

## Settled Issues:

- ~ Prop. 301 was a referendum of the people and as such its **provisions are protected** by the Voter Protection Act (an amendment to the Arizona Constitution) in 1998.
- ~ State must **reset the Base Support Level** of funding to what it would have been had it been annually adjusted for inflation since 2009. This is equivalent to \$317M owed to district schools.
- ~ All components of the state funding formula **must be adjusted for inflation each year** as prescribed by statute, not just transportation but also the base support level.
- ~ The revenue control limit for school districts **must be corrected with the appropriate base support levels** for 2009-2014.
- ~ An evidentiary hearing will be held on **October 27, 2014 to address the "back pay" funding** from 2009-2014 which amounts to \$2.9B owed to school districts.

## Myth v. Fact

**Myth:** The "or" in 15-901.01 was intended to mean "or" and give the Legislature an option to increase the base or the other components of the revenue control limit (RCL).

**Fact:** As the courts have found (three times) the overwhelming evidence is that "or" was intended as conjunctive not disjunctive since the overriding intent of Prop. 301 was to increase funding for education. "Or" means "And".

**Myth:** Prop. 301 was never intended to be a referendum protected by the Voter Protection provisions of the AZ Constitution.

**Fact:** The Governor and Legislature were extremely aware that the items put before voters would be protected by the VPA, which is why they only put five items on the ballot as Prop. 301.

**Myth:** Voters never intended inflationary increases that "compound" and set a new "floor" that can never be penetrated.

**Fact:** The statutory framework creates inflationary increases to ensure the purchasing power of the previous year is maintained. Voter information for Prop 301 made this clear.

**Myth:** The Legislature cannot be required by voters to make appropriations of money.

**Fact:** The Arizona Supreme court has ruled that the VPA altered the balance of power in Arizona. Ballot measures approved by the people take precedence and the Legislature cannot change them and must follow them.

**Myth:** Since the Legislature provided more school funding than was required in some previous years, the Legislature should get "credit" for this amount in any settlement of the Prop 301 case.

**Fact:** The Legislature never provided any money beyond what was legally required. The idea of inflation funding is to preserve the level of purchasing power for the previous year.

**Myth:** Inflationary increases are only required for 5 more years, so the Legislature could keep stonewalling until time runs out.

**Fact:** The sales tax provision in Prop 301 is the only part that expires in 2021 unless re-approved by voters. The inflationary increases are statutorily required and remain in place unless voters decide to repeal it.

**Myth:** Since Prop. 301 funding was required to be spent in the classroom, and the percentage of dollars being spent in the classroom has decreased, districts have illegally supplanted funds.

**Fact:** According to the US Census, Arizona school districts spent fewer dollars on administration than any other state. Money spent outside the classroom are largely fixed costs which have increased faster than inflation. Additionally, Arizona children as a group have become more impoverished by which we receive more federal funds that are slated to be spent outside the classroom.

**Myth:** Courts can mandate that the Legislature appropriate the money needed to come into compliance with the law.

**Fact:** Appropriations are the purview of the Legislature. While the courts can issue sanctions on the state, they cannot "force" the Legislature to appropriate money.

## Vote YES for the FUSD Budget Override Continuation



In Arizona, funding for public school districts comes mostly from local property tax. Each local tax dollar is fed into a statewide formula which often-times produces a return that is pennies on the dollar we paid into the system. To correct this shortfall, the state gave local school districts the ability to ask voters for additional funding through what is called a budget override. The beauty of this funding is that each dollar collected in our community stays right here in Flagstaff, with direct accountability to taxpayers through the Flagstaff school board. The budget override is locally controlled funding, but it must be renewed by voters every five

years.

### **Arizona Reduces Funding for Education**

In the past this local funding was usually reserved for special circumstances, like when a community desired education over and above what the state paid for. However over the past decade the state legislature has intentionally stopped paying its share for education, forcing nearly every school district in the state to fund basic education services through locally controlled funding like overrides.

### **Renewal of Existing Local Funding**

For the Flagstaff Unified School District, this represents about seven and a half million dollars that is currently being funded by an override approved by voters in 2010. These funds are currently paying for staff and services that provide smaller class sizes, elementary arts, music and physical education, full-day kindergarten, K-3 reading and math intervention programs, support for extra-curriculars, plus paying for all the unfunded state mandates. Think of it this way, the current override is equal to a hundred and thirty five highly qualified teachers that would no longer be around if this locally controlled funding stops.

### **The Price of Coffee**

On election day, November 4th, our children need your support once again to renew the existing override for the Flagstaff School District to maintain this local funding. This is a renewal of education funding that you are already paying, to the amount of only seventeen dollars per month if you own an average valued home in Flagstaff. That's the price of only three latte's at your favorite coffee shop. It's a small price for something as priceless as our children's future.

**So on November 4th, vote yes for the FUSD budget override continuation.**

For more information visit [YESforFUSD.com](http://YESforFUSD.com)