



ASSEMBLY OF FIRST NATIONS

Federal Funding for First Nations Schools

Funding for First Nations schools is determined by Aboriginal Affairs and Northern Development Canada (AANDC) using an outdated national funding formula that was developed in 1987 and last updated in 1996 for appropriate population and living costs.

Since 1996, AANDC's national education funding formula has been capped at 2% per year. This is despite a steady growth in both inflation and the First Nations population over the same period – requiring an annual increase of at least 6.3% since 1996 for First Nations education.

Chronic underfunding of First Nations schools has created a First Nations education funding shortfall of \$747 million in 2010-2011, and a cumulative funding shortfall of over \$3 billion since 1996.

This funding shortfall does not include costs needed to support the educational components of a 21st century school system that are currently missing from INAC's funding. This includes such basic services as:

- School libraries
- Technology (computers, connectivity, data systems);
- Sports and recreation;
- Vocational training;
- First Nations languages; and
- School board-like services.

Funding agreements are based on the corporate business cycle rather than the school year. To satisfy the terms of this funding regime, needless reporting is required for the release of funds at the start of a new fiscal cycle.

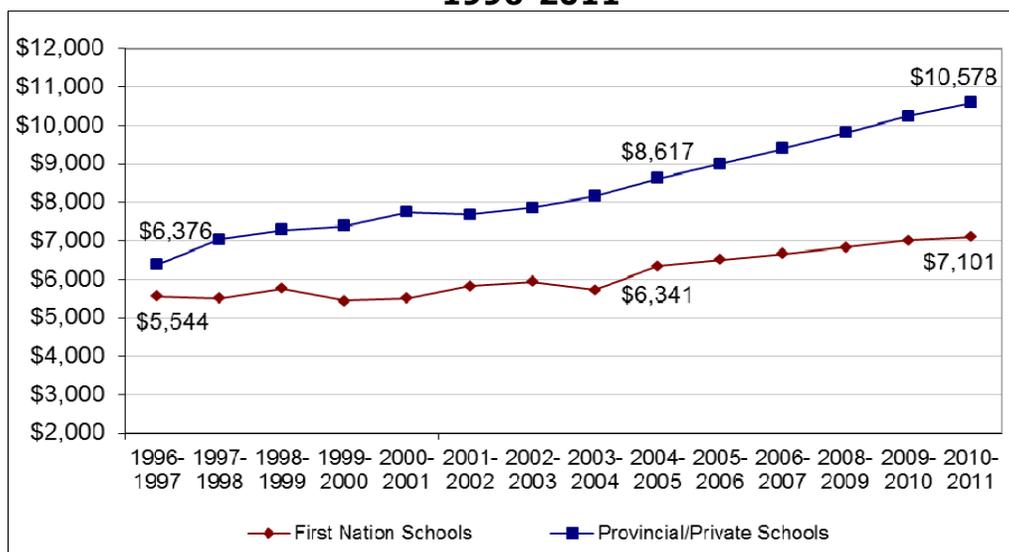
In 1996, AANDC provided, on average, \$5,544 per-student to First Nation schools. This was up to 15% less than what INAC provided to First Nations attending Provincial or Private schools. Since 1996, the funding discrepancy has grown to an average of nearly \$3,500 less per-student. This means that AANDC now provides nearly 50% more funding to First Nations attending Provincial or Private schools than to those attending First Nation schools.



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Average per-student funding, First Nation schools and provincial schools, 1996-2011



* Per-student funding is calculated using the following formula: *Core Funding allocated by Federal Government for First Nation education (FN school OR provincial/private school) / Nominal roll (FN school OR provincial/private school)*.
 Source: Indian and Northern Affairs Canada, Financial Information (1996-2011); Indian and Northern Affairs Canada, Nominal roll statistics (1996-2011)

Contribution Agreements

Under the *Constitution Act, 1867*, the federal government has exclusive authority to legislate on matters pertaining to "Indians, and Lands reserved for Indians."ⁱ

The *Indian Act* sections 114 to 122, allows the Minister to enter into agreements for elementary and secondary school services to Indian children living on reserves, providing the Department with a legislative mandate to support elementary and secondary education for registered Indians living on reserve.ⁱⁱ

Authority to manage specific educational programs comes from the Appropriation Acts, Treasury Board Minutes and Orders in Council.ⁱⁱⁱ



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AANDC New Funding Approaches – Funding Authorities

New funding approaches apply to agreements beginning April 1, 2011.

1. **Grant** – a transfer payment, not subject to be accounted for or normally subject to audit but require specific Cabinet policy and Treasury Board of Canada Secretariat program spending authorities; recipient may need to meet pre-conditions for eligibility and entitlement; may be required to report on results achieved. Grants can be used for any duration of time necessary to achieve program results.
2. **Set Contribution approach** – a transfer payment that is subject to performance conditions outlined in a funding agreement; must be accounted for and are subject to audits; set contribution funding is the basic type of contribution used in the past and where unspent funding is returned to the department annually.
3. **Fixed Contribution approach** – Formerly called the *Flexible Transfer Payment* (FTP); annual funding amounts established by formula or the total expenditure is based on “fixed-cost approach.” Fixed funding is distributed on a program basis; possible to allow recipients to keep any unspent funding based on: meeting program requirements, use unspent funding on the program objects or any other purpose agreed to by DIAND.
4. **Flexible Contribution approach** – FCA is multi-year funding to may moved within cost categories of a single program during the lifetime of the project/agreement and is used when a program requires a two or more year relationship with a recipient to achieve objects and can be funded under a multi-year funding agreement; unspent funding must be returned to DIAND at the end of the project. The recipient must meet certain assessment criteria to be approved of FCA funding.
5. **Block Contribution approach** – Formerly known by DIAND’s previous *Alternative Funding Arrangement* (AFA), BCA is multi-year funding managed in a similar way to AFA. Block funding allows funds to be reallocated within the block of programs as long as progress of program objectives is being achieved. Unspent funding can be kept by the recipient. Block funding



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applies to: *land and estates management; registration administration; elementary/secondary education programs and services; post-secondary; income assistance and assisted living; National Child Benefits Reinvestment, capital facilities and maintenance; band support and tribal council funding; economic development.*

Flexible and Block funding can last up to 10 years, are considered on a case by case assessment basis, recipients must meet certain capacity and eligibility criteria.

Ongoing Changes To Policies And Programs

Federal Program authorities define the terms and conditions for providing funding under that authority. The major programs for a First Nation are **social assistance, education, and capital facilities management.**

In 1986, the Auditor General of Canada reported on First Nations Elementary and Secondary Education:

11.67 The Indian Act empowers the Minister of Indian Affairs to provide specific educational services to Indian children between the ages of 6 and 17 inclusive who ordinarily reside on a reserve or on lands belonging to the Crown. **Authority to manage specific educational programs comes from the Appropriation Acts, Treasury Board Minutes and Orders in Council.**

11.68 The objective for the Elementary/Secondary Education activity, stated by the Department in the 1985-86 Estimates, was:^{iv}

to ensure that all eligible Indians and Inuit have access to a quality and range of elementary/secondary education that is relevant to the social, economic and cultural needs and conditions of the individuals, bands and communities being served.



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The Auditor General (1986) further noted problems with provincial schools as not meeting the cultural needs of Indian students and, in spite of the clear position of "*Indian Control of Indian Education: Policy Paper, 1972*" and its being accepted by the Minister of Indian Affairs:

... **because the Indian Act has not been amended, there is no legal basis for transferring control of education to Indian bands.** Under the Act the Minister remains accountable for the quality of education delivered to Indian children.

However, the policy direction for Indian and Inuit students is still based on requiring First Nations to align with provincial standards. The current objectives of the Elementary/ Secondary Education (ESE) Program on Reserve have been changed to reflect provincial comparability:

The overall objective of ESE programming is to provide eligible students living on reserve with education programs **comparable to those that are required in provincial schools by the statutes, regulations or policies of the province in which the reserve is located.** The objective is that eligible students will receive a comparable education to other Canadians within the same province of residence, and achieve similar educational outcomes to other Canadians and with attendant socio-economic benefits to themselves, their communities and Canada.

The objective for Councils signing Funding Agreements contains the following "Delivery Standard:"

The Council shall ensure that registered Indian students ordinarily resident on reserve or on lands belonging to Her Majesty in Right of Canada and other students for whose education the Minister accepts funding responsibility have access to kindergarten, elementary and secondary level education programs and services comparable to the programs and services required to be provided in public schools generally in the province in which the service is being provided and ensure that the service is delivered to a standard sufficient to enable students to transfer within the school systems of the Province without academic disadvantage.^v



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The Government of Canada has explicitly noted in their Reports on Plans and Priorities to Treasury Board and Parliament (2010-11 to 2014-2015):

That Indian Affairs and Northern Development (INAC) Program Activity for **First Nations and Inuit education** is aligned to the Government of Canada's Strategic Outcomes, that states "A diverse society that promotes **linguistic duality** and social inclusion" and is reflected as a performance indicator for Community Well-Being Index (CWB) for First Nations and Inuit.

This omits Indigenous languages and cultures as necessary priorities and strategic outcomes for First Nations and Inuit education.

AANDC's elementary and secondary programming is primarily funded through the following authorities: (INAC SUMMARY EVAL – p. 9-10)

- Grants to participating First Nations and First Nations Education Authority pursuant to the First Nations Jurisdiction over Education in British Columbia Act.
- Grants to Indian and Inuit to provide elementary and secondary educational support services.
- Grants to Inuit to support their cultural advancement.
- Payments to support Indian, Inuit and Innu for the purpose of supplying public services in education (including Cultural Education Centres; Indians Living On Reserve and Inuit; Registered Indian and Inuit Students; Special Education Program; and Youth Employment Strategy).
- Grants for Mi'kmaq Education in Nova Scotia.
- Contributions under the First Nations SchoolNet services to Indians living on reserve and Inuit.
- Contributions to First Nation and Inuit Governments and Organizations for Initiatives under the Youth Employment Strategy (YES) Skills Link program and Summer Work Experience Program.

In addition to core program funds for ESE, there are several complementary programs which aim to improve the quality of education in First Nation schools and student outcomes. They include:

- **Special Education Program (SEP)**, which supports students with moderate to profound special education needs;



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- **New Paths for Education, Teacher Recruitment and Retention, Parental and Community Engagement, First Nations SchoolNet Program** – which provide proposal based funding for initiatives designed to strengthen First Nations education management, improve the effectiveness of classroom instruction, and support community and parental involvement in the education of children and youth; improving the connectivity and technical capacity for K-12 schools on reserve.
- **Education Partnerships Program (EPP)**, which supports proposals for tripartite education partnership arrangements between the Government of Canada, First Nations and provinces in order to help advance First Nations student achievement in First Nations and provincial schools;
- **Cultural Education Centres (CEC) Program** which currently funds 110 Cultural Education Centres; and
- **First Nation Student Success Program (FNSSP)**, which provides support to proposals that are aimed at improving student and school outcomes through investments in school success plans, student learning assessments, and performance measurement.

What is BOFF?

The Band Operated Funding Formula (BOFF) is a national formula that was developed by INAC in 1987, and last updated in 1996. Since that time, there have been several reviews of First Nations education funding, such as the joint National Working Group on BOFF in 2003 through the development of a Joint National Working Group on Band Operated School Funding, the FNEC (2009) and others.

Targeted Programs

Proposal based education programs are also referred to as “targeted funding.” This means that the funding provided is meant specifically for “eligible” program areas or for eligible students. The Special Education Program (SEP) is a targeted funding program that funds only High Cost Special Education students; funding cannot be used for any other purpose other than for which it is intended; reporting for SEP is twice yearly.



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ⁱ Auditor General of Canada. (2011). Status Report of the Auditor General of Canada to the House of Commons, Ch. 4, *Programs for First Nations on Reserve*.

ⁱⁱ Aboriginal Affairs and Northern Development Canada. (22 June 2012). *Summative Evaluation of the Elementary/Secondary Education Program on Reserve*. Evaluation, Performance Measurement, and Review Branch, Audit and Evaluation.

ⁱⁱⁱ Auditor General of Canada. (1986). Chapter 11—Department of Indian Affairs and Northern Development, Elementary and Secondary Education.

^{iv} Auditor General of Canada. (1986). Chapter 11—Department of Indian Affairs and Northern Development, Elementary and Secondary Education

^v Aboriginal Affairs and Northern Development Canada. Funding Agreement National Model For Use With Aboriginal Recipients Version For First Nations And Tribal Councils For 2011-2012.