

The nation's Tribal Colleges and Universities (TCUs) are vital in the education of American Indian peoples all across our country. These institutions are dependant upon federal funding to operate, per the law. Unfortunately, the start of the federal fiscal year comes after the beginning of the academic year. If, for some reason, the appropriations bills are not yet approved at the beginning of the fiscal year, TCUs must secure short-term loans to keep their doors open, which results in the need to repay the loans at a high interest rate. If the TCUs were fully forward funded, they would have access to their appropriated dollars in time (at the beginning of the academic year) to avoid the need to take out costly loans.

The issue of full forward funding is indeed important and relevant. In FY 2006, a year in which the federal budget was passed in a timely manner, TCUs did not receive their monies until November 2005, three months after the start of classes. In FY 2007 the funds were not received until March 2007, seven months after the start of most classes. At current funding levels, TCUs will, on average, need to secure a loan of \$456,008 to operate for their first quarter without the distribution of appropriated funds.

In order to convert to full forward funding, we support a one-time appropriation of approximately \$60 million, in addition to the annual appropriation. The additional funds will allow for the seamless transition to forward funding which will ease the burden of ensuring operational funding to these institutions. This one-time appropriation will not result in a long-term strain on the federal budget, nor will it require an increase in taxes to fund.

To effect full forward funding, a change in the law will not be required, since forward funding for the post-secondary institutions is currently authorized under Public Law 95-471 (25 USC §1810). The Bureau of Indian Education's (BIE) K-12 institutions are already functioning on the forward funding system (25 USC §2010), with allocation of academic funds taking place in July of each year. An identical funding process for all institutions under the BIE would appear to facilitate the allocation and reporting process for the budget staff.

The issue is very important to Native American education because of the important role that TCUs play in human capital development. These institutions serve as catalysts for economic growth and prosperity in areas where they are desperately needed. Financial stability would enable TCUs to increase institutional stability and avoid paying excessive interest fees, guaranteeing more resources are available to develop educational capacity and intellectual capital. The end result is a higher quality educational experience being offered to our students in Indian Country.