

Your Question:

You asked about financial aid programs that are designed and funded at the county or city level.

Our Response:

Over the past two years, Education Commission of the States has noticed an uptick in local-level financial aid initiatives. While they can be difficult to track, we are including information about the programs that we are aware of in this information request. Over the next 6-9 months, Education Commission of the States will be releasing a series of three briefs that take a more comprehensive view of local-level initiatives.

Colorado

Denver

In 2015, the City of Denver considered increasing sales and use tax by .08 percent to support the Denver College Affordability Fund. While the measure failed to pass, it would have set up a non-profit entity charged with “increasing college enrollment and completion for Denver residents” (Denver City Council Bill No. 15-0553).

Pueblo

Colorado House Bill 13-1318 imposes sale and excise taxes on marijuana and marijuana products. Local governments have the flexibility to impose additional taxes. Pueblo County voters passed Resolution 15-203, which imposes an additional 5 percent county excise tax on the first sale of unprocessed retail marijuana. A portion of the revenue is devoted to a scholarship funds which supports graduates from Pueblo high schools attending postsecondary education within the county.

Weld

Colorado statute provides flexibility for counties to provide property tax credits or rebates for taxpayers that contribute to programs providing financial assistance to county residents pursuing postsecondary education. Weld County, in northern Colorado, takes advantage of this option. Property owners may donate to the Weld County Bright Futures Grant program and receive a portion of their donation as a credit on their property tax.

Michigan

Promise Zones

Promise Zones are special districts authorized by the state which exist to generate and distribute scholarships to local students. Promise Zones provide last-dollar scholarships to local students that are funded through a hybrid model that incorporates private philanthropic dollars and public revenue. Michigan communities below the state average poverty rate may submit a request to the state for Promise Zone consideration. Promise Zones are governed by a board appointed by the state legislature and the local jurisdiction. The board determines eligibility criteria and

portability of the awards. Promise Zones are eligible receive funding from the state in the form of property tax increments: 50 percent of any property tax increases that occur after the creation of the Zone are earmarked to be returned to the Zone to fund financial aid awards. However, these funds are not available to the Zones until year three, meaning that all financial aid awards must be funded exclusively with local funds during the first two years of operation. The state caps the number of Promise Zones eligible to receive state funding at ten. 2015 legislation considered expanding that number to 15, but was ultimately not enacted due to cost considerations. While it is still too early to evaluate the long-term effectiveness of the zones in promoting degree completion and spurring economic development, media accounts suggest that several of the zones have struggled to generate sufficient revenue to sustain the program until state revenues become available.

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