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JUDGE IN PROP 208 – INVEST IN ED CASE ACCEPTS STIPULATED AGREEMENT TO FACTS BY BOTH PARTIES, PROMPTED BY POORLY WRITTEN RULING BY ARIZONA SUPREME COURT

Status Conference today shows there are legal issues for the Court to consider and decide, but makes clear that the Supreme Court's poorly written and internally inconsistent ruling will create terrible unintended consequences

(PHOENIX, AZ) -- Earlier this year, in a ruling that reeked of partisan politics and cronyism, the Arizona Supreme Court went out of its way to strike down Prop 208 – Invest in Ed, while forcing the lower court to do its dirty work.

The measure, which was passed by 1.7 million Arizona voters in November 2020, would raise nearly a billion dollars annually in K-12 education funding to help address the state's longstanding teacher shortage crisis, lower class sizes, hire aides and counselors, and expand career and technical education.

The Supreme Court's heavy-handed opinion tried to dictate the fate of Prop 208 while remanding it to the trial court to make the decision. In doing so, the Supreme Court gave the trial court and parties very limited instructions on remand.

At issue in the case is the definition of a "grant" to school districts. Prop 208 – Invest in Ed used the same language used in Prop 301, which established a sales tax and provides hundreds of millions of dollars to schools each year. However, with Prop 301, politics were taken out of the equation and, when a similar problem with the expenditure limit arose, the people were given the opportunity to fix it. It was then implemented successfully, without question, for 20 years.

The Supreme Court unfairly (and inaccurately, in our view) decided that despite its clear language, Prop 208 was not a grant, and as such is subject to the constitutional expenditure limit. It said that if the constitutional expenditure limit is likely to be exceeded with Prop 208 funds, then Prop 208 is unconstitutional.

Indeed, based on the archaic formulas used to calculate the expenditure limit and other factors, school district expenditures will exceed the aggregate expenditure limit by well over a billion

dollars in FY 2022, even without Prop 208 funds. In fact, because of how tax collections occur, no funds from Prop 208 could be available for spending by school districts until Fiscal Year 2023 at the earliest. Current projections are that school district expenditures will exceed the aggregate expenditure limit in FY 2023, even without consideration of any Prop 208 dollars.

The Invest in Arizona coalition argues that it makes no sense and is unfair to say that Prop 208 dollars are causing an exceedance of the aggregate expenditure limit, when the limits would be exceeded even without Prop 208 dollars.

The Invest in Arizona Committee believes clarification by the Supreme Court is needed on this and other points.

Rebecca Gau, Executive Director of Stand for Children Arizona said, “The Supreme Court’s careless ruling this fall will create terrible unintended consequences. Therefore, the Invest in Arizona Coalition entered into a stipulation that accepts the facts that seem clear to avoid wasting resources and time. These issues must be taken up by the Supreme Court and, if they again find a way to thwart the will of the people, then it is the Legislature’s responsibility to fix the expenditure limit once and for all by referring a constitutional amendment to the voters.”

“It seems clear that funds other than Prop 208 funds will likely exceed the aggregate expenditure limits in FY 2023. It makes no sense that this should mean that Prop 208 is unconstitutional,” said coalition partner David Lujan, CEO of Children’s Action Alliance.

Joe Thomas, a social studies teacher and President of the Arizona Education Association said, “The Supreme Court’s decision is poorly written and is internally inconsistent. The reason for this inconsistency is that the Supreme Court used careless language in saying only private grants qualify as grants. This ignores the language of the constitution and the intent of the voters in passing Prop 208. We can only assume that the Court was twisting itself in knots to reach a particular result.”

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The Prop 208 – Invest in Education campaign, which accomplished a historic election win at the ballot box last November, is now Invest in Arizona. The new coalition includes the original members – Arizona Education Association, Stand for Children Arizona, Children’s Action Alliance, Arizona Center for Economic Progress, Arizona Interfaith Network, and is now joined by Save Our Schools, and Friends of the Arizona School Boards Association. The coalition is committed to keeping up the fight to ensure that Arizona students have a bright future by sending a referendum to the ballot that will overturn massive tax cuts for the wealthy enacted this year.

Visit www.investinaznow.com to learn more.