

F.A.Q.s. ON THE PROP. 301 LAWSUIT

A lawsuit has been brought forth by statewide education groups, school districts and Arizona voters in order to require the legislature to uphold the will of Arizona's voters, who have a proud history of supporting public education measures at the ballot box, as proved by the passage of Prop. 301 in 2000 and, most recently, the passage of Prop. 100 by a 2-1 margin.

What is Prop. 301?

Prop. 301 was a major public education funding measure approved by Arizona voters in 2000 in a statewide pro-education campaign much like Prop. 100.

The legal funding requirements that resulted from its passage are intended to keep funding for Arizona's public education system from losing even more ground than it had in the 20 years prior to Prop. 301's passage, when funding for Arizona public schools suffered a precipitous decline (from 34th nationally in 1980 to 50th in 2000).

The measure remains in effect through 2021.

What does Prop. 301 require?

Prop. 301 requires that each year, through 2021, funding for public schools be adjusted slightly upward to keep pace with the rate of inflation.

In the first five years (through 2005), Prop. 301 required the base support level and other components of the school funding formula be adjusted upward by two percent each year.

Now and through 2021, Prop. 301 requires that the base support level and other components of the school funding formula be adjusted upward by either two percent or the rate of inflation, whichever is lower. (For 2011, the required "inflation factor" is 1.3 percent.)

Why are statewide education groups, school districts and voters suing the treasurer of the state of Arizona over the fiscal year 2011 budget?

The fiscal year 2011 budget, passed by the legislature during the 2010 regular session, does not fulfill the state's funding obligation to public education as required by Proposition 301, a voter referendum which was passed at the polls in 2000 and is in effect through 2021.

How does this year's budget not meet these requirements?

The legislature did not make an adjustment for inflation to the base support level for public education for fiscal year 2011 budget as required by Prop. 301. Instead, the Prop. 301 adjustment was applied to only one extremely small component of the school funding formula - student transportation route miles.

Due to an existing freeze by the legislature to transportation budgets of many districts, 60 percent of school districts would not receive **any** funding under Prop. 301 in 2011, unless the court requires the legislature to take corrective action.

What is the “and” versus “or” argument about?

There are many inconsistencies in the key legal language related to Prop. 301. In the law that referred Prop. 301 to the ballot (SB1007), for example, the language requires “inflation adjustments in the state aid to education base level *and* other components...” An analysis in the publicity pamphlet by the legislative council explaining the fiscal impact of Prop. 301 to the voters assumes “and” language. However, the law stipulating to the inflation adjustments says that “the legislature shall increase the base level *or* other components...”

Which interpretation is correct?

Adjustment to the base level *and* other components is the clear intent of Prop. 301.

The intent of the voters, legislative history and the whole meaning of the law make this clear.

The supposed “choice” argument isn’t rational, since a “choice” of what to adjust for inflation would not improve funding in a substantive manner, as voters clearly intended.

In 2011, it would be the difference between a \$61 million adjustment (“and”) and a less than \$5 million adjustment (“or”).

If the adjustment had been applied to only transportation since the time Prop. 301 went into effect, Arizona public schools would have actually suffered **a decrease** in real dollar funding as a result of its passage – clearly not the intent.

Legislative estimates prior to the passage of Prop. 301 assumed increases to the base level. These estimates were presented to voters in the publicity pamphlet.

Until the 2011 budget was passed, legislative history also has consistently upheld the “and” interpretation.

An opinion issued by the Arizona Attorney General in 2001 (AGO I01-020) supports the “and” interpretation. The AG’s decision was based on legislative history and the whole meaning of law.

What is the court being asked to do?

We are asking the court to rule on the real meaning of Prop. 301 and, in doing so, uphold the will of Arizona voters. This would require that the Arizona state legislature amend and correct the fiscal year 2011 budget by applying the same increase that is currently being applied to student transportation route miles to the base support level.

We are asking for the court to decide the issues and direct the state to proceed appropriately.

We hope this can be accomplished in a manner that is no more coercive or intrusive than necessary.

Where will the money for this come from?

That will be an issue for the legislature to decide when they correct and amend the fiscal year 2011 budget to fully comply with the requirements of Prop. 301.

Voters passed Prop. 301 to **legally** ensure funding for our public schools wouldn't suffer further – in good times or bad. Partial compliance with clear voter mandates and legal requirements is not an option for the legislature.

In passing Prop. 100 this spring, voters made it abundantly clear that they expect the legislature to keep its promises to support education.

Arizona's public school leaders acknowledge that Arizona's fiscal picture is challenging. However, we believe the legislature can find a solution that will uphold the will of the Arizona voters and meet the requirement of Prop. 301 without putting other critical services at risk.

Who are the plaintiffs in the case?

Statewide education organizations, school districts and voters.

Specifically, the plaintiffs are:

Arizona School Boards Association

Arizona Education Association

Arizona Association of School Business Officials

Arizona School Administrators

Arizona Federation of Teachers

Arizona Rural Schools Association

Cave Creek Unified School District

Casa Grande Elementary School District

Yuma Union High School District

Crane Elementary School District

Palominas Elementary School District

Scott Holcomb, School Board Member, Madison Elementary School District

Nancy Putman, Teacher, Washington Elementary School District

Frank Hunter, School Employee, Mesa Unified School District