



Funding Considerations for Jurisdiction and Reform in First Nations Child and Family Services

Our Children Our Way Society
April 28, 2025

What is IFSD?

- The Institute of Fiscal Studies and Democracy (IFSD) is an independent self-funded research consulting firm hosted at the University of Ottawa.
- IFSD was established by Kevin Page, Canada's first Parliamentary Budget Officer.
- IFSD specializes in solving complex problems and providing decision-support in Canada and other countries.
- Since 2018, IFSD has been working at the request of the Assembly of First Nations (AFN) and Caring Society on First Nations child and family services (FNCFS).

IFSD's Phase 3 mandate

- Prepare for implementation of a reformed approach to FNCFS:
 - 1) Gather primary data on the current expenditures and operations of FNCFS agencies.
 - 2) Test funding principles from Phase 2.
 - 3) Review and refine the Measuring to Thrive framework for use.
 - 4) Assess the path to transition for different service provider types.
 - 5) Define options for a First Nations-led secretariat.

With appreciation

IFSD is grateful to its Phase 3 collaborators. Their generous contributions made this work possible.

IFSD wishes to also recognize the many other FNCFS agencies and First Nations who have shared their knowledge, information, and expertise to support this work. Their contributions are included in this report.

IFSD's recommendations and analysis do not necessarily reflect those of the collaborating and/or contributing FNCFS agencies and First Nations.

The importance of your contributions in shaping this work

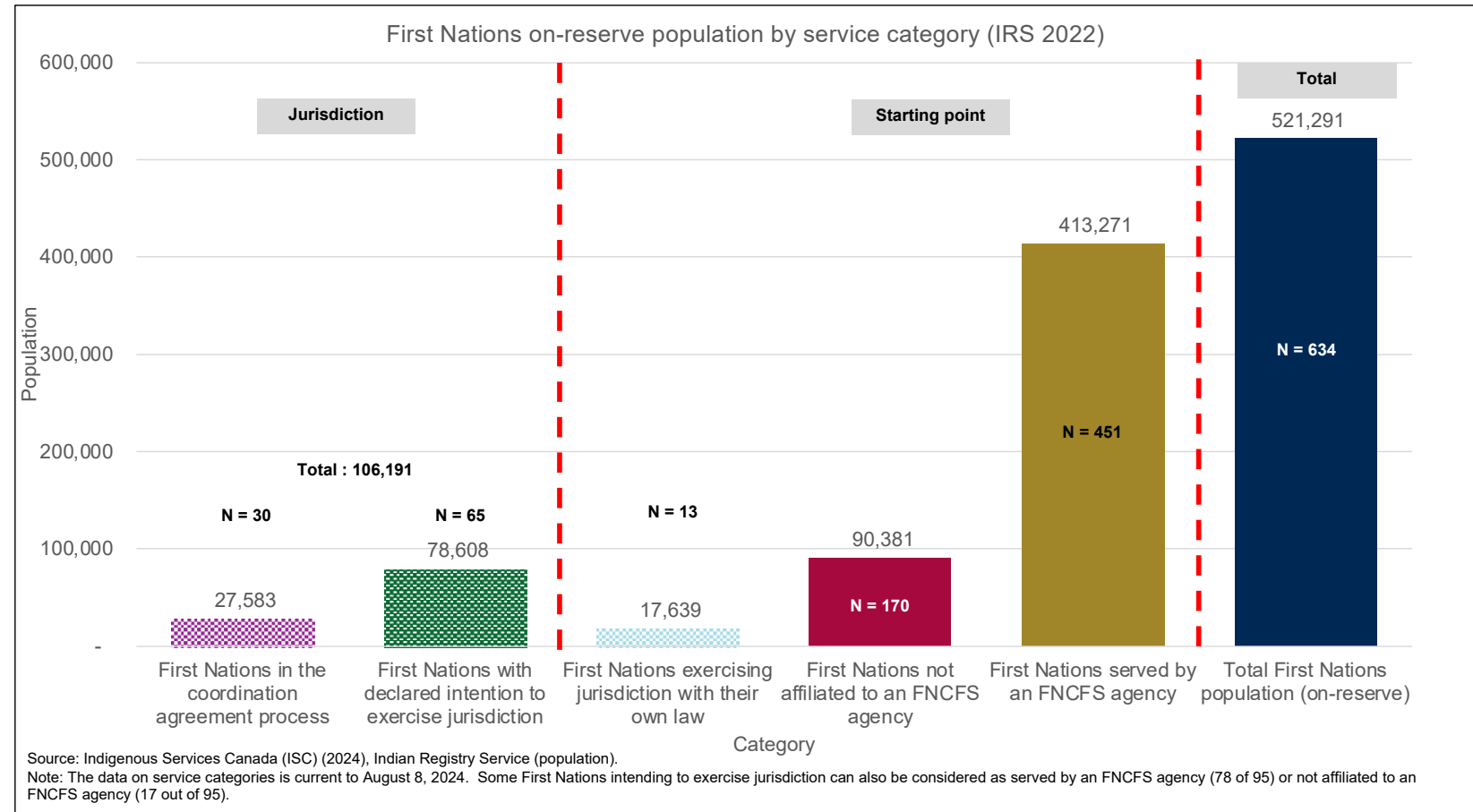
Phase 1: Costed the FNCFS system and identified gaps.

Phase 2: Developed a bottom-up needs-based funding structure, with a well-being focused measurement framework.

Phase 3: Test and model the approach from Phase 2, into First Nation and agency specific delivery models.

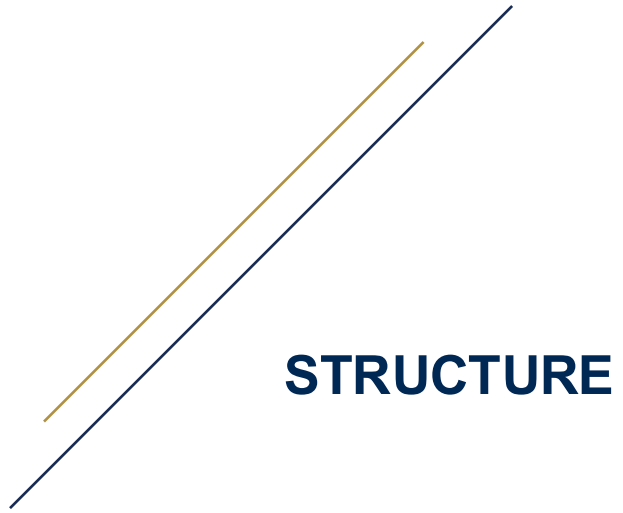
Context: Population by service provider

- Most First Nations (on-reserve) are served by an FNCFS agency.
- Composition has changed since August 2024 but does not have a material impact on findings.



Phase 3 final report

- The CHRT has two rulings that guide IFSD's work:
 - 1) End discrimination in FNCFS.
 - 2) Ensure it does not reoccur.
- Upholding these rulings requires sustainable change of the FNCFS Program.
- In its Phase 3 report, IFSD presents a blueprint for FNCFS reform with consideration of: structure, funding, accountability, and transition.
- IFSD recognizes that not everyone agrees with the approach. The hardest work (implementation) is yet to come.



Structure and long-term success

Changes to those three elements will require adjustments across various activity areas:

- Policy change
- Regulatory change
- Program performance criteria
- First Nations care and control of delivery
- Transition time

These changes are necessary to uphold the basis of the CHRT's rulings, which are to:

- End discrimination
- Ensure it does not reoccur

Fighting hundreds of years of institutional path dependency requires different incentives and time.



FUNDING

FNCFS agency budgets

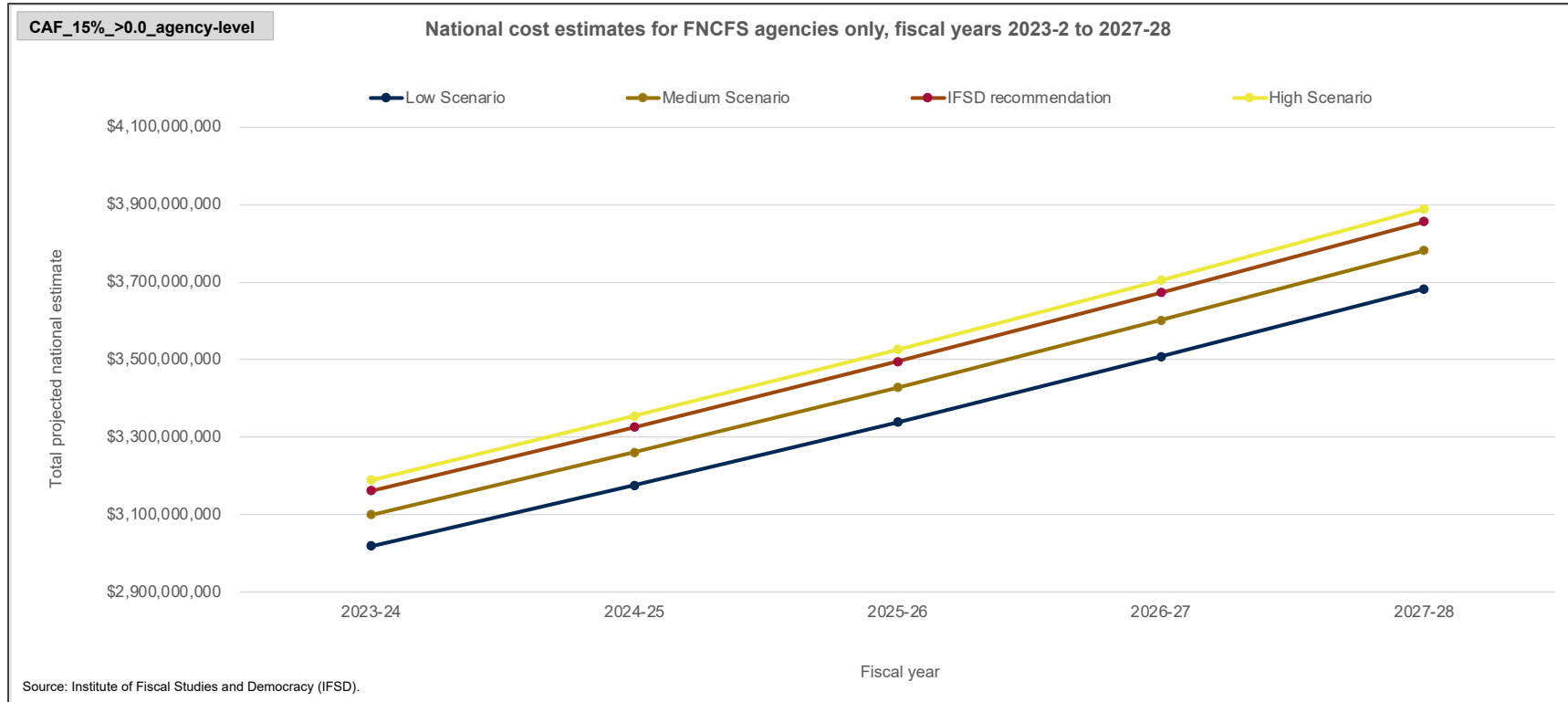
- *IFSD estimates are exclusively for FNCFS agencies. The funding allocation is meant to be understood and applied holistically.*
- On their own, none of the components are sufficient to address the issue to which they relate.
- The total budget on its own, understood to be transferred through the block contribution approach, is intended to be sufficient for the discharge of a FNCFS agency's mandate with the goal of supporting the well-being of children, their families, and communities.
- *Across all scenarios, the baseline, prevention and remoteness (applied to all FNCFS agencies) allocations are the same, as are program escalators for projections, i.e., population and inflation.* National estimates of the low, medium, and high scenarios apply different levels of funding top-ups.
- IFSD's recommended funding allocation draws on different levels of top-ups.

Funding estimates for FNCFS agencies

- Exclusions from FNCFS agency allocation estimates:
 - Post-majority supports and services
 - First Nations Representative Service
 - Capital

IFSD recommendation	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Alberta	\$447,364,457	\$469,937,027	\$492,464,316	\$516,036,650	\$540,164,897	\$2,465,967,347
Atlantic	\$175,375,845	\$186,132,044	\$197,265,080	\$208,838,534	\$220,972,131	\$988,583,635
British Columbia	\$437,876,471	\$460,812,756	\$484,257,003	\$508,997,278	\$533,950,454	\$2,425,893,963
Manitoba	\$661,196,878	\$696,190,547	\$733,030,216	\$771,515,737	\$810,990,845	\$3,672,924,223
Ontario	\$766,757,730	\$802,091,754	\$839,354,792	\$877,856,378	\$918,281,852	\$4,204,342,506
Quebec	\$220,719,014	\$230,903,812	\$241,335,338	\$252,326,481	\$263,745,595	\$1,209,030,240
Saskatchewan	\$452,795,282	\$479,545,418	\$507,984,995	\$537,410,170	\$567,792,771	\$2,545,528,636
Total	\$3,162,085,678	\$3,325,613,358	\$3,495,691,741	\$3,672,981,228	\$3,855,898,545	\$17,512,270,550

5-year national funding estimates (FNCFS agencies only)





ACCOUNTABILITY

How are the children doing?

Accountability

- Accountability means ensuring children receive the supports and services they need in CFS.
 - *Upholding the CHRT ruling to ensure discrimination does not reoccur.*
- There are different parties responsible for ensuring the appropriate delivery and results from CFS, e.g., service providers, funders, etc.
- Assessing whether the *structure* and *funding* of the FNCFS program are working to deliver supports and services to children requires information.
 - *Not just any information, but the right information to understand how children are doing.*

Alternative indicators – ISC

- Focus federal reporting on the **structural drivers** of contact with protective services.
- Collaborators defined five indicators:
 - 1) Safe and suitable housing
 - 2) Sufficient and safe water from source to tap
 - 3) Family reunification
 - 4) Livable income
 - 5) Access to mental health and specialized services within the community

A starting point?

Reporting element	Data required	What question do we answer?
Count of all entries of children into care (i.e., out of home placement or removal of parents)	Date of entry into care to generate counts of all entries: Number of first-ever entries into care, by fiscal year Number of non-first entries into care, by fiscal year	How many children are entering care for the first time ever or on a re-entry into care?
Rate of placement in care per thousand children	Number of placements into care standardized by total population of children	How often do children enter care after controlling for the size of the population?
Probability of family reunification	Reason for exit, e.g., age-out, adoption, reunification, etc. Date of exit	What is the likelihood of a child being returned to parent(s)/guardians?
Length of stay in care	Date of entry Date of exit 6-month interval (or other time interval) to determine conditional probability of leaving care	What is the likelihood of discharge within a period of time?
Probability of re-entry	Count of children re-entering care with reason for exit, i.e., all reasons other than age-out of care	What is the likelihood of re-entering care after being discharged?

Questions for a provincial government on CFS

At the request of a collaborator, the following questions were defined to seek clarification from a provincial government on activities and approaches to FNCFS:

- What are the goals of the province's child welfare system?
- Are the different starting points of indigenous and non-indigenous children considered?
- Are results for children in contact with the child welfare system tracked? What have been the results?
- How are costs for children-in-care determined?
- Are prevention services funded by the province? At what rate? How have they changed?
- How is funding for service providers determined?
- Is funding reviewed for sufficiency relative to the needs of children and families?
- How is the province supporting First Nations jurisdiction in child welfare?



“They think it’s going to be easy. It’s not.”

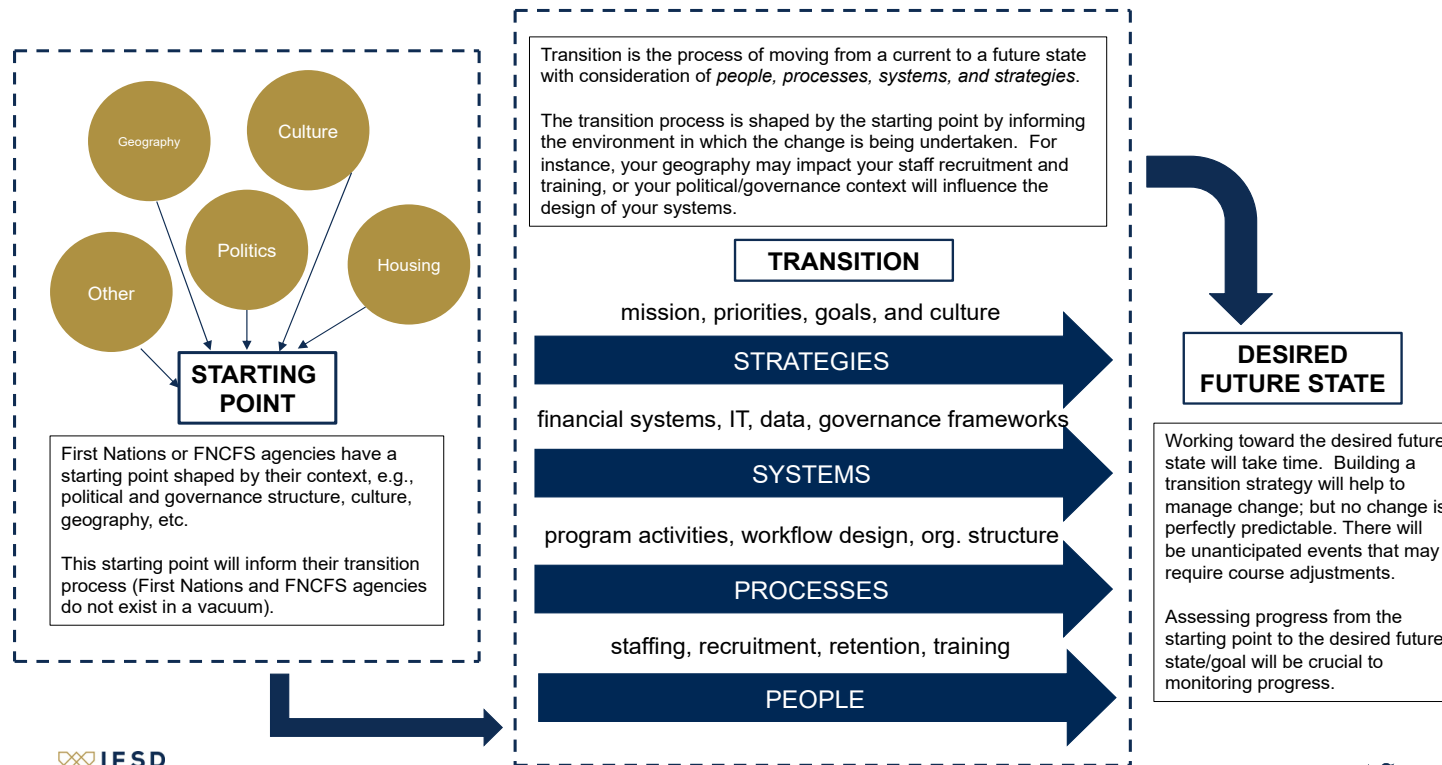
Transition and service delivery history

- FNCFS agencies have had the longest runway to develop approaches to service delivery, relative to First Nations exercising jurisdiction and First Nations not affiliated to an FNCFS agency.
- The history of practice, the existing operating base, and staff mean FNCFS agencies are best placed to manage a change in the FNCFS Program.
- For First Nations, that change will take more time and will be more complex to manage.

Collaborator Type	Transition Element		
	Service Delivery	Funding	Reporting
FNCFS Agency	Green	Green	Yellow
FNCFS Agency serving a First Nation exercising jurisdiction	Green	Green	Yellow
First Nation exercising jurisdiction	Red, Yellow, Red, Yellow, Red, Yellow	Red, Yellow, Red, Yellow, Red, Yellow	Red, Yellow, Red, Yellow, Red, Yellow
First Nation not affiliated to an FNCFS agency	Red, Yellow, Red, Yellow	Red	Red
Legend			
Not ready to transition. May take upwards of 5 years to be transition ready	Red		
Partially ready to begin transition. Critical elements may not be in place.	Yellow		
Widespread inconsistency in starting points	Red, Yellow, Red, Yellow, Red, Yellow	Red, Yellow, Red, Yellow, Red, Yellow	Red, Yellow, Red, Yellow, Red, Yellow
Ready to begin transition	Green		
Notes: 1) Service delivery – new or additional service delivery (staff, capital, etc.) 2) Funding – change in funding level, terms, etc. (incl. in funding block) 3) Reporting – change in requirements for reporting, or who reporting is to, e.g., community, band, etc.			

Mapping the transition process

- First Nations and FNCFS agencies have diverse starting points, desired future states, and may be at different stages of the transition process. Transition will look different for every community and agency.



Sustainable reform

- To implement reform that ensures discrimination ends and does not reoccur will require:
 - Focus on well-being and addressing structural drivers of contact with protection
 - Changes in the practice of FNCFS (through communities and service providers)
 - Funding and structure (at the level of funders/governments)
 - Measuring and monitoring change in communities for accountability to First Nations

