

## Top Business Groups Hail AZ K-12 Lawsuit Settlement

Arizona's senior business leadership groups hail the announcement of a framework for settling the lawsuit between State of Arizona and Education Advocate Groups as a very positive move in the right direction. One that can set the state on a path that leads to an excellent system of education in Arizona, a system that improves student outcomes across the full spectrum of education from early childhood through post-secondary. We must be diligent in supporting our education system, including our higher education system, because this is the backbone of our economic development efforts.

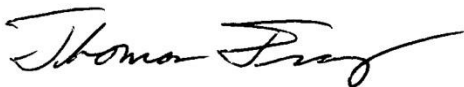
The K-12 lawsuit has been a significant impediment to progress for Arizona education and Governor Ducey deserves great credit for working with the education community and our legislative leaders to resolve, once and for all, this lawsuit. This settlement can be used to position our state for greater progress in achieving the goal of a highly efficient and effective education system in Arizona.

We are heartened that this proposal includes:

- A base level reset of \$3,600 per student, an increase of \$173 for each student and 72 percent of what the courts ordered. Within two years, the base level will reach the full amount.
- Inflation language (15-901.01) to continue as it currently exists (2 percent or the rate of inflation whichever is less) with compounding in perpetuity.
- Additional funds, in consideration of back pay, to be distributed annually:
  - \$50 million per year for the first five years & \$75 million per year for the second five years
- Contingencies have been put in place to account for a severe downturn in the state economy.
- No cuts to current K-12 funding or other critical education programs

The business community congratulates all involved in reaching this historic agreement. It is significant that a wide array of business and education organizations call on the legislature for swift passage: Demonstrating why these sectors must work together. We pledge to work with all groups to help pass the Trust Land for Education referral in the spring of 2016. A quality education system is foundational to growing Arizona's economy. No economic incentive can match the positive impact of a great education system as an incentive for current companies to expand, new ones to start and successful companies to move to Arizona.

Respectfully,



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