



# **The Long-Term Reform of FNCFS: Considerations for the program and jurisdiction**

**Manitoba Keewatinowi Okimakanak Inc. (MKO)**  
**March 30, 2022**

## What's this work about?

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- This work is about **connecting needs** in First Nations with **funding** for child and family services (CFS) with the goal of **holistic well-being** through:
  - 1) Funding structure
  - 2) Funding amount
  - 3) Enforcement mechanism (local control)

*Developing tools for local control*

## Who's this work for?

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- This work is for:
  - 1) First Nations exercising jurisdiction through the Act (C-92);
  - 2) FNCFS agencies
  - 3) First Nations exercising self-determination in child and family services (CFS) through another approach, e.g. prevention services, own legislation, etc.

*This work is for First Nations children,  
families, and communities*

## What we know

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- The current approach is an interim approach, until long-term reform is in place.
- CHRT funding at actuals is be a better representation of need, but is an interim order.
- There are long-term negative consequences and costs to contact with the protection system.
- To support resiliency in First Nations and holistic well-being, the root causes of contact with the protection system need to be addressed, e.g. poverty, housing, etc.

*We need to address root causes of  
contact with protection services*

## The importance of your contributions

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- Phase 1: Costed the FNCFS system and identified gaps.
- Phase 2: Developed a bottom-up needs-based funding structure, with a well-being focused measurement framework.
- Phase 3: IN PROGRESS; test and model the approach from Phase 2, into First Nation and agency specific delivery models.

*We are grateful to FNCFS agencies and First Nations for their contributions that helped us understand needs and shared information to cost them.*

## How can we do better for children and families?

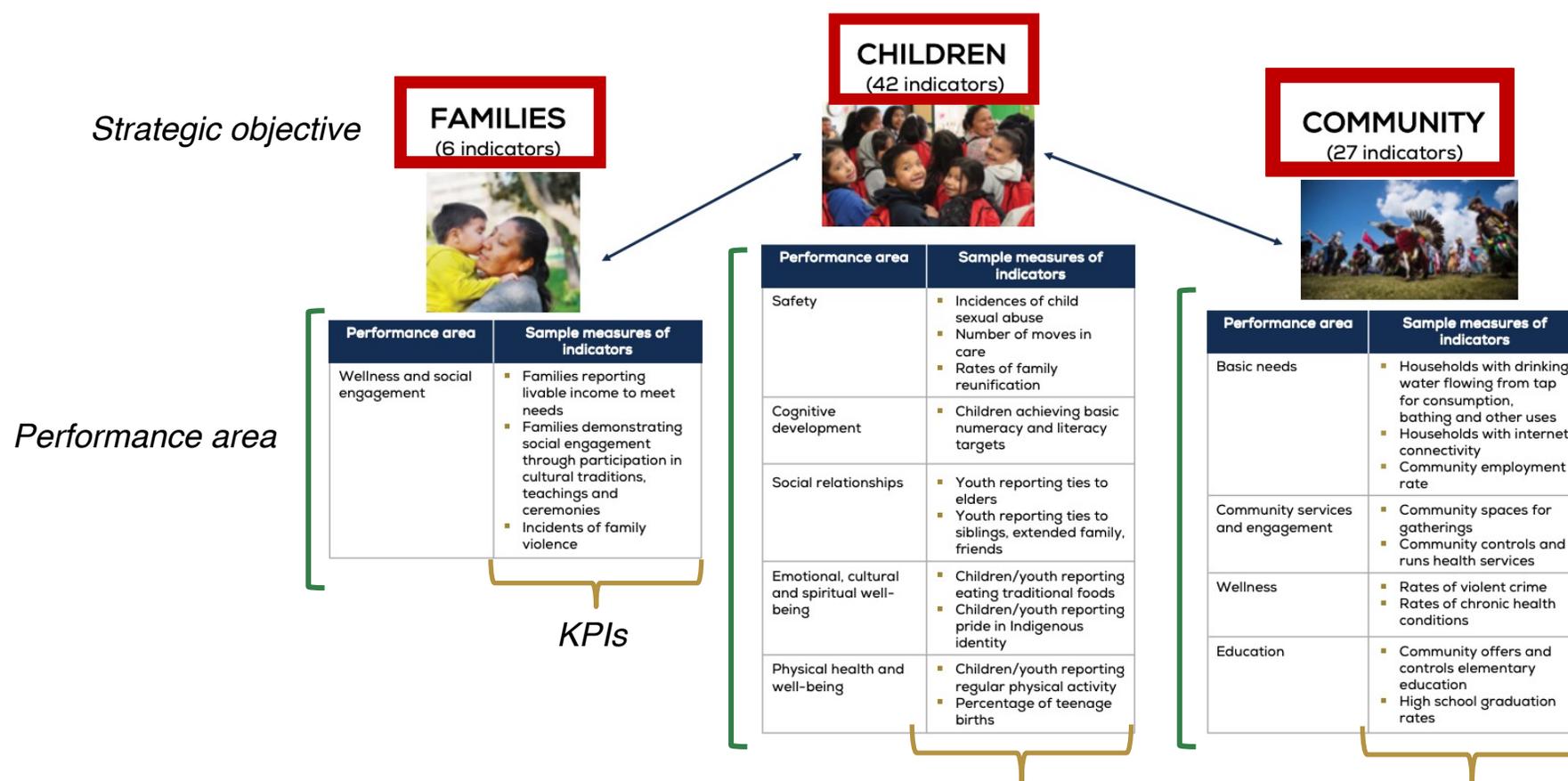
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- Recognize that children, families, and communities have different needs.
- Address the root causes of contact with protection services (*causes of the causes*).
- Invest in children and families throughout the lifecycle (prevention).
- Empower those on the ground with enough resources to make good decisions in support of children and families.

*Design and build a system that reflects needs  
and differences in communities*

# The starting line: The Measuring to Thrive framework



*Known drivers of child maltreatment, e.g., poverty, inadequate housing, food insecurity, etc. are captured in the framework through various indicators.*

*For instance:*

*Families reporting livable income to meet needs*

*Households with drinking water flowing from the tap*

*Suitable homes and homes in need of repair*

*Etc.*

# Connecting funding and different needs

## Block funding approach:

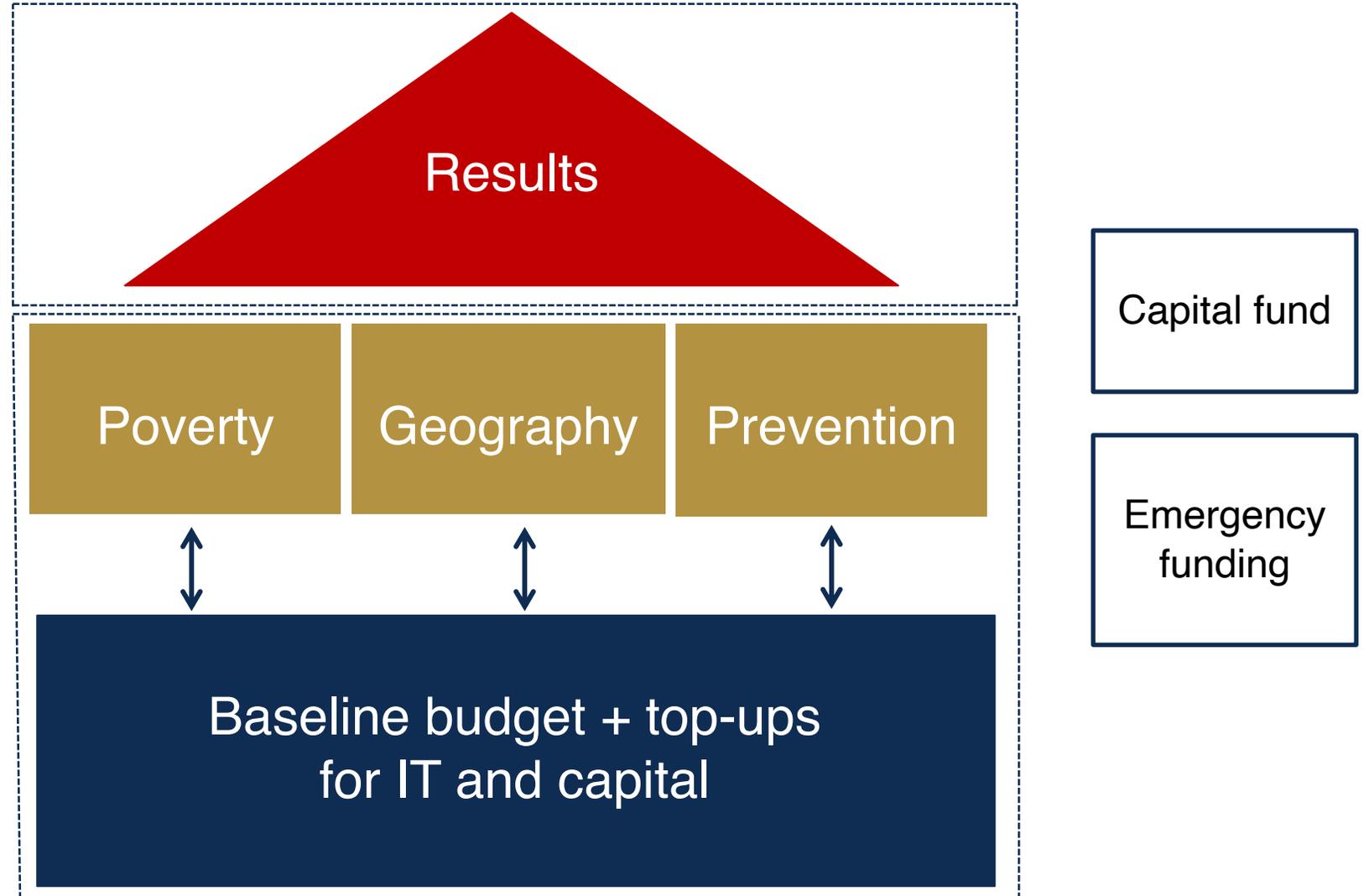
Resources are allocated based on a combination of previous financial data (to fund maintenance and protection) and need (e.g. population size, geography, poverty level, etc.).

Funds are provided for general purposes identified under terms and conditions in a contribution agreement or a statute. Service providers have flexibility to adjust allocations (e.g. operations and capital; protection and prevention).

The capacity to “carry forward” money (ability to move monies forward if not spent, in a current year, like the 10-year grant) and access to emergency funding, as provided, are consistent and additive to a block funding approach.

Emergency funds would be available should a service provider – due to an exceptional increase in service demands (e.g. protection requests, an increase in health-related issues) – be unable to meet the needs of their communities with their pre-defined revenues.

In the proposed approach, risk is managed to empower service providers to act in the best interest of children, families, and communities.



# FNCFS funding factors

IFSD's Factors	IFSD's Quantifications
<b>Baseline</b>	<ul style="list-style-type: none"> <li>- Existing agency budget to cover protection and maintenance costs</li> <li>- Baseline budget can be inferred by average cost of child in care (\$63,000) or other comparative means</li> </ul>
<b>Poverty</b>	<ul style="list-style-type: none"> <li>- Portion (3%, 5% or 7%) of the difference between household income and the provincial poverty line (Mixed Basket Measure), based on Census 2016 data</li> </ul>
<b>Prevention</b>	<ul style="list-style-type: none"> <li>- \$800, \$2,000 or \$2,500 per person served (across the entire community, not only children)</li> <li>- This is not a range: models represent different approaches with different program activities</li> </ul>
<b>Geography</b>	<ul style="list-style-type: none"> <li>- Factor increase to the baseline budget based on ISC's weighted remoteness quotient (relative basis) (factor of <math>\wedge 1.1</math>, at 0.25%, 0.5% and 1%)</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>- Percentage (1%, 1.5%, or 2%) of total value of owned capital assets for maintenance</li> <li>- Capital asset replacement fund for major capital projects, e.g., new building, extensive renovation, etc. Proposed to be made available by application through a fixed pot (three square footage estimates provided based on federal space allocations, IFSD FNCFS survey reported square footage, and a combination of federal and survey numbers, with ALTUS Group construction costs per square foot)</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>- Percentage (5%, 5.5%, 6%) of baseline budget based on industry standard for not-for-profit service organizations</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>- Funding to support goals in the Measuring to Thrive framework</li> <li>- Proposed as a budget top-up, at 1%, 3%, 5% of the total baseline budget</li> </ul>
<b>Emergency fund</b>	<ul style="list-style-type: none"> <li>- The funding will be available to support responses to unanticipated circumstances related to CFS, that affect demand for core services</li> <li>- Proposed as a budget top-up or fixed pot, 0.5%, 1% or 2% of the total baseline budget</li> </ul>
<b>Population</b>	<ul style="list-style-type: none"> <li>- First Nations may wish to use existing population sources, e.g., ISC's IRS, Census data, or their own population data for funding estimates</li> </ul>
<b>Inflation</b>	<ul style="list-style-type: none"> <li>- Estimated at an average of 2% per year, using IFSD's inflation forecast</li> </ul>



**We need your help: Phase 3**

## How can we improve CFS?

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- The Agreement in Principle (AIP) is an opportunity to make lasting change in CFS
- Together, we can:
  - 1) Rethink the funding structure
  - 2) Rework the funding level
  - 3) Redefine accountability

## What will Phase 3 deliver?

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- Applicable to existing FNCFS agencies and First Nations exercising jurisdiction, Phase 3 will:
  - Close data gaps, e.g., capital needs, baselines
  - Model and test the proposed funding approach
  - Refine the Measuring to Thrive framework
  - Define First Nations-based delivery models
  - Enhance fiscal certainty and planning tools
  - Build confidence among stakeholders
- IFSD's work is informed by OCAP® Principles and regular engagement and communication with stakeholders.

## Why participate?

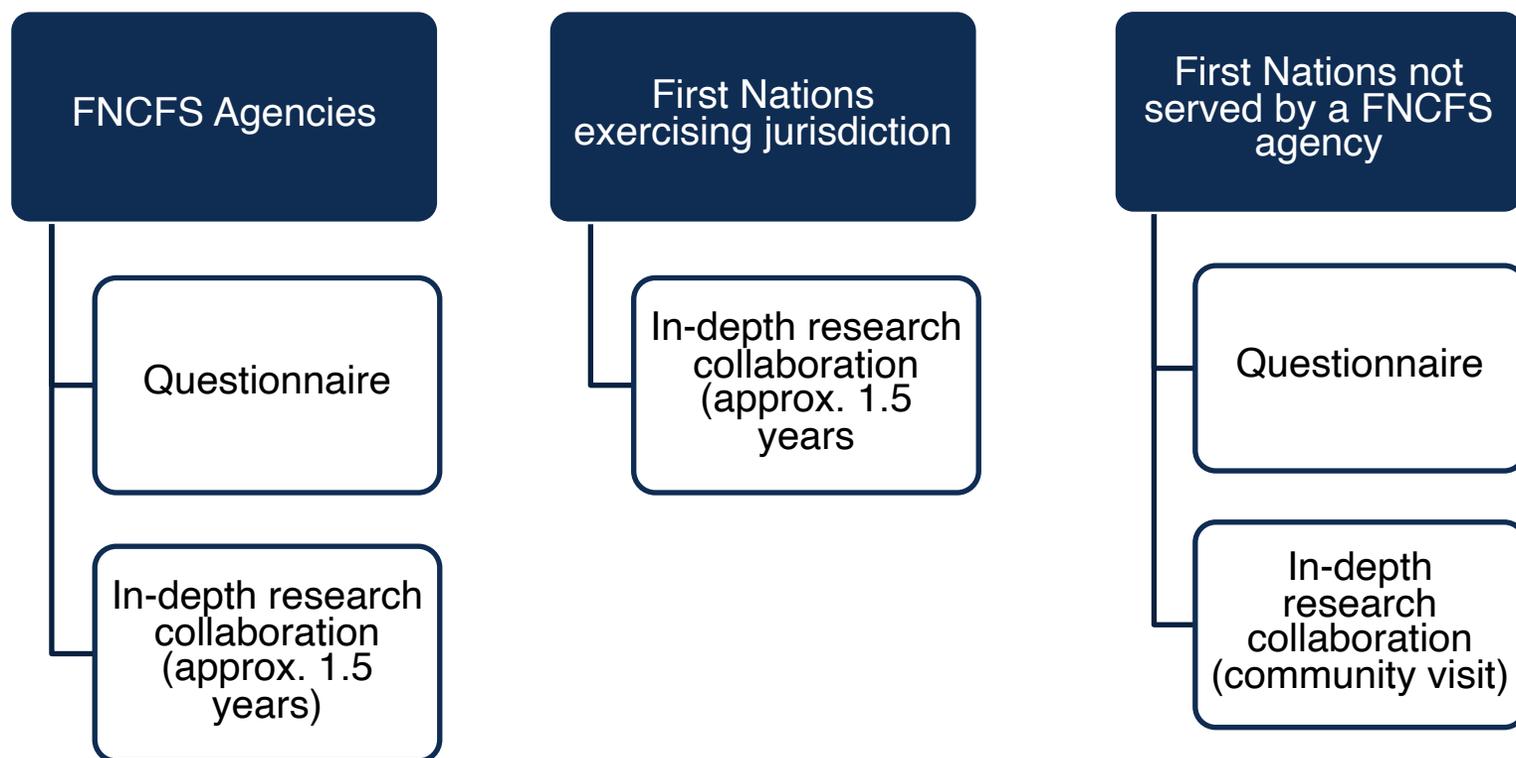
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- This work is about First Nations control and care of delivery.
- Real data and experiences make this work relevant.
- IFSD is asking FNCFS agencies and First Nations to collaborate to make this work possible, applicable, and useful.
- This is about those doing the work for children and families defining and refining the approach.

## How can I participate?

- IFSD needs your help and will be contacting FNCFS agencies, First Nations exercising jurisdiction, and First Nations not served by a FNCFS agency.



## What's needed to be ready for transition?

Component	August 2022	December 2022	March 2023	March 2024
1) Work with FNCFS agencies and First Nations to develop understanding of needs, including a capital needs assessment	In-progress	In-progress	Complete	Not yet started
2) Review, model, test, and refine the Measuring to Thrive framework for application	In-progress	In-progress	In-progress	Complete
3) Test, refine, and add components to the needs-based funding approach, e.g., post-majority supports	Not yet started	In-progress	Complete	Not yet started
4) Develop organizational and operational options for a First Nations-led secretariat	In-progress	Complete	Not yet started	Not yet started
5) Develop and deliver tools, resources, and capacity development based on the findings from #1-4.	Not yet started	Not yet started	In-progress	Complete

In-progress	Complete	Not yet started
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*IFSD timelines are illustrative and subjective to public health guidelines (COVID-19), and the availability of research collaborators, and data from various sources.*

## Timing matters

Target	Required tools and materials	AIP timelines	IFSD timelines	Difference
Final settlement	<ul style="list-style-type: none"> <li>▪ Review of funding approach components and costing of additional ones</li> <li>▪ Roadmap for implementation, including the application of the Measuring to Thrive framework</li> </ul>	November 2022	Winter 2023	3-4 months
Start transition	<ul style="list-style-type: none"> <li>▪ Tools, resources, and capacity development built on <b>complete</b> Phase 3 findings               <ul style="list-style-type: none"> <li>– Needs assessments, including capital</li> <li>– Funding approach review, additions, modelling</li> <li>– Measuring to Thrive framework review, refinement, modelling</li> <li>– Secretariat operationalization</li> </ul> </li> </ul>	March 2023	March 2024	12 months

## Get in touch

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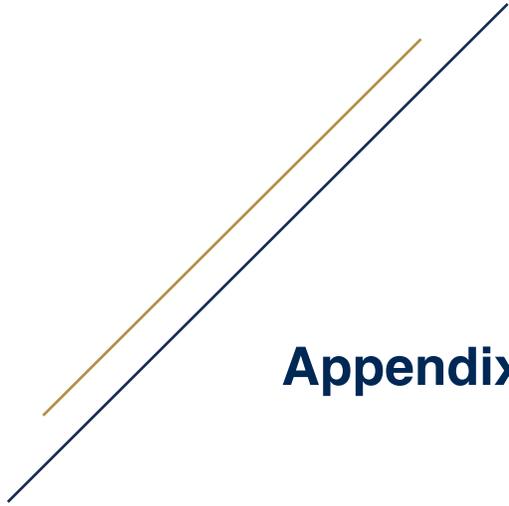
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## Appendix

## IFSD's mandate

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- With the endorsement of the National Advisory Committee (NAC), IFSD was asked by the Assembly of First Nations (AFN) and the Caring Society, to define a **funding approach** and **implementation plan** for First Nations child and family services.
- Funding First Nations child and family services (FNCFS): A performance budget approach to well-being (Phase 2) builds on the findings and recommendations of the Phase 1 report, Enabling First Nations Children to Thrive that was accepted by NAC in February 2019.
- *Phase 1* costed the FNCFS system, identified gaps and cost-drivers; *Phase 2* proposed a funding **structure**; a means of developing **evidence** to understand the well-being of children, families and communities; and a range of scenarios to **cost** the proposed approach.

*A new First Nation-based approach to FNCFS structure, funding, and performance can support thriving children, families and communities, preventing discrimination over the long-term*

## Funding foundations

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- Children, families and communities have needs. Some may need more support than others for various reasons.
- Professionals and communities should have the tools and resources necessary to address the *causes of the causes* of need.
- The choice of tools should not have averse fiscal consequences, when accountable decisions are made for the well-being of children, families and communities.

Such an approach is consistent with the principles in *An Act respecting First Nations, Inuit and Métis children*: substantive equality, the best interests of the child, culturally-informed approach.

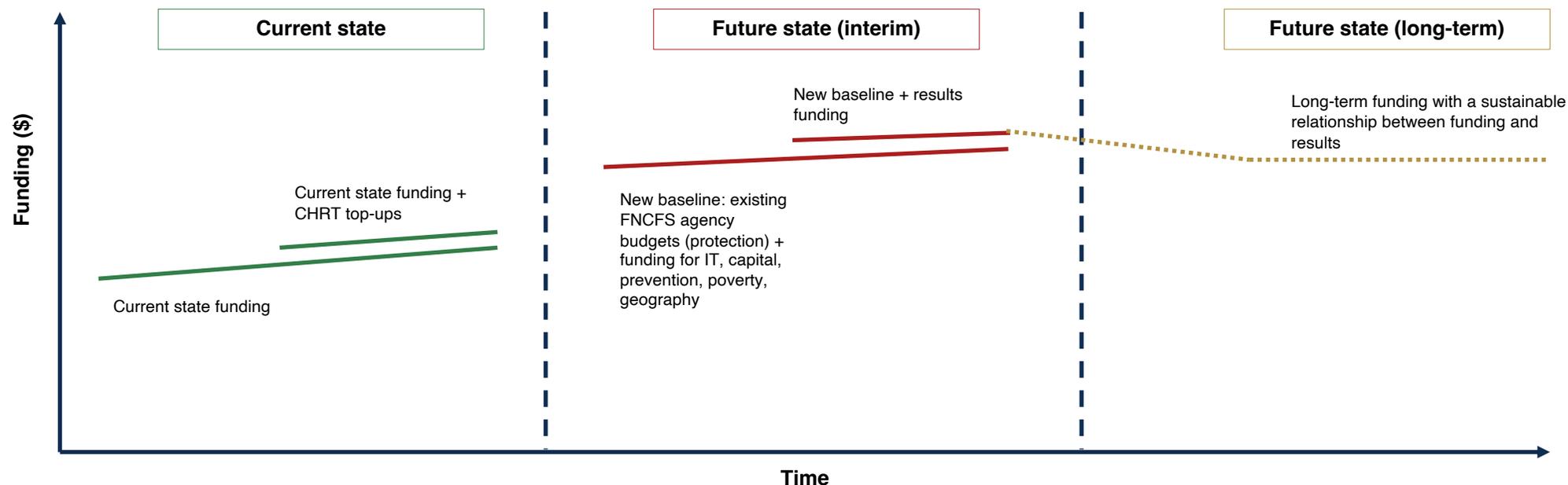
## Funding structures: Old v. new

	Funding based on differentiated needs in First Nations	Budget planning with evidence-based principles and actual First Nations-based models	Performance approach linked to First Nations-oriented visions of well-being	Reporting and accountability that is relevant and First Nations-controlled
<b>Current structure and funding</b>	○	○	○	◐
<b>Interim funding approach (the Act)</b>	◐	◐	○	◐
<b>Phase 3</b>	●	●	●	●

●	Completely meets consideration
◐	Mostly meets consideration
◑	Partially meets consideration
◒	Somewhat meets consideration
○	Does not meet consideration

## Funding for well-being

- A funding approach identifies a critical mix of resources necessary for a recipient to deliver on their mandate.
- When resources flow, how resources flow and the principle by which resources are allocated inform a funding approach.
- Connecting resources to desired results in FNCFS can support planning and improve decision-making with data focused on children, families, and communities.



*Note:*

*The progression from current to future state reflects service providers who are already delivering services. Timelines may be different for those starting new service delivery approaches, building programming, etc.*