



Next Steps on Teacher Pay and Student Support

AZ Schools Now endorses the Arizona Education Progress Meter and the key benchmarks needed to confront our teacher shortage crisis and fuel student success. To move toward these goals in 2018, AZ Schools Now calls on Governor Doug Ducey and the Arizona Legislature to make substantial reinvestments in K-12 public schools to increase teacher pay and student support.

State investments in public schools remain \$1.1 billion below 2008 funding levels, which has resulted in a shortage of teachers, outdated textbooks and technology, overcrowded classrooms, and dysfunctional facilities. Arizonans expect large reinvestments that are permanent and equitable, not funding gimmicks or a reshuffling of the deck with current dollars. One-time sweeps or funds from other agencies aren't the solution. We need sustainable revenue for our public schools.

AZ Schools Now has identified 10 revenue sources as potential funding streams the Legislature could tap to secure hundreds of millions of dollars. Some options include:

	MILLIONS OF DOLLARS
Hire back collectors and audit staff at the Arizona Department of Revenue to collect taxes that are owed	\$70 million
Freeze individual and corporate income tax cuts still phasing in	\$22 million
Eliminate the four private school tax credits and the public school extracurricular tax credit	\$207 million
Increase the minimum corporate income tax to \$500; must be paid after credits claimed	\$17 million
Extend the transaction privilege tax to warranties and service contracts	\$24 million
Issue bonds for new school construction instead of paying cash up front	\$90 million
Require all property taxpayers to pay the full qualifying tax rate (QTR) property tax for education funding	\$208 million
Raise the state equalization property tax rate by \$0.05 per \$100 of assessed valuation to contribute more to total school funding (\$7.50 more per year for a \$150,000 house)	\$29 million
Raise income tax rates for households with incomes above \$500,000	\$250 million
Redirect "results-based" funding that's only going to "A" rated schools	\$38 million