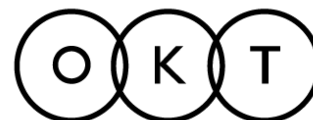


Funding under the Final Agreement on Long-Term Reform of the FNCFS Program

Maggie Wente, Jessie Stirling, Ashley Ash

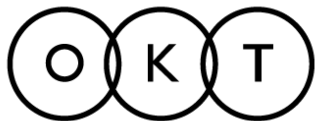
Current to October 4, 2024



Your sovereignty. Your prosperity. Our mission.

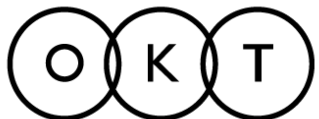


- This presentation was prepared by COO's lawyers from Olthuis Kleer Townshend LLP.
- This presentation is to assist First Nations with an orientation to and interpretation of the funding under the Final Agreement. It is for information only and isn't legal advice.
- COO recommends the Final Agreement, but its advice to First Nations in Ontario is that First Nations should make their choices.



Key Terms

- FNCFS Program – the First Nations Child and Family Services Program administered by ISC that funds child and family services for First Nations children, youth, and families residing on-reserve
- Reformed FNCFS Program – the FNCFS Program after the reforms contained in the Final Agreement have been implemented
- Reformed FNCFS Funding Approach –the multi-year funding structure established by the Final Agreement



Overview of this Presentation

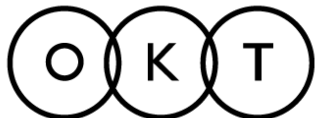
This presentation covers:

1 Funding Commitment in the Final Agreement

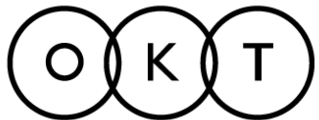
2 The Reformed FNCFS Funding Approach

3 Accounting for the \$47.8 Billion

4 Resources & Important Dates



Funding Commitment in the Final Agreement



Total Funding Commitment

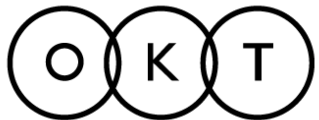
The Final Agreement commits **\$47.8 billion** over **10 years** retroactive to April 1, 2024 to implement the Reformed FNCFS Program.

This amount includes:

- ⚙️ Funding to First Nations and FNCFS Agencies to deliver services
- ⚙️ Housing funding for First Nations to help address CFS-related housing issues
- ⚙️ Other amounts to support the Reformed FNCFS Program, including funding for governance and dispute resolution

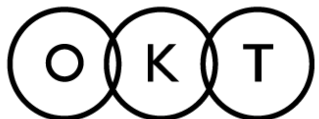


The Reformed FNCFS Funding Approach



Features of the Reformed FNCFS Funding Approach

- **Flexibility** – First Nations and Agencies will be able to **re-allocate** funds across components of the Reformed FNCFS Funding Approach and **carry forward** unexpended funds
- **Adjustments for Inflation** – All funding components will be adjusted annually for inflation in accordance with the **Consumer Price Index (CPI)**
- **Adjustments for Population** – Certain funding components are adjusted for **growth in population**



Components of the Reformed FNCFS Funding Approach



Baseline Funding



Emergency Funding



Prevention Funding



Household Supports Funding



First Nation Representative Services Funding



Post-Majority Support Services Funding



Results Funding



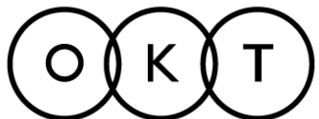
FNCFS Capital Funding



Information Technology (IT) Funding



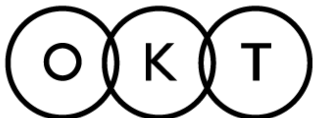
Remoteness Adjustment Funding





Baseline Funding (Agencies Only)

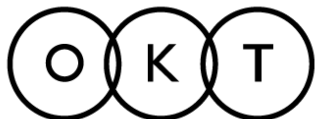
- Baseline funding supports FNCFS Agencies' operations, maintenance (protection), and least disruptive measures costs
- **Note:** The FA **does not** impact the way Ontario FNCFS Agencies are funded by Ontario under the Ontario Funding Formula. The FA only speaks to the funding that ISC provides to FNCFS Agencies.
- FNCFS Agencies in Ontario will continue to have access to actuals from ISC for intake and investigation, legal fees, and building repairs up **until March 31, 2025**.
- **Starting April 1, 2025**, ISC will provide FNCFS Agencies with an amount equal to the funding they accessed at actuals in 2022-23, adjusted for inflation and population growth. This amount will be adjusted for inflation and population growth in subsequent years.





Prevention Funding in the Past

- In 2022, the CHRT ordered ISC to fund prevention for First Nations and Agencies at \$2,500 per total on-reserve resident (adjusted annually for inflation).
- The \$2,500 amount was developed through research by the [Institute of Fiscal Studies and Democracy](#) (IFSD).
- In 2022-23, 2023-24, and 2024-25, a portion of the prevention funding attributable to a First Nation was directed to its affiliated FNCFS Agency. First Nations not affiliated with an FNCFS Agency received all of its prevention funding.
- In Ontario, the model used for divvying up prevention funding was determined by Leadership.





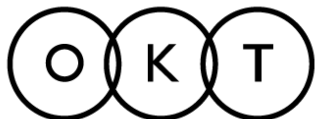
Prevention Funding in the Future

In 2025-26

- The per capita amount will continue to be adjusted annually for inflation. The per capita amount for 2024-25 was \$2,603.55 and it will be adjusted for inflation for 2025-26.
- No First Nation will receive less than \$75,000
- Non-Agency (unaffiliated) First Nations continue to receive the full per capita amount (unless they are affiliated with Mnaasged Child & Family Services)

As of April 1, 2026

- *Increased First Nation control, choice, and decision-making over its prevention funding and prevention services for its members*
- Option to have all prevention money directed to First Nations as of April 1, 2026
- First Nations can decide how prevention services will be delivered: direct prevention money to their agencies, collaborate with other First Nations, purchase services, or provide services themselves





First Nation Representative Services (Band Rep) Funding

- **In 2024-25, First Nations in Ontario** are receiving the highest of: (i) the FNRS funding they received in 2019-20, 2020-21, or 2021-22; (ii) \$392 per capita; or (iii) \$75,000 and can access additional funding at actuals only if they have expended 75% of their funding and have a plan for the remaining 25%
- **In 2025-26, First Nations in Ontario** will no longer have access to funding at actuals. Instead, they will receive funding equal to its highest annual amount of FNRS funding over 2019-20 to 2022-23 (including any actuals accessed), adjusted for inflation and population growth. First Nations will receive this amount in subsequent fiscal years, adjusted for inflation and population growth.
- Notes:
 - The approach to FNRS funding in Ontario for Years 6-10 will be considered in the Initial Program Assessment
 - Funding for FNRS off-reserve in Ontario **will continue to be available at actuals** (end date unknown)



Results, IT, Emergency, and Household Supports Funding



Results Funding

- Funding to help with data collection and reporting (which are enhanced under the FA)
- 100% allocated to First Nations



Information and Technology (IT) Funding

- Funding to assist with an IT update
- 100% allocated to First Nations



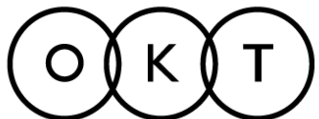
Emergency Funding

- Funding to assist First Nations and Agencies handle CFS-related emergencies
- split 50/50 between First Nations and Agencies



Household supports funding (formerly called 'poverty' funding)

- Funding to support First Nations in meeting the basic needs of families, particularly those needs that, if left unmet, could lead to children being placed in care
- National fund, replenished annually
- In 2024-25, the fund totals **\$25.5 million**
- 100% allocated to First Nations.
 - A First Nation's allocation is calculated by based on its share (%) of the total national population of individuals living in low-income households on reserve.

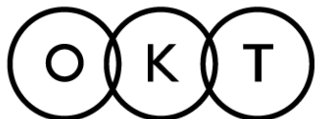




Post-Majority Support Services Funding

- **Until March 31, 2025:**

- ISC will continue to fund post-majority support services (PMSS) at actuals
- Application-based process open to First Nations and Agencies
- For youth who:
 - are in out-of-home care approaching the age of majority, or who aged out of care and haven't yet turned 26; and
 - who were ordinarily resident on reserve at the time they were taken into care that were placed to live outside of the family/home of origin and youth who are now ordinarily resident on reserve or are taking active steps to reside on reserve
- The term 'care' is broadly defined and captures a variety of arrangements, including and not limited to customary care, extended society care, guardianship, custody, alternate care, kith, and kinship care, as well as adoption.
- Eligible costs:
 - direct costs (rent, food, school, health, etc. paid directly to youth); and
 - indirect costs (costs incurred by First Nation/Agency to deliver PMSS – ex. salaries, operating costs)



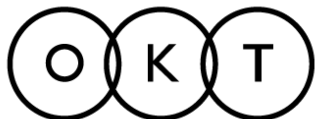


Post-Majority Support Services Funding

- **Starting April 1, 2025:**

- Access to actuals will end and will be replaced by a **national pool of \$1.79 billion** over the 10-year term of the Final Agreement
- First Nations would be the default provider of PMSS
 - First Nations would receive a funding allocation annually. **No application required!**
 - Agencies would not receive PMSS funding unless its affiliated First Nation(s) tells ISC that it wants to share
- A First Nation's annual allocation will be \$75,000 (base amount) + additional funding based on their eligible PMSS population (calculated using a combination of IRS and IMS/DMS (or 'Children in Care') figures).
- In 2025-26, First Nations in Ontario will receive an estimated \$40.5 million in PMSS funding (including remoteness)

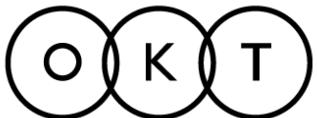
Note: There is no CHRT order regarding PMSS which makes it less likely that ISC will continue to fund this service if there is no Final Agreement





FNCFS Capital Funding

- **Until March 31, 2025**, ISC will continue to fund FNCFS capital at actuals. Specifically,
 - ISC will fund existing projects at the design or construction phase to completion at actuals; and
 - ISC will fund new capital funding requests (for design and construction) to completion at actuals so long as the request is received by March 31, 2025 and the project is eligible
- **Starting April 1, 2025**, two main changes will happen:
 - **Access to actuals will end** and will be **replaced by a national pool of \$2.9 billion** over the 10-year term of the Final Agreement that is accessible by First Nations and Agencies
 - **Current capital process (CHRT 41) will be replaced by a new and improved process** that, on an annual basis, will allocate funding to support:
 1. Operations & Maintenance (O&M) costs on assets which have already been built or purchased through CHRT 41 or the new capital process (funded at 100%)
 2. Ongoing projects that have already been approved through CHRT 41 or the new capital process
 3. New projects

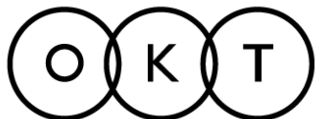




FNCFS Capital Funding

Key features of the new and improved capital process under the Final Agreement:

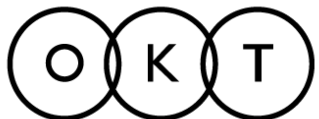
- **Intake –**
 - Intake process for FNCFS capital will be integrated with overall community infrastructure planning process to promote alignment with broader community planning and to allow for consideration of dependencies (i.e., the need for underlying infrastructure investments such as roads, water mains, sewage mains and electrical connections)
- **Eligibility –**
 - Continue to be based on the linkage between the requested capital asset and the delivery of FNCFS funded services
 - Funding will continue to be provided for capital assets off-reserve so long as their function is to support the delivery of FNCFS services to First Nations children, youth, and families on-reserve
- **Prioritization –**
 - COO, NAN, AFN, and Canada will develop a framework by January 2025 for prioritizing new projects/determining the order that they will be funded
- **Approval –**
 - Streamlined approval process where all eligible projects are reviewed by a national body that includes representatives with relevant expertise in managing infrastructure projects and delivery of the FNCFS program
 - Funding will be provided as required as the project moves through the phases of the capital project life cycle. **Requestors will no longer be required to submit a new Capital Funding Request Form at each phase to access funding!**
 - Once a project is approved, it will be supported by ISC officials with relevant experience in the rollout of infrastructure projects. **Primary point of contact during projects will no longer be FNCFS regional offices.**





Remoteness Adjustment Funding

- First Nations with a Remoteness Index score **at or above 0.4** will have their prevention, FNRS, results, IT, emergency, household supports, and PMSS funding adjusted upwardly to account for the increased costs of delivering child and family services in remote First Nations
- The Remoteness Index is a Stats Canada tool that places every community in Canada on a scale of 0 (not remote) to 1 (most remote).
- Approximately **85** out of the total 128 First Nations in Ontario that are funded by the FNCFS Program have remoteness scores at or above 0.4 and will therefore receive remoteness adjustment funding
- How *much* remoteness adjustment funding a First Nation is determined using the Remoteness Quotient Adjustment Factor (RQAF) methodology, which was championed by Nishnawbe Aski Nation. This is a brand-new approach to remoteness that produces a unique “% adjustment” for each First Nation based on its Remoteness Index score and other factors. The greater the Remoteness Index score, the greater the % adjustment.
 - The average % adjustment for First Nation in Ontario eligible to receive remoteness adjustment funding is **62%**

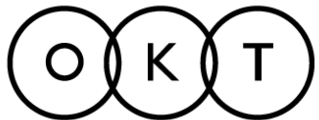


Note Re: Terms and Conditions

- Terms and Conditions for the Reformed FNCFS Program are available on the COO & NAN website, [FNCFSReform.ca](https://www.fncfsreform.ca) here.
- The Terms and Conditions describe, among other things:
 - Eligible activities & expenditures for each component of the Reformed FNCFS Funding Approach (e.g., prevention, FNRS, PMSS). **Terms are flexible and allow for First Nations-defined services.**
 - Adjustments to funding components for remoteness, inflation, and population (where applicable)
 - The flexible funding approach (i.e., reallocation and carry forward)
 - Planning and reporting requirements related to the funding components

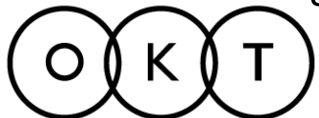


Accounting for the \$47.8 Billion



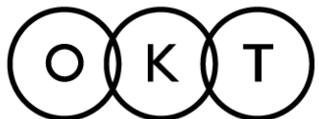
Amounts Included in the \$47.8B

- The Final Agreement's **\$47.8 billion** funding commitment includes:
 - Funding to First Nations and FNCFS Agencies to deliver services (i.e., the Reformed FNCFS Funding Approach) **totalling \$45.79 billion (or 95.8% of the total funding commitment)**
 - Funding to support the following:
 - ✓ National Secretariat and regional secretariats to assist First Nations and FNCFS Agencies with data and operations
 - ✓ Participation costs for members of the Reform Implementation Committee
 - ✓ Technical Advisory Committee (a subcommittee of the RIC)
 - ✓ Expert to monitor the reform of ISC (i.e., eliminating the discriminatory “old mindset”)
 - ✓ Remoteness Secretariat, NARC, and the NAN-CAN RQ Table
 - ✓ Dispute Resolution Tribunal established by the Final Agreement for the parties and for First Nations and Agencies
 - ✓ Research done/paid for by ISC to advance the purposes and principles of the FA, including research related to the mandatory cultural humility training for ISC employees
 - ✓ ISC's legal costs related to the administration of the FNCFS Program**totalling \$223.90 million**
 - Housing funding for First Nations to help address CFS-related housing issues **totalling \$1.79 billion**



Housing Funding

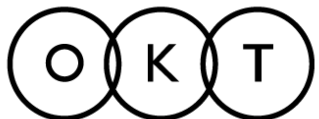
- **Canada committed \$2 billion in housing funding to address child and family services-related housing issues in First Nations**
 - Year 1 of the funding was released in 2023-24.
 - The remaining funding – **\$1.79 billion** – will be distributed over 2024-25 to 2027-28.
 - Ontario's share of the \$1.79 billion is approximately **\$336.4 million** (or about 1/5th)
- **The housing funding will be allocated to First Nations only.** Each First Nation will receive:
 - A \$250,000 base amount
 - Plus, additional funding according to a formula that considers the First Nation's population, the proportion of people living in households with more than one person per room (aka overcrowding), and the Remoteness Index score of the First Nation.
- **How will the funds be delivered?**
 - First Nations will receive a personalized letter from ISC stating their 4-year funding forecast
 - ISC will flow the funding to First Nations in the first quarter of each fiscal year. **No application is required!**
 - Carry-forward of unspent amounts is allowed
 - The housing funding will go to all First Nations, including self-governing and modern treaty First Nations and First Nations exercising jurisdiction under C-92
 - First Nations will be encouraged to dedicate funding to meet the needs of children and youth. However, should First Nations choose, they can use these funds to address other housing needs. First Nations will have to report to ISC on how they spent their funding.



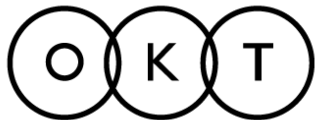
Funding Over and Above the \$47.8 Billion

The Final Agreement's **funding commitment is greater than \$47.8 billion** as ISC has committed to fund the following at their full cost using funds outside of the \$47.8 billion pot:

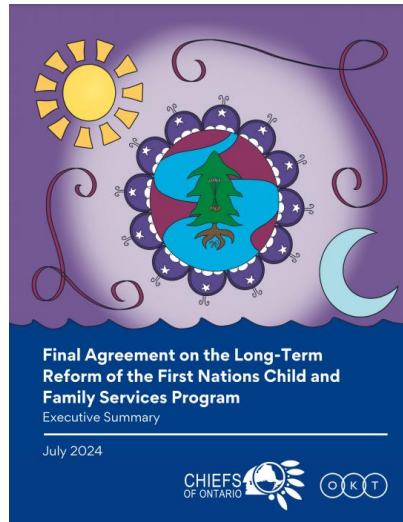
- Secretariat support for the Reform Implementation Committee
- Two comprehensive Program Assessments (to evaluate the effectiveness of the FNCFS program and make recommendations for improvements in subsequent years)
- Expert Advisory Committee
- Cultural humility training for ISC employees
- Legal fees of AFN, COO, and NAN



Resources & Important Dates



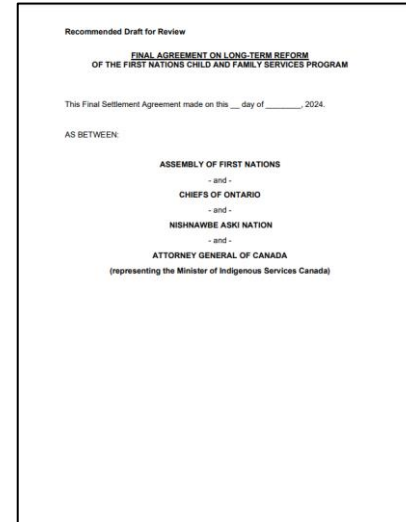
Resources Available on FNCFSSReform.ca



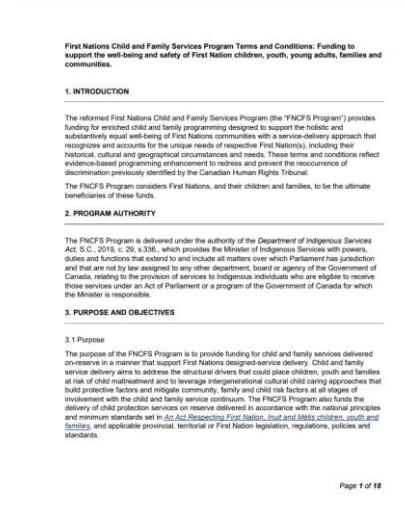
Executive Summary



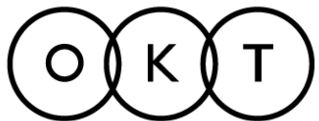
FAQs



Full Agreement



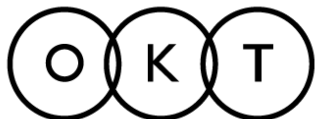
Terms & Conditions

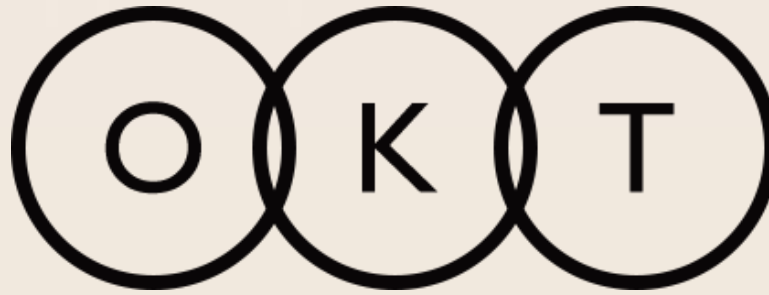


Important Dates

Special Chiefs Assemblies

- NAN SCA at Chelsea Hotel in Toronto (Hybrid) – **October 9th** – ratification vote by NAN Chiefs (website linked [here](#))
- COO SCA at Chelsea Hotel in Toronto (Hybrid) – **October 10th** – ratification vote by Ontario Chiefs (website linked [here](#))
- AFN SCA at the BMO Centre in Calgary (Hybrid) – **October 16-18th** – ratification vote by Chiefs-in-Assembly (website linked [here](#))





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