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CONFIDENTIAL

TITLE :

Establishment of a Provincial/Innu Child, Youth and Family Services Board to oversee the development and operations of an Innu Child, Youth and Family Services Agency.

ISSUE:

Approval to negotiate the establishment of a Provincial/Innu Child, Youth and Family Services Board to facilitate the delegation of responsibility for Child, Youth and Family Services to the Innu and to address the need for increased services in the communities of Sheshatshiu and Natuashish.

RECOMMENDATION:

The Ministers of Health and Community Services (HCS) and Labrador and Aboriginal Affairs (DLAA) be authorized to:

- negotiate the establishment of a Provincial/Innu Child, Youth and Family Services Board with the Innu to oversee the development and operation of an Innu Child, Youth and Family Services Agency.

BACKGROUND:

In September 2000, the federal government agreed to register the Innu of Labrador under the *Indian Act* and to create Reserves at Sheshatshiu and Natuashish (Sango Bay). The federal government has accepted financial responsibility for funding child and family services on the Reserves and agreed to begin paying for this service prior to reserve creation. The Province, through the *Child, Youth and Family Services Act* and the *Adoption of Children Act*, continues to have jurisdiction for child, youth and family services. Registration and reserve creation will not change the Province's jurisdiction.

Indian and Northern Affairs Canada (INAC) asserts it does not have the expertise to deliver Child, Youth and Family Services directly on Reserves. INAC and the Province do not believe the Innu have the capacity to run these programs at this time. As a result, INAC requested the Province, through Health Labrador Corporation (HLC), continue to deliver the programs until the Innu have the capacity. In other jurisdictions, INAC provides funding to Aboriginal Child, Youth and Family Services Agencies that are recognized by the respective Provinces.

In September 2002, a one-year Bilateral Agreement was signed between the Province and INAC. INAC agreed to provide funding for HLC to deliver, on its behalf, child, youth and family services to Sheshatshiu and Davis Inlet /Natuashish (OC 2002-296 refers). Under this agreement the Province received \$750,000 for operational costs and up to a maximum of \$4.6 million for maintenance costs of Innu children in care from June 1, 2002 to March 31, 2003. This Agreement has been extended until March 31, 2004 with \$970,000 allotted for operational costs

while the allocation for maintenance costs remains the same at \$4.6million for 2003-04 (OC 2003-146 refers).

Operational funds cover salaries and benefits, travel, investigations and assessment, prevention services, adoptions services, referrals, and other services provided to children living in their own home, such as counseling. INAC operational funding is a fixed amount based on a formula. This amount has been insufficient to cover HLC's operational expenditures.

Maintenance funds cover the costs associated with children out of the parental home in foster care, in group homes or other arrangements. The federal maintenance funding is more than sufficient to cover HLC's current expenditures in the program area.

The 2002 Social Work Workload Review, prepared in response to an illegal walkout by provincial social workers, for the Province and the Newfoundland Association of Public Employees, described the situation in Labrador as requiring immediate attention due to high caseload numbers and social problems in many Aboriginal communities. Further, in January 2003, a technical working group with membership from the Province, INAC and the Innu reviewed staffing levels in Sheshatshiu and Davis Inlet after an illegal walkout of the social workers in Sheshatshiu in November 2002. The group recommended an increase in staffing resources for both Innu communities. There is significant pressure from the Innu for the Province and the federal government to immediately enhance staffing levels in this program.

Both governments agreed to work with the Innu to develop a plan for an Innu Child, Youth and Family Services Agency and to assist the Innu to develop capacity to operate this Agency. As in other provinces, the federal government will be fully responsible for funding the Agency once complete delegation by the Province has occurred. The Province has a number of goals in this process:

- to increase services to meet the high demand in this program area;
- to assist the Innu to develop capacity to deliver more culturally sensitive programs;
- to ensure provincial programs and standards are maintained;
- to save money or at least have the program be cost neutral;
- to avoid a situation where the Province is funding an Innu Agency or is accountable to the federal government for spending by an Innu Agency, and
- to ensure the federal government is fully responsible for funding the Innu Agency and any incremental costs.

ALTERNATIVES:

2. This is the recommended option. Negotiate the establishment of a Provincial/Innu Child, Youth and Family Services Board to oversee the development of an Innu Child, Youth and Family Services Agency. HCS and HLC would work cooperatively with the Innu to develop the Innu Child, Youth and Family Services Agency. A key component in the

establishment of a Bilateral Board is utilization of the federal operational monies received by the Province through the *Canada/Newfoundland and Labrador Child and Family Services Agreement* to fund the Innu Agency. HLC will continue to provide services during the development of an Innu Child, Youth and Family Services Agency resulting in a duplication of services for an interim period. As the Innu develop capacity on the Board and in the Agency, provincial representation would be phased out and full delegation to an Innu controlled Board and Agency could occur. The Innu Agency would then be funded directly by INAC and INAC would be responsible for addressing an Innu request for increased funding or services.

Advantages:

- the federal government, through INAC Directive 20-1, will provide the Innu Agency funds for preplanning, planning and start up costs;
- a possible increase in resources as federal monies are allotted to the Bilateral Board;
- a planned process to assist the Innu to develop capacity to deliver more culturally sensitive programs;
- the Province will be represented on the Board to ensure accountability for federal funding and adherence to provincial guidelines and standard;
- when the Innu have developed capacity to deliver these programs and services, the Province can delegate full authority and the federal government can assume a direct funding relation with the Innu;
- INAC will provide maintenance funding for Innu children in provincial care;
- over time, HLC should be able to reduce services as caseloads are assumed by the Innu Agency and problems in the Innu communities are addressed; and
- this option is cost neutral to the Province in that it will only be required to provide HLC with the operational funding it was provided prior to the signing of the Agreement.

Disadvantages:

- the Province will have to maintain existing operational funding for HLC until the Bilateral Board is established and an Innu Child, Youth and Family Services Agency is operating;
- the Minister of Health and Community Services maintains legislative responsibility for the welfare of Innu children during the transition and after full delegation to an Innu Agency; and
- HLC will have to retain some capacity to respond if the Innu Agency does not have the resources to cope with all the children in need or if there is a breakdown in service provided by that Agency.

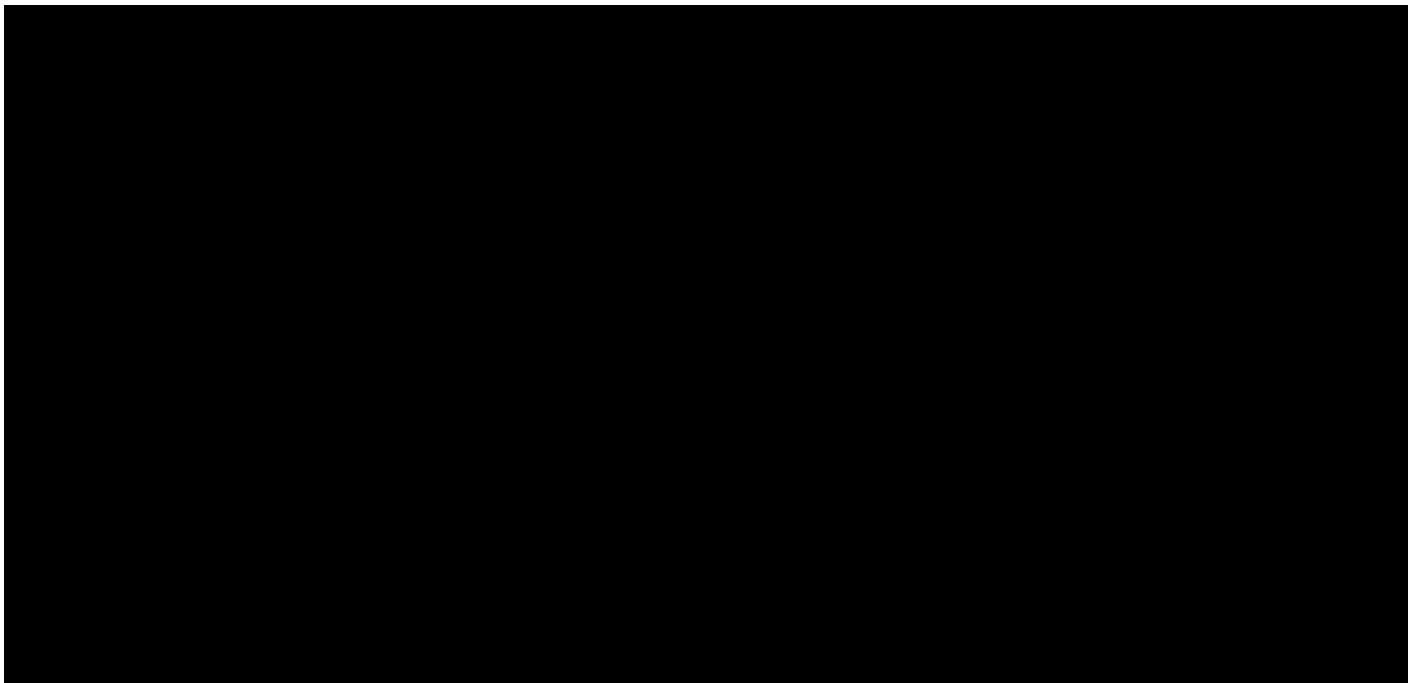
2. Status Quo. Continue to renew the *Canada/Newfoundland and Labrador Child and Family Services Agreement*. HLC would continue to provide current level of services in the Innu communities. The Province would continue to pay the difference in the

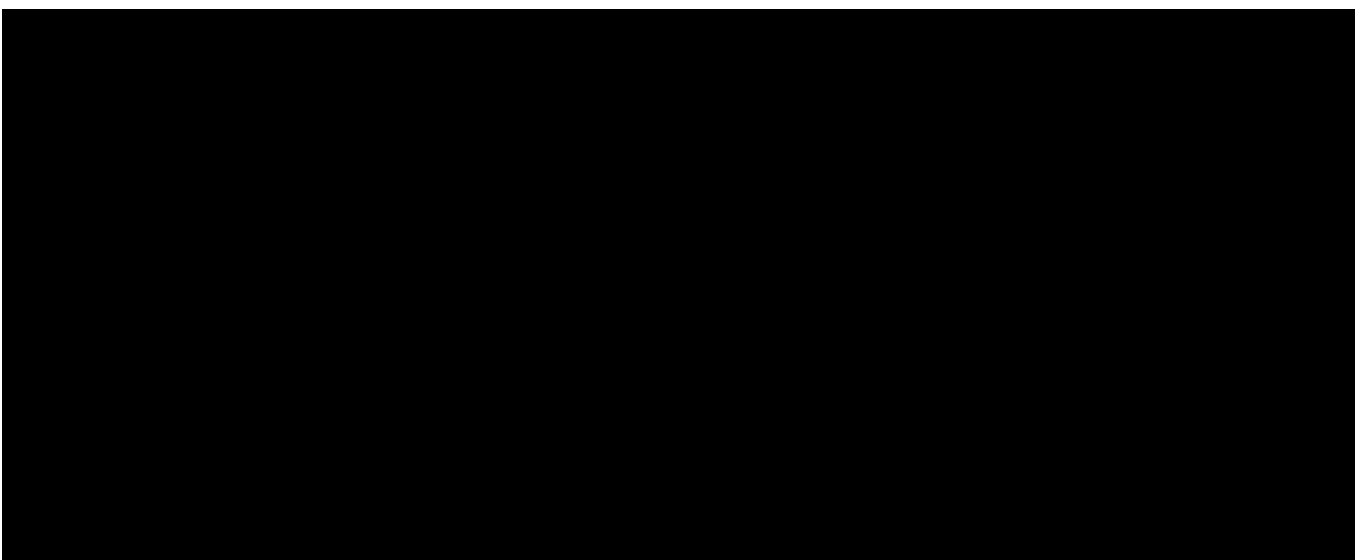
operational costs of running Child, Youth and Family Services. The Province would participate on the working group with INAC and the Innu to establish an Innu Child, Youth and Family Services Agency in accordance with a plan developed by the Innu. The Province would delegate full authority when the Innu have demonstrated capacity in the program area. This is not recommended.

Advantages:

- the Province would continue to receive operational funds to assist with HLC deficit in operations for this program area;
- through INAC Directive 20-1, the federal government will provide the Innu Agency funds for preplanning, planning and start up costs;
- INAC will provide maintenance funding for Innu children in provincial care; and
- the Province will be able to ensure adherence to provincial policies and standards.

Disadvantages:

- no foreseeable increase in services to address the needs in the two Innu communities;
 - the Province becomes accountable to the federal government for an Innu managed program;
 - the Innu do not support this arrangement continuing for an extended period of time; and
 - INAC will not fund an independent Innu Child, Youth and Family Services until it has full authority delegated by the Province. The move towards full delegation would be farther away under this alternative than that suggested by alternative number one.
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FINANCIAL CONSIDERATIONS

HLC estimates its annual operating/administrative costs to provide Child, Youth and Family Services to these two communities is \$1.3 million whereas it allocates \$571,000 for this purpose for a resultant deficit of \$729,000. Under the agreement with INAC, HLC was provided with \$750,000 in 2002-2003 and will be provided \$970,000 in 2003-2004 to address operational costs.

When the Agreement was signed last year, Government did not make a corresponding reduction to the HLC grant. This allowed the Board to offset the administrative deficit (MC 2002-0270 refers).

There are no *new* funding requirements associated with this proposal relative to the level of grant funding currently provided to HLC by Government. Under the recommended alternative the operational/administrative funding currently provided by INAC to HLC will be advanced to the new Agency. Government will continue to provide HLC with its traditional level of funding (\$571,000) until the Innu Agency is fully operational. HCS will determine the most efficient way to flow the operational funding to HLC and the new Agency during the developmental process.

The experience of other jurisdictions in similar processes has indicated a time frame between 3 to 5 years for full delegation. HCS hopes the Innu Agency will be fully operational as quickly as possible. Government will realize savings during that time because HLC will continue to receive maintenance for Innu children in provincial care. Once the Innu communities are capable to assume full responsibility for this service, it may be possible to reduce HLC services to the Innu communities.

In 2000, Premier Tobin agreed to “leave on the table” and invest in the Innu communities any legitimate savings the Province accrued from the Registration on the Innu. A separate cabinet paper will seek direction on how to fulfill this commitment.

A comprehensive operational review of HLC by the consultant group, Deloitte and Touche, has identified major fiscal and staff resource issues which need to be addressed in the Child, Youth and Family Service program area.

INTERDEPARTMENTAL CONSIDERATIONS:

The Department of Justice advises the option to negotiate the establishment of a Bilateral Board is permissible under the *Health and Community Services Act*, section 4 (1) and 4 (3) for the purpose of delivering child, youth and family services, similar to other health boards in the Province.

Cabinet Secretariat and Treasury Board Secretariat have been consulted on this paper.

INTERGOVERNMENTAL CONSIDERATIONS:

INAC is not prepared to fund an Innu Agency directly until the Province is prepared to delegate full authority under the legislation. HCS is not prepared to consider full delegation until the Innu can demonstrate they have the capacity to deliver the mandated programs. The recommended option provides a process to meet both requirements with the ultimate goal of an Innu controlled Child, Youth and Family Services Agency in that: HCS would work with the Innu to develop capacity in a planned organized process, and once achieved, full delegation of authority could occur giving Innu control and direct funding by INAC.

Intergovernmental Affairs Secretariat has been consulted on this paper.

OTHER JURISDICTIONS:

The federal government funds First Nations to deliver Child, Youth and Family Services on Reserves in Canada. Each province is required to recognize the Aboriginal Agency for the purposes of relevant Child, Youth and Family Services legislation before INAC will fully fund the Aboriginal Agency.

Other jurisdictions, such as Nova Scotia, New Brunswick, Saskatchewan and Alberta, have followed a staged process to establish First Nations Aboriginal Agencies beginning with bilateral agreements with a Committee/Board represented by all parties jointly overseeing the establishment of an Agency before full delegation to the First Nation. Experiences in other jurisdictions have varied depending on the capacity of the First Nation, the provincial legislative requirements, and social conditions in the communities.

OTHER CONSULTATIONS:

INAC, the Province and the Innu have been working together to develop a plan for the devolution of Child, Youth and Family Services. The proposed approach is consistent with the options under review in that process.

The Innu have not been consulted on the establishment of a Bilateral Board. The Province has indicated to the Innu that it has difficulties with the current funding arrangements and that other options are being explored. The Province is committed to continue to work towards the devolution of Child, Youth and Family Services to the Innu.

It is anticipated that the Innu may be resistant to the concept of a Bilateral Board initially. However, once it is fully understood, it will lead to an increase in resources, and funding will flow directly to the Board and that the Innu will be an equal party to this process, it should be accepted.

HLC (HCS to consult)

ENVIRONMENTAL CONSIDERATIONS:

Not applicable

COMMUNICATIONS AND CONSULTATIONS SYNOPSIS

Annex B.

ANNEXES:

Annex A	Relevant Legislation
Annex B	Communication and Consultation Synopsis

Gerald Smith MHA
Minister of Health and Community Services

Wally Andersen MHA
Minister of Labrador and Aboriginal Affairs