



## **An Outstanding Return on Investment: Tribal Colleges and Their Contributions to Montana**

**February 2017**

Tribal colleges are critical in providing many Montanans, Indian and non-Indian, with a pathway to higher education and the ability to prepare for the workforce. Tribal colleges also provide rural communities with jobs and contribute substantially to the economic health of our state. Montana should continue to prioritize its investment to support students attending the tribal colleges.

### **Tribal colleges play a critical role in Montana's higher education system**

The tribal colleges located in Montana play a crucial role within the state's broader higher education system. Montana is home to seven of the nation's 32 fully accredited tribal colleges – more than any other state – and serves more than 5,000 students.<sup>1</sup> Individual tribes chartered the colleges, each of which has received accreditation by the Northwest Commission on Colleges and Universities.<sup>2</sup> Tribal colleges provide a range of educational opportunities to their students, from adult basic education and certificates to associate's and bachelor's degrees.

Tribal colleges often serve as an entry point for Montanans who want to better their lives by earning a college degree, particularly for those who otherwise would not pursue post-secondary learning.<sup>3</sup> Student demographics include those who do not enroll immediately following high school graduation, have children, and come from lower-income households.<sup>4</sup> Tribal colleges are an accessible, affordable option for students and families. Due to their modest size and structure, tribal colleges are able to provide their students with an affordable education that includes the personal attention needed for student success and graduation.

Over the past few years, tribal colleges have increased their academic offerings to reflect both the needs of their local communities as well as broader job markets. For example, many tribal colleges now offer degrees in information technology, business management, and entrepreneurship, as well as healthcare-related professions like nursing and psychology. Because of this, tribal colleges serve as a stepping stone for graduates who go on to earn their bachelor's degrees and graduate degrees at Montana's universities. To this end, tribal colleges have worked to develop coordinated agreements with colleges in the Montana University System (MUS) so that students can successfully transfer to a MUS school or access online courses to meet their academic and career needs.

### **Tribal colleges fuel economic growth in Montana**

Tribal colleges in Montana infused \$76.2 million directly into the state's economy in 2009.<sup>5</sup> In general, tribal colleges create jobs for faculty and staff, as well as for students upon their graduation. Many of these jobs are in rural communities where they are especially needed. These jobs increase the amount of consumer spending and improve the economic activity in the rural communities where

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tribal colleges are located. Tribal colleges also stimulate both the local and state economy by purchasing millions of dollars in goods and services that support their daily functioning.

Individual studies confirm that tribal colleges create a significant positive net impact on the local, state, and even national economies.<sup>6</sup> For example, during the 2013-2014 school year, Aaniih Nakoda College spent \$3.3 million on employee payroll and benefits and \$4.4 million on goods and services. Combined with student and alumni spending, this generated \$21.6 million - equal to roughly 13 percent - of the total gross regional product of Blaine County and the equivalent of creating 461 new jobs. Students will see an additional \$14.4 million in increased earnings over their working lives, an annual rate of return of 20 percent on their cost of pursuing their education. Furthermore, for every dollar spent educating students at Aaniih Naokda College, taxpayers will receive an average of \$2.30 in return over the course of the students' working lives. This is an annual rate of return of 6 percent.<sup>7</sup>

As a whole, our communities benefit from the added income and ability of students to contribute to society over their lifetime by paying income taxes, spending money in their communities, as well as from the savings generated as a result of their improved lives (i.e., better health, decreases in crime and unemployment).<sup>8</sup>

### Federal funding of tribal colleges

Although tribal colleges derive some revenue from charging tuition and fees, they rely primarily on federal funding provided through Title III of the Higher Education Opportunity Act and the Tribally Controlled Colleges and Universities Act.<sup>9</sup> Federal funding is contingent upon a Congressional appropriation and is formulated somewhat arbitrarily and awarded based on the number of **beneficiary students** served.<sup>10</sup> Beneficiary students are individuals who are enrolled members of a tribe or are the biological child of an enrolled member of a tribe that is eligible for the special programs and services provided by the United States through the Bureau of Indian Affairs.<sup>11</sup> Currently, tribal colleges receive about \$6,700 per beneficiary student.<sup>12</sup>

Tribal colleges also enroll a significant number of students who are referred to as **non-beneficiary students**, or students who do not meet the beneficiary description.<sup>13</sup> Non-beneficiary students make up a varying portion of enrollment at tribal colleges in Montana – as low as three percent at Chief Dull Knife College and up to 26 percent at Salish Kootenai College.<sup>14</sup> Tribal colleges do not receive any federal support for these students and are left to absorb the cost in their budgets.<sup>15</sup>

#### Who are non-beneficiary students?

- Non-Indian students
- Students who are not enrolled in a federally recognized tribe or are less than 1/4 –blood descendant
- Indian students who are members of a state-recognized tribe

In 1995, the Montana legislature responded to this funding shortfall by passing House Bill 544, appropriating \$1.4 million to go towards reimbursing tribal colleges for educational services provided to resident non-Indian students. This would later become known as the Tribal College

Assistance Program (TCAP). In 1997, the legislature passed Senate Bill 84, making TCAP permanent; the funding distribution, however, remains contingent upon a line item appropriation.<sup>16</sup> Notably, Montana was the first in the nation to provide state dollars to tribal colleges, and today is one of only three states that provide funding to tribal colleges.<sup>17</sup>

During the 2015 legislative session, policymakers passed House Bill 196, approving a one-time-only increase of \$322,000, and increasing the maximum annual TCAP reimbursement amount from \$3,024 to \$3,280 per enrolled non-beneficiary student.<sup>18</sup> Again, distribution remains contingent upon a line item appropriation.

### **Tribal colleges deserve continued support**

The 2019 biennial executive budget maintains the current base budget for TCAP, at \$1.684 million, but did not include the additional \$322,000 in one-time-only funds appropriated the past two legislative sessions. During the first week of the 2017 legislative session, the chairs of the House Appropriations and Senate Finance and Claims directed the subcommittees for each section of the budget to vote on a series of cuts known as starting point motions. This resulted in a further reduction in TCAP funding of \$80,908 below the base budget.<sup>19</sup>

As Montana legislators and agency directors navigate tough budget cuts during this time of revenue shortfalls, they should consider the array of contributions tribal colleges make to our state; the return on investment in tribal colleges is one of the soundest we can make.

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<sup>1</sup> White House Initiative on American Indian and Alaska Native Education. U.S. Department of Education. "Tribal Colleges and Universities." <https://sites.ed.gov/whiaiane/tribes-tcus/tribal-colleges-and-universities/>; U.S. Department of Education Institute of Education Sciences National Center for Education Statistics, <https://nces.ed.gov/ipeds/datacenter/InstitutionList.aspx?stepId=1&viewinstitutions=view>

<sup>2</sup> White House Initiative on American Indian and Alaska Native Education. U.S. Department of Education. "Tribal Colleges and Universities." <https://sites.ed.gov/whiaiane/tribes-tcus/tribal-colleges-and-universities/>; American Indian Higher Education Consortium. Tribal Colleges and Universities. Accessed January 30, 2017. <http://www.aihec.org/who-we-serve/index.htm>

<sup>3</sup> American Indian Higher Education Consortium, *Tribal Colleges: An Introduction*, February 1999. [http://www.aihec.org/who-we-serve/docs/TCU\\_intro.pdf](http://www.aihec.org/who-we-serve/docs/TCU_intro.pdf)

<sup>4</sup> American Indian Higher Education Consortium, *Tribal Colleges: An Introduction*, February 1999. [http://www.aihec.org/who-we-serve/docs/TCU\\_intro.pdf](http://www.aihec.org/who-we-serve/docs/TCU_intro.pdf)

<sup>5</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>

<sup>6</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>

<sup>7</sup> EMSI, "The Economic Value of Aaniih Nakoda College, 2015," [http://www.ancollege.edu/information/images/ANC\\_MainReport\\_1314\\_Final.pdf](http://www.ancollege.edu/information/images/ANC_MainReport_1314_Final.pdf)

<sup>8</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>

<sup>9</sup> The Postsecondary National Policy Institute, "Tribal Colleges and Universities," March 2016. <https://pnpi.org/issue-primers/tribal-colleges-and-universities/>

<sup>10</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>

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- <sup>11</sup> Tribally Controlled Colleges and Universities Assistance Act (25 U.S.C. Sec. 1801 et seq.), [http://www.aihec.org/what-we-do/docs/govRel/laws/TCCUAA\\_25USC1801etSeq\\_1-2012.pdf](http://www.aihec.org/what-we-do/docs/govRel/laws/TCCUAA_25USC1801etSeq_1-2012.pdf).
- <sup>12</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>. Amounts vary, ranging from roughly \$5,000 (as report in [https://pnpi.org/issue-primers/tribal-colleges-and-universities/#\\_edn6](https://pnpi.org/issue-primers/tribal-colleges-and-universities/#_edn6)) to \$7,200 (as reported by Salish Kootenai College, February 3, 2017 Testimony to Montana Legislature, Joint Appropriation Committee on Education).
- <sup>13</sup> Eddy McClure, "A Historical Perspective on 2-Year Postsecondary Education in Montana: "WHERE DO WE GO FROM HERE?," Postsecondary Education Policy and Budget Subcommittee, September 2007, <http://mus.edu/board/meetings/2007/Sept07/Workforce/2YearEdReportToPEPB.pdf>.
- <sup>14</sup> Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>.
- <sup>15</sup> Deborah His Horse is Thunder, "Breaking Through Tribal Colleges and Universities." American Indian Higher Education Consortium, April 2012, <http://www.aihec.org/our-stories/docs/reports/BreakingThrough.pdf>
- <sup>16</sup> <http://leg.mt.gov/bills/mca/20/25/20-25-428.htm>; Hope Stockwell, "Tribal Colleges in Montana: Funding and Economic Impacts," State-Tribal Relations Committee, July 13, 2016. <http://leg.mt.gov/content/Committees/Interim/2015-2016/State-Tribal-Relations/Meetings/July-2016/tribal-college-report-strc-july-2016.pdf>.
- <sup>17</sup> Mary Annette Pember, "Deal or No Deal?," *Diverse Education* (November 30, 2006), <http://diverseeducation.com/article/6707/>.
- <sup>18</sup> <http://leg.mt.gov/bills/2015/billpdf/HB0196.pdf>.
- <sup>19</sup> <http://leg.mt.gov/content/Publications/fiscal/2017%20Session/5102-Starting-Point.pdf>.