



Unclassified with attachment
FOR INFORMATION

Your file Votre référence

Our file Notre référence

MEMORANDUM TO THE DEPUTY MINISTER AND ASSOCIATE DEPUTY MINISTER

SUBJECT:

Cost-sharing with Newfoundland regarding Innu children.

PURPOSE:

To provide updated information in anticipation of possible discussion at the MIN/DM meeting this week.

BACKGROUND:

Interim payment to the Province:

On January 22, 2001 you agreed to advance \$750,000 to the Province as a gesture of good faith, relating to the care, protection and assessment of Innu children at risk. A contribution agreement has been forwarded to the Province for review. The payment will be made immediately upon signature.

Negotiating Mandate:

A draft negotiating mandate for cost-sharing with Newfoundland has been prepared and will be sent to you shortly for approval. It is consistent with the discussion you had last week with Al Garman, FNIHB Regional Director, Atlantic. The recommended approach is to document all of the follow-up activities that were agreed to in our recent agreements with the Innu; and come to agreement with the Province on identification of individual current and planned projects (eg. child protection, psycho-social assessment, child solvent treatment) as being within either federal or provincial responsibility. Those projects for which clear, undisputed responsibility is agreed, would be paid solely by one party and the other projects would be cost-shared by both at varying rates to be negotiated for each project. The resulting federal cost would depend on the mix of program activities and the ratios of cost-sharing negotiated with the provinces.

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Costs:

The table below shows 2000/01 estimated projected costs, broken down by different cost-sharing ratios. Current year costs will also depend on the decisions taken regarding each child currently at the Grace Hospital; some children may be moved to alternate, and less costly living arrangements in Goose Bay in the near future.

Possible Cost-Sharing Outcomes (2000-01)

	Federal	Provincial	Total
Projected Expenditures	\$0.385M	\$6.04M	\$6.425M
Based on 90/10 fed/prov split	\$5.78M	\$0.645M	\$6.425M
Based on 70/30 split	\$4.5M	\$1.925M	\$6.425M
Based on 60/40 split	\$3.855M	\$2.57M	\$6.425M

Based on discussions to date with DIAND about their financial participation, it is unlikely that DIAND will assume a share of the federal costs this fiscal year. However, we are working to ensure a close collaboration in the long term healing strategy as part of DIAND's Labrador Innu Healing Strategy MC, slated for CCSU on March 20, 2001.

Newfoundland wishes to work in partnership with the federal government in the long term strategy. The sharing of the costs between Canada and Newfoundland will be dealt with in the upcoming MC. The short-term priority is to come to agreement with the Province on cost-sharing of 2000/01 activities.

RECOMMENDATION:

For information.

Ian Potter