



## Information Sheet

# Federal Funding for First Nations Child and Family Services

## Funding Arrangements for Provinces and Territories

*January 6, 2016*

### Introduction

The Federal Government of Canada funds First Nations child and family services on reserve through the Department of Indigenous and Northern Affairs [INAC] (previously the Department of Aboriginal Affairs and Northern Development Canada). INAC requires that First Nations child and family service agencies on reserve use provincial/territorial child welfare laws as a condition of funding. Within its First Nations Child and Family Services Program, INAC uses four child welfare funding approaches: 1) funding for provinces and territories; 2) Directive 20-1; 3) the Enhanced Prevention Focused Approach [EPFA]; and 4) the 1965 Indian Welfare Agreement in Ontario.

In 2007, the First Nations Child and Family Caring Society of Canada and the Assembly of First Nations filed a complaint pursuant to the Canadian Human Rights Act alleging that INAC's provision of First Nations child and family services was discriminatory (CHRT 7008/1340). This information sheet summarizes the goals, structure and inequities in the INAC funding arrangements for provinces and territories. INAC reimburses provincial and territorial governments for child welfare services provided on reserve for communities not served by a First Nations child and family service agency or when the province/territory provides child protection services

while the First Nations agency provides family support and guardianship services (known as the partially delegated model). These funding arrangements vary by service provider but evidence before the Tribunal demonstrates that INAC provides provinces and territories with substantially more funds with greater flexibility and fewer reporting requirements than it does to First Nations agencies under Directive 20-1, EPFA or the 1965 Indian Welfare Agreement.

Notwithstanding the higher levels of funding the provinces and territories receive, evidence before the Tribunal suggested that the funding is not sufficient. First Nations believe that INAC's practice of funding non-Aboriginal child welfare services at higher levels is discriminatory and incentivizes non-culturally appropriate approaches.

This summary briefly describes the funding arrangements between INAC and the Province of British Columbia, the Province of Alberta, and the Yukon Territory. This is not an exhaustive list and readers are encouraged to read the final written submissions of all of the parties in CHRT 7008/1340 for further details (available at [www.fnwitness.ca](http://www.fnwitness.ca)).

## **Alberta Administrative Reform Agreement (1991)**

This bi-lateral agreement signed between the Province of Alberta and INAC is formally known as the “Arrangement for the Funding and Administration of Social Services.” The arrangement requires Alberta to provide social services on reserve in a manner comparable to that of other citizens. It also allows for INAC to reimburse the Province of Alberta for the services (including child welfare) that it provides on reserves.

As of 2014, the Province of Alberta was being reimbursed by INAC for the provision of child welfare services to six First Nations that are not served by a First Nations child welfare agency.

Internal INAC reviews suggest that it reimburses the Province of Alberta at twice the amount it would provide to a First Nations child and family service agency for the same service provision.

Evidence before the Tribunal also suggested that the Province of Alberta is reimbursed for a wider range of child welfare costs and has far less reporting requirements than First Nations child and family service agencies in Alberta.

Alberta is also not subject to downward funding adjustments, like the First Nations agencies under the EPFA funding formula, related to the child population on reserve.

The Administrative Reform Agreement is still in effect.

## **British Columbia Service Agreement (2012/2013)**

This bi-lateral agreement signed between the Province of British Columbia and INAC replaced a Memorandum of Understanding signed in 1996. The British Columbia Service Agreement requires INAC to reimburse the Province of British Columbia for child welfare services it provides to 72 First Nations communities.

This funding arrangement has two funding streams: 1) maintenance (reimbursement for children in care) and 2) administration and supervision (similar to the operations formulas in Directive 20-1 and EPFA). Although the funding streams are similar to what First Nations child and family service agencies in British Columbia receive under Directive 20-1, the Province is afforded considerably more funding and flexibility under the funding arrangement. For example, in 2006/2007, INAC increased the administration and supervision amount by 60% while First Nations agencies received no increase in their operations funding. Additionally, in 2012/2013, INAC provided the Province of British Columbia with an inflation adjustment each year but First Nations child and family service agencies received no inflation adjustment.

Notwithstanding this higher level of funding, the Province of British Columbia maintains that the funding levels are not adequate to cover the costs of service delivery on reserve. For example, in 2010/2011, the Province of British Columbia said it spent \$42 million on child welfare services on reserve but was only reimbursed \$28 million by INAC resulting in a \$14 million shortfall.

A cost study done by INAC shows that the Province of British Columbia would experience significant funding reductions if it were subject to either Directive 20-1 or the EPFA.

Unlike First Nations child and family service agencies in British Columbia, the Province is not subject to downward funding adjustments related to the child population on reserve.

### **Funding Agreement: Government of Yukon Department of Health and Social Services (2011-2012)**

There are no First Nations child and family service agencies operating in the Yukon Territory meaning INAC funds the Territorial government the provision of First Nations child welfare services pursuant to the Yukon Territory Child and Family Services Act.

While theoretically, Directive 20-1 applies to the Yukon Territory, the Territorial government is not subject to the downward adjustments related to First Nations child population. INAC also reimburses it for child welfare services regardless of where the child resides whereas First Nations child and family service agencies are only reimbursed by INAC for services provided to children normally resident on reserve.

Evidence before the Tribunal suggested that in 2008, a First Nation in the Yukon wanted to establish a First Nations child and family service agency but was refused by INAC. In describing the reason for the agency denial, INAC cited the small size of the community would render it ineligible for funding. However, INAC was silent on the fact that the Territorial government received funding for the provision of First Nations child welfare services regardless of the size of the community.

### **Reviews of Provincial/Territorial Funding Arrangements**

There have been no independent reviews of INAC's funding arrangements with provincial/territorial for the provision of First Nations child welfare services other than internal government reviews and commentary tendered as evidence at the Tribunal.

### **Information on the other INAC funding models?**

Refer to the information sheets on Directive 20-1, the Enhanced Focused Prevention Approach and the 1965 Indian Welfare Agreement available at [www.fnwitness.ca](http://www.fnwitness.ca)

**For more information on the case go to [www.fnwitness.ca](http://www.fnwitness.ca) or contact [info@fncaringsociety.com](mailto:info@fncaringsociety.com)**

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