

AANDC Cuts to First Nation Organizations

On September 4th, 2012, the Minister of Aboriginal Affairs and Northern Development (AANDC) announced significant funding cuts to core, operational capacity funding for First Nations organizations and Tribal Councils across Canada. Specifically, Minister Duncan stated:

"...we are changing the funding model for Aboriginal Organizations and Tribal Councils, to make funding more equitable among organizations across the country, and ensure funding is focused on our shared priorities: education, economic development, on-reserve infrastructure, land management and governance programs."

On June 3rd, 2013, all First Nations organizations were sent letters from AANDC identifying their reduction in project funding cuts that will take place in the 2013-14. AANDC indicated that project funding will be focused on initiatives that address the government's priorities of education, economic development, and those that promote healthier, more self-sufficient First Nation communities. *Project funding includes all sources of AANDC funding outside of core funding, including funding provided under authorities such as consultation and policy development, education, economic development, the Federal Interlocutor's Contribution Program, Urban Aboriginal Strategy, and governance.*

Specific to First Nation organizations, the projected funding cuts identify that:

- **Core Funding:** All National and Regional organizations in receipt of core funding in 2012-2013 will have their funding reduced as of 2014-15. Core funding will be reduced by 10 percent. Regional organizations will either have funding reduced by 10 percent or have a ceiling up to \$500,000 applied to their core funding.
- **Project Funding.** These changes will be implemented over two fiscal years, with reductions in project funding starting in 2013-14 and further reductions in 2014-2015. Cuts were determined by a national selection committee and posted on January 9, 2015.

The following analysis is based on published data from AANDC and identifies the impact for First Nation Regional Organizations based on the funding cuts through to 2015.

2013 Speech from the Throne

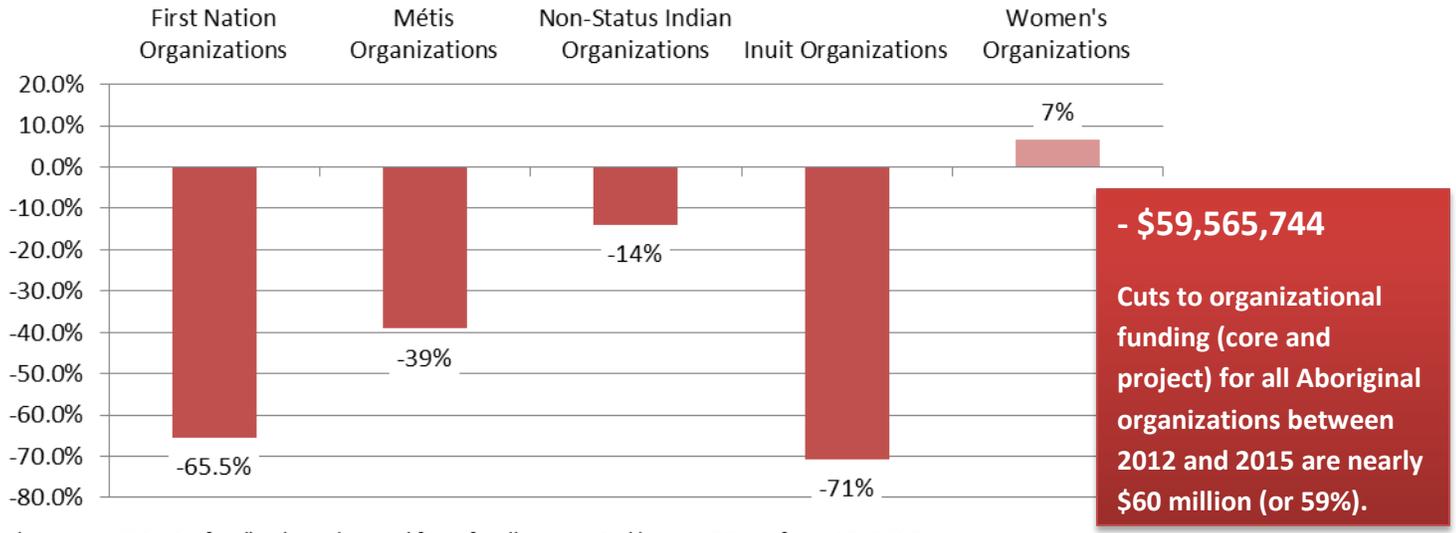
On October 16th, 2013, the Prime Minister outlined its priorities for the following year, including further overall cuts to federal spending. Specifically, the Prime Minister stated:

- *Our Government will balance the budget by 2015.*
- *Our Government will introduce balanced-budget legislation.*
- *Our Government will freeze the overall federal operating budget, which will continue to restrain hiring.*
- *Our Government will make further targeted reductions to internal government spending.*
- *Our Government will reform the way the federal system manages spending.*

1 | Source: AANDC Funding Announcement, As of: January 7, 2015
<http://www.aadnc-aandc.gc.ca/eng/1346805886381/1346805926370>
<http://www.aadnc-aandc.gc.ca/eng/1418245126471/1418245256197>

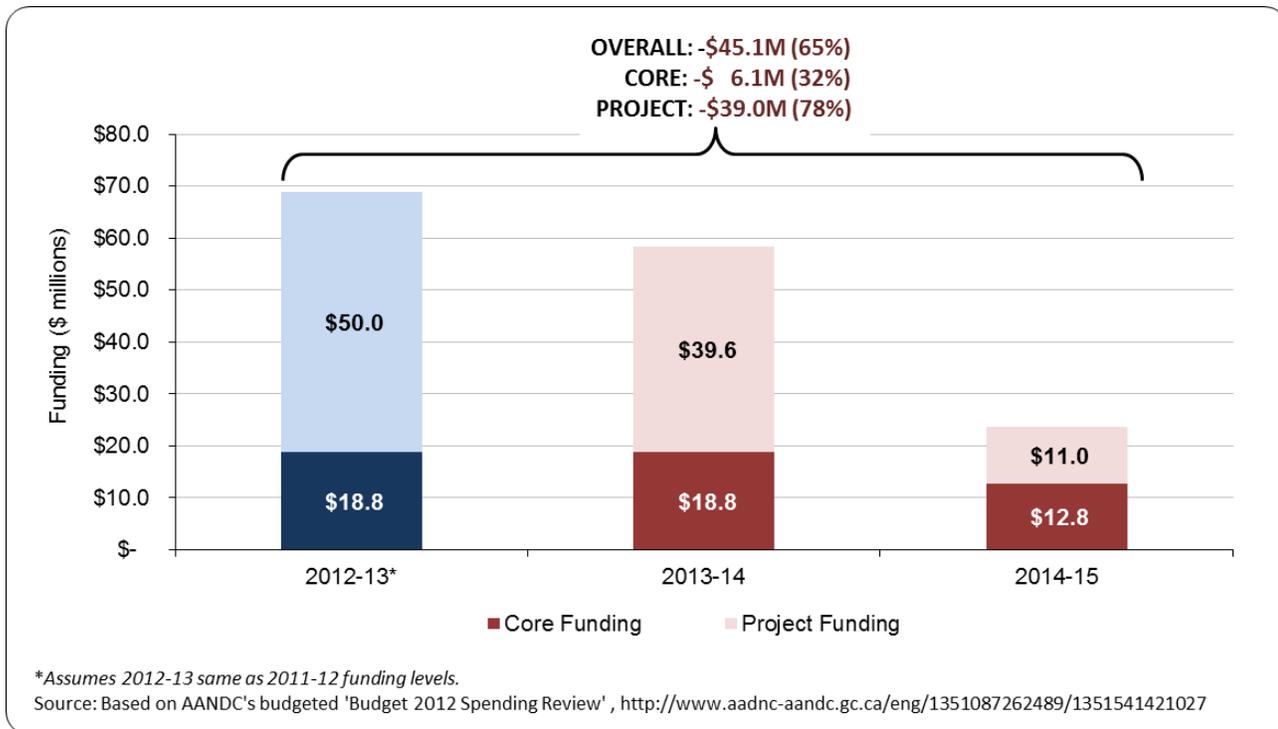
Result of AANDC Funding Cuts – UPDATED

Decline in Organizational Funding, by type of organization 2012-2015



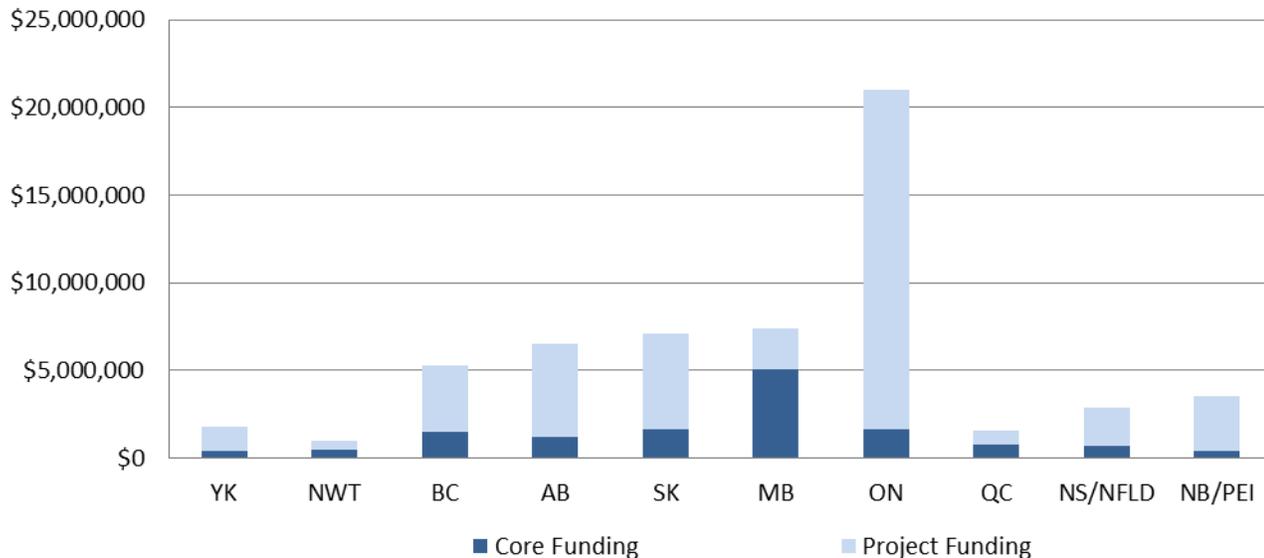
*Assumes 2012-13 funding is unchanged from funding reported by AANDC as of Aug 10, 2012

Decline in AANDC Organization Funding for all First Nation organizations, 2012-2015



Funding by Region

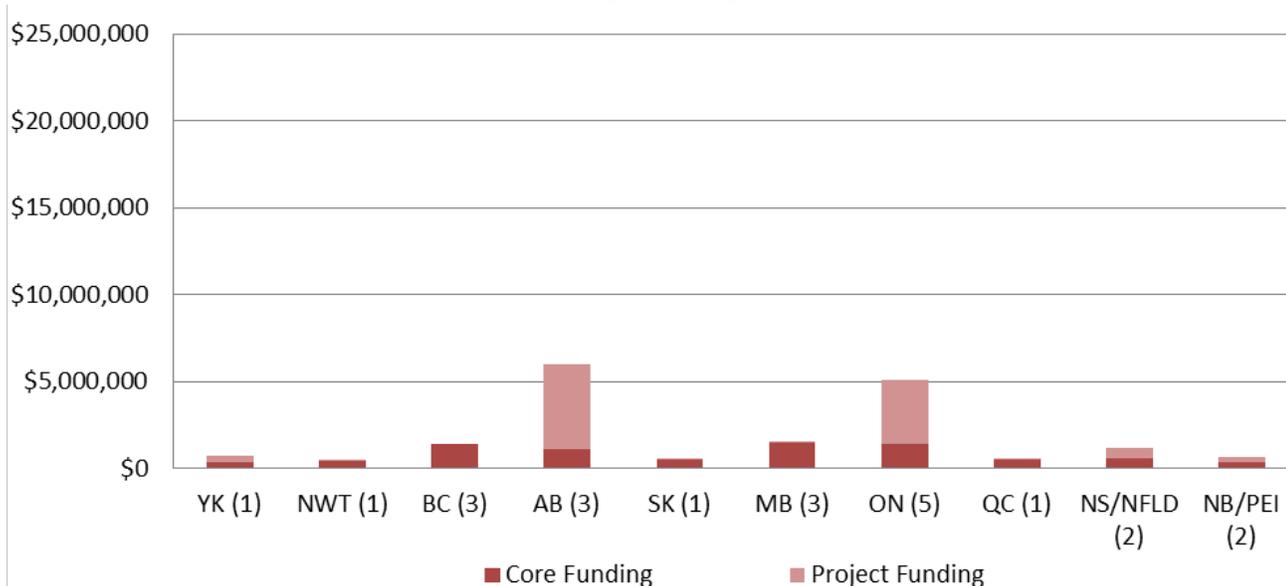
Distribution of AANDC Funding to Regional First Nations Organizations, by Region, 2011-12



Result of AANDC Funding Cuts- UPDATED

Distribution of AANDC Funding to Regional First Nations Organizations, by Region, 2014-15

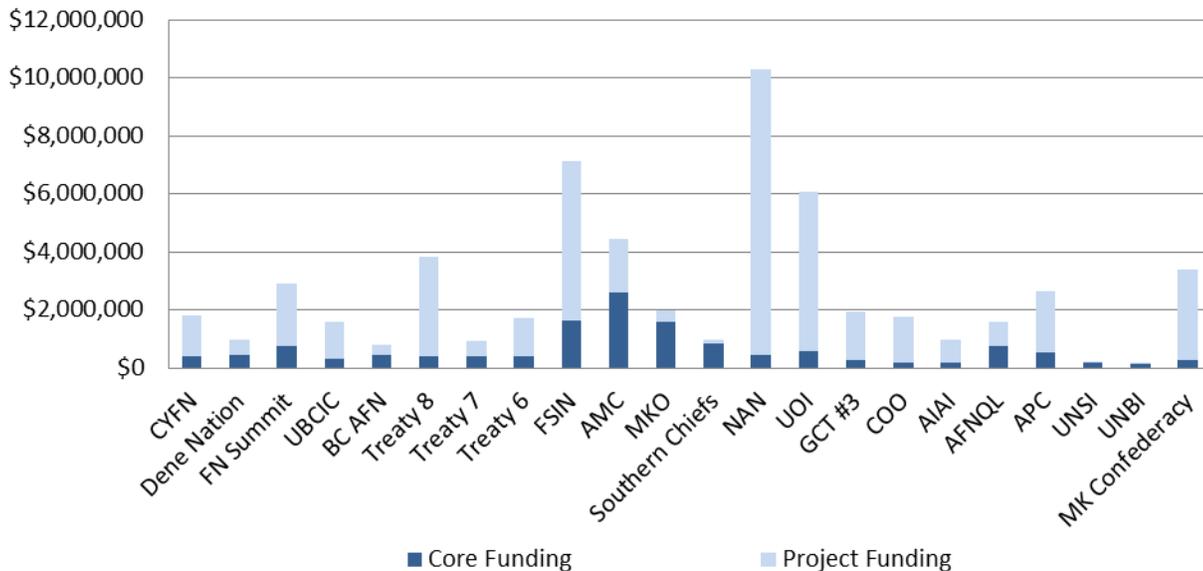
(Number of FN Regional Organizations in brackets)



3 Source: AANDC Funding Announcement, As of: January 7, 2015
<http://www.aadnc-aandc.gc.ca/eng/1346805886381/1346805926370>
<http://www.aadnc-aandc.gc.ca/eng/1418245126471/1418245256197>

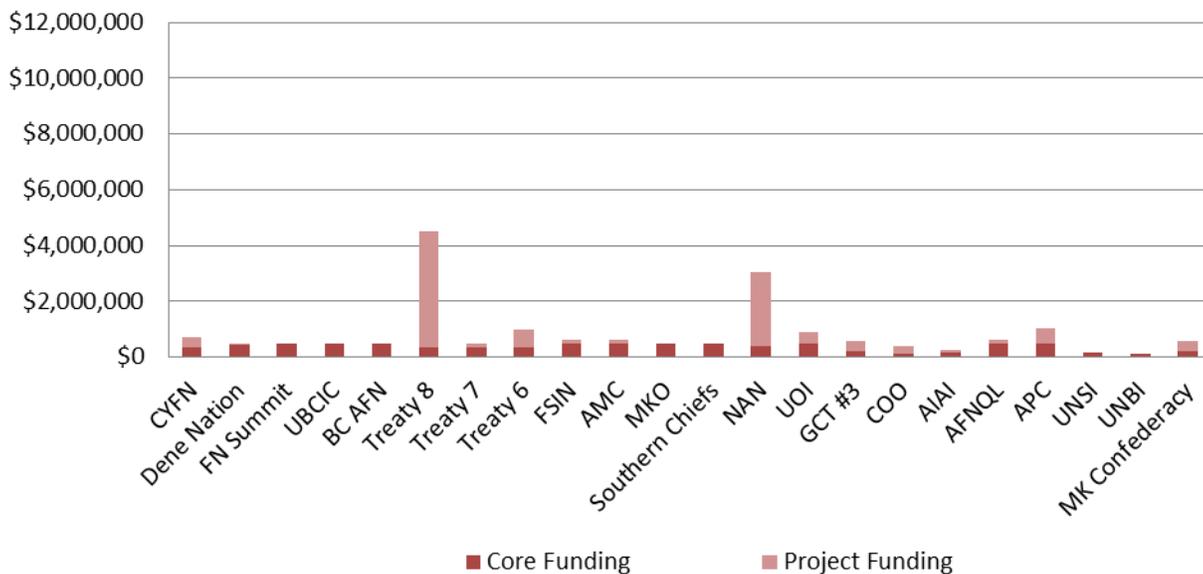
Funding by Organization

2011-12 AANDC Funding to First Nations Organizations, by Organization



Result of AANDC Funding Cuts - UPDATED

2014-15 AANDC Funding to First Nations Organizations, by Organization

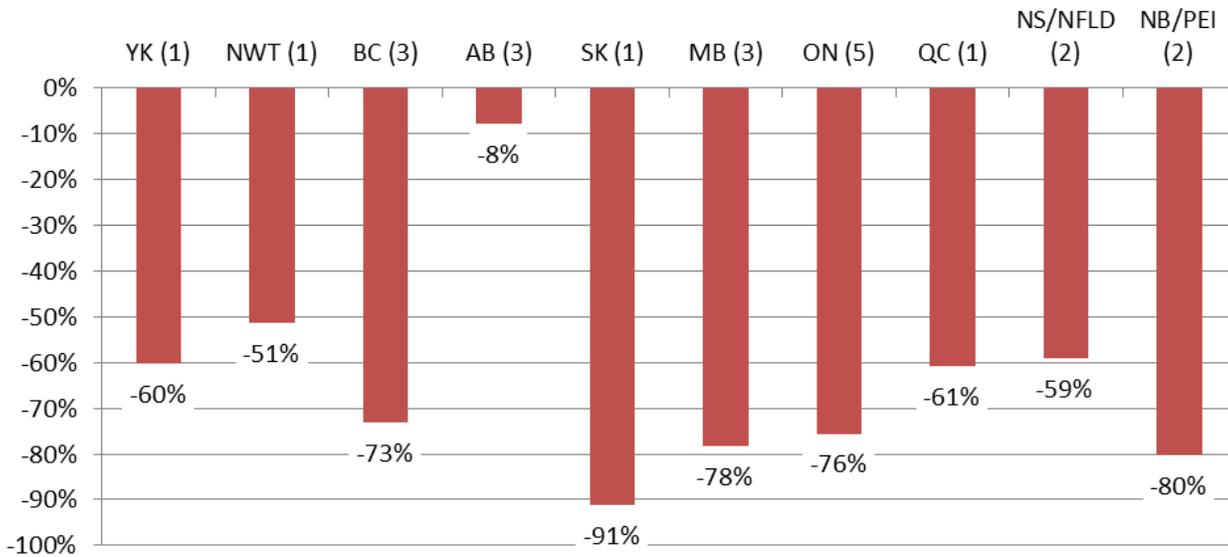


4 Source: AANDC Funding Announcement, As of: January 7, 2015
[http://www.aadnc-aandc.gc.ca/eng/1346805886381/1346805926370:](http://www.aadnc-aandc.gc.ca/eng/1346805886381/1346805926370)
<http://www.aadnc-aandc.gc.ca/eng/1418245126471/1418245256197>

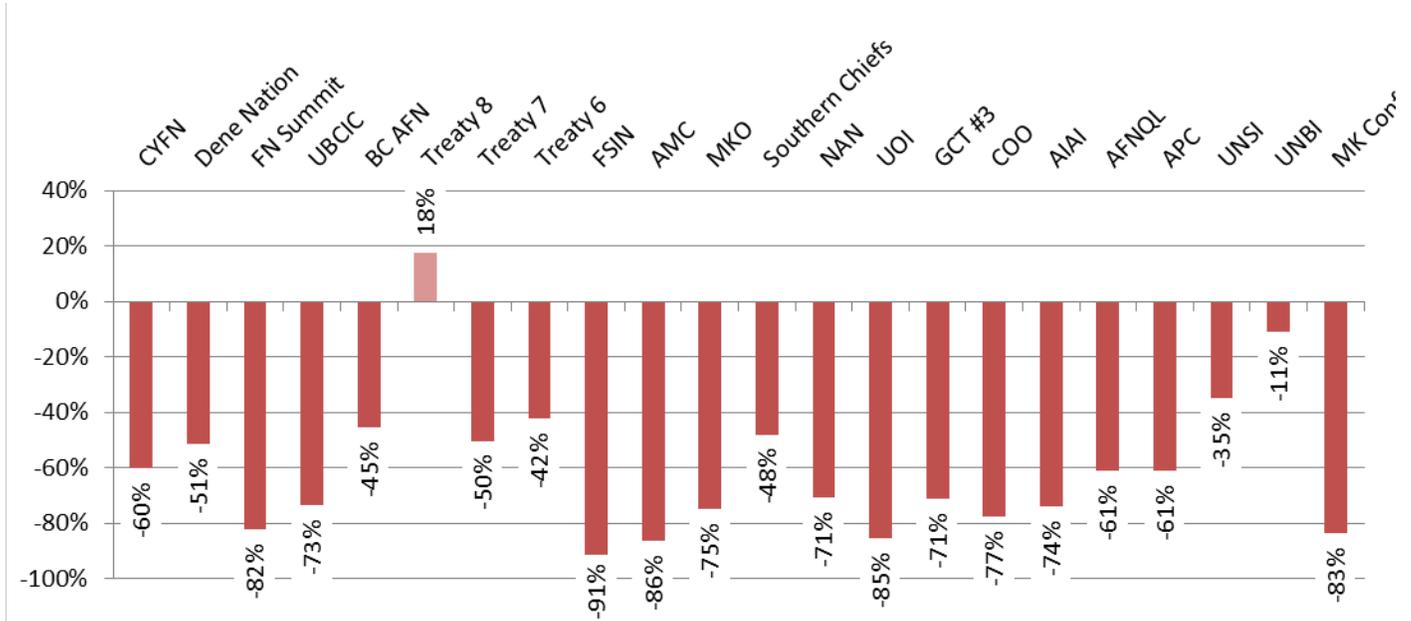
Result of AANDC Funding Cuts- UPDATE

Decline in Organizational Funding for First Nation Regional Organizations, by Region, 2012-2015

(Number of FN Regional Organizations in brackets)



Decline in Organizational Funding for First Nation Regional Organizations, 2012-2015



5 Source: AANDC Funding Announcement, As of: January 7, 2015
<http://www.aadnc-aandc.gc.ca/eng/1346805886381/1346805926370>
<http://www.aadnc-aandc.gc.ca/eng/1418245126471/1418245256197>

AANDC Cuts to First Nation Tribal Councils

On September 4, 2012, the Minister of Aboriginal Affairs and Northern Development (AANDC) announced significant funding cuts to core, operational capacity funding for First Nations organizations and Tribal Councils across Canada. AANDC wants to “shift the focus of funding for Tribal Councils and Band Advisory Services away from the requirement to deliver specific advisory services.” AANDC will also place a greater emphasis on performance in determining funding allocations.

As of April 1, 2014, a revised funding formula will contribute towards core funding for aggregate program delivery through a tiered system. AANDC proposes that “the tiers provide incentives to encourage aggregation in the size of populations served by tribal councils and in the range of major AANDC programs they deliver.”

Tier 1 – Base of \$200,000

Tier 1 tribal councils will receive a base amount of \$200,000 per year. A Tier 1 tribal council has the following characteristics:

- Serves an on-reserve population less than 2,000 AND
- Serves 2 to 5 member First Nations AND
- Delivers fewer than 3 major AANDC programs

Tier 2 – Base + Incentive of \$150,000 (total of \$350,000)

Tier 2 tribal councils will receive the base amount of \$200,000 plus an incentive amount of \$150,000 for a total of \$350,000 per year. A Tier 2 tribal council has one or more of the following characteristics:

- Serves an on-reserve population of between 2,000 and 5,500; or
- Serves 6 to 8 member First Nations; or
- Delivers 3 to 5 major AANDC programs

Tier 3 – Base + Incentive of \$300,000 (total of \$500,000)

Tier 3 tribal councils will receive a base amount of \$200,000 plus an incentive of \$300,000 for a total of \$500,000 per year. A Tier 3 tribal council has one or more of the following characteristics:

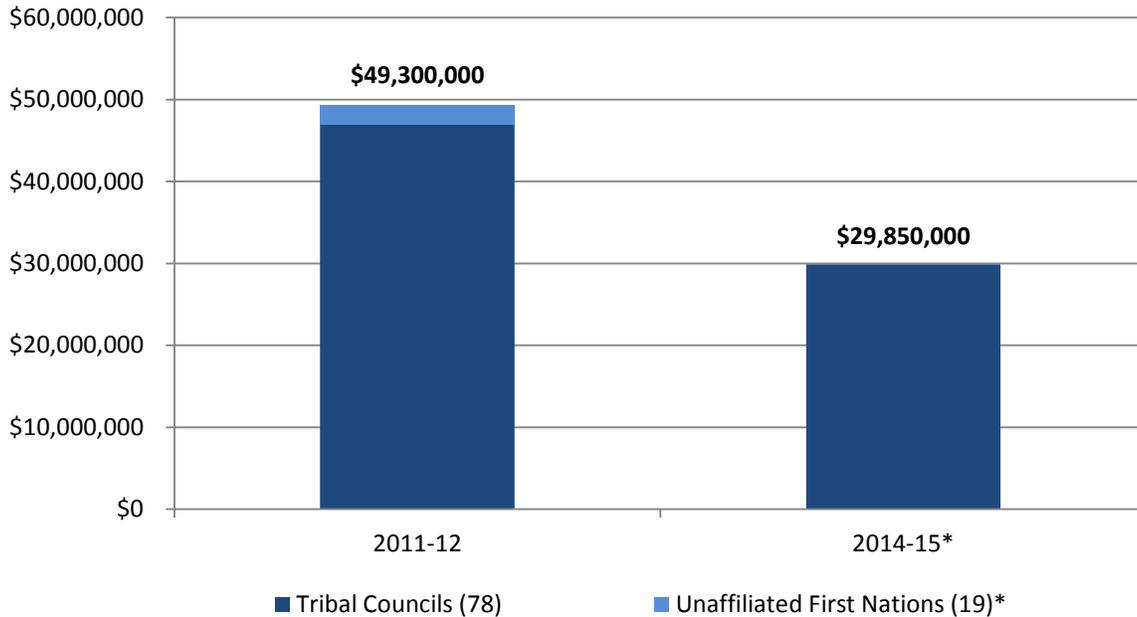
- Serves an on-reserve population over 5,500; or
- Serves 9 or more member First Nations; or
- Delivers 6 or more major AANDC programs

AANDC identifies that “Tribal Councils will no longer be required to deliver the five specific advisory services required under the existing funding formula, and, as such, Band Advisory Services funding will also be eliminated in 2014-2015. Tribal Councils may continue to provide advisory services if mandated by their members. Tribal Council funding will be provided through multi-year funding agreements with a minimum two-year term and will include streamlined and reduced reporting requirements.”



AANDC Cuts to First Nation Organizations and Tribal Councils – UPDATED

Estimated AANDC Core Funding for Tribal Councils, 2014-15



*Band Advisory Services provided to 19 unaffiliated First Nations with population > 2,000.

Result of AANDC Funding Cuts

Decline in AANDC Core Funding for Tribal Councils, 2011-2015

