

**STATEMENT OF CARRIE L. BILLY, PRESIDENT & CEO
AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM
SUBMITTED TO THE U.S. HOUSE OF REPRESENTATIVES - COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES
ADDRESSING PROGRAMS IN THE BUREAU OF INDIAN EDUCATION**

May 16, 2017

I. REQUEST SUMMARY

On behalf of the nation's Tribal Colleges and Universities (TCUs), which collectively are the American Indian Higher Education Consortium (AIHEC), thank you for this opportunity to present our Fiscal Year 2018 (FY 2018) appropriations recommendations for the 29 colleges funded under Titles I and II of the Tribally Controlled Colleges and Universities Assistance Act (Tribal College Act); the two tribally chartered career and technical postsecondary institutions (Title V /Tribal College Act); the two Bureau of Indian Education postsecondary institutions; and the Institute of American Indian Arts (IAIA). The Bureau of Indian Education administers each of these programs, with the exception of IAIA, which is congressionally chartered and funded in its own account.

In FY 2018, TCUs seek:

- \$80,220,000 to fund institutional operations under Titles I and II, and technical assistance authorized in the *Tribally Controlled Colleges and Universities Assistance Act of 1978*, or Tribal College Act, of which \$88.5 million is for Titles I & II operating grants (which would fund 27 TCUs at the authorized level for the first time in 37 years) and \$701,000 to address increasingly needed technical assistance, including a modest increase of \$100,000 that would be the first increase in technical assistance in 12 years;
- \$10,000,000 for Title V of the Tribal College Act, which provides partial institutional operations funding for two tribally chartered postsecondary career and technical institutions;
- \$9,948,000 for the Institute of American Indian Arts;
- Minimum of \$23,000,000 for Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, the Bureau of Indian Education's two postsecondary institutions.

The Bureau's two postsecondary institutions, Haskell Indian Nations University (HINU) and Southwestern Indian Polytechnic Institute (SIPI), remain the only academic institutions funded through the Department of the Interior still receiving their operating funds on the federal fiscal year (October 1) or as has been the practice for a number of years, several months into the fiscal year, when the annual Interior appropriation bill is enacted. All other Interior-funded schools – and nearly all education institutions nationally – receive their academic year funding in early July, so that they are prepared for the upcoming school year. Forward funding does not increase the federal budget in the long-term. Rather, it allows vital education programs to receive basic operating funds before each school year begins, which is critically important when the federal government is funded under continuing resolutions. We respectfully request that Congress encourage the Bureau of Indian Education to identify the funds, in a manner that does not negatively impact the other Tribal Colleges, to transition the distribution of its postsecondary

institutions (HINU and SIPI) operating grants from the federal fiscal year to an academic year calendar.

Other than HINU, SIPI, and IAIA, TCUs are founded and chartered by their respective American Indian tribes, which hold a special legal relationship with the federal government, actualized by more than 400 treaties, several Supreme Court decisions, prior Congressional action, and the ceding of more than one billion acres of land to the federal government. Despite the trust responsibility and treaty obligations, the TCUs' primary source of basic operating funds has never been adequately funded. Further, our member institutions – already operating on marginal budgets – have suffered the ramifications of perennial across-the-board cuts, including sequestration.

II. OPPORTUNITY AND INNOVATION IN INDIAN COUNTRY

Tribal Colleges and Universities are an essential component of American Indian/Alaska Native (AI/AN) education. Currently, 37 TCUs operate more than 75 campuses and sites in 16 states, within whose geographic boundaries 80 percent of all American Indian reservations and federal Indian trust land lie. They serve students from well over 250 federally recognized tribes, more than 85 percent of whom receive federal financial aid – primarily Pell grants. In total, the TCUs annually serve 160,000 AI/ANs and other community members through a wide variety of academic and community-based programs. TCUs are public institutions accredited by independent, regional accreditation agencies, and like all U.S. institutions of higher education, must regularly undergo stringent performance reviews to retain their accreditation status. Each TCU is committed to improving the lives of its students through higher education and to moving AI/ANs toward self-sufficiency. To do this, TCUs serve many roles in their reservation communities, functioning as workforce and job creation engines, community centers, public libraries, tribal archives, entrepreneurial, small business, and career centers, computer labs, summer camps, community farms and gardens, economic development centers, applied research hubs, child and elder care centers, and more.

The federal government, despite its direct trust responsibility and binding treaty obligations, has never fully funded TCU institutional operations as authorized under the Tribally Controlled Colleges and Universities Assistance Act of 1978. Yet despite funding challenges, TCUs are leading the nation in preparing an AI/AN workforce, including nurses, land managers, and teachers for our Native schools. For example, half of all AI/AN special education teachers in Montana are graduates of one college: Salish Kootenai College. TCUs prepare other professionals in high-demand fields, including agriculture and natural resources management, human services, IT, and building tradesmen. By teaching the job skills most in demand on our reservations, TCUs are laying a solid foundation for tribal economic growth, which is the *only* way to move tribes and tribal members to self-sufficiency. But workforce development is not enough. TCU leadership understands that we must do more to accelerate the move to self-sufficiency – we must move beyond simple workforce training. Today, TCUs are tackling the tougher – but much more significant – issue of job creation, because we know that to break the cycle of generational poverty and end the culture of dependency that grips so much of Indian Country, simply filling jobs that would be filled anyway is not enough. We must create new industries, new businesses, and build a culture of innovation. Our job creation initiative is focusing initially on advanced manufacturing, through a partnership with the U.S. Department of

Energy, National Laboratories, TCUs, and industry. Already, we are seeing results, with new TCU-tribal-industry partnerships, new contracting opportunities, and new jobs for our students and graduates.

Tribal Colleges continually seek to instill a sense of hope and identity within Native youth, who one day will lead our tribal nations. Unacceptably, the high school drop-out rate for Native students remains around 50 percent. To help address this alarming reality, TCUs partnered with the Department of the Interior's Bureau of Indian Education to help create a durable "college going culture" in BIE middle and high schools. TCUs are reaching back to create a bridge for Indian students as early as the elementary school, encouraging them to abandon any notion of dropping out of high school and instead, to think that the natural course is to finish high school and go on to the local TCU. In addition, TCUs offer dual credit courses for high school students, provide math teachers for local high schools as a strategy for improving course delivery, host Saturday academies, after school programs and summer camps for middle and high school students, and at the other end of the spectrum, offer GED or HiSET training and testing, depending on their location. All are solid steps to bolster the prospects for future of Native youth and breaking the cycle of generational poverty.

As noted earlier, the TCUs' operations funding remains insufficient, and their budgets are further disadvantaged, because unlike other institutions of higher education, TCUs receive operations funding based on the number of Indian students served, with "Indian student" defined as a member of a federally recognized tribe or a biological child of enrolled tribal members. Yet, approximately 15 percent of the TCUs' collective enrollments are non-Indian students. While many TCUs do seek operating funds from their respective state legislatures for their non-Indian, state-resident students (also referred to as "non-beneficiary" students) successes have been, at best, inconsistent. Given their locations, often hundreds of miles from another postsecondary institution, TCUs are open to all students, Indian and non-Indian, believing that education in general, and postsecondary education in particular, is a catalyst to a better economic future in remote areas.

III. SOLID INVESTMENT OF FEDERAL FUNDS

In August 2015, an economic impact study on the TCUs, conducted by Economic Modeling Specialists International (EMSI), revealed that the known TCU alumni impact is \$2.3 billion, which supports 28,778 jobs in the nation. From a taxpayer's perspective, the study concluded that the total monetary benefits to taxpayers compared to their costs (equal to the federal funds the TCUs received during the analysis year) yield a 2.4 benefit-cost ratio. In other words, for every federal dollar invested in the TCUs, the taxpayers receive a cumulative value of \$2.40. The average annual rate of return is 6.2 percent, a solid rate of return that compares favorably with other long-term investments. On an individual basis, TCU students see an annual return of investment of 16.6 percent, and the vast majority of TCU-trained workers remains in Indian Country and contributes to the local economy. TCUs benefit taxpayers through increased tax receipts and reduced demand for federal social services; a win all-around.

IV. CHALLENGES: TAX BASE & GAMING MISCONCEPTIONS

Local Tax and Revenue Base: TCUs cannot rely on a local tax base for revenue. Although tribes have the sovereign authority to tax, high reservation poverty rates, the trust status of

reservation lands, and the lack of strong reservation economies hinder the creation of a reservation tax base. As noted earlier, on Indian reservations that are home to TCUs, the unemployment rate can well exceed 70 percent. By contrast, the national unemployment rate is currently 4.5 percent.

Gaming and the TCUs: Although several of the reservations served by TCUs have gaming operations, they are not the mega-casinos located in urban areas and featured in the broad-based media. Only a handful of TCUs receive regular income from the chartering tribe's gaming revenue, and the amounts received can vary greatly from year to year. Most reservation casinos are small businesses that use their gaming revenue to improve the local standard of living and potentially diversify into other, more sustainable areas of economic development. In the interim, where relevant, local TCUs offer courses in casino management and hospitality services to formally train tribal members to work in their local tribally run casinos.

Some form of gaming is legalized in 48 states, but the federal government has not used the revenues generated from state gaming as a justification to decrease federal funding to other public colleges or universities in those states. Some have suggested that those tribes that operate the handful of extremely successful and widely publicized casinos located in or near urban areas, should be financing higher education for all American Indians. And yet, no state is expected to share its gaming revenue with a less successful or non-gaming state.

V. APPROPRIATIONS REQUEST FOR FY2018

As noted earlier, it has been more than 35 years since the Tribal College Act was first funded, and the TCUs have yet to receive the congressionally authorized per Indian student funding level. Full funding for the TCUs' institutional operating grants under Titles I and II in FY 2018 would require only a modest increase of approximately \$10.4 million over the FY 2017 appropriated level. These TCUs that educate the vast majority of TCU-attending students and serve some of the largest Indian tribes in the nation, have been level-funded since FY 2014. Since that time, the College of the Muscogee Nation in Okmulgee, Oklahoma became eligible for funding under Title I of the Tribal College Act, and several more could potentially gain eligibility in the next few years.

VI. CONCLUSION

AIHEC Member institutions/Tribal Colleges and Universities provide quality higher education to thousands of American Indians and other reservation residents, as well as essential community programs and services to those who might otherwise not have access to such opportunities. The modest federal investment that has been made in TCUs has paid great dividends in terms of employment, education, economic development and has significantly reduced social, health care, and law enforcement costs. Continuation of this investment makes sound moral and fiscal sense.

We greatly appreciate the Subcommittee's past and continued support of the nation's Tribal Colleges and Universities and your thoughtful consideration of our FY 2018 appropriations requests.