



THE SECRETARY OF THE INTERIOR  
WASHINGTON

MAR 11 2013

Dear Tribal Leader:

During the Cobell Settlement negotiations, Elouise Cobell and I shared the view that it would be important to leave something for future generations of Native Americans – the opportunity to receive an education beyond a high school degree. The establishment of a scholarship fund in the amount of \$60 million was one of the easier provisions that we readily agreed upon in the Cobell Settlement. Now that the Cobell Settlement has been finally approved, the Department is fully engaged in the process of implementation, including the scholarship fund component of the Settlement.

Today I have the distinct honor of announcing that the American Indian College Fund will manage and administer the Cobell Education Scholarship Fund (Scholarship Fund). The American Indian College Fund will administer the funds with 20 percent of annual scholarships to be awarded by the American Indian Graduate Center. This arrangement will ensure that the Scholarship Fund provides educational opportunities to college, vocational, and graduate students.

The Scholarship Fund was created as an incentive to participate in the Land Buy-Back Program for Indian Nations (Buy-Back Program), the \$1.9 billion land consolidation program authorized by the Cobell Settlement and the Claims Resolution Act of 2010. The Scholarship Fund has three different funding streams. The Buy-Back Program can contribute up to \$60 million of the \$1.9 billion to the Scholarship Fund based on the dollar amount of land purchased through the Buy-Back Program, based on the formula below:

- If the dollar amount of the land purchase is less than \$200, a \$10 transfer will be made to the Scholarship Fund;
- If the dollar amount of the land purchase is \$200 - \$500, then a \$25 transfer will be made to the Scholarship Fund; and
- If the dollar amount is greater than \$500, then 5 percent of the purchase price will be donated to the Scholarship Fund.

In addition, the principal amount of any Cobell Settlement class member funds in an IIM account, for which the whereabouts are unknown and left unclaimed for 5 years after Final Approval of the Settlement, will be transferred to the American Indian College Fund. Similarly, any leftover funds from the distribution of settlement proceeds, after all payments under the Settlement are made, will be contributed towards the Scholarship Fund.

The American Indian College Fund will be responsible for establishing the eligibility criteria for the award of scholarships, with a focus on students attending higher education institutions that award bachelor-level degrees or vocational certifications. While the American Indian College Fund is responsible for managing and administering the Scholarship Fund and establishing the Scholarship Fund Program, a Board of Trustees (Board) will serve as an oversight body to the American Indian College Fund. The Board must consist of no more than five members that will include two representatives selected by the Secretary and two representatives selected by the Plaintiff, and one representative selected by the American Indian College Fund. Pursuant to the Cobell Settlement,

I will appoint two members to the Board, only after consultation with, and after considering the names of possible candidates timely offered by, federally recognized tribes.

Therefore, it is with great pleasure that I also announce the commencement of a 30-day written consultation period to solicit nominations to serve on the Board of Trustees to oversee the Cobell Education Scholarship Program.

In my view, the Board of Trustees serves an integral role that will contribute to the success of the Cobell Education Scholarship Program. The Board's duties include, but are not limited to, the appointment of an auditor to review the finances and procedures of the Fund, the approval of policies and objectives regarding the Scholarship Fund and the Scholarship Program, the approval of an investment policy, and the approval of priorities and criteria for awarding scholarships. The Board shall develop and adopt a charter outlining the Board of Trustees' oversight roles and responsibilities. In order to ensure that American Indian and Alaska Native students are being served to the highest and best ability, the Board is also empowered by majority vote, excluding the board member appointed by the organization, to remove the funds from the Fund for any reason, including mismanagement, and to select a new entity.

The members of the Board shall serve for an initial term of 4 years and may be reappointed for an unlimited number of successive terms. A member may be removed for cause by the appointing entity and any vacancy shall be filled in the same manner as the original appointment. No member of the Board shall have had any contracts to transact business with the non-profit organization within a period of two calendar years and will disclose any appearance of a conflict of interest. Members will serve without compensation, but will be reimbursed for reasonable travel expenses related to the performance of their duties as members of the Board.

In my experience, the best boards are a mix of characteristics, skills, experiences, and diversity. Individuals who are nominated should be prepared to contribute a significant amount of time and effort to further the goals of the Cobell Education Scholarship Fund; should have demonstrated notable or significant achievements in business, finance, education, or public service; should possess the requisite intelligence, education, and experience to make a significant contribution to the Board; have the highest ethical standards, free of significant conflicts of interest that might not allow the proper execution of the duties of a member of the Board; and have a strong commitment to serving the interests of Native American students.

Nominations must be postmarked or emailed no later than Thursday, April 11, 2013. Please send curriculum vitae, a letter of intent which indicates a willingness to serve, and a 250-word statement which supports your candidacy to Ms. Lizzie Marsters, Chief of Staff to the Deputy Secretary, Department of the Interior, 1849 C Street NW, Room 6118, Washington, DC 20240 or via email to [lizzie\\_marsters@ios.doi.gov](mailto:lizzie_marsters@ios.doi.gov).

Thank you in advance for your participation in this important endeavor.

Sincerely,

A handwritten signature in black ink that reads "Ken Salazar". The signature is written in a cursive, slightly slanted style.

Ken Salazar