

## **FACT SHEET: COBELL EDUCATION SCHOLARSHIP FUND and NOMINATIONS TO THE BOARD OF TRUSTEES**

- Secretary Salazar has selected the American Indian College Fund as the Recipient Organization to manage and administer the Cobell Education Scholarship Fund (Scholarship Fund) authorized by the Cobell Settlement. A fifth of the annual scholarships will be awarded by the American Indian Graduate Center.
  - The American Indian College Fund, headquartered in Denver, has extensive experience in providing students the resources to succeed in tribal colleges and technical and vocational certifications as well as traditional undergraduate and graduate programs.
  - The American Indian Graduate Center, based in Albuquerque, is renowned for its award of scholarships to graduate students.
- The Scholarship Fund has three sources of funding to provide post-secondary vocational and higher education for American Indian and Alaska Native students, including up to \$60 million of the \$1.9 billion Lands Buy-Back Program for Indian Nations (Buy-Back Program) as authorized under the \$3.4 billion Cobell Settlement.
- The interests acquired under the Buy-Back Program remain in trust or restricted status through transfer to tribal governments, enabling them to use the consolidated parcels for the benefit of their communities.
- As an incentive to participate in the land consolidation program, a percentage of each purchase is donated to the Cobell Education Scholarship Fund.
- This Scholarship Fund for American Indian and Alaska Native students will be a lasting, meaningful legacy of the Cobell Settlement that will help strengthen Indian communities, advance tribal progress and secure a better future for Native Americans.
- By announcing a Recipient Organization to administer the Scholarship Fund, we are one step closer to fulfilling Elouise Cobell's vision for Indian Country – the opportunity to receive an education beyond a high school degree.

### **Process for Selecting Administrators:**

- Salazar selected the American Indian College Fund after receiving nominations from the Lead Plaintiff and evaluating the organizations through a high-level Selection Committee that included Interior policy appointees from Indian Affairs, the Office of the Solicitor and the Assistant Secretary for Policy, Management and Budget.

- The Lead Plaintiff had 60 days after preliminary approval of the Cobell Settlement to make recommendations to the Secretary (preliminary approval occurred on December 21, 2010 and 60 days ended on Saturday, February 19, 2011). The Lead Plaintiff recommended the American Indian College Fund and the American Indian Graduate Center.
- Criteria used to evaluate the nominated organizations included a demonstrated track record and current ability to create and expand academic and vocational educational opportunities for Native Americans; a history of financial solvency and health; and a strong institutional governance structure to ensure the prudent and fair administration, investment and distribution of the funds for American Indian educational scholarships.
- To oversee the management of the Scholarship Fund, a Board of Trustees will be established to regularly report on the selected organization's activities.

#### **Administration Process:**

- As the Recipient Organization, the American Indian College Fund will devote the funds it receives to scholarships for vocational certifications, 4-year accredited bachelor degree colleges and universities, including tribal colleges that award such degrees, and graduate degrees.
- The American Indian College Fund will be responsible for establishing the eligibility criteria for the award of scholarships as well as for managing and administering the Scholarship Fund.
- The Secretary also stipulated that 20 percent of the annual scholarships be awarded by the American Indian Graduate Center to encourage Native American college graduates to strive for professional and doctoral degrees.
- The Fund will be overseen by a special five member Board of Trustees - two selected by the Secretary, two selected by the Lead Plaintiff and one selected by the non-profit. (See Selection of Board Members below.)
- The Department must transfer required funds to the American Indian College Fund quarterly with a public report outlining the number of allottee interests conveyed, the purchase price for each conveyance, and the corresponding contribution to the scholarship fund based on the formula set forth in the Settlement.
- Contributions to the fund are based on the payments made for fractionated land interests through the Buy-Back Program, according to the Cobell Settlement formula. If the amount of the land purchase is less than \$200, \$10 will be paid to the holding fund; if between \$200 and \$500, a \$25 transfer will be made; if greater than \$500, five percent of the purchase price will be donated to the fund.

- The timing and size of the contributions will be based on the pace and amount of land purchased in the consolidation effort. The Buy-Back Program's funds expire after a period of 10 years pursuant to the Cobell Settlement.
- In addition to the maximum \$60 million that can be used from the Buy-Back Program funds, the principal amount of any class member funds in an Individual Indian Money (IIM) account for which the whereabouts are unknown and left unclaimed for five years, after Final Approval of the Settlement, will be transferred to the American Indian College Fund.
- Similarly, any leftover funds from the administration of the Settlement (after all payments under the Settlement are made) will be deposited into the Scholarship Fund.
- The Scholarship Fund will help students across Indian Country receive a higher education, whether it's through college, graduate school, or vocational certifications.
- The American Indian College Fund will play an important role in providing Native American students with the post-secondary training and education they need to succeed in the workplace, marketplace, professional fields, and government.

### **Process for Selecting Board of Trustees**

- The Board of Trustees (Board) will serve as an oversight body to the American Indian College Fund.
- As stated above, the Scholarship Fund will be overseen by a special five member Board of Trustees - two selected by the Secretary, two selected by the Lead Plaintiff and one selected by the non-profit.
- Pursuant to the Claims Resolution Act of 2010, the Secretary of the Interior will appoint two members of the Board of Trustees only after consultation with, and after considering the names of possible candidates timely offered by federally recognized tribes.
- Secretary Salazar announced the 30-day written consultation session in a 'Dear Tribal Leader Letter' and the *Federal Register*. The consultation concludes on Thursday, April 11, 2013.
- The Board's duties include, but are not limited to, the appointment of an auditor to review the finances and procedures of the Scholarship Fund, the approval of policies and objectives regarding the Scholarship Fund, 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 Recipient Organization, to remove the Scholarship Fund from the Recipient Organization for any reason, including mismanagement, and to select a new management entity.

## **Membership**

- 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 Recipient 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.

## **Nominations**

- 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 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.

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