

## Funding First Nations child and family services (FNCFS): A performance budget approach to well-being

### *What's this work about?*

There have been important changes in First Nations child and family services in the last four years:

- The Canadian Human Rights Tribunal (CHRT) found the First Nations child and family services (FNCFS) system to be discriminatory and inadequately funded. These rulings required Canada to provide agencies and First Nations with short-term funding to address funding gaps to meet some FNCFS needs.
- *An Act respecting First Nations, Inuit and Métis children, youth and families* became law in 2020, affirming the right to self-governance in FNCFS, and providing a platform for interested Indigenous governing bodies to assume jurisdiction in child and family services. There are three core principles in the Act: acting in the best interest of the child; substantive equality of services; and the importance of cultural continuity.

In this context, a new approach to performance measurement and funding are proposed to support the well-being of First Nations children, families and communities. This work represents a departure from the current state's funding and performance tracking. The new approach is built from the bottom-up, informed by FNCFS agencies, experts, and practitioners.

The approach (including the performance framework and funding structure) responds to this changed context in three ways:

- 1) **It resets the current system to focus on well-being.** The current state for many First Nations living on-reserve is a challenging one, with inequitable points of departure across health and well-being indicators. To shift focus to a holistic conception of well-being of First Nations children and families means also supporting the well-being of communities. The *Measuring to Thrive* framework was developed by agency leadership, experts, and practitioners, for data collection by First Nations for First Nations.

The Measuring to Thrive framework marks a departure from the current state of performance measurement for the FNCFS program. Understanding a child's environment is integral to their well-being. How can a child be well if their housing is not safe and secure? If potable water is not readily available? If the effects of trauma and addictions impact their communities? Measuring to Thrive connects children, families, and communities to capture a holistic vision of well-being. Thriving First Nations children need thriving First Nations communities.

The information collected can be used as evidence to support decision-making and planning efforts by First Nations. As data is collected and turned into evidence, it

can help to improve the alignment of funding to the goals of child, family, and community well-being.

- 2) **It addresses known gaps in FNCFS funding.** Children, families and communities have needs. Some may need more support than others for various reasons. Professionals and communities should have the tools, resources, and flexibility with which to employ them to address the *causes of the causes* of need. The choice of tools should not have adverse fiscal consequences, when accountable decisions are made for the well-being of children, families and communities.

To deliver on the desired goal expressed in Measuring to Thrive, a funding approach that is informed by need with latitude for service providers to act in the best interests of those they serve is necessary. A bottom-up funding approach was designed as a block transferred budget with components addressing gaps in need, including prevention, poverty, geography, information technology, capital, with supplements for the shift to a results-focused approach. Funding is allocated through these components and transferred as a block to the entity providing FNCFS. This equips the service provider with the necessary resources and flexibility to apply them to meet the needs of the First Nations served.

- 3) **It alters the operating requirements for Canada and service providers on the ground.** The new funding and performance architectures represent fundamental changes to the way FNCFS is funded, as well as its accounting for results through the Measuring to Thrive framework, and accountability is reoriented to a dual dynamic between ISC and FNCFS agencies and First Nations.

Data availability, access, and collection will take time to develop. There will be challenges along the way. Shifting from the current to future state system will require an openness to collaboration, in-course adjustments, unforeseen challenges, data-driven approaches, and learning.

To support the transition from the current to future state, a First Nations-led secretariat is proposed. With a dual mandate to support data collection and analysis and operations, the secretariat will be a resource for FNCFS agencies and First Nations.

This work was undertaken with consideration of a changing federal context. The pre-ambles of *An Act respecting First Nations, Inuit and Métis children, youth and families* commits the federal government to “engaging with Indigenous peoples and provincial governments to support a comprehensive reform of child and family services that are provided in relation to Indigenous children”. There is an opportunity to leverage these legislative commitments to reset the course on FNCFS, reorienting funding and performance to a holistic vision of well-being.