# **Executive Summary of the Final Agreement on Long-Term Reform of the First Nations Child and Family Services Program**

On July 11, 2024, a Final Agreement on Long-Term Reform of the First Nations Child and Family Services Program was reached among the following Parties:

* The Assembly of First Nations
* The Chiefs of Ontario
* Nishnawbe Aski Nation
* The Government of Canada

The agreement remains subject to engagement over the summer and final approval by all Parties.

**Purpose**

The Final Agreement on Long-Term Reform of the First Nations Child and Family Services Program (the “Final Agreement”) is a commitment to long-term reform of the First Nations Child and Family Services Program (the "FNCFS Program") and to eliminate the discrimination perpetrated by Canada in its FNCFS Program and found in the Canadian Human Rights Tribunal (“CHRT”) decision 2016 CHRT 2. The reformed Program is designed to support First Nations in addressing the best interest of First Nations children, youth, young adults and families. The reforms will also respect the right to self-determination of Indigenous peoples, which is a right recognized and affirmed in the *United Nations Declaration on the Rights of Indigenous Peoples*.

## **Total Amount in the Final Agreement**

The Final Agreement commits $47.8 billion over 10 years starting April 1, 2024.

**Recipients of the Funding**

First Nations and FNCFS agencies will use FNCFS Program funding to deliver child and family services to First Nations children, youth, young adults and families on-reserve and in Yukon.

**Funding Mechanisms**

The Final Agreement provides that funding be distributed to First Nations and FNCFS agencies using the most flexible funding mechanism. The funding mechanism will generally allow First Nations and FNCFS agencies to move funding across expenditure categories and to carry forward unused funds to the following fiscal year to meet the needs of the children, youth, young adults and families they serve. FNCFS agencies will be required to engage with their affiliated First Nations to discuss the use of unexpended funds.

**Elements of the Reformed FNCFS Funding Approach**

The reformed FNCFS funding approach is a 10-year funding structure informed by First Nations-led research. It is made up of the following components:

* **Baseline Funding:** Starting April 1, 2025, funding to cover operations and child protection costs will be provided to FNCFS agencies based on the 2022-2023 operations and maintenance expenditures. Going forward, baseline funding will be adjusted to reflect inflation and population growth.
* **Prevention:** In 2024-2025, funding for prevention services or activities will be provided based on a formula that multiplies $2,603.55 by the registered First Nations population on-reserve and in Yukon. At minimum, each First Nation will receive $75,000 in prevention funding. In subsequent years, the amount of $2,603.55 will be adjusted to account for inflation. Starting April 1, 2026, except in Ontario, this prevention funding will be allocated entirely to First Nations, unless a First Nation and its FNCFS agency have come to a different arrangement. In Ontario, as of April 1, 2026, a First Nation may elect to receive all of the prevention funding attributable to it or it may direct that any portion of its funding be allocated to its affiliated FNCFS agencies.
* **First Nation Representative Services:** In 2024-2025, except in Ontario, funding for First Nation Representative Services will be provided to each First Nation based on a formula that multiplies $294.72 by the registered First Nations population on-reserve and in Yukon. At minimum, each First Nation will receive $75,000 in First Nation Representative Services funding. In subsequent year, the amount of $294.72 will be adjusted to account for inflation. In Ontario, the current funding approach will remain in place for 2024-2025. Starting April 1, 2025, First Nations in Ontario will receive First Nation Representative Services funding based on their highest annual funding amount between 2019-2020 to 2022-2023. In subsequent years, First Nations in Ontario will receive funding for First Nation Representative Services equal to that of the preceding year adjusted for inflation and population growth.
* **Post-Majority Support Services:** Until March 31, 2025, post-majority support services will continue to be funded based on the actual costs incurred by First Nations and FNCFS agencies. Starting April 1, 2025, funding will be provided to First Nations for post-majority support services for youth aging out of care and young adults formerly in care, up to their 26th birthday or the eligibility cut-off age in the applicable provincial or Yukon legislation (whichever age is greater) according to an approach agreed to by the Parties. Post-majority support services assist youth and young adults who were, are, or are taking active steps to be ordinarily resident on-reserve or in Yukon.
* **Capital:** Until March 31, 2025, approved capital projects will continue to be funded based on actual costs incurred by First Nations and FNCFS agencies, under the 2021 CHRT 41 process. Starting April 1, 2025, capital funding will be provided to First Nations and FNCFS agencies for needs assessments, feasibility studies, and the purchase, construction or repair of capital assets needed to support the delivery of child and family services to First Nations children, youth, young adults, or families on-reserve or in Yukon, according to an implementation plan agreed to by the Parties.
* **Household Supports (previously called poverty funding):** This funding will be provided to First Nations to support them in meeting the basic needs of families, keeping them together and keeping children out of care wherever possible. The Final Agreement provides $25.5 million for household supports in 2024-2025. In subsequent years, this amount will be adjusted for inflation.
* **Information Technology:** This funding will support the information technology needs related to the implementation of the reformed FNCFS Program. This funding will be equivalent to 6% of baseline funding and will be provided to First Nations.
* **Results:** This funding will support the implementation of the performance measurement framework and related indicators, most notably for capturing and reporting data related to First Nations wellbeing. This funding will be equivalent to 5% of baseline funding and will be provided to First Nations.
* **Emergency:** This funding will support responses to unanticipated circumstances affecting or related to the delivery of the reformed FNCFS Program. This funding will be equivalent to 2% of baseline funding and will be split equally between First Nations and FNCFS agencies.
* **Remoteness:** This funding recognizes the barriers that impact remote First Nations communities and reflects the increased costs of delivering child and family services in those communities. The funding adjustment to account for remoteness, based on the Remoteness Quotient Adjustment Factor (RQAF) developed by Nishnawbe Aski Nation and Canada, will apply to funding for prevention, First Nation Representative Services, post-majority support services, household supports, information technology, results and emergencies.

**Housing Funding**

Funding in the amount of $1.79 billion will be provided to First Nations between 2024-2025 and 2027-2028 to support the purchase, construction, and renovation of housing units in First Nations communities for the purposes of preventing First Nations children from being taken into care and supporting reunification where housing is a barrier.

**Reform of the 1965 Agreement in Ontario**

The Chiefs of Ontario, Nishnawbe Aski Nation and Canada will continue to work together on an expedited basis to pursue reform of the 1965 Indian Welfare Agreement between Canada and the Government of Ontario.

**Funding for First Nations Not Affiliated with an FNCFS Agency**

Canada provides funding to provincial governments and the Yukon government for protection services for First Nations not affiliated with an FNCFS agency. The prevention funding attributable to the populations of these First Nations will be provided entirely to these First Nations (in other words, it will not be split between the First Nation and another entity). The emergency funding available to these First Nations also will not be split between the First Nation and another entity.

**Reform of Federal-Provincial and Federal-Yukon Funding Agreements**

The Final Agreement commits Canada to engaging with provincial governments and the Yukon government to ensure that agreements with these governments adhere to the principles of the Final Agreement.

**New FNCFS Agencies and FNCFS Agency Transitions**

With written notice, a First Nation may transition its protection services from a provincial government, the Yukon government or its affiliated FNCFS agency to a new or existing FNCFS agency. Canada will fund and facilitate this transition. Where a First Nation transitions to a new FNCFS agency, Canada will provide funding to the FNCFS agency for reasonable start-up costs.

**First Nations Exercising Jurisdiction over Child and Family Services**

First Nations that are funded to exercise jurisdiction in the delivery of some or all aspects of child and family services in accordance with a self-government agreement, a treaty arrangement, a coordination agreement under *An Act respecting First Nations, Inuit and Métis children, youth and families*, or some alternative federal jurisdictional and funding process, will not be offered less funding than what their entitlement would be for services funded under the Reformed FNCFS Funding Approach and covered by such federal jurisdictional and funding process.

**FNCFS Agency Accountability to First Nations**

Accountability of FNCFS agencies to the First Nations they serve is one of the principles of this Final Agreement. Canada’s funding agreements with FNCFS agencies under the Reformed FNCFS Program will require FNCFS agencies to co-develop a child and community well-being plan with its affiliated First Nation(s). FNCFS agencies will also be required to collect data and report to their affiliated First Nations on a range of indicators in order to provide a holistic view of the people they serve and of the agency’s operational context.

**Measuring Reformed FNCFS Program Performance**

Standardized data on the efficacy of the reformed FNCFS Program and on services provided to First Nations children under the reformed FNCFS Program will be collected and will contribute to reporting to Parliament and Canadians on the outcomes of the reformed FNCFS Program. In addition, to support monitoring related to structural drivers that lead children and families into contact with the child welfare system, Canada will continue to report publicly, through Indigenous Services Canada’s Departmental Results Report, on indicators that are consistent with the Institute of Fiscal Studies and Democracy’s *Measuring to Thrive Framework*, in such areas of measurement as safe and suitable housing, livable income and mental health services. Canada will also support the establishment and functioning of a national secretariat and regional secretariats that will assist with collecting, synthesizing, and reporting child and family wellbeing and related data.

**Reform of Indigenous Services Canada and Successor Departments**

Following the *Agreement-in-Principle on Long-Term Reform of the FNCFS Program and Jordan’s Principle*, an Expert Advisory Committee was established to identify and provide recommendations to redress internal departmental processes, procedures and practices that contribute to the discrimination identified by the Tribunal. Canada will continue to support the Expert Advisory Committee, whose work will be overseen and guided by the Reform Implementation Committee.

**Governance of the Reformed FNCFS Program**

A Reform Implementation Committee, consisting of members appointed by the Parties, will be established to oversee and monitor the implementation of the reformed FNCFS Program. This Committee will consider the reviews and processes established by the Final Agreement to inform recommendations to Canada with respect to changes to the reformed FNCFS Program.

**Reformed FNCFS Program Assessments**

Two program assessments will be conducted, one around 2028-2029 and the other near the end of the ten-year term. The assessments will review and document the reformed FNCFS Program’s achieved progress toward the elimination of discrimination and prevention of its recurrence, as well as improvements to the well-being and advancement of the best interests of First Nations children, youth, young adults, and families. The scope of the program assessments will be defined by the Reform Implementation Committee. The subsequent reports will contain recommendations for the Reform Implementation Committee to consider and bring forward to Canada.

**Dispute Resolution**

A dispute resolution process, through a Dispute Resolution Tribunal, will resolve disputes among the Parties related to the implementation of the Final Agreement or a decision by Canada as to whether or how any recommendations of the Reform Implementation Committee will be implemented, and disputes between Canada and First Nations or FNCFS agencies. This Tribunal will be established on an interim basis through Order in Council, and Canada will use its best efforts to establish a Dispute Resolution Tribunal through legislation.

**Next Steps**

If, after an engagement period, the Final Agreement is approved by the Parties, a motion will be brought to the Canadian Human Rights Tribunal asking that the Tribunal approve the agreement and end its oversight of the FNCFS Program. After that approval, the Final Agreement will be fully implemented.