

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 30 – Data Sets – spending Plan

DESCRIPTION:

The process for establishing the Spending Plan will be included in the Statute

Establishing the FNLMS by statute opens the opportunity to provide predictability of funding to the strategy. The notion of a Spending Plan to be tabled each year with the Treasury Board by the Minister of ESDC can achieve this.

Once the envelope for the strategy is established for 2017-18, it can be protected from inflation and increased to match population growth through this mechanism

OPTIONS:

1. To embed factors in the Statute so as to provide predictability, stability and fairness in allocating funds to FNLMA's
2. To provide for a 5 year rolling budget to be updated each year based on the factors for inflation and population growth

RATIONALE:

It is a policy objective of the AFN, First Nations governments and Agreement holders to achieve stable, predictable, long term funding and to re-establish the budget envelope for the strategy which has been eroded by inflation and population growth.

The goal of improving labour market outcomes for First Nations cannot be achieved if the budget envelope is eroded or if First Nations labour market agencies are destabilized by uncertainty either from year to year or periodically.

CONSIDERATIONS:

The federal government does not usually project out over more than 5 years and programs must be reviewed for relevance and effectiveness every five years. This should not be reason to retain budget instability since the issues are perennial, - ie all modern economies have labour market programs and services to deal with changes in labour markets, develop required skills and improve employment and earnings

Should the envelope be adjusted according to Employment levels or the gap between First Nation and Canadian employment levels? Should further sophistication/complication be introduced, eg, adjusting the EI funds for the Unemployment Rate

Should allocations to individual FNLMA's be automatically increased by the same amounts as the Spending Plan or should there be provisions for re-allocation within the strategy to adjust for shifts in population or levels of employment or unemployment

RECOMMENDED OPTION:

See annex for rules

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DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

Annex – Rules for Establishing the FNLMS Spending Plan

- Each year before March 31st, the Minister of ESDC will present to the Treasury Board a Five Year Spending Plan for the Strategy
- The amount for the coming year will be the amount for the previous year adjusted by the inflation rate for the previous calendar year and the most recent calculation of First Nations population growth
- The projections for years 2 to 5 will be based on the amount for the coming year adjusted by the three-year floating average for inflation and population growth
- The requirement to submit a Five Year Spending Plan does not preclude the Minister's responsibility to audit implementation and evaluate performance

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