

RESOLUTION NO. CR-69-15

A RESOLUTION TO ACCEPT THE RECOMMENDATIONS OF  
THE HIGHER EDUCATION INVESTMENT PROGRAM COMMITTEE

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WHEREAS, on July 06, 2015, Council approved Ordinance C-31-15 to adopt the Grove City Higher Education Investment Program; and

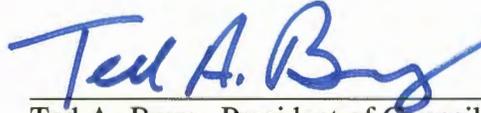
WHEREAS, the Higher Education Investment Committee was formed to set the criteria and structure for the scholarships as required by the Ordinance; and

WHEREAS, said Committee has set the final program outline for Council's approval, as set out in the Ordinance.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GROVE CITY, STATE OF OHIO, THAT:

SECTION 1. This Council hereby approves the recommendations of the Higher Education Investment Program Committee, as outlined in the attached Exhibits A - Proposal, Exhibit B - Promissory Note, Exhibit C - Application.

SECTION 2. This resolution shall take effect at the earliest opportunity allowed by law.



Ted A. Berry, President of Council

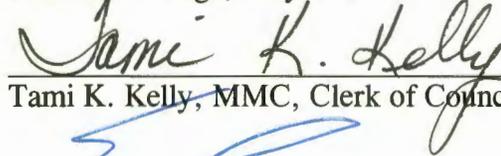


Richard L. Stage, Mayor

Passed: 11-02-15

Effective: 11-02-15

Attest:



Tami K. Kelly, MMC, Clerk of Council

I Certify that this resolution  
is correct as to form.

  
Stephen J. Smith, Director of Law

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*Exhibit A*

## Initial Proposal of the Higher Education Committee for Implementation of the Grant Program

### Background:

A group of schools of higher education came together through the efforts of the City of Grove City in 2008 to form the Consortium for Higher Education for schools to locate and offer course work in the City of Grove City. The schools that agreed to this plan were:

Columbus State Community College  
University of Toledo  
Ashland University  
Otterbein University  
Ohio Christian University  
Mount Vernon University  
Tiffin University

Three of these institutions of higher education are currently offering courses within the City of Grove City. They are Columbus State Community College (here after referred to as CSCC), Mount Vernon University, and Ohio Christian University. In 2008 the agreement established by the Consortium Schools included a requirement that the institutions of higher education participating in the Consortium be accredited by the North Central Accreditation Association. (aka "HLC" or Higher Learning Commission"). North Central is a nationally recognized accrediting corporation.

In 2015 the City Council and the City of Grove City appointed a committee of residents to serve in developing a scholarship/grant application and establishing guidelines regarding the administration of the program.

The members of the Committee are:

Marjorie Brant:	representing the Grove City Chamber of Commerce Foundation
John Hampson:	Council appointment
Colin Hopkins:	Council appointment
Randy Holt:	Mayoral appointment
Bill Wise:	South-Western City Schools
Ex-Officio Members:	
Ted Berry:	President of Council
Richard L. Stage:	Mayor
Assistants:	
Tami Kelly:	Clerk of Council
Stephen J. Smith:	Director of Law
Donald Walters	

After hours of discussion and analysis the committee proposes the following to City Council for consideration. First, an Interim Program for initial implementation and following that, an approach to full implementation.

## Initial Implementation

Included in this proposal is a copy of the application (please see the attached).

Currently there are three institutions of higher education accredited by the Higher Learning Commission offering classes in Grove City: CSCC, Mount Vernon Nazarene University and the Ohio Christian University. Also Harrison College has a brick and mortar building located in Grove City. Harrison College is not accredited by North Central but is recognized by the National Accrediting Council for Independent Colleges and Schools and regulated by the Ohio Board of Regents under the Ohio State Board of Career Colleges and Schools. Subject to the conditions set forth below, the committee recommends that Grove City residents attending any of these institutions be considered to be eligible for awards under this program.

The amount of the award would be \$1,000 per semester per full time student (minimum of 12 credit hours) and \$500 per student per semester for part-time students (minimum of 6 credit hours). Assuming a fall semester start, up to \$100,000 would be designated for awards in the first semester of implementation. An additional \$100,000 would be in place in the second semester with \$50,000 allocated to the third (summer) semester. If money was not totally utilized in any one semester it would be carried over to the next.

The following conditions apply:

Full-time Student (12+ credit hours):

1. Residency in the City of Grove City, Ohio's corporation limit
2. Acceptance in an institution with a presence in Grove City that:
  - a. Is a Higher Learning Commission accredited institution; or
  - b. Offers a certificate and Licensure track program recognized by a State Regulatory Authority
3. Applicant must choose at time of application:
  - a. Completion of ten (10) volunteer service hours every semester to the City of Grove City through the Keep Grove City Beautiful program; the VIP program; Gardens at Gantz Volunteers; the Citizens Police Academy; or other volunteer hours within the City as may be approved; or
  - b. Residency in the City of Grove City for three (3) years following receipt of the last scholarship award.
4. Maintenance of a C (2 point) average per semester
5. Scholarship application and Promissory Note and Scholarship Loan Agreement must be completed each semester
6. Awards will be \$1,000.00 per semester or \$3,000.00 a year, up to a maximum of \$12,000.00 in a lifetime.

### Part-time Student (6-11 credit hours)

1. Residency in the City of Grove City, Ohio' s corporation limits.
2. Acceptance in an institution with a presence in Grove City that:
  - a. Is a Higher Learning Commission accredited institution; or
  - b. Offers a Certificate and Licensure track program recognized by a State Regulatory Authority.
3. Applicant must choose at time of application:
  - a. Completion of five (5) volunteer service hours every semester to the City of Grove City in the previously enumerated volunteer programs of the City; or
  - b. Residency in the City of Grove City for three (30 years following receipt of the last scholarship award.
4. Maintenance of a C (2 point) average per semester.
5. Scholarship application and Promissory Note & Scholarship Loan Agreement must be completed each semester.
6. Awards will be \$500.00 per semester or \$1,500.00 a year, up to a maximum of \$12,000.00 in a lifetime.

After the first semester, students applying for additional monies will need a transcript of courses completed in the previous semester. This process will be repeated by those desiring money every semester thereafter.

## Full Implementation

A brick and mortar investment in a learning center located in Grove City is envisioned in the initial legislation. This would be an ultimate goal for the City.

Other recommendations that would enhance the program:

- \* a renewal of the consortium agreement with the initial schools of higher education and inviting other schools that may have an interest to participate
- \* yearly reviews of the programs successes, needs for change and a general evaluation

### To Be Determined:

1. Program advertisement and distribution
2. Administration of the program and oversight

CE-69-15

Exhibit B

THE CITY OF GROVE CITY, OHIO SCHOLARSHIP PROGRAM

Promissory Note & Scholarship Loan Agreement

This Promissory Note and Scholarship Loan Agreement (collectively "the Note") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the City of Grove City, Ohio (the "City"), a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Ohio, and \_\_\_\_\_ (the "Student").

RECITALS

WHEREAS, the City of Grove City, Ohio Scholarship Program ("the Program") is designed to assist students with the financial obligations of obtaining an undergraduate education;

WHEREAS, the City desires to award scholarship loans for undergraduate study at an institution with a presence within the City, repayable through means of service;

WHEREAS, the Student has been selected by the City to participate in the Program and to receive scholarship loans thereunder;

NOW, THEREFORE, for and in consideration of the award of a scholarship loan for undergraduate academic study, the parties, intending to be legally bound, agree as follows:

Section 1. Application.

A. The Student has completed an Application for the Program, which includes the terms and conditions of the Program. As per the Application, the Student confirms that he/she has received acceptance in an undergraduate institution with a physical presence in the City and that he/she is a current resident of the City.

B. The Student understands that by signing the Note herein that he/she is agreeing to the terms and conditions of the Scholarship and the Note outlined below. The Student has been advised to carefully consider these terms and conditions and has been further advised to seek appropriate guidance and necessary consultation prior to signing the Note.

Section 2. Terms and Conditions of Scholarship.

A. The Student hereby agrees that in consideration of the scholarship award in the amount of \$\_\_\_\_\_, the Student promises to pay to the City, or any subsequent holder of this Note, the total principal amount of all funds advanced to the Student under this Note, with interest on the unpaid principal, if the Student fails to comply with the following terms and conditions:

1. The Student will at all times maintain a C (2.0) grade point average per semester and maintain enrollment in no less than six (6) credit hours per semester;

2. The Student will remain a resident of the City and only attend undergraduate classes within the City or at an institution of higher education participating in the Program during the time the Student is actively benefitting from the scholarship provided herein;

3. The Student will continue to reside in the City for three (3) years following receipt of the last scholarship award or graduation from the institution of higher learning, whichever occurs last, if the condition contained in Section 5 hereof is not met;

4. The Student will keep the City apprised of his/her current home and work address and contact information at all times throughout the period of his/her undergraduate education up and until all terms and conditions of this Note have been satisfactorily met; and

5. Complete ten (10) volunteer hours of service every semester to the City through the "Keep Grove City Beautiful" program; the "VIP" program; Gardens at Gantz Volunteers; Citizens Police Academy; or other volunteer programs within the City as may be approved.

B. Scholarship funds may only be used for the payment of "qualified educational expenses" as defined in the Internal Revenue Code of 1986, as may be amended from time to time and as approved as part of the Program

C. In the event the Student fails to fulfill his/her obligations as set forth in this Note ("Conversion Event"), the scholarship shall immediately convert to a loan as defined under Section 221(d)(1) of the Internal Revenue Code, or other such section as may be applicable to such loans. Section 523(a)(8) of the Bankruptcy Code provides that student loan debt is nondischargeable in bankruptcy. The only exception to the nondischargeable nature of this loan requires the Student to file chapter 7 bankruptcy followed by an adversary proceeding in an appropriate bankruptcy court, in which the Student must successfully prove that the loan qualifies as an "undue hardship."

1. If the Conversion Event is the failure to maintain satisfactory academic progress, then the date of default shall be designated as the first day of the month following the Student's notification from the University of such failure.

2. If the Conversion Event is the failure to meet the Community Service Plan obligation, the date of default shall be the date on which the designated Community Service Plan supervisor has reasonable proof of the Student's failure to perform.

3. If the Conversion Event is the failure to reside in the City, the date of default shall be the date on which the Student began to live in another municipality.

4. If the Conversion Event is the failure to take classes from an institution participating in the Program, the date of default shall be the date on which the City is notified of the failure or the Student withdraws.

5. Repayment of the loan shall be made over a period of sixty (60) months with interest compounding monthly using the Prime Rate published in the Wall Street Journal on the date of default. If the Student is subject to multiple loan obligations as a result of receiving multiple Scholarships, the terms and conditions of repayment shall be set forth in a separate repayment schedule as set forth by the City.

D. The Student acknowledges that funding for the scholarship herein is the result of Ordinance No. \_\_\_\_\_ and is subject to ongoing appropriations being made by the City.

E. An Application and Note must be completed each semester to receive continued support.

Section 3. **The Note.**

**A. THIS PORTION OF THIS DOCUMENT EMBODIES A PROMISE TO PAY IF THE CONDITIONS OF THE SCHOLARSHIP ARE NOT MET.**

B. If the Student receives funds from this Program, maintains satisfactory academic progress, keeps the City apprised of his/her current address and contact information, resides and takes classes within the City during the time he/she is actively benefitting from the Scholarship provided herein, and completes the requirements set forth in Sections 2(A)(3) or 2(A)(5) herein, the Student has no repayment obligation under the terms of this Note.

C. The Student understands that this is a Promissory Note, which will obligate him/her to repay scholarship funds received if he/she does not meet the terms and conditions of the Scholarship set forth above. The Student further realizes that his/her failure to fulfill the full Terms and Conditions of Scholarship as outlined in Section 2 of this Note will immediately convert any funds received into an interest bearing loan.

D. Therefore, the Student must fulfill the full Terms and Conditions of Scholarship as outlined in Section 2 of this Note or the Student must re-pay the entire amount of the Scholarship funds awarded, plus interest and, if applicable, reasonable collection and attorney fees as if it originated as a loan. In circumstances of repayment, the entire Scholarship amount is due and payable and the City will not prorate portions of the Scholarship funds awarded based on partial performance under this Note. The City will establish a loan repayment schedule and designate the accompanying interest rate in that repayment schedule at the time of default.

E. The Student also understands that he/she may cancel this Scholarship award, without any cost, by returning all proceeds that were issued for the Student's benefit provided that the proceeds are returned prior to the end of the academic year in which they were received.

F. The Student understands that this debt is not dischargeable in bankruptcy, as described in Section 2, C. of this Agreement, and that this debt may not be consolidated with any other debt obligation owed to the City or to the state government.

G. The Student will receive an initial nine-month grace period following the date of default before the initial loan payment must be made. Interest will not accrue during this time. Requests to postpone repayment beyond the initial grace period shall be considered only under the deferment or forbearance provisions set forth in this Note.

H. The Student has the ability to request a deferment of payment toward the principal or interest accruing from this Note if he/she: (a) serves on active duty as a member of a uniformed service of the United States, for up to three years; or (b) serves as a volunteer under the Peace Corps Act, for up to three years.

I. The Student may request forbearance by submitting a properly documented written request to the City evidencing that his or her monthly loan debt equals or exceeds 20 percent of his or her total monthly gross income or that the Student has been actively seeking, but has not received, full-time employment in Ohio. The City may also consider other issues related to health, family circumstances or military service as a proper basis for forbearance. The Student can request forbearance for up to twelve (12) months. The forbearance period is renewable shall not exceed thirty-six (36) months in total. Interest will continue to accrue during any period of forbearance. Unemployment related forbearance shall cease two (2) months after Student obtains full-time employment.

J. If the Student fails to make an installment payment when due, having not first obtained a deferment or forbearance of the obligation, the Student will be considered in default on the Note. The City reserves the right to require the entire unpaid balance of the debt, including interest due and accrued and any applicable penalty charges, immediately due and payable.

K. The Student may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time.

L. The City may assess a late penalty charge upon the Student's failure to pay all or any part of any monthly installment, or for failure to file satisfactory evidence of entitlement to deferment.

M. The City may disclose the Student's loan, and any other relevant information, to credit bureaus. If the Student is more than 120 days past due in making a scheduled repayment, the City may disclose the Student's delinquent status, and any other relevant information, to credit bureaus.

N. If the Student fails to make a scheduled repayment, apply for deferment or forbearance, or fails to comply with any other term of this Note, the City may: (a) refer the Student's loan to a collection agent for further collection efforts; (b) initiate legal proceedings against the Student; and (c) use whatever means necessary to obtain the Student's address if the City is not in receipt of a current address for the Student.

O. In the event the Student suffers total and permanent disability or death, the unpaid indebtedness remaining on the Note shall be canceled.

#### Section 4. Miscellaneous.

A. **Amendment or Waiver.** No amendment or waiver of any provision of this Agreement shall be effective against any party hereto unless in writing and signed by that party.

B. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

C. **Severability.** If any provision of this Agreement is or becomes invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect the remainder of this Agreement and the remainder of this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable portion were not contained herein, provided and to the extent that such construction would not materially and adversely frustrate the original intent of the parties hereto as expressed herein.

D. **Jurisdiction.** The provisions of this Agreement and all matters that relate to its interpretation or enforcement shall be governed by Ohio law. The venue for any action to enforce any provision of this Agreement shall be exclusively in the state and federal courts in Franklin County, Ohio and each of the parties hereby consents to and subjects itself to the exclusive jurisdiction of such courts.

E. **Further Assurances.** Each party hereto shall cooperate, shall take such further action and shall execute and deliver such further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

F. **Successors.** This Agreement shall inure to the benefit of, and be binding upon, each party and that party's respective successors and assigns. This Agreement is not transferable or assignable without the express written approval of the City of Grove City pursuant to ordinance.

G. **Notices.** All notices or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate party at its address indicated as follows:

If to the City: City of Grove City, Ohio  
Attention: *Charles W. Boso, Jr.*, City Administrator  
4035 Broadway  
Grove City, Ohio 43123

If to the Student: \_\_\_\_\_  
\_\_\_\_\_

or such different address of which notice shall have been given in accordance with this Agreement.

BEFORE SIGNING THIS NOTE THE STUDENT SHOULD READ THE INFORMATION SET FORTH ABOVE AND CONSIDER THE MATTER CAREFULLY. BY SIGNING THIS NOTE THE STUDENT CERTIFIES THAT HE/SHE HAS READ THIS DOCUMENT, UNDERSTANDS ITS TERMS AND CONDITIONS AND AGREES TO BE BOUND THEREBY.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF GROVE CITY

STUDENT (or signature of Parent/Guardian if the Student is under the age of 18).

\_\_\_\_\_  
*Charles W. Boso, Jr.*, City Administrator

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

PARENT/GUARDIAN

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Stephen J. Smith  
Law Director, City of Grove City

STATE OF OHIO            }  
                                  } SS:  
COUNTY OF FRANKLIN }

Signed and sworn to before me, a duly authorized Notary Public in and for the State of Ohio on  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

## City of Grove City Higher Education Investment Program Scholarship Application

The City of Grove City, in an effort to encourage those seeking a higher education to remain residents and contributors to the City, has established a scholarship program.

The following conditions apply:

### Full – time Student (12+ credit hours):

1. Residency in the City of Grove City, Ohio's corporation limits.
2. Acceptance in an Institution with a presence in Grove City that:
  - a. Is a Higher Learning Commission accredited institution; or
  - b. Offers a Certificate and Licensure track program recognized by a State Regulatory Authority
3. *Applicant must choose at time of application:*
  - a. Completion of ten (10) volunteer service hours every semester to the City of Grove City through the "Keep Grove City Beautiful" program; the "VIP" program; Gardens at Gantz Volunteers; Citizens Police Academy; or other volunteer hours within the City as may be approved; OR
  - b. Residency in the City of Grove City for three (3) years following receipt of the last scholarship award.
4. Maintenance of a C (2 point) average per semester.
5. Scholarship application and Promissory Note & Scholarship Loan Agreement must be completed each semester.
6. Awards will be: \$1,000.00 per semester or \$3,000.00 a year, up to a maximum of \$12,000.00 in a lifetime.

### Part-time Student (6 – 11 credit hours)

1. Residency in the City of Grove City, Ohio's corporation limits.
2. Acceptance in an Institution with a presence in Grove City that:
  - a. Is a Higher Learning Commission accredited institution; or
  - b. Offers a Certificate and Licensure track program recognized by a State Regulatory Authority
3. *Applicant must choose at time of application:*
  - a. Completion of five (5) volunteer service hours every semester to the City of Grove City through the "Keep Grove City Beautiful" program; the "VIP" program; Gardens at Gantz Volunteers; Citizens Police Academy; or other volunteer hours within the City as may be approved; OR
  - b. Residency in the City of Grove City for three (3) years following receipt of the last scholarship award.
4. Maintenance of a C (2 point) average per semester.
5. Scholarship application and Promissory Note & Scholarship Loan Agreement must be completed each semester.
6. Awards will be: \$500.00 per semester or \$1,500.00 a year, up to a maximum of \$12,000.00 in a lifetime.

This application is:

New

Reapplication

Please print or type:

Today's date:

\_\_\_\_\_

Name:

\_\_\_\_\_

First

\_\_\_\_\_

Middle Initial

\_\_\_\_\_

Last

Address: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Student ID # \_\_\_\_\_

College/University: \_\_\_\_\_

Please provide the following with this Application:

1. Proof of residency:

Must be supplied through: utility bill, lease, rental agreement in your name.

If proof cannot be supplied, then a notarized statement on a form provided by City must accompany application.

2. A copy of current Bursar's bill (Funds will not be provided until received).

3. A copy of transcript if *reapplying*.

Return application to City Hall by: July 1 for Fall Semester; Nov. 1 for Winter/Spring Semester;  
April 1 for Summer Semester

# Affidavit Of Residency

STATE OF OHIO            )  
  )        SS  
COUNTY OF FRANKLIN    )

I, \_\_\_\_\_, having been duly cautioned and sworn, do hereby state upon my own personal knowledge and belief:

1. I am a resident of the City of Grove City.
2. \_\_\_\_\_ currently resides with me at \_\_\_\_\_  
\_\_\_\_\_.
3. Attached is a copy of a utility bill, deed, etc. confirming residency at the above referenced address.

Further, Affiant sayeth naught.

\_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public