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**Government Renewal Abstract
Department of Child, Youth and Family Services (CYFS-Part 2-01)**

Proposal Title: Seek 100% federal funding for child protection services on Reserve

Summary of Proposal:

- The current proposal outlines the Department of Child, Youth and Family Services' (CYFS) proposal to negotiate with the federal government to receive full cost recovery for the provision of child protection services on Reserve. In 2015-16, federal underfunding for child protection services in Natuashish and Sheshatshiu is projected to be \$2.1M.
- If a renegotiated agreement with INAC can be achieved which provides CYFS with full cost recovery for child protection services on Reserve, then CYFS will save approximately \$2.1M annually.

Summary of Proposal			
Implementation Timeline	<input checked="" type="checkbox"/> Begin in 2017-18		<input type="checkbox"/> Begin in 2018-19 or later
Alignment with Government Agenda	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Somewhat	<input type="checkbox"/> No
Annualized Dollar Value	<input type="checkbox"/> < \$1 million	<input checked="" type="checkbox"/> \$1 million-\$5 million	<input type="checkbox"/> >\$5 million
Public Interest	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Somewhat	<input type="checkbox"/> No
Role of Government	<input checked="" type="checkbox"/> Necessary	<input type="checkbox"/> Partially Necessary	<input type="checkbox"/> Not Necessary
Partnership Opportunity	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Unknown
Client Size	<input type="checkbox"/> < 100 clients	<input checked="" type="checkbox"/> 100 to 1,000	<input type="checkbox"/> > 1,000 clients
Efficiency	<input type="checkbox"/> Not Effective	<input type="checkbox"/> Not Efficient	<input checked="" type="checkbox"/> Effective and Efficient
Affordability	<input checked="" type="checkbox"/> Affordable	<input type="checkbox"/> Not Affordable	
Scope of Client Group	<input checked="" type="checkbox"/> Narrow Client Group	<input type="checkbox"/> Broad Client Group	<input type="checkbox"/> General Population
Client Location	<input checked="" type="checkbox"/> Localized	<input type="checkbox"/> Regional	<input type="checkbox"/> Provincial
Stakeholder Consultations Prior to Program Change	<input checked="" type="checkbox"/> Not Required	<input type="checkbox"/> Limited	<input type="checkbox"/> Extensive
Legislative Changes Required	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Regulations	<input type="checkbox"/> Act
Readiness to Implement	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low

Background:

- The Federal Government has constitutional jurisdiction regarding Aboriginal people in Canada. However, in the absence of federal legislation in the area, provincial law regarding child protection services prevails on Reserve.
- To discharge its responsibility, the Federal Government contracts with CYFS to provide for the delivery of child protection services on Reserve. Specifically, Indigenous and Northern Affairs Canada (INAC) Directive 20-1, implemented in 1991, reimburses a portion of CYFS' operational expenses and costs directly related to protection services for children/youth in-care on Reserve. Directive 20-1 has been criticized by First Nations for being protection focused rather than prevention focused, and for providing significantly fewer funds than provincial governments spend providing similar services off Reserve.
- On January 26, 2016, the Canadian Human Rights Tribunal (CHRT) ruled that the federal government discriminates against children on Reserve by failing to provide the same level of

child protection services on Reserve compared to what is provided off Reserve. This is consistent with the NL experience whereby there is significant federal underfunding for child protection services in Natuashish and Sheshatshiu. In accordance with the *Children and Youth Care and Protection Act* and associated policies and procedures, child protection services are provided equally to all areas of the province with CYFS incurring the remaining costs.

- CYFS receives funding under Directive 20-1 for the delivery of child protection services for the Mushuau Innu First Nation (MIFN: Natuashish) and the Sheshatshiu Innu First Nation (SIFN). Since 2002, the intergovernmental agreement has been largely unchanged for more than a decade at the same funding levels and has been renewed under the authority of MC2002-0270.
- The annual agreement with INAC includes two components: a fixed amount for operations (\$0.970M) as well as a variable amount to cover the costs of any Innu children/youth who are in-care (\$7.0M, though actual expenditures and reimbursement in 2014/15 were \$8.48M). The funding agreement does not include reimbursement of expenditures for protective intervention services (CYFS is involved with families where there are identified risks, but children remain in the family home with supports).

Analysis:

- In 2015-16, federal underfunding for child protection services for the MIFN and SIFN is projected to be \$2.1M (\$1.9M for operations and \$0.18M for protection) as follows:
 - Operations – Under the current agreement, the federal government provides a fixed amount for operations (\$0.970M). In 2015-16, CYFS' projected expenditures for operations are \$2.9M, which will exceed what the federal government provides by over \$1.9M.
 - Maintenance – The current agreement provides a variable amount to cover the direct costs of maintaining Innu children/youth in care (\$7.0M). In the past, INAC has fully reimbursed CYFS for these expenditures.
 - Protective Intervention Program – The current agreement does not provide funding for protective intervention services. In 2015-16 CYFS' projected expenditures for the Protective Intervention Program is \$0.180M.
- The Trudeau Government has committed to a new approach to the federal relationship with Aboriginal people, highlighted by the commitment to implement all recommendations of the Truth and Reconciliation Report. The Trudeau Government has also been very critical of the Harper Government's treatment of Canada's Aboriginal people, including underfunding of family and child services on Reserve. Prime Minister Trudeau has pledged to end the status quo saying Reserves should receive equitable funding for child and family services.
- Significant efforts have been made to finalize the 2015-16 agreement with INAC, and IGA and CYFS have been actively engaged in seeking additional funding for CYFS. Detailed budget expenditures have been submitted to INAC, which demonstrates the federal funding shortfall of \$2.1M.
- The January 26, 2016 ruling of the CHRT regarding underfunding of child protection services on Reserve, as well as the new federal commitments in this area, may represent an opportunity to fully recoup costs incurred by CYFS in providing child protection services on Reserve. These efforts are ongoing and will continue into 2016-17 if an enhanced 2015-16 agreement cannot be reached.

- A letter is drafted to the federal Minister for Indigenous and North Affairs Canada seeking additional federal funding.

Legal, Regulatory and Legislative Considerations:

- This proposal has no legal, regulatory or legislative considerations. Cabinet direction will be required if the agreement with INAC is renegotiated.

Consultations:

- CYFS is actively engaged with the Intergovernmental Affairs Secretariat and Indigenous and Northern Affairs Canada to renew the annual intergovernmental agreement, at increased funding levels. Efforts include seeking reimbursement for 2015-16 expenditures and adjustments for future agreements to reflect the additional funding the province is paying.
- INAC has previously resisted efforts to expand the funding available for child protection services on Reserve.

Financial and Human Resource Considerations:

- If a renegotiated agreement with INAC can be achieved which provides CYFS with full cost recovery for child protection services on Reserve, then CYFS will save approximately \$2.1M annually.

Prepared/Approved by: R. Hodder/ S. Dow/R. Cochrane

Ministerial Approval:

Date: February 29, 2016