First Nations Funding Models

This paper will present my study findings on how outdated funding formulas impact the funding provisions for services in First Nations communities. This paper discusses impact on my own community to share an insiders’ view of how one particular First Nation community deals with the implications of working with undated funding formulas. As the Director of the Education Authority in my community for a number of years, I have first-hand knowledge of the struggles our First Nations community has and the impacts that lack of funding has on the educational success of our community’s children.

The purpose of the study was to access First Nation managers’ views on how band government has supported their efforts to build capacity in their areas of financial management in the community, how the managers view the Federal Government funding model, and the supports they receive for their administrative and financial work.

Most First Nation administration governments can manage basic accounting, accountability and transparency. Unfortunately, technical support is lacking, due to many factors such as: a) not having the political expertise; b) not having the technical knowledge on band programs; c) the two-year political timeframe for local leadership and, d) lack of understanding of the federal government funding formulas. In addition, often the First Nations administrators rely on funders to educate them with the necessary funding, grant or spending accountability information. Because the First Nations administration is then tied to the purse strings of the funders, local leadership is sometimes stymied in its own desires for community development.
The federal government funding model has never, and still does not, service community programs effectively. There are several reasons why funding models are outdated. The first reason concerns the fact that the formulas are historically calculated using outdated information that has not been updated. Secondly, models are historically based and have not changed over time to reflect current social, demographic or political realities. Thirdly, there is little consultation occurring with First Nations regarding the funding models, and if such consultation does occur, most managers, local leaderships and community members barely scratch the surface on advocating for change because funders do not have enough resources to meet current needs.

There does exist optimism in that program managers exercise accountability and transparency at the local level. The larger concerns address jurisdiction and the continual emphasis on assimilation. The ideal framework would connect all parties together for the common good of equality in access, opportunity, and financial provision. I make reference to a comment made by one of the interviewee, “funding between the provincial and federal governments is different when schools are schools in Canada and children are children.” As an example, in First Nation schools, students lack specialized teachers and adequate space, both of which severely impact on educational success from K-12. Wilson (2007), for example, stated funding disparity still remains between the federal and provincial systems. A provincial schools receives approximately $12,000.00 per student whereas First Nations receive $5240.00 per student. In addition, postsecondary funding caps for First Nations students of $675.00 per month to pay for rent, food and clothing leaving most students living in poverty, and detract from completion rates. As of result of this, students quit their post-secondary opportunities,
and move back to the same cycle of community despair. Meanwhile, Aboriginal Youth are the fastest growing population in Canada.

Even though this is part of life for many First Nation communities, the program managers in this particular community have struggled to maintain its accountability and transparency by not becoming another interventional model for Aboriginal Affairs Northern Development Canada (AANDC). The managers choose to work with AANDC to make community programs sustainable, but sometimes at the cost of students for whom the government is arguing not living up to its responsibility. This disparity exists from time of the formation of the Dominion of Canada when the Constitution of Canada established the division of powers between federal and provincial governments (Carr-Stewart, 2006). The need to provide equitable funding for First Nations systems on par with provincial and national funding models requires social change and the will to move towards a more equitable future for First Nations communities and their children.