



*Young leaders from around Indian Country gathered at the National Intertribal Youth Summit in Santa Fe, New Mexico, in 2011 to provide insight on how to improve critical aspects of community services, including education.*

*Credit: Department of Justice.*

## EDUCATION

In the wake of the recent economic downturn, the country must view improving the education of our nation's children as a key strategy for strengthening the economy. Research repeatedly demonstrates that investments in education contribute to economic growth while also expanding opportunities for individual advancement.<sup>12</sup> For example, a 2007 study by the Brookings Institution revealed that investments in education and training programs provide a payoff between 5 and 15 percent per year, compared to initial investments.<sup>13</sup> Likewise, cutting statewide public K-12 expenditures by just 1 percent would reduce a state's employment rate by 0.7 percent initially and by 1.4 percent over time.<sup>14</sup>

In addition to benefits for national and state economies, investments in education can bring direct benefits to individuals, which will ultimately have a larger impact on tribal and other economies. As the Director of Education for the Grand Portage Band of Chippewa explained recently: "Having an education means that Native Americans are able to contribute economically to their communities and reservations by reducing the unemployment levels, stimulating the market through increased direct spending, developing the workforce by increasing the skills of local workers, attracting new businesses with the improved economy and workforce, stimulating entrepreneurship, increasing the use of technology, promoting leadership in tribal members, and creating a link between reservations and external resources.

Further, an education allows Indian people to achieve personal and academic development, as education advances self-awareness, interpersonal sensitivity, intellectual development, self esteem, acculturation, and identity development" (H. Brickner, personal communication, December 19, 2011).

*"If just half of the 24,700 American Indian and Alaska Native [high school] students who dropped out from the Class of 2010 had graduated, together these 12,350 new graduates would likely be earning an additional \$147 million each year compared to what they will earn without a high school diploma."*

A 2011 report from the Alliance for Excellent Education indicates that improving the educational outcomes of American Indian and Alaska Native students would have a tremendous individual and societal economic impact. This report suggests that: "If just half of the 24,700 American Indian and Alaska Native [high school] students who dropped out from the Class of 2010 had graduated, together these 12,350 new graduates would likely be earning an additional \$147 million each year compared to what they will earn without a high school diploma.

These increased earnings would create a wave of additional benefits for tribal, state, and national economies, including the following:

- **Increased spending and investment:** *New graduates' increased earnings, combined, would likely have allowed them to spend up to an additional \$107 million and invest an additional \$40 million during an average year.*
- **Increased home and vehicle sales:** *By the midpoint of their careers, these new graduates, combined, would likely have spent as much as \$387 million more on home purchases than they will spend without a diploma. In addition, they would likely have spent up to an additional \$14 million on vehicle purchases during an average year” (n. p.).<sup>15</sup>*

Unfortunately, when faced with making tough budgetary decisions, policymakers and elected officials often target education and other social welfare budgets that require more long-term investments. Even worse, Native youth and families are often the hardest hit by these budget cuts. As a result, schools in Indian Country face inadequate federal support which leads to a shortage of staff, lack of support services, and dilapidated facilities. Additionally, due in large part to the weak state of the nation's economy, state funding for colleges and universities has not been able to keep pace with the significant growth in college enrollment. This means that schools must increase the cost for students to attend, resulting in a steady rise in the overall cost of pursuing higher education. While the costs of higher education have risen, so have the cuts to annual Self-Governance funding to tribes, further constraining tribes' ability to encourage and supplement their citizens' efforts to pursue higher education. The federal government must live up to its commitment to provide a quality education for American Indian and Alaska Native students and for all of the nation's students.

The requests below detail the minimum funding needed to maintain a system that is struggling and underfunded.

## Key Recommendations

### DEPARTMENT OF EDUCATION

#### *Labor, Health and Human Services - Education Appropriations Bill*

#### **Culturally Based Education**

- *Provide \$198.4 million for Title VII funding under the No Child Left Behind Act.*

Title VII of the No Child Left Behind Act, which provides essential support for culturally based education approaches for American Indian and Alaska Native students and addresses the unique educational and cultural needs of Native students, is severely underfunded. It is well-documented that Native students are more likely to thrive in environments that support their cultural identities.<sup>16</sup> Title VII has produced many success stories, but increased funding is needed in this area to close the achievement gap for Native students and to ensure continued support for Native cultures and language education.

### DEPARTMENT OF EDUCATION

#### *Labor, Health and Human Services, Education Appropriations Bill*

#### **Impact Aid Funding**

- *Provide \$1.395 billion for Impact Aid, Title VIII funding under the No Child Left Behind Act.*

Impact Aid provides resources to public schools whose tax bases are reduced because of federal activities, including the presence of an Indian reservation. Although approximately 95 percent of American Indian and Alaska Native youth are educated in public schools, thousands continue to be served by reservation schools and other schools eligible for Impact Aid, including those located on or near tribal lands and those living on military bases.<sup>17</sup>

Yet, Impact Aid funding has not kept pace with inflation. Past budgets have also failed to provide appropriate allocations for facilities construction, causing a tremendous backlog in new construction and leaving many public schools on reservations in desperate need of repair.

*Shared Responsibility:*

## **DEPARTMENT OF EDUCATION AND DEPARTMENT OF THE INTERIOR**

*Labor, Health and Human Services, Education and Interior - Environment Appropriations Bills*

### **Tribal Education Departments**

- *Provide \$10 million to fund Tribal Education Departments (TEDs).*

Five million dollars should be appropriated to the Department of the Interior, and \$5 million should be appropriated to the Department of Education to support Tribal Education Departments (TEDs). Both of these appropriations are authorized by the No Child Left Behind Act of 2001. Congress provided the first appropriation of \$2 million in the Department of Education's Indian Education National Activities line for TEDs in the FY 2012 Consolidated Appropriations Act. With continued funding, the impact on Indian education would be significant. Currently, most tribes fund TEDs with non-federal sources of funding, federal funding from Johnson O'Malley, and sometimes limited Title VII Indian education formula grants from the No Child Left Behind Act. TEDs have a wide range of budgets depending upon the tribe's overall budget and priorities. TEDs serve thousands of American Indian and Alaska Native students nationwide in Bureau of Indian Education, tribal, and public schools. TEDs must have adequate financial support so they can serve the educational needs of these students at a comparable level to the students served by state education departments and agencies.

## **DEPARTMENT OF THE INTERIOR**

*Interior - Environment Appropriations Bill*

### **Construction and Repair of Bureau of Indian Education (BIE) Schools**

- *Provide \$263.4 million for BIE school construction and repair.*

All students in America deserve a safe, secure, and culturally appropriate environment in which to attend school. As cited in the draft No Child Left Behind School Facilities and Construction Negotiated Rulemaking Committee Report, numerous research studies have noted the link between inadequate facility conditions and poor performance by students and teachers. The Report also underscored the fact that the quality of the school environment impacts student behavior, test scores, and teacher retention, among other issues. However, in its FY 2012 Budget Request, the Administration failed to propose funding for the replacement schools and replacement facility construction accounts, which amounts to a \$50.9 million reduction compared to FY 2011 levels.

For the repair of BIE schools and related facilities, the Administration requested \$47.7 million, which reflects a \$13.8 million increase to the amount appropriated for FY 2011. Yet, as of December 31, 2009, an estimated \$1.34 billion was needed to bring 64 schools ranked in "poor" condition, meaning in significant need of repair, up to "fair" condition.<sup>18</sup> Continued inadequate support for school facilities will cause the unmet need for construction and repair funds to balloon. Equally disconcerting is that the FY 2013 budget directives could result in the continued elimination of funding for replacement school and replacement facilities. Delaying the replacement and repair of existing facilities not only jeopardizes student and staff safety, but also increases the amount of school funds that must be diverted to emergency repairs and other facilities maintenance—accounts which are also extremely underfunded. To keep pace with this growing need, the federal budget should include \$263.4 million in FY 2013 for reservation school construction and repair.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Tribal Grant Support Costs for Tribally-Operated Schools**

- Provide \$72.3 million for Tribal Grant Support Costs.

The operation of schools by tribes or locally elected tribal school boards is an exercise of tribal self-determination, encouraged by federal Indian policy for the last 35 years. Currently, 126 of the 183 BIE-funded schools are tribally operated. Tribes and tribal organizations that exercise this option are entitled by law to receive Tribal Grant Support Costs or TGSC (formerly known as Administrative Cost Grants) to cover the administrative or indirect costs incurred when they take over a school. These costs can include: contract/grant administration; payroll; accounting; insurance; background checks; and other legal, reporting, and recordkeeping requirements. In FY 2010, the funding available for TGSC met only 58.9 percent of need — which also stands as a 2.1 percent reduction from the prior year. In FY 2011, Congress provided a \$2.9 million increase for TGSC. In recent fiscal years, Congress and the Administration have begun to recognize that contracts with tribes and consortia should be honored just as with other non-tribal contractors, such as Boeing. As a result, the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS) have received increases for self-determination contract support costs (indirect costs for tribal governments).

Unfortunately, the increases provided for tribal contract support stands in stark contrast to the trend of level funding for tribally-operated schools, even as more schools are expected to convert to contract or grant status in FY 2013. TGSC funding shortfalls have forced the schools to divert funds from educational programs to meet their statutorily mandated administrative requirements and to drastically reduce staff to bare-bones levels. At a minimum, this budget category must be exempted from any proposed budget decreases. For current contract and grant schools, \$70.3 million should be appropriated to fully fund TGSC need, with an additional \$2 million to fund the administrative needs of those schools that convert to contract or grant status in FY 2013. Fully funding TGSC, like BIA and IHS contract support costs, are critical to maximizing tribal self-determination by moving essential governmental functions from federal agency administration to tribal administration.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Student Transportation**

- Provide \$73 million for student transportation.

Bureau of Indian Education (BIE)-funded schools, like public schools throughout America, incur significant costs for transporting their students to and from school and other activities, but the road conditions in areas surrounding BIE schools are often much less developed or in more need of repair than those surrounding the typical public school. Additionally, BIE schools routinely receive less funding per mile for transportation, even though the per-mile costs are greater. In many areas, buses travel long daily routes, often on unpaved roads that are turned into muddy “washboards” by rain and snow. These conditions take a tremendous toll on vehicles and result in greater maintenance and repair costs, exacerbating funding shortages that must be made up with education program funds. For FY 2012, the BIE estimated that its student transportation request would provide a payment rate of \$3.23 per mile, which represents no increase in the per mile rate since FY 2010, even though fuel and repair costs continue to rise. The BIE per mile rate is much less than the national school transportation costs average, despite the much more grueling conditions encountered on roads that lead to BIE-funded schools. Full funding for student transportation in FY 2013 would require at least \$73 million. With no meaningful increase in this funding account over the last several years, this line item must be exempted from any reductions and must be funded at a level more commensurate with need.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Bureau of Indian Education Schools Facilities Accounts**

- Provide \$109.8 million in facilities operations and \$76 million in facilities maintenance.

As reported by the Government Accountability Office and others, approximately 45 percent of buildings at the 183 BIE-funded schools are more than 30 years old and nearly 27 percent are more than 50 years old.<sup>19</sup> A shocking number of these schools are in poor condition and/or are unable to support modern technology. Unlike other federal government-operated buildings, however, they do not receive adequate funding for their operation and maintenance and are not replaced on a schedule consistent with health, safety, habitability, and educational standards. Facilities maintenance funding is intended to address preventative, cyclic, and unscheduled maintenance for school buildings, utility systems, and ground structures. In its budget justifications, the BIE does not report the deferred maintenance backlog amount, but the draft No Child Left Behind School Facilities and Construction Negotiated Rulemaking Committee Report cites a \$967 million backlog amount, and the National Indian Education Association has estimated the backlog grows at an annual rate of \$56.5 million. Despite these shocking numbers, the BIE request of \$50.7 million for this account has not changed for the past several years. Facilities operation is currently funded at only 46 percent of need, despite the fact that costs for electricity, heating fuels, and water and sewer service continue to rise. Some critical facilities needs are covered by funds diverted from education programs, but in many cases, needed maintenance is not being performed at all. To begin to address these basic and growing needs, \$109.8 million in facilities operations funding and \$76 million in facilities maintenance funding is necessary. These accounts should also be exempted from any budget reductions.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Indian School Equalization Formula (ISEF)**

- Provide \$431 million for the Indian School Equalization Formula.

The Indian School Equalization Formula (ISEF) is a formula mandated by statute to provide the core budget account for the educational and residential programs of the BIE's elementary and secondary schools and dormitories. These funds cover the salaries for teachers, teacher aides, principals, and other education program administrative personnel, as well as dormitory staff and the costs of instructional materials, computers, and professional development. Except for FY 2009 and FY 2010—when there were actual increases in program funding—ISEF increases are often required to cover budget shortfalls in fixed costs (e.g., administration, student transportation, and facilities operation and maintenance) rather than to supplement program needs. This means that even fewer dollars are available for the education and residential programs mandated to be funded by the ISEF allocation. For these reasons, we reiterate our request made in the FY 2012 Indian Country Budget Request documents. ISEF should be funded at \$431 million for FY 2013. This funding is essential to providing a high-quality program for the education of our students and, as such, should be exempted from any budget reductions.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Johnson O'Malley Act**

- Provide \$24.3 million in funding to the Johnson O'Malley program.

Enacted in 1934, the Johnson O'Malley Act (JOM) provides supplemental funds to address the unique educational and cultural needs of Native children attending public schools. The “special and unique needs” defined in JOM are determined not by school boards, but by required parent committees and needs assessments. In FY 2013, \$24.3 million should be allocated to JOM in order to fulfill the federal government’s responsibility to educate American Indian and Alaska Native students, particularly the 95 percent who attend public schools.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Tribal Colleges and Universities**

- Provide \$36 million for Title III-A grants under the Higher Education Act.

Titles III and V of the Higher Education Act, known as Aid for Institutional Development programs, support institutions with a large proportion of financially disadvantaged students and low cost-per-student expenditures. Tribal Colleges and Universities (TCUs) clearly fit this definition. The nation’s 36 TCUs serve Native and non-Native students in some of the most impoverished areas in the nation, yet they are the country’s most poorly funded postsecondary institutions. Congress recognized the TCUs as emergent institutions, and as such, authorized a separate section of Title III (Part A, Sec. 316) specifically to address their needs. Additionally, a separate section (Sec. 317) was created to address similar needs of Alaska Native and Native Hawaiian institutions. Section 316 is divided into two competitive grants programs: formula-funded basic development grants and competitive single-year facilities construction grants. Thirty-six million dollars should be provided in FY 2013 to fund these two competitive grant programs.

## DEPARTMENT OF THE INTERIOR

### *Interior - Environment Appropriations Bill*

#### **Tribal Colleges and Universities’ Operations**

- Provide \$62.5 million for Title I under the Tribally Controlled Colleges and Universities Assistance Act.

To fully fund Title I of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (Tribal College Act), which provides day-to-day operating funds for 26 TCUs, would require \$70 million, or an increase of approximately \$15 million from the \$55 million appropriated in FY 2012. Since the Act was first funded in 1981, the number of TCUs has quadrupled and enrollments have increased by more than 325 percent. Currently, Title I TCUs receive \$5,764 per Indian student toward their institutional operating budgets. Accounting for inflation, the program’s funding level is almost \$1,000 less per Indian student than it was under the program’s initial FY 1981 appropriation, which was \$2,831 per Indian student. Given the constraints of the current economy, Congress should appropriate the \$15 million needed over two years, with a \$7.5 million increase in both of Fiscal Years 2013 and 2014.

## DEPARTMENT OF AGRICULTURE

### *Agriculture Appropriations Bill*

#### **1994 Land Grant Institutions (TCUs)**

Tribal Colleges and Universities (TCUs) achieved federal land grant status through the passage of the Equity in Educational Land Grant Status Act of 1994. Sixteen years later, the number of TCU land grant institutions has increased to 32; however, they are still not recognized or funded as full partners in the nation's land grant system. As a result, their potential remains unrealized. With threatened cuts to tribal Self-Governance funding, American Indian and Alaska Native students will inevitably have fewer sources for financial aid. Thus, basic levels of mandated funding to TCUs become that much more important to enable Native people to pursue higher education. Funding for all 32 of the 1994 institutions is less than the land grant program funding available to a single 1862 land grant institution. Appropriations at the requested levels for each of the five 1994 land grant programs is a small but critical step in addressing disparities that exist in the land grant system.

#### **1994 Extension Program**

- *Provide \$10 million in Extension Program funding.*

The 1994 Extension Program is designed to complement, not duplicate, the reservation agent extension program, an already significantly underfunded program. Program activities include: outreach to at-risk youth; business skills development for local agriculture entrepreneurs; Native plant restoration and horticulture projects; environmental analysis and water quality projects; and nutrition projects aimed at addressing health disparities, such as high rates of diabetes among Native populations. In FY 2004, the tribal colleges' Extension Program suffered a 13 percent decrease, by far the largest percentage decrease of any Smith-Lever program—a mandated program that provides funds base on population-related formulas. In the years since, the 1994 Extension Programs still have not recovered lost funds. As such, we recommend an allocation of \$10 million in FY 2013 for Extension Program funding.

#### **1994 Institutions' Research Grants**

- *Provide \$5 million in funding for the Research Program.*

The 1994 Research Program allows TCUs to partner with communities in research areas such as agriculture marketing, renewable energy, nutrition and health, Native plants and horticulture, water quality, and land management. These research areas are of increasing importance as tribal economies and cultures seek to address pressing challenges, including the disproportionate impacts of climate change on tribal lands and people and the impact of the current economic crisis. Five million dollars in funding for FY 2013 would provide essential capacity for developing research in these arenas that would strengthen education and sustainable economic development for tribal communities.

### **Educational Equity Grant Program**

- *Provide \$5 million in Educational Equity Grant Program funding for the 1994 land grant institutions.*

The Education Equity Grant Program helps Tribal Colleges and Universities (TCUs) establish academic programs within the field of agriculture to explore natural resource management, nutrition, environmental science, horticulture, sustainable development, forestry, and bison production and management. Five million dollars will be critical as tribes prepare for and address climate change and its effects on agriculture, ecosystems, and natural resources. This investment will also support tribal efforts to provide better nutrition options for tribal citizens who experience diabetes and other health issues at rates greater than the national average, due in part to loss of access to traditional foods.

### **The 1994 Native American Institutions Endowment Fund**

- *Provide \$130 million in funding for the 1994 Native American Institutions Endowment Fund.*

The Native American Institutions Endowment Fund, held by the US Treasury, provides funding to Tribal Colleges and Universities (TCUs) through annual interest. Although Congress has made substantial contributions to the corpus of the endowment over the years, the total amount of the latest interest yield was just \$3.1 million, which is shared by the 32 eligible 1994 institutions. These funds assist in strengthening academic programs, including agriculture curricula development, faculty development, instructional delivery, and experiential learning. Funds are also used to enhance student recruitment and retention in the agricultural sciences, and to address the ongoing need for improved facilities at the 1994 land grant institutions. The 1994 institutions request a \$130 million payment to the 1994 Native American Institutions Endowment Fund. Solely the annual interest yield is distributed to the 1994 land grant institutions, therefore only the interest, and not the payment amount, is scored as budget outlay.

### **Essential Community Facilities Program**

- *Provide \$5 million in Essential Community Facilities Program funding.*

The Department of Agriculture's Essential Community Facilities Program funds the urgent need for construction, improvement, and maintenance of key Tribal College and University (TCU) facilities, such as advanced science laboratories, computer labs, student housing, day care centers, and community service facilities. Although the facility situation has improved at many TCUs over the past several years, some institutions still operate partially in donated and temporary buildings. Few TCUs have dormitories, even fewer have student health centers, and only a handful of TCUs have full research laboratories. The 1994 institutions need a commitment of \$5 million each year for the next five fiscal years to support facilities development.



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Labor, Health and Human Services, Education Appropriations Bill*

### Head Start

- *Exempt Head Start from budget-related reductions.*

For more than 45 years, Head Start has played a major role in educating Native children and ensuring the well-being of many tribal communities. The Indian Head Start program comprehensively integrates education, health, and family services in a manner that closely mirrors a traditional Indian education model, making Indian Head Start one of the most successful federal programs operating in Indian Country. Despite these successes, inflation-adjusted Head Start funding declined by 14 percent from FY 2002 through FY 2008. Prior to FY 2009, only about 16 percent of the age-eligible Indian child population was enrolled in Indian Head Start. Even with funding increases in FY 2009, that number remained below 20 percent. When the Head Start Act was reauthorized in 2007, Indian Head Start was authorized to receive special expansion funds, but only if overall funding increases exceeded inflation, something that only occurred in one year, leaving Indian Head Start without the full benefit of its bargained for expansion. Recognizing that achieving a significant funding increase in FY 2013 will be difficult, Head Start should at least be held harmless from any reductions, just as other low income programs are held harmless in the Budget Control Act of 2011 (e.g., Child Care Entitlement to States; Child Health Insurance Fund; Family Support Programs and Temporary Assistance for Needy Families).

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Labor, Health and Human Services, Education Appropriations Bill*

### Language Preservation Programs

- *Provide \$12 million for Native language preservation, with \$4 million designated to fund the Esther Martinez Language Programs, through the Administration for Native Americans, Administration for Children and Families.*

Throughout Indian Country, tribes are combating the loss of traditional languages by continuing, advocating for, and instituting language programs within their communities. These language programs serve Native communities by preventing the loss of tribal traditions and cultures. The tribal students in immersion programs often perform substantially better academically, including on national tests, than Native students who have not participated in such programs.<sup>20</sup> As such, in 2013, the federal budget should include \$12 million as part of the appropriation to the Administration for Native Americans for Native language preservation activities, with \$4 million designated to support Esther Martinez Language Programs' Native language immersion initiatives, as they have demonstrated success in supporting Native language revitalization.