Colorado Mountain College launches student success initiative to help DREAMers, others pay for college

Overview

• In 2018, Colorado Mountain College launched a first-of-its-kind philanthropic initiative, known as Fund Sueños (the Dream Fund), to provide access to higher education financing for students not eligible to receive federal financial aid, such as those enrolled in the Deferred Action for Childhood Arrivals (DACA) program.

• The program enables students to pay for college through income share agreements (ISAs). With ISAs, students pay no up-front tuition in exchange for paying back into the program a fixed percentage of their income after graduation, over a set period of time.

Income share agreements in brief

• ISAs are a form of income-based payment that enable colleges to share risk with students, as repayment is based on a graduate’s income.

• ISAs are similar to student loans, but offer certain advantages. Fund Sueños does not accrue interest and beneficiaries do not participate until their annual income exceeds $30,000.

About Fund Sueños

• College affordability presents an especially acute challenge for DREAMers, who are not eligible to access federal grants or loans because of their undocumented status.

• This program provides previously inaccessible financial support to DACA students and, we hope, will inspire the creation of new financial assistance options for tens of thousands of college students across the U.S.
**Why DREAMers?**

- Students with Deferred Action for Childhood Arrivals status are provided with temporary work authorization and a Social Security number. As such, these individuals may work and pay taxes in the United States.
- Colorado law (e.g., ASSET) permits non-citizen students to be classified as in-state students for tuition purposes.
- In-state tuition provides some financial relief for DACA students, but these students are not eligible for federal financial aid. As a result, college remains out of financial reach for most DACA students, especially for those who intend to enroll full-time.

**How does it work?**

- Eligible students who participate in the Fund Sueños program pay no up-front tuition, receiving $3,000 per year to cover the full cost of tuition, fees, and books at CMC.
- In exchange, students agree to pay 4% of future earnings, over a maximum period of 60 months, after they graduate and secure a job making at least $30,000 annually. A 4% income share on $30,000 in wages is equal to $100/month.
- If students do not make at least $30,000, they have no obligation to pay.
- The college shares responsibility for educating and training its students to enter careers that compensate at a livable wage.

**Who supports it?**

- CMC’s program is 100% supported by philanthropic giving, provided by private donors through the CMC Foundation. It uses neither public nor investment funding, thus providing the college with significant flexibility to tailor the program to the needs of DACA students.
- All revenue derived from income shares goes into the CMC Foundation to fund future cohorts of students, creating a sustainable “pay it forward” model. This attribute was important to both the pilot class of students and initial donors, and thus was part of the program’s design and intent.
- Colorado Mountain College has been able to raise more than $625,000 in private donations for Fund Sueños.
- The Lumina Foundation for Education provided a grant to CMC to assess the impacts of the Fund Sueños program. The initial results of this work will be available in summer 2020.