

Executive  
Council

Newfoundland  
and Labrador

Certified to be a true copy of a Minute of a  
Meeting  
of the Committee of the Executive Council  
of Newfoundland and Labrador approved  
by His Honour the Lieutenant-Governor on

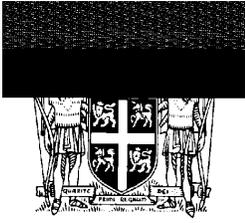
2002/08/29

HCS/DM  
LAA/DM  
TB/DM  
~~CGA/DM~~ 296  
AG  
Deputy Clerk  
File

MC2002-0270. HCS2002-027; LAA2002-016; TBM2002-174.

Under the authority of sections 10 and 11 of the Executive Council Act and section 7 of the Intergovernmental Affairs Act, the Lieutenant-Governor in Council is pleased to authorize the Ministers of Health and Community Services and Labrador and Aboriginal Affairs and the Minister for Intergovernmental Affairs to sign a one year “Canada/Newfoundland and Labrador Child and Family Services Agreement”, substantially along the lines of a copy on file with the Clerk of the Executive Council, with funds received through the Agreement to be directed to the Health Labrador Corporation to cover the costs associated with the provision of the Child, Youth and Family Services for residents of Sheshatshiu and Davis Inlet.

Clerk of the Executive Council



## CABINET DIRECTIVE

*The following is a Copy of a Directive  
passed by Cabinet at a Meeting held on*

2002/08/21

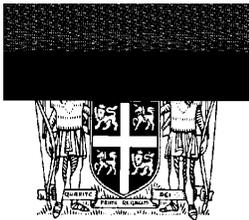
MC2002-0270  
HCS/DM  
LAA/DM  
TB/DM  
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AG  
Deputy Clerk  
File

HCS2002-027; LAA2002-016; TBM2002-174.

The joint submission of the Ministers of Health and Community Services and Labrador and Aboriginal Affairs respecting the Canada/Newfoundland and Labrador Child and Family Services Agreement was considered.

The following direction was provided:

- 1) Approval was given for the issuance of an Order in Council, pursuant to sections 10 and 11 of the Executive Council Act and section 7 of the Intergovernmental Affairs Act, authorizing the Ministers of Health and Community Services and Labrador and Aboriginal Affairs and the Minister for Intergovernmental Affairs to sign a one year “Canada/Newfoundland and Labrador Child and Family Services Agreement”, substantially along the lines of a copy on file with the Clerk of the Executive Council, with funds received though the Agreement to be directed to the Health Labrador Corporation to cover the costs associated with the provision of the Child, Youth and Family Services for residents of Sheshatshiu and Davis Inlet;
- 2) Any savings to the Province as a result of the “Canada/Newfoundland and Labrador Child and Family Services Agreement” are not to be committed at this time, with a final decision being deferred for consideration during the upcoming budget process; and,



## CABINET DIRECTIVE

*The following is a Copy of a Directive  
passed by Cabinet at a Meeting held on*

3) Approval was given for the Ministers of Health and Community Services and Labrador and Aboriginal Affairs and the Minister for Intergovernmental Affairs to extend the “Canada/Newfoundland and Labrador Child and Family Services Agreement” if no substantial changes are made, without further reference to Cabinet.

(NO ACTION TO BE TAKEN ON ITEM 1 UNTIL AN ORDER IN COUNCIL  
(OC2002-296 ) IS ISSUED)

Clerk of the Executive Council

HCS 2002-027  
LAA 2002-016

**CONFIDENTIAL**

**MEMORANDUM TO EXECUTIVE COUNCIL**

**Title:**

*Canada /Newfoundland and Labrador Child and Family Services Agreement*

**ISSUE**

Whether or not to sign the *Canada/Newfoundland and Labrador Child and Family Services Agreement*.

**RECOMMENDATION**

Pursuant to Section 7 of the *Intergovernmental Affairs Act* and Section 10 of the *Executive Council Act*, the Minister of Intergovernmental Affairs, or his designate, and the Minister of Health & Community Services, or his designate, and the Minister of Labrador and Aboriginal Affairs, or his designate, be authorized to sign a one-year Child and Family Services Agreement between the Government of Canada and the Government of Newfoundland & Labrador, in substantially the form as the draft Agreement on file with the Clerk of the Executive Council.

Funds received through this Agreement be directed to Health Labrador Corporation (HLC) to cover the costs associated with the provision of Child, Youth and Family Services for residents of Sheshatshiu and Davis Inlet. It is further recommended that the Minister be given the authority to extend this Agreement if no substantial changes are made, without requiring cabinet approval.

**BACKGROUND**

In September 2000 the federal government agreed to register the Innu of Labrador under the *Indian Act* and create reserves at Sheshatshiu and Natuashish (Sango Bay). Part of this process involves the federal government funding child, youth and family services, education and income support programs on these reserves.

In June 2001, the federal Department of Indian and Northern Affairs Canada (INAC) commenced negotiations with the Province to transfer monies to partially fund costs associated with Child, Youth and

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Family Services in the communities of Sheshatshiu and Davis Inlet. The funding proposed for this fiscal year, commencing June 1, 2002, is \$789,715 for operational costs and a maximum of \$4.6M for direct client maintenance costs (foster care). A list of services to which INAC will provide funding is included in Part H (Annex 1) and exclusions are stipulated in Part I (Annex 2) of the Agreement.

INAC is responsible for funding the delivery of programs on reserves as outlined in the contribution agreement. INAC does not have the expertise to deliver these programs and services directly and at this time both INAC and the Province does not believe the Innu have the capacity to run these programs themselves. INAC has requested the Province, through HLC, continue to deliver these services until such time as the Innu have developed the capacity to assume this function. While the proposed Agreement is for one year, it is unlikely the Innu will be in a position to assume full responsibility for the delivery of these services in the next fiscal year.

A working committee was established by INAC with the Province and the Innu to develop a work plan for devolution of Child, Youth and Family Services, which includes capacity building in the Innu communities. Membership of this committee includes representatives from Department of Labrador and Aboriginal Affairs (LAA), Department of Health and Community Services (HCS), HLC, INAC and the Sheshatshiu and Mushuau Innu. Time frames for devolution have not yet been established.

### ALTERNATIVES

1. Status Quo. The Province would not sign the Agreement and continue to fund and deliver Child, Youth and Family Services to the Innu communities. Funding from the Federal Government would not be available for these services.
2. Sign a one year Agreement, with savings occurring as a result of this Agreement being reinvested into infrastructure for these communities, as per Government's commitment to reinvestment of legitimate savings for a five year period.
3. *Sign a one year Agreement and redirect all funds to HLC to cover the costs in this program area. Any savings which occur as a result of this Agreement will remain with HLC for the delivery of Child, Youth and Family Services in the Innu communities. In light of Government's*

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commitment made in 1999 for reinvestment of legitimate savings, Minister Ernest McLean would write the Honourable Robert Nault, Minister of Indian and Northern Affairs Canada to advise monies saved by the Province in this Agreement will be reinvested into the delivery of Child, Youth and Family Services. This is the preferred option.

#### LEGISLATIVE/REGULATORY CONSIDERATIONS

The Province through the *Child, Youth and Family Services Act*, and the *Adoption of Children Act*, has jurisdiction for these programs in the Innu communities. The Agreement will not change the Province's jurisdiction, neither will the registration and reserve creation under the *Indian Act*. Provincial legislation and standards will still apply.

This is the situation on reserves across Canada, including the Conne River Reserve. The Province has a bilateral agreement with the Miawpukek Band who are funded by the federal government to provide Child, Youth and Family Services on the Reserve. However, unlike the situation in Labrador, the Conne River Reserve has been established for a number of years. Funding is provided directly from the Federal Government to the

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Miawpukek Band who in turn contract for child and family services provided by Health and Community Services - Central Region. It is anticipated that this arrangement will evolve as the model for the Innu when Child, Youth and Family Services have been completely devolved from the Province.

#### **FINANCIAL CONSIDERATIONS**

The provision of Child, Youth and Family Services to the Innu communities in Labrador is both complex and costly. Over the past five years, the expenditures incurred by HLC in respect of Child, Youth and Family Services provided to the Innu in these two communities have increased by 554% from \$445,016 in 1997-98 to \$ 2,912,500( projected) in 2002/03. Much of this increased expenditure can be correlated to elevated awareness and identification of substance abuse in these communities and the complex care needs associated with same; a shift in focus to early intervention by professional staff, as embodied in the new *Child, Youth and Family Services Act*; and a significant increase in caseload of children being provided protective intervention services. Although HLC is funded by HCS, results of these increased costs have left HLC with an

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annual deficit position of \$2.4M in this program area which continues to go unfunded by the Department.

Under the proposed one-year agreement, the Federal Government will reimburse the Province for costs associated with the provision of Child, Youth and Family Services. This reimbursement will include \$789,715 for operational costs, commencing June 1, 2002 through to March 31, 2003, and a maximum of \$4.6M for maintenance costs in respect of these services directly provided to the clients (foster care). A list of services to which INAC will provide funding is included in Part H (Annex 1) of the Agreement. The majority of the services stipulated in Part I (Annex 2) that are excluded in this Agreement, will be funded through other federal contribution agreements.

In November 1999, Premier Brian Tobin announced that, if the federal government were to take full financial responsibility for programs and services to the Innu, the Province would use any legitimate savings it accrued to invest in infrastructure in the Innu communities. This was done based on the conclusion such a commitment was necessary before Canada would agree to register the Innu under the *Indian Act*. Minister Ernest McLean wrote the Honourable Robert Nault on February 21 and May 7,

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2001, advising the Province's commitment would be for five years, subject to appropriation by the House of Assembly.

No decisions have been made on how the funds will be reinvested in the Innu communities with the exception of a commitment in a December 20, 2000 letter to INAC indicating the Province would consider contributing part of the saving toward the cost of constructing a new school is Natuashish. The result of this commitment is that there may be no savings to the Province in the first five years after the creation of reserves at Sheshatshiu and Natuashish. Because of this commitment, the Province should advise the federal government of its change in disposition of the savings. Failure to do might be seen as the Province negotiating this Agreement in bad faith.

#### INTERDEPARTMENTAL CONSIDERATIONS

LAA, Intergovernmental Affairs Secretariat (IGA), and the Department of Justice have been involved with HCS and the federal government in these negotiations. LAA and IGA concur with the recommendations contained in this paper. The Department of Justice has

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*provided legal advice during the negotiations of the Agreement. Once an agreement is confirmed, HCS will develop a Memorandum of Understanding with HLC, who will be responsible for the delivery of these services in the Innu communities. HLC has been consulted and they concur with the recommendations contained in this submission.*

#### **INTERGOVERNMENTAL CONSIDERATIONS**

*The INAC represent the Federal Government in negotiating this Agreement and are party to ongoing discussions regarding the provision of Child, Youth and Family Services to Innu children.*

#### **OTHER JURISDICTIONS**

Not applicable.

#### **OTHER CONSULTATIONS**

The Innu prefer INAC to devolve the funding and delivery of services directly to them. Neither INAC, the Province nor HLC feel the Innu are ready to assume this responsibility. The Innu have agreed to participate in a working committee to develop a plan, including time lines, for the eventual devolution of Child and Family Services and capacity building in these communities. Time lines for devolution of services have yet to be developed, therefore it is not anticipated to occur in the current fiscal year

**ENVIRONMENTAL CONSIDERATIONS**

There are no environmental considerations.

**COMMUNICATIONS AND CONSULTATIONS SYNOPSIS**

A communications plan is attached in Annex 3.

**ANNEXES**

1. *Canada/ Newfoundland and Labrador, Child and Family Services Agreement - Part H.*
2. *Canada/ Newfoundland and Labrador, Child and Family Services Agreement - Part I.*
3. *Communications Plan*

**GERALD SMITH, M.H.A.**  
*District of Port au Port*  
*Minister of Health and Community*

*Services*

**ERNEST McLEAN, M.H.A.**  
*District of Lake Melville*  
*Minister of Labrador and Aboriginal*

*Affairs*

*July 11, 2002*

Agreement No. 2002/2003-2-00-00XX-0000

PART H

**Child, Youth and Family Program and Services  
Newfoundland and Labrador,  
as identified in the Act and its regulations.**

**1. Foster Care**

- Assessment
- Referral
- Residential placement
- Clothing
- Counseling
- Social and Recreational Services
- Transportation
- Tutoring
- Behavioral Intervention
- Compensation for Damages
- Educational Services
- Medical Services
- Respite
- Family Visiting
- Voluntary Care

**2. Protective Intervention**

- Family Support Services
- Investigation/Assessment
- Referral
- Parent Coaching
- Clothing
- Counseling
- Social and Recreational Services
- Transportation
- Tutoring
- Behavioral Intervention
- Educational Services
- Medical Services
- Respite
- Homemaker Services

**3. Child Welfare Allowance:**

- Basic maintenance rates
- Clothing
- Counseling
- Social and Recreational Services
- Transportation
- Tutoring
- Behavioral Intervention
- Educational Services
- Medical Services
- Respite

**4. Special Child Welfare Allowance :Children with special physical and /or developmental disabilities**

- Basic maintenance rates
- Clothing
- Counseling
- Social and Recreational Services
- Transportation
- Tutoring
- Behavioral Intervention
- Educational Services
- Medical Services
- Respite

**5. Youth Services:**

- Residential placement
- Clothing
- Counseling
- Social and Recreational Services
- Transportation
- Tutoring
- Behavioral Intervention
- Compensation for Damages
- Educational Services
- Medical Services
- Respite

**6. Adoptions Services:**

- Subsidized Adoption
- Special Equipment

**7. Post Adoption Services:****8. Child Care Services:**

- Child care subsidizes
- One on one support in daycare settings
- Child care placements
- Licenced Child Care services

\* Most of the above services require social work intervention, assessment and support.

## Annex 2

## Agreement No. 2002/2003-2-00-00XX-0000

## PART I

PROGRAMS AND SERVICES FOR WHICH DIAND WILL ASSUME  
FINANCIAL RESPONSIBILITY

**MAINTENANCE COSTS:** Reimbursed as a Contribution on the basis of actual expenditures;  
up to a maximum of **\$4,600,0000**.

The cost of maintaining an Innu Child Ordinarily Resident in one of the Innu communities out of the parental home in foster, group or institutional care at a rate set by the Province as a per diem and intended to cover:

- food
- clothing
- residential placement or foster care
- fixed amount for social and recreational services
- transportation for the child
- transportation for the care giver related to care of the child

In cases where the child in care out of the parental home has needs above those covered under the per diem rate established by the Province, DIAND may, on a case by case basis

and as approved by Atlantic region of DIAND, cover special needs related to:

- special dietary requirements (not covered under the NIHB program)
- special clothing
- special equipment beyond those covered under insured or non insured programs
- visits of the child to parent/guardian
- special transportation required for the social well being of the child.

**OPERATIONAL COSTS:** Allocated as a Flexible Transfer Payment and calculated on the basis of the formula contained in the national policy as follows:

Fixed amount per program	\$143,158.84
Fixed amount per community (\$10,713.59 x 2)	\$ 21,427.18
Amount per child (\$726.91 x estimated child population of 1,017)	\$ 739,267.47
Fixed Amount based on average remoteness; (\$9,235.23 x .43)	\$ 3,971.15
Amount per community based on average remoteness (\$8,865.90 x2 x.43)	\$ 7,624.67
Amount per child based on average remoteness; (1,017 x 73.65 x .43)	\$ <u>32,207.88</u>
<b>100% FORMULA FUNDING (Year April 1, 2002 - March 31, 2003)</b>	<b>\$ 947,657.19</b>

**Note:** The estimated child population (0-18) upon which the calculation is based is 678 for Sheshatshiu and 339 for Mushuau for a total of 1017.

The Remoteness Factor is an index measuring the remoteness of communities relative to other communities in Canada. It is based on the DIAND Band Support formula and is deemed to be an average of .43 for the 2 Innu communities.

The Operational allocation is intended to cover those items which are within DIAND's authority for Child and Family Services but which cannot be reimbursed as a Contribution under Maintenance. These include but are not limited to:

- Salaries and benefits
- Rent
- Maintenance of facility and equipment
- Staff transportation
- Investigation/assessment
- Referral
- Counselling to client groups
- Parent coaching
- Home support services to children in their own homes
- Prevention services
- Legal services
- Adoption services
- Compensation for damages

**Services identified in Part H for which DIAND, through this Agreement, cannot provide funding:**

- Tutoring
- Behavioural intervention
- Education services
- Medical services including medical transportation
- Child care subsidies
- Licensed child care services
- One on one support in daycare settings

The above functions are beyond the authorities of DIAND for Child and Family Services and cannot be funded through this Agreement. Other federal agreements may or may not provide funding for these services.

## Annex 3

**Communications Plan**  
**Canada/Newfoundland and Labrador Child and Family Services Agreement**

<b>Consulted with:</b> Bert Pomeroy, LAA	<b>Date Drafted:</b> July 9, 2002	<b>Anticipated Announcement date:</b> Not applicable
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**A. COMMUNICATIONS ANALYSIS****1. Public Environment**

In September 2000, the federal government agreed to register the Innu of Labrador under the Indian Act and create reserves at Sheshatshui and Natuashish (Sango Bay). Part of this process involves the federal government funding child, youth and family services, education and income support programs on these reserves.

Issues surrounding the Innu of Labrador consistently receive considerable media and public attention, both at a provincial and national level. In particular, the situation involving a number of Innu youth being transported to St. John's (which involved turning the former Grace Hospital as a temporary detox centre) to be treated for gas-sniffing received extensive attention. This situation occurred during the Fall of 2000 and Winter of 2001, however, stories related to the Innu youth, and the continuing troubles with gas-sniffing periodically surface in the media.

Should this issue become public, it is difficult to anticipate the reaction. Given the attention in the past, the media is quick to do stories on the issue, and it will likely receive considerable media attention, particularly in Labrador. Stories are also likely to make it to the national media.

Public response is also difficult to gauge. The emergency situation during late 2000 received mixed reaction. Many people offered to help in any way possible, including offering to volunteer at the Grace facility to inquiring about making financial contributions. However, there have also been public statements made by Newfoundlanders and Labradorians who are uncomfortable with the amount of money which has been spent to assist these communities. In addition to the costs associated with the assessment and detoxification of the children, the costs associated with moving the community of Davis Inlet to Sango Bay and Davis Inlet's financial situation have also been negatively received by Newfoundlanders and Labradorians.

**2. Target Audiences**

- Federal/provincial government officials (Departments of Indian and Northern Affairs, Health and Community Services, Labrador and Aboriginal Affairs, and Intergovernmental Affairs Secretariat)
- Health Labrador Corporation
- Innu Nation
- Media

### **3. Consultations**

Interdepartmental consultation has occurred between the Departments of Health and Community Services and Labrador and Aboriginal Affairs with respect to the development of this communications plan.

### **4. Communications Objectives**

- To communicate to key stakeholders that the Government of Newfoundland and Labrador and the Government of Canada have signed a contribution agreement.
- To explain to key stakeholders the purpose of the contribution agreement.
- To inform key stakeholders the Government of Newfoundland and Labrador is committed to working with the Innu of Labrador to build their capacity to be able to offer child, youth and family services.

### **5. Messages**

- The Government of Newfoundland and Labrador has signed a Child and Family Services Agreement with the Government of Canada.
- Funds received through the Canada / Newfoundland and Labrador Child and Family Services Agreement will be directed to Health Labrador Corporation. The Corporation must use the funds to cover the costs associated with providing Child, Youth and Family Services for the residents of Sheshatshiu and Davis Inlet.
- Government is committed to working with the Innu to build the necessary capacity to enable the Innu to deliver the Child, Youth and Family Services programs.
- At this time, the province, through the Health Labrador Corporation, will deliver the services until such time as the Innu have developed the capacity to be able to do so.
- For the Conne River Reserve, federal funding is provided directly to the Band for child, youth and family services programs. The Band, in turn, contracts for the services provided by Health and Community Services - Central Region. It is anticipated that this type of arrangement model will evolve for the Innu in Labrador.
- The Government of Newfoundland and Labrador has jurisdiction for the provision of child, youth and family service programs in Innu communities. This contribution agreement does not change the province's jurisdiction; provincial legislation and standards will still apply.

## **B. COMMUNICATIONS ACTIVITIES**

### **6. Strategic Considerations**

It is very difficult to anticipate the reaction from the Innu communities to this agreement. The Innu have long been advocating to offer the necessary programs on their own. Government's involvement is often perceived as doing more harm than good. It is possible that when the contribution agreement is signed, Innu leaders will try to make it a public issue. The Ministers of Health and Community Services and Labrador and Aboriginal Affairs must be prepared to speak to the issue and clearly articulate government's position.

**7. Interdepartmental Coordination**

The Departments of Health and Community Services and Labrador and Aboriginal Affairs will continue to work closely on this issue. The Communications and Consultations Branch and the Premier's Office will also be kept informed of any new developments.

**8. The Announcement**

As this is primarily an internal matter between the federal and provincial governments, a public announcement is not recommended at this time. However, the Ministers of Health and Community Services and Labrador and Aboriginal Affairs will be still be appropriately briefed to be able to respond on the issue in the event of any media inquiries.

**9. Minister's Involvement**

The Ministers of Health and Community Services and Labrador and Aboriginal Affairs will be the lead ministers on this issue.

**10. Briefings of MHAs**

MHAs should be briefed through routine caucus. However, particular attention should be paid to ensuring that government MHAs for Labrador are kept informed of all actions.

**11. Follow-up Activities**

- Monitor the media for reaction and respond accordingly.
- Continue to communicate our key messages when appropriate.
- Monitor and respond to any correspondence that comes forward regarding this issue.

**12. Evaluation Criteria**

- Monitor the media and correspondence of interest groups, and take action accordingly.