



PUEBLO COUNTY SCHOLARSHIP PROGRAM

July 27, 2021



BACKGROUND

- Pueblo County's Retail Marijuana Excise Tax
 - Adopted by the County Commissioners by Resolution No. 15-203
 - Approved by the voters of Pueblo County in November 2015
 - Effective January 1, 2016
- The tax is levied upon the first wholesale transfer of retail marijuana from a retail marijuana cultivation facility
- The tax rate began at one percent of the value of marijuana transferred and increased each year until the final phased-in rate of five percent took effect in January 2021
- Half of all revenue generated by the tax is dedicated to scholarships



ELIGIBILITY

The County Commissioners determine the eligibility criteria for scholarship awards
Resolution No. 15-203 provides:

- For 2017, scholarship eligibility was limited to "students graduating from high schools in Pueblo County who have been admitted to colleges and universities located within Pueblo County."
- The County Commissioners were then permitted to "expand the category of students eligible for awards beginning in 2018."



ELIGIBILITY (CON'T)

The County Commissioners determine the eligibility criteria for scholarship awards
Resolution No. 19-186 provides:

- The Board has determined that it is in the best interest of the public that the Pueblo County Scholarship Fund be used to award one-year scholarships to students who are Pueblo County residents that have received a General Education Diploma, have graduated from a high school in Pueblo County or expect to graduate from a high school in Pueblo County. Scholarship recipients must be admitted to attend a college, university or vocational school within the United States and will attend such institution in the fall of the year they are awarded a scholarship. Scholarship recipients may re-apply for scholarship assistance after completing their first year of post-secondary studies, however, the County is not obligated to provide scholarship funding beyond the first year.



EARLY AWARDS 2016-2018

- PHEF was the exclusive scholarship distribution partner for the Pueblo County Scholarships in 2016, 2017 and 2018.
- Initial scholarship awards to students were relatively small in dollar amount
- As a result of the partnership with PHEF and the Pueblo County Scholarship fund, PHEF was able to leverage Colorado Opportunity Scholarship Initiative (COSI) funds.
- COSI provided additional funds for student scholarships, the anticipated 2021-22 scholarships are estimated at \$417,339.



CURRENT PROCESS 2019-TODAY

- Pueblo County Government began administering the non-COSI scholarship program in-house in late- 2019.
- This includes:
 - Publishing the Notification of Funding Award (NOFA);
 - Analyzing applications from institutions of higher education, trade schools and other scholarship awarding entities;
 - Recommending awards to the Board of County Commissioners for final approval;
 - Contracting and contract management;
- PHEF remains as the COSI administrator.



FUNDING

- The Budget & Finance Office collects excise tax payments on the first transfer of retail marijuana
- Excise tax collections are held in a separate County Fund, restricted for the ballot approved purposes
- Excise tax rates were as follows for the following years
 - 2016: 1%
 - 2017: 2%
 - 2018: 3%
 - 2019: 4%
 - 2020 going forward 5%



PUEBLO COUNTY MARIJUANA EXCISE TAX COLLECTIONS 2016 THROUGH JUNE 30, 2021 (UNAUDITED)

	2016	2017	2018	2019	2020	1st Qtr	2nd Qtr
	Actual	Actual	Actual	Actual	Actual	2021	2021
Excise Tax Revenue	359,780	1,164,706	1,987,408	3,212,217	6,833,546	1,382,503	2,102,967
EXPENDITURES							
*50% Of Excise Taxes Restricted for Scholarships	179,890	582,353	993,704	1,606,109	3,416,773	691,252	1,051,484
SCHOLARSHIP FUNDING							
Total Scholarship Program Expenditures	25,000	434,652	529,973	875,290	1,182,969	1,950,000	-
Carry Forward Amount for Scholarships	154,890	147,701	463,731	730,819	2,233,804	(1,258,749)	1,051,484

2,472,196 **Cumulative Carryover Amount**

2,485,726 Pending Awards Not Yet Issued

(13,530) Overspending of Scholarship Allocation through 2021 Awards



WHERE DO THE PHEF SCHOLARSHIPS GO?

- PHEF 2017-2018 data: 100% Pueblo schools
- PHEF 2018-2019 data: 95% Pueblo schools, 5% out-of-Pueblo schools*
- PHEF 2019-2020 data: 90% Pueblo schools, 10% out-of-Pueblo schools
- PHEF 2020-2021 data: 69% Pueblo schools, 31% out-of-Pueblo schools

*Resolution 19-186 expanded criteria to allow scholarships to out-of-Pueblo schools

Data Source: Pueblo Hispanic Education Foundation



SCHOLARSHIP AWARDS

- **2016:** Pueblo Hispanic Education Foundation \$25,000
- **2017:** Pueblo Hispanic Education Foundation \$434,652
- **2018:** Pueblo Hispanic Education Foundation \$529,973
- **2019:** Pueblo Hispanic Education Foundation \$855,290
Colorado State University-Pueblo Foundation \$20,000
- **2020:** Pueblo Hispanic Education Foundation \$1,032,969
Colorado State University-Pueblo Athletics \$150,000
- **2021 (cycle 1):** Pueblo Hispanic Education Foundation \$600,000 (Note 1: not fully spent)
Pueblo African-American Concern Organization (PAACO) \$30,000
Pueblo Community College (PCC) \$800,000
Southern Colorado Press Club \$20,000
Colorado State University Pueblo Foundation \$500,000
- **2021 (cycle 2) Awarded but not yet Processed:**
Pueblo Hispanic Education Foundation \$450,726 (Note 2: In addition to the cycle 2 award, \$276,500 of unspent funds from the 2021 cycle 1 award has been allowed to rollforward for the purpose of awarding scholarships to out-of-Pueblo schools.)
Pueblo African-American Concern Organization (PAACO) \$26,000
Pueblo Community College (PCC) \$1,000,000
Colorado State University-Pueblo Foundation \$616,000
Colorado State University-Pueblo Athletics \$385,000
Colorado State Fair Fiesta Committee \$8,000