

**Denver City Council Finance
Committee Ordinance Review
“Denver College Affordability
Program”
August 5, 2015**

Ballot Title: Sales Tax

SHALL DENVER SALES AND USE TAXES BE INCREASED \$10.6 MILLION ANNUALLY, COMMENCING JANUARY 1, 2016, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH DECEMBER 31, 2025, FROM A EIGHT ONE-HUNDREDTHS OF ONE PERCENT (.08%) SALES AND USE TAX RATE (ABOUT A PENNY ON A TEN DOLLAR PURCHASE)

Board Composition

- **Seven member board**
 - Six members appointed by the Mayor and approved by Council
 - One member of the City Council, appointed by Council
- **Staggered 3-year terms of office**

Transparency & Accountability, Administrative Cap

- Records subject to CORA and Meetings subject to Colorado Open Meetings Law
- Annual report to the Mayor, City Council, Auditor, and the public
 - Student metrics tracking; workforce impact data; financial statements
- Administrative cap of 10%

Student Eligibility

- More than 36 months of continuous Denver residency
- Have completed FAFSA application and have an Expected Family Contribution no greater than 2.5x Pell
- Attend a regionally accredited non-profit or public post-secondary institution in Colorado
- Have achieved Satisfactory Academic Progress (SAP), as determined by the student's post-secondary institution
- Student may not be older than 25 years of age

Organization Reimbursement: Funds Application

- Tuition grants and/or support services organizations may apply for reimbursement grants for eligible students supported in the prior academic year
- This application must include:
 - a complete list of the eligible students supported by the organization
 - the amounts spent on each student eligible student for tuition and support services

Organization Reimbursement: Funds Distribution

- Reimbursement rates are on a sliding scale, calculated based on (and inversely related to) the EFC of the student
 - The rate will not exceed 75% or \$4,000 per student
- Only privately raised funds spent on an eligible student can be reimbursed

Organization Reimbursement: Eligible Organizations

- Organization shall be duly incorporated and in good standing under the Colorado Revised Nonprofit Corporation Act
- Organization must have existed and operated as a college scholarship and/or support services entity for at least three years
- To remain in good standing with the City non-profit and be eligible for reimbursements, the Organization must:
 - Submit a report each year detailing expenditures of funds received from the City non-profit the previous year

Debt Relief Higher Education Partnership: Funds Application

- Eligible students may apply directly for a grant to assist with student loan repayment after successfully completing a year of their degree program
- As part of the application, students must disclose the total cost of their tuition and fees for the school year and all students loans
 - The total amount of student loans cannot exceed the cost of attendance at the student's post-secondary institution

Debt Relief Higher Education Partnership: Funds Distribution

- Debt relief grants will be disbursed after all of the scholarship grants have been issued and will be made on the same sliding scale
- These grants may be sent directly to the student's post-secondary institution for the next year of study or to the student's loan provider to pay down the principal of debt

Debt Relief Higher Education Partnership: Community College & Support Services

- Students who successfully complete their associate degree or technical certification are also eligible for additional financial support
- The board of this corporation will work to develop partnerships with the eligible post-secondary institutions in Colorado to identify students participating in the debt relief program who may need additional support services to complete their degree
- Money may be allocated under the \$4,000 cap on behalf of students in need of these services

FULL BALLOT TITLE

SHALL DENVER SALES AND USE TAXES BE INCREASED \$10.6 MILLION ANNUALLY, COMMENCING JANUARY 1, 2016, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH DECEMBER 31, 2025, FROM A EIGHT ONE-HUNDREDTHS OF ONE PERCENT (.08%) SALES AND USE TAX RATE (ABOUT A PENNY ON A TEN DOLLAR PURCHASE), TO INCREASE COLLEGE ENROLLMENT AND DEGREE COMPLETION BY DENVER RESIDENTS WHO QUALIFY FOR NEEDS-BASED FINANCIAL AID AND ARE EARNING A DEGREE FROM A PUBLIC OR NOT-FOR-PROFIT COLLEGE, UNIVERSITY, COMMUNITY COLLEGE, OR TECHNICAL SCHOOL IN COLORADO THROUGH:

- PROVIDING STUDENT LOAN DEBT RELIEF; AND
- FUNDING SCHOLARSHIPS; AND
- FUNDING SUPPORT SERVICES TO PROMOTE COMPLETION OF THAT DEGREE, INCLUDING TUTORING, MENTORING, FINANCIAL AID ASSISTANCE, AND ACADEMIC COUNSELING;

PROVIDED THAT THE TAX EXPIRES IN TEN YEARS, THAT NO MORE THAN 10% OF FUNDS GENERATED BE SPENT ON ADMINISTRATIVE COSTS, THAT A REPORT FOR THE PROGRAM BE SUBMITTED ANNUALLY TO THE MAYOR, CITY COUNCIL, CITY AUDITOR, AND THE PUBLIC; AND SHALL THE REVENUES FROM THESE INCREASED TAXES BE COLLECTED AND SPENT IN EACH FISCAL YEAR BY DENVER WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?