



Statewide One Cent Sales Tax –Prop 100 May 2010

What are the specifics of Proposition 100?

Proposition 100 proposes a 1% increase in the Arizona state sales tax. Two-thirds of the revenues generated would fund k-12 education and the other one-third would fund health and human services and public safety. The sales tax would automatically repeal on May 31, 2013.

Will it really repeal automatically?

Yes, it will repeal on May 31, 2013. It would take a two-thirds vote of the legislature or another voter proposition to keep the tax increase in place.

Why didn't the legislature just pass the sales tax increase?

Governor Brewer asked legislators to pass it but it failed. In Arizona it takes a two-thirds vote to raise revenues and there are 31 legislators who have signed an oath to Washington special interest lobbyist Grover Norquist, promising to never raise taxes in Arizona—no matter what the situation.

What is the state of education funding now?

Arizona per-pupil funding is currently among the lowest in the nation. In addition, Arizona schools have already absorbed several rounds of cuts in 2009. Due to these cuts, Arizona schools are experiencing increased class sizes; cuts to extra-curricular activities and athletics; and the loss of PE, music, librarians, books and even paper.

What happens to education funding if Proposition 100 does not pass?

If the temporary 1% sales tax does not pass, as much as one-quarter of all public education funding could be cut. This could mean 1.5 to 2 of out of every 10 teacher positions may be eliminated.

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Will there be additional cuts to public schools even if Prop 100 passes?

YES. Even if Proposition 100 passes the revenue raised is not enough to close the budget gap. Additional cuts to education proposed include:

- Reduction of state funding per-student from current levels to FY2005-06 funding levels.
- Elimination of state funding for Gifted Programs, Teacher Training, Adult Education and GED, and the Early Education Block Grant.
- The elimination of the Full-Day Kindergarten funding rate (\$218 million)
- Reduced funding for Charter Schools (\$10 million)
- No funding for regular School Building and Maintenance. Only \$5 million for emergency maintenance state-wide.
- Reduction of support for Community Colleges and Universities to FY 2005-06 levels. Per-pupil support would drop for universities from \$9,480 to \$7,100 per student.

Since the election isn't until May 18th, will there be a budget before then?

There may even be two budgets coming from the legislature. Indications are that in order to recess and not return for a special session while legislators are campaigning for the November election, the legislature will vote on two budgets. The first budget, which would trigger if Prop. 100 fails, will encompass drastic budget cuts to education to balance the budget. The other budget will contain the cuts noted above and the revenue from the 1% temporary sales tax. We will keep you updated on budget progress in the legislature.

What does Proposition 100 mean for the economy of Arizona?

The Governor's budget director, John Arnold, confirmed that economists view Proposition 100 as job neutral (any jobs lost by an increase in the sales tax would be equivalent to jobs lost as a result of the cuts made if the measure fails). Education is inextricably linked to a healthy Arizona economy. In order to attract businesses to Arizona, the state must provide a strong public education system. If these drastic cuts are made, companies may not only fail to relocate to Arizona—they may leave. They may also imperil Arizona's military bases. Many civilian jobs already remain unfilled at bases due to the lack of qualified workers. In addition, military families may choose to avoid a state with diminished funding for education.

Why is Proposition 100 important to our senior population?

Arizona seniors have a stake in education too. The link between education and economic growth is key to the future of our state and no one understands that better than our seniors who have seen the economic benefits of education throughout their lives. Moreover, if Arizona fails to fund quality public education, our professionals—doctors, lawyers and accountants—may leave for states that provide better educational opportunities for their families. High-quality education also correlates to higher property values and lower crime rates. Seniors will

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also benefit from the one-third of the temporary sales tax devoted to public health and safety. No one wants to see the early release of convicted criminals.

Who supports Proposition 100?

State Leaders

Governor Jan Brewer
 State Senator Linda Lopez
 State Senator Jack Brown
 Liz Archuleta - Coconino County Supervisor
 David Tenney - Navajo County Supervisor
 Max Wilson - Maricopa County Supervisor
 Tom Betlach - Director AHCCCS
 Neal Young - Director DES
 Will Humble - Interim Director DHS

Education Leaders

Arizona Education Association
 PAVE (Parent Advocates of Vail for Education)
 C.O.V.E Citizens of Vail for Education
 Eller College of Management - University of Arizona
 Associated Students of Northern Arizona University
 ASU Undergraduate Student Government
 Associated Students of the University of Arizona
 Solutions Through Higher Education
 Northern Arizona University Foundation
 Arizona State Board of Education
 Arizona Association of County School Superintendents
 Stand for Children
 Arizona School Boards Association
 The Arizona Education Network
 Children's Action Alliance
 Stand for Children
 Partners-In-Education (PIE)
 Arizona Association of School Business Officials
 Scottsdale Parent Council
 PLAN (Parent Legislative Action Network)
 Arizona School Administrators Association
 Arizona Students' Associations
 APPLE
 Arizona Parent Teacher Association (PTA)
 Community Legislative Network - PVUSD
 FRIENDS of CFSD
 Vail Arts Alliance

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Tucson Education Association (TEA)
 American Association of University Women (AAUW)
 Prescott Arizona Branch
 Parent Network
 Arizona Federation of Teachers
 Arizona PTA

Public Safety Leaders

Professional Fire Fighters of Arizona
 Triple R Behavioral Health
 Arizona Transit Association
 Arizona Highway Patrol Association
 Chuck Ryan
 Robert Halliday

Health and Human Service Leaders

Arizona Hospital and Healthcare Association
 Blue Cross Blue Shield
 Banner Health
 Protecting Arizona's Family Coalition (PAFCO)
 Arizona Council of Human Service Providers
 TERROS
 Critical Path Institute
 Choices Network of AZ
 AIRES, LLC
 Arizona Child Care Association
 Arizona Public Health Association
 Tucson Medical Center (TMC)

Public Leaders

Arizona Trucking Association
 DMB Associates, Inc.
 PetSmart
 SUNDT Corporation
 Arizona Public Service Company
 Pinnacle West Capital Corporation
 Tribal Leaders
 Fort McDowell Yavapai Nation
 Tohono O'odham Nation
 The Navajo Nation
 Robert Roos
 Tucson Metropolitan Chamber of Commerce
 Salt River Project
 Arizona Cardinals

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East Valley Partnership
 Greater Phoenix Leadership
 Arizona Hispanic Chamber of Commerce
 WESTMARC
 Valley Interfaith Project
 Arizona Interfaith Network (AIN)
 Chicanos Por La Causa
 Valle del Sol
 Greater Phoenix Chamber of Commerce
 Monsignor Edward J Ryle Fund
 Pima County Interfaith Council (PCIC)
 United Way of Northern Arizona
 Arizona Chamber of Commerce and Industry
 Valley of the Sun United Way
 Southern Arizona Leadership Council (SALC)
 Arizona Chapter, Associated General Contractors (AGC)
 Lewis and Roca
 Alliance of Arizona Nonprofits
 US Airways

Recommendation

The NPCCC Board of Directors supports a “YES” vote and urges the members and the community at large to do the same.

***A "yes" vote shall have the effect of temporarily adding one cent to the transaction privilege (sales) and use tax that begins on July 1, 2010 and ends May 31, 2013 for the purpose of funding primary and secondary education, health and human services and public safety.*

***A "no" vote shall have the effect of keeping the state transaction privilege (sales) and use taxes at their current levels.*

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