

Summary – Interim update: First Nations Child and Family Services (Phase 3)

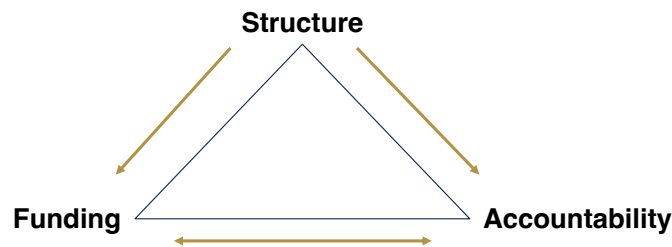
This analysis was produced by the Institute of Fiscal Studies and Democracy (IFSD) to support ongoing research in First Nations child and family services. IFSD's work is undertaken through a contract with the Assembly of First Nations (AFN). The views and analysis do not necessarily reflect the views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

IFSD was mandated to provide research and analysis for the reform of the First Nations Child and Family Services (FNCFS) Program. This work was undertaken under contract with the Assembly of First Nations (AFN), with the support of the Caring Society.

The Canadian Human Rights Tribunal (CHRT) has two rulings that guide IFSD's work: 1) end discrimination in FNCFS; and 2) ensure it does not reoccur. Upholding these rulings requires sustainable change of the FNCFS Program.

The FNCFS Program funds FNCFS on-reserve (and to the provinces/territories providing services on-reserve). This means that the FNCFS Program is funding FNCFS agencies, First Nations, transfers to provinces/territories, and jurisdiction.

There are three areas of focus for reform of the FNCFS Program: structure, funding, and accountability.



- 1) **Structure:** The incentives, rules, and conditions that determine when and how funding moves in a system.
- 2) **Funding:** The amount of money allocated to recipients.
- 3) **Accountability:** Monitoring of detailed indicators to determine if the system structure and funding are working to achieve desired goals.

IFSD makes the following recommendations for reform:

Area for reform	Recommendations
Structure	<ul style="list-style-type: none"> - Clarify federal policy and associated regulation for the FNCFS Program and ensure they align to the principles of An Act respecting First Nations, Inuit and Métis children youth and families. - Implement a block funding approach for existing FNCFS agencies with a carry-forward provision. - Ensure resources for the FNCFS Program are secure and cannot be used for other purposes within Indigenous Services Canada

	<ul style="list-style-type: none"> - Adopt a holistic understanding of allocation for existing service providers (do not segment the allocation) - Clarify reporting and service obligations for all funding recipients of the FNCFS Program
Funding	<ul style="list-style-type: none"> - Allocate resources to the service provider able to continue or immediately deliver services, including protection and prevention (primary, secondary, tertiary) - Do not pull apart the proposed funding approach intended for a service provider to ensure sufficiency to discharge their mandate - Maintain the existing federal baseline for service providers, with additional funding components (adjusted by inflation and population) - Link funding principles to activities and different contexts to develop allocation
Accountability	<ul style="list-style-type: none"> - Require national reporting for FNCFS for transparency to First Nations and delegated service providers while holding Canada accountable - Establish a First Nations-led Secretariat to support data gathering and analysis and best practices in FNCFS - Define reporting and service obligations of different funding recipients in the FNCFS Program - Ensure ISC’s performance indicators for a reformed FNCFS Program reflect the structure drivers of contact with protective services - Include a review of the funding allocation and outcomes as part of a five-year program review

To support a successful transition to a reformed FNCFS program with consideration of changes to structure, funding, and accountability:

- Stop all ad hoc making and changes to funding and to FNCFS Program rules.
- Notify service providers of the full intended reform and its parameters at least one full fiscal year in advance of the change.
- Provide a clear policy statement on the FNCFS Program, a five-year funding allocation in a block agreement, and performance indicators aligned to the goals of a reformed FNCFS Program at least one full fiscal year in advance of the changes to service providers.

To date, however, efforts have been focused on a funding amount and how it is to be divided among stakeholders, rather than considering how to end discrimination and ensure it does not reoccur in FNCFS. The approach summarized above, which considers structure, funding, and accountability, fits within the Government of Canada’s existing contribution approaches and policies on results to respond to the CHRT’s orders.

The reform of the FNCFS Program is an opportunity that should not be missed. It is a chance to begin to right a system that has harmed children for generations and can serve as a model for future reforms.