

**Comparison of the DIAND Funding Formula
For Education
with the Saskatchewan Provincial Funding Formula**

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Note: The term DIAND is the legal name for the Department of Indian Affairs Northern Development and shall be used in place of INAC or AANDC.

Executive Summary

A. Introduction

The purpose of this review is to gather a current snapshot of the inequities in funding between DIAND and the Government of Saskatchewan's funding for education. Federal and provincial funding comparisons serve as a useful benchmark in measuring the financial commitment to education. This review will show that First Nation education receives 40 to 50% less funding for instruction than provincial schools. While this is not new information it serves as a reminder of the moral imperative that the Crown has towards meeting its treaty and inherent right to education.

B. National and Provincial Context for Education

First Nations in Canada have not been masters of their own educational destiny in Canada. By treaty they became wards of the state and as such education was something done for and to them by government sanctioned organizations. The residential school system history has been well documented by government and First Nations. The negative collateral impact of the residential school system remains evident in many First Nation communities.

Indian Control of Indian Education 1972 marked a milestone in the transition from federal government management of education to First Nations. Government transferred management authority for education to the bands while at the same time it disbanded any federal government infrastructure to support education in the long run. First Nations after 1972 had two choices in educating their children. They could send their children to the provincial school system or to a band managed school. In either case, the federal government expected students to follow provincial curriculum and teachers have provincial teaching certificates. On this basis First Nations built an operational system for their stand alone schools. Demand for additional services to support school administration, teachers and special education led to the development of second-level services delivered by Tribal Councils. First Nations supported the development of First Nations post secondary institutions and language institutions to assist in retaining control of Indian Education. First Nations want to establish their own educational governance model built around their core values, language and culture. DIAND will need to place additional resources to support the development of pre K-12 educational governance organizations.

C. Adequacy of First Nations Funding

DIAND is well aware of the inequities in education between First Nations and provincial school systems. The inequities in educational funding have been well researched and documented. It is not a matter of a lack of information or weak arguments why First Nations continue to be underfunded in the cost of instructional delivery.

Line by line comparison between First Nations and the provincial funding manual is difficult since they are built around different philosophy. DIAND follows a policy driven funding regime. The Government of Saskatchewan funding manual is built around what is needed to deliver instruction and support educational governance.

Northwest Education Council, Inc. provided permission to use their funding contribution agreement to illustrate the inequity. NNEC serves ten schools in nine First Nation communities in the North Battleford area. NNEC receives \$1300.00 less per pupil to supply basic instruction in comparison to the Living Sky. After including the additional costs associated with the delivery of special education services the two provincial schools average expenditure increases to \$9000.00 while NNEC schools average is \$7000. 00

DIAND's website indicates that they spent an average of \$12,159.00 per pupil to support First Nation education. One must remember that this number includes students attending on reserve, off reserve, all costs related to band and Tribal Council administration to support educational service delivery. On reserve students attending provincial schools pay fees in accordance with Regulation 20. Students from the NNEC schools that attend Living Sky School Division will pay \$11,894.00 tuition fee.

In spite of all the funding challenges band schools graduation rates are slightly better than their provincial counterparts. The provincial average rose from 38.6% to 40.63% between 2007 and 2009 while the band high school graduation rates for the three years were 44.34%, 48.46% and 43.56%. Students in band schools follow provincial curriculum and the majority of the bands require students to write Ministry of Education departmental exams.

D. Cost Drivers in First Nation Education

The Auditor General of Canada's 2011 report identified a lack of clarity, legislative base, an appropriate funding mechanism and organizations to support local delivery in First Nations education as the main obstacles to support education. First Nations education was built around funding agreements and an absence of centralized support.

First Nations have identified the cost drivers to build a First Nation governance model. These drivers are similar to the cost drivers for provincial schools.

First Nations are looking to move beyond the stand alone school or one-of approach to build a durable system that includes the aggregates they have developed and respects existing structural organizations currently in place.

E. Funding agreements and partnerships: Promising Practices

First Nations have a number of options to consider in governance. They may continue with the status quo system wherein the band controls the management and delivery of education either as an unaffiliated band or as part of a Tribal Council. They may consider becoming a sub-division of a provincial school division. Sakimay and Gordon's have entered into this type of agreement. They may establish a larger governance unit and move to centralize educational service and operations at a Tribal Council level or an incorporated entity. Bands also have the option to consider tripartite agreements or Memoranda of Understanding between the band and the federal and provincial government. In Manitoba some bands have entered into co-management of education with provincial school systems for band education. Frontier School Division in Manitoba is unique in that it serves 70% of the land area of the province and includes both non-First Nation and First Nation communities in their virtual school division. Frontier includes members from all their communities in their three tiered governance model.

F. A Way Forward

In order to move the First Nations agenda ahead two fundamental actions must be addressed. Consultation between First Nations and the Government of Canada will be required to develop a First Nations based governance model that aligns with First Nation values, principles, language and culture. Secondly, First Nations and DIAND will need to undertake a comprehensive review of the existing funding regime, deconstruct and reconstruct a new funding regime that will meet the needs of the students in preparing them for the next century in an uncertain and unpredictable world.

A. Introduction

Federation of Saskatchewan Indian Nations and the government of Saskatchewan agreed to “...work together to establish a Joint Task Force that will undertake an engagement and review process. The Task Force will provide the FSIN and Saskatchewan and other potential partners with a report and recommendations that can inform long-term collaborative actions aimed at elimination of education and employment gaps.”

In order to reinforce the long term funding inequities between federal and provincial educational funding regimes a contract was issued to focus on the gap in funding between the Band Operated Funding Formula and the provincial funding formula if they were applied to the First Nation Schools.

Analysis was directed to examine the costs to educate a child living on and off reserve in Saskatchewan. Factors that were to be considered included the following: geographical location, size of student population, bussing, capital expenditures, First Nation language and culture.

This review rests on the work of many others who have attempted to inform stakeholders about the fundamental differences, expectations and purpose of the two funding regimes.

At the onset one needs to recognize and acknowledge that this review recognizes that comparative studies have been undertaken on previous occasions by the Department of Indian Affairs [DIAND] and Assembly of First Nations. Specific studies have been undertaken at the Tribal Council level to compare services with provincial school boards in Quebec, Saskatchewan and Manitoba. It needs to be recognized that a lack of information or knowledge on the part of DIAND is not at the root of the frustration expressed by First Nation organizations and bands responsible for delivering education. On the contrary DIAND is well aware of its treaty / inherent right and fiduciary responsibilities for funding education and they are certainly well aware of the cost differentials between the federal and provincial systems.

B. National and Provincial Context For First Nation Education

First Nations have a constitutional and treaty right to an education. This right is acknowledged by government. There is little debate about the negative and harmful long term impact of colonization on the education of First Nation people. This sad and repressive history has been well documented by the Royal Commission on Aboriginal People, 1996:

“Successive governments have tried - sometimes intentionally, sometimes in ignorance - to absorb Aboriginal people into Canadian society, thus eliminating them as distinct

peoples. Policies pursued over the decades have undermined - and almost erased - Aboriginal cultures and identities.

This is assimilation. It is a denial of the principles of peace, harmony and justice for which this country stands - and it has failed. Aboriginal peoples remain proudly different.

Assimilation policies failed because Aboriginal people have the secret of cultural survival. They have an enduring sense of themselves as peoples with a unique heritage and the right to cultural continuity.

This is what drives them when they blockade roads, protest at military bases and occupy sacred grounds. This is why they resist pressure to merge into Euro-Canadian society - a form of cultural suicide urged upon them in the name of 'equality' and 'modernization'.

Assimilation policies have done great damage, leaving a legacy of brokenness affecting Aboriginal individuals, families and communities. The damage has been equally serious to the spirit of Canada - the spirit of generosity and mutual accommodation in which Canadians take pride.

Yet the damage is not beyond repair. The key is to reverse the assumptions of assimilation that still shape and constrain Aboriginal life chances - despite some worthy reforms in the administration of Aboriginal affairs.

To bring about this fundamental change, Canadians need to understand that *Aboriginal peoples are nations*. That is, they are political and cultural groups with values and lifeways distinct from those of other Canadians. They lived as nations - highly centralized, loosely federated, or small and clan-based - for thousands of years before the arrival of Europeans. As nations, they forged trade and military alliances among themselves and with the new arrivals. To this day, Aboriginal people's sense of confidence and well-being as individuals remains tied to the strength of their nations. Only as members of restored nations can they reach their potential in the twenty-first century.

Let us be clear, however. To say that Aboriginal peoples are nations is not to say that they are nation-states seeking independence from Canada. They are collectivities with a long shared history, a right to govern themselves and, in general, a strong desire to do so in partnership with Canada.” 1996

Prime Minister Harper, in a national address stated “The primary objectives of the residential schools systems were to remove and isolate children from the influence of their homes, families, traditions and cultures, and to assimilate them into the dominant culture. These objectives were based on the assumption aboriginal culture and spiritual beliefs were inferior and unequal. Prime Minister Harper, June 11, 2008.”

Prime Minister Harper’s statement is a simple acknowledgement of the historical direction that has been at the core of DIAND’s approach to First Nations education policy.

First Nations to date have not been masters of their own educational destiny. Education has been historically driven by the colonizers. Historically, education has been something done for and to the First Nations, not lead nor driven by them. Paquette and Fallon (2012) illustrate that in spite of increased control of Aboriginal education since 1972 – 73 that the methods, content and teachers are primarily provincially focused. DIAND educational and funding policies state that the band schools shall teach provincial curriculum, hire provincially certified teachers, and meet provincial expectations for achievement. In absence of any federal standards the default is too provincial systems.

At the time of the signing of the numbered Treaties Chiefs asked for and committed to sending their children to school. What the First Nations wanted from treaty education was a means to secure their future and compete on a level playing field with non-First Nations. First Nations for their part have continued to highlight the importance of education. Government to date has underfunded First Nations education.

Indian Control of Indian Education [1972] advocated for increased Aboriginal jurisdiction and control over education. This report called for control of education on reserves and representation on school boards serving First Nation students off reserve. The report went on to say:

“We want education to provide a setting in which our children can develop the fundamental attitudes and values which have an honored place in Indian tradition and culture. The values which we want to pass onto our children, values which make our people a great race, are not written in any book....We believe that if an Indian child is fully aware of the important Indian values, he will have reason to be proud of our race and of himself as an Indian.”

Indian Control of Indian Education further stated that the intent of education was:

- As a preparation for total living
- As a means of free choice where to live and work
- As a means of enabling us to participate fully in our own social, political, economic and educational advancement.

Saskatchewan hosted the Council of Ministers of Education conference Canada in 2009 which focused on First Nations, Métis and Inuit education. First Nations and CMEC members from across Canada identified eight themes that would have a positive impact on First Nation student outcomes:

- Strengthening Aboriginal Language and Culture
- Enhancing equity in funding
- Increasing access, retention and graduation [rates]
- Sharing responsibility and accountability
- Planning for transitions: seamless systems for learners

- Reporting and benchmarking success: data
- Providing programs and services
- Engaging all partners in First Nations, Métis and Inuit education

These themes have been the focus of many discussions at the FSIN Director of Education tables, Saskatchewan Indian Education and Training Commission (SIETC) meetings, and discussions with DIAND at the regional and national level.

One has to admire the persistence of First Nation's peoples to keep the dialogue open and to find ways to address these themes at the technical and political level.

The federal government envisioned First Nations as managers of programs not as agents of restructuring. In 1972, when management of education was shifted to the band level it came without any of the benefits of educational structures to support education.

Under the existing federal system the primary focus is meeting DIAND funding agreements and reporting. Regardless of the type of funding agreement that the band has with DIAND the expectation remains unchanged that under the Sections 114 – 122 of the Indian Act. The band is responsible to manage the school on behalf of the minister. Few changes have been made to the Indian Act since 1951.

Each sovereign First Nations capacity to manage education is dependent on the type of contribution agreement that the band has with DIAND, the band's financial position, and direction that leadership takes at the band level. In the event that a band experiences financial difficulties it can result in reduced spending for education.

Carr-Stewart (2011) has identified the negative impact that may fall on education when a band is in either a position of co-management or third party financial recovery plan. In the event that a band is not able to meet DIAND financial accountability requirements a remedial plan is put into action. Both the cost of the third party manager and the resulting decreases in allocations to fund education and other programs takes a toll on the instructional program.

Further influencing the delivery of educational services at the band level are organizational supports put in place at the band and Tribal Council level along with DIAND major educational reform platforms that DIAND has put in place since 2005. New Paths funding programs gave opportunity for bands and Tribal Councils to begin laying the groundwork for the delivery of language protection initiatives such as the Gift of Language, technology enhancements, acquiring speech pathologists, and addressing literacy. This additional funding provided opportunity to support more programs. In 2011-2012 DIAND dispensed with the formal application process and substituted a request for a work plan. School administrators and band school boards are becoming a lot more knowledgeable about promising practices. Neither band funding nor New Paths funding have the capacity to deliver the essential supports students need in schools. The First Nation School Success Program (FNSSP) was developed to provide

funding to effectively address capacity building in education. FNSSP program is a federal continuous improvement framework that parallel's similar provincial programs. The province of Saskatchewan's current improvement framework can trace its roots to the Directions work undertaken in the early to mid 1980's. It would be unreasonable for DIAND to expect First Nations to match provincial outcomes without the benefit of the same time to achieve improved student outcomes. Neither of these two additions plus the current second level funding regime are adequate to deliver educational supports to students and staff.

The long term impact of the 2% cap on DIAND's funding to First Nation education since 1996 has taken its toll. Bands simply have had reduced purchasing power due to the impact of inflation. DIAND's annual allocation has not kept pace with the current educational cost structure.

Successive reports by the Auditor General of Canada in 2005 and 2011 identified a number of recommendations that DIAND was to address to improve educational outcomes for students. In 2011 the Status Report of the Auditor General of Canada identified four structural impediments that explain the lack of progress on reserves:

Lack of Clarity	<p>It is not always evident whether the federal government is committed to providing services on reserves to the same range and quality as those provided to other communities across Canada. P.2</p> <p>In addition, the costs of achieving comparability would have to be determined and programs would have to be adequately funded. It would be necessary to establish measures for evaluating performance and determining whether the program was achieving the desired outcomes. P. 3</p>
Lack of legislative base	<p>Provincial legislation provides a basis of clarity for services delivered by the provinces. A legislative base for programs specifies respective roles, responsibilities, eligibility and other program elements. The result is that accountability and funding are better defined.</p> <p>The federal government has often developed programs without establishing a legislative or regulatory framework for them. ...Instead, the federal government has developed programs and services for First Nations on the basis of policy. As a result, the services delivered under these programs are not well defined and there is confusion about federal responsibility for funding them adequately. P. 3</p>
Lack of appropriate funding mechanism	<p>The federal government uses contribution agreements to fund the delivery of services on First Nations.</p> <p><i>The Auditor General identified concerns with the application procedures, approval process and timing for funds to flow to the respective program. Lack of clarity about to whom you are accountable for funding. Significant reporting burdens,</i></p>

	<i>Uncertainty about continuation of funding agreements. Makes long term planning unpredictable.</i>
Lack of organizations to support local service delivery	Over the decades, provinces have established organizations and structures to support local delivery of programs and services to communities. <i>School Boards, School Board Associations, Teachers organizations, provincial Education Act and Regulations, parent councils, professional teaching organizations provided education with solid base on which to develop.</i>

As it presently stands, the time it will take to close the education gap for First Nation students in comparison with the rest of Canada has been pegged at between 24 and 28 years by the Auditor General. This essentially equates to a significant portion of one’s working career and in some cases reflects one’s entire career.

To date neither band controlled schools nor provincial school boards have been able to demonstrate with certainty that current educational programming offered to First Nation students on and off reserve has produced desired achievement levels.

First Nation high school graduation rates shown signs of improvement however, First Nation graduation rates pales in comparison to non-First Nation graduation rates. AANDC tabled the following data on the Rights of the Child meeting in November 2012.

Table 30: High school graduation rate of First Nations students living on reserve, by region for 2007-2008, Nominal Roll (percentage)

	ATLANTIC	QUEBEC	ONTARIO	MANITOBA	SASKATCHEWAN	ALBERTA	BRITISH COLUMBIA	NATIONALLY
Provincial	45.95%	46.55%	35.23%	27.33%	38.60%	44.42%	47.24%	39.46%
Private		28.57%	43.64%	75.47%			64.29%	51.63%
Band Operated		20.11%	12.81%	32.73%	44.34%	22.47%	22.59%	27.74%
Total	45.95%	30.22%	25.86%	32.05%	42.30%	33.60%	41.29%	34.16%

Table 31: High school graduation rate of First Nations students living on reserve, by region for 2008-2009, Nominal Roll (percentage)

	ATLANTIC	QUEBEC	ONTARIO	MANITOBA	SASKATCHEWAN	ALBERTA	BRITISH COLUMBIA	NATIONALLY
Provincial	71.43%	40.12%	33.00%	28.50%	45.75%	34.13%	49.56%	39.68%
Private		65.91%	32.79%	62.50%			75.00%	48.26%
Band Operated		28.63%	18.40%	33.08%	48.46%	22.74%	26.57%	30.63%
Total	73.02%	36.31%	26.95%	31.89%	47.00%	28.35%	45.05%	35.69%

Table 32: High school graduation rate of First Nations students living on reserve, by region for 2009-2010, Nominal Roll (percentage)

	ATLANTIC	QUEBEC	ONTARIO	MANITOBA	SASKATCHEWAN	ALBERTA	BRITISH COLUMBIA	NATIONALLY
Provincial	71.51%	50.00%	33.39%	28.18%	40.63%	36.01%	45.00%	39.14%
Private		62.79%	30.95%	41.03%			68.18%	41.38%
Band Operated	64.71%	32.68%	14.54%	24.91%	43.56%	22.80%	26.53%	26.67%
Total	70.59%	41.19%	25.32%	26.40%	42.15%	29.89%	40.97%	33.31%

First Nation high schools are achieving slightly better results than their provincial counterparts both on a yearly basis and on a cumulative basis. However, these results are still unacceptable regardless.

DIAND'S response to the Auditor's Reports has been the development of reforms in First Nation education. Minister Chuck Strahl's announcement in July 2008 to establish the First Nation Student Success Program and Partnership initiatives was presented as an opportunity to address lagging student achievement.

A heavy focus on aggregation of schools was presented as a means of establishing economies of scale. DIAND to date has insisted that larger aggregations are preferable and the number of students should be close to 1000 students. If DIAND were to follow the Saskatchewan government's amalgamation model aggregations would need to be in the 5000 student enrolment range to have more effective economies of scale. If such a model were to be developed in First Nations the minimum number of governance organizations could be reduced to three. In reality differences in geography, language and culture, north – south political differences would preclude support for this model.

Constitutionally Canada's division of powers places education under provincial jurisdiction. Publically funded education in Saskatchewan has had over a hundred years of experience. Suffice to say that provincial education has undergone massive reorganization from the days of the little one room school house to the current twenty eight provincial school boards. Social, political, economic and educational reforms have reshaped the delivery of education in Saskatchewan. Education in the provincial system has undergone remarkable transformation within the last ten years.

Throughout the entire change process provincial school boards were able to rely on the structural capacity built around the Education Act 1995 and Regulations, the Ministry of Education departments, and its educational partners comprised of LEADS, post-secondary programs, STF and SSBA.

Barry Bashutski, formerly from the Saskatchewan Schools Boards Association was asked to reflect on educational change in Saskatchewan.

The following themes describe the major changes for K-12 schools in the Saskatchewan provincial education system between 1970 and 2012. This brief summary is not intended to provide a comprehensive historical account.

- 1. Saskatchewan's population is becoming more urban and diversified.*
- 2. The role of schools has shifted to include supports for student health needs as well as academic achievement.*
- 3. Research has identified that a supportive environment for early childhood development is important for success in school.*
- 4. Schools are changing to ensure a relevant program to prepare students for the world they will live in.*
- 5. Research has identified successful practices for effective schools.*

6. *Research has identified successful practices for effective instruction.*
7. *School systems have struggled to maintain adequate funding for education.*
8. *Centralization forces have threatened the local control of education.*
9. *Saskatchewan student academic achievement is below average in comparison to Canadian and international benchmarks.*

It is not the writer's intent to advocate that First Nations emulate provincial systems in First Nation settings, rather to illustrate what can be achieved with the benefit of over a hundred years of self-governance, adequacy of funding, and comprehensive educational planning process.

Educational outcomes for students and funding of education have received the greatest amount of scrutiny in recent years. The Ministry of Education has been working on revisions to the Funding Manual to ensure that equity and opportunity are provided for students attending provincial schools. It has also spent considerable effort on assessing system capacity to deliver better student outcomes through its continuous improvement strategy.

DIAND appears to be addressing some of the elements in school improvement through the First Nations Student Success Program and recommendations from the National Panel on Education to support school improvement and governance. It should be noted that FNSSP is program proposal based and does not address any of the concerns related to core funding. To date DIAND has not established a core funding model for First Nation education.

C. Adequacy of First Nation Funding

The question that First Nation schools have been asking is what determines an adequate school budget to address their vision for education. CMEC gathering in Saskatchewan with First Nations in 2009, AFN and provincial First Nation organizations agreed that funding must address language, culture, address community impacts on learning, and address the instructional needs of pupils on reserve.

If the question is what constitutes an adequate amount, one must also ask what is the rationale or evidence to support asking for more funding. Government is averse to spending without demonstrating a strong case for funding.

The opening lines from DIAND's Backgrounder – Update of the Community Well-Being (CWB) Index states “the development of the Community Wellness Index (was) to help measure the quality of life of First Nations and Inuit communities in Canada relative to other communities and over time.” “The CWB Index is an important step towards a deeper understanding of the

factors that impact socio-economic well-being in First Nations and Inuit communities. ...To find effective ways to improve the well-being of Aboriginal people, it is important to know where and how improvements in quality of life have been achieved and where significant disparities still exist.” All who have worked in and with First Nations are well aware of the many challenges at the community level with respect to employment, education, housing, health, addictions, transportation, and the dependency cycle on social assistance.

Statistics Canada reported that between 1991 and 2006 non-Aboriginal communities CWB rose from a score of 67 to 77; while First Nation community scores rose from 47 to 57. While both groups demonstrated relative growth on the same scoring indices the fact remains that Aboriginal communities continue have a much lower CWB score.

Example: Sample provincial community and First Nation Bands

Location	Income Score	Education Score	Housing Score	Labour Force Activity Score	2006 CWB Score
Battleford	81	52	96	91	80
Mosquito	25	28	54	52	40
Poundmaker	48	39	70	66	56
Little Pine	44	30	63	63	50

The above chart serves to provide evidence of the challenges that communities and schools encounter on a daily basis. A First Nations funding system will need to reflect the daily challenges that surface in schools. Education cannot be taken out of the larger context. Provincial school divisions have built socio-economic factors into their funding for student learning supports based on the assumptions that student learning is impacted by community factors. The provincial school board’s decisions to introduce and conduct *The Tell Them From Me* surveys is intended to further gather decision making data to address student engagement. A number of FNSSP are currently using the same survey as a means to assess what is influencing student engagement and student retention.

It is clear from the CWB index that in this particular instance the average score for the three First Nations referenced above is 48.6 and provincial centre reference yielded a score of 80. First Nations score at least 40% lower in the CWB than non-Aboriginal communities. Families and students in these communities would certainly be facing more challenges than their provincial counterparts. Schools need the resources and staff to address the impact that poverty in the community has on student attendance, student achievement and caregiver engagement.

Paquette and Fallon (2012) have identified four approaches to assess the adequacy of funding education. They are:

- Simple comparison between funding regimes
- Mean or median per pupil expenditures
- Resource cost approaches
- Output cost approaches

For the purposes of comparison in this review the first two approaches will be used to address funding.

Line by line comparison between the Chart of Accounts used by the province and funding regime policy used by DIAND do not lend themselves well to comparison as they are based on two different funding methodologies.

In this particular case a comparison was made to compare the per unit cost for education between the actual funding provided to four bands that receive second level services from Northwest Nations Education Council, Inc. in North Battleford and the two provincial school boards whose administrative and governance centre is located in North Battleford. It was made in the following manner:

- a. Comparing the same factors across the instructional budget used by DIAND and the provincial Ministry of Learning for four First Nation Bands [see Chart A]
- b. Comparison with provincial boards excluding governance, administration, facility and bus renewal to establish a per unit cost [Chart B]
- c. Using the per unit provincial unit cost as a means of projecting what the ten schools in nine First Nations were to receive if they were funded using the provincial model. [Chart

What do the numbers say?

Chart A. Comparison of per unit Instructional budget category

This comparison was made by including only those budget lines from the provincial system funding allocation for Living Sky School Division and the allocation provided to the ten schools that are part of the NNEC aggregate which is funded by DIAND. It is clear from the numbers that First Nation schools are funded at a significantly lower level in: basic instruction, special education, operation and maintenance and student resources.

	NNEC	Living Sky	Difference	NNEC % lower per pupil
Basic Instruction per pupil	\$ 5,612.52	\$ 6,892.43	\$ 1,279.91	18%
Basic instruction plus special education	\$ 7,230.71	\$ 8,698.93	\$ 1,468.22	17%
Operation and Maintenance	\$ 1,375.35	\$ 1,514.54	\$ 139.19	14%
Instructional Resources	\$ 41.18	\$ 688.62	\$ 647.44	1672%

Chart B. Comparison of educational expenditures **excluding** governance, administration, facility and bus renewal

This comparison was made to include all educational services and programs for students, including special education and reconnecting students with education at the band level with corresponding matching program lines from the provincial allocation to school boards. The funding for First Nations education consistently is lower by 18% or more than the provincial education allocation when comparing basic instruction and special education.

Organization	Enrolment Sept 30	Budget Allocation	Per Pupil Expenditure
NNEC	1560	\$11,279,904.00	\$7230.90
Living Sky	5482	\$47,687,000.00	\$8698.33

Chart C. Application of complete Provincial Funding Model to NNEC Aggregation of Schools

This final comparison was made to illustrate how much funding Northwest Nation Education Council would receive if they were funded at the same per pupil average allocated to Living Sky, Light of Christ and the Conseil des ecoles fransaskoises. NNEC serves schools in two tribal councils and several unaffiliated bands. There are ten schools from nine bands that receive second-level service from NNEC and are part of a larger aggregation in a First Nation School Success Program. These ten schools are only being used since NNEC and these nine bands are

in the process of developing the ground work to establish a First Nation governance authority with the support of DIAND. This comparison will serve as the jump off point for NNEC in helping to determine an appropriate budget needed to operate an education authority.

School Division	Ministry of Ed. Budget Allocation for 2012-13	Student Enrolment	Per Pupil
Living Sky	\$ 65,205,000.00	5482	\$ 11,894.38
Light of Christ	\$ 21,881,246.00	2006	\$ 10,907.90
Conseil des ecoles fransaskoises	\$ 24,331,100.00	1460	\$ 16,665.14
* Frontier School Division	\$ 119,646,520.00	6233	\$ 19,195.66
NNEC if funded as Living Sky	1560	\$ 11,894.38	\$ 18,555,232.80
NNEC if funded as L of C	1560	\$ 10,907.90	\$ 17,016,324.00
NNEC if funded as C.E.F.	1560	\$ 16,665.14	\$ 25,997,618.40
NNEC if funded as Frontier	1560	\$ 19,195.66	\$ 29,945,229.60

Note: Per pupil allocation for CEF school division was \$17,545.00 before adjustment. This would be in line with prior Ministry of Education Indicators reporting expenditures in excess of \$18,000.00 per pupil.

In the event that NNEC were to receive the same per pupil funding as their provincial counterparts to offer the same services and have authority to manage the same structure the highlighted numbers illustrate the funding they would receive. Frontier School System in Manitoba is essentially a “virtual school division” that serves students in about 70% of the land mass of Manitoba. Numerous First Nation bands are included in the funding agreement. The biggest challenge that comes from DIAND’s numbers is as the result of adding all the budget allocations that are made to bands and tribal councils for both direct and indirect support of education. When DIAND reports, on their website, the total expenditure on education in Saskatchewan was \$12,159.00 per pupil one must recognize that this includes costs associated

with New Paths, Director Services, second level services and the cost of the First Nation Student Success Program. Furthermore DIAND does not include direct funding to support two fundamental core services provided by school divisions: governance and administration. Funding to support these services is charged back as an administrative fee in the funding agreement.

Instructional budgets within the province generally take up 70 to 80% of the school division budget. Within First Nations budgets, instruction accounts for 50 – to 60% of the total. First Nation communities are accurate in their assertion that the multiple layers of direct and indirect management of education consume a large portion of the funding.

First Nations have long eyed the CEF school system in Saskatchewan as a model they feel most comparable to in terms of the vision and purpose of education.

Within Canada French language and culture receives unique support across the country from both levels of government. CEF was established in Saskatchewan to provide French families a means to retain their language and culture so that students can appreciate living in French environment. Canadians of French heritage have received recognition and support to sustain and develop an all French school system. First Nations have noted that a similar opportunity has not been afforded them. In the event that NNEC were funded at the same level as the CEF in Saskatchewan their funding would provide for First Nation languages, cultures and governance.

It is obvious from the forgoing charts that the funding levels in First Nation schools using the above methodology are much lower funding per pupil than their provincial counterparts.

Carr-Stewart, Marshall and Steeves (2011) undertook a comparison of the adequacy of federal second level services and funding levels in comparison to provincial funding model . Using actual accounts from Yorkton Tribal Council and Prairie Valley School Division they conducted a line by line comparison of activity levels for 2008 between the two organizations. They concluded that Yorkton Tribal Council spent \$280.00 per pupil to support second-level services while Prairie Valley spent \$397.00. YTC spent 73.9% in comparison to PVSD. What does this really mean in service delivery to students? This in fact represents significantly fewer supports for students, staff, school administration and parent engagement. Tribal Council funding and specifically second-level service delivery does not receive comparable funding to their provincial counterparts to support the necessary school operations.

First Nations Education Council of Quebec's review of educational funding in 2009 recommended a 110% overall increase in educational funding, increase of 82% in elementary – secondary funding and new funding to support second-level services. Their findings were based on a review of expenditures in education in eight communities.

There is little doubt that First Nation schools continue to be under-funded in comparison to their provincial counterparts. Under-funding has a negative impact on programs and services that can

be offered, professional development offerings, resources, technology, special education and engagement strategies to work with students and parents. Principals are quick to point out that they are limited in what they can do to deliver every element of a school program based on the money they have at their disposal. Support to schools, teachers and principals is also limited by DIAND funding regime. Within the provincial funding model, technology receives a targeted budget line; while in First Nations schools, technology for schools must come from either New Paths or FNSSP budget lines. In some Tribal Councils education carries the technology infrastructure and connectivity costs for the entire Tribal Council.

If First Nation governance authorities are to be established and have any chance of taking root significant funding will need to be targeted to support the key functions that an organization must provide.

D. Cost Drivers in Building an Educational System In First Nations

DIAND and the Assembly of First Nations have met over the years to address what should be included in the cost drivers to build a First Nation's holistic educational system.

A Joint AFN/INAC Working Group in 2007 identified the following cost drivers to provide a comparable education to what students would receive in a provincial system:

- ✓ Instructional services
- ✓ Cultural curriculum
- ✓ Special Education
- ✓ Administration
- ✓ Technology
- ✓ Material Supplies
- ✓ Governance
- ✓ Second-level services
- ✓ Curriculum development/adaptation
- ✓ Sports and Recreation
- ✓ Transition Programs [and training, work experience]
- ✓ Research Support

This working committee also identified a number of adjustments to provide equity of opportunity.

- i. Indexation
- ii. Expansion
- iii. School size
- iv. Geography

- v. Responsiveness to need
- vi. Cost of purchasing

The above drivers identify what would be needed in terms of instructional supports and services but at the time of the development there was little discussion about establishing First Nations jurisdictions.

Paquette and Fallon list of cost drivers developed in 2010 addresses:

- ✓ Cost for First Nation jurisdiction and jurisdictional issues
- ✓ Cost to establish a First Nations community and regional infrastructure
- ✓ Cost of a quality First Nations education including: assessment, review and remediation of students, dollars to offset inequities and changing requirements, educational facilities, culture and language to reflect Indigenous knowledge, culturally relevant curricula and resources to support math, and science and literacy, culturally appropriate pedagogy and preparation of teachers.

Currently, First Nations are anticipating the direction that will be signaled to establish First Nation governance across Canada. First Nations across Canada have responded to the proposed work with mixed review. Saskatchewan First Nations have emphasized that prior consultation and respecting the Treaties must be acknowledged as a starting point.

A greater need exists to firm up the costs associated with developing a First Nations governance model that will be built around First Nations governance principles. These principles were enunciated by the same AFN/INAC working group in 2007.

DIAND is basing a lot of their work in enforcing governance around the existing First Nation Student Success Program aggregations in the province. Aggregation of First Nations into larger service delivery units has long been advocated as a means of obtaining an increase in economy of scale. A strict application of economy of scale has not been possible within the provincial system. Small Schools of Necessity have been provided protection within the Ministry of Learning Funding Manual to ensure that students do not have to travel far distances to obtain an education. If the same logic were to be applied to the First Nation band schools the economy of scale logic would be moot. A review of the Ministry of Education Funding Manual 2012-2013 specifically identifies small schools of necessity in many rural school divisions. Within the CEF School division ten schools qualify as small schools of necessity. Their enrolment from pre K-12 ranges from 14 to 128.5 students. According to 2010 Provincial Indicators report CEF enrolment is .77% of the total provincial school enrolment.

E. Current Funding Agreements and Practices in Place.

One of the requirements of this review was to identify promising practices currently in use in Canada. Little has been written about funding agreements between First Nations and provincial boards or other organizational structures.

The writer has attempted to capture the range of options that are currently in use by bands or First Nations across Canada.

1. Waywayseecappo First Nation in Manitoba has entered into a **co-governance and collaborative partnership** with Park West School Division. DIAND supported the partnership agreement between WFN and Park West. DIAND matches the full provincial funding of \$10,500.00 per pupil for all students attending school on and off the reserve. WFN teachers technically are Park West School Division employee. WFN does its own budget and hires its own teachers. First Nation leadership is wary of ceding control of education in this co-management arrangement. One of the pros has been increased access to programming and services for students.
2. Gordon's First Nation in Saskatchewan entered into an agreement with Horizon School Division to **provide educational services to the student's on the band**. Gordon's instructional staff is employed by Horizon School Division and are full members of the STF. Gordon's band has a representative sit on the Horizon School Board. Gordon's becomes in effect a sub-division of Horizon School Division. Gordon's forwards elementary / high school band funding from AANDC to Horizon along with the proviso that AANDC is responsible for any shortfall in funding. Both sides continue to support the current arrangement.
3. Sakimay First Nation retains a seat on the Prairie Valley School Division Board (PVSD). Sakimay engaged in legal agreement to establish themselves as a **sub-division of the school board**. Sakimay students' attend PVSD school division. Educational funding is forwarded to PVSD to cover student's educational programming.
4. Mi'kmaq Education Act was passed by the Nova Scotia legislature in 1998 granting the First Nation jurisdiction over education.

Laws applicable to reserves

5 (1) A community may, to the extent provided by the Agreement, enact laws applicable on its reserve respecting primary, elementary and secondary education for residents of the reserve.

(2) Where there is a conflict between laws enacted pursuant to subsection (1) and any other law respecting primary, elementary or secondary education in the Province, the laws enacted pursuant to subsection (1) prevail. 1998, c. 17, s. 5.

Educational programs and services

6 (1) A community shall, to the extent provided by the Agreement, provide or make provision for primary, elementary and secondary education programs and services to all residents of its reserve.

(2) The educational programs and services provided by a community must be comparable to the programs and services provided by other education systems in Canada in order to permit the transfer of students to and from those systems without academic penalty, to the same extent as the transfer of students between those other educational systems. 1998, c. 17, s. 6.

Laws of a community

7 (1) Laws of a community enacted pursuant to subsection 5(1) shall be enacted in the manner provided by its constitution.

(2) Laws enacted pursuant to subsection 5(1) are not regulations within the meaning of the Regulations Act. 1998, c. 17, s. 7.

Power to amend Schedule

8 (1) The Governor in Council may, by order, add to the Schedule the name of a band if the council of the band has, in a manner consistent with the Agreement, authorized the Agreement to be signed on behalf of the band, the Agreement has been signed on behalf of the band and the council of the band has so notified the Minister.

(2) The Governor in Council may, by order, delete the name of a band from the Schedule if the council of the band has, in a manner consistent with the Agreement, authorized the withdrawal of the band from the Agreement and so notified the Minister.

(3) An order of the Governor in Council made pursuant to this Section has effect on and after the April 1st immediately following the July 1st immediately following the day the Minister is given notice pursuant to this Section. 1998, c. 17, s. 8.

5. **Memorandum of Understanding (MOU)** between Saskatoon Tribal Council, Government of Saskatchewan and Government of Canada was affirmed in October 2010. This MOU was established to enhance the educational outcomes for First Nation students attending either First Nation or provincial school boards and to provide non-First Nations with a greater understanding of First Nation communities. Priorities in this partnership include a focus on student retention, family and community support/involvement, professional and resource development.
6. Sakewew High School in North Battleford is **co-governed by Board representatives from Living Sky, Light of Christ and Battlefords Tribal Council**. Funding for the program comes

from both federal and provincial governments. The following quote from their website page illustrates the importance that language and culture plays in re-engaging their student population to return to school and complete their education.

“First Nations culture plays a distinct role in the lives of many of the students who attend Sakewew. It is our vision to instill traditional values, knowledge and morals, as guided by the elder-in-residence. Respect for self, others and the property of others will be a central theme in our vision. With cooperation from the home and through ongoing ceremonies and cultural activities, we will nurture students' respect for First Nations culture, in the hope that they may teach their children, creating a legacy that supports the circle of learning.”

7. Frontier School Division in Manitoba. The following information copied from the Frontier School Division captures the essence of the **co-management** organization.

“Although there are similarities with other school divisions, in many ways Frontier School Division is unlike any other division in Canada. Among the unique characteristics of the Division are its massive geographical expanse, the community based, three-tiered governance system, the communities and people with their diverse cultures, languages and economies, the partnerships developed with First Nations, local and government groups, and the complex and unique funding system. Many of these characteristics, which were evident in 1965, continue to define the Division today.

There are presently 13 First Nation communities in which Frontier School Division provides educational services. “Educational Agreements” with each First Nation define these services which are provided to approximately 50% of the students in Frontier School Division.

Wherever Frontier schools are located, they are similar in appearance to schools elsewhere in the province. The schools are located in well-equipped, modern buildings with all the necessary materials and resources.

When Frontier School Division was formed in 1965, it was a large, unique and complex school division. Today, in 2009, the Division may be described in the same way. No other school division in the province has the distinct characteristics of Frontier School Division. These characteristics provide the Division with many challenges and, at the same time, many opportunities. Some of these distinct characteristics include the Division’s vast geography, its community-based and three-tiered governance system, the diverse communities and people, the unique partnerships with First Nations and other groups and the Division’s complex financial system.”

Essentially, First Nation bands that choose to obtain services from Frontier do so by entering into a co-management agreement.

Frontier's latest newsletter reported a September enrolment of 6233 student, 1386 staff, and an annual budget of \$119,646,520.00 which equates to an average expenditure of \$19,195.50 per pupil.

First Nations bands have a number of options to consider in managing education on reserve. Their options are to:

- ✓ Retain control as an unaffiliated organizations,
- ✓ Receive second –level services from a Tribal Council but retain control over education on reserve,
- ✓ Attach themselves to an incorporated educational entity, which would provide second-level services
- ✓ Become a sub-division of a provincial school board,
- ✓ Enter into a co-management / partnership agreement, primarily a financial relationship with the band retaining control over staffing on reserve
- ✓ Establish their own legal authority over education, or
- ✓ Support the passage of a First Nations education / governance act built on First Nation principles
- ✓ Enter into a Memorandum of Understanding to address specific instructional needs

Agreements that seem to have the greatest buy-in from First Nations are those that are built on a respectful relationship, inclusion of First Nations culture / language / indigenous knowledge, and engagement in decision-making.

F. The Way Forward

First Nations education is at a cross road in Canada, particularly in Western Canada where First Nations make up a significant portion of the population and will have an impact on the economy and development in Western Canada both as consumers and a future work force.

Consultation with First Nations on the proposed national First Nations education legislation is essential if any meaningful engagement is to be made in building a First Nations governance model.

DIAND will need to provide sufficient sustained funding to engage the bands and/or Tribal Councils and/or incorporated entities and/or FNSSP aggregations about the merits of formalizing structural change in education. First Nations are sovereign nations and as such may opt out of any further discussions or agreements.

First Nations will be drawn into a dialogue when they can have an impact on the outcomes. Prime Minister Harper's invitation to re-engage First Nations is an important next step.

Governments are leaning towards greater accountability for outcomes. Government and Canadians in general expect school divisions to deliver improved results for the funding received. First Nations are not exempt from the Canadian public's expectations for similar outcomes from First Nation education.

The federal government will need to acknowledge that the evidence is clear – they have underfunded elementary-secondary education in Canada and need to address the inequity. They will need to move beyond the rhetoric and program proposal approach in order to address the deep and fundamental needs that exist in First Nation communities.

If the educational agenda is to proceed and to have a fundamental sustained positive impact on student outcomes a comprehensive review of the current funding regime and administrative regime needs to be addressed. Funding to support a comprehensive review will need significant input from First Nations and DIAND regional staff to build the scope of the review and identify the outcomes of the review. This review will need to include funding and the development of First Nations jurisdiction of education.

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