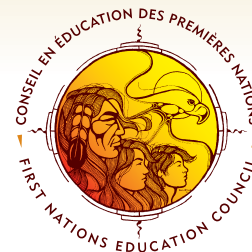


Paper on First Nations Education
Funding

First Nations Education Council



February 2009

This paper will be updated regularly to identify costs where estimates are missing
and to update costs to reflect current needs.

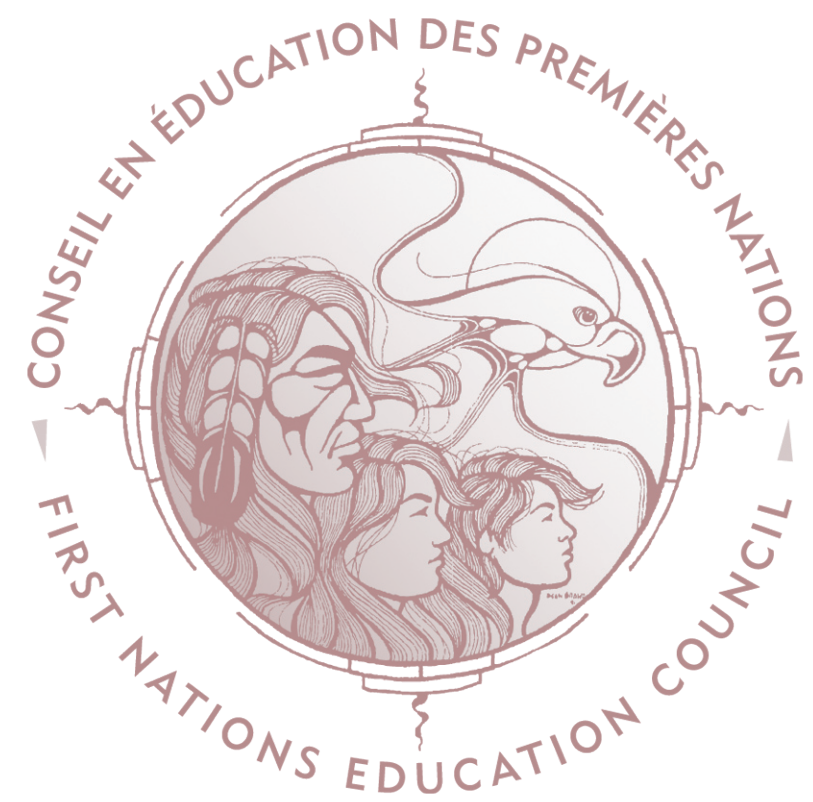


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Introduction

First Nations have repeatedly stated that current funding levels for First Nations education is inadequate and well below the funding levels provided to provincial school systems.¹ National Chief, Phil Fontaine, recently highlighted how “resources to First Nation communities have been capped at 2 per cent growth since 1996 – a cap that does not keep pace with inflation or our young, booming population.”² In reference to education, the impact of this funding cap is both inevitable and intolerable, leading to poor educational outcomes for First Nations children.

With the primary objective of Indian and Northern Affairs Canada (INAC) education program being to “provide eligible students living on-reserve with... education programs comparable to those that are required in provincial schools,”³ how can INAC continue to systematically underfund First Nations education?

The First Nations Education Council (FNEC) understands that improving the quality of First Nations education takes more than money. However, this report will show that the systemic underfunding of First Nations education is deplorable and has significantly impacted the ability of First Nations students to succeed.

This report will identify the extent of this chronic underfunding, highlighting the funding shortfalls experienced by First Nations communities in Canada.

This report provides an analysis of First Nations education funding at the national level and specifically within the province of Quebec.⁴ This report is organized into four main sections:

Section 1: *Elementary & secondary education funding*

Section 2: *First Nations education systems*

Section 3: *Post-secondary education funding*

Section 4: *Recommendations*

¹ AFN (2005) Resolution No. 53, Special Chiefs Assembly Oct 31-Nov 2, 2005. Regina, Saskatchewan.

² Fontaine, Phil (2009). *AFN has a plan that benefits all*. Editorial, The Toronto Star, January 15, 2009, <http://www.thestar.com/comment/article/571159>.

³ Indian and Northern Affairs Canada (2005). *Evaluation of the Band-Operated and Federal Schools (BOFS)*, prepared by the Departmental Audit and Evaluation Branch.

⁴ All costs for Quebec excludes the Cree, Naskapi and Inuit communities under the James Bay and Northern Quebec Agreement.

Why should Canada care?

Although Canada's elementary and secondary system is consistently ranked among the best in the world, a recent INAC study assessed the quality of life in 4,685 Canadian communities and found that only one of 541 First Nations communities ranked in the top 100 on the index, while 92 were in the bottom 100.⁵

How does such marginalization happen in Canada? The answer lies in the historical ties between First Nations and Canada—a history that is unique to each First Nation in Canada. Nevertheless, First Nations education is a proven common driver that can help communities eradicate poverty. But education outcomes for First Nations communities are not on par with the rest of Canada.

Equality in educational outcomes does not exist in Canada. In 2006, approximately 60% of First Nations youth (aged 20 to 24) living on-reserve had not obtained a high school diploma or certificate⁶ - a rate that has not improved over the last decade and is four times higher than that of non-Aboriginal youth in Canada.

First Nations are the fastest growing segment of Canada's population,⁷ and the impact of poor educational outcomes for First Nations is affecting Canada's economic productivity, society and politics.

Canadians understand these implications and are anxious to see a workable and effective solution. However, the solution currently being proposed by the federal government seems to promote the integration of First Nations education into provincial education systems. This became evident in the 2008 federal budget, where it was stated:⁸

"The government will spend \$70 million over two years to improve First Nations education by encouraging integration with provincial systems."

⁵ McHardy & O'Sullivan (2004). *First Nations Community Well-being in Canada: The Community Well-being Index (CWB), 2001*. Ottawa: Strategic Research and Analysis Directorate, Indian and Northern Affairs Canada.

⁶ Statistics Canada (2006). *Educational Portrait of Canada, 2006 Census*. Catalogue no. 97-560-X.

⁷ Between 1996 and 2006, the Aboriginal population increased by 45%; almost half (48%) of the Aboriginal population is under the age of 24.

⁸ Department of Finance Canada (2008). *The Budget Plan 2008: Responsible Leadership*. Can be viewed at <http://www.budget.gc.ca/2008/plan/table-eng.asp>.

The federal government promotes this 'integration' agenda despite the fact that:

- The federal government recently apologized to First Nations for the Indian Residential Schools system and recognized it used education as one of the earliest means by which it attempted to "assimilate Aboriginal Peoples into the dominant culture;"⁹
- Section 35 of Canada's Constitution recognizes First Nations Aboriginal and Treaty rights. First Nations have a right to an education that is equal to that provided for other Canadians, and recognizes and respects their unique culture and traditions, and the original status of their languages;¹⁰
- The 2007 United Nations Declaration on the Rights of Indigenous Peoples condemns the forced integration of First Nations;
- The majority of commissioned reports and studies over the last three years support First Nations jurisdiction over education and the creation of First Nation-controlled education systems.

History may one day reveal, as it did for the Indian Residential Schools system, whether the chronic underfunding of First Nations education by the federal government will be considered as a means of forced integration. However, it is in the very aim of avoiding such a future that this paper has been written.

It is obvious that the governments' decision to chronically underfund First Nations education is not an economic one, since the economic and social benefits of improving education outcomes have been proven on many occasions.

So what is the reason? Is it mistrust of the ability of First Nations governments to properly manage their resources? An ideological view that First Nations learners do not require the same education as all Canadian learners? Or is the goal to integrate First Nations into broader Canadian culture? At various times in history, each of these reasons has been cited when establishing federal First Nations policy. This paper does not discuss these reasons; instead it determines the funding level needed to properly support First Nations education in Canada.

⁹ Prime Minister's apology on behalf of the Government of Canada. Accessed on June 24, 2008, at <http://www.pm.gc.ca/eng/media.asp?id=2149>.

¹⁰ FNEC (unpublished). *Presentation to the Standing Committee on Aboriginal Affairs and Northern Development*.

Section 1: Elementary and secondary education funding

How is First Nations elementary and secondary education funded?

For the 515 First Nations schools in Canada,¹¹ funding needs are determined by INAC using a national funding formula that was developed in 1987 and last updated in 1996 for appropriate population and living costs. The national formula determines the funding allocated to each of the ten INAC regional offices, where it is then distributed to First Nations communities using a regional formula unique to each region.

INAC's Quebec region uses a regional funding formula to distribute funds to the 34 First Nations schools in Quebec. The Quebec regional formula was developed in 1988 and while there has been some annual indexation up until 1996, for the most part this formula has not been modified for over twenty years.¹²

Although the objective of INAC's First Nations Elementary/Secondary Education Program is to "provide eligible students living on-reserve with elementary and secondary education programs comparable to those that are required in provincial schools,"¹³ it is clear that the outdated funding levels generated from a national formula can no longer support a comparable elementary/secondary program.

"The Department does not know whether the funding provided to First Nations is sufficient to meet the education standards... and if the different delivery mechanisms are in line with the resources provided."

- Sheila Fraser, Auditor General (2004)

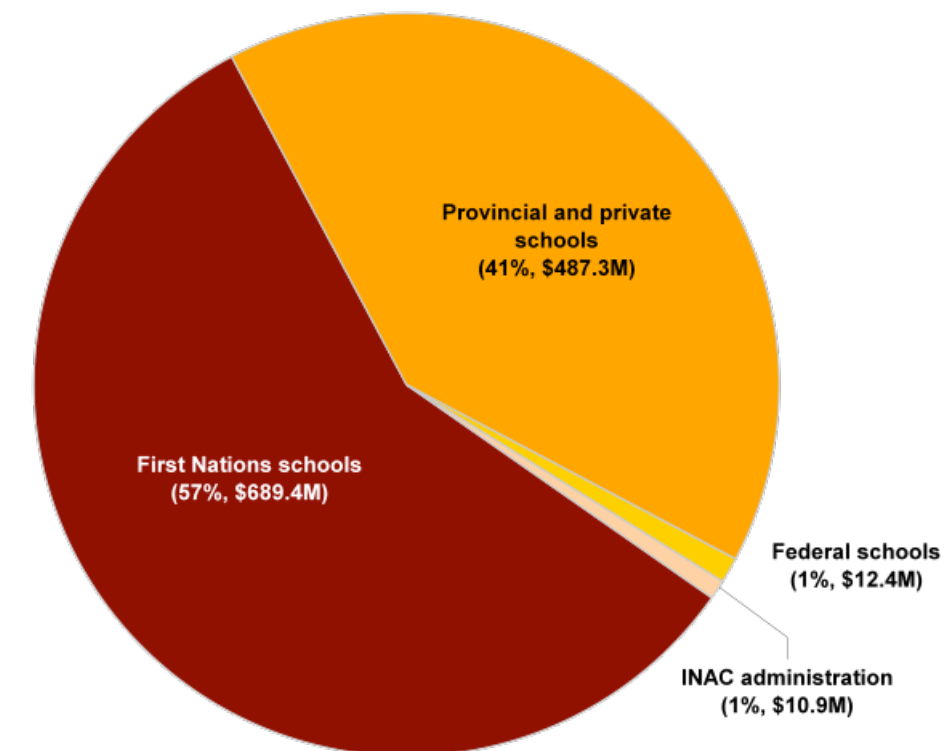
How much funding is allocated for First Nations education on-reserve?

In 2006, INAC spent roughly \$1.2 billion on First Nations education to support an estimated 119,000 students living on-reserve. About 60% (or 70,000) of these students attended 515 on-reserve schools operated by First Nations – the majority (75%) were enrolled in either kindergarten or an elementary school, while 25% were enrolled in an on-reserve secondary school.

Approximately 37% (or 44,000) of First Nations students attended off-reserve provincial schools, while the remaining students (3%) attended either a private or federal school.¹⁴

Of the \$1.2 billion in federal funding for First Nations K-12 education (excluding capital funding), only an estimated 57% (or \$689.4 million)¹⁵ is actually allocated to support First Nations schools (see Figure 1). Over 41% (or \$487.3 million) of the remaining funding is allocated to support First Nations students attending provincial and private schools – most of which is transferred to provincial school boards through the many tuition agreements with First Nations communities. Approximately 1% (or \$12.4 million) is allocated to the five federal schools in Canada, while an additional 1% (or \$10.9 million) goes to INAC's headquarters office to cover administrative costs¹⁶ (see Figure 1).

Figure 1: Where does First Nations education funding end up?



¹¹ INAC (2008). Elementary/Secondary Education. Accessed at: www.ainc-inac.gc.ca/edu/.

¹² INAC/FNEC Tuition Fees Committee (2005). *An Analysis of Educational Costs and Tuition Fees: Pre-school, Elementary School and High School Levels*. Can be viewed at <http://www.avenir-future.com/studies.html>.

¹³ INAC (2003). *Elementary/Secondary Education National Program Guidelines*. Indian and Northern Affairs Canada.

¹⁴ INAC (2008). Elementary/Secondary Education. Can be viewed at www.ainc-inac.gc.ca/edu/.

¹⁵ 2006 funding estimates are determined using a detailed breakdown of 2004-05 federal expenditures, which includes information on how funding is allocated to INAC regions across Canada.

¹⁶ This does not include capital expenditures. Proportions based on 2004 financial expenditures and applied to 2006-07 funding.

But even the \$689.4 million allocated to First Nations schools in Canada is misleading. A more detailed analysis of the regional funding managed by INAC's Quebec regional office reveals how much funding First Nations schools actually receive. Of the approximately \$96.4 million¹⁷ allocated by INAC headquarters for First Nations education in Quebec in 2006:

- An estimated \$0.9 million (or 1%) is deducted for administrative costs;¹⁸
- A further \$3.9 million (or 4%) leaves the community to support students attending private schools;
- An additional \$27.6 million (or 29%) is used to support First Nations students attending provincial schools through both tuition bills and student support services. Tuition bills make up the majority of these costs (\$20.1 million) and reflect what Quebec school authorities charge each First Nation for the 1,813 (or 20% of) students who leave the reserve to attend provincial schools;¹⁹
- A further \$7.5 million is allocated for student support services for those First Nations students enrolled in provincial schools.

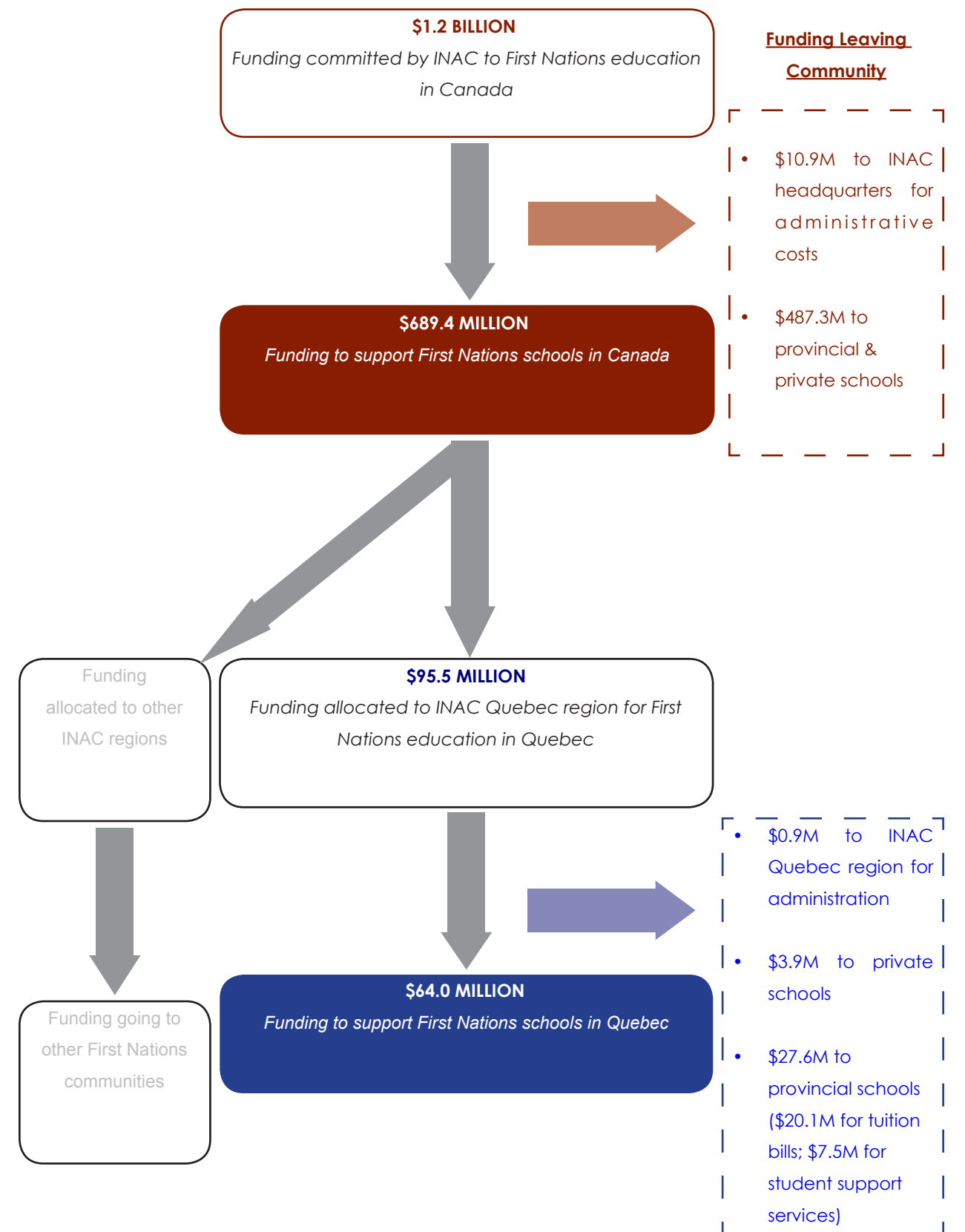
Ultimately, only \$64.0 million (or 67% of funding) actually makes its way to communities to fund the 7,008 (or 76% of) students who attend First Nations schools in Quebec. A recent internal evaluation of INAC's First Nations education funding allocations:²⁰

"found no evidence that funding allocations from regional offices to First Nations were based on any rationale that takes the current structure of educational responsibilities into account."

Figure 2 illustrates how much funding First Nations schools actually receive.

¹⁷ 2006 funding estimates are determined using a detailed breakdown of 2004-05 federal expenditures, which includes information on how funding is allocated to INAC regions across Canada.
¹⁸ Exact figure is unknown, but 1% is based on the administrative costs of INAC headquarters.
¹⁹ FNEC/DIAND Tuition Fees Committee (2005). *An Analysis of Educational Costs and Tuition Fees: Pre-school, Elementary School and High School Levels*. Can be viewed at <http://www.avenir-future.com/studies.html>.
²⁰ Indian and Northern Affairs Canada (2005). *Evaluation of the Band-Operated and Federal Schools (BOFS)*, prepared by the Departmental Audit and Evaluation Branch.

Figure 2: How much funding is actually allocated to support First Nations schools?



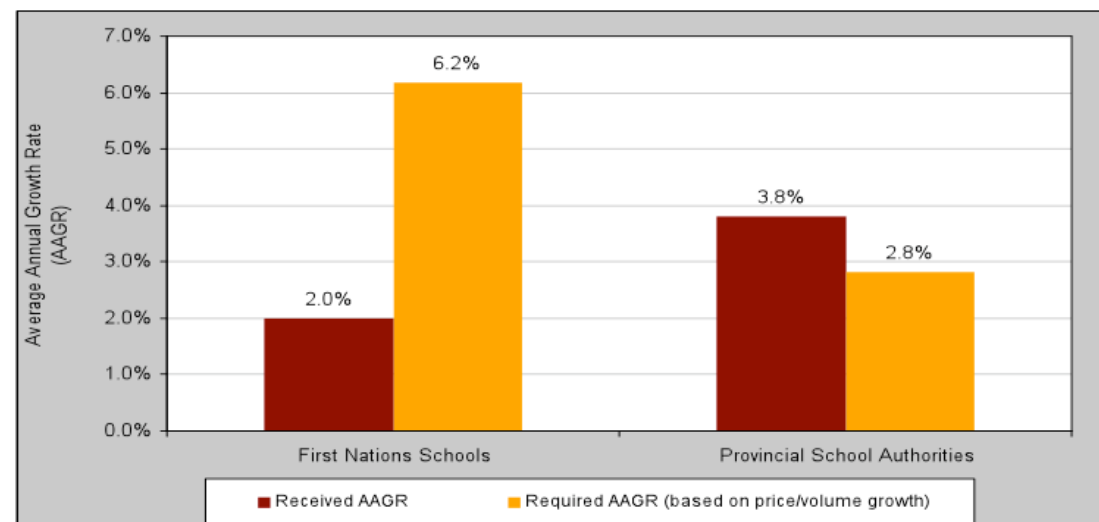
First Nations education funding shortfall

Over the last twelve years, the national INAC funding formula has been capped at 2% per annum—even though both inflation and the growing Aboriginal population would have required an annual funding increase of 6.2%.^{21 22} This means that for any given year since 1996, funding for instructional services has been underfunded by 4.2 percentage points.

During the same period, almost every provincial and territorial education system in Canada has undergone a complete restructuring, which resulted in an average annual funding increase of 3.8% (see Figure 3).²³

In the province of Quebec, First Nations communities demanded an annual funding increase of 4.5% based on actual inflation and population growth since 1996. This means that for any given year since 1996, funding for instructional services has been underfunded by 2.5 percentage points. During the same period, Quebec schools saw their funding increase by 4.3% per year (see Figure 4).²⁴

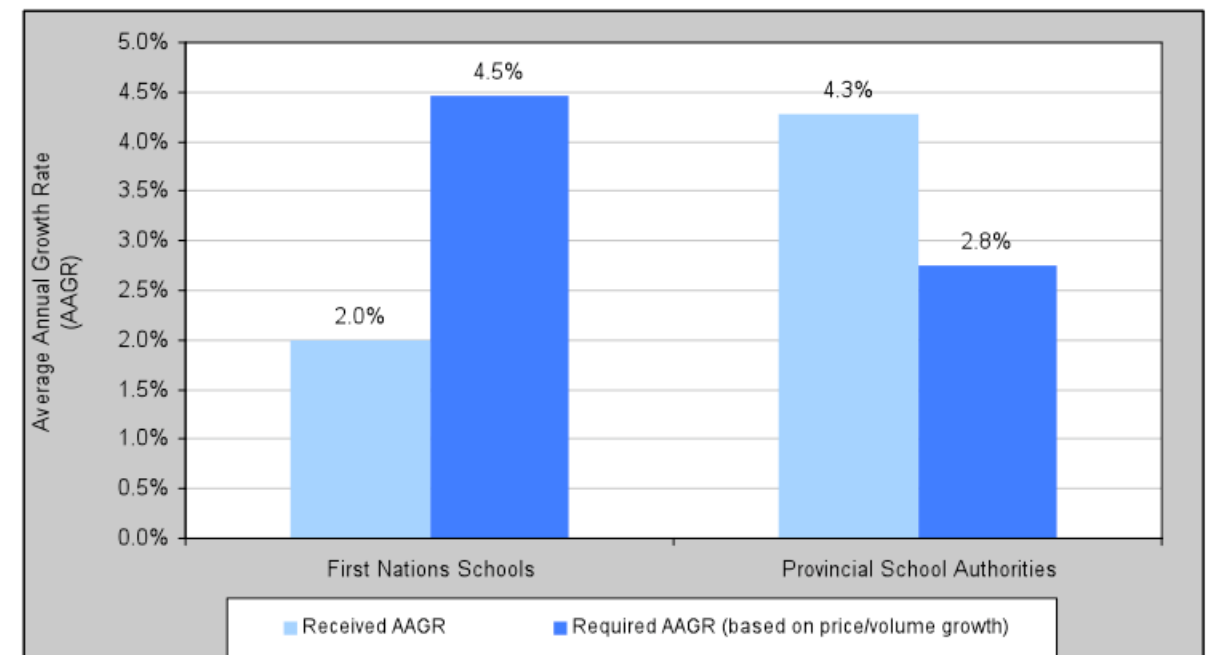
Figure 3: Average Annual Growth Rates (AAGR), First Nations schools and provincial schools, 1996-2008, Canada



Source: INAC expenditures; Statistics Canada, 2007

²¹ Inflation for education services (teacher salaries, books, materials,...) is calculated using Statistics Canada's Education Price Index, or EPI.
²² Assembly of First Nations (2006). *Assembly of First Nations Calls on Government of Canada to Address First Nations Education Crisis*. Can be viewed at <http://www.afn.ca/article.asp?id=2499>.
²³ Updated calculation from AFN (2006).
²⁴ Updated calculation from AFN (2006).

Figure 4: Average Annual Growth Rates (AAGR), First Nations schools and provincial schools, 1996-2008, Quebec



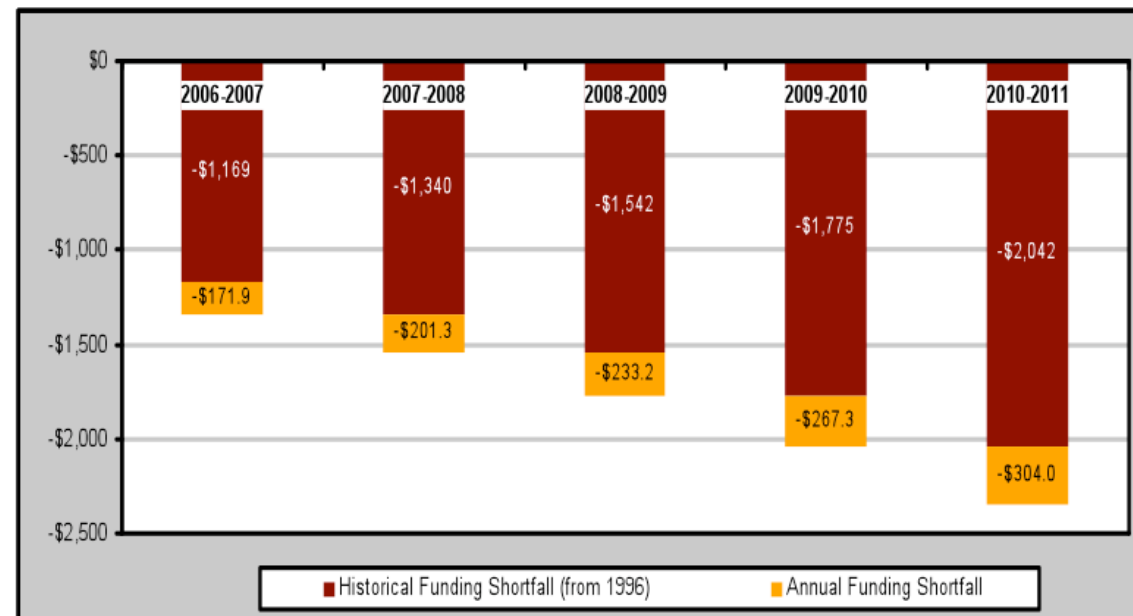
Source: INAC expenditures; Statistics Canada, 2007

INAC's funding methods over the past 30 years have created a First Nations *education funding shortfall* across Canada. According to a joint study undertaken by the Assembly of First Nations (AFN) and INAC in 2005 that examined the instructional service component of the Band-Operated Funding Formula (BOFF), the consequences of INAC's funding mechanisms are:

- Historical cumulative funding shortfall of \$1.54 billion²⁵ between 1996 and 2008.
- Immediate funding shortfall of \$233 million in 2008 (amount needed in excess of 2% cap).
- Projected annual shortfall of \$304 million in 2010 and a growing \$2.0 billion historical funding shortfall (see Figure 5).²⁶

²⁵ The historical funding shortfall starting in 1996 is calculated by simulating the funding formula allocations in 2005 if per-student rates were adjusted according to the growing First Nations population and cost-of-living increases, and comparing them to actual funding provided using per-student rates that have been capped at 2% per year. It should be noted that this historical shortfall is an underestimate, since the simulated costs are based on a funding formula that did not respond to the funding needs of a true education system.
²⁶ Assembly of First Nations (2006). *Assembly of First Nations Calls on Government of Canada to Address First Nations Education Crisis*. Can be viewed at <http://www.afn.ca/article.asp?id=2499>.

Figure 5: First Nations education funding shortfall (in millions of \$), BOFF – instructional services, Canada



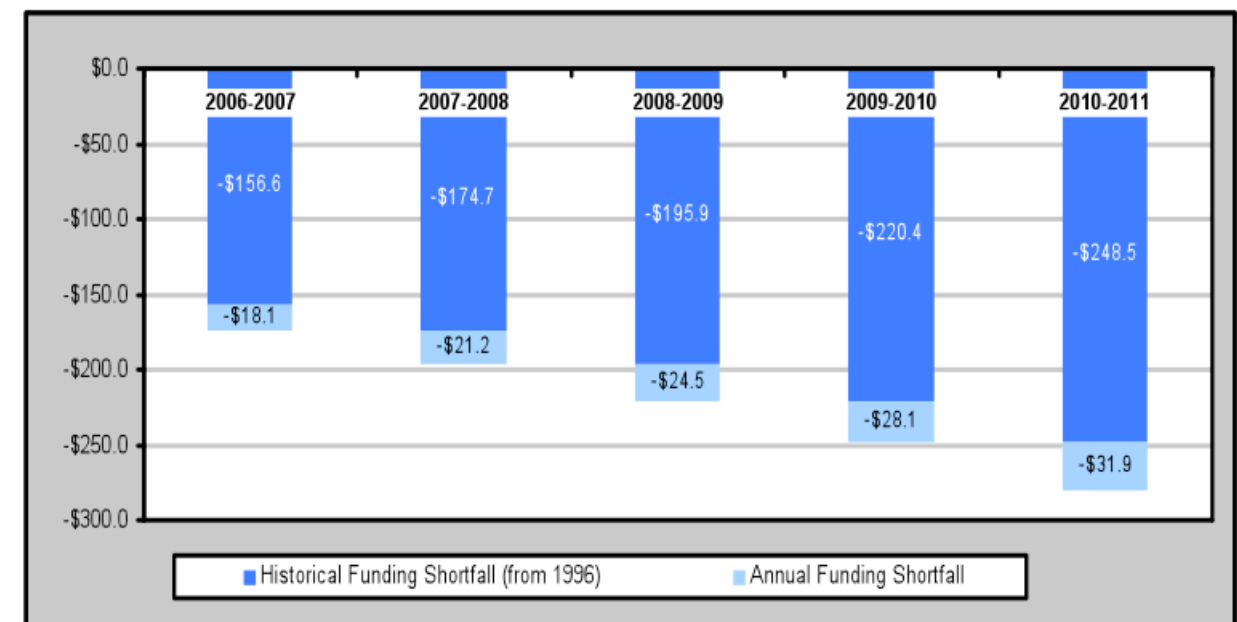
Source: Calculations based on AFN analysis, 2006 <http://www.afn.ca/article.asp?id=2499>

If we apply the same methodology to First Nations instructional services funding in the province of Quebec, we obtain the following:

- Historical cumulative funding shortfall of \$195.9 million between 1996 and 2008.²⁷
- Immediate funding shortfall of \$24.5 million in 2008 (amount needed in excess of 2% cap).
- A projected annual shortfall of \$31.9 million in 2010 and a growing \$248 million historical funding shortfall (see Figure 6).

²⁷ Assembly of First Nations (2006). *Assembly of First Nations Calls on Government of Canada to Address First Nations Education Crisis*. Can be viewed at <http://www.afn.ca/article.asp?id=2499>.

Figure 6: First Nations education funding shortfall (in millions of \$), BOFF – instructional services, Quebec



Source: Calculations based on AFN analysis, 2006 <http://www.afn.ca/article.asp?id=2499>

Missing educational components within the existing funding formula

In addition to an INAC funding model with outdated estimates of per-pupil rates that has been capped at 2% since 1996, the national funding model does not take into account all of the educational components needed for a 21st century school system.

In essence, the funding model has become too simplistic and inadequate to allow First Nations education systems to provide comparable programs of study with the provinces – which have undertaken major educational reforms over the last twenty years. INAC's national funding model **does not** provide any funding to First Nations schools for the educational components listed below. Preliminary costs have been identified, where possible, for each component. For the remaining components, FNEC is currently developing a comprehensive First Nations education funding formula to calculate the real costs and the appropriate allocation methodologies required.

- **Libraries** – Numerous reports have identified the impact of increased funding for school libraries and the presence of a teacher-librarian on student outcomes.²⁸ In a 2003 survey of over 15,000 provincial and territorial schools in Canada, library costs (excluding salary costs) ranged from \$2,113 per school in Newfoundland and Labrador to \$7,866 in the Yukon to support funding for book collections, audio-visual materials and electronic materials.²⁹

First Nations schools do not receive any funding from INAC to pay for library books, librarians' salaries, construction or maintenance costs of school libraries or other expenses, such as catalogue management software. Using comparable provincial funding estimates for 2008, it would cost between \$3.7 and \$4.8 million per year (or \$7,269 to \$9,230 per school) to fund school libraries (excluding salary costs) in First Nations schools across Canada.³⁰ For First Nations in Quebec, adequately funded school libraries would have cost, on average, \$0.3 million in 2008.

"The school library provides information and ideas that are fundamental to functioning successfully in today's society... equipping students with lifelong learning skills, enabling them to live as responsible citizens."

United Nations Educational, Scientific and Cultural Organization School Library Manifesto (2000)

- **Technology** – In 2003, almost two of three (or 65%) First Nations school principals identified inadequate funding as the primary barrier for the use of Information and Communications Technologies (ICT) in their schools.³¹ Since the introduction of the national funding formula, INAC has failed to include any funding for ICT, even though ICT was introduced to provincial education systems in the early 1980s.

In 2008, the annual ICT operating costs for First Nations schools across Canada were estimated at \$73.1 million, an amount based on a 2005 FNEC study that calculated ICT operating costs for its 22 communities. ICT costs were broken down into four categories: equipment, ICT training, human resources in ICT and connectivity.³²

For First Nations in Quebec, it is estimated that first year ICT implementation costs are approximately \$17.5 million (2008 rate), with ongoing operating costs of \$4.8 million per year.

- **Sports and recreation** – All provincial education systems in Canada include sports and health as part of their school programs, providing additional funding to support the overall wellness of their students. INAC's national funding formula still does not provide any funding for sports and recreational programs in First Nations schools, and it is difficult to estimate current funding needs.
- **Languages** – Over half of the 60 or so Aboriginal languages in Canada were at risk of extinction in 2001.³³ The majority of these Aboriginal languages are not spoken in any other location on Earth, reflecting a unique worldview of Indigenous Peoples towards their land.³⁴

"While Sport Canada has committed to build capacity for sport and recreation in the broader Aboriginal population, Health Canada and INAC have not partnered in this endeavour by supporting the community health promotion or the school physical education components."

- Sports Canada Report, *Healthy Weights for Health Kids*, 2007

When INAC's funding formula was first introduced, it allocated \$215 per student for First Nations schools to support the sustainability of First Nations languages. This amount was based on the salary for one language teacher in a school of 200 students. Under the funding formula in effect, approximately \$15.0 million was allocated for First Nations language instruction to band schools in 2008.³⁵ The INAC regional formula in Quebec provides \$185 per student for First Nations languages and \$190 for the teaching of a second language (as some communities teach two second languages), totalling approximately \$2.1 million for First Nations schools in Quebec in 2008.

²⁸ Haycock, Ken (2003), *The Crisis in Canada's School Libraries: The Case for Reform and Re-investment*. Association of Canadian Publishers, 2003.

²⁹ Statistics Canada (2005) *Canadian School Libraries and Teacher-Librarians*. David Coish. Culture, Tourism and the Centre for Education Statistics, Statistics Canada. Ottawa: 2005.

³⁰ Estimates were based on comparable jurisdictions such as the Yukon and Alberta where student enrolment rates are growing. It should be noted that provincial funding estimates in this report were considered insufficient for school library needs across Canada.

³¹ Statistics Canada (2005) *Connectivity and ICT Integration in First Nations Schools: Results from the Information and Communications Technologies in Schools Survey, 2003/04*. Johanne Plante. Culture, Tourism and the Centre for Education Statistics, Statistics Canada. Ottawa: 2005.

³² FNEC (unpublished). *ICT Strategic Master Plan - Preliminary Results*.

³³ Norris M.J. and L. Jantzen (2004). *From Generation to Generation*.

³⁴ Canada, Royal Commission on Aboriginal Peoples (1996). *Report of the Royal Commission on Aboriginal Peoples*.

³⁵ AFN/INAC Joint BOFF Working Group (2005). *A Study of Educational Cost Drivers to First Nations Education*.

In 2008, each provincial and territorial government received a total of \$258.6 million in federal funding, on top of their existing provincial grants, to support minority languages, Aboriginal languages and English as a second language.³⁶ For additional provincial grants, Quebec provides over \$2,082 per student at the elementary level and \$3,253 per student at the secondary level for each newly immigrated student to learn French.³⁷ The province of Alberta provides \$2,261 per student, on average, to teach French as a first language, while the Northwest Territories Aboriginal Language Strategy provides an average of \$1,145 per student.³⁸

It is difficult to estimate the exact costs for First Nations schools to support First Nations languages, as these would differ depending on the nature of the language program being implemented (i.e. immersion, second language or per credit). However, by analyzing comparable costs³⁹ for provincial spending on official languages, it is estimated that approximately \$126.6 million more would have been required in 2008 for First Nations across Canada, and \$22.4 million in Quebec.

"If 88% of First Nations children do not have access to early childhood programs, no money for language education, no funding for libraries, and no money for computers, what does this say about how our country cares about our children's future?"

- National Chief Phil Fontaine, October 2008 editorial, Toronto Star

Additional components of a 21st century school system that are not funded by INAC's national funding formula include:

- **Student transportation and school operating costs;**
- **Employee benefits;**
- **Student data management systems.**

³⁶ CMEC (2005). *Protocol for Agreements for Minority-Language Education and Second-Language Instruction 2005-2006 to 2008-2009 Between the Government of Canada and Council of Ministers of Education, Canada*. Minister of Public Works and Government Services of Canada 2005.

³⁷ FNEC (2008). *Comments on the Real Intentions of the Federal Government and Provincial Governments Concerning First Nations Education*.

³⁸ AFN/INAC Joint BOFF Working Group (2005). *A Study of Educational Cost Drivers to First Nations Education*.

³⁹ Estimates for Canada are based on average per-student language funding provided by Alberta, Quebec and the NWT. Estimates for Quebec are based on average per-student language funding provided by province of Quebec.

Vocational training in Quebec

In most Canadian provinces, vocational training for First Nations schools is funded through INAC's Post-secondary Student Support Program (PSSSP), as trade and technical programs are provided at the college level in all provinces except Quebec. Over \$2 billion in provincial funding is invested annually in Quebec's provincial secondary system to support student access to vocational education at the secondary level.

INAC's national funding model does not recognize Quebec's unique approach to vocational education, leaving First Nations schools in Quebec with no funding to develop vocational and technical competencies in a trade.

This leaves First Nations secondary schools in Quebec with no support to retain and support potential high school dropouts, who might otherwise excel in the Attestation of Vocational Education (AVE) applied program or the full Diploma of Vocational Studies (DVS) program. This leaves First Nations youth who are uninterested in, or having difficulty with, secondary school with no option of switching to an applied trade certification program. Instead, most of these students wait until they finish secondary school (or drop out of school) to complete their vocational training as an adult under Human Resource and Skills Development Canada (HRSDC) programs.⁴⁰

A 2008 FNEC report on vocational education concludes that \$10.1 million⁴¹ would be required simply to cover the operating costs of First Nations communities to provide vocational educational services to Quebec First Nations.⁴² This entails the development of eleven secondary school sites providing a full DVS program, as well as another four providing an AVE program.

⁴⁰ FNEC (unpublished). *Presentation to the Standing Committee on Aboriginal Affairs and Northern Development*.

⁴¹ Estimates include costs for both FNEC and ICEM communities.

⁴² FNEC (unpublished). *Study of Vocational and Technical Education – Phase 2*.

Education capital and maintenance funding

INAC provides funding to First Nations communities for the construction, operation and maintenance of basic infrastructure services and facilities (including schools and teacher residences) through the Capital Facilities and Maintenance (CFM) program. In 2007, \$145.0 million (approximately 20% of the CFM budget) was directed toward education capital funding to support 21 new schools and 16 renovation or expansion projects.⁴³

It is difficult to estimate annual funding needs as capital costs often occur within five-year cycles of funding. Furthermore, education capital funding is inconsistent among First Nations across Canada, and is often dependent upon financial agreements between First Nations communities and the federal government.

In 2007, although INAC identified that 69 new First Nations schools were needed across Canada, and an additional 27 were in need of major renovations, funding was provided to support 21 new schools and 16 renovation projects.⁴⁴ For the remaining 48 schools and 11 renovation projects, it is estimated that approximately \$235 million more would be needed over 5 years.⁴⁵

In Quebec, INAC's funding for capital projects has remained at \$33 million since 2001, with 20% (or \$6 million) set aside for education capital.⁴⁶ It is estimated that approximately another \$23.1 million in education capital and maintenance funding would be needed over 5 years for Quebec First Nations schools.⁴⁷

⁴³ Figures taken from an Inquiry of Ministry (Q-231) on April 3, 2008. Requested by Mr. Angus (Timmins-James Bay).

⁴⁴ Assembly of First Nations (2008). *Urgent: A Call to All First Nations Educators!!* Published on October 29, 2008 by AFN Education Secretariat. Can be viewed at www.afneducation.ca.

⁴⁵ Based on 2006 capital and maintenance funding estimates per school.

⁴⁶ Indian and Northern Affairs, Corporate Services (2006). *Audit of Funding of School Facilities*. Prepared by the Audit and Evaluation Branch. Ottawa: 2006.

⁴⁷ Figures calculated using average education facilities and major renovations costs across Canada, combined with identified needed capital projects for Quebec from an Inquiry of Ministry (Q-231) on April 3, 2008. Requested by Mr. Angus (Timmins-James Bay).

First Nations Elementary & Secondary Funding Summary

Table 1: 2008 funding needs – instructional services shortfall from 2% cap

	Annual shortfall (Canada)	Annual shortfall (Quebec)
Instructional services (over 2% cap)	\$233M	\$25M

- First Nations education funding levels are determined using INAC's national funding formula developed over twenty years ago, and last indexed in 1996;
- The 2% cap on funding has resulted in a historical cumulative funding shortfall of \$1.54 billion in Canada between 1996 and 2008 for instructional services alone, and an immediate funding shortfall of \$233 million in 2008 (\$24.5 million in Quebec);
- Since 1996, First Nations education funding in Canada has been capped at 2% annual growth, despite the demand for average annual increases of 6.2% that account for actual population growth and cost-of-living increases (the demand is 4.5% annually for First Nations schools in Quebec).

Table 2: 2008 funding needs – other educational elements

	Annual shortfall (Canada)	Annual shortfall (Quebec)
Missing elements (technology, language resources, libraries, sports, etc.)	\$???	\$???
	(at least \$200M)	(at least \$40M)
Vocational education	\$???	\$10M
Capital & maintenance	\$???	\$???
	(at least \$47M)	(at least \$4.6M)

TOTAL	\$??? (at least \$480M)	\$??? (at least \$80M)
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- The current INAC funding formula does not include costs for essential elements of a school system – such as libraries, technology, sports and recreation, or First Nations languages. Exact funding needs are difficult to calculate for each of these elements, however, the national funding shortfall was estimated to be at least \$200 million in 2008 (\$40 million in Quebec);
- INAC's national funding formula does not recognize Quebec's unique model of supporting vocational education – currently First Nations in Quebec receive no funding. It is estimated that \$10.1 million was needed for Quebec in 2008;
- Annual capital costs are difficult to estimate as funding is made on a five-year cycle basis. Based on INAC's data, it is estimated that \$235 million over five years (\$47 million in 2008) was needed across Canada to support 48 new First Nations schools and 11 major renovation projects identified in 2007. In Quebec, \$23 million over five years (\$4.6 million in 2008) is needed;
- Overall, the elementary and secondary education funding shortfall is at least \$480 million in Canada and \$80 million in Quebec.

Section 2: First Nations education systems

What is a First Nations education system?

Provincial and territorial education systems typically have three organizational levels on which education services are offered.⁴⁸ First-level services are directly related to the operation of a school (i.e. teaching, school administration), and are provided directly for the students by teachers, principals and professional and support staff. Third-level services are typically provided by Ministries of Education and include broader education services such as the development of regulations, standards, certification and codes of conduct, as well as the setting of school curriculum.

Second-level services are differentiated from third-level services because they are services that are directly offered to first-level professionals and designed to improve student performance and enhance classrooms, teachers and ultimately schools. In general, second-level services are divided into three main categories:

- *Pedagogical support services pertaining to:* curriculum material; alternative education programs (i.e. distance learning, literacy, or intervention strategies for special needs students); language and cultural programs; textbook approval; school calendar; planning and distribution of services and resources; evaluation of student achievement; and cultural and leisure activities.
- *Professional development support services pertaining to:* professional development of teachers; evaluation of principals, vice principals and teachers; evaluation of educational programs; improving access to and performance of technologies;⁴⁹ and coordination of special education programs.
- *Administrative support services pertaining to:* the business and administrative aspects of a school that includes: human resources; maintenance of student records; communications; facilities; and financial and fiscal reporting.

The definition of second-level services for First Nations education used in this report builds on the provincial and territorial characterization, and defines a First Nations education system as one that:

- Provides pedagogical and technological assistance, defines educational standards, supports professional development and conducts culturally appropriate educational research to rationalize the financial support required for first-rate learning environments;
- Supports learning opportunities that begin with early childhood education and progress through elementary, secondary and post-secondary education, to adult skills training and employment;
- Incorporates culturally relevant curricula based on First Nations knowledge and community-based language and culture programs, while also preparing First Nations learners to participate in Canadian society;⁵⁰ and
- Is based on the view that learning is a holistic and lifelong process, where learning occurs in both informal and formal settings such as in the home, on the land, in the community or at school.⁵¹

"A First Nations education system envisioned by all First Nations communities represents and serves the people to become self-determining. Many efforts to work within federal programs have enabled several agencies, institutes and organizations to develop and deliver services (in a limited capacity) for First Nations students. These service organizations deliver high school programs, engage in curriculum development, teacher training, professional development for teachers, college and university courses, special education services and advisory service."

- Waabiginojii David Anderson (2004). *Report on Second Level Services for First Nations Education - Current and Future Needs*

⁴⁸ *First Nations Second-Level Education Services - Discussion Paper for the Joint Working Group*. Harvey McCue Consulting. 2006.

⁴⁹ The literature is somewhat unclear on how technology is defined within the concept of second-level services. Technology is often seen to be both an enabler to achieve the implementation of the support services, as well as an area requiring support.

⁵⁰ Canada. Royal Commission on Aboriginal Peoples. *Report of the Royal Commission on Aboriginal Peoples, Volume 3* (Ottawa: 1996).

⁵¹ FNEC (unpublished). *Presentation to the Standing Committee on Aboriginal Affairs and Northern Development*.

The lack of support for First Nations education systems

Over 35 years have passed since the recognition of *Indian Control Over Indian Education* by the federal government. While First Nations have taken on greater administrative responsibility and control over education services since then, official funding has not yet been established that would enable First Nations education systems to provide second- and third-level services at a level comparable to that offered by provincial education systems across Canada.

This is despite the fact that:

- In 1996, the report of the *Royal Commission on Aboriginal Peoples* recommended the federal government grant funding to First Nations for the creation of regional and national education systems.⁵²
- In 2002, the Minister's National Working Group on Education recommended the funding of regional education systems for First Nations communities in its report *Our Children – Keepers of the Sacred Knowledge*.⁵³
- In 2005, INAC Minister Andy Scott put the creation and development of First Nations regional education systems at the heart of his strategic orientations.⁵⁴
- Since 2005, an AFN/INAC National Joint Working Group on education systems has been working to analyze second-level service needs among First Nations and to provide both funding and legislative options to support regional organizations.
- In 2008, research papers by the Caledon Institute of Social Policy and the C.D Howe Institute echoed the numerous studies by identifying that the current model of school organization for First Nations is outdated - suggesting that what is needed is the development of First Nations controlled education systems comparable to that provided to other Canadian students.^{55 56}

Despite this lack of support from the federal government, many First Nations communities across Canada have recognized the benefit of services provided by a regional education system and have created regional organizations, such as the First Nations Education Council (FNEC) in Quebec. However, communities are often justifiably fearful of putting their scarce funds towards the support of regional education systems and away from existing school programs.⁵⁷

As a result, the lack of support for First Nations education systems has drastically affected the learning environments, and ultimately student outcomes, in First Nations schools. Teachers are not as well supported as their counterparts in provincial schools, where ongoing professional development improves teaching methods. The lack of administrative and technical support for First Nations schools pulls school principals, and often teachers, away from their role as educators.

Yes, it is true that many First Nations schools have been highly successful without these secondary and tertiary levels of support, but often due to the combination of innovative leadership, a focused vision and the diversion of resources from other essential community services. However, with the appropriate level of support for second- and third-level services (in addition to appropriate school-based funding), First Nations would be able to expect both systematic and sustained improvement in learning outcomes for their students.

"There is, in fact, no education system for the First Nations. We have an agreement according to which the federal government provides funds to First Nations communities and they manage their own affairs. But there are no national norms, no determined courses, no teaching certificate required. All the other children in the country benefit from a legal protection in the field of education. The only children deprived of this security are First Nations children living on the reserves."

- Jim Prentice, former Minister of Indian and Northern Affairs (2006)

⁵² Canada. *Royal Commission on Aboriginal Peoples. Report of the Royal Commission on Aboriginal Peoples, Volume 3* (Ottawa: 1996).

⁵³ INAC (2002). *Our Children: Keepers of the Sacred Knowledge*. National Working Group on Education. December 2002.

⁵⁴ FNEC (2008). *Comments on the Real Intentions of the Federal Government and Provincial Governments Concerning First Nations Education*.

⁵⁵ Mendelson (2008). *Improving Education on Reserves: A First Nations Education Authority Act*. Prepared for the Caledon Institute of Social Policy. Ottawa: 2008.

⁵⁶ Richards, J. (2008). *Closing the Aboriginal/Non-Aboriginal Education Gaps*. Prepared for the C.D. Howe Institute. Toronto: 2008.

⁵⁷ FNEC (unpublished). *Presentation to the Standing Committee on Aboriginal Affairs and Northern Development*.

Funding a First Nations education system

To what extent do First Nations education systems need to be enhanced so that they can provide a level of services comparable to that of the many provincial school authorities across Canada? Although it is difficult to determine the exact costs needed to create and maintain effective First Nations systems (as this is dependent on many factors), this report identifies a relatively accurate estimate.

There have been many reports that have derived estimates of funding needs for education systems – two of which are recent and relevant. First, as part of the deliverables from the AFN/INAC working group on First Nations education systems, unpublished research in 2005 conducted a scan of comparable provincial education systems across Canada to identify required funding costs.⁵⁸ The report looked at existing education systems that already provide the second- and third-level services needed to support schools and that are comparable to their First Nations counterparts (i.e. relatively small school boards serving a widely dispersed set of schools). In summary, the research identified that, on average, 13% of a system's operating expenditures is most often devoted to supporting the second-level services of the education system.⁵⁹

Second, the funding of First Nations education systems was one of the five policy areas identified within the education component of the 2005 Kelowna Accord. The analysis at the time identified that, over a 5-year period, \$400 million (of the total \$1.8 billion for education) would be required to implement and support the second-level services in First Nations education systems across Canada.

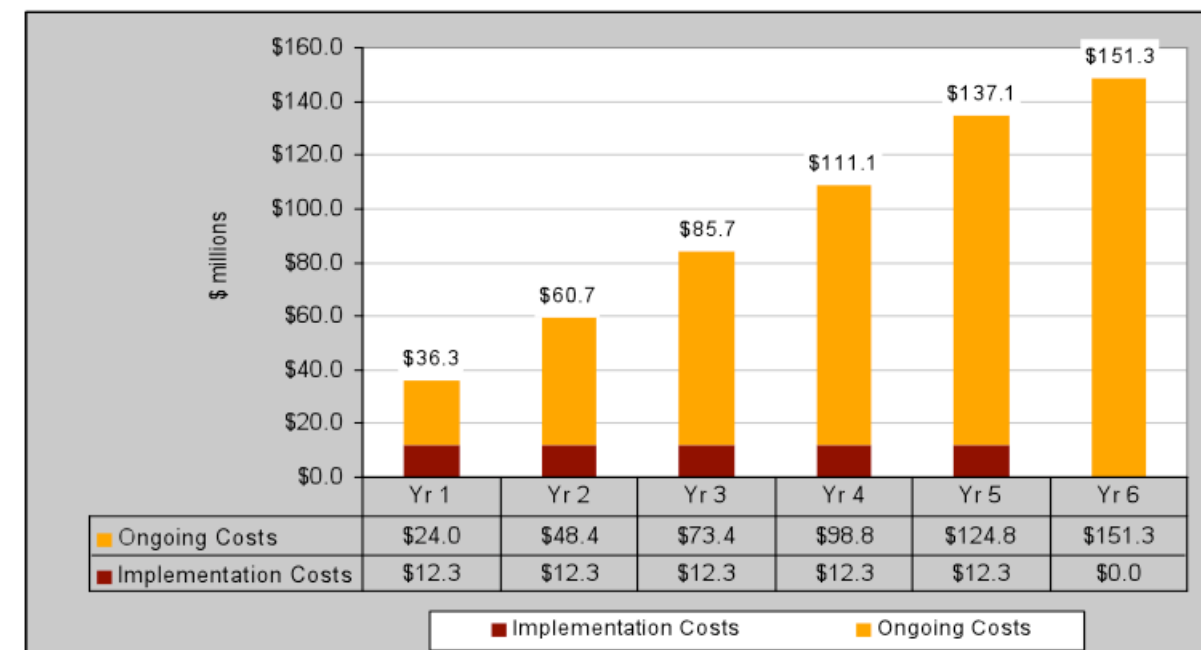
Based on these two key pieces of research, it is estimated that a funding commitment of \$430.9 million over five years would be required for all 614 First Nations to become members of a First Nations education system providing second-level services. These costs include:

- **Implementation costs:** It will take a variable amount of time for First Nations to discuss and agree upon the many decisions needed to create a second-level services education system, thus it is estimated that approximately 20% of First Nations will require implementation funds each year for five years. Each First Nations community would require \$100,000 for start-up costs, for a total of \$61.4 million over five years.

- **Ongoing costs:** In order for any given second-level services First Nations education system in Canada to sustain itself, an estimated \$2.9 million would be required annually (or 13% of its educational expenditures).⁶⁰ Of course the costs for each system will vary and depend on a number of factors, such as the total number of schools and students. Over a five-year period, \$369.5 million would be required for ongoing costs.

Once fully implemented over five years, it would cost approximately \$151.3 million each year to support First Nations education systems across Canada (see Figure 7).

Figure 7: Estimated funding needed to support First Nations education systems across Canada



Of course, many First Nations education systems with second-level services already exist, such as the FNEC and the *Institut culturel et éducatif Montagnais* (ICEM) in Quebec. However, these systems, like many others across Canada, have limited and fragile budgets and are often unable to provide services at a level comparable to that of provincial education systems.

In order to determine the true costs for First Nations education systems in Quebec, several factors must be identified. Initial estimates project that 7.4 million⁶¹ would have been required for FNEC to serve its 22 First Nations member communities in 2008. In total, an estimated \$10.5 million would have been required to support Quebec First Nations education systems with second-level services in 2008.

⁵⁸ AFN/INAC Joint Education Systems Working Group (unpublished). *Second-Level Services: Initial Research Summary*.

⁵⁹ AFN/INAC Joint Education Systems Working Group (unpublished). *Second-Level Services: Initial Research Summary*.

⁶⁰ Ongoing costs for an average First Nations education system are estimated by calculating 13% of a First Nations education expenditures – this includes accounting for the funding shortfall identified in section 1.

⁶¹ Approximately \$1.1 million for immediate implementation costs and \$6.3 million for ongoing costs.

First Nations Education System Funding Summary

Table 3: 2008 funding needs – education systems

	Annual shortfall (Canada)	Annual shortfall (Quebec)
Implementation (Canada – 20% of systems per year; Costs spread over 5 years= \$61M)	\$12.3M	\$1.5M
Ongoing costs (Canada – 20% of systems per year; Costs spread over 5 years = \$369.5M)	\$24M	\$9.0M
TOTAL (Canada: cumulative costs over 5 years = \$430.9M)	\$36.3M	\$10.5M

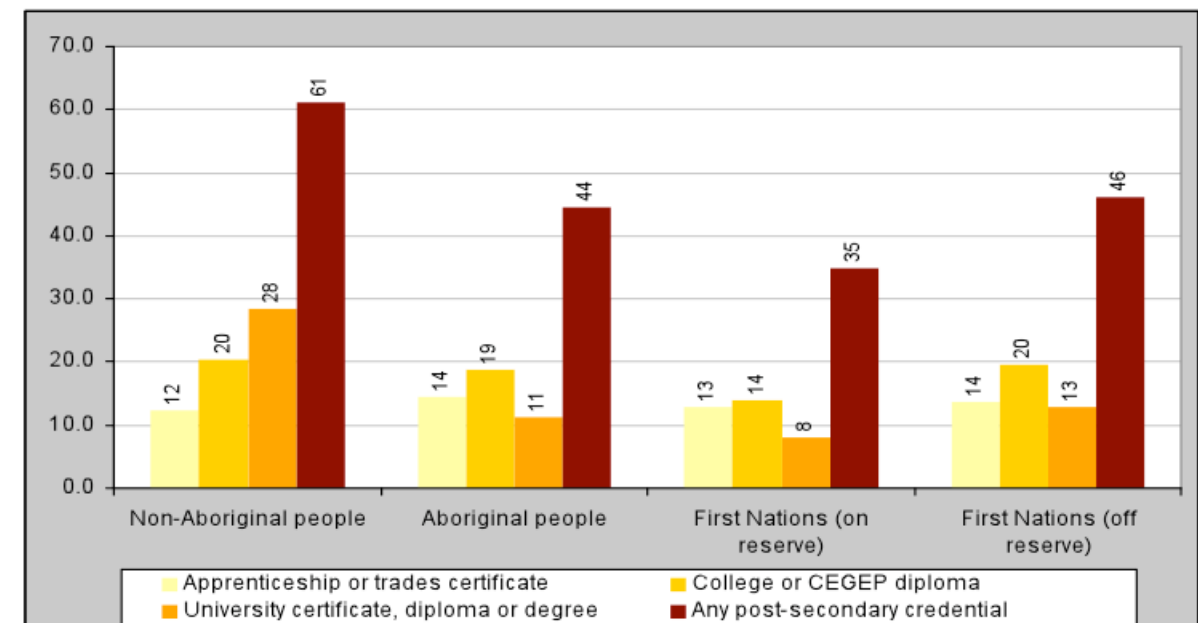
- The current model for First Nations schools and communities is outdated and ineffective.
- As identified in numerous reports, second-level services First Nations education systems are needed to provide First Nations schools with education services comparable to those of provincial education systems.
- Despite this research and recognition by the federal government of the need for First Nations education systems with second-level services in Canada, there has never been any specific funding identified to support these systems.
- Given the number of factors involved, it is difficult to estimate the costs of a First Nations education system in Canada. However, two key studies have provided some preliminary estimates of such costs:
 1. Comparable provincial education systems spend, on average, 13% of their annual operating budgets to support their regional systems.
 2. A funding analysis of the 2005 Kelowna Accord revealed that \$400 million over a five-year period would be needed to implement and support First Nations education systems providing second-level services in Canada.
- According to this research, it is estimated that \$36.3 million would be required in the first year to implement and support First Nations education systems with second-level services, based on staggering the implementation in 20% of communities per year.
- Fully implementing and supporting First Nations education systems providing second-level services over a 5-year period across Canada would cost an estimated \$430.9 million.
- Completing the implementation of, and providing the ongoing support for, the two existing First Nations education systems providing second-level services in Quebec (FNEC and ICEM) would have cost \$10.5 million in 2008.

Section 3: Post-secondary education funding

The need for post-secondary education

Prior to the 1970s, only 200 status Indians were enrolled in colleges and universities across Canada.⁶² In fact, as recently as 1951, the Indian Act of Canada forbade First Nations persons from attending post-secondary unless they voluntarily relinquished their Indian status - a process known as enfranchisement.⁶³ By 2006, 42% (or 132,000) of First Nations adults were post-secondary graduates (see Figure 8).

Figure 8: Proportion of adults, aged 25-64, by level of education, Canada, 2006



Source: Statistics Canada, 2006 Census

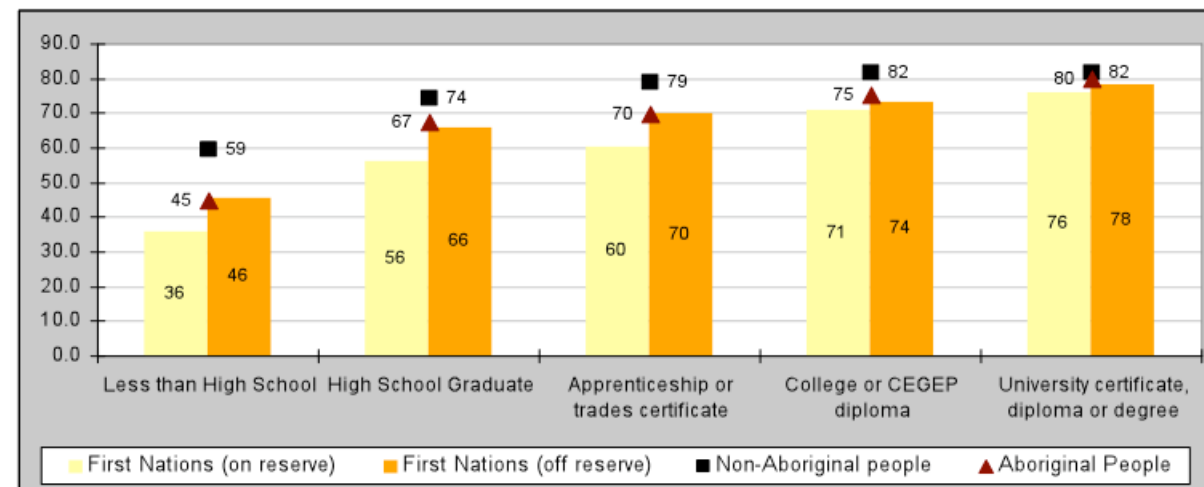
While a larger proportion of First Nations people are completing post-secondary education, the 'university gap' between First Nations and non-Aboriginal Canadians remains wide. In 2006, First Nations living on- and off-reserve were on a relatively equal footing with their non-Aboriginal counterparts for both the trades and college levels. However, only 8% of First Nations living on-reserve and 13% living off-reserve have obtained a university degree, compared to 28% of non-Aboriginal Canadians.

⁶² Department of Indian and Northern Affairs (2000), *Post-Secondary Education for Status Indians and Inuit*, Ottawa. Can be viewed at <http://www.ainc-inac.gc.ca/ai/mr/is/info110-eng.pdf>.

⁶³ The Aboriginal Institutes' Consortium. *Aboriginal Institutions of Higher Education - A Struggle for the Education of Aboriginal Students, Control of Indigenous Knowledge, and Recognition of Aboriginal Institutions - An Examination of Government Policy* (Ottawa: Canadian Race Relations Foundation, 2005).

For all learners, post-secondary education brings a range of benefits, including greater prosperity, better health and well-being and greater community involvement.⁶⁴ Figure 9 shows that for First Nations, higher education can also bring greater economic equality with the overall Canadian population. For example, First Nations adults with a university degree are nearly as likely to be employed as non-Aboriginal Canadians, regardless of their place of residence.

Figure 9: Employment rates by level of education for adults aged 25-64, Canada, 2006



Source: Statistics Canada, 2006 Census

So why are First Nations youth and adults not obtaining post-secondary education degrees at the same rate as non-Aboriginal Canadians? It is not for a lack of ambition. According to a 2005 survey of First Nations living on-reserve, 70% of youth aspire to complete their post-secondary education.⁶⁵ When asked why so few First Nations youth actually graduate with a post-secondary degree, 27% of First Nations youth and parents identified the lack of financial resources as the predominant barrier – specifically the lack of government funding (see Figure 10).⁶⁶

Current funding provided to First Nations students

In 2006, INAC spent an estimated \$294 million to support 22,303 First Nations students in Canada (\$12,420 per student). This amount of PSSSP funding has been historically inadequate to meet the post-secondary funding needs of First Nations across Canada. As a result, First Nations communities are forced to make difficult decisions on who can receive funding each year.

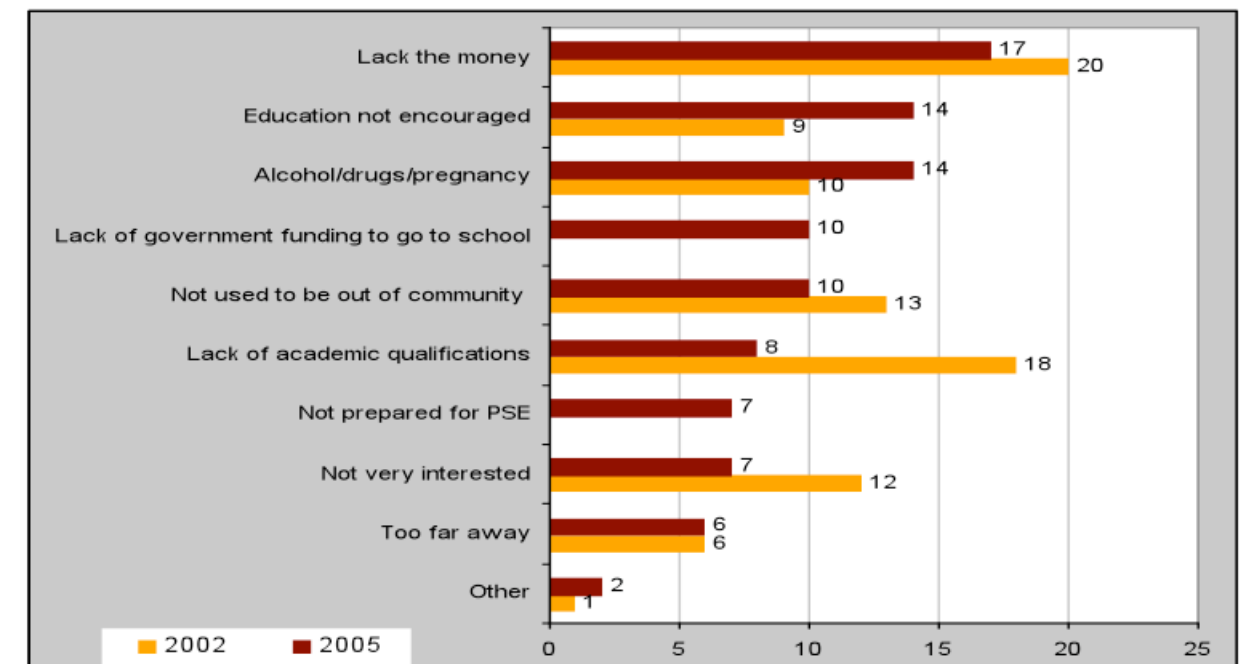
⁶⁴ Canadian Council on Learning (2007). *State of Learning: No Time for Complacency. Chapter 5: Aboriginal Learning* (Ottawa: 2007). <http://www.ccl-cca.ca/NR/rdonlyres/10F273B7-9C42-4C2A-9586-62C282ABAE25/0/Chapter5EN.pdf>.

⁶⁵ EKOS Research Associates Inc., *Survey of First Nations People Living On-Reserve 2005—Wave 2*.

⁶⁶ EKOS Research Associates Inc., *Survey of First Nations People Living On-Reserve 2005—Wave 2*.

In 2007, it was estimated that the cap on INAC's post-secondary funding has caused a backlog of 10,589 First Nations students who were denied funding between 2001 and 2006 and are currently waiting for funding to enrol in post-secondary institutions.⁶⁷ Often, funding is given to students who have just graduated from high school and are enrolling in short, often college-level programs, or to students who are pursuing their studies from the previous year. In contrast, more expensive programs are rarely or never funded through PSSSP funding, such as post-graduate and professional studies.⁶⁸

Figure 10: Barriers to post-secondary education as identified by First Nations living on-reserve, 2002 and 2005



Sources: EKOS Research Associates Inc., *Survey of First Nations People Living On-Reserve, 2002* (Ottawa: Indian Affairs and Northern Canada, 2002); and EKOS Research Associates Inc., *Survey of First Nations People Living On-Reserve 2005—Wave 2*.

In 2007, the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development made a series of recommendations to INAC regarding the need for increased PSSSP funding. In response, the AFN commissioned research to identify the costs of these recommendations.⁶⁹ The following analysis summarizes the funding needed to address each of the four recommendations.

⁶⁷ The backlog of students is calculated using the difference between an increasing number of potential First Nations post-secondary students due to population growth and the number of students actually funded by INAC from 2002 to 2006. Source: AFN (unpublished). *Financial Support for First Nation Students in College and University: The Cost of Implementing the Recommendations of the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development*.

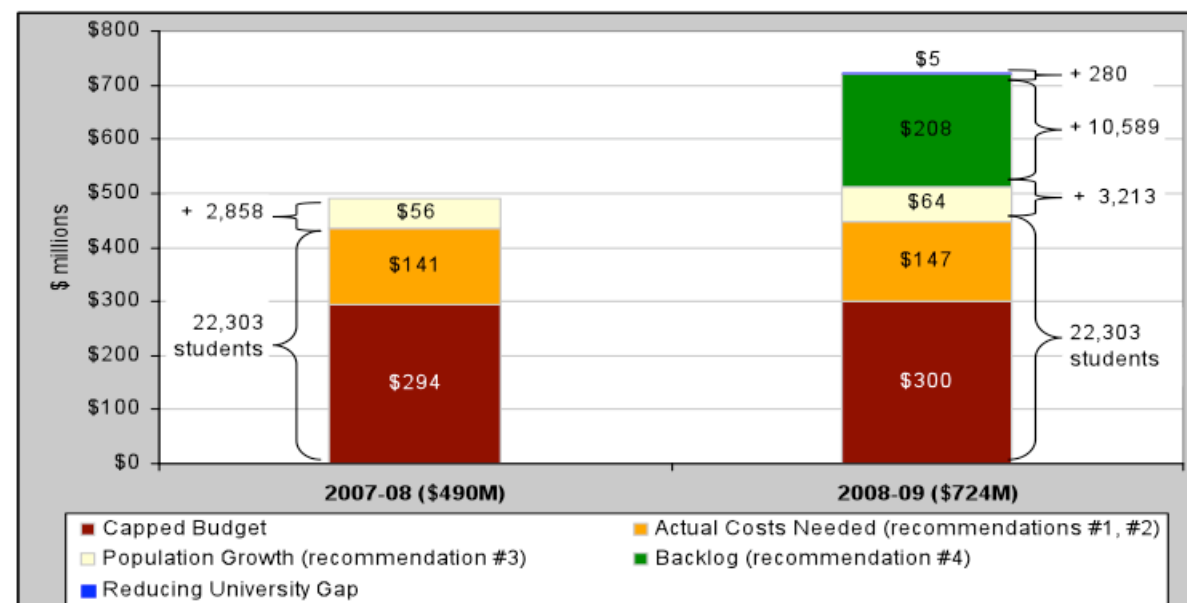
⁶⁸ Millennium Scholarship Foundation (2008). *Factors Affecting the Use of Student Financial Assistance by First Nations Youth*. Prepared by R.A. Malatest & Associates Ltd. and Dr. Blair Stonechild (Ottawa: June 2008).

⁶⁹ AFN (unpublished). *Financial Support for First Nation Students in College and University: The Cost of Implementing the Recommendations of the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development*.

In 2007, the total PSSSP funding actually required across Canada was \$490 million – addressing the Standing Committee's recommendations 1, 2 and 3 (see Figure 11). In 2008, a total of \$516 million would have been needed, in addition to \$208 million to address the student backlog (recommendation 4), to support a total of 36,382 students (\$19,482⁷⁰ per student). With such funding in place, only an additional \$5 million would be required to support 280 First Nations students needed to close the post-secondary education gap with non-Aboriginal Canadians.

By 2012, when the student backlog of 10,589 students is eliminated, the annual PSSSP funding required would be \$695 million. In Quebec, a total of \$57.3 million would have been required in 2008 to support approximately 4,000 First Nations students, in addition to \$23.1 million needed to address the student backlog.

Figure 11: Estimated PSSSP funding needs, Canada, 2007-08 and 2008-09



Sources: Assembly of First Nations (unpublished). *Financial Support for First Nations Students in College and University: The Cost of Implementing the Recommendations of the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development*. A report prepared for the Assembly of First Nations by Informetrica Limited (June 2007).

⁷⁰ Estimates include average costs for both full-time (\$22,212) and part-time (\$2,651) students.

Although an average cost of \$19,482 to support a First Nations student to pursue a post-secondary degree may seem expensive, one must consider the state and individual costs of not pursuing education. A recent report commissioned by the Canadian Council on Learning finds that both the state and individual costs in 2008 of dropping out amount to \$16,926 per year per Aboriginal high school dropout.⁷¹ Over a five-year period (a typical time to complete a post-secondary education degree), this would amount to over \$84,000 per dropout.⁷²

The importance of Indigenous Institutes of Higher Learning

Indigenous Institutes of Higher Learning (IIHLs) are unique institutions within the Canadian post-secondary education system, offering students (predominantly Aboriginal) an alternative to provincial colleges and universities. The role of IIHLs is not to duplicate what provincial post-secondary institutes are doing well, but to reach those students who would otherwise not pursue, nor be successful, at the post-secondary level.⁷³

IIHLs have emerged to respond to the need for post-secondary programs that meet the unique learning needs of Aboriginal people, responding to many of the specific barriers Aboriginal learners face when pursuing post-secondary education.⁷⁴ IIHLs began in 1977 by offering mostly upgrading and training programs, but have evolved to offer technical training, college diplomas and university degrees.⁷⁵

Existing legislation and policies in Canada require most Indigenous institutes to partner with provincial post-secondary institutions in order to grant their own diplomas, degrees and certificates.⁷⁶ In 2007, there were 45⁷⁷ IIHLs across Canada, with an enrolment of approximately 10,000 students.⁷⁸

⁷¹ Costs of dropping out include the incurred costs by the state to provide social assistance and employment insurance as well as costs to the criminal justice system. Costs to the individual are also included and identify health costs, loss of earnings, and tax revenue loss.

⁷² Hankivsky, Olena (2008). *Cost Estimates of Dropping Out of High School in Canada*. Prepared for: Canadian Council on Learning, December 2008.

⁷³ Katenies Research and Management Services and Chignecto Consulting Group Inc. *Review of the Indian Studies Support Program Component of the PSE Program* (Ottawa: Assembly of First Nations, 2006).

⁷⁴ First Nations Education Steering Committee. *Aboriginal Post-Secondary Education in British Columbia: A Place for Aboriginal Institutes. Policy Background Paper, May 2008*. (Vancouver: May, 2008).

⁷⁵ Katenies Research and Management Services and Chignecto Consulting Group Inc. *Review of the Indian Studies Support Program Component of the PSE Program* (Ottawa: Assembly of First Nations, 2006).

⁷⁶ The Aboriginal Institutes' Consortium. *Aboriginal Institutions of Higher Education - A Struggle for the Education of Aboriginal Students, Control of Indigenous Knowledge, and Recognition of Aboriginal Institutions - An Examination of Government Policy* (Ottawa: Canadian Race Relations Foundation, 2005).

⁷⁷ List provided by the National Association of Indigenous Institutes of Higher Learning and updated to reflect those institutions that offer post-secondary programs.

⁷⁸ Enrolment figures estimated using information from Indigenous Associations reports (such as the Indigenous Association of Higher Learning in British Columbia and the Aboriginal Institutes' Consortium in Ontario) as well as annual reports from individual institutions.

However, Indigenous institutes across Canada vary in size, programming and capacity. A 2006 survey of IIHLs across Canada identified what a typical Indigenous institute looks like:⁷⁹

- Independent institution with a link to an Indigenous organization or association;
- Founded and governed by a First Nations or a group of First Nations and located on-reserve;
- Most often linked to non-Aboriginal post-secondary education institutions for the purposes of accreditation or joint programming;
- High program completion rates, between 60% and 90% per year;
- Average enrolment of 190 full-time students and 45 part-time students, most of whom are Aboriginal and relatively older (aged 30 to 39);
- Offer an average of 9 full-time and 4 part-time programs that are founded on Indigenous cultures, perspectives, values and beliefs; and
- Provide programs that are accredited directly with a provincial accreditation agency.

"I attended an Aboriginal college more than 30 years ago. That college closed five years later. At least 50 young people used to graduate every year. That is an aberration. If this college were still operating in Québec, we would now have at least 30 times 50 youths with a college level diploma. I can tell you the socio-economic circumstances of our communities would be different."

Lise Bastien, Director, First Nations Education Council (Standing Committee on Aboriginal Affairs and Northern Development, 2007)

First Nations post-secondary institute in Quebec

In the 1970s, the First Nations of Quebec decided to create a post-secondary learning institution named Manitou College. This was a significant achievement then, but unfortunately the college had to shut down because of a lack of funding and a disagreement concerning its primary mission.⁸⁰

As a result, First Nations in Quebec have been without an IIHL for over 30 years—one of the few provinces in Canada without one. In an attempt to address this, FNEC has recently been offering university-level courses in association with recognized universities, including the Université de Montréal and St. Paul's University in Ottawa. This initiative has been a resounding success.⁸¹

Furthermore, the FNEC is planning on leveraging support from the federal and Quebec provincial governments in 2006⁸² to create a Centre for Collegial Studies.

⁷⁹ Katenies Research and Management Services and Chignecto Consulting Group Inc. *Review of the Indian Studies Support Program Component of the PSE Program* (Ottawa: Assembly of First Nations, 2006).

⁸⁰ FNEC (unpublished). *Presentation to the Standing Committee on Aboriginal Affairs and Northern Development*.

⁸¹ Ibid.

⁸² FNEC hosted a First Nations Socio-Economic Forum in October 2006, Mashteuiatsh.

Current funding provided to Indigenous Institutes of Higher Learning

In 2007, the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development made a specific recommendation to INAC to evaluate the adequacy of funding provided through the Indian Studies Support Program (ISSP) of INAC's post-secondary education program and to develop a funding methodology based on actual funding needs of IIHLs and mainstream post-secondary institutions.⁸³

This recommendation supports what First Nations have stated for many years regarding the uncertain and inadequate funding conditions imposed on First Nations post-secondary institutions across Canada. In response, the AFN commissioned research to identify the actual cost of IIHLs.⁸⁴

Although the AFN's report did not go as far as estimating costs for IIHLs across Canada, the generalized estimates of operating costs for provincial colleges and universities provide the foundation for what is needed to estimate the funds required by IIHLs.

"While highlighting the successes and proven benefits of these institutions for Aboriginal learners and their communities, our contributors expressed concern about the inadequate and unstable ISSP funding they currently receive."

- Standing Committee on Aboriginal Affairs and Northern Development (2007)

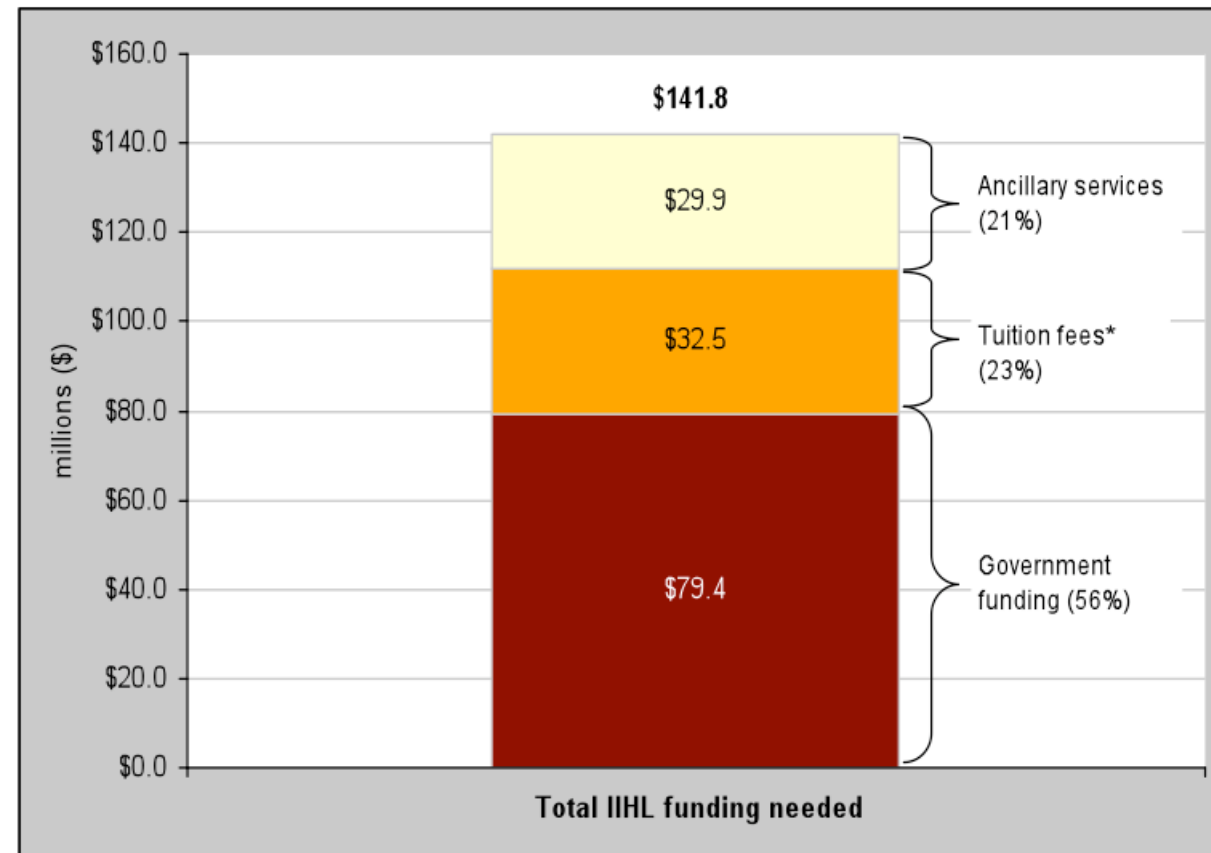
In 2006, it was estimated that INAC provided \$21.8M in ISSP funding to support both IIHLs across Canada and several Aboriginal programs supported through provincial post-secondary education institutions.

However, \$79.4 million would have actually been needed in 2008 to support the same 45 IIHLs and 10,000 students across Canada. This represents 56% of the necessary operating costs for IIHLs (\$13,900 per student for colleges and \$15,900 per student for universities). Approximately 23% of the remaining operating costs would come from tuition fees (which for IIHLs would come from the federal government PSSSP funding), and 21% would come from other revenue sources like fees for adult training programs and ancillary services provided to students (see Figure 12).

⁸³ Standing Committee on Aboriginal Affairs and Northern Development (2007). *No Higher Priority: Aboriginal Post-Secondary Education in Canada*. Can be viewed at <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3135688&Language=E&Mode=1&Parl=39&Ses=2>.

⁸⁴ Assembly of First Nations (unpublished). *Funding of a First Nations College or University: A Brief Report for the Assembly of First Nations by Informetrica Limited* (June 2007).

Figure 12: Estimated IIHL funding needs, Canada, 2008-09



* Note that for IIHLs, a large proportion of student tuition fees would come from INAC's PSSSP funding.

Sources: FNEC calculation from Assembly of First Nations unpublished report, *Funding of a First Nation College or University: A Report Prepared for the Assembly of First Nations by Informetrica Limited* (June 2007).

In order to create an IIHL in the province of Quebec that would support 200 students, it is estimated that \$2.8 million would be needed for operating costs, \$1.6 million of which would come from the federal government.

Post-secondary Education Summary

Table 4: 2008 funding needs - post-secondary education

	Annual shortfall (Canada)	Annual shortfall (Quebec)
Ongoing student support	\$216M	\$24M
Student backlog	\$208M	\$23M
Institutional support (operating costs)	\$57M	\$2M
TOTAL	\$481M	\$49M

- While there are more First Nations post-secondary education graduates than ever before, the 'university gap' remains wide with non-Aboriginal Canadians.
- First Nations youth living on-reserve identify the lack of funding as the primary barrier to accessing post-secondary education.
- In 2006, INAC spent an estimated \$294 million to support 22,303 First Nations students in Canada (\$12,420 per student) through its Post-secondary Student Support Program (PSSSP).
- INAC's overall PSSSP funding has been historically inadequate, resulting in a backlog of 10,589 First Nations students who could potentially enrol in post-secondary programs today, but have been denied PSSSP funding due to INAC's imposed 2% cap.
- In 2007, the Standing Committee of the House of Commons on Aboriginal Affairs and Northern Development made four recommendations to INAC regarding the need for increased PSSSP funding.
- To implement these recommendations in 2008, it would have cost \$516 million, plus \$208 million to address the student backlog, to support a total of 36,382 students across Canada (\$19,482 per student). In Quebec, this is estimated to be \$57.3 million (plus \$23.1 million for the backlog) to support approximately 4,000 First Nations students.
- For the 45 IIHLs and the 10,000 students enrolled in them, an estimated \$79.4 million in operating costs would have been required in 2008 (in 2006, INAC funds totalled \$21.8 million). To support a much needed First Nations institute in Quebec, this would require \$1.6 million from the federal government for operating costs alone.

Section 4: Recommendations

Since the adoption of the *Indian Control Over Indian Education* policy 35 years ago, First Nations have grown and gained experience in education. However, First Nations are still waiting for the comparable funding needed to offer the educational services that are enjoyed by other Canadian children.

The challenge over the past three decades, however, has been to accurately measure how much funding is required. This paper responds to this challenge and provides the evidence outlining what would be required to provide equitable funding for First Nations education in Quebec and across Canada.

The overall amount is significant – but costs are only one part of the equation. There are tremendous benefits, both in measureable economic impacts and in intangible social impacts. The overall benefits of increased education have been measured in many ways and by many researchers. All have concluded that any intervention in improving education outcomes is a worthwhile investment.

“Quebec Premier Jean Charest has asserted that funding for First Nations education is insufficient. In Canada, he added, twice as much spending goes towards educating children in non-Aboriginal communities than to educating children in First Nations communities.”

- La Presse Canadienne, July 17, 2008

In 2008, numerous research and media reports identified the systemic underfunding of First Nations schools as both “shameful” and “appalling.” Recently, provincial Premiers and Ministers, and former leaders of this country have condemned the inequality in funding provided by the federal government for First Nations education. In 2008, this list included: Quebec Premier Jean Charest; Ontario Minister of Aboriginal Affairs Michael Bryant; Manitoba Aboriginal Affairs Minister Oscar Laithlin; former Lieutenant-Governor James Bartleman; and former Prime Minister Paul Martin.

What is needed to equitably fund First Nations education?

Things have now reached a point of social and financial desperation in First Nations communities, and the FNEC recommends that INAC provides the following funding immediately to First Nations communities to respond to the 2008 funding shortfalls identified in the tables below.

Overall, FNEC recommends a 110% increase (at least \$997 million) in annual First Nations education funding across Canada (see Table 4), which includes:

- An 82% (at least \$480 million) increase for the elementary and secondary program;
- \$36.3 million in new funding to support First Nations education systems providing second-level services;
- A 149% (or \$481 million) increase for the post-secondary education program.

For Quebec, FNEC recommends a 158% increase (at least \$140 million) in annual First Nations education funding (see Table 5), which includes:

- A 154% (at least \$80 million) increase for the elementary and secondary program;
- \$10.5 million in new funding to support First Nations education systems providing second-level services;
- A 148% (or \$49 million) increase for the post-secondary education program.

Table 5: 2008 funding needs, Canada

	Current annual funding	Required annual funding	Annual shortfall
Elementary & secondary education			
Instructional services	\$442M	\$675M	\$233M
Missing elements (technology, languages, libraries, sports, etc.)	\$0M	???? (at least \$200M)	???? (at least \$200M)
Vocational education	\$0M	????	????
Capital & maintenance	\$145M	???? (at least \$192M)	???? (at least \$47M)
Elementary & secondary education total	\$587M	???? (at least \$1.1B)	???? (at least \$480M)
Second-level education systems			
Implementation (Canada – 20% of systems per year; 5-yr costs = \$61.4M)	\$0M	\$12.3M	\$12.3M
Ongoing costs (Canada – 20% of systems per year; 5-yr costs = \$61.4M)	\$0M	\$24M	\$24.0M
Education systems total (Canada: 5-yr costs = \$430.9M)	\$0M	\$36.3M	\$36.3M
Post-secondary education			
Ongoing student support	\$300M	\$516M	\$216M
Student backlog	\$0M	\$208M	\$208M
Institutional support (operating costs)	\$22M	\$79M	\$57M
Post-secondary education total	\$322M	\$803M	\$481M
OVERALL EDUCATION TOTAL	\$909M	???? (at least \$1.9B)	???? (at least \$997M)

Table 6: 2008 funding needs, Quebec

	Current annual funding	Required annual funding	Annual shortfall
Elementary & secondary education			
Instructional services	\$46M	\$71M	\$25M
Missing elements (technology, languages, libraries, sports, etc.)	\$0M	???? (at least \$40M)	???? (at least \$40M)
Vocational education	\$0M	\$10M	\$10M
Capital & maintenance	\$6M	???? (at least \$10.6M)	???? (at least \$4.6M)
Elementary & secondary education total	\$52M	???? (at least \$126M)	???? (at least \$80M)
Second-level education systems			
Implementation	\$0M	\$1.5M	\$1.5M
Ongoing costs	\$0M	\$9.0M	\$9.0M
Education systems total	\$0M	\$10.5M	\$10.5M
Post-secondary education			
Ongoing student support	\$33M	\$57M	\$24M
Student backlog	\$0M	\$23M	\$23M
Institutional support (operating costs)	\$0M	\$2M	\$2M
Post-secondary education Total	\$33M	\$82M	\$49M
OVERALL EDUCATION TOTAL	\$85M	???? (at least \$219M)	???? (at least \$140M)

First Nations education funding framework required

The amount of recommended funding provides an overall estimate of the degree of investment needed to properly support First Nations education in Canada. Simply providing more funding, however, is not the answer. Increased funding as identified in this paper is absolutely imperative, but a reform of the funding mechanisms used to allocate and deliver funds to First Nations communities is also essential. An appropriate First Nations education funding framework must be developed that will ensure this funding is appropriately distributed to First Nations communities across Canada.

A recent audit of the First Nations education funding formula revealed that over half of INAC officials, First Nations Directors of Education and school principals in Canada indicated that “the existing funding structure is ineffective.”⁸⁵ This must be addressed immediately. INAC has the responsibility to ensure that the development of such a framework is done in an effective and informed manner with the full input and participation of First Nations. This process must take into consideration the particular factors that may require additional resources to maintain adequacy.

“The current funding formula is an archaic instrument for achieving public policy ends and meeting the needs of First Nations people.”

- INAC. Departmental Audit and Evaluation Branch. *Evaluation of the Band-Operated and Federal Schools* (2005)

In order to foster this much needed work, the FNEC began to develop a funding formula for First Nations education in Quebec over the past two years. FNEC's formula development work (or any similar initiative) must take into account the cultural, social and economic realities that are often unique to First Nations, which become significant cost drivers behind First Nations education funding.

Finally, although this paper identifies some immediate costs needed in 2008, the establishment of sustainable and long-term resourcing is essential. The federal government has the obligation to make this possible in the short term by adopting federal legislation and a framework for permanent resource allocation that will enable First Nations to exercise full jurisdiction over their education.

⁸⁵ Indian and Northern Affairs, Corporate Services (2006). *Audit of Funding of School Facilities*. Prepared by the Audit and Evaluation Branch. Ottawa: 2006.

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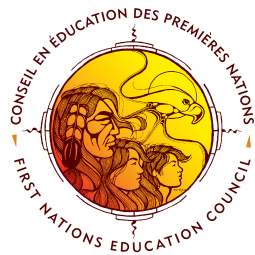
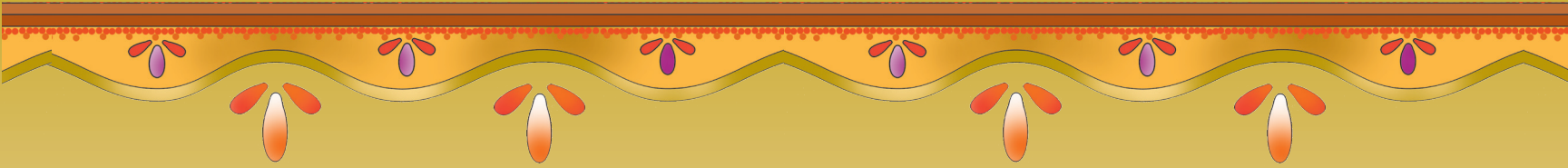
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