



COLLEGE MATTERS POLICY FACT SHEET

The challenge facing the City of Denver: In just 5 years, 74% of jobs in Denver will require a post-secondary degree, but only 43% of Denver residents 25 years and older have a bachelor's degree or higher. Two primary problems face Denver students: a widespread belief that college is not financially possible, and failure to complete degree programs because of financial pressures. Failure to complete is especially harmful because it leaves students saddled with debt, but without a degree to expand their job opportunities. Moreover, students who complete their degree with excessive debt have difficulty meeting the cost of living in Denver.

In response, this November 2015, Denver City & County of Denver voters will be asked to approve a dedicated funding stream for college affordability programs through a sales tax increase of eight one hundredths of one percent (0.08%), which will generate \$10 million annually and sunset in 10 years. This will create and fund a city-funded non-profit organization (similar to the Denver Preschool Program) that will use a pay-for-performance model to support Denver scholars in two ways:

1. Support existing scholarship and grantee organizations so they can expand their programs, serve more Denver students, and keep up with increasing cost of attendance. [Organization Reimbursement Program]
2. Collaborate with Colorado higher education institutions to provide debt relief or help students pay for an additional year of study, and secure support services for students as needed. [Debt Relief Higher Education Partnership Program]

Who will be eligible for help?

Eligible students must: have continuous Denver residency for more than 36 months before their first course at a post-secondary institution; attend a regionally accredited, not-for-profit or public post-secondary institution in Colorado; may not be older than twenty-five years of age; and have already demonstrated Satisfactory Academic Progress (SAP) as determined by their postsecondary institution.

The student must have completed the standard Free Application for Federal Student Aid (FAFSA) application – regardless of whether they are eligible for Federal financial aid – and the Expected Family Contribution (EFC) can be no greater than 2.5 times the Pell limit. The Pell limit for 2015-2016 will be \$5,775, so eligible students must have an expected family contribution towards the annual cost of attendance no greater than \$14,437. The EFC varies by the number of dependents and other factors, but for a family with two dependents this means the Denver College Affordability program will serve households with annual incomes up to approximately \$90,000.

How will the Organization Reimbursement Program work?

Non-profit organizations that provide tuition grants and/or support services will be eligible to apply each year for reimbursement grants from the city-funded non-profit for eligible students they supported in the prior academic year. That application must include a complete list of the eligible students along with the amount spent on tuition grants and support services for each student. The dollar amount of support services can be a proportional average of the total amount spent on students by the non-profit organization.

The city-funded non-profit will set a sliding scale of reimbursement based on the EFC of the student. The reimbursement rate cannot exceed 75%, or a dollar amount cap of \$4,000 per student per year.

If a student has more than one scholarship, the city-funded non-profit can issue reimbursements to multiple organizations for the same student up to a combined total amount of \$4,000.

Grantee organizations can only apply for a reimbursement on the *non*-city money they spend on a student, meaning money not received from reimbursements in previous years. Organizations can only spend the money they receive from the city-funded non-profit on Denver students, and they are required to submit a list of eligible individuals that the dollars helped support. The grantee organizations must track students' progress towards a degree and report this information annually to the city-funded non-profit.

How will the Debt Relief Higher Education Partnership Program work?

Eligible Denver students may apply directly to the city-funded non-profit after successfully completing a year of their degree program for a grant to assist with loan repayment. The city-funded non-profit will collaborate with higher education institutions to identify and reach out to Denver students who are eligible for debt relief.

The city-funded nonprofit will review and pay out all of the scholarship entity reimbursements before establishing the amounts and sliding scale for debt relief. This program is also limited to the \$4,000 cap per student per year. Debt relief grants will be dispensed in two ways: directly to the post-secondary institution the student attends in Colorado to be applied toward their next year of study; or directly to the student loan provider to pay down debt from their just-completed academic year (the student will choose which method). Additionally, for students identified by their post-secondary institution as needing academic support services, the city-funded non-profit will partner with schools to coordinate or contract out for those services.

Students who benefit from a scholarship that was reimbursed by the program can still access debt relief; they will simply have their award decreased by the amount that the scholarship organization received on their behalf.

How does the policy define “support services” and bolster these programs?

The city-funded nonprofit will define support services in the same way that the federal TRIO program defines them: as wrap-around services designed to increase college student persistence and graduation. These services include academic tutoring, advice and assistance in postsecondary course selection, and graduation coaching. Also, programs that assist with student financial aid, benefits and resources for locating public and private scholarships, and assistance in completing financial aid applications. Also included are education or counseling services designed to improve student financial and economic literacy; and assistance for students enrolled in certificate and two-year programs in applying for admission to, and obtaining financial assistance for, enrollment in two-year and four-year programs.

Support services may also include individualized counseling for personal, career and academic information, activities, and instruction designed to acquaint students with career options; exposure to cultural events and academic programs; and mentoring programs.

Where can I learn more and participate in the campaign?

Visit www.DenverCollegeMatters.com for more information.