



***This analysis was produced by IFSD to support ongoing research in First Nations child and family services. IFSD's work is undertaken through a contract with the Assembly of First Nations (AFN). The views and analysis do not necessarily reflect the views of the AFN.***

### **Animikii Ozoson Child & Family Services**

Animikii Ozoson Child & Family Services (AOCFS) is an urban agency in Winnipeg that serves First Nations across Northern Ontario, Manitoba, Saskatchewan, and beyond. While delegated (in 2005) and funded by the province of Manitoba, it principally serves Ontario First Nations. AOCFS operates on an inter-provincial/inter-territorial basis to ensure First Nation and Indigenous children in Winnipeg have culturally informed services.

As an agency in an urban centre serving children and families residing on and off reserve, AOCFS experiences service delivery challenges compounded by jurisdictional issues. As an urban Indigenous agency, AOCFS often self-describes as being 'overlooked' by the province because its community and service delivery approach do not align to typical funding streams. To AOCFS, typical funding streams should not compromise the availability or accessibility of the maintenance funding of children under state care.

*“Are these kids just a figment of their imagination?”*

Children in care with AOCFS, like children in care with FNCFS agencies, need housing, clothes, and activities. AOCFS described providing the necessary supports and services as a constant challenge, because funding does not meet the needs of children.

Service delivery without adequate funding has led to a variety of service and operational challenges for AOCFS:

- Children don't get what they need (i.e., activities, housing, etc.)
- Service standards for visits are met but many times at a minimum because staff are over-extended (i.e., staff cannot visit as frequently or as long)
- There is a lack of prevention services and programming (i.e., funding and time are spent on protection related services)

AOCFS operates in an urban centre serving Indigenous children from different communities. This means that children may be connected to a First Nation, may reside in an urban centre, or other, and require different approaches to service delivery to meet their best interests in a culturally-informed way. AOCFS operates outside of the typical territorial boundaries (on-/off-reserve) that determine funding (federal/provincial), which can create precarity in resource access for First Nations children. Just because children do not fall neatly in territorial boundaries, their needs are no less real. As an AOCFS representative stated “Are these kids just a figment of their imagination?”

## Challenges

AOCFS faces two principal challenges: funding and jurisdiction. *Funding* is an issue of who should be paying for services for children. Jurisdictional disputes exist between provincial and federal responsibility for funding, because AOCFS serves children from several provinces outside of Manitoba, notably, Ontario. *Jurisdiction* is the issue of who cares for children when boundaries for service delivery change. Children can be transferred to AOCFS for various reasons (e.g., not covered by a First Nations child and family services (FNCFS) agency, not a member of the First Nation where they reside, Indigenous child does not meet federal criteria to be a 'status Indian', etc.). Funding does not always follow a child expediently, leaving the agency to pursue the province for the transfer of funds. The funding transfer process can be disorderly. Ensuring resources follow children is important for maintaining their care.

## Funding

As AOCFS works with First Nations in Northwestern Ontario, Manitoba, and Saskatchewan, each jurisdiction brings unique needs and challenges, which requires increased resources from AOCFS. Different communities have different systems, protocols, and standards that AOCFS must work within. Accordingly, it is impossible for AOCFS staff to develop one standardized approach to case management. Instead, staff manage cases within diverse systems, including both government and First Nations, consistent with the new federal legislation. This increases the workload on staff and ultimately, costs.

### A shifting legal context

*An Act Respecting First Nations, Inuit and Métis Children and Youth* has created space for Indigenous Governing Bodies (IGB) to pursue jurisdiction in CFS for their members *wherever they may reside*. While the federal Act would notionally make funding available for children recognized through jurisdiction (whether they reside in their community (on-reserve) or elsewhere), the same does not apply to AOCFS. The federal government does not fund off-reserve children with 'Indian status' that are in care with AOCFS, despite ongoing efforts by the agency. There is an increasing risk that children are being left out of the evolving funding structure intended to meet their best interests in a culturally informed fashion just because their home community has not exercised jurisdiction in CFS. This practice risks instituting a two-tiered approach in CFS for 'status Indians': one for those exercising jurisdiction (a minority) and another for those without jurisdiction (the majority).

AOCFS staff have high caseloads (each case manager has 25-30 cases). Historically, up to the current fiscal year, salaries were lower than those of other agencies. Provincial funding for AOCFS staff salaries is based on 2014 salaries. This forced AOCFS to use funding from other areas to meet annual salary changes. With the high caseloads and salary pressures, attracting and retaining staff (especially, front line staff), is an ongoing challenge.

### **Inconsistency of Current Funding**

Relying principally on funding from the province of Manitoba means that AOCFS is subject to their terms with limited federal support for services provided to children outside the boundaries of the province.

Since 2019-2020, AOCFS has been funded provincially using the single-envelope approach (i.e., funding is fixed at provincially approved and reconciled maintenance costs as of March 31, 2019, and the same operational base since 2014, and adjusted by three factors). Prior to 2019, the province funded all agencies on the basis of three factors: the number of children in care, the number of protection cases, and the number of prevention cases. AOCFS was established much later than its sister FNCFS agencies in Manitoba, and its funding foundations were set differently. This created cost pressures for AOCFS because its operational funding was never adjusted to respond to an increase in cases. This means that while its funding for children in care may have increased for children, AOCFS did not have the resources to support its staff and related operations to serve children and families.

The single-envelope funding approach puts pressure on the maintenance and operating budgets, as the agency, irrespective of changes in demand and need must work within the fixed budget (this is a challenge if baseline funding is insufficient). For instance, Manitoba's single-envelope approach funds a predefined number of positions for the agency, without consideration of its changing caseload. In addition, maintenance payments have been reduced by the province with the assumption that the provider would use the child special allowance (CSA) to cover the shortfall. Funding from the province is adjusted annually, and does not represent changing or special needs of children. This has put tremendous pressure on AOCFS' budget through single-envelope funding. AOCFS uses funds from different sources (including CSA) to cover changes in staff salaries, capital needs, and other special needs. For instance, AOCFS' Board of Directors authorized 30% of CSA to cover special needs for children in care because maintenance funding was inadequate.

The figures below show AOCFS' revenues (Figure 1) and expenditures (Figure 2) by fiscal year. Most of AOCFS' expenditures and revenues are associated to child maintenance costs, with less than roughly a quarter every year associated to operating revenues and expenditures. This suggests that most AOCFS' activities are associated to protection services and related supports for children in care. While revenues and expenditures fluctuate with total caseload, AOCFS has operated in a deficit position (a substantial one for fiscal year 2022-2023), despite the slight increase in revenues (see Figure 3). Expenditure increases are attributable to the increased costs of maintenance for children in care, notably due to complex needs, as well as the new demands from the federal Act, e.g., culturally informed supports.

The percentage change and sources of revenues (Figure 4) demonstrate the significant fluctuation across funding categories for AOCFS. For instance, the child special allowance (CSA) for fiscal year 2021-2022 appears as a significant increase over past years because many services were limited or stopped entirely during the pandemic and



the funds were unused. With the resumption of more regular activities, the stored resources were reprofiled as revenues. The variability in the source of revenue growth reflects the inconsistency of AOCFS' funding and its fluctuation based on protection demands.

Figure 1 - Revenues by fiscal year

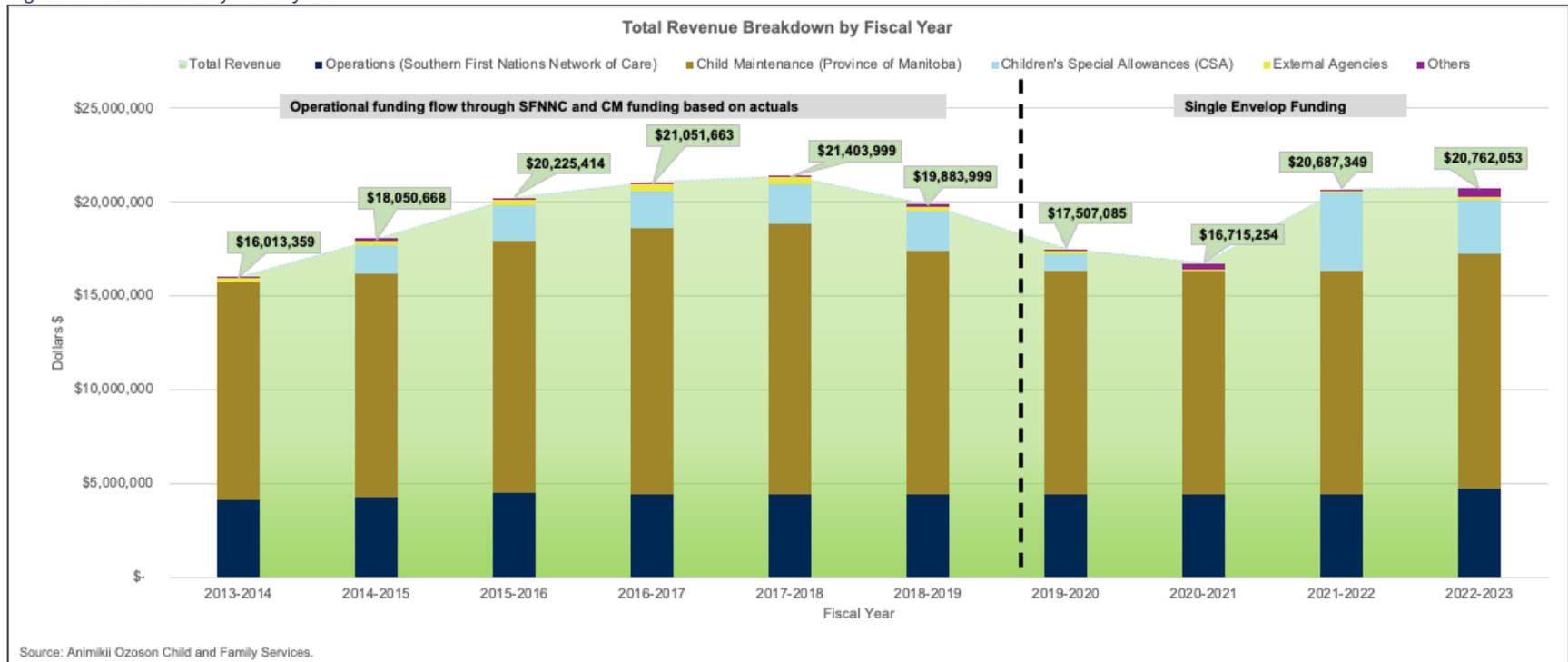


Figure 2 - Expenses by fiscal year

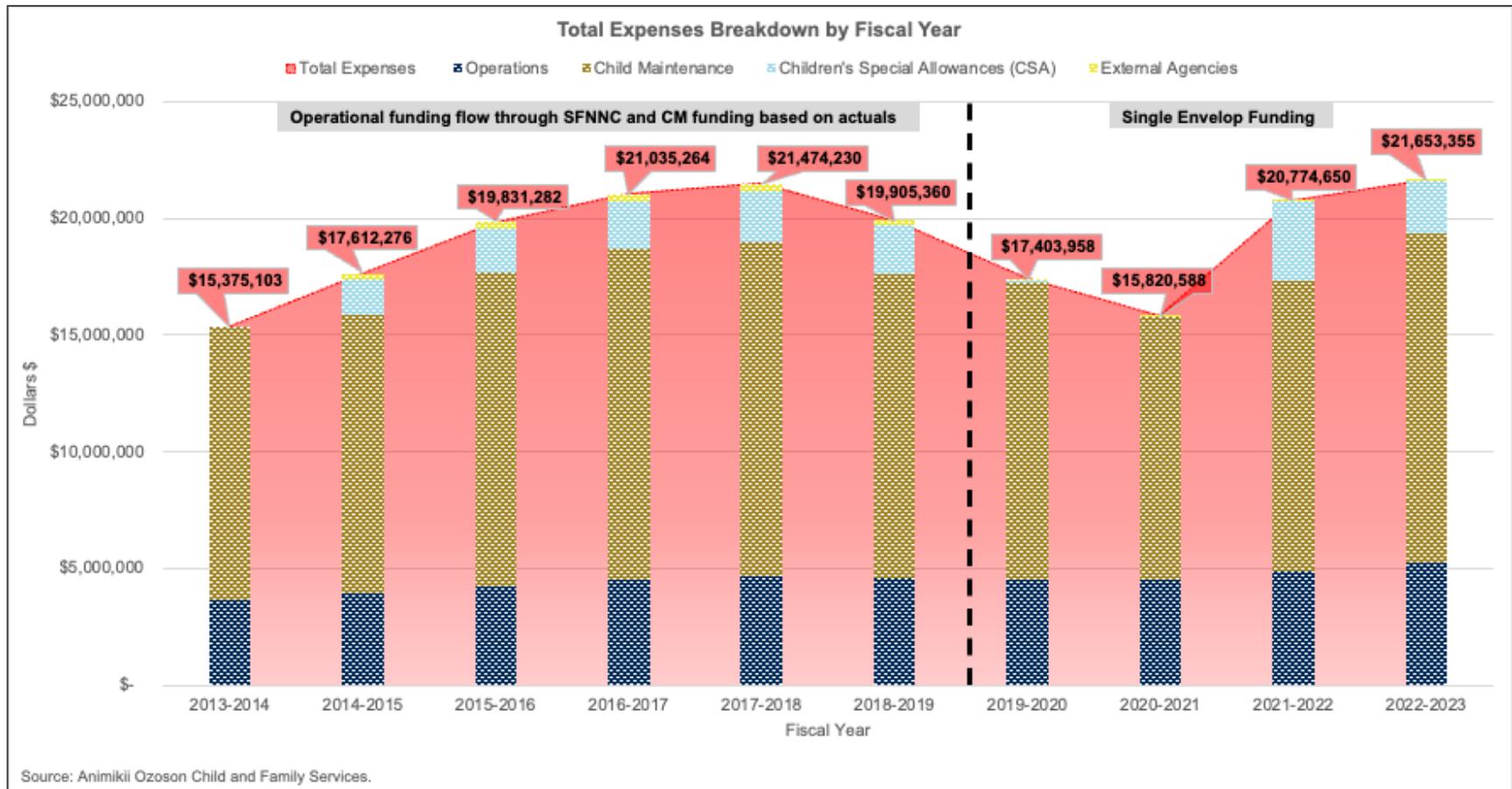


Figure 3 - Financial situation (surplus or deficit) and total case count by fiscal year

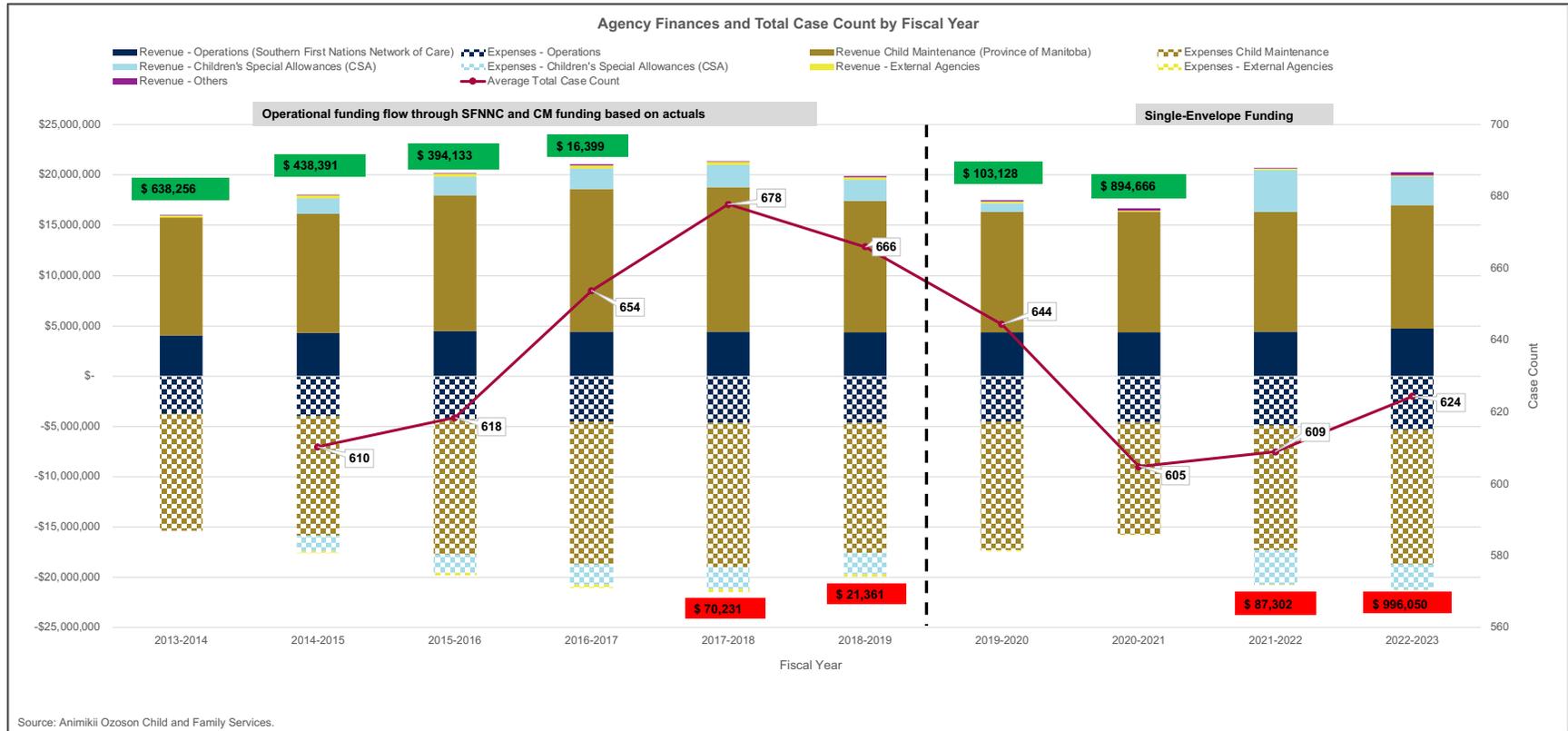
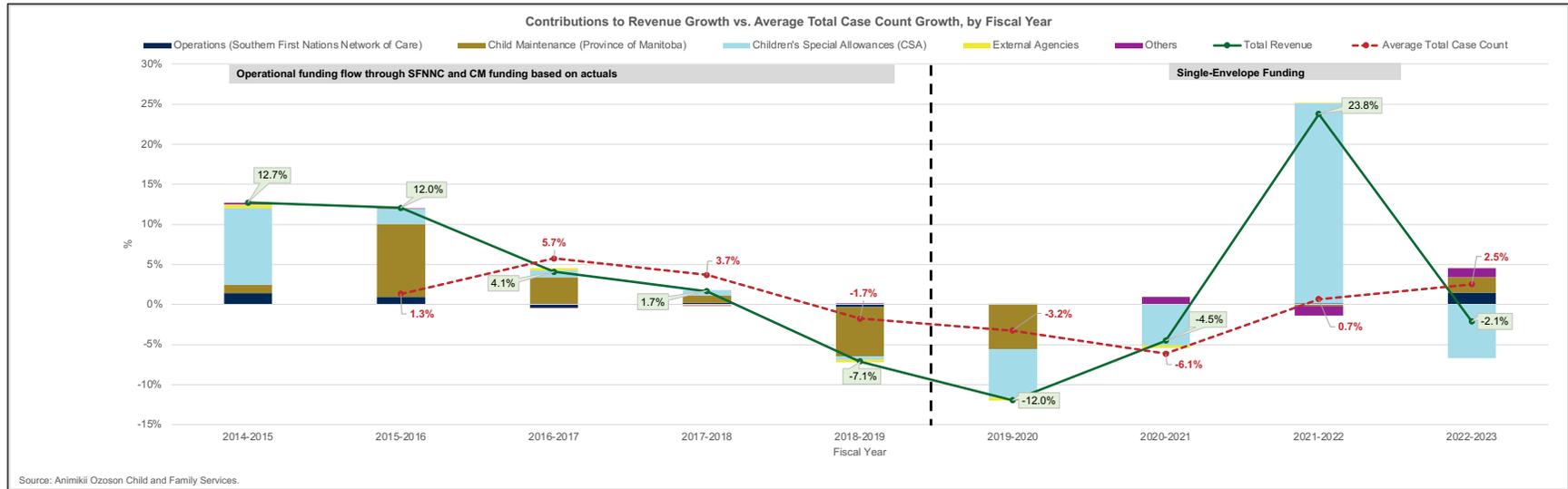


Figure 4 - Contributions to revenue growth v. average total case count growth by fiscal year



## **Jurisdiction**

Membership to a First Nation and status are driving the current service model. If an Indigenous child does not have status, the federal government does not pay for them. If a child does not have membership, the First Nation or related FNCFS agency will not necessarily serve them. This creates a service vacuum for many displaced Indigenous children that AOCFS has filled in Manitoba and across provincial boundaries.

For instance, when a First Nation's new CFS law covered only its members through its agency, any other children living in the community, whether they are First Nation, Indigenous, or non-Indigenous, were no longer served by the agency. When these children were transferred to AOCFS, no maintenance funding followed them (it had been paid in full to the agency earlier in the fiscal year). AOCFS appealed directly to the province and demanded the funding to cover maintenance for the 30+ children. Manitoba responded to the appeal, and AOCFS received the maintenance funding. However, this instance highlights a standing issue for AOCFS. Children are being transferred to AOCFS without the requisite funding to support them. In this case, AOCFS had to advocate to receive the maintenance funding associated to the 30+ children transferred to its care. From AOCFS' vantage point, the province has not developed an effective plan to manage the transfers of Indigenous children impacted by the new federal legislation with the constant transfer of children in Manitoba.

First Nations jurisdiction in child and family services is to be celebrated. It must be recognized however, that the decisions of First Nations on who to serve, where, and how, will impact children and families. As the case of the First Nation above whose law covered its agency and only its members, there will be children and families that will require services from other providers. Ensuring those children have culturally appropriate supports and services in the best interests of the child is consistent with federal legislation.

## **Conclusion**

Canada's urban Indigenous population continues to grow, as does the First Nation population on- and off-reserve.<sup>1</sup> This reality should be recognized and reflected in policy and in funding decisions. *An Act respecting First Nations, Inuit and Métis children, youth, and families* commits to culturally relevant services in the best interests of the child in CFS.<sup>2</sup> Upholding that standard requires that urban Indigenous agencies and FNCFS agencies have the services provided in urban centres recognized with adequate funding. The case of AOCFS highlights the pressures of service delivery in environments with limited funding and changes from the exercise of jurisdiction.

*“Are these kids just a figment of their imagination?”*

Shuffling accountability for supporting First Nations children in urban centres contravenes the premise of the Act. There is a rights-based challenge that could

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<sup>1</sup> Statistics Canada, [“Aboriginal peoples in Canada: Key results from the 2016 Census,”](#) *The Daily*, 25 October 2017.

<sup>2</sup> *An Act respecting First Nations, Inuit and Métis children, youth, and families*. s 10(3)(d). SC 2019, c.24.



emerge: First Nations rights are tied to territory, and in leaving that territory, access to certain services with federal funding are left behind. The provinces are expected to cover CFS for Indigenous Peoples in urban centres, but as noted in the case of British Columbia, the funding and perceived adequacy between federal (on-reserve) and provincial (off-reserve) funding differ.<sup>3</sup> Depending on where they live, a First Nations child risks receiving different types of services. First Nations children in urban centres and their CFS needs are a reality. The ways in which those services are designed, funded, and accessed, will be increasingly important as populations move to urban centres. The matter is especially relevant as many Indigenous children may no longer qualify for 'status,' altering the resources they can access.

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<sup>3</sup> IFSD, "Resource analysis in the provision of Indigenous and non-Indigenous child and family services in British Columbia", November 2021, Report submitted to the Office of the Representative for Children and Youth. Online: [https://rcybc.ca/wp-content/uploads/2022/03/RCY\\_At-a-Crossroads\\_Mar2022\\_FINAL.pdf](https://rcybc.ca/wp-content/uploads/2022/03/RCY_At-a-Crossroads_Mar2022_FINAL.pdf).