



### **Vote YES for Your Community:**

Arizona Nonprofits and Their Supporters Should  
Vote **YES on Proposition 100**: The Temporary 1-Cent Sales Tax

Arizona citizens support thousands of community organizations who help those in need, protect the weak, nurture the human spirit, feed the hungry, heal the sick: in short, **our nonprofit sector**. People are very generous in giving their time, talent and treasure to assist these organizations fulfill their community missions. More than half of Arizonans volunteer for nonprofits. Nearly 9 out of 10 people make donations to nonprofits. These citizens help nonprofits to foster healthy, sustainable communities that create places we all want to live, work and play.

But citizens are not alone in supporting nonprofits – so does their government. Since President Ronald Reagan promoted the idea that government can be more effective by working through community-based partners rather than large, rigid bureaucracies, state agencies have relied heavily upon contracts and grants to community-based nonprofits to deliver many of the services funded by taxpayers. These state funds, combined with local and federal grants and contracts, are the reason that nonprofits receive 29% of all of their funding from government sources. In some specific fields, such as human services, the ratio is much higher – 60% or more. Government is a key partner – along with individual donors, foundations and corporate sponsors – in providing the underlying financial stability required to sustain nonprofit missions. The size of this support is too large to expect individuals, foundations and corporations to replace lost government funds through donations and volunteer hours, especially in times when demand for services is high.

The 2011 state budget passed by the Arizona Legislature in March reduces or eliminates many of these key sources of financial support for Arizona's nonprofits. These reductions come on top of cuts already made in the past two years, as state revenues plummeted because of the recession. In 2009, Arizona nonprofits, on average, lost 22% of their revenues – as much as \$4 billion total – from all sources. A significant portion of this was the result of state and local government funding cuts. Meanwhile, nonprofits experienced a huge increase in demand for their services. As expected, people in Arizona look to nonprofits for help in times of social and economic turmoil. The condition of nonprofits in the spring of 2010 is dire: they cannot suffer further reductions in funds. More funding cuts will mean lost services and some nonprofits closing their doors.

Now, the voters of Arizona are being asked to approve a temporary three-year, 1-cent sales tax increase on May 18, 2010, to prevent further cuts to essential services funded by the state. The Arizona Legislature passed a 2011 budget contingent upon approval of this temporary sales tax. But they also passed a smaller budget that takes effect if voters turn down the sales tax. This smaller budget contains more cuts to state programs that fund nonprofits: just the result they cannot endure.

Therefore, the Alliance of Arizona Nonprofits urges the voters of Arizona to VOTE YES on Proposition 100 when they cast their ballots in the May 18 special election. We believe that, because nearly 9 out of 10 citizens are willing to make direct donations to nonprofits, they will make one more contribution through a temporary sales tax that provides necessary funds until the economy recovers.

**A vote for Proposition 100 is a vote for Arizona's nonprofits.**