

Tribal Colleges in Montana

FUNDING AND ECONOMIC IMPACTS

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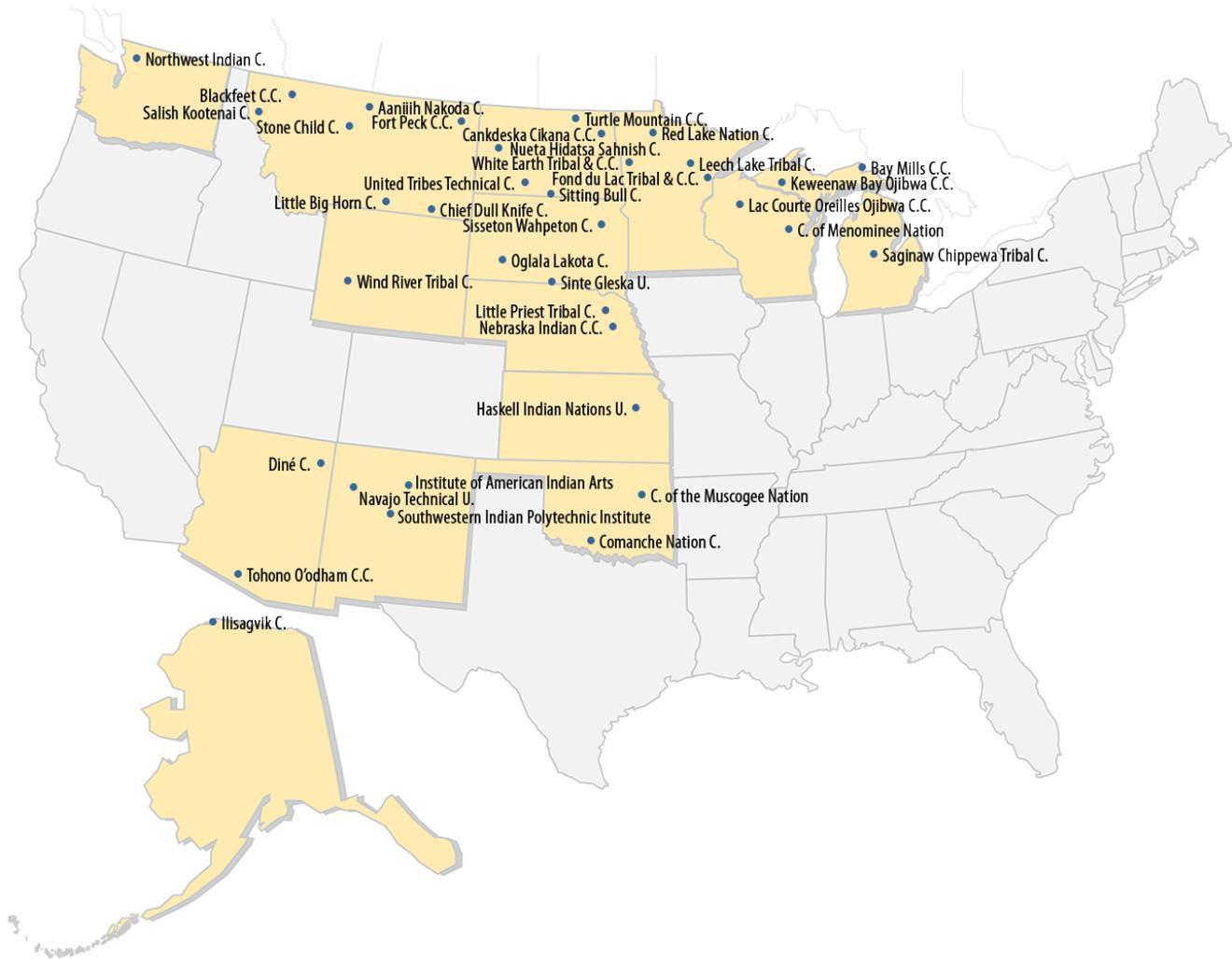
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OVERVIEW

There are 37 tribal colleges and universities (TCUs) in the United States. Seven are in Montana, the most of any state. In Academic Year (AY) 2013-14, TCUs served 22,797 credit students and 8,697 noncredit students across the country.¹ In Montana, tribal colleges served 2,401 full-time students that same year.²

In 2013-14, 80 percent of TCU students were American Indian or Alaska Native. In Montana, it was 87 percent. Chief Dull Knife College in Lama Deer had the highest percentage of American Indian or Alaska Native students, at 96.9 percent, while Salish Kootenai College (SKC) in Pablo had the lowest, at 74 percent.³



AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

¹ Emsi, "The Economic Value of American Indian and Alaska Native Tribal Colleges and Universities Executive Summary," August 2015, page 3.

² Integrated Postsecondary Education Data System (IPEDS), based on the reported 12-month full-time equivalent undergraduate and graduate student enrollment.

³ IPEDS, based on the reported number of students enrolled for credit in a 12-month period.

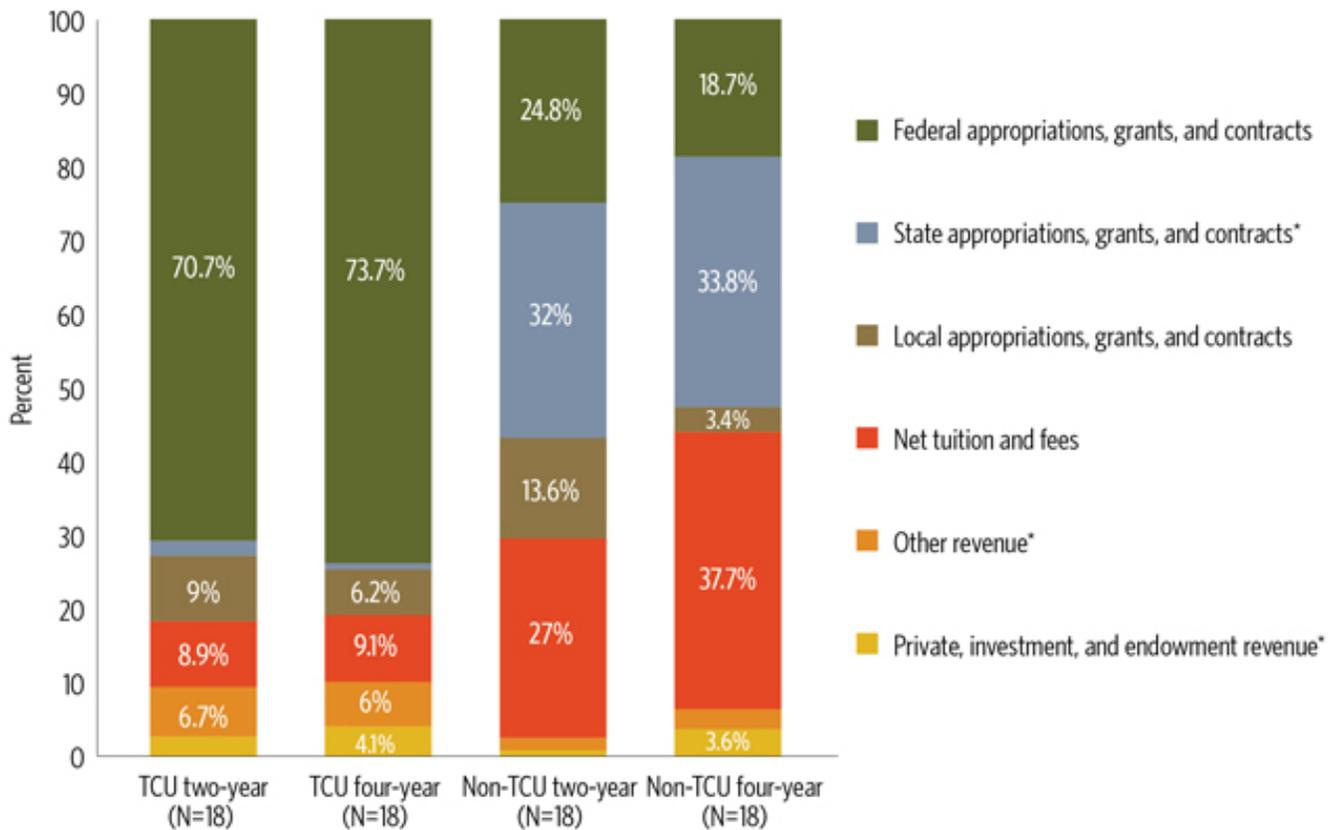
Montana’s seven tribal colleges were established between 1974 and 1984 to help tribes address their workforce needs, maintain their culture, and provide a postsecondary educational opportunity for tribal members on the reservations.⁴ In addition, the colleges are open to “nonbeneficiary” students who are not members of a federally recognized tribe.

In general, Montana’s tribal colleges offer courses of study resulting in certificates and associate degrees. SKC offers baccalaureate programs.

FUNDING

The below chart provides a snapshot of funding sources for TCUs and other public institutions. TCUs receive more than two-thirds of their funding from federal sources compared to other public institutions, which receive less than a quarter.

Average Revenue Snapshot at TCUs and Public Non-TCUs, Academic Year 2013-14⁵



Source: Integrated Postsecondary Education Data System (IPEDS)

*Data below 3% is not marked.

⁴ Joe McDonald, president, Salish Kootenai College, testimony to the Montana House Appropriations Committee, March 20, 1995, page 1.

⁵ Christine A. Nelson and Joanna R. Frye, “Tribal College and University Funding: Tribal Sovereignty at the Intersection of Federal, State, and Local Funding,” American Council on Education, Center for Policy Research and Strategy, Issue Brief, May 2016, page 3.

Federal

Montana's tribal colleges are reimbursed by the federal government for a portion of their costs for Indian "beneficiary"⁶ students but not for nonbeneficiary students. While federal law authorizes \$8,000 in federal funding per Indian student, the actual disbursement is subject to appropriation.⁷ Currently, tribal colleges receive \$6,718 per student.⁸

Carrie Billy, president and CEO of the American Indian Higher Education Consortium, says the funding formula is arbitrary.⁹ Her organization is working with Congress to include language in the fiscal year 2017 appropriation to direct the Bureau of Indian Education to develop a needs-based formula that considers the individual programs provided by TCUs and the characteristics of the reservations and students they serve.

State

Montana is one of the few states that provides funding to TCUs, and it does so in the form of a reimbursement for the education of resident nonbeneficiary students. Until 1996, tuition and fees were the only source of income to Montana's tribal colleges for these students; no federal funding is provided.

In 1995, the Legislature passed House Bill 544 (Rep. Carley Tuss, D-Black Eagle), which appropriated \$1.4 million in general fund money for the 1996-1997 biennium. The Board of Regents distributed the funds to tribal colleges on a prorated basis (up to \$1,500 per full-time student per year) according to their nonbeneficiary enrollment in the previous year.

HB 544 also directed tribal colleges to grant fee waivers to a percentage of their resident nonbeneficiary students that is equal to the percentage of Montana University System (MUS) students who are Indian and receive fee waivers from the state.

Speaker of the House John Mercer, whose district included SKC, testified in favor of the bill, saying that it was the desire of the people of Montana to educate all students. He said HB 544 was a matter of mutual respect.¹⁰

SKC President Joe McDonald said the bill would provide college access for students living in isolated areas who did not have the money or opportunity to drive to other colleges.

Ultimately, HB 544 helped fund 589 resident nonbeneficiary students during that biennium. The unused appropriation reverted to the general fund.

The 1997 Legislature made the funding formula permanent with the passage of Senate Bill 84 (Sen. Greg Jergeson, D-Chinook), though the distribution remains contingent on a line item appropriation.

In the preamble of SB 84, the Legislature said that tribal colleges provide a quality, low-cost, and accessible program for all students and that, without continuing state support, the colleges would not be able to serve resident nonbeneficiary students without increasing fees, which could lead students to drop out.

To be eligible for state funding, a tribal college's student body must be at least 51 percent Indian and the college must be accredited or be a candidate for accreditation by the Northwest Commission on Colleges

⁶ Beneficiary students are those who are enrolled in a federally recognized tribe or the immediate descendent of an enrolled member.

⁷ 25 U.S.C. 1808(a)(1)(B)

⁸ Carrie Billy, president and CEO, American Indian Higher Education Consortium, personal communication, June 10, 2016.

⁹ Ibid.

¹⁰ House Appropriations Committee Minutes, March 20, 1995, page 5.

and Universities.¹¹ The college also must enter a contract or agreement to provide the Regents with information about the eligibility of its nonbeneficiary students and to ensure that the content and quality of its courses are consistent with MUS standards.

The Legislature has since limited state funding to resident nonbeneficiary students who are enrolled in courses for which credit is transferable to another Montana college or university (House Bill 16 [2005], Rep. Rick Ripley, R-Wolf Creek) and those who are not a member of an Indian tribe and not a biological child of a tribal member (House Bill 196 [2015], Rep. Susan Webber, D-Browning).

The Legislature also increased the maximum funding level per student to \$3,024 in 2005 and to \$3,280 in 2015.

As shown in the below chart, the state reimbursed tribal colleges for 239.75 resident nonbeneficiary students in FY 2016 at a cost of \$786,380. SKC has long had the highest number of nonbeneficiary students.

FY16 Nonbeneficiary Student Distribution		
College	Nonbeneficiary FTE Reported	Prorated Amount @\$3,280/FTE
Aaniih Nakoda College	16.13	\$ 52,906
Blackfeet Community College	8.85	\$ 29,028
Chief Dull Knife College	10.00	\$ 32,800
Fort Peck Community College	35.57	\$116,670
Little Big Horn College	7.67	\$ 25,158
Salish Kootenai College	148.00	\$ 485,440
Stone Child College	13.53	\$ 44,378
Total	239.75	\$ 786,380

SOURCE: MONTANA OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION (OCHE)

According to the Integrated Postsecondary Education Data System (IPEDS), state funding accounted for less than 1 to 2 percent of all revenue received by Montana’s tribal colleges in 2013-14.

North Dakota also provides funding for nonbeneficiary students, while Arizona provides a yearly sum to TCUs to be used for capital expenses and maintenance. In Minnesota, Fond du Lac Tribal and Community College has dual status as a tribal and community college and is eligible for additional state funding sources.¹²

¹¹ All of the tribal colleges in Montana are accredited.

¹² Nelson and Frye, “Tribal College and University Funding,” page 4.

Tuition

Tuition accounted for 2 to 7 percent of total revenue at Montana’s tribal colleges in 2013-14, according to IPEDS. The American Council on Education says TCUs are constrained in their ability to raise tuition because the majority of their students face significant economic barriers and federal student loans are not practical for most.¹³

Montana Tribal Colleges, In-State Tuition for Full Academic Year, 2014-15

Aaniiih Nakoda	\$ 1,740
Blackfeet	\$ 2,160
Chief Dull Knife	\$ 1,960
Fort Peck	\$ 1,680
Little Big Horn	\$ 2,500
Salish Kootenai	\$ 5,026
Stone Child	\$ 1,680

SOURCE: INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM (IPEDS)

ECONOMIC IMPACTS

A recent study conducted for the American Indian Higher Education Consortium (AIHEC) measured the economic value of all TCUs from three perspectives: those of students, society, and taxpayers.

STUDENTS

The study calculated that, nationwide, TCU students invested \$194.1 million in AY 2013-14 between out-of-pocket expenses, such as tuition and fees, and forgone time and earnings. Students, in turn, expect to receive higher future wages amounting to approximately \$794.3 million over their working lifetime. This represents an average annual rate of return on investment (ROI) of 16.6 percent for students.¹⁴

SOCIETY

The study says that the nation as a whole benefits from added income, increased business output, and social savings generated by the improved lifestyles of students (health, crime, unemployment). Added income and increased business output amount to a present value of \$2.7 billion over the working lifetime of the students; social savings amount to \$196.6 million.¹⁵

TAXPAYERS

Benefits to taxpayers primarily come from the federal, state, and tribal taxes collected from income added by the students and the businesses for which they work. The study estimates the present value of the added taxes over the students’ working careers at \$715.1 million. Social savings to taxpayers are estimated at an additional \$46 million in present value. This provides an average annual rate of return on taxpayer investment in TCUs of 6.2 percent.¹⁶

¹³ Ibid.

¹⁴ Emsi, “The Economic Value of American Indian and Alaska Native Tribal Colleges and Universities,” page 4.

¹⁵ Ibid.

¹⁶ Ibid., page 5.

Montana

The State Tribal Economic Development Commission at the Department of Commerce periodically commissions the Bureau of Business and Economic Research at the University of Montana to study the monetary contributions of the seven reservations in Montana and the Little Shell Band to the state's economy.

Data collected for the most recent analysis show that the reservations and tribal communities spent nearly \$1.1 billion in 2009. Of that, Montana's tribal colleges spent almost \$76.2 million, or 7 percent.

The Moscow, Idaho, company that conducted the nationwide TCU study for AIHEC subsequently analyzed the economic impacts of individual TCUs at their request. In Montana, such analyses were commissioned by all but Chief Dull Knife College in Lama Deer. The reports assessed the impact of each tribal college on the local economy and the benefits generated for students, society, and taxpayers.

In 2009, reservations and tribal communities spent \$1.1 billion. Of that, Montana's tribal colleges spent \$76.2 million, or 7 percent.

A summary of the results is provided below. However, the study authors caution that the results "do not necessarily indicate that one institution is doing a better job than another. Results are a reflection of location, student body profile, and other factors that have little or nothing to do with the relative efficiency of the institutions. For this reason, comparing results between institutions or using the data to rank institutions is strongly discouraged."¹⁷

Also, the authors state that "the benefits TCUs provide in enriching society by preserving tribal languages, cultures, traditions, lands, and sovereignty cannot be measured in economic terms. These are, indeed, priceless."

Aaniiih Nakoda College (ANC)

In FY 2013-14, ANC spent \$3.3 million on payroll and benefits for 68 full-time and part-time employees and \$4.4 million on goods and services. When combined with spending from students and alumni, the spending generated \$21.6 million, or 13.3 percent, of the Blaine County gross regional product (GRP)¹⁸, equivalent to creating 461 new jobs.¹⁹

ANC had 294 credit and 55 noncredit students who paid an estimated \$566,659 for tuition, fees, books, and supplies in FY 2013-14 and forewent an estimated \$2.1 million in earnings. Students, in turn, expect to receive higher future wages amounting to \$14.4 million in present value over their working lifetime. This represents an annual ROI of 20.2 percent.²⁰

Society nationwide will benefit from an estimated \$54.5 million in added national income and \$3.2 million in social savings.²¹

¹⁷ Ibid., page 8.

¹⁸ GRP is a net measure that is synonymous with value added and added income. It excludes intermediary costs associated with producing goods and services.

¹⁹ Emsi, "The Economic Value of Aaniiih Nakoda College," December 2015, page 6.

²⁰ Ibid., page 7.

²¹ Ibid.

Taxpayers will receive an estimated \$12.9 million in added tax revenue from increased earnings and business output. Reduced demand for government-funded social services accounts for another \$2.3 million in savings. In all, the annual ROI for taxpayers is 6 percent.²²

Fort Peck Community College (FPCC)

In FY 2013-14, FPCC spent \$4.8 million on payroll and benefits for 105 full-time and part-time employees and \$2.4 million on goods and services. When combined with spending from students and alumni, the spending generated \$60 million, or approximately 8.9 percent of the GRP for the Fort Peck Reservation, equivalent to creating 1,259 new jobs.²³

FPCC had 642 credit and 572 noncredit students who paid an estimated \$852,491 for tuition, fees, books, and supplies in FY 2013-14 and forwent an estimated \$4.3 million in earnings.

Students, in turn, expect to receive higher future wages amounting to \$20.3 million in present value over their working lifetime. This represents an annual ROI of 16.2 percent.²⁴

Society nationwide will benefit from an estimated \$74.5 million in added national income, and Montana will benefit from \$3.3 million in social savings.²⁵

Taxpayers will receive an estimated \$17.7 million in added tax revenue from increased earnings and business output. Reduced demand for government-funded social services accounts for another \$2.4 million in savings. In all, the annual ROI for taxpayers is 7.9 percent.²⁶

Little Big Horn College

In FY 2013-14, Little Big Horn College spent \$2.9 million on payroll and benefits for 75 full-time and part-time employees and \$6.6 million on goods and services. When combined with spending from students and alumni, the spending generated \$38 million, or approximately 0.4 percent of the total GRP for Big Horn and Yellowstone Counties, equivalent to creating 800 new jobs.²⁷

Little Big Horn had 551 credit and 35 noncredit students who paid an estimated \$410,388 in tuition, fees, books, and supplies in FY 2013-14 and forwent an estimated \$5.3 million in earnings. Students, in turn, will

Economic Impacts of Tribal Colleges in Montana

CONTRIBUTION TO GROSS REGIONAL PRODUCT (GRP)

Aaniiih Nakoda = 13.3%

Fort Peck = 8.9%

Little Big Horn = 0.4%

Salish Kootenai = 7.4%

STUDENT RETURN ON INVESTMENT (ROI)

TCUs Nationwide = 16.6%

Aaniiih Nakoda = 20.2%

Fort Peck = 16.2%

Little Big Horn = 19.5%

Salish Kootenai = 12.1%

TAXPAYER ROI

TCUs Nationwide = 6.2%

Aaniiih Nakoda = 6%

Fort Peck = 7.9%

Little Big Horn = 15.7%

Salish Kootenai = 7.4%

²² Ibid.

²³ Emsi, "The Economic Value of Fort Peck Community College," November 2015, page 6.

²⁴ Ibid., page 7.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Emsi, "The Economic Value of Little Big Horn College," September 2015, page 6.

receive a present value of \$32.5 million in increased earnings over their working lives. This represents an annual ROI of 19.5 percent.²⁸

Montana will benefit from an estimated \$163.6 million in added state income and \$4 million in social savings.

Taxpayers will receive an estimated \$40.6 million in added tax revenue from increased earnings and business output. Reduced demand for government-funded social services accounts for another estimated \$2.5 million in savings. In all, the annual ROI for taxpayers is 15.7 percent.²⁹

Salish Kootenai College (SKC)

In FY 2013-14, SKC spent \$11.7 million on payroll for 240 full-time and part-time employees. Another \$14.2 million paid for facilities, professional services, and supplies. When combined with student and alumni spending, SKC accounted for \$49.5 million, or 7.4 percent of the Flathead Reservation GRP, supporting 1,128 jobs.³⁰

SKC had 1,129 credit and 632 noncredit students in FY 2013-14. They paid \$5.9 million in out-of-pocket expenses and forwent \$10.7 million in time and earnings. Students, in turn, will receive an estimated \$43.4 million in higher wages over their working careers. This represents an annual ROI of 12.1 percent.³¹

Society nationwide will benefit from an estimated \$158.1 million in added national income and business outputs and \$26.1 million in social savings.³²

Taxpayers will receive an estimated \$35.3 million in added taxes. Social savings are estimated at \$9.2 million for taxpayers. The annual ROI for taxpayers is 7.4 percent.³³

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²⁸ Ibid., page 7.

²⁹ Ibid.

³⁰ Emsi, "The Economic Value of Salish Kootenai College," October 2015, page 3.

³¹ Ibid., pages 4 and 5.

³² Ibid., page 6.

³³ Ibid., pages 5 and 6.