American Indian Higher Education Consortium, 121 Oronoco Street, Alexandria, VA 22314

POLICY BRIEF

State Policies to Support Tribal Colleges and Universities

Findings and recommendations from the American Indian Higher Education Consortium, conducted with support from Strada Education Foundation

August 2026

WHY IT MATTERS

Tribal Colleges and Universities (TCUs) are institutions created through the vision and determination of sovereign Tribal Nations to deliver accessible, culturally grounded higher education. Thirty-five accredited TCUs operate on more than 90 campuses and sites across 16 states, with service areas reaching roughly 80 percent of American Indian reservations and federal Indian trust lands.

TCUs anchor Tribal sovereignty, workforce development, rural economic stability, and educational access for first-generation and low-income students. They consistently deliver outsized impact on a fraction of the resources available to mainstream public institutions — but that impact is not guaranteed. Chronic underfunding at both the federal and state level puts TCUs' ability to sustain their mission and serve their communities at risk.

THE CHALLENGE

The Indian Student Count (ISC), the primary federal operating-support formula for TCUs, is governed by the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. § 1801 et seq.) and 25 C.F.R. Part 41. For school year 2025, the formula provided $7,981 per Indian full-time-equivalent student.

ISC is calculated from eligible Indian students' credit hours and eligibility is limited to federally-recognized Tribal citizens and biological children of federally-recognized Tribal citizens. Consequently, non-Native students and citizens of Tribes not recognized by the federal government receive no federal support through the formula.

Developed in the 1970s, ISC does not reflect today's enrollment patterns or operating costs and has never been fully appropriated at its authorized level.

State support fills part of that gap, but it remains uneven, politically contingent, and insufficient on its own. TCUs need a diversified, sustainable state funding strategy that works alongside — not as a substitute for — the federal government's treaty and trust obligations to Tribal Nations.

WHAT THE RESEARCH FOUND

The American Indian Higher Education Consortium (AIHEC), with support from Strada Education Foundation, conducted in-depth interviews with Tribal College presidents and Tribal-serving partners across multiple states to understand what drives state investment in TCUs. Five findings stood out.

- The ISC formula is insufficient and excludes non-Native students. TCUs educate non-Native and lineal descendant students — in some cases up to a quarter of enrollment — without commensurate federal or state support, placing a disproportionate financial burden on institutions.
- State support is inconsistent and politically dependent. Only five states currently provide statutory funding to TCUs. Expansion is hindered by shifting political dynamics, partisan divides, and limited awareness of TCUs' role and needs.
- TCUs deliver holistic services without the resources to match. Mental health counseling, career counseling, childcare, transportation, and cultural programming are core to the TCU model but are not recognized in federal or state funding formulas.
- Workforce development is the strongest bridge to state funding. States respond when TCUs demonstrate alignment with workforce shortages. Every TCU already provides career and technical education, creating a ready foundation for expanded state partnership.
- Performance-based funding risks penalizing the students who need TCUs most. Traditional performance metrics do not reflect the realities of TCU student populations and could push institutions to turn away first-generation and high-need students to protect funding.

PROVEN STATE MODELS

Five states already provide dedicated statutory funding to TCUs, offering replicable models for other states considering similar investments.

- Arizona (Rev. Stat. § 42-5031.01): Shares a portion of state transaction privilege tax revenue with Tribes for TCU capital, maintenance, and renewal costs on reservation campuses.
- Montana (Code Ann. § 20-25-428): Pays Tribal Colleges directly for non-Native students in transferable credit courses, capped at $3,280 per full-time-equivalent student.
- Minnesota (Stat. § 136A.1796): Provides $5,300 per full-time-equivalent non-Native student through a supplemental grant, subject to biennial appropriation.
- North Dakota (Cent. Code § 15-70-01-05): Supplements Tribally Controlled Community Colleges for non-Native students under the Tribally Controlled Colleges and Universities Assistance Act framework.
- Wisconsin (Stat. § 39.382): Pays Tribal colleges for Wisconsin residents not funded by the Bureau of Indian Education, based on prior-year federal per-student rates.

RECOMMENDATIONS

1. Expand state statutory funding. States should establish consistent, multi-year funding mechanisms for TCUs — modeled on Montana's and North Dakota's approaches — to reduce dependence on unpredictable political cycles.
2. Strengthen TCU–state partnerships while protecting Tribal sovereignty. States should move from episodic engagement to institutionalized funding collaboration, formally integrating TCUs into statewide higher education appropriations without compromising Tribal self-determination.
3. Establish dedicated state policy analyst capacity. An AIHEC State Tribal College Policy Analyst, along with formal Tribal-state advisory councils, would coordinate multi-state advocacy and keep policymakers equipped with timely, data-informed insight.
4. Align funding with workforce priorities. Integrating TCUs into statewide workforce and economic development plans builds the bipartisan support needed to sustain new and expanded funding streams.
5. Support revenue diversification — without punitive strings attached. States and Tribal governments should help TCUs diversify revenue through grants and partnerships while avoiding performance-based models that could penalize high-need students.

THE BOTTOM LINE

TCUs are not competing with state higher education systems — they are essential partners in expanding access, building the workforce, and strengthening rural and Tribal economies across the U.S. Modernizing state policy toward sustained, sovereignty-respecting investment is both a matter of equity and sound public policy.

AIHEC is the collective spirit and unifying voice of the nation's TCUs. We invite state legislators, Tribal governments, funders, and advocates to use these findings to advance policies that reflect the true value TCUs bring to their states and communities.

ABOUT THIS RESEARCH

This brief summarizes findings from Improving State Policies to Support Tribal Colleges and Universities (AIHEC, July 2026), a mixed-methods study combining a literature review with semi-structured interviews of TCU presidents and Tribal-serving partners. The research was funded by Strada Education Foundation and conducted under an Institutional Review Board process through Northwest Indian College, grounded in the principles of respect, reciprocity, and relationality. The full research report and methodology are available from AIHEC upon request.