

Reforming First Nations Child and Family Services Funding

The Institute of Fiscal Studies and Democracy (IFSD) presents a new approach to funding and measuring the results of the First Nations Child and Family Services (FNCFS) program in Canada.

The report proposes:

- A needs-based funding approach that addresses known shortfalls in the way the FNCFS program is currently funded.
- A framework to measure the well-being of First Nations children, their families and communities.

What does the proposed approach look like?

The new approach focuses on the well-being of First Nations children, families and communities. It considers the child's well-being in the context of their environment, including housing, water, and poverty. In order to raise healthy and thriving First Nations children, the communities they live in need to be healthy and thriving too.

The funding approach seeks to address areas of need, instead of the current funding model that is driven by the number of children in care. FNCFS providers will be empowered to act in the best interests of children and families, to address needs like prevention services and poverty.

This new approach will involve new data collection and accountability structures. This process will take time to develop and must be First Nations-led.

Measuring to Thrive: A new framework for well-being

In order to better serve First Nations children, families and communities, FNCFS providers need to be able to holistically serve First Nations children and families in the context of their community.

The Measuring to Thrive framework supports better data collection and results by measuring what matters most to the well-being of children, families and communities. Examples of indicators include:

For children:

- Safety
- Development
- Physical health
- Connection to culture



For families:

- Income
- Social participation
- Incidents of family violence



For communities:

- Community engagement
- Community health
- Education



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Bottom-Up Funding Approach

In January 2020, *An Act respecting First Nations, Inuit and Métis children, youth and families* came into force, affirming First Nations' rights to self-governance in FNCFS. However, this new legislation does not yet have funding to support it. The legislation states that there must be a change in how FNCFS is funded to create long-term positive outcomes for First Nations children and families. The bottom-up funding approach proposed by the IFSD provides a model to reach this goal: defining funding parameters to support the well-being of First Nations children and families through equitable services and First Nations control.

The new approach is grounded in the experience of FNCFS agencies, which understand firsthand the challenges of the way FNCFS is currently funded. The current funding model is driven by the number of children in care in a top-down approach that does not support First Nations-led decision making. The proposed approach is built from the bottom-up and is driven by indicators of well-being in the *Measuring to Thrive* framework. Community need, performance and First Nations control are core elements of the funding approach, which align to the new legislation.

The proposed funding approach accounts for factors including:

Factor	What funding would address
 Poverty	Household poverty on-reserve, relative to provincial poverty line
 Prevention	Per capita, by total population (not just children)
 Geography	Road access to a First Nation, proximity to a service centre
 Capital	Need for relevant and reliable fixed assets to deliver services
 Information Technology (IT)	Gaps in hardware and software; need for investment to improve functionality and capacity
 Results	Collect data and work to close the gaps identified in the <i>Measuring to Thrive</i> framework

What is next?

The implementation of a new funding model and tool for measuring the well-being of First Nations children, families and communities will take time, and must be led by First Nations. Transition will require partnership and collaboration among all levels of government to transform the FNCFS system from one that is discriminatory and hindering for First Nations children and families, to one that supports them to thrive.

