

## **Proposition 123**

### **Frequently Asked Questions**

#### **What is Proposition 123?**

Proposition 123 is a referendum that will ask Arizona voters to increase K-12 school funding. If the Proposition is passed, it will put \$3.5 billion over 10 years into the K-12 education system.

#### **Where will the funding come from?**

A majority of funding will come from the increased payout from the State Land Trust (from 2.5% to 6.9%) via Proposition 123. Also, an additional \$625 million will be appropriated for K-12 education and come from the state's general fund (\$50 million for five years and \$75 million for the next five years). The inflation requirement will continue beyond the ten-year funding deal that Prop. 123 provides.

#### **How are schools planning to use the funding? Can I be involved in that process?**

Many schools are developing their plans now for how they plan to use the funding. Many are planning to use the funds to support teachers. If you would like to be involved in this process, you can attend your local school board's meetings where they will be discussing their proposed budgets.

#### **When will schools receive funding?**

If passed, schools will receive funding in June.

#### **Are there restrictions on how schools can use the funding?**

No. Locally elected school boards will decide how best to use the funding they receive. There are no strings attached to the funding.

#### **Is there any difference in funding for public district schools or public charter schools?**

No. There is no difference in the amount of funding that public district or charter schools will receive. They all receive the same amount per pupil that will be distributed through the funding formula.

#### **How did Arizona get into this situation?**

Arizona voters passed Proposition 301 in 2000 that includes a 0.6 percent sales tax to support education and a requirement to fund inflation in the budget each year. During the recession, inflation was not funded, which resulted in a lawsuit in 2010. After years of litigation, the parties reached a tentative agreement which was presented to legislators during a Special Legislative Session in October 2015 and then referred to the ballot as Prop 123.

#### **What is the State Land Trust?**

When Arizona became a state, Congress granted lands to the state that are managed for the purpose of generating revenue primarily for K-12 education. These lands serve as a long-term savings account for Arizona education. Proposition 123 proposes to increase the payout from the fund for ten years to assist in paying for inflation adjustments.

#### **What happens if Proposition 123 is not passed?**

If Proposition 123 is not passed, schools will not receive this funding in June and the inflation funding lawsuit will continue and the State Land Trust payout will remain at current levels.

**For more information about the proposition, visit [ExpectMoreArizona.org/Prop123](http://ExpectMoreArizona.org/Prop123).**