



Strategic Investments for First Nations Children, Families & Communities

2014 Pre-Budget Submission



**A SUBMISSION TO THE HOUSE OF COMMONS STANDING
COMMITTEE ON FINANCE**

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ABOUT THE ASSEMBLY OF FIRST NATIONS

The Assembly of First Nations (AFN) is the national, political representative of First Nations governments and their citizens in Canada, including those living on reserve and in urban and rural areas. Every Chief in Canada is entitled to be a member of the Assembly. The National Chief is elected by the Chiefs in Canada, who in turn are elected by their citizens.

The role and function of the AFN is to serve as a national delegated forum for determining and harmonizing effective collective and co-operative measures on any subject matter that the First Nations delegate for review, study, response or action and for advancing the aspirations of First Nations.

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Executive Summary

The Assembly of First Nations (AFN) has participated in the annual federal pre-budget consultations since 2000, outlining First Nations' priorities and providing a comprehensive analysis of required investments and structural changes that, if implemented, will work to improve First Nations' quality of life and community well-being. The 2014 pre-budget submission builds on these previous submissions, which have focused on demonstrable need in child and family services, health, housing, water and capital infrastructure, environmental stewardship, economic development, social development and housing.

The AFN continues to emphasize that, in addition to significant investments to create equitable funding levels, a fundamental transformation of the relationship between First Nations and Canada is required in order to achieve significant change for First Nations. Current fiscal transfers to First Nation governments are conditional, inflexible, inadequate, unpredictable and not based on real population counts resulting in First Nation citizens not receiving services comparable to those provided to Canadians. While Canadians receive services from all levels of government, through direct federal transfers to provinces and territories at an average growth rate of 6% per year, Finance Canada has maintained a 2% cap since 1996 on First Nations funding. New funding mechanisms are needed that move away from arbitrary and coercive contribution agreements to a mechanism that recognizes First Nations title and rights, most recently reaffirmed and reiterated by the Supreme Court of Canada in the *Tsilhqot'in* case (*William v. Canada, 2014*).

In 2014, after decades of under-investment, it is clear that the social and economic costs of the status quo are too high. The following document summarizes the actions and investments required by the Federal Government for the 2015 Federal Budget.

Achieving Change for Our Children and Families

First Nations Education

First Nations are clear that we must achieve First Nations control of First Nation education that advances Treaty and inherent rights, recognizes our jurisdiction and supports and nurtures our children through culturally and linguistically appropriate education. This requires equitable funding and the creation of education systems—all of which must be driven by First Nations and regions on their own terms.

Improved education attainment is the foundation for long-term economic stability and prosperity. The research indicates that raising First Nation graduation rates to levels comparable to the Canadian population by 2026 would lead to cumulative economic benefits of more than \$401B (2006 dollars), in addition to \$115B in avoided government expenditures over the same period. As of 2011, the First Nations population is growing at four times the rate of the Canadian population. Nearly half of the First Nations population is under the age of 25, and the federal government estimates that over 600,000 Indigenous youth will enter the labour market between 2001 and 2026.

The gap and inequality in First Nations education funding is well known and acknowledged by all parties. An outdated funding formula compounded by a 2% cap on funding imposed in 1996-97 has led to an accumulated shortfall exceeding \$3B.

Budget 2014 committed to investing \$1.9B to First Nations education starting in 2015-16, including \$1.25B in core funding for First Nations schools, \$160M to support educational partnerships and \$500M for school infrastructure. Furthermore, Budget 2012 committed to “explore new funding mechanisms to ensure stable, predictable and sustainable funding for First Nations elementary and secondary education.” Therefore, two investments are needed: First, the immediate release of the \$1.9B to support First Nations schools and address the urgent shortfall; second, a new First Nation education fiscal framework that that reflects actual costs for First Nation education systems.

Child Protection, Welfare and Nurturing their Success

There are an estimated 27,000 First Nations children in the child welfare system, including approximately 9,400 children in the care of First Nations Child and Family Service agencies. According to the research, this over-representation is largely due to neglect resulting from poverty, poor housing and substance abuse. The AFN advocates that more resources for child welfare alone are not enough and that resources for overall community development to fully address the root causes of children being taken into care are required.

The key objective of the Federal Government’s First Nations Child & Family Services (FNCFS) Program is “to ensure the safety and well-being of First Nations children ordinarily resident on reserve by supporting culturally appropriate prevention and protection services for First Nations children and their families, in accordance with the legislation and standards of the province or territory of residence.” Under this program, First Nations child welfare agencies are required to follow provincial laws and standards. However, federal funding is not tied to the requirements of provincial legislation, nor is it tied to the needs of the child. Despite the Federal Government’s attempts to modify their funding



models for FNCFS agencies, their newest approach—Enhanced Prevention Focused Approach—continues to fall short in providing adequate culturally-based prevention and protection services. In addition, recent reports from provincial Children’s Advocates have highlighted the need for significant improvements in the coordination of services between FNCFS agencies and provincial agencies and services.

The AFN is recommending, as a first step, the addition of \$108M per year as well as a 3% annual escalator. In addition, a number of policy and regulatory changes with attendant budget implications are required, such as: an immediate restoration of reimbursement of maintenance to actual costs; an elimination of the new AANDC policy prohibiting First Nations agency development in communities with less than 1,000 children; and an adjustment for communities serving over 6% of children in care.

Health and Wellness

Canada’s Non-Insured Health Benefits (NIHB) program currently fails to ensure First Nations health outcomes comparable to those of Canadians. A long-term strategy is required for funding premised on realistic expenditure projections based on First Nations population growth and aging rates, inflation trends over the past four years, and an annual escalator. Increases in NIHB Program funding levels from 2008/09 to 2011/12 have averaged 4.5% annually. However, the AFN’s need projection is estimated at \$1,327M in five years and \$1,726M in ten years. These expenditure levels translate into a needed increase of 5.4% to 5.6% annually.

Further, numerous vital First Nations health programs are set to sunset in 2015, including the Health Services Integration Fund, the Aboriginal Health Human Resources Initiative, the Aboriginal Diabetes Initiative, Maternal Child Health and Children’s Oral Health Initiative, top-up funding for Aboriginal Head Start in Urban and Northern Communities and Aboriginal Head Start On Reserve, and the National Aboriginal Youth Suicide Prevention Strategy. It is vitally important that these programs be renewed in the 2015 Federal Budget.

Skills Training

New investments of \$500M annually over five years, are needed to support First Nation training and employment. First Nations employment and skill development institutions are critical to coordinating, building upon, and advancing opportunity to provide business supports and skills training to First Nation citizens. It is recommended that the government implement the recommendations made by the May 2014 Report of the House of Commons Standing Committee on Human Resources and Skills Development, *Opportunities for Aboriginal Persons in the Workforce*, which recommended the renewal of the Aboriginal Skills Employment and Training Strategy for an additional five years. This would include increased resources for essential skills and literacy training and child care for the increasing number of young parents entering the workforce.

The participation of First Nation communities and individuals will be critical towards realizing productivity gains in Canada’s economy—from closing the growing labour gap, to supporting individuals to participate in the economy and labour force. This investment

would directly benefit more than 400,000 First Nation citizens aged 25 and under, and their families.

Enhanced Economic Participation

New investments of \$600M, annually over five years, are recommended to enhance First Nation participation in the economy. These investments need to be targeted toward economic services, programs and incentives implemented through First Nations economic institutions, resource sector organizations, corporate community leaders, and the federal government. Without adequate support to help build robust First Nations economies, economic opportunities exploited on First Nation territories provide little to no benefit for our peoples.

The AFN Chiefs Committee on Economic Development has recommended movement toward productivity gains in sectors of Canada's economy with First Nation involvement—from closing the growing labour gap, to participating in major projects, particularly in resource development and energy sectors, and balancing development and environmental protection responsibly and sustainably.

As part of this initiative, it is recommended that the federal government examine a corporate and First Nation incentive program, such as a tax rebate or an equity fund, for investments by the corporate community to partner and work in a meaningful way with First Nations toward economic and employment outcomes. This investment would directly benefit and encourage First Nations economies, in addition to building an independent mechanism to promote development opportunities. Given the planned natural resources projects across Canada, this recommendation is critical to facilitate longstanding benefits in the natural resource and energy economies for First Nations across the country.

Delivering Safety and Security

Ending Violence against Indigenous Women and Girls

Indigenous women and girls are five times more likely to experience violence than any other population group in Canada, and the numbers are increasing every year. There is clear acknowledgement of the priority for improved coordination and concerted action and prevention in this area - recently re-affirmed through the report of the Special Parliamentary Committee on Violence Against Indigenous Women, *Invisible Women: A Call to Action*, and the recent RCMP review of the files of murdered and missing Aboriginal women.

There are currently 41 on-reserve shelters for 634 communities, as well as a need for family treatment and culturally appropriate services. In 2010/11 the Family Violence Prevention Programming (FVPP) accounted for only 0.4% of AANDC's budget. AANDC's 2012 internal evaluation identifies that current levels of investment are not sufficient to respond to existing needs.



Investments in prevention and family support services will translate into significant cost savings. Budget 2013 identifies an investment of \$24M over two years to the Family Violence Prevention Program. However, this is merely a renewal of funding, keeping the program at the same funding level (~\$30M/year) as it has been for the previous 6 years, despite a 23% growth in First Nations population coupled with an increased demand for services. Increased investments in the FVPP will result in long term financial savings in child welfare, health and justice. Doubling current investment to \$60M annually and providing support and prevention services for First Nations would accrue significant cost savings along with measurable increases in child and family well-being.

Supporting Healing from Residential Schools

We must continue to support every residential school survivor through health supports and assistance to advance fairly and resolutely through the healing process. This includes restoring funding for community-based healing programs for survivors of residential schools and to the 15 Healing Centres currently operating across Canada.

Before expiry of its funding, the Aboriginal Healing Foundation had an annual budget of approximately \$42M to support community-based healing programs. The 15 Healing Centres' total operation budget was \$9.2M annually, before it expired on December 31, 2013.

These full amounts need to be restored to ensure supports are provided directly in communities to ensure that the inter-generational impacts of residential schools can be addressed. More than 80,000 former students and their families would be the direct beneficiaries as well as their communities.

As the Prime Minister said on June 11, 2008: *"There is no place in Canada for the attitudes that inspired the Indian Residential Schools system to ever prevail again. You have been working on recovering from this experience for a long time and in a very real sense, we are now joining you on this journey."*