



COLLEGE MATTERS – YES on 2A FREQUENTLY ASKED QUESTIONS

What is the College Affordability Program?

The College Affordability Program (CAP) will increase college access and completion by Denver students by providing scholarship reimbursements, student loan debt relief grants, and student support services. The program will be open to all Denver technical school, community college and 4-year college students who meet eligibility criteria and attending an accredited school in Colorado. It will be funded by a 0.08% sales tax increase (less than a penny on a \$10 purchase) that will raise about \$10 million annually.

How will the tax revenue be spent on the College Affordability Program?

The two primary components of the CAP are: 1) scholarship reimbursements for scholarship organizations supporting eligible Denver students in college; and 2) student loan debt relief grants. The program will also help support various services that help students stay on track and complete their certificates and degrees, such as academic and financial aid counseling. Administration of the program cannot exceed ten percent of the tax revenue.

Why is college access and completion important for Denver's future?

Denver's economy depends on having a qualified workforce. By 2020 (when today's Denver eighth-graders will complete high school), three-out-of-every-four jobs in Denver will require some level of post-secondary education. However, only 43 percent of the adult population in Denver has a post-secondary degree. In the long run, people with postsecondary educations have greater job opportunities, earn higher wages, contribute more in taxes, and are less dependent on expensive public services like welfare, unemployment and housing assistance.

Who will run this program?

The College Affordability Program will be administered by an independent, non-profit entity created by the City & County of Denver to manage the program. The non-profit will be governed by a comprised of seven members appointed by the Mayor and approved by City Council, including one City Council member.

Why was a sales tax selected as the funding source of this program?

A task force that developed the CAP proposal reviewed various funding options, including a Denver property tax, a DPS property tax, statewide funding, and private philanthropy. They determined the best option is a small sales tax increase (less than a penny on ten dollars) that does not change Denver's competitive position on sales tax rates among metro area municipalities. Private philanthropy remains an important aspect of the CAP proposal, as participating scholarship programs must continue their fundraising to leverage public dollars.

If approved, will the sales tax be in place forever?

Not necessarily—the CAP sales tax will sunset in 10 years, and voters will have the opportunity to reauthorize the tax and the program before that. At that time, Denver voters can vote to continue or end the tax.

What aspects of the program ensure that our tax dollars are used efficiently and not wasted on bureaucracy?

The College Affordability Program will be administered by an independent, non-profit corporation separate from the City & County of Denver, and created for the sole purpose of running this program. The program will only support students who successfully make progress

toward their certificate or degree. The non-profit must report annually to City Council and the community on its expenditures and results, and the program can be audited by the Denver Auditor. Administration costs cannot exceed ten percent of the program's revenue.

What are the criteria for student eligibility?

Eligible students must have continuous Denver residency for more than 36 months before beginning their postsecondary education; 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. Also, eligible students must complete the standard Free Application for Federal Student Aid (FAFSA) application – regardless of whether they are eligible for Federal financial aid – and meet household income criteria. For a family with two dependents, the program will serve households with annual incomes up to approximately \$90,000.

What are the criteria for scholarship organizations to participate in this program?

Eligible scholarship programs must have non-profit status, at least a three-year track record, and operate independently from any post-secondary institution, school district, or charter school management organization. They must submit annual reports to the program each year detailing their expenditures of CAP revenues.

How will eligible students access the debt relief part of the program?

After successfully completing a year of their degree program, eligible Denver students may apply directly to the city-funded non-profit 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.

Why does the program include funding for student support services?

Lowering financial barriers to college access is important, but supporting college students so they persist through school and complete their certificates and degrees is just as critical. These services include tutoring, mentoring, financial aid assistance and academic counseling. Providing these services is demonstrated to increase college completion rates, which is a difference-maker in achieving the program's goals to help Denver students access more job opportunities and earn higher incomes.

How much assistance can eligible Denver students access through the College Affordability Program?

The maximum combined amount eligible students can access is \$4,000 per year. In both the scholarship and student loan debt relief programs, the funds to support the student are determined on a sliding scale tied to household income. Also, students can benefit from both programs: students who benefit from a scholarship that was reimbursed by CAP can still access debt relief, but their combined award from both programs cannot exceed \$4,000.

What higher education schools can program participants attend?

Eligible students can attend any regionally accredited public or private non-profit postsecondary school in Colorado. This includes technical schools, community colleges and public and private four-year colleges or universities in Colorado.

If you have questions you would like the College Matters campaign to answer, please email us at denvercollegematters@gmail.com