of Public Safety's Highway Patrol.

5) The sales tax base cannot be adjusted in a way that causes the amount of sales tax collected to be less than the amount collected in the prior year, plus six per cent, unless there is a corresponding change in the tax base that results in no reduction in the amount of sales tax collected.

ARGUMENTS "FOR" PROPOSITION 204

PROP. 204: MAKE QUALITY EDUCATION AND JOBS A REALITY

Rarely do Arizonans have the opportunity — with a single vote — to create a better future for our state's 1 million schoolchildren, improve the state's economy and redirect Arizona down a more positive path.

The Quality Education and Jobs citizens' initiative allows Arizonans to exercise our Constitutional right to determine exactly how we want our own tax dollars spent.

Special-interest lobbyists and anti-education politicians fear this type of direct democracy. They worked hard to try to keep this initiative off the ballot. They would rather dole out favors with your tax dollars than actually fund core state needs, such as education.

The Quality Education and Jobs initiative prevents legislators from using the one-cent sales tax renewal as they wish. Legislators' hands will be tied – by you, the Arizona taxpayers. Every dollar must be spent as you designate, with 80 percent of the funding benefiting education across the spectrum: K-12, vocational education, community colleges, universities and GED programs. To protect your investment, the Legislature will be prohibited from cutting K-12 funding.

Arizona must invest in education, not only to protect schoolchildren but to protect the state's economy. When companies decide to relocate or remain in Arizona, they base that decision on whether Arizona has a highly skilled, well-educated workforce.

By failing to invest in education, anti-education politicians have put a "Closed For Business" sign in front of our state, robbing us all of the opportunity for prosperity.

In Arizona's 100th year, we have the opportunity to exercise the rights given to us by our state's founders.

Let's exercise that constitutional right of direct democracy to benefit Arizona's children, Arizona's economy and Arizona's future.

VOTE YES FOR PROP. 204.

Ann-Eve Pedersen, Chair, Quality Education and Jobs Committee, Phoenix

Paid for by Quality Education and Jobs Committee

Argument "FOR" the Quality Education and Jobs Initiative

The Arizona Child Care Association encourages Arizonans to vote "YES" on the Quality Education and Jobs ballot initiative. The initiative extends the current one-cent sales tax previously approved by voters and establishes a long term, stable, and protected, revenue source with 80% of the funds dedicated to education.

Quality Education and Jobs also funds children's health and allows a portion of the critical basic needs services that have been cut to be restored. A Family Stability and Self Sufficiency Fund will support essential services for low income families including preventing hunger, homelessness, and domestic violence, and providing child care.

Children must be safe and stable to learn and succeed in school. Spells of unemployment, missed rent payments, utility shutoffs, food insecurity, unstable or unsafe child care arrangements, and inadequate access to health care create hardship and a home environment detrimental to children's success in school. Research has consistently shown that ongoing exposure to economic stress and hardship harms children and puts them at risk of school failure. Investment in families suffering economic hardship has big payoffs for kids' academic achievement.

Education does not exist in a vacuum; for education to succeed, children and families must have enough food to eat, a stable and safe roof over their heads, and they must be healthy and free from harm. Such investments are smart for kids and good for Arizona.

As private businesses, non-profits, and faith based organizations that provide early care and education throughout Arizona, we understand the value of investments in our children and the dividends they pay for society. We urge all Arizonans to vote YES on Quality Education and Jobs. Let's keep a current revenue source and dedicate it for children, education, and our future.

**Bruce Liggett, Executive Director,
Arizona Child Care Association, Phoenix**

Paid for by Arizona Child Care Association

**James Emch, President, Arizona Child
Care Association, Phoenix**

**Don DeWitt, Secretary, Arizona Child
Care Association, Phoenix**

The backbone of Arizona's economic health is a strong education system. As the CEOs of some of Arizona's largest employers, we know that the quality of education affects our ability to keep and recruit excellent employees, as well as recruit new companies with good-paying jobs. We depend on our state's educators to graduate students with the skills necessary to succeed in our rapidly changing job market so that Arizona remains competitive nationally and internationally. The Quality Education and Jobs initiative provides the investment in education that Arizona needs to thrive economically.

The initiative directs dollars to help teachers and students succeed as Arizona schools implement a series of reforms and accountability measures over the next two years. Arizona is one of 45 states that have adopted a new, more rigorous curriculum called the Common Core and a new test tied to the new standards that will replace AIMS. In addition, teachers and principals will have one-third to one-half of their evaluations tied directly to how well their students perform. Schools and districts will receive new A-F rankings that require them to move up their lowest performers or risk receiving a bad grade. And third-grade students must be reading at grade level or be held back a grade.

We are raising the bar for our educators and students and we must invest in education at this critical time to ensure that our teachers in the classroom have the resources they need to help our state's 1 million schoolchildren succeed.

The initiative also guarantees state investment in Arizona's transportation infrastructure, which also is critical to Arizona's economic health. Arizona must have safe and efficient highways, roads and transit for Arizona to keep the job-creating businesses it has and recruit new ones to the state.

Greater Phoenix Leadership Board of Directors
**J. Doug Pruitt, Chairman of the Board, Greater Phoenix
Leadership, Phoenix**

Paid for by Greater Phoenix Leadership

**Thomas R. Franz, President & CEO, Greater Phoenix
Leadership, Phoenix**

The League of Women Voters of Arizona stands for quality education for all students in our public education system. We believe this can only be carried out through adequate funding. The passage of the "Quality Education and Jobs Initiative" will be a major step forward in carrying out this goal.

The initiative will continue the one-cent sales tax for education that was passed by 64.3% of the voters in 2010. While the League opposes a sales tax because it is the most volatile and regressive way to generate funding for education, under Arizona's present tax structure it is the only option.

The best feature of this initiative is that it directs how this tax will be spent. With the potential of an additional one billion dollars, it will provide a minimum funding level that cannot be reduced by the legislature. Funding will be available to support teachers in car-

rying out more rigorous education standards. An accountability structure will be implemented and an improved communication system (through a statewide database) will be available for teachers and parents.

By restoring funding for KidsCare, it ensures children of lower-income families will be healthy and ready to learn.

In addition, there will be funding for students to implement and continue their career and technical education through scholarships and increased funding for universities, community colleges and Joint Technical Education Districts (JTEDs).

The funding for roads and transportation projects addresses the need for the availability of jobs for students when they graduate.

This initiative is a very ambitious effort to correct the funding cuts imposed by the Legislature upon the states' population. It isn't a cure-all, but it is a positive and necessary step in the right direction.

The League of Women Voters URGES you to vote YES for Education and Jobs.

Barbara Klein, President, League of Women Voters of Arizona, Scottsdale

Robyn Prud'homme-Bauer, 1st Vice President, League of Women Voters of Arizona, Clarkdale

Marion Pickens, Education Director, Tucson

Paid for by League of Women Voters of Arizona

The Southern Arizona Leadership Council (SALC) enthusiastically endorses the Quality Education and Jobs Initiative, Proposition 204, on this year's general election ballot.

In 2010, SALC urged voters to make a choice between continuing funding education or allowing Draconian budget cuts to take place. As a State, we came together to approve Proposition 100, agreeing to a temporary one cent sales tax increase. That sales tax is set to expire in the coming year, and now is the time for us to make a more permanent commitment to education funding and to improve upon how that funding is spent.

Increasingly, Arizona finds itself competing on not just a national level, but on a global level as well. In order for us to be able to meet the challenges of this new century, we must commit the necessary resources toward making sure our children are well educated and ready for success in the new American economy.

Similarly, our infrastructure is the backbone upon which our State's commerce depends. To meet the demands of the coming century and to remain an international hub for trade and ideas, our streets and highways must be maintained and improved. Proposition 204 will protect the funds needed to do this.

Voting YES for Proposition 204 will send a message that we, as Arizonans, say YES to a better future for all Arizonans. In fact, a YES vote may be the best investment we can make in the economic future of this state.

In 2010, Arizonans sent a message that we take seriously the growth and direction our state's economy. Now, we urge the people of Arizona to renew and extend that support by passing Proposition 204.

Michael Hammond, Board Chair, Southern Arizona Leadership Council, Tucson

Ronald Shoopman, President, Southern Arizona Leadership Council, Tucson

Paid for by Southern Arizona Leadership Council

Submitted by: Alliance of Arizona Nonprofits
Statement:

The Alliance of Arizona Nonprofits supports the Quality & Education Jobs Initiative as a critical step to ensure the continuation of services that our communities rely upon. The funding for education, health and human services programs embedded in this Initiative are important sources of support for many nonprofit organizations in our communities. Without these funding sources, many nonprofits would be unable to sustain their work, leaving residents without critical services. The individuals, foundations and businesses which also support these programs cannot possibly raise their levels of contributions adequately to cover these lost public resources. Therefore, passage of the Quality & Education Jobs Initiative would renew the voters' commitment to these programs and ensure that our communities are well served.

Rhonda Bannard, Chair, Board of Trustees, Alliance of Arizona Nonprofits, Phoenix

Pam Gaber, Treasurer, Alliance of Arizona Nonprofits, Phoenix

Paid for by Alliance of Arizona Nonprofits

Contractors Support Proposition 204

Since the peak of construction in 2006, the construction industry has lost over 100,000 jobs. State, county and city infrastructure budgets have been severely cut because politicians fail to recognize the need and importance of investing in infrastructure. In fact, they have raided over \$1.5 billion from highway funds to balance the state general fund. Proposition 204 will help Arizona's ailing economy by investing much needed revenue into an already neglected freeway, street and public transit system and will make it illegal for the legislature to raid your transportation funding. Over 28,000 jobs are created by investing \$1 billion in public infrastructure. Public infrastructure also improves our quality of life by improving air quality and reducing congestion. For the first time, the Arizona Department of Transportation will be given the authority to invest in a comprehensive multi-modal statewide plan that will include light rail, heavy rail and other transportation modes.

Proposition 204 is a smart solution to re-invigorating our economy. Many industries understand the link between quality education and a reliable transportation system. Both attract business to our state. Whether it's the company relocating to Arizona looking at our transportation system or their employees interested in ensuring their children receive a quality education, they know what's important to them. Proposition 204 brings both of these important components together in one initiative. An initiative supported by more than 290,000 signatures from citizens like you.

As an organization that has been a part of Arizona since 1934, the Arizona Chapter Associated General Contractors encourages you to vote yes on Proposition 204.

David M. Martin, President, Arizona Chapter Associated General Contractors, Phoenix

Amanda McGennis, Sr. Vice President, Arizona Chapter Associated General Contractors, Phoenix

Paid for by Arizona Chapter Associated General Contractors

Prop 204 Supports Quality Education in Arizona

Arizona is a leader in implementing school reform measures aimed at boosting student achievement; however, our legislature hasn't provided the financial resources needed to achieve the desired results. Prop. 204 fixes this problem by creating a stable, dedicated revenue source for education that will help create highly educated and skilled students. That's why voters and the Friends of the Arizona School Boards Association strongly support Proposition 204.

Since 2010, Arizona has made massive changes to our public education system: creating significant improvements in how we hold schools and districts accountable; using data as a key component in how teachers and principals are evaluated; and ensuring

every 3rd grader is reading at grade level before being promoted. Many of these changes were modeled after successful reforms occurring in the state of Florida. But where Florida provided resources to ensure successful implementation of the reforms, Arizona has not. Prop 204 fixes this fundamental flaw.

At the same time, Arizona has been grappling with poor economic times. For K-12 education, this has meant nearly one-fifth of funding cut from our public schools in the past four years – the second biggest cut in education funding among all the states. Rather than investing in Arizona’s and our students’ future, our legislature created mandates without, the resources to ensure they are successful.

Prop. 204 is an investment in our children’s future, as well as in the future of Arizona. We simply cannot wait to make the needed investments in education while our children hang in the balance. The time to invest is now.

Please vote **YES ON 204** and invest in quality education and jobs in Arizona.

Dee Navarro, President, Friends of the Arizona School Boards Association, Phoenix

Dr. Tim Ogle, Executive Director, Friends of the Arizona School Boards Association, Phoenix

Paid for by Friends of the Arizona School Boards Association, Inc.

Proposition 204 is Vital to Our Future

Sundt Construction, the 45th largest construction company in America and now in its 122nd year of operation, supports Proposition 204 and encourages Arizona voters to back this measure.

As employers in Arizona, we look ahead a year, or two or 10, and worry about several things that will affect us and everyone in the state.

- We compete against companies from other states and in foreign countries, and we don’t know where well-educated, well-qualified workers will come from to combat us in that competition.
- We are the fastest growing state in the nation, but our transportation infrastructure is not keeping up with our growth.
- Our state lawmakers are unable or unwilling to think long term and commit our tax dollars to education and infrastructure.

Proposition 204 would address all of those concerns:

- It requires that taxes already being collected will go where the voters want them – in education and infrastructure investments.
- It invests in vocational and GED programs and all public schools, including charter schools.
- It holds student, teachers, schools and school districts accountable for progress.
- It creates a state infrastructure fund to help build road, rail and transit projects in all our communities.
- It prevents the state legislature from cutting school funding and transportation investments in the future.

While we do not favor raising taxes, this initiative merely continues an existing one-cent tax; but, more importantly, it dedicates the funds raised to two critical state needs:

- Improving our schools so our children will be able to compete for jobs in a global economy.
- Ensuring that Highway User Revenue Fund (HURF) money actually pays for repairing and building roads and other transportation projects.

David S. Crawford, President & CEO, Sundt Construction, Inc., Tempe

R. Randall Nye, Sr. VP & General Counsel, Sundt Construction, Inc., Tempe

Paid for by Sundt Construction, Inc.

Our experience in public education totals more than 60 years. During our careers, we watched a continuous eroding of funding for Arizona’s public schools, and specifically, the Paradise Valley School District in which we were employed. The decline in financing Arizona’s public schools, other than for two short lived increases, has been continuous since 1985. Exacerbated by our recent depression, the Arizona Legislature has continuously chosen lowering taxes rather than maintaining or improving our education system. Nationally, as a result, Arizona now ranks dead last in per pupil expenditure for K-12 Education. It is now time for the citizens of Arizona to use their constitutional right of initiative to wrestle financial control from a Legislature that places lower taxes ahead of educating Arizona’s children.

The Quality Education and Jobs Initiative is designed to set a guaranteed baseline for funding Arizona’s schools. Without an educated populace, our state will no longer be able to attract 21st century high tech businesses. Incomes and tax revenues will decline and our state, which is already one of the poorest in America, will decline even further.

The Quality Education and Jobs Initiative will require the state to spend funds on specific areas as listed in the Initiative: education, infrastructure, children’s health care and public safety. The funding cannot be supplanted by the Arizona Legislature as they have done with previous legislation created by them. A Department of Education Accountability database will be created to track student and teacher performance.

The Quality Education and Jobs Initiative is not a panacea. It will not solve all of Arizona’s education problems. However, it will be a strong beginning to place us back on the proper track for success.

Laurence R. Wittig, Phoenix

Connie P. Wittig, Phoenix

The Quality Education and Jobs Initiative is projected to generate as much as \$1billion in sales tax revenue in its first year (2013-14), with revenue rising to nearly \$ 2 billion by 2024-25.

The first \$1 billion per year in tax revenue will be distributed monthly, split proportionately between K-12 schools, universities, and funds for children's health insurance, family stability, and infrastructure and will begin flowing to these recipients as soon as the measure takes effect. Tax revenue over the first \$1 billion per year will be distributed to K-12 schools, community colleges, technical schools, adult education programs, state universities, and infrastructure through a formula that splits the revenue among these recipients as it becomes available. The Legislature will not be able to change the way the revenues are distributed or take the revenues and use them to offset its own obligations or special projects - the money will automatically flow to schools, families, and communities without Legislative interference or permission.

All of this revenue is available simply by renewing an existing sales tax at the same rate - one cent per dollar that was approved by the voters in 2010 to fund education and health programs. Without a yes vote on the Quality Education and Jobs Initiative, the tax approved in 2010 will expire on May 31, 2013 and this revenue will be lost to our schools and communities.

George Cunningham, Treasurer, Quality Education and Jobs, Former Governor's Deputy Chief of Staff for Finance and Budget, Tucson

Paid for by Quality Education and Jobs Committee

It is time for Arizonans to come together to support Quality Education and Jobs by voting YES on Proposition 204. As a former member of the Arizona Board of Regents, I have seen Arizona education go through tough times due to economic conditions, this

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

however is unlike anything I have ever witnessed. The deep cuts made over the past three years have left us with an education system that has been continually defunded.

When we came together in 2010 to pass the one-cent sales tax, we were promised by the governor that the money would go towards education to prevent losing any funding for schools during the recession. What actually happened, we now see, has been sadly different. Now it is time for Arizonans to come to the polls again, this time with a VOTER crafted initiative, that will protect the revenue coming in so that it will be spent making up for the disastrous cuts the legislature has pursued. If we allow the one cent sales tax to expire, the situation will get even worse for our schools, our infrastructure, and public safety. Arizona stands at a turning point now, where we can prevent hurdling off a fiscal cliff, or set ourselves back on track to keep Arizona a great place to work, live, and raise a family.

I know that Arizona voters support education. Now we just need to make the legislature recognize that we do. Please vote YES on Proposition 204.

Tio Tachias, Phoenix

Paid for by Quality Education and Jobs Committee

PROP. 204: MAKE CHILDREN THE WINNERS

As parents with young children, we see up close the effects of the Legislature's four consecutive years of devastating cuts to public education.

- Ballooning class sizes.
- All-day Kindergarten – defunded.
- Promising teachers fired.
- Schools closed.
- No money for basics, like paper, pens, pencils, paper towels, etc.
- P.E., the arts, librarians, counselors – eliminated

Any Arizona politician who tells you they have invested adequately in education is not being truthful. Instead, Arizona led the nation in cuts to education at 24 percent, despite being one of the lowest per-pupil funded states in the country.

Rather than give up, we had to find a positive solution outside the state Capitol – where special-interest lobbyists and their political-allies clearly are not looking out for the state's 1 million schoolchildren or our economy.

That's why our parent-led, non-partisan organization, the Arizona Education Parent Network, decided to spearhead the Prop. 204 citizens' initiative to provide permanent revenue for education that the Legislature can't cut.

Anti-education lobbyists and politicians squawk at the thought of Arizonans actually determining how their tax-dollars are spent. But Arizona's constitution gives citizens the right to direct democracy through the initiative process when our elected officials are failing us.

Education and the economy are Arizonans' top concerns and Prop. 204 gives us a chance to boost both.

Since immersing ourselves in this effort, we have witnessed the underbelly of the state's political system. The anti-education, special-interest lobbyists and politicians will stop at nothing to thwart this citizen-led grassroots movement, which threatens their power.

If you hear something negative about Prop. 204, consider the source. Then consider who's paying the source. Guaranteed it is someone who stands to win by making children the losers.

**DON'T LET SPECIAL-INTEREST GROUPS WIN.
MAKE CHILDREN THE WINNERS.
VOTE YES ON PROP. 204**

Jenifer Darland, Vice-president, Arizona Education Parent Network, Tucson

Paid for by Arizona Education Network

Lisa Ferko, Vice-president, Arizona Education Parent Network, Oro Valley

Vote yes on Prop 204.

The Arizona Students' Association (ASA), which represents the 130,000 Arizona public university students, supports Proposition 204. Costs to attend one of Arizona's once-affordable universities have skyrocketed because of budget cuts. Arizona saw the largest tuition increases in the nation in recent years, only overshadowed by California. Proposition 204 is a common sense solution that will ensure more Arizona students have the opportunity to earn a college education.

As it stands now, state-based financial aid only accounts for one percent of the total aid awarded to students, which means students disproportionately turn to student loans. It is not uncommon for students to leave school with \$25,000, \$50,000 or even \$100,000 in student loan debt. Such debt burdens mean students will have to delay major life decision like buying a house or a car, which negatively affects the Arizona economy as a whole.

Arizona must invest in higher education to secure the state's climb back to economic health. We can't afford to keep cutting programs like the AIMS scholarship. Arizona needs more highly educated graduates to work the jobs of the future. Education fuels economic growth, but Arizona's lack of investment in higher education may mean that we will fall short.

Prop. 204 brings something monumental – \$150 million worth of financial aid that goes directly to students. This means students will finally get the resources they need to earn a higher education without crushing student debt.

Too many Arizonans have shied away from a college education because of cost. Too many students suffer from student debt they will struggle to pay off for the rest of their lives. Arizona can't afford to have a public university system that's out of reach to so many. Join us in voting yes on Prop. 204.

Danielle Bryant, Secretary, The Arizona Students' Association, Phoenix

Paid for by Arizona Students' Association

Robyn Nebrich, Executive Director, The Arizona Students' Association, Glendale

I encourage you to join me and other concerned Arizonans in voting yes on Proposition 204. Chicanos Por La Causa (CPLC) is a statewide community development organization committed to building stronger, healthier communities across the state of Arizona. Our programs and experience have been recognized nationally to help develop strong social and economic development programs.

We witness on a daily basis how this current economy continues to impact so many Arizona families. The economic downturn has also created significant stress on non-profit organizations, such as CPLC, who serve Arizona's most vulnerable communities. We all continue to be impacted by these economic challenges and that's why we encourage you to vote yes on Proposition 204.

Your vote in support of Proposition 204 will create a dedicated revenue source for education programs and fund other job investment programs that allow Arizonan's families to achieve a brighter future. Your vote will restore funding for the KidsCare program,

fund merit and needs-based scholarships for Arizona students as well as a family stability fund to target Arizona families in need. Arizona's non-profit social service providers will continue to do their important work across the state. We encourage you to show your support for Arizona families by voting Yes on Proposition 204.

Martin Quintana, Chief Operations Officer, Chicanos Por La Causa, Inc., Phoenix
Paid for by Chicanos Por La Causa, Inc.

Max Gonzales, Vice President of Administration, Chicanos Por La Causa, Inc., Phoenix

MYTHBUSTERS, PART ONE: DON'T BELIEVE WHAT EDUCATION ENEMIES TELL YOU

Groups that oppose public education will try to confuse you this election season by spreading misinformation about the Quality Education and Jobs Initiative, so, as a parent group, we want you to be armed with the facts.

MYTHBUSTER #1: Administrative costs

Education opponents regularly misstate what Arizona spends on school administrative costs.

THE TRUTH: ARIZONA SPENDS LESS ON SCHOOL ADMINISTRATIVE COSTS THAN ANY OTHER STATE IN THE U.S.

Arizona regularly spends the lowest amount per child in the nation on administrative costs - \$420 per child, well below the national average of \$774.

(Source: U.S. Census Bureau report released on June 21, 2012. For more information go to www.qualityeducationandjobs.com.)

MYTHBUSTER #2: Classroom expenses

Education opponents also misrepresent the amount of funding spent in classrooms, citing the state Auditor General's report.

THE TRUTH: THE STATE DOES NOT INCLUDE CRITICAL POSITIONS IN THE CLASSROOM EXPENDITURE CATEGORY, SUCH AS COUNSELORS, NURSES, SPEECH PATHOLOGISTS, READING SPECIALISTS, AUDIOLOGISTS, PSYCHOLOGISTS AND SOCIAL WORKERS.

The state Auditor General's Office annual report as to classroom expenses is misleading because it fails to reflect that positions it designates as "non-classroom" are actually critical to student learning.

MYTHBUSTER #3: Connection between education funding and student performance

THE TRUTH: THERE IS A DIRECT CONNECTION BETWEEN EDUCATION FUNDING AND STUDENT PERFORMANCE.

While education opponents argue that money doesn't matter, data shows otherwise. On the whole, the states that prioritize and adequately fund education are the states that have the best student performance. It just stands to reason. If students do not have access to books, paper, pencils, etc., how can they be expected to learn? Because of repeated funding cuts in Arizona, some schools must resort to fundraising just to pay for basics.

Ann-Eve Pedersen, Tucson

Paid for by Quality Education and Jobs Committee

MYTHBUSTERS PART TWO: DON'T BELIEVE SPECIAL-INTEREST GROUP LOBBYISTS

Sad as it may seem, there are special-interest group lobbyists who are actively working against our children by spreading misinformation about the Quality Education and Jobs initiative (Prop. 204).

These education enemies operate in the land of untruths and will try to confuse you during this campaign with misrepresentations.

As a non-partisan parent group, it has been eye-opening to witness how these special-interest lobbyists control the state Capitol. They don't want to lose the power to determine how your tax dollars are spent. While education is Arizona voters' top funding priority, it is not the top priority of their monied clients.

Here's how they'll try and fool you:

MYTH #4: Accountability and Performance

THE TRUTH: THE QUALITY EDUCATION AND JOBS INITIATIVE HAS NUMEROUS ACCOUNTABILITY AND PERFORMANCE REQUIREMENTS. A percentage of funding is only released if performance improves statewide on measurements including improving graduation rates, increasing the number of third-graders reading at grade levels and better scores on the ACT and SAT. In addition, Prop. 204 will fully fund an accountability statewide database that the Governor and Superintendent of Public Instruction have argued is necessary for tracking student, principal, teacher, school and district performance. It will also provide more immediate feedback to parents and teachers as to student performance on statewide assessments.

MYTH #5: Charter schools

THE TRUTH: THE INITIATIVE PREVENTS ANY FURTHER CUTS TO FUNDING FOR BOTH CHARTER SCHOOLS AND DISTRICT SCHOOLS. Education enemies are cynically trying to drive a wedge between the charter school and district school communities by making misstatements about funding for charter schools. As parents, we made sure the initiative made investments in both charter and district schools and protected both from further legislative cuts.

Ann-Eve Pedersen, Tucson

Paid for by Quality Education and Jobs Committee

The Protecting Arizona's Family Coalition and The PAFCO Education Fund strongly support the Quality Education and Jobs Act citizen's initiative. We support the renewal of the one cent sales tax and allocation of funds for public education and universities as well as for children's health and the Family Stability and Self Sufficiency Fund in the proposed law.

We strongly support the proposed Family Stability and Self-Sufficiency Fund section to be administered by the Governor's Office to provide grants to help reduce hunger, homelessness, family violence and provide child care. We also strongly support the section to fund KidsCare, children's health care fund. Arizona needs an adequate tax base to support its children and families.

Education and education achievement do not exist in a vacuum. For education to succeed, children and families must have enough food to eat, a stable and safe roof over their heads, and they must be healthy and free from harm. It is critical to help struggling families make ends meet by restoring and strengthening programs that provide basic needs, promote self-sufficiency, offset the high cost of child care, and provide health insurance coverage for children.

When compared to poor children, children in stable families with sufficient income through employment: have improved school readiness, higher levels of reading and math skills, more pro-social and less problem behavior, higher rates of high school completion and educational attainment, work more and earn more.

The investments proposed in the Quality Education and Jobs initiative are investments are smart for children and families and good for Arizona.

Ann Rider, Vice Chair, Protecting Arizona's Family Coalition Education Fund, Phoenix

Paid for by Quality Education and Jobs Committee

Jodi Beckley Liggett, Chair, Protecting Arizona's Family Coalition, Phoenix

Arizona Parent Teacher Association (Arizona PTA) members are cautious about taxes and passionate about helping all children meet their full potential. Arizona PTA Board supports this initiative because it provides

- No new taxes;
- Accountability to the taxpayer;
- Dedicated funding for quality K-12 education, college scholarships, and job training.

A **YES** vote for Quality Education and Jobs means **YES for accountability**.

Accountability laws that **QEJ will help fund**:

- **"Move on When Reading"** students reading by 3rd grade
- **Teacher and Principal Evaluations** based 30-50% on their students' test scores. New tests and other innovations need to be developed to assure that every student has a highly qualified teacher, while assuring that our teachers are respected and supported as professionals.

Plus, QEJ will add

- **New audits** of K-12 schools and colleges. Every 5 years, audits will check that the monies collected were used to improve education and job preparation.

26% cut. From 2007 to 2012, state K-12 education funding has been cut by 26% per pupil.

Arizona PTA members report:

- **Cut:** math and literacy coaches
- Class sizes are too high.
- **Cut:** art, music, PE, languages classes
- **Cut:** anti-bullying programs, college advisors, vocational training
- No state funding for buildings

Throwing money at the problem will not help, but applying money to specific practices will help Arizona be competitive globally. **This initiative will NOT be enough to replace the 26% cut.** But it's the right direction.

PTA® is the largest volunteer child advocacy association worldwide.

Today's children will determine our future as our doctors, car mechanics, political decision-makers, etc.

For a bright future, we must assure **quality** education for all children.

Please **Vote YES!**

Rochelle Wells, President, Arizona PTA, Tempe

Paid for by Arizona Congress of Parents and Teachers

Mitzi Epstein, Legislative Issues Chair, Arizona PTA, Tempe

Literacy Connects' vision is that our community will thrive when all of its members are literate and active participants in our schools, workplaces, homes and government.

In recent years, funding for education for all ages from preschool to adults has been significantly reduced. Making certain that the revenues generated by continuing the one-cent sales tax actually go to improve the educational opportunities in our state is essential for economic recovery and improving the quality of life in our communities.

The initiative includes important support for learners of all ages that will not be able to be redirected to non-educational expenses by the legislature.

The initiative also includes important accountability measures to ensure that this money will be spent wisely. The Board of Literacy Connects endorses Proposition 204 and urges Arizona voters to vote yes for Proposition 204.

**Jeanne Taylor, Business Manager, CDG Architects, Ltd.,
Literacy Connects, Tucson**

Paid for by Quality Education and Jobs Committee

**Sylvia Lee, Retired - Former President, Pima College
Community Campus, Literacy Connects, Tucson**

Vote Yes on Proposition 204

Proposition 204, the Quality Education and Jobs Act, is absolutely vital to the future of education in the state of Arizona. Unprecedented cuts by the state Legislature over the past five years have devastated public education in Arizona. The Legislature's passage of numerous educational initiatives in combination with these cuts, without additional funding, will make them nearly impossible to execute.

Proposition 204 will establish a dedicated funding source for public education in Arizona and will provide accountability standards and performance requirements vital to the implementation of the laws passed by the Legislature.

As a parent of public school children, I witness the dedication of public school employees daily and I believe it is time for us, as parents and community members, to define how education funding is provided. There has been consistent support by voters in this state for education but our Legislature has routinely ignored the will of the voters by passing unfunded mandates and cutting virtually all aspects of public education.

I urge you to join me in supporting Proposition 204. Make your vote count by voting "Yes" on November 6th.

Julie Bacon, Parent, Scottsdale

The Grand Canyon Institute Recommends YES on Prop. 204

To build an economy focused on high-end jobs, we have to empower private sector forces of innovation and creation, while investing in an educational system that provides a solid workforce and environment that advances the intellectual capital of a knowledge economy.

That's not going to happen without your support for the Quality Education and Jobs Initiative. The initiative maintains the current one cent sales tax passed by voters in May 2010 to support education and improves upon it.

The initiative creates the foundation for educational innovation and success by requiring the State Board of Education to set goals and assess progress statewide in student achievement, parent satisfaction and student engagement. These public goals will create the conversation Arizona needs regarding what works best in education.

Quality education will be critical toward attracting high-end jobs, as employers want a quality workforce and the confidence in education to send their own children to public schools.

It's also comprehensive, applying to both charter and traditional public schools. It funds vocational education as well as scholarships to universities.

Healthy kids are ready to learn. Prop. 204 addresses a key omission of the legislature, a failure to fully fund KidsCare, health insurance for lower income children who are not otherwise eligible for Medicaid. Plus, Arizona will receive the two to one matching federal dollars that accompany it.

Proposition 204 steers a prudent path for Arizona's economic future. The Grand Canyon Institute recommends voters approve it.
Carolyn Allen, Vice-Chair, Grand Canyon Institute, Scottsdale **Jack August, Secretary, Grand Canyon Institute, Prescott**
Paid for by Grand Canyon Institute, Inc.

The leadership of the Arizona Coalition to End Homelessness, a statewide advocacy group consisting of homeless practitioners and stakeholders, supports the Quality Education and Jobs Initiative. While the economy may be rebounding, families, individuals, and veterans who have been left crippled by a job loss, a mortgage foreclosure, or a health crisis, have exhausted their family and social supports and are now showing up at emergency shelters throughout the state. What's more, economic and demographic indicators linked to homelessness continue to worsen. Resources provided by the federal stimulus have run out in many communities, and the past several years of the state budget crisis have flattened any new resources to programs providing aid to those experiencing homelessness. These are the reasons the Coalition's leadership supports the continuation of the temporary one-cent sales tax passed in 2010. Among the initiative's many benefits – protecting K-12 funding from future legislative cuts and restoring KidsCare healthcare funding for children living in poverty – the initiative creates a Family Stability and Self-Sufficiency Fund to provide grants to help reduce hunger, homelessness, family violence and to provide childcare. The Family Stability and Self-Sufficiency Fund would be administered by the Governor's office, which would annually allocate monies to nonprofits to provide services for the basic needs of children, families, and vulnerable adults whose incomes are less than 200 percent of the federal poverty level.

A yes vote to the Quality Education and Jobs Initiative would not increase taxes, but continue an existing tax. Arizona voters understand the importance of highly educated and skilled citizens and the need to support programs that aid children and disadvantaged families. The Arizona Coalition to End Homelessness requests that you vote YES on the Quality Education and Jobs Initiative.

Mattie Lord, Board Member, Arizona Coalition to End Homelessness, Phoenix
Paid for by Arizona Coalition to End Homelessness

Nichole Stevens, Board Member, Arizona Coalition to End Homelessness, Phoenix

What MAKES a country great are its citizens. What KEEPS a country great are its children. Children cannot vote in the coming election and are total victims when it comes to their education. If our country is to grow and prosper, we must educate ALL our children to the best of our ability. In Arizona we are not doing that and children are suffering because of it.

The state of Arizona already ranks at the bottom in educational funding. Students are in large classes without the programmatic support they need to succeed. Yet our legislature keeps putting additional demands on teachers and principals to do more and more with less and less. It has become impossible to do.

Within the last five years our legislature has cut an additional 26% from an already under funded educational budget. Our children do not deserve this. If we want children to become productive citizens, we owe them the education they deserve including programs that meet individual needs (e.g. reading, math and language support). Our children also deserve music, art and P.E. All these programs have been cut because there is no money to fund them.

Passing Prop 204 is the first step in correcting this wrong and supporting our children. By passing this initiative we will guarantee that money we have allocated for education GOES to education. Our children deserve nothing less.

Vote YES on Prop 204.

Jane Klipp, EdD, Educator, Tucson

Following years of an uncertain economy, the state budget has been routinely balanced on the backs of the most vulnerable: children. KidsCare, a program that bridges the gap for families who earn too much to qualify for AHCCCS (Arizona Health Care Cost Containment System) but still earn too little to afford insurance for their children, has absorbed substantial cuts, denying tens of thousands of children access to adequate routine medical care. These same children attend public schools across the state, the same public schools that have had their funding slashed, inflicting double damage on the young lives our state should be protecting.

The Quality Education and Jobs Initiative—Proposition 204—will provide \$25 million for children's healthcare *within the first year*. Without Prop 204, KidsCare will no longer exist by next year, and children will go without the healthcare they need to grow into educated, contributing members of our communities.

Further, Prop 204 provides stable funding for our state's public education system, funds additional resources for those children who face educational challenges brought on by poverty, as well as invests in career and technical programs, which provide skills and training necessary for an improving state economy.

It is important for us to support Prop 204 to protect each and every child's future and, consequently, the future of our state. A healthy child makes for a healthy student read and able to take advantage of the educational opportunities this Proposition will ensure for them.

Vote YES for healthy students. Vote YES on Prop 204.

Barbara H. Warren, MD, MPH, Chair, Board of Directors, Physicians for Social Responsibility AZ, Tucson
Paid for by Quality Education and Jobs

Eve Shapiro, MD, MPH, Member, Board of Directors, Physicians for Social Responsibility AZ, Tucson

Education is important to the families in our communities. We want a good, quality education for our children not only as parents, but because we know they are the future of our community.

This measure supports working class families by providing a stable funding source for our public schools. We know that a good education means a better chance for our children to go to college and a more quality workforce.

This measure will help make education more affordable for our families by including scholarships to attend university or community college. It strengthens community colleges and universities in Arizona by providing funds for operations as well as for the scholarships.

Our state legislature has been cutting funds to public education year after year and it has to stop now. This measure is a way for the people to take responsibility for funding schools into our own hands and ensuring that our children's schools are adequately funded.

Support Arizona's future, support Prop 204.

Dawn Marie-Rutkowski Koberstein, Past-President, Chandler Education Association, Tempe

LeAnna Farmer, President, Chandler Education Association, Chandler

Susan Cormier, President, KEA, Tempe

Katie Barnes, President, Tempe Elementary Education Association, Chandler

Paid for by Quality Education and Jobs Committee

As mayor of Arizona's second largest city, I recognize that improving Arizona's education system is the key to a healthy economy. That's why I support the Quality Education and Jobs Initiative, Prop. 204.

This initiative will create no new taxes. However, by extending the current one-cent sales tax, it will provide a permanent, dedicated revenue source for education. Turning Arizona into a state where education funding is guaranteed will help our communities attract and retain high-paying employers, who need highly skilled employees.

This support for education comes at a critical time for district and charter schools in our communities. Recent cuts to education have caused much larger classroom sizes, the loss of qualified teachers, school closures and the lack of funds for basic supplies. Arizona is one of the lowest-funded education systems in the country and we have the poor outcomes to show for it.

Especially troubling is the fact that only 26 percent of fourth graders are reading at grade level. One in six children who don't read well by third grade drop out or don't graduate from high school on time. Prop. 204 will provide funds to help our schools meet the new requirement that third-graders be reading at grade level.

While 80 percent of the funds will help education, Prop. 204 also benefits transportation. The Legislature's diversion of transportation dollars into the general fund has hurt our communities. We have had to shift resources away from priorities, such as police, fire, parks and libraries to pay for road repair. Prop. 204 prevents future legislative raids and creates a fund that will help build and repair road, rail and transit projects in our communities.

Vote YES for Prop. 204: Quality Education and Jobs.

Jonathan Rothschild, Mayor of Tucson, Tucson

As our schools go, so goes the future of our cities and our economy. As a mayor, I know our communities compete in a global economy, and the best way to give our children a competitive advantage is to advance education in Arizona. In fact, it's the only way.

That's why I support Proposition 204, the Quality Education and Jobs Initiative. The initiative maintains the existing sales tax rate, and provides a permanent, dedicated revenue source for education. Not only will this help prepare our kids for the future, it sends a message that we are serious about education and will help immediately with recruiting the right kinds of employers and high wage jobs to our state.

Thank you for joining me in voting yes on Prop. 204, Quality Education and Jobs.

Greg Stanton, Mayor of Phoenix, Phoenix

Valley of the Sun United Way Argument in Favor of the Quality Education and Jobs Initiative

Valley of the Sun United Way (VSUW) believes that resources should be invested toward education and jobs to ensure our state's future. In 2010, Arizona voters and Valley of the Sun United Way agreed with Governor Brewer's proposal to implement a temporary one-cent sales tax to support education and other critical services. While this provided a critical temporary resource, it is imperative that a permanent funding solution be established to support education and jobs. The Quality Education and Job Initiative will set forth specific funding for K-12 education, post-secondary education, vocational training and jobs. Accordingly, VSUW supports this initiative.

All agree that providing a better educated workforce is vital to increasing productivity and fostering innovation. When business and industry leaders convene in Arizona, it's common to hear discussions about the need to enhance our state's economic competitiveness and calls for a better-prepared and competitive workforce. Therefore, it is critical for Arizona to step up and support programs that will prepare youth for success in school, career and the workforce.

Since 1925, VSUW has developed and funded programs proven to help children enter school healthy and ready to learn, which arms youth with a solid foundation for lifelong learning. Quality education will set the course toward financial and personal independence for Arizona's youth.

Working to educate, provide healthy family environments, and financial independence are priorities for VSUW and the community, and as always, United Way is ready to move forward and work alongside fellow citizens that hold Arizona's best interest in mind. Please vote in favor of the Quality Education and Jobs Initiative.

Respectfully,

Merl E. Waschler, President & CEO, Valley of the Sun United Way, Phoenix

Paid for by Valley of the Sun United Way

Katherine Cecala, Chief Operating Officer, Valley of the Sun United Way, Phoenix

Valley Interfaith Project (VIP) supports the Quality Education and Jobs Initiative and asks its constituents and all voters to vote "Yes" on Prop 204. Prop 204 is very important to our families. VIP is a broad-based organization that includes congregations, schools, unions and other non-profits. For too long, we have neglected to fund education in our state at the level where our children can succeed. Continuing the one cent sales tax will provide a dedicated revenue source that will strengthen education and prevent K - 12 cuts. It will also restore the affordable health insurance program, KidsCare. Our children must be healthy and prepared for the jobs of the future. All of the requirements for a strong educational system from kindergarten to college are immense but crucial for the future of our fast growing state. Prop. 204 requires accountability through performance standards, student accountability, graduation rates and percentage of children reading at third grade levels.

David Ryan, Vice President, Valley Interfaith Project, Phoenix

Paid for by Valley Interfaith Project

Jozef de Groot, Treasurer, Valley Interfaith Project, Scottsdale

Dignity Health Arizona stands as the leading not-for-profit healthcare system in the western United States with 38 hospitals in Arizona, California and Nevada. We provide a wide range of health, social and support services, with special advocacy for the poor and underserved.

We support Proposition 204 because it is vital for our communities and the future of our children.

Polls have shown that Arizona residents instinctively understand how important education is to everyone, today, as well as in the future, and Dignity Health agrees. Proposition 204 provides additional funding for education that will help grow the next Arizona physician, nurse, or x-ray technician, as well as the next researcher and inventor for new healthcare providers. A strong educational base creates the future workforce that Dignity Health needs to provide the best possible care to our patients. In addition, by investing in technical and career programs, students may be shown opportunities in healthcare that they otherwise would not have thought possible.

We believe that Proposition 204 passes the test of fairness and long-term vision that we in Arizona need today.

This initiative does all of the following:

- It invests in vocational and GED programs and all public schools, including charter schools.
- It creates resources for Career and Technical Education programs as well as community college scholarships.

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

- It holds students, teachers, schools and school districts accountable for progress.
 - It requires that taxes already being collected go where the voters want them — into education and infrastructure investments.
- We urge our fellow citizens to support a better future for all of us and vote for Proposition 204.

Linda Hunt, Senior VP of Operations, President & CEO, Dignity Health Arizona, Phoenix
Paid for by Quality Education and Jobs Committee

John Peters, Service Area Chief Financial Officer, Dignity Health Arizona, Phoenix

Dear Arizona Families,

These past few years have been difficult times for everyone. While told that tough choices and cuts have been needed, these cuts hit hard on those who cannot, and should not, shoulder the burden of hunger or illness. I am talking about the children of Arizona most in need- those who are hungry, ill and homeless. These children did not cause the current budget situation we are in, and it is outrageous that they should suffer for it. Prop 204 will not only improve and protect education funding for the State of Arizona, it will also protect funding for the programs children and families rely upon. That is why the Association for Supportive Child Care supports this proposition.

In 2010, the child healthcare program - KidsCare - which provides health care for children not eligible for AHCCCS yet still needing assistance was ended. Thanks to the support of organizations and local hospitals, KidsCare II was started up to help these children once again. Unfortunately, if this proposition does not pass, KidsCare II will no longer be able to assist children in need by the end of this year.

We cannot allow the children of this state in need of help go without assistance, anymore. Prop 204 will not only restore funding to Kids Care, it will create an additional funding for families in need for services to help families. Combined, these funds will total \$125 million dollars to support families and their children when they need help the most. Give them a helping hand to get out of poverty. Please join me in supporting Prop 204 by voting YES for Arizona's children.

Susan (Wilkins) Jacobs, Executive Director, Association for Supportive Child Care, Tempe
Paid for by Association for Supportive Child Care

Elizabeth Blue Swadener, Board Member, Association for Supportive Child Care, Tempe

It is time to stand up for education; education is the solution for jobs, careers and a healthy economic/business community. Politicians say they are for education but have made severe cuts to education. The time is now; it is up to us, the citizens, the voters, to act. We need to find a way to improve education in Arizona and the time is now. The studies have been done and we know that increased funding for education means jobs for Arizona. Our students have been neglected long enough. We are not just throwing money at education. A plan, limitation and requirements are in place for the use of these funds. As a community college board member I promise to do my job to ensure my commitment to good stewardship and student success.

The Quality Education and Jobs Act, otherwise known as Proposition 204, is so vitally important for the State of Arizona. After trying to put good faith in the ability of the state legislature to fund education adequately, Arizona citizens have come together to do the job themselves. Proposition 204 will allow dedicated revenue to flow into education. Voting YES for Proposition 204 will put Arizona, our cities, our neighborhoods, and our communities back on the right track.

We stand at a crossroads now as the people of Arizona. Together, we can create a stronger future for Arizona. Please join us in supporting Proposition 204.

Randolph Lumm, Board Member, Maricopa County Community College District, Litchfield Park
Paid for by Quality Education and Jobs Committee

Esther Durán Lumm, Community Activist, Litchfield Park

Proposition 204 Prepares Arizona for the Future

The Tucson Utility Contractors Association supports Proposition 204 to prepare our future workers, protect the Highway User Revenue Fund (HURF) and create a statewide infrastructure fund to help build road, rail and transit projects in our communities.

For too long – and long before the recession hit – state legislators in Arizona have used the HURF as a slush fund to promote other projects rather than devoting it to paying for the transportation projects that help Arizona grow and create new jobs – its intended purpose.

Arizona has been the fastest growing state in the nation. As it grows, the state needs its roads and transit projects to keep pace. It also needs jobs for its growing population.

But more than 43,000 jobs in Arizona have been lost already due to raiding of Highway User Revenue Funds.

Proposition 204:

- Ensures adequate funding for schools to prepare the next generation of workers for a competitive global economy.
- Prevents legislative raids on the HURF so that our cities and counties do not have resources diverted away in order to fund road repair and construction.
- Creates a state fund dedicated to ensuring that our modes of transporting goods and people are safe and high-functioning.

As an association representing Arizona employers, we are pleased that this initiative will not raise taxes. It simply extends the existing one-cent tax for education that is due to expire and allocates a fraction of it to transportation projects.

Proposition 204 will stop the misuse of the HURF. We support it. We ask our fellow citizens to support it as well.

Ramon Gaanderse, Executive Director, Tucson Utility Contractors Association, Tucson
Paid for by Quality Education and Jobs Committee

Chris Albright, Chairman, Tucson Utility Contractors Association, Tucson

Sun Devils, please join me in supporting Prop. 204. Arizona is at a crossroads. For too many years, our state hasn't prioritized higher education. As a Sun Devil, a student leader, and an Arizonan, I support Prop. 204 because I know it will revitalize our economy and ensure that more Arizonans can have access to a college education.

Arizona lacks a state-based financial aid system. This, combined with rising tuition and fees, has meant that students turn to student loans to pay for their education. Students aren't taking out a small amount of debt; the average in-state undergraduate leaves school with more than \$25,000 in student debt. Debt isn't just a problem that affects students - graduates with overwhelming debt burdens delay major life decision like buying a house or starting a family, which negatively impacts the entire economy.

Prop. 204 is the solution we have been waiting for. When passed, Prop. 204 will provide \$150 million worth of financial aid that goes directly to students. Education drives economic growth, and Prop. 204 is how we are going to get our economy back on track.

Mark Naufel, Student Body President, Arizona State University for the Undergraduate Student Government at Tempe, Tempe
Paid for by Arizona Students' Association

As Student Body President at the University of Arizona join me in supporting Proposition 204. I am supporting this proposition because it offers unprecedented opportunities for student success in this state. Education is essential for economic growth, and as a student leader I am committed to ensuring that we are doing everything possible to preserve the strength of Arizona's future.

This is a pressing issue for students because the cost to attend the University of Arizona has grown beyond the means of too many students and families. Financial aid hasn't caught up to cover tuition, and only one percent of the total financial aid Arizona students receive comes from state-based financial aid. Because of this, I have had to witness numerous students and families be forced to turn to costly student loans to cover the total cost of attendance.

Prop. 204 provides \$150 million a year for financial aid that goes directly to Arizona university students. This means that students will have a sustainable source of financial aid and won't have to scramble to find a way to pay for college. This initiative has the ability to provide these students with better access and affordability than ever before.

When we stand united as a community and state, only then can we work to achieve real progress. Cost has kept too many qualified students from becoming engineers, teachers or scientists, and above all, prevented them from pursuing their passions. Arizona can't afford to limit access to our universities. We know Prop. 204 will get us on the right track- let's bear down and make this a reality.

Vote yes on Prop. 204 to grow opportunities for our students, our community, and our economy.

Kathleen Murray, Student Body President, Associated Students of the University of Arizona, Tucson

Paid for by Arizona Students' Association

Argument to Vote YES on Prop 204, Quality Education and Jobs Act

The Arizona State University Graduate and Professional Student Association proudly supports Proposition 204. This ballot measure asks voters to continue the one-cent sales tax approved through Proposition 100 in May 2010. Proposition 204 establishes specific guidelines dictating that the revenue will be used to support education, infrastructure, children's health care, and public safety. We support this grassroots initiative because 80% of the funding goes directly toward funding education. Our top priority is to ensure that our public universities continue to provide an accessible, affordable, and quality education. These institutions have seen over \$400 million cut from their budgets since 2008, which has resulted in increased tuition costs and rising student debt. Over the last 5 years, undergraduate debt has increased 17.4%, from \$18,029 to \$21,158 and graduate debt has increased 25.2% from \$35,880 to \$44,918, a report from the Arizona Board of Regents shows. Proposition 204 provides \$150 million a year for state-based financial aid to Arizona university students, which means more students will graduate without crushing student debt.

When Proposition 204 is passed, voters will see an immediate return on this investment. Nearly \$1 billion was infused into the Arizona economy as a direct result of research at our public universities, according to ABOR. Education drives economic growth - in 2010, individuals who were awarded an undergraduate or graduate degree between 1990 and 2010 earned nearly \$11.1 billion in wages and paid approximately \$788 million in state and local taxes, according to ABOR. Investing in quality education and jobs is investing in a better Arizona with high quality jobs today and a more educated and prepared workforce tomorrow. Please vote YES on Proposition 204.

Rhian Stotts, President, Graduate and Professional Student Association at Arizona State University, Tempe

Megan Fisk, Vice President of Professional Development, Graduate and Professional Student Association at Arizona State University, Gilbert

Paid for by Graduate and Professional Student Association

Many rural communities in Arizona suffered deep losses during the recession. We have some of the highest rates of unemployment in the state and with cuts to public education and transportation many of our school buildings and roads are in rough shape.

This initiative will invest directly in our classrooms, allowing for reductions in class sizes, replacing aging infrastructures, installing state-of-the-art improvements, and retaining high-quality teachers with competitive pay and benefits.

This initiative will create new jobs by protecting state road funds for local communities, stopping legislative raids so that cities and towns don't have to divert funds away from police and fire stations to fund costly repairs.

Things may be turning around for the rest of the nation, but the recovery process will be slower in rural Arizona and this initiative can help our communities get back on their feet faster.

Support our rural communities, vote Yes on Prop 204.

C.M. Thompson, Chinle Education Association, Chinle

Carrie L. Barros, President, Humboldt Education Association, Prescott

Paid for by Quality Education and Jobs Committee

The students of Northern Arizona University overwhelmingly support Proposition 204. Lumberjacks support this proposition knowing that it is the best way to get Arizona's higher education system back on track. It is fact that education fuels economic growth, and Prop. 204 will allow education in Arizona to grow.

Tuition and fees at the universities have skyrocketed and Lumberjacks know that Arizona is lacking a viable form of state-based financial aid. Students are disproportionately turning to student loans to finance their education. Students are leaving the school with high student loan debt that is often impossible to pay off. Student loan debt is not just a problem for the individual student; it is a problem for the entire economy.

Proposition 204 will bring viable relief to Arizona students and families- it will provide \$150 million a year toward state-based student financial aid. With the passing of Prop. 204, students will have a place to turn to other than loans to fund their education.

Vote yes on Prop. 204 to support students and grow our economy.

Samantha Smart, Student Body President, Associated Students of Northern Arizona University, Peoria

Paid for by Arizona Students' Association

Great schools build great communities. The kind of businesses that move here, the quality of health care that our senior citizens receive, the ability of our graduates to find jobs in the communities they grew up in are all impacted by having top rate schools.

In the past four years, we have been going in the wrong direction. Since 2008, the Arizona State Legislature has cut over 25% of school budgets across the state, resulting in public and charter schools increasing class sizes. Kindergarten through third grades are critical years. This is when students learn the building blocks of reading and math. Across the state, K-3 class sizes have swelled to 30 or more students, denying children a chance to learn and teachers a chance to teach.

95% of Arizona students are enrolled in public and charter schools, if we want a school system that ensures a high quality education, attracts and grows businesses, allows us to compete on a global level, we have to invest where the students are.

The Quality Education and Jobs Initiative protects and stabilizes our education funding from the whims of politicians.

We will never have a great state without this investment. Every Arizona resident is impacted by the quality of our schools. Voices for Education urges you to vote "YES" on 204.

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

Great communities build great schools.

Robin Hiller, Executive Director, Voices for Education, Tucson

Daniel J. Benavidez, Governing Board, Voices for Education, Tucson

Paid for by Quality Education and Jobs Committee

I am proud to support Proposition 204, also known as the Quality Education and Jobs Citizens Initiative.

Arizona needs to plan for the future now to create a stronger economy. Proposition 204 will improve the quality of Arizona's education system by providing dedicated funding for schools and classrooms. Strengthening education will make our state more competitive when it comes to attracting and keeping high wage jobs. Proposition 204 will create a funding floor that allows us to grow our education system and make it capable of producing students ready to tackle the challenges and demands of the workforce of the 21st century.

In addition to supporting public education, Proposition 204 will prohibit the Legislature from their continual raids of the Highway User Revenue Funds, forcing city councils and boards of supervisors to divert funding to pay for infrastructure projects, and away from public safety and other city services. Prop 204 will create a "State Infrastructure Fund" that may be used for road, rail, transit, and other improvements, helping to increase and ensure the quality of life Arizona residents deserve.

Please join with me in voting YES for Proposition 204, vote YES for better schools, stronger infrastructure, and a brighter future for Arizona.

Charles Vierhout, Avondale City Councilman, Avondale

Paid for by Quality Education and Jobs Committee

As former Chairman of the Arizona Board of Regents I have observed the painful impacts of the last four years of historic and destabilizing budget cuts to our schools. Our policy makers have had to navigate a recession, but the cuts were deeper than they needed to be. And they were in violation of the moral commitment to the Arizona voters who passed Prop 100 four years ago believing that this money would go to schools - only to see it committed to other priorities.

But there can be no priority greater than education in our knowledge based economy. Our competitors are making massive commitments to education and increasing the educational quality of their students and output of their education systems. Meanwhile, the United States has stalled, and Arizona is among the bottom of the states.

History is replete with examples of societies who have lead - then withered when unable to adapt to changes in the economy. The reality is that we can't compete with most of the world on cost so we must compete on value, by producing the ideas, goods and services the rest of the world will buy. This takes an educated workforce and that's why much of the world has decided to make that policy choice, and investment.

The Quality Education and Jobs initiative makes the financial investment and assures the necessary standards and accountability for the results we need in Arizona. That it also invests in badly needed college financial aid for the smartest students who otherwise can't afford to improve their skills, and in the infrastructure that will create jobs and make Arizona more competitive - are additional compelling reasons for an affirmative vote.

Fred DuVal, Former Chairman, Arizona Board of Regents, Member, Greater Phoenix Leadership, Former Commissioner, Arizona Commerce and Economic Development Commission, Phoenix

Paid for by Quality Education and Jobs Committee

As real estate agents and Arizona homeowners, we support the Quality Education and Jobs Initiative because there is a direct connection between quality public schools and neighborhood property values. This initiative gives us all an opportunity to strengthen and refocus our investment in our most tangible community assets—our property values, our workforce and our local economy.

In our profession, we have seen families reluctant to move to Arizona because they have heard about our declining investment in our schools. Our national reputation in this area is costing us—not only in our home values, but also in our ability to attract and retain businesses and top-quality professional services.

With a full 25% of the population in Arizona under the age of 18, a lack of investment in education will continue to plague Arizona and hinder its economic and real estate recovery. We have relied on Arizona's past growth to keep our real estate market sound in the past, but this era is behind us. It is time to make a positive investment in our kids, our neighborhoods and our economic future.

Linda S. Gee, Tucson Realtor, Tucson

Kimberlyn Drew, Tucson Realtor, Tucson

Paid for by Quality Education and Jobs Committee

Yes on Proposition 204!

The Arizona Chapter of the National Association of Social Workers (NASW) is the largest professional association of social workers in Arizona. NASW advocates for policies and practices that ensure vulnerable populations receive necessary and appropriate support services, including adequate health care. NASW promotes the passage of the Quality Education and Jobs voter initiative—Proposition 204.

Human service professionals know that children must have good health and live in a safe home environment to succeed in school. One barrier to good health is access to health care services, which is compounded by the method of health care coverage in the United States. Private, employment-based insurance and publicly funded programs (i.e. Medicaid) provide the bulk of coverage. Children in modest-income working families, however, are not adequately served by this approach. Proposition 204 provides \$25 million yearly to fund the Children's Health Insurance Program (CHIP), allowing more children to access the health care services they need to live healthy lives. Proposition 204 also provides \$100 million to the Family Stability and Self-Sufficiency Fund. This provides for essential services to children and their families including meals and services to increase the stability of home environments.

Arizona needs to rebuild programs serving our vulnerable children. Proposition 204 funded programs and services is a step in the right direction, and crucial to Arizona's future.

Suzanne Schunk, LCSW, President, National Association of Social Workers Arizona Chapter, Tempe

Jeremy D. Arp, MSW, Executive Director, National Association of Social Workers Arizona Chapter, Tempe

Paid for by National Association of Social Workers Arizona Chapter

The last few years have shown the real colors of our cowardly State Legislature. Facing challenges unprecedented in state history, those who are supposedly elected to represent us choose cowardice, not leadership. Instead of making tough choices and leading our state out of this crisis, the legislature cuts programs, placing the burden of economic catastrophe on the backs of this State's poor. Instead of working to make Arizona a state that will attract business and prosperity, they have made us a national joke that is more concerned with fiddling around while the State burns, chasing after undocumented workers instead of chasing after job creation.

Proposition 204 will be a good first step in taking back control. Arizona's education system has been made close to inadequate because of years of cuts to the system, tying the hands of teachers and letting our students down. Now it is high time for US to tie the hands of the legislature, by funding education the way we see fit. Prop 204 will allow Arizona's schools to have a dedicated source of revenue, while preventing legislature cuts to classroom spending.

Join me in standing up and showing the leadership this State deserves, and our legislature is unable to provide, by voting YES for Quality Education and Jobs, vote YES for Proposition 204.

Lydia Guzman, Community Advocate, Glendale
Paid for by Quality Education and Jobs Committee

We support Prop 204 because we believe education is key to our state's economic recovery. Our state's leaders have been making drastic cuts to our public schools since the recession began, so it isn't surprising that Arizona's recovery has been slow.

This proposal will create a source of funding for our public schools that the state legislature cannot touch. By adequately funding public education we are putting more money back into our communities and Arizona's economic recovery.

Strong schools that are properly funded will create a strong educated labor force. This means more companies will look at locating here in our state and bring more money into our economy.

Even before the recession hit, Arizona was last in the nation when it came to per pupil spending. We are competing in a global economy now and we cannot afford to fall behind by limiting resources to our future workers.

Support Prop 204 and invest in the future of Arizona.

Teri Laguna, President, FWEA, Tucson

Nicole J. Cozad-Pearce, President, Marana Education Association, Tucson

Paid for by Quality Education and Jobs Committee

Former Teacher Supports Prop 204 Education Funding

I am a former teacher. Being in the classroom for more than 25 years taught me firsthand the importance of adequate school staffing, class size, school facilities, teacher training and evaluation, technical support, curriculum development, and supplies. All of these elements to an education system cost money, so it is absolutely galling to me that the Arizona legislature is allocating funds for K-12 education at a per pupil rate that is at the bottom of the 50 states.

The legislature has cut one billion dollars in education funding over the past four years. And the legislators wonder why parents, teachers, and business leaders support a citizens' initiative to stabilize school funding. If the legislature does not understand the importance of public education, then the citizens of the state will take the matter into their own hands.

Common sense should tell us all that quality education is critical for the state's economy and quality of life. Arizona will not produce quality jobs without a well-educated population. The future of Arizona will be much brighter with the Quality Education and Jobs Initiative.

Connie Kaasa, Phoenix

Ballot Argument – Quality Education and Jobs Voter Initiative

Since 1981, Southwest Human Development has strived to give children throughout central and northern Arizona an optimal start in life by establishing a strong foundation for their future development. As Arizona's largest nonprofit provider of early childhood programs and services that serves 135,000 children and families each year, we have seen a steady decrease in funding for critical state-level programs that our children need.

We greatly support the upcoming Quality Education and Jobs voter initiative—Proposition 204. Without raising taxes and by using 2010 voter-approved revenues for programs like KidsCare and other early childhood support services, we will start to rebuild these important programs that have seen funding cuts since 2008, or have even been eliminated altogether.

In order to be ready to learn and succeed in school, children need good health, nutrition and a safe, nurturing home environment. This initiative will bring in \$25 million annually to help fund the Children's Health Insurance Program, providing more children with the adequate health care they need to live healthy, productive lives. Additionally, it will provide \$100 million to the Family Stability and Self-Sufficiency Fund, ensuring children and their families have the support they need to put food on the table and live in a stable home environment.

Please join us in supporting the Quality Education and Jobs initiative. These much-needed programs and services are vital to the success of children throughout our communities.

Ginger Ward, Founder & CEO, Southwest Human Development, Phoenix

Suzanne Schunk, Director, Southwest Human Development, Phoenix

Paid for by Quality Education and Jobs Committee

As Arizonans have struggled with poor economic conditions these past few years, the need for healthcare and social services has risen dramatically. Unfortunately, the care needed by many of our children has been significantly cut back in the face of budget cuts. Here at Empowerment Systems we see families everyday who face serious challenges accessing even basic services. We support Quality Education and Jobs, or Proposition 204, because this initiative will establish secure funding for programs such as KidsCare. It will help individuals and families access the kinds of education, health and employment opportunities that offer the best chance for them to lead dignified, independent lives, instead of continuing to rely on government support. If we fail in getting this voter initiative through now, programs like KidsCare will be phased out, leaving thousands of children without the preventative checkups, immunizations and healthcare that they need. Sadly, even though the program would be gone, the health issues of these children will not. Without assistance, these families will be burdened further, resulting in higher costs for all of us as they turn to Emergency Rooms for any health concerns. Let's not leave this State's children behind. Support Proposition 204 by voting YES for the health of our kids.

Jack Beveridge, President & CEO, Empowerment Systems, Inc., Apache Junction

Ruthanne Wahlheim, Chief Operating Officer, Empowerment Systems, Inc., Apache Junction

Paid for by Empowerment Systems, Inc.

I am a parent and work every day in a Mesa public school. As a skilled craftsman, I do work on every campus in the district. I am proud to support Proposition 204 because I witness the great work being done in these schools every day. My work is meaningful to me because education is a priority to me. I believe that ensuring every child gets the education they need to become responsible and productive members of society is a value all American citizens hold. That's why it's important to pass Proposition 204 and assume or civic responsibility for our public schools. Together we can create bigger brighter futures for our children.

Richard Berumen, Mesa

Paid for by Quality Education and Jobs Committee

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

Protect Arizona's Future, Invest in Educating Children

Unfortunately, our state legislature does not make public education a priority, which is why, we, as voters, need to stand up for children and pass the Quality Education and Jobs initiative.

Despite Proposition 100's passage to protect public education in May 2010, since 2009, base per pupil funding for K-12 education has not increased. In addition, this year's budget had \$50 million for new prisons and \$0 for new schools. The legislature funded only \$12 million of \$240 million for school repairs, which is causing many districts to pull classroom funds to pay for repairing or replacing items like air conditioners. We also remain the only state in the country not fully funding Children's health insurance (KidsCare), despite a 2 to 1 federal match.

The Quality Education and Jobs Initiative does not change your taxes; it continues the one cent sales tax approved in 2010. But, unlike Prop. 100, citizens wrote it, not the legislature, so it has far better protections:

1. It prevents cuts to base K-12 funding levels.
2. It mandates annually increasing education funding by inflation or two percent, whichever is lower.
3. The initiative's revenues supplement base funding levels. The legislature cannot use this funding to replace base funding amounts.
4. It requires the State Board of Education to set goals and assess progress statewide in student achievement, parent satisfaction and student engagement.
5. It funds all public schools, including charter schools.
6. It creates more university scholarships.
7. It provides career and vocational educational funding.
8. And, it assures Arizona funds KidsCare.

Please join me in supporting the Quality Education and Jobs Initiative!

Dave Wells, Parent, Tempe Union Governing Board Candidate, Tempe

Paid for by Friends of Dave Wells

As a parent and a teacher my children are my number one priority. I want what is best for them, which means strong schools with high standards, effective teachers, and a safe and supportive learning environment. Prop 204 will provide our schools, our teachers, and our children with the support they need to be successful.

Jessica Mahan, Peoria

Paid for by Quality Education and Jobs Committee

Gallego Ballot Argument

As a state legislator, I have fought hard to protect education. However, my legislative colleagues have fallen short time and time again, so I need you to support Proposition 204, otherwise known as the Quality Education and Jobs Act, which will create protected funding for our schools and roads without increasing taxes. For far too long, money that should go to education been taken to be used for other purposes. These cuts hurt the children of our state. Schools across Arizona suffer from not enough resources and crowded classrooms. This initiative will not just safeguard funding for our schools, it will send a clear message to the legislature that Arizonans support public education. The time is now for us to take a stand.

Infrastructure will also receive dedicated funding through this measure. In doing so, we will create much needed jobs in construction through the building up of our infrastructure. If we allow our roads to become neglected, employers will be unwilling to come to this State, or stay, if our infrastructure is crumbling or non-existent.

We need to invest in our highways, our roads, support better schools for our children, as well as create jobs to get our State working again. Arizona's future is in hands. I am proud to support the Quality Education & Jobs Act. Please join me in voting YES for Proposition 204.

Ruben Gallego, State Representative, Arizona House of Representatives, District 27, Phoenix

Paid for by Quality Education and Jobs Committee

Pro argument, Quality Education & Jobs

Arizona has been relying on such means as tax abatements that basically force companies to subsidize their competitors, which is wrong. What employers, especially high-tech employers, want is an educated work force. This proposition makes funds available for elementary and secondary schools, public and charter, with accountability, as well as for colleges, universities, and career education. There are also funds allocated for highways and bridges, health care and other assistance for those in poverty, and to retain and pay DPS officers. Such countries as Taiwan and South Korea have found that investment in education makes the economy stronger, and I am confident it will do so in Arizona as well.

Albert H. Wigchert, Phoenix

Paid for by Quality Education and Jobs Committee

I support Prop 204 because it's the right thing to do. Year after the year the Arizona Legislature has cut education funding. This initiative will not only provide funding to our schools, but it also protects that funding from legislative cuts. Arizona citizens know investing in public education is important even if our legislators do not.

Esmeralda Bates, San Tan Valley

Paid for by Quality Education and Jobs Committee

Quality Education and Jobs Ballot Argument

I am a teacher in the Tucson Unified School District and I support Prop 204 because it will ensure that Arizona students get the quality education they deserve. I take the responsibility of educating my students very seriously and welcome the opportunity this initiative provides to hold all teachers accountable for the academic success of their students and it provides the funding to make sure teachers have the tools and resources they need to get the job done right.

Jason Freed, Tucson

Paid for by Quality Education and Jobs Committee

When voters unanimously approved the temporary one cent sales tax in 2010, they did so because of their commitment to fund education in this state and prevent more drastic cuts to our schools. Voter initiative Proposition 204 will make sure that the money raised by the one cent sales tax can only be spent on education and infrastructure. This means within a year of voter approval, our education system will receive funding dedicated for its use, and our road construction and repair will be funded to make sure that our Arizona's highways remain safe and in good condition.

Under Prop 204, all of this is done WITHOUT raising any taxes. It takes the revenue that is already coming in and puts it aside in special funds which cannot be touched or used for other projects. This will allow us to create a much stronger funding base to grow and develop our education system into the coming future.

This isn't a silver bullet. Education still has a long way to go to put us on a competitive edge in this global economy. But it is a strong step forward to making Arizona into a destination for jobs and talent. Arizona ranks at the bottom of classroom spending in the nation. Proposition 204 will put more money back into the classroom, ensuring that Arizona's students will have the resources to become the leaders of tomorrow.

A brighter future for our state without raising taxes-that's a win for Arizona. Join us in voting YES on Proposition 204.

Steve Gallardo, State Senator, Arizona State Senate, Board Member, Cartwright School Board, Tolleson

Martin Quezada, State Representative, Arizona House of Representatives, Board Member, Pendergast School Board, Phoenix

Paid for by Quality Education and Jobs Committee

As members of a organization composed of retired public school employees from all across the state of Arizona, AEA-Retired members are uniquely qualified to know the needs of Arizona's students. We have seen the catastrophic results for students of huge budget cuts to education. Class sizes have ballooned, classroom resources have dwindled, and programs that enrich students' lives, such as music and art, have been eliminated. As retirees, we know the importance of a well educated workforce in the economic development of our state. As professional educators, we know the vital role that funding plays in providing a quality education for all students.

Over the past few years, the Arizona Legislature has cut billions of dollars from K-12 and higher education in our state, resulting in huge class sizes, lack of resources for the classroom, and higher tuition for college students. The only bright spot has been the temporary one-cent sales tax for education that the voters approved in 2010. Unfortunately, that tax is due to expire in 2014, and if we do nothing to help public education, we will see even more draconian cuts that will be devastating to our students and our state. That is why AEA-Retired is supporting the Quality Education and Jobs Act. The QEJ extends the one-cent sales tax indefinitely and ensures that the Legislature must use those funds only for public education (K-12 and Higher Ed), children's health care, and investing in Arizona's infrastructure.

Arizonan's already demonstrated their support for our public schools by approving the temporary one-cent tax. We, the retired teachers and school employees, urge you to continue your support for our public schools and the students that they serve. **Invest** in the future of our children and the future of our state. **Vote "YES" on Prop 204.**

Linda A. Somo, President, AEA-Retired, Mesa

Steven Ramos, Representative At-Large, AEA-Retired, Mesa

Paid for by Quality Education and Jobs Committee

As leaders of public school parent organizations, we have committed many volunteer hours to helping schools in our respective districts. In this front-line role, it is abundantly clear to us that public education in Arizona is insufficiently funded. We submit that any citizen who becomes educated on this issue will find it is an unimpeachable fact there is a lack of stable state funding for our public schools. Education funding in Arizona must change for the system to improve and adapt to the needs of students in the 21st century.

This citizen-initiated proposition, to continue the current one-cent sales tax, will do for Arizona what our state legislature has not done — invest in public education.

For Arizona to be competitive, a high quality public education system is essential to attract and retain desirable employers. Currently, the lack of commitment to education in Arizona is a substantial deterrent to the much-needed business investment, which is vital to the future of our state. Proposition 204 is a crucial investment in education.

Public education is vital to the 80% of all students in Arizona who attend public schools and serves all of these students regardless of their abilities. High quality public education is fundamental to any vibrant state. Continuing this one-cent sales tax, which will establish baseline funding at current levels, for our public education system will benefit all Arizonans and will result in an impressive return on our investment.

As parents, citizens, and taxpayers, we know ensuring quality education and jobs is the key to prosperity. Join us in voting yes on Proposition 204.

Doreen Zannis, Executive Director, Support Our SchoolsAz, Phoenix

Kim Price-Olsen, Co-Founder, Peoria United Parent Council, Phoenix

Paid for by Quality Education and Jobs Committee

Education is a number one priority in our community and we are tired of seeing our legislators not supporting what we value the most. The time to support our public schools is now and if our elected leaders won't fund public education, then we the citizens must take on this responsibility.

This initiative will ensure a stable funding source for our public schools. One that the legislature cannot cut. The legislature has cut one billion dollars in school funding over the past four years and passing this initiative will stop the legislature from making further cuts.

So many people in our community have lost their jobs and homes, but the one thing we won't lose is our value in a good education for our children.

There are a number of new unfunded education reforms to ensure accountability. This initiative will fund some of those reforms and provide support to teachers in the classroom to improve student success.

We care about our students and our communities and that's why we are asking for your support. Vote yes on Prop 204.

Maria V. Leyva, President, Deer Valley Education Association, Glendale

Nikki Frye, President, Dysart Education Association, Surprise

Michelle Robertson, President, Cartwright Education Association, Glendale

Estevan Carreon, President, Glendale Union Education Association, Glendale

Paid for by Quality Education and Jobs Committee

Support Arizona's children, support Prop 204. This economic recession and the cuts to healthcare and education funding have hit hardest on our state's most vulnerable population - our children.

With the cuts to KidsCare we have seen many students in Phoenix school districts lose access to healthcare. This initiative will protect the health of children living in poverty so they can succeed in school by providing funds for KidsCare, which offers health care and nutrition for disadvantaged children. Children can't learn if they are sick or hungry and this initiative will help children in need focus on being successful in the classroom.

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We know early childhood education builds a foundation for education excellence in our students. This initiative will also provide funds allowing public and charter schools to offer voluntary preschool programs for low-income students.

The initiative will help children be ready to learn by creating a Family Stability and Self-Sufficiency Fund to provide grants to help reduce hunger, homelessness, and family violence. In addition, the initiative will provide childcare for some low-income working families and single parents.

I urge you to vote YES on Prop 204.

Lindsay Farr, Vice President, Madison District CTA, Phoenix
Paid for by Quality Education and Jobs Committee

Thomas Roy Oviatt Jr., President, PUHSP CEA, Peoria

Arizonans recognize that quality education is the key to our collective future.

They know that education is not only critical to our children and their success, but is equally key to all of us as we train Arizona's future workforce.

Unfortunately, education has not been the priority of our elected leaders. For the past decade, the Legislature has failed to make the kinds investment in education Arizona needs to compete with not just other states, but other countries in this global economy.

That's why a number of groups representing various business, parent and education community perspectives have come together to place the Quality Education and Jobs initiative on the ballot.

On the previous pages, you have read statements by many of the initiative supporters. But this is just a fraction of the organizations that have endorsed Quality Education and Jobs citizen initiative, which includes, among others:

Greater Phoenix Leadership
Southern Arizona Leadership Council
Arizona Chapter, Associated General Contractors of America
League of Women Voters of Arizona
Arizona Hispanic Community Forum
Association for Supportive Child Care
Children's Action Alliance
Arizona Builders Alliance
Tucson Utility Contractors Association
Friends of the Arizona School Board Association
Arizona PTA
National Utility Contractors Association of Arizona
American Council of Engineering Companies of Arizona
Associated Minority Contractors of America
Chicanos por la Causa
Dignity Healthcare
Arizona Education Parent Network
Arizona Education Association
Arizona Students Association
Arizona School Retirees Association
Metropolitan Education Commission
Peoria United Parents Council
Support Our Schools-Arizona
The Navajo Nation
Arizona Community Action Association
Arizona Council of Human Service Providers
Arizona Child Care Association
For a more complete list, visit the campaign Website at QualityEducationAndJobs.com.

Thank you.
Adam Lopez-Falk, Campaign Manager, Quality Education and Jobs, Phoenix

ARGUMENTS "AGAINST" PROPOSITION 204

TEMPORARY-def :not permanent, lasting for a limited time. Arizona voters approved an additional 1% temporary sales tax to end in 2013. At that time, there was a state financial crisis caused by such factors as a lackluster economy, falling tax revenues, a weak-willed legislature and spendthrift governor. The crisis is over. An improving economy with a more fiscally responsible legislature & governor have even created a budget surplus or rainy-day fund. Continuing this tax is unnecessary & potentially damaging to the economy

1. A sales tax of any sort is regressive hurting those with lower, middle or fixed incomes.
2. High sales taxes stifle "big ticket" discretionary spending. Currently, Arizona has the 10th highest state sales tax, and 11th highest state/local sales tax average.
3. High sales taxes encourage out-of-state & internet purchases resulting in zero-tax revenue.
4. This measure earmarks half of the first half-billion collected to fund education (*without strings*)?? Other funds are earmarked for roads, universities, and misc. construction. We have a voter elected legislature to determine spending priorities as they are needed. Saddling ourselves to a rigid pre-determined spending policy could have dire consequences in the future.

Finally, keep in mind that many in government, construction & education are licking their chops at the prospect of this multi-billion dollar windfall. Let's keep some control of the state's purse strings in our hands, as well as more money in our pockets. **VOTE NO ON THIS IRRESPONSIBLE TAX INCREASE.**

Tom Vana, Tucson

Farm Bureau Supports a "NO" Vote on Quality Jobs and Education Act

Arizona does not need more budgeting by the ballot box, nor do we need to further hamstring our legislature. We will hold **them** accountable at the ballot box. Our governor and legislature are constitutionally required to balance the budget. Every permanent earmark makes that job harder.

AZFB supported the temporary [emphasis on "temporary"] sales tax as an emergency measure, but the time for the sales tax increase has passed and it is time for the legislature to continue to do the things necessary to get our state's fiscal house in order. The twelve earmarks are more like the twelve days of Christmas...year after year after year.

Kevin G. Rogers, President, Arizona Farm Bureau Federation, Gilbert

James W. Klinker, Chief Administrative Officer, Arizona Farm Bureau Federation, Gilbert

Paid for by Arizona Farm Bureau Federation

Dear Voter,

I urge you to vote **No** on Proposition 204. We don't need this type of California, union-style budgeting in Arizona.

Two years ago - during some of our state's toughest times - Arizona voters overwhelmingly passed Proposition 100, a three-year tax increase needed to stave off drastic cuts to education. I was proud to lead that effort, and I have continued to fight for measures that provide additional funding for critical education reforms that increase student achievement.

Unfortunately, Proposition 204 is not one of those.

Proposition 204 only pretends to fund the reforms we desperately need. Proponents of this measure, mostly unions and their supporters, want you to commit to permanently pay 18% more in state sales taxes - without requiring any reforms or guaranteeing any results. And all of this before the current sales tax has even expired!

They want to treat failing schools the same as successful schools. They want to claim that funds will be used to increase teacher pay and implement higher academic standards while, in fact, neither of those things is actually required.

Proposition 204 is overly-complicated and confusing. Even experts cannot agree what happens to the tax dollars collected. A school funding proposal shouldn't require a degree in high finance in order to follow the money.

We can do better than Proposition 204. Let's fund the results we want, starting with the resources we have. Let's couple any new revenues with meaningful reforms that will actually improve student achievement and graduation rates. Let's reward our star teachers and principals with pay that recognizes their outstanding performance.

Otherwise, we will look back and see billions more of our tax dollars spent without any clear improvements for our children.

Be wise with your money and vote **No** on Proposition 204!

Jan Brewer, Governor, Phoenix

Why you should vote NO:

1. The citizens of Arizona were PROMISED that the sales tax increase would be TEMPORARY, NOT PERMANENT.
2. The Governor and legislature have ALREADY SET \$450 MILLION ASIDE, just in case we need it when the temporary tax expires.
3. Citizens CAN'T AFFORD this. Combined sales tax rates in many Arizona cities are already HIGHER than in New York City and Los Angeles. The current combined sales tax rate in Phoenix is 9.3%; Glendale's is 10.2%, and Buckeye is at 10.3%.
4. This initiative has DEVASTATING consequences. It will effectively STRIP AWAY the right of Arizona Citizens to provide input on future budget decisions. Right now the state legislature and Governor are required to balance the state budget. The public and agencies are able to testify and give public input. Instead of public input, this initiative puts huge portions of the state budget on auto-pilot driven by formulas. Between this and the Feds forcing us to spend more and more on free healthcare, our state will have little to no money left over for other important services to our public. Agencies, like state parks, may very well be left to hang out and dry.
5. Just like other well-meaning initiatives in the past, this initiative will COST TAXPAYERS EVEN MORE MONEY than the sales tax increase. The nonpartisan Joint Legislative Budget Committee estimates the sales tax increase from this initiative will cover the automatic inflation index tied to it until 2018. Where are we going to get the extra money needed to fund this thing in 7 years and beyond?

Debbie Lesko, State Representative, Majority Whip, Arizona House of Representatives, Glendale

Paid for by Re-Elect Debbie Lesko

Education sales tax - Vote NO

The legislature will not adequately fund public education. Unfortunately they have the votes to cut taxes on those most able to pay and to increase vouchers and tax credits for private schools if we impose an education sales tax.

ARGUMENTS "AGAINST" PROPOSITION 204

The legislature made revenue cuts as soon as the last temporary education tax passed. This time they promised to cut income taxes by an amount equal to the revenue from the sales tax if it passes. And they will give other tax breaks to the wealthy and divert more money to private schools.

BEWARE! Tax cuts would be forever because it requires a super majority to impose taxes.

Passing this sales tax would shift taxes from those most able to pay to a regressive sales tax that hurts low-income people. Higher sales taxes cut retail sales that are vital for our economic recovery.

If we refuse to bail out the legislature with this sales tax, they will have to face the public outrage (and not be elected) if they make destructive cuts in education funding.

The revenue would not cover all critical education needs. Unfortunately the proposition dictates which items to fund. This would prevent using the money for more critical needs that are not on the list. Voters are not qualified to decide how to allocate all this money.

Many supporters admit that they do not understand the important details of this proposition. So they depend on what the promoters say. Before you vote, meet with others who want quality education and are willing to pay for it with appropriate taxes. Study the issues. Listen to arguments for and against this tax.

Millions of these education dollars would be diverted to fund Arizona roads. Outrageous!

Ruth Stokes, Tucson

Vote No on Prop 204 – The Quality Education and Jobs Act

The Home Builders Association of Central Arizona has supported the funding of Arizona’s education system to ensure that we have an educated and qualified work force to ensure a vibrant economy for Arizona. Unfortunately, Proposition 204 does nothing to achieve those goals. We oppose Prop 204 for the following reasons:

- It is a permanent one percent sales tax increase that is not a comprehensive approach to improving education in Arizona.
- It lacks the ability to change the use of the funds if Arizona’s priority changes.
- It allows for rewards to be distributed to schools regardless of performance level without specifying new programs or alternatives for failing schools to improve.
- Was drafted in secret without public input or discussion with those who were elected by the voters to decide how the state budget is funded.
- Allows a few groups to determine how funding for education, healthcare and transportation are determined while tying the hands of those who were elected to make such decisions.

Let the temporary sales tax increase expire as the voters desired when they approved the tax increase in 2010. Now is not the time to raise taxes as mandated by this ill advised plan.

Vote No on Prop 204

Connie Wilhelm, President, Home Builders Association of Central Arizona, Phoenix

Paid for by Home Builders Association of Central Arizona

Spencer Kamps, Vice President of Legislative Affairs, Home Builders Association of Central Arizona, Phoenix

I strongly oppose Prop. 204. Placing a permanent tax on a state still under economic duress is not good public policy. While it may sound like a solution for funding education and creating jobs, it circumvents the mechanisms that the public relies on to ensure that their hard earned dollars are well spent.

This sales tax will hinder job creation. With the temporary tax in place, impact studies found that in the private sector, over 4,000 jobs were lost. Multiplier effects estimate a reduction of approximately 7,383 jobs. The unemployment rate in this state has not dropped significantly to demonstrate a strengthened economy. The rate has only decreased 2% in two years. That is hardly encouraging.

This proposed tax, coupled with freezing the current tax rate, is a job killer. The tax can never be lowered. Any effort to reduce it is virtually impossible. Consumer confidence has guided our recovery, and in my estimation, they are not buying it. We are not there yet.

Hiding behind its title, Prop. 204 creates new funds for infrastructure, healthcare and welfare. There is no spending flexibility whatsoever. While the proponents could have given excess revenue back to the citizens, they chose not to. That is simply offensive.

Funding education is a wise investment. However, when it goes unchecked, and there are schools that do not perform to a competitive standard, the people will have no input. Like the sales tax, funding is frozen in time. There can be no change in spending priorities.

You can’t be all things to all people. Prop. 204 attempts to do so by casting a large net to lure in more votes. It will fail the public by overreaching in its mission and not allowing any budgetary discretion. Please oppose Prop. 204.

Steve Pierce, President of the Arizona State Senate, Phoenix

Arizona Chamber of Commerce and Industry opposes Proposition 204

The Arizona Chamber has long championed the development of an education system that prepares our state’s workforce for tomorrow’s economy. Such a system may require increased funding, but it also needs greater accountability, more tools to help struggling schools and students, and clear, measurable goals. Unfortunately, Proposition 204 fails in this regard.

In recent years, the Chamber supported reforms that help get more science, technology, engineering and mathematics educators into the classroom; increase accountability measures to ensure better school performance; assign easy-to-understand letter grade assessments of schools; increase school choice; increase funding to ensure third graders can read; and allow high achieving students to get a jump start on their college careers.

The Chamber recognizes that a high-performing education system requires the financial resources necessary to produce a highly qualified workforce. To that end, the Chamber strongly supported Proposition 100 in 2010, which established a **temporary** one cent per dollar sales tax that, among other things, helped prevent deep cuts to the K-12 system during the economic downturn.

Despite what proponents of Proposition 204 might say, it is not an extension of the current sales tax that is set to expire on May 31, 2013. This is an entirely new **permanent** tax with new implications for policymakers and our state.

This new permanent tax does not increase accountability nor does it demand increased achievement from our education system. Arizona voters, who will commit around one billion dollars annually, deserve more.

We urge voters to oppose Proposition 204.

Glenn Hamer, President & CEO, Arizona Chamber of Commerce & Industry, Phoenix

Paid for by Arizona Chamber of Commerce & Industry

Doug Yonko, Chairman, Arizona Chamber of Commerce & Industry, Phoenix

Proposition 204 (1-16-2012) – Earmarking at its worst

The Arizona Tax Research Association (ATRA) encourages a NO vote on Proposition 204 (1-16-2012). ATRA has long opposed **ballot-box budgeting**, where special interests use the initiative process to earmark revenues outside the state's budgeting process. This initiative is arguably the most egregious earmarking effort ever placed before Arizona voters and it should be rejected.

This permanent sales tax increase locks in place an estimated \$25 billion in spending over the next 17 years that can never be changed. Regardless of one's perspective on the adequacy of education or transportation funding, putting spending for 12 different earmarks on auto-pilot is simply irresponsible. The Great Recession taught us a number of lessons regarding budgeting mistakes that aggravated Arizona's chronic budget deficits. The biggest lesson was to avoid making permanent budget decisions that tie up billions of taxpayer dollars on the belief that neither the economy nor the state's priorities will ever change.

In addition to a permanent sales tax rate increase in a state with the second highest combined rates in the nation, the initiative also takes the extraordinary step of freezing the current sales tax base. Freezing the sales tax base will undermine the growing momentum to reform Arizona's antiquated state and local sales tax code and demonstrates not even a modicum of consideration for the taxpayers saddled with complying with this tax increase.

Lastly, funding for K-12 schools has always been the largest state expenditure. K-12 appropriations are driven by many complicated formulas that account for differences across Arizona schools. Prop 204 (1-16-2012) handcuffs policymakers' ability to change these funding formulas. Presuming there will never be a legitimate reason to modify these statutes is shortsighted and an abuse of the initiative process.

Kevin J. McCarthy, President, Arizona Tax Research Association, Gilbert
Paid for by Arizona Tax Research Association

Lori Daniels, Board Member, Arizona Tax Research Association, Chandler

Ranching Families Oppose Proposition 204

Proposition 204 is a bureaucratic boondoggle. It is a permanent tax for a temporary problem. It is an inflexible program that increases taxes forever and ties the hands of any future policies to properly adjust Arizona's Sales Tax Code. It just doesn't work and we will not be able to fix it.

Our schools in rural Arizona are very important to us – but our children and our future are even more important. Proposition 204 pretends to know and direct the needs of our schools tomorrow through a flawed policy they present to us today. We support education and the continued funding of our schools – we just need to make sure we can adjust and direct these resources to better learning priorities in the future. Proposition 204 ties our hands and will not allow us to adjust the spending of these tax dollars to the learning priorities of parents and children in the future.

Please vote NO on Proposition 204!

Norman J. Hinz, President, Arizona Cattle Feeders' Association, Phoenix
Paid for by Arizona Cattlemen's Association

Patrick Bray, Executive Vice President, Arizona Cattlemen's Association, Phoenix

Vote "No" on the Quality Education and Jobs Act

The Quality Education and Jobs Act will raise your taxes without a plan to improve our schools.

1. The Quality Education and Jobs Act does not provide a roadmap for better schools, just a higher sales tax. \$500 million will be awarded to schools without any new requirements to increase test scores, make sure children graduate from high school, or reduce class sizes. Another \$100 million will go to schools based on unclear guidelines including parent and student "engagement." The other \$400 million will be spent on highways and a mix of special programs.

2. There is no guarantee this money will be used in the classroom. The initiative does not promise that the money will make it into the classroom. We've seen this before. Twelve years ago we raised the sales tax to fund schools and taxpayers were promised the money would be spent in the classroom. Earlier this year, the state auditor said only 55 cents of every education tax dollar makes it to the classroom. Since 2004, the percentage of education dollars spent in the classroom has decreased each year.

3. More money will not improve learning. Arizona has doubled inflation-adjusted school spending in the last 40 years, but student test scores have stayed the same. In Washington, D.C. and New York taxpayers spend double and triple what Arizona spends. Yet Arizona students outperform students in Washington, D.C. in math and reading, and perform as well as New York students in math—all for less money.

Every Arizona child should attend a school that challenges him and prepares him for the future. Simply spending more without requiring that schools improve won't work. We need reforms that lead to achievement, not higher taxes to pay for the same system.

Jonathan Butcher, Goldwater Institute, Phoenix
Paid for by Goldwater Institute

Statement in Opposition - Quality Education and Jobs Initiative

Arizona's elected Mayors and city/town council members care deeply about the quality of our school system and they understand how important a good education is to the future of our children and the success of our communities and state. Education is so important that many cities contribute significant local tax revenues to pay for school facilities, resources and activities such as after-school programs.

Local officials recognize that educational standards need to be high, that teachers should be well-trained and that schools need to be funded appropriately.

Unfortunately, the League of Arizona Cities and Towns does not believe the Quality Education and Jobs initiative is the right mechanism to accomplish those goals.

While well-meaning in its intent, the ballot proposition has a number of flaws that make it the wrong tool to accomplish education reform and improvement, and the wrong way to make tax policy.

The proposition:

- Permanently locks in an additional one-cent state sales tax, making Arizona's sales tax one of the highest in the nation. The combined rate in many parts of the state will be well above 10%, potentially discouraging retail sales and hurting our already-fragile economy.
- It effectively closes down a city's ability to use future local sales taxes, limiting their capacity to provide vital local services to citizens.
- Does not maintain the distribution of sales tax shared revenue funds to cities and towns, a longstanding principle authorized by Arizona voters.

- Dedicates only small percentages of total proceeds to higher education and transportation "infrastructure." These amounts do not come close to meeting current and future needs, but give the impression that funding is "taken care of" in those areas. The League of Arizona Cities and Towns strongly urges a NO vote on the Quality Education and Jobs initiative.

Doug Von Gausig, President, League of Arizona Cities and Towns, Clarkdale

Paid for by The League of Arizona Cities & Towns

Mark Mitchell, Vice President, League of Arizona Cities and Towns, Tempe

I-16-2012 Quality Education and Jobs Act 201200362

As President of the Arizona Senate I made sure we balanced Arizona's budget and we did it the right way – in accordance with our Constitution, by holding the line on spending, and without tax increases. Why? Because that was our job and that was the right way to do it. Our families and our businesses cannot spend more than they have, and while the Federal Government can just print money to pay its bills, the state of Arizona cannot. Plus, our families and businesses are already overtaxed, and increasing taxes will only hurt our economy and cost us more jobs.

In 2010 the voters of Arizona supported a TEMPORARY sales tax increase that the politicians and groups supporting it promised would be temporary. They gave their word. That three-year long tax increase has not even expired yet and they are already breaking their promise. Shame on them!

Enough is enough. I hope that the taxpayers and freedom loving citizens of this great state will make themselves heard loud and clear. A deal is a deal, a promise is a promise, and No New Taxes!

Government already takes too much, and in these tough times we must reduce the burden that taxes place on working families. We have 17 million Americans out of work, record foreclosures and yet the special interests want even more of your money to pay for their pet projects.

This same idea was defeated in California. If even California can figure out that it is a bad idea, then I trust the message will be sent loud and clear from the good citizens of this state. Vote No on this permanent, job-killing, multi-billion dollar tax increase!

Hon. Russell Pearce, Former President of the Arizona State Senate, Mesa

Paid for by Pearce for Arizona

Proposition 204 bad for Arizona's Economy and Fiscal Health

The proponents of this initiative would like you to believe that this proposal is a simple extension of the sales tax increase passed in 2010. Nothing could be further from the truth! In fact, this initiative is a stealth proposal that will make it impossible to balance our state budget without massive tax increases or draconian cuts to other vital services.

How does proposition 204 do this? The drafters included language that prevents future adjustments to spending levels for education, even if the money is being wasted or misspent. Even worse, it locks in automatic increases for future spending, regardless of whether the money is available or not. As experience has taught us, Arizona needs the ability to manage its budget during hard times, and this initiative takes that ability away. It does away with transparency and accountability of billions in taxpayer dollars.

Everyone supports education, but guaranteeing an endless stream of revenue will be a disaster for our budget and for Arizona. We just got done navigating through our last fiscal crisis, yet if Prop 204 passes this will put us right back in our budget mess.

Please vote NO on Prop 204.

Gary Pasquinelli, Yuma

Vote NO on Proposition 204

If it passes, Proposition 204 will go down as one of the most destructive initiatives in Arizona history. For starters, the proposition PERMANENTLY increases the state sales tax to among the highest in the country. When the sales tax was increased less than two years ago, voters were promised that it was a temporary increase to deal with the economic crisis our state was facing. It was never meant to be a permanent tax hike, and now the proponents of Proposition 204 are hoping voters have short memories.

But the permanent tax increase is only half the story. If passed, this proposition will trigger an additional massive tax increase the next time there's a downturn in the economy. Why will this happen? Because when the proponents drafted Proposition 204 in secret, they included language that locked in current levels of spending and earmarked the sales tax increase for new programs. There is no ability to make adjustments in the budget, even if we experience another economic downturn. The only option will be massive tax hikes to cover the difference.

Whether you supported the increase or not, the tax hike was suppose to be temporary. This initiative, however, makes the tax increase permanent and locks in permanent increases in spending; the proverbial double-whammy. The added revenues from the tax hike will only go to certain programs with little accountability and can never be altered. This is not the way to balance a budget. This is not the way to run a state. Vote NO on Proposition 204.

Steve Voeller, Chairman, Arizonans for a Responsible Budget, Phoenix

Paid for by Arizonans for a Responsible Budget

Scot Mussi, Treasurer, Arizonans for a Responsible Budget, Phoenix



PROPOSITION 204 ~ BALLOT FORMAT



PROPOSITION 204

**PROPOSED BY INITIATIVE PETITION RELATING TO TAXATION.
[I-16-2012]**

<p><u>PROPOSITION 204</u> 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.</p>
<p><u>DESCRIPTIVE TITLE</u> EFFECTIVE JUNE 1, 2013, PERMANENTLY INCREASES THE STATE SALES TAX BY ONE CENT PER DOLLAR FOR THE PURPOSE OF FUNDING EDUCATIONAL PROGRAMS, PUBLIC TRANSPORTATION INFRASTRUCTURE PROJECTS, AND HUMAN SERVICES; FORBIDS REDUCTIONS TO CURRENT K-12 AND UNIVERSITY FUNDING LEVELS; AND FORBIDS REDUCTIONS TO THE CURRENT STATE SALES TAX BASE.</p>

BALLOT FORMAT FOR PROPOSITION 204

<p>A "yes" vote shall have the effect of permanently increasing the state sales tax by one cent per dollar, effective June 1, 2013, for the purpose of funding educational programs, public transportation infrastructure projects, and human services. It forbids reductions to current K-12 and university funding levels and forbids reductions to the current state sales tax base.</p>	<p>YES <input type="checkbox"/></p>
<p>A "no" vote shall have the effect of not increasing the state sales tax by one cent per one dollar, beginning June 1, 2013.</p>	<p>NO <input type="checkbox"/></p>