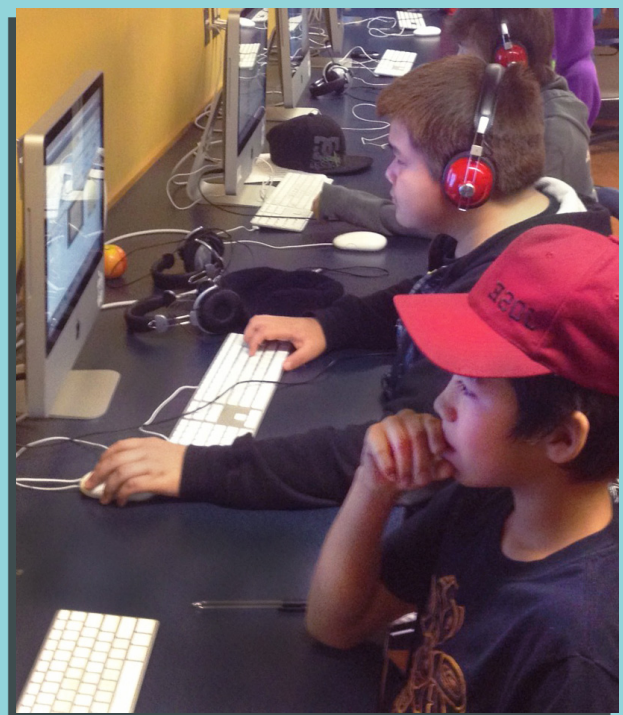


Myths and Realities of First Nations Education

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by Ravina Bains



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Executive summary

The structure of education on reserve

Unlike in our provincial education systems, there are no minimum legislated education standards for on-reserve First Nations students. Canadian taxpayers are funding an education system in First Nations communities that has no legislated mandate for a core curriculum meeting provincial standards, no requirement that educators in First Nations schools have provincial certification, and no requirement for First Nations schools to award a recognized provincial diploma. This has resulted in “situations where First Nation youth graduate from education institutions on reserve but cannot demonstrate a recognizable diploma to a workplace or post secondary institution” (Canada, AANDC, 2014c). This system is clearly failing First Nations children.

Several persistent myths have distorted discussion and analysis of First Nations education on reserve. This paper aims to dispel those myths and highlight the reality.

Per-capita funding and the infamous two percent cap

Numerous First Nations organizations have raised concerns over the two percent cap on education funding in place since the 1990s, and about the level of funding for on-reserve education in general. However, the total expenditure for First Nations education since 2006 has been growing at a rate higher than the two percent cap. The actual expenditures between 2007/08 and 2010/11 represent a cumulative increase of over 14 percent, whereas spending would have increased by 8 percent under a two percent cap. In certain years, such as 2009/10, education expenditure rose by over 4.8 percent, which was above the average provincial funding increase of 4.1 percent.

Furthermore, when comparing the overall operating expenditure for elementary and secondary students living on reserve to that for other Canadian students, elementary and secondary students on reserve receive on average the same amount as other Canadian students, and in some cases more.

Tuition agreements for on-reserve students attending provincial schools

Forty percent of all students who live on reserve attend an elementary or high school off reserve. In 2011/12, \$393,680,506 out of the \$1.5 billion allocation for First Nations education was spent on tuition for students who lived on reserve but attended school off reserve. This represents over 20 percent of annual expenditure.

The tuition fees for First Nation students in Ontario vary depending on the level of Grants for Student Needs provided to individual school boards. Despite parameters for tuition fees, the provincial Ministry of Education and the federal Department of Aboriginal Affairs and Northern Development Canada do not keep track of tuition agreements for fees in place between school boards and First Nation communities in Ontario. This lack of oversight has resulted in cases where First Nations have been overcharged for tuition by local school boards. For example, in 2000, a provincial school board acknowledged that they were overbilling a First Nation by \$700,000. In 2012, another Ontario school board was found to have been overcharging a First Nation by \$1.3 million over three years for services that the community was already paying for through the base tuition fee.

Adequate monitoring and stringent parameters for tuition agreements by the Ministry of Education or the Department of Aboriginal Affairs and Northern Development Canada can help ensure that school boards are not overcharging First Nations students to attend their schools.

Was the Kelowna Accord the real solution?

It has been claimed that if the 2005 Kelowna Accord had been enforced by the federal government, with an additional \$1.05 billion provided for First Nations education, there would now be a better education system on reserves resulting in graduation rates similar to those of other Canadians.

The evidence suggests otherwise. Despite publicly rejecting the Kelowna Accord, the current federal government has in fact fulfilled the Accord's on-reserve education funding commitments, providing a cumulative \$1.0987 billion in additional funding to on-reserve education over the past eight years—over and above the annual \$1.5 billion spent on operational education services. However, despite the funding component of Kelowna being fulfilled, the graduation rate improvements have not followed. Recently (when over 63 percent of the Kelowna Accord funding had been fulfilled), the graduation rate on reserve was below 40 percent—almost half the completion rate of other Canadian students. Simply increasing government funding for education does not result in a better education system or increased graduation rates.

Introduction

There are over 600 First Nations communities in Canada, and 116,400 elementary and secondary students who live on reserve (Canada, AANDC, 2014a). Over the last decade, there has been a great deal of discussion and analysis of the state of education on First Nations reserves. The numbers are startling: graduation rates on reserves are under 40 percent, compared to over 75 percent for the non-First Nations population (AFN, 2012); over 60 percent of First Nations people aged 20–24 have not completed a high school education, compared with 13 percent of all other Canadians (AFN, 2012). As the National Panel on First Nation Elementary and Secondary Education for Students on Reserve noted, this lack of education in First Nations communities is an obvious disadvantage for First Nations youth in gaining employment (Canada, AANDC, 2011).

There is evidence that increasing graduation rates for First Nations youth would positively impact Canada's GDP. For example, "if Aboriginal Canadians were by 2026, able to increase their level of education attainment to the level of non-Aboriginal Canadians in 2001, the average annual GDP growth rate in Canada would be up ... an additional cumulative \$179 billion" by the year 2026 due to higher employment rates and lowered government transfers for social assistance (Sharpe et al, 2009; vi). These startling numbers, coupled with the Aboriginal population being one of the fastest growing populations in Canada (Canada, INAC, 2010)—due to represent 4.6 percent of the total population in 2026—makes it very clear that our current First Nations education system (or lack thereof) is failing our First Nations students and is a national policy issue that cannot be overlooked.

There have been numerous education reforms suggested for First Nations communities by federal governments and aboriginal organizations over the last 40 years. From *Indian Control of Indian Education*, the 1972 proposal by the National Indian Brotherhood (now known as the Assembly of First Nations (AFN)), through the 2005 Liberal government's Kelowna Accord reform package, to the current Conservative government's efforts to introduce an Education Act that would provide education standards and structures on reserve, there has been no shortage of education professionals,

First Nations leaders and generations of Prime Ministers and elected officials who have tried to fix this complex national policy issue.

However, with the federal government's recent withdrawal of the First Nations Control of First Nations Education Act, we are no closer to reforming First Nations education than we were 42 years ago, when the proposal for "Indian Control of Indian Education" was first introduced. Furthermore, throughout the decades of discussion and analysis of First Nations education, several myths have been perpetuated. This paper aims to dispel those myths and highlight the reality and nuances of First Nations education on reserve. It will discuss the current structure of education on reserve, how funding is provided to communities for education, per-capita funding comparisons between on-reserve and off-reserve students, the infamous two percent funding cap, tuition agreements between First Nations and provinces, and the real impact that the proposed Kelowna Accord of 2005 would have had on increasing graduation rates for First Nations students.

The structure and funding of education on reserve

Provincial public schools and the majority of students in Canada fall under provincial jurisdiction and education laws. However, the federal government funds the education of students who live on First Nations reserves. Section 91(24) of the Constitution Act, 1867, gives the federal government legislative authority in matters related to “Indians, and lands reserved for Indians.” Through this constitutional authority, the federal government has created various legislative measures dealing specifically with First Nations people. The Indian Act is the most comprehensive of these pieces of legislation. Sections 114–122 of the Indian Act deal specifically with education for First Nations students living on reserve. The Act allows the Minister of Indian Affairs and Northern Development Canada to “establish, operate and maintain schools for Indian children” (Indian Act, R.S.C. 1985, c. I-5). However, the education provisions deal primarily with truancy and make no reference to the type of education services that should be delivered on reserve. Therefore, unless a community falls under regional legislation, such as First Nations in British Columbia, Northern Quebec and Nova Scotia, there are no legislative standards or statutory requirements governing the education of First Nations students who live on reserve.¹

Schools on First Nations reserves are not statutorily required to provide the same services and functions as provincial public schools in Canada—they do not have similar reporting requirements, minimum number of attendance days, and required curriculum, and they are not governed by overarching

1. First Nations in Northern Quebec fall under the James Bay and Northern Quebec Agreement (1975), First Nations in Nova Scotia are governed by the Mikmaq Education Act (1998), and First Nations in British Columbia are governed by the First Nations Jurisdiction over Education in British Columbia Act (2006). These agreements mirror provincial education legislation and provide First Nations schools with secondary and third level services, accountability structures, required core curriculum, and teacher certification requirements, while students receive recognized diplomas after the completion of twelfth grade.

legislation that allows students on reserve to achieve a recognized high school diploma following the completion of grade twelve. The Indian Act does not provide guidance on the type of education service that First Nations students on reserve should receive. As **table 1** illustrates, unlike in provincial education systems, there are no minimum legislated education standards for on-reserve First Nations students. For example, there is no legislated mandate for a core curriculum that meets provincial standards, and there are no minimum attendance requirements. This lack of structure and comparability with provincial public schools would not be an issue if graduation rates on reserve were comparable with other Canadian students, but with graduation rates on reserve under 40 percent the current system is clearly failing First Nations children.²

Table 1: Comparison between provincial school and First Nations reserve school requirements

Measure	Provincial schools	First Nations schools
Core curriculum that meets provincial standards	YES	NO
Minimum attendance requirements	YES	NO
Teacher certification requirements	YES	NO
Schools award recognized diplomas	YES	NO
School board-like structures	YES	NO

Source: Canada, AANDC, 2014b.

The lack of standards for First Nations students on reserve has resulted in “situations where First Nation youth graduate from education institutions on reserve but cannot demonstrate a recognizable diploma to a workplace or post-secondary institution” (Canada, AANDC, 2014b). In other words, Canadian taxpayers are funding an education system in First Nations communities that has no requirement to provide provincial certification or an acceptable standard of education services—and this system is clearly failing First Nations children.

². Contribution agreements between First Nations and the Department of Aboriginal Affairs and Northern Development Canada require communities to provide education comparable to provincial services, however there is no statutory obligation to abide by these requirements.

In 2012, the National Panel argued that the lack of a comprehensive education structure on reserve will not help efforts to close the gap in graduation rates between First Nations and other Canadian students:

There is no First Nation education system that consistently supports and delivers positive outcomes for First Nation students in Canada. What we have now is a patchwork of policies and agreements that do not provide an adequate foundation to support comprehensive improvement or meet the accountability requirements of ensuring that all partners in the education of First Nation students do better. (Canada, AANDC, 2011: vi)

In First Nation communities where these issues have been addressed, there has been a dramatic increase in graduation rates among on-reserve First Nation students. For example, in 1998, First Nations in Nova Scotia entered into a legislative agreement, the Mi'kmaq Education Act, with the province and the federal government to create a legislative framework that provides services to on-reserve schools that mirror the provincial public schools. Following the implementation of this agreement graduation rates and post secondary enrollment have substantially increased. For example, the graduation rate among Mi'kmaq students rose by over 17 percent over four years from 2008 to 2012, and by 2012/13 was over 87 percent (Mi'kmaw Kina'matnewey, 2014).

One similarity that does exist between First Nations schools on reserve and Canadian elementary and secondary public schools is that they are all funded by Canadian taxpayers. In the case of on-reserve schools, Canadian taxpayers are providing over \$1.7 billion annually to educate just over 116,000 First Nation students who live on reserve (Canada, AANDC, 2014a).

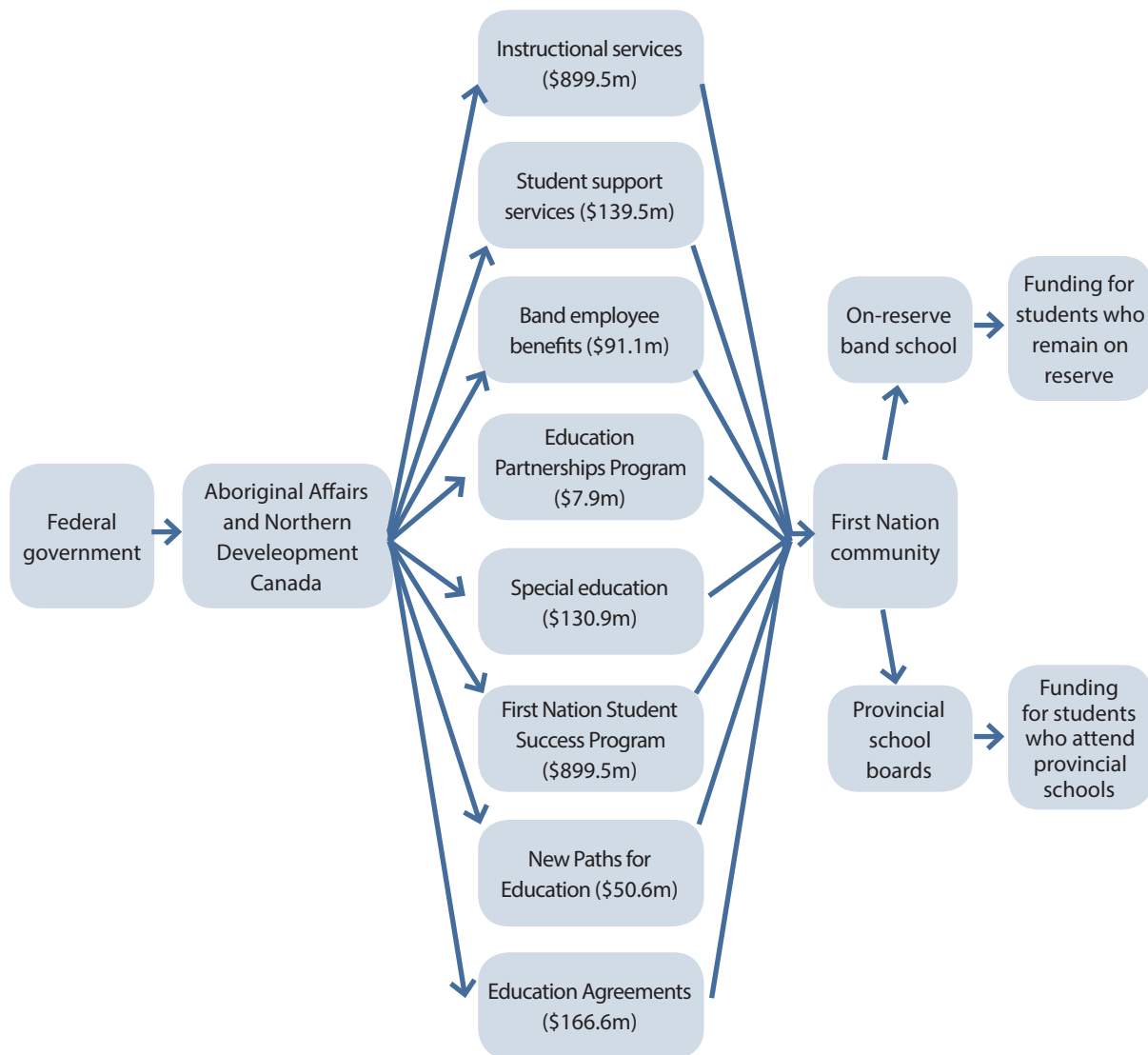
Funding for education services in Canada comes from provincial transfers and public taxation by the local municipalities or school boards (CMEC, 2009) ... unless you live on reserve. If you live in a First Nations community that is governed by the Indian Act, you receive a tax exemption that is protected by federal legislation. Specifically, section 87 of the Act states that “no Indian or band is subject to taxation in respect of the ownership, occupation, possession or use of any property” that is “the interest of an Indian or a band in reserve lands or surrendered lands and the personal property of an Indian or a band situated on a reserve” (Indian Act, R.S.C. 1985, c. I-5). Therefore, unlike all other Canadians, First Nations members on reserve are not taxed to help pay for their children’s education.³ Funding for on-reserve elementary

3. First Nations can enrol in a taxation regime under the First Nation Tax Commission. In 2013, 183 First Nations were enrolled in property tax bylaws, but it is unclear how much of this funding went to supplement education funding provided by the federal government.

and secondary students is supported by federal government transfers from the Department of Aboriginal Affairs and Northern Development Canada (AANDC). However, First Nations are able to supplement federal education transfers with own-source revenue generated from First Nation businesses on reserves, if they wish to do so.

The current structure for transferring education funds from the federal government to First Nations communities is a lengthy and bureaucratic process: education funds need to go through several levels of bureaucracy before they reach the student (figure 1).

Figure 1: Illustration of funding transfers for First Nations students living on reserve



Note: Funding amounts refer to 2011/12 transfers to First Nations communities.

Source: Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada.

Education funds for on-reserve students flow from the Department of Aboriginal Affairs and Northern Development Canada into several different funding portfolios that First Nations communities need to access. Portfolios such as the Band Employee Benefits and Instructional Services are transferred directly to First Nations communities but others, such as the First Nation Student Success Program and the Education Partnership Program, are grant-based programs that First Nations communities apply for every year. It is important to acknowledge that these various levels of funding for education all go towards providing operational and instructional support for First Nations students. For example, programs such as the First Nation Student Success Program and New Paths for Education provided specialized support in essential subject areas such as math and English.⁴

Furthermore, as figure 1 indicates, these funds are also used to pay for the education of First Nations students who live on reserve but attend a provincial school off reserve. This is an important point, as not all First Nations communities have a school on reserve, and in certain academic years up to 40 percent of elementary and secondary students living on reserve attend provincial schools off reserve (Canada, Standing Senate Committee on Aboriginal Peoples, 2011). For example, in the 2011/12 school year, this resulted in over 40,000 First Nations students living on reserve attending provincial schools in Canada (Canada, AANDC, 2013).

One similarity between funding for on-reserve students and other Canadian students is that the education dollars are transferred to school boards and First Nations councils, rather than directly to the parents. This may actually “inhibit parents’ ability to exercise choice” of where they want to send their children to receive an elementary and secondary education (Cowley, Easton, and Thomas, 2011: 7). For example, the First Nations councils and education authorities who receive education funding are not obliged to “provide a per-capita grant to families that they can use to pay tuition fees at a school of their choice.” Therefore, a First Nations council could theoretically encourage parents to send their children to the band-operated school and refuse to pay tuition fees for a student wishing to attend a provincial public school. This would essentially eliminate parental choice for First Nations parents. As Nobel laureate Milton Friedman argued (1955), parental choice is an important factor in effective public education. In fact, a number of studies

4. The First Nation Student Success Program supports projects that increase students’ achievement levels in reading and writing (literacy), and mathematics (numeracy), and encourages students to remain in school (Canada, AANDC, 2012a). The New Paths for Education Program funds projects and activities to improve the quality of education in First Nation schools; funds are provided for improving computer literacy, teacher retention, First Nation language instruction, and monitoring education outcomes (Canada, AANDC, 2012b).

have demonstrated that increasing school choice and increasing competition among schools, can help improve education outcomes (Hastings, Neilson, and Zimmerman, 2012; Clemens, Palacios, Loyer, and Fathers, 2014).

Unfortunately, the current funding structure for First Nations education does not protect or encourage parental choice, and instead has the potential to suppress parental choice entirely.

Unlike the current consensus on the need to reform First Nations education on reserve, there is no consensus on whether the current level of funding for education is adequate, whether it is on par with provincial funding for all other Canadian students, or whether more funding will help diminish the gap in educational attainment. The next three sections address these areas of conflict and dispel myths surrounding education funding for First Nation students on reserve.

Per-capita funding and the infamous two percent cap

Myth First Nations elementary and secondary students on reserve receive less funding per-capita than other Canadian students, and funding growth has been capped at two percent since the 1990s.

Reality On a provincial per-capita basis, First Nations elementary and secondary students on reserve receive as much funding as other Canadian students; in fact, other than in Manitoba, they receive more funding. Furthermore, since 2007/08, education funding has grown at a rate higher than the two percent cap.

Policies surrounding funding levels for First Nations students on reserve have recently received increased scrutiny. A number of reports from economists, the Government of Canada, and Aboriginal organizations, such as the Assembly of First Nations and the Federation of Saskatchewan Indian Chiefs, have analysed education funding levels on reserves. However, there is no consensus on whether the funding levels for on-reserve First Nations students are comparable to those for off-reserve students.

Funding for First Nations students is delivered through formula-driven agreements (direct transfers) and through proposal-based agreements such as the First Nations Student Success Program. These funds are distributed to First Nations communities through seven regional Aboriginal Affairs and Northern Development Offices across the country.⁵ Between 2006/07 and 2010/11, the funding envelope for First Nations education grew from \$1.3 billion to over \$1.5 billion. As **table 2** shows, funding for First Nations students has increased every year.

5. The seven regional Aboriginal Affairs and Northern Development offices are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Atlantic Canada. The Atlantic Canada office serves First Nations communities in Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island.

Table 2: Total K–12 program expenditures on reserve, 2006/07–2010/11, by region

Region	2006/07 \$	2007/08 \$	2008/09 \$	2009/10 \$	2010/11 \$	Total \$
British Columbia	169,536,542	172,976,689	175,774,570	181,449,148	183,181,848	882,920,796
Alberta	184,400,660	190,523,973	196,374,326	203,657,405	208,047,581	983,003,945
Saskatchewan	174,891,081	179,603,433	185,579,852	200,162,367	211,673,006	951,909,749
Manitoba	215,828,958	226,466,397	232,172,382	239,411,473	242,482,991	1,156,392,201
Ontario	234,021,762	237,866,555	243,442,766	251,463,050	261,988,043	1,228,782,176
Quebec	87,482,268	89,929,515	92,310,524	97,098,323	101,184,025	468,004,655
Atlantic	35,271,240	39,390,003	41,618,262	47,727,998	47,596,941	212,244,544
Yukon	1,277,722	1,199,009	1,190,529	1,626,894	1,513,789	6,807,943
HQ Administration	12,242,757	8,714,850	10,333,780	19,932,787	15,563,273	66,787,447
Subtotal*	1,115,053,090	1,147,210,434	1,178,796,991	1,242,599,445	1,273,233,497	5,956,853,457
Band support and employee funding	86,598,945	88,533,520	92,288,302	92,973,141	96,592,818	456,986,726
Education agreements**	127,969,860	137,402,303	143,170,317	146,705,800	156,842,473	712,090,753
TOTAL	1,329,621,895	1,372,146,257	1,414,255,610	1,482,238,386	1,526,688,788	7,125,930,936

Notes: Table does not include capital, operational, or maintenance costs for schools on reserve.

* Subtotal amounts include funding for instructional services, supplementary programs, and special education.

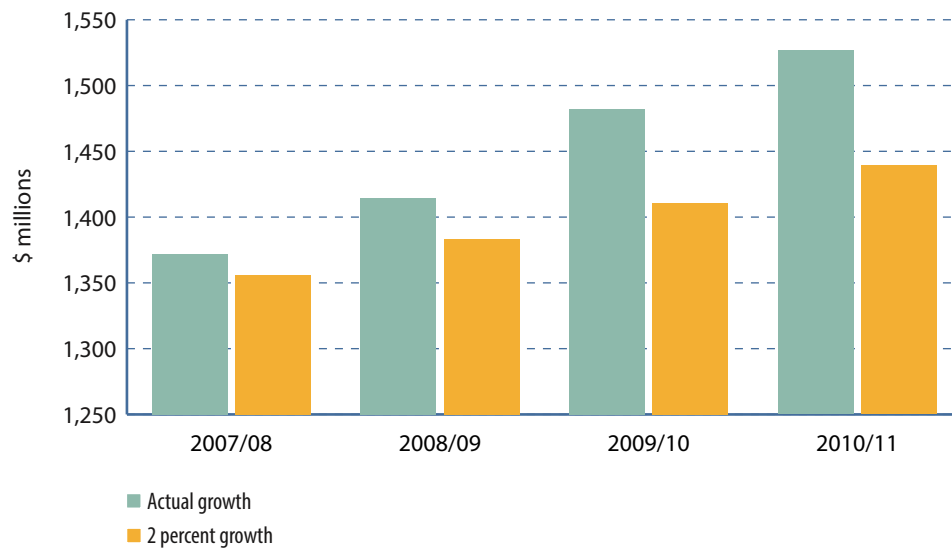
** Education agreements refer to the James Bay and Northern Quebec Agreement, Mi'kmaq Education Act in Nova Scotia, and the First Nations Jurisdiction over Education in British Columbia Act in British Columbia.

Source: Canada, AANDC, 2012c.

In 1995, former Prime Minister (then Finance Minister) Paul Martin brought in austerity measures across government to help decrease the federal deficit. Starting in 1996/97, the annual growth of all transfers to First Nation reserves, including education funding, was capped at two percent, and this cap has never formally been lifted. Aboriginal organizations have been very critical of this cap. The Assembly of First Nations claimed that it has resulted in “chronic underfunding of First Nations schools,” which has created a “First Nations education funding shortfall across Canada” (AFN, 2011). The Federation of Saskatchewan Indian Nations has stated that the two percent cap “needs to be removed and we need to invest in our future, we need to invest in our First Nations students” (FSIN, 2012).

However, since 2006, total expenditure for First Nations education has been growing at a rate higher than the two percent cap (**figure 2**). In fact, if education transfers had only increased by two percent yearly, then the total spending in 2010/2011 for education should have been \$1,439,225,500; the actual expenditures were \$1,526,688,788. The actual expenditures between 2007/08 and 2010/11 represent a cumulative increase of over 14 percent, when spending should have only increased by roughly 8 percent under a two percent cap. In certain years, such as 2009/10, education expenditure rose by over 4.8 percent, which was above the average provincial funding increase cited at 4.1 percent (AFN, 2011).

Figure 2: Funding growth at 2 percent versus actual growth



Source: Canada, AANDC, 2012c.

If the two percent cap were a reality, the total cumulative funding for First Nations education between 2007/08 and 2010/11 should have been \$5,589,783,845. The actual cumulative spending during this period was \$5,795,329,041, representing an additional \$205,545,196 for education funding. This data demonstrates that the two percent cap around education spending growth is a myth. In fact, actual spending in education for First Nations has increased annually by over two percent.

Table 3 breaks down the number of elementary and secondary students who lived on reserve in 2010/11. While Ontario has the highest number of elementary and secondary students in the country, Manitoba has the greatest number of First Nation elementary and secondary school students living on reserve. **Table 4** highlights the amount of operational funding that was allocated to every region for elementary and secondary education in the 2010/11 school year by provincial governments and Aboriginal Affairs and Northern Development Canada. “Operating expenditure” refers to costs associated

Table 3: Elementary and secondary FTEs living on reserve versus all other FTEs living off reserve, 2010/11

Province	Number of students living on reserve (FTE)	Number of students in provincial public schools (FTE)
British Columbia	13,862	550,038
Alberta	15,811	550,059
Saskatchewan	18,851	161,672
Manitoba	21,396	171,654
Ontario	19,528	1,953,624
Quebec	16,203	979,563
Atlantic (NS, NB, PE, NL)	6,060	320,002

Source: Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada; Statistics Canada, 2013b.

Table 4: Operating expenditures, K–12 education: AANDC (for students living on reserve) versus provincial, 2010/11

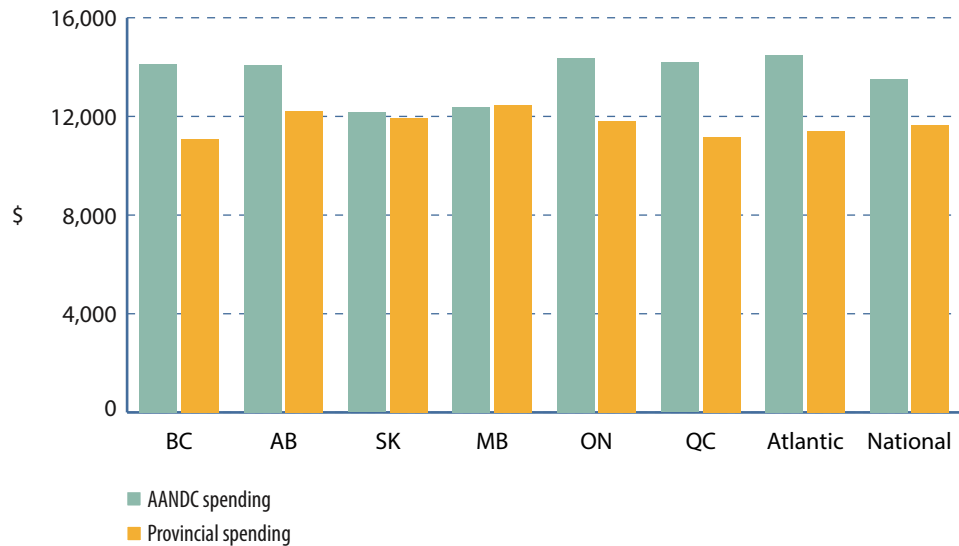
Province	AANDC spending (\$ millions)	Provincial spending (\$ millions)
British Columbia	196.0	6,098.8
Alberta	222.5	6,729.0
Saskatchewan	229.2	1,932.2
Manitoba	265.0	2,141.0
Ontario	280.4	23,108.8
Quebec	229.8	10,920.7
Atlantic (NS, NB, PE, NL)	87.9	3,650.7

Source: Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada; Statistics Canada, 2013c.

with educating students; it can include teachers’ salaries, benefits, curriculum development, special education costs, etc., and in the provinces’ case it refers also to debt services. It is important to note that none of the funding identified in table 4 was used for administration costs within the Department of Aboriginal Affairs and Northern Development Canada, nor does the table include capital costs transferred to First Nations for the upkeep and maintenance of schools that are located on reserves.

When looking at the overall operating expenditure for elementary and secondary students living on reserve versus that for all other Canadian students living off reserve, it is clear that average spending by province for students on reserve is generally the same and in some cases more than for all other students living off reserve—over \$3,000 more in the case of British Columbia, for example (figure 3).⁶ However, the one exception to this trend is Manitoba. It is the only province where on reserve students receive less than off reserve students on a per capita basis. In fact, on a per-pupil basis, students on reserve receive \$88 less than off reserve students.

Figure 3: Per-capita K–12 education expenditures, AANDC (on-reserve students) versus provincial



Source: Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada; Statistics Canada, 2013d.

6. A KPMG report found that when comparing a specific First Nations school with a public school, the difference in funding sometimes favoured the provincial school (Canada, AANDC, 2012c). Therefore, this figure does not constitute an analysis of “gaps”.

Tuition agreements for on-reserve students attending Ontario provincial public schools

As discussed earlier, 40 percent of all students who live on reserve attend an elementary or high school off reserve. First Nations students attend provincial public schools for a number of reasons, including the fact that not all First Nations communities have an elementary or secondary school on reserve.⁷ Since students who live on reserve fall under federal jurisdiction, a tuition agreement is typically signed to create an education relationship between the local school board and the First Nation, stipulating payment terms for First Nations communities and the services that will be provided by the local school. Funding for these tuition payments comes from monies transferred to First Nations communities by the Department of Aboriginal Affairs and Northern Development Canada, or is paid directly to the school boards by the Department.

In the 2011/12 fiscal year, \$393,680,506 out of the \$1.5 billion allocation for First Nations education was spent on tuition for students who lived on reserve but attended school off reserve (according to data from an Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada). This represents over 20 percent of the annual expenditure. In the four provinces that have the highest number of First Nations students attending provincial schools, the average funding provided for tuition agreements ranges from \$10,164 to \$12,828 ([table 5](#)).

Tuition agreements are supposed to set parameters around how much a school board can charge a First Nation for tuition. In Ontario, the Ministry of Education outlines a formula for the base tuition fee that school boards must charge First Nations who are sending their children to a provincial public school. It is estimated that the province of Ontario collects over \$60 million annually in tuition fees from First Nations communities (Ontario, Auditor General, 2012). The tuition fee is based on a per-pupil amount derived

7. Out of 617 First Nations communities in Canada, 514 have schools on reserve (Drummond and Rosenbluth, 2013).

Table 5: First Nations students living on reserve but attending school off reserve—FTEs and funding, select provinces, 2011/12

Province	FTEs in provincial schools	Total funding for FTEs in provincial schools	Average funding per FTE (\$)
Alberta	3,537	35,949,585	10,164
Saskatchewan	6,827	80,111,344	11,734
Manitoba	5,547	71,156,120	12,828
Ontario	6,492	81,763,574	12,595

Source: Access to Information Request to the Department of Aboriginal Affairs and Northern Development of Canada.

from the provincial grants transferred to individual school boards. In Ontario, these grants include:

- ◆ Pupil Foundation Grant
- ◆ School Foundation Grant
- ◆ Special Education Grant (includes high needs, special equipment per pupil, behaviour expertise)
- ◆ Language Grant
- ◆ Learning Resources for Distant Schools
- ◆ Learning Opportunities Grant
- ◆ Teacher Qualification Grant
- ◆ Remote, Rural, and Small Communities Grant
- ◆ School Operations Grant
- ◆ Cost Adjustment Amount
- ◆ Declining Enrolment Adjustment
- ◆ Administration and Governance Grant
- ◆ Program Enhancement
- ◆ Safe School Grant
- ◆ First Nation, Metis, and Inuit Education Supplement

(Ontario, Ministry of Education, 2011)

The calculation of the tuition fee does not include grants and transfers provided to school boards for transportation or capital needs. In addition, the school board has the authority to include additional costs if deemed appropriate. Consequently, tuition fees in Ontario vary depending on the level of Grants for Student Needs provided to individual school boards. However,

based on grants included in the base tuition fee, the average per-pupil tuition fee for Ontario in 2011/12 would have been \$10,656.⁸

Despite these parameters for tuition fees and agreements, the Ontario Ministry of Education and the federal Department of Aboriginal Affairs and Northern Development Canada do not keep track of tuition agreements in place between school boards and First Nation communities in Ontario. In fact, many communities are being charged tuition fees without an agreement in place. For example, in 2012, of the 25 First Nation communities visited by the Ontario Auditor General, all of whom should have had separate tuition agreements in place, only 9 agreements were in place and valid, while 16 of the communities had no tuition agreement in place or their agreement was expired (Ontario, Auditor General, 2012).

There have also been a number of cases where, due to lack of monitoring by provincial and federal departments, First Nations have been overcharged in tuition by local school boards in Ontario. In 2000, then Auditor General L. Denis Desautels highlighted one case where the provincial school board acknowledged that they were overbilling a First Nation by \$700,000 “only after an unexpected deficit reported by the First Nation triggered a review” (Canada, Auditor General, 2000). In 2012, another Ontario school board was found to have been charging in excess of the base tuition fee without any authority to do so. In this instance, the First Nation was overcharged \$1.3 million over three years for services it was already paying for through the base tuition fee (Ontario, Auditor General, 2012). Other communities have found that their local school board in Ontario has been overidentifying First Nations students as special needs, and therefore charging additional costs related to specialized equipment and services that are unnecessary and that the student does not end up receiving once in school.⁹

This discrepancy in some cases between what a First Nation should be charged and what they are actually being charged is important for a number of reasons. First, the funding that is used to pay tuition fees for First Nations students who attend school off reserve comes from the same pot of funds that goes towards First Nations who remain on reserve, so if more is being charged for students attending provincial public schools, then less funding is available for the reserve schools which support 60 percent of First Nations students.

Secondly, groups such as the Assembly of First Nations have claimed that the federal government provides more funding to First Nations students who live on reserve but are attending provincial schools than to those attending schools on reserve, and have used this to argue for increased federal funding. However, perhaps Aboriginal organizations and provincial and

8. The 2011/12 actual funding projection minus transportation grant was used to calculate this average per pupil amount (Ontario, Ministry of Education, 2013).

9. According to an interview with an educator at a Northern Ontario First Nation reserve.

federal governments should focus on whether provincial school boards are overcharging First Nations to attend their schools.

Adequate monitoring by the provincial Ministry of Education or the Department of Aboriginal Affairs and Northern Development Canada could ensure that school boards are not overcharging First Nations students to attend their schools.¹⁰ However, as the Ontario Auditor General found, this is currently not happening: there is no monitoring of whether school boards are charging the appropriate level of tuition and providing the appropriate level of services. The Department of Aboriginal Affairs and Northern Development Canada has a particular responsibility to monitor these agreements, since it is responsible for providing education services and funding for First Nations students on reserve. In 2000, the Auditor General of Canada emphasized that “adequate monitoring of the implementation of education funding agreements is important to help ensure that the appropriate education is delivered at the right cost in accordance with the applicable agreements. We believe that regardless of how education is delivered—through First Nations, provincial or federal schools—the Department [of Aboriginal Affairs and Northern Development Canada] has a responsibility for effective monitoring” (Canada, Auditor General, 2000).

In addition to a lack of monitoring by the Ontario Ministry of Education and the federal Department of Aboriginal Affairs and Northern Development Canada, there is no standard ministerial policy around tuition agreements, and school boards are responsible for creating these agreements with the local First Nation that may or may not have the capacity to negotiate an education agreement. In response, regional aboriginal groups such as the Chiefs of Ontario have held information sessions across the province of Ontario to support First Nations communities and ensure that they are being charged the appropriate tuition rates. These information sessions have been successful in educating First Nations communities on what to expect from negotiations with school boards, and some First Nations communities were subsequently able to identify areas where they were being overcharged by school boards. For example, one community in Northern Ontario came to the realization that they were being overcharged by over \$100,000 for special needs services that were already covered in the base tuition fee.¹¹ The community was able to renegotiate the tuition fees to the appropriate level.

The examples above in no way imply that all school boards in Ontario are drastically overcharging First Nations students in tuition payments. There are many cases of school boards charging tuition rates that are on par with

10. In particular, in cases where a First Nation does not have a school on reserve and therefore has no option but to send their children to a provincial public school, its negotiating position and options are severely limited.

11. According to an interview with an educator at a Northern Ontario First Nation reserve.

the local per pupil amount. For example, Ontario's Algoma school district charges an average tuition rate of \$12,819 per First nation student attending its schools, compared to a per-pupil amount stipulated by the Ontario Ministry of Education of \$12,598.¹² (The Algoma School District has one of the largest on-reserve First Nations student populations. In 2011/12, over 500 on reserve First Nations students attended their schools.)

However, the lack of monitoring and standard agreements has created a climate where it is possible for provincial schools boards in Ontario to overcharge for education services to First Nations students with few repercussions. As the examples above demonstrate, in the case of school boards in Ontario, which service over 6,000 First Nations students, some First Nations communities are being overcharged for education services provided to their students.

¹². The average tuition rate charged to First Nation in the Algoma school district was calculated using 2010/11 First Nation tuition fee revenues divided by the number of on reserve students (Algoma District School Board, 2013). The average per pupil amount was calculated using the 2010/11 actual funding projection minus transportation grant (Ontario, Ministry of Education, 2013).

Was the Kelowna Accord the real solution?

Myth If the Kelowna Accord had been enacted, on-reserve graduation rates would now be on par with off-reserve graduation rates.

Reality As of 2013, the on-reserve education commitment in the Kelowna Accord *has* been met—but it has not resulted in graduation rates on reserve that are on par with graduation rates off reserve.

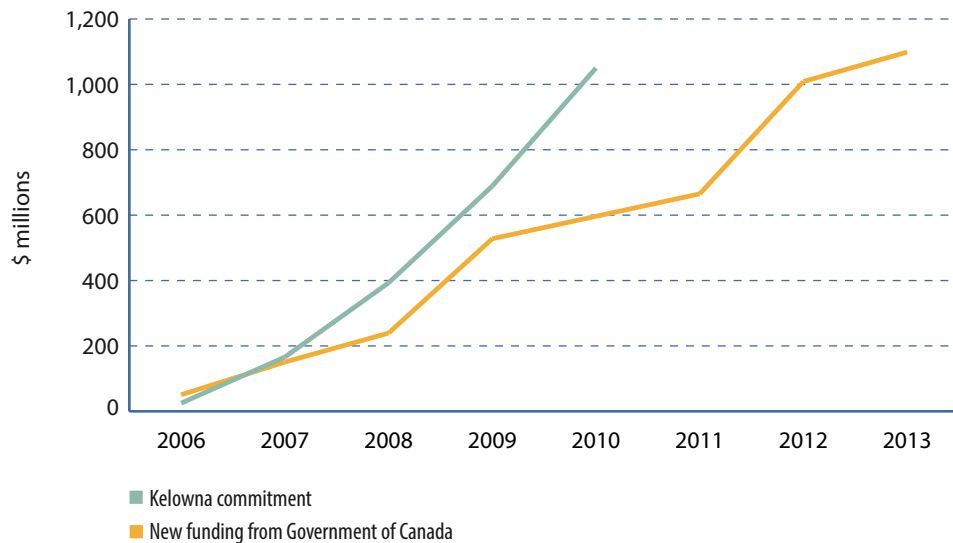
On November 25, 2005, then Prime Minister Paul Martin issued a press release outlining the Government of Canada’s commitments following a meeting of First Ministers and Aboriginal Leaders in Kelowna, British Columbia. The Kelowna Accord outlined a five year plan to “close the gap between Aboriginal People and other Canadians in education, health, housing and economic opportunities” (Canada, Office of the Prime Minister, 2005). Specifically, in the area of on-reserve education, the Kelowna Accord committed to closing the graduation gap, to ensure that by 2016 the graduation rate for Aboriginal students would be on par with that of other Canadian students (Canada, Parliament of Canada, 2006). In order to achieve this goal, Prime Minister Martin and his government believed additional funding was the solution. \$1.05 billion was committed over five years for on-reserve education. However, soon after this announcement, the federal government was dissolved and the Liberal Party lost the federal election, resulting in a Conservative minority government which rejected the Accord.

In recent years, claims have been made that if the Kelowna Accord had been enforced in 2006—and the additional \$1.05 billion provided to First Nations—we would currently have a better education system on reserve that would have resulted in graduation rates on par with those of other Canadians. For example, during a December 10, 2010 House of Commons debate, Member of Parliament Carolyn Bennett claimed that “things would have been in much better shape, including the 10-year commitment to having high school leaving statistics at the same as the Canadian average [if the money in the Kelowna Accord had been assigned]” (Canada, Parliament of Canada, 2010).

But is this true? If the Kelowna Accord had been enacted in 2006, would we have higher graduation rates for on-reserve students today that would be on course to mirror those of other Canadian students by 2016? If you look at the available evidence, the answer is no.

What may surprise many is that, despite rejecting the Kelowna Accord, the Conservative government has fulfilled the Accord's commitment to provide an additional \$1.05 billion to on-reserve education. The Kelowna Accord committed to providing that funding by 2010; the current government fulfilled the commitment by 2013. Over the past eight years, a cumulative \$1.0987 billion of new funding has been provided for on-reserve education, above and beyond the annual \$1.5 billion that is transferred for operational education services (**figure 4**). This funding includes over \$340 million for the First Nations Student Success Program and over \$100 million for additional early literacy programs.

Figure 4: Proposed Kelowna Accord spending versus actual Government of Canada spending



Sources: Canada, Parliament of Canada, 2006: Appendix A; Canada, Department of Finance, various years.

However, despite the funding component of Kelowna being fulfilled, the actual graduation results have not followed. The on-reserve graduation rate was under 40 percent when over 63 percent of the Kelowna Accord funding was fulfilled, representing almost half the completion rate of other Canadian students.¹³ In other words, although the funding component of the Kelowna Accord was fulfilled by the Conservative government, the graduation rates that were expected by proponents of the Accord did not follow.

This supports the argument made by many scholars that simply increasing government funding for education does not result in a better education system or increased graduation rates. In fact, a recent comparison between the United States' and Canada's education systems demonstrated that although "the United States spend almost a third more per student than Canada on education ... on international tests, Canada performs markedly better" (Crowley, Murphy, and Veldhuis, 2012).

Although the Conservative government initially rejected the Kelowna Accord, they have in fact fulfilled the Accord's on-reserve education funding component. Contrary to the predictions, however, we have not seen a substantial increase in attainment that would result in graduation rates on reserve reaching the same level as those of other Canadians by 2016.

13. Trends in high school graduation rates of First Nation students ordinarily resident on reserve, Aboriginal Affairs and Northern Development Canada Nominal Roll Database.

Conclusion

There have been numerous studies, parliamentary debates, and public forums on the plight of First Nations education on reserve. Scholars such as Michael Mendelson have made the argument for a whole system reform that includes legislation and school board-like structures (Mendelson, 2008). First Nations organizations, such as the Federation of Saskatchewan Indian Nations, have recommended increased funding to help address the education gap between First Nations and other Canadian students. The one thing everyone agrees on is that the status quo isn't working.

Throughout this debate, many myths have been perpetuated. This paper dispels some of those myths, and highlights issues that are impacting First Nations education but that have not received adequate attention from policy makers.

The lack of system, structure, and accountability requirements for education on reserve has created a situation where students complete grade twelve on reserve but do not receive a recognized diploma to demonstrate that they have completed a high school education. Some First Nations have addressed the issue of lack of structure around on-reserve education. For example, in 1998, First Nations in Nova Scotia entered into a legislative agreement, the Mi'kmaq Education Act, with the province and the federal government to create a legislative framework that provides services to on-reserve schools that mirror those in provincial public schools. Following the implementation of this agreement, graduation rates have increased substantially; in 2012/13, the graduation rate among Mi'kmaq students in Nova Scotia was over 87 percent (Mi'kmaw Kina'matnewey, 2014).

Secondly, it is not true that a 2 percent cap has limited funding growth for First Nations education. Education funding for reserves has grown at a higher rate than 2 percent, and in some years has grown by more than 4.5 percent.

Thirdly, there is a clear need for more monitoring of provincial–First Nation tuition agreements in provinces like Ontario by provincial ministries of education and the federal Department of Aboriginal Affairs and Northern Development Canada. The current structure in Ontario has created an environment where school boards can overcharge First Nations students

attending provincial public schools. In Ontario, this has resulted in certain communities being overcharged by hundreds of thousands of dollars.

Finally, it is clear that the on-reserve education funding commitment of the Kelowna Accord has actually been fulfilled by the current government, who opposed the initiative in 2006. However, it has not resulted in increased graduation rates that would bring on reserve graduation levels on par with other Canadians by 2016. Increased funding alone will not improve the quality of education and graduation rates.

In 1972, the National Indian Brotherhood stated:

We believe in education: ... as a preparation for total living; ... as a means of free choice of where to live and work; ... as a means of enabling us to participate fully in our own social, economic, political and education advancement. (AFN, 2010)

These are aspirations that all Canadians have for their children, but our current system on reserve is not producing the results we would expect of a Canadian education system, despite receiving over \$1.5 billion annually in taxpayer dollars. To start producing the right results, it is vital to work with facts rather than myths.

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About the author

Ravina Bains

Ravina Bains is Associate Director of the Fraser Institute Centre for Aboriginal Policy Studies. She is the author of *Opportunities for First Nation Prosperity through Oil and Gas Development*. She previously served as director of policy for the federal Minister of Aboriginal Affairs and Northern Development Canada. Ravina holds an MSc in Criminology and Criminal Justice from the University of Oxford, where she studied as a CN Scholar, as well as an MA in Asian Pacific Policy Studies from the University of British Columbia.

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