

PROGRAM EVALUATION

DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

RECONNAISSANCE SURVEY OF

JOINT SCHOOL (CAPITAL) PROGRAM

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Indian and Northern Affairs
Indian and Inuit Affairs Program
Program Evaluation Branch



Peat, Marwick and Partners

DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

RECONNAISSANCE SURVEY OF

JOINT SCHOOL (CAPITAL) PROGRAM

November, 1980



Peat, Marwick and Partners

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November 10, 1980

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Dear Mr. Fillipoff:

We are pleased to present the attached report which documents the results of our reconnaissance survey of the Joint School (Capital) Program.

The study followed the outline contained in our Letter of Proposal of February 29, 1980 and modified by subsequent discussions with the Steering Group. This report represents the professional views of Peat, Marwick and Partners resulting from the conduct of this study.

We would like to express our thanks for the courtesy and cooperation extended to us by you, other members of the Steering Group, and other officials of the Department, during the course of our study.

Yours very truly,

PEAT, MARWICK and PARTNERS

Peat, Marwick and Partners



DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

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EXECUTIVE SUMMARY

STUDY OBJECTIVES

The purpose of the study was to carry out a reconnaissance survey of the Joint School (Capital) Program and to identify issues which will be addressed in the subsequent evaluation phase. The survey included an examination of Program expenditures by year and region; an analysis of Nominal Roll data; description of the content of a large sample of Joint School agreements; and analysis of all the agreements which have terminated. A trip was also made to the Manitoba Region where officials described the types of school situations; the trends affecting the Joint School Program; and the process by which agreements are drawn up.

THE DECISION TO EVALUATE THE JOINT SCHOOL PROGRAM

The decision to conduct a reconnaissance survey and ultimately, an evaluation of the Joint School Program, resulted from a survey taken of Headquarters and Regional officials in the development of a Capital Program evaluation strategy. The Joint School Program, along with other Capital Program components such as Housing, Water and Sewer, and Federal Schools, were assigned priority for evaluation by the Department.

AN OVERVIEW OF THE PROGRAM

The Joint School Program has been in existence since the early nineteen - fifties and over the years some 678 agreements valued at \$354 million have been signed. Most of the agreements have related to new school construction but a considerable number have been for additions and renovations to existing Joint Schools.

The 678 agreements have created 454 Joint Schools and, together with the 2,738 schools in the Tuition Program, provide accommodation in 1979-80 for 45,742



Indian students. In comparison, there are 246 Federal Schools, 137 Band-Operated Schools, and 179 Private Schools providing accommodation for 27,742, 6,311, and 1,442 Indian students, respectively.

Joint School capital agreements provide for the cost of educational facilities construction to be shared between the Federal Government and provincial school boards. The Federal Government's contribution is based on the enrollment ratio of Indian students to the total student population.

Before a capital agreement is negotiated there must exist a tuition agreement which provides for tuition rates to be paid, based on the net operating costs per student.

Joint School capital agreements are normally two-party agreements between the department and the individual school boards or the provincial government. All agreements, however, must include a statement signed by the Chief stating that the Band agrees with both the arrangements of the contract and the participation of the Department in the agreement.

Tuition agreements often include the Indian Band as a third party. Tripartite agreements involve the transfer of funds from the Department to the Indian bands which, in turn, pay the school boards. Tuition agreements thus provide for greater involvement on the part of Indian bands in the design and administration of school curricula.

MAJOR FINDINGS

Cost Overruns and Underruns

We examined the contents of files in Headquarters pertaining to 296 Joint School capital agreements. We found that in over 30 per cent of the agreements, the projected costs of school construction were exceeded by the actual costs of the construction as stated in the audited financial statements



provided by the school boards. Another 22 per cent of projects were under-budget. These findings are of concern and the sources of this problem, whether it results from poor project management, inaccurate cost projection, etc., should be investigated in the evaluation phase.

Nominal Roll Data System

Another topic of analysis in the reconnaissance survey was to compare nominal roll data provided by the schools and Regions with the enrollment projections in the agreements. We found that there were several inadequacies with the nominal roll data. Most Joint Schools (72 per cent) were not on the nominal roll computer file in Headquarters, and many schools on the file were incorrectly identified as being Joint Schools. We recommend, therefore, that the source of the inaccuracies in the nominal roll data system be identified and corrected.

Underutilization of Joint Schools

For the Joint Schools that could be found on the nominal roll computer file we compared the enrollment levels in these Joint Schools with the projected enrollment figures as stated in each agreement. We determined that the level of space utilization in Joint Schools is only 68 per cent. There may be several reasons for this finding: within many districts, the number of Indian children of school-age is decreasing; some bands are withdrawing their children from Joint Schools; and Indian students are dropping out of school; and enrollment projections may be inaccurate.

Agreement Terminations

Another objective of our reconnaissance survey was to summarize the agreements that have terminated prematurely. We found that several of the terminations have implications for the evaluation phase of the Program. One agreement was terminated because of tensions between the Indian and non-Indian students. Three others ended because bands withdrew their children and placed them in an



on-reserve school. Our interviews in the Manitoba Region also confirmed that many of the bands feel that the present educational system, including both Federal and Provincial Joint Schools, is not meeting their needs.

Because of this and because bands wish to increase control over the schools which educate their members, there is a progression towards the creation of Band-Operated Schools.



I - BACKGROUND AND OBJECTIVES OF SURVEY

In 1978 the Executive Planning Committee of the Department of Indian and Northern Affairs (DINA) specified the Indian and Inuit Affairs (IIA) Capital Program as the third major priority area for evaluation, after education and social assistance. There is no single Capital Program per se, but rather, there are programs to:

- assist Indian people in acquiring shelter
- provide infrastructure elements on reserves
- provide educational facilities.

The Capital Program budget is a large component of the IIA Program. For FY 78/79, \$118 million were spent on capital works of which \$34 million were accounted for by educational facilities.

THE NEED FOR EVALUATION

The need for Capital Program evaluation results from the large amount of funds allocated, as well as from the following:

1. The transition in program delivery from IIA to band control.
2. The broadening of program objectives to include not only the provision of facilities and infrastructure but also the achievement of social objectives in the Indian communities, e.g., job creation, management training.

The need for evaluation also reflects the high profile the Capital Program has within the Program Evaluation Branch of the Department.



The Decision to Evaluate the Joint School Program

The decision to conduct an effectiveness evaluation of the Joint School Program, of which the Reconnaissance Survey is the first phase, stems from a survey taken in the development of a Capital Program evaluation strategy. The purpose of the survey was to obtain the views of Headquarters and Regional officials involved in the Capital Program on evaluation priorities. This survey asked respondents to assign priority to:

1. Capital program components (housing, water and sewer, roads and bridges, electrification, Federal Schools, Band Schools, Joint Schools, and community buildings).
2. Functions (meeting objectives, job creation, types of delivery, maintenance, user satisfaction, standards and program planning).

As a result of this process, the Joint Schools Program was recommended for investigation and effectiveness evaluation by the Headquarters Capital Management Committee, on the advice of the Sub-committee for Evaluation, and approved by Senior Management.

JOINT SCHOOL CAPITAL AGREEMENTS

Joint School Capital agreements provide for the sharing of the capital costs of designing and constructing schools (and associated facilities such as teacher-ages, residences, water and sewer systems) by the Federal Government and the local school board (Provincial or Municipal). Before a capital agreement is negotiated, there must exist a Band Council Resolution and a tuition agreement calling for an annual contribution towards operational costs based on net operational costs per student. A sample of a capital agreement and tuition agreement can be found in Appendix B.

Joint School capital agreements provide for schools to be constructed off reserves although on a few occasions Joint Schools have been built on reserves by DINA. The off-reserve schools are built and operated by the local authority to local authority standards.



Joint School capital agreements are authorized under Treasury Board Minute 601776 of 1963, which replaced previous individual Treasury Board minutes. The capital contributions are administered under Vote 15 which delegates authority to the department to increase expenditures to TB approved projects up to a total project amount of \$4,000,000. This authority is centralized at departmental headquarters.

The Relationship Between Capital and Tuition Agreements

As mentioned above an essential prerequisite to a capital agreement is a tuition agreement between either the individual boards of education or the provinces and the Department. Tuition agreements provide for the general education of Indian children and in some cases include special services, such as native studies. Tuition rates, as stated in each agreement, are based on the schools' net operating costs per student and are generally reviewed annually. Tuition agreements have recently been the subject of another study by the Departmental Audit group.

Although a tuition agreement is a necessary prerequisite to the establishment of a capital agreement, the two types of agreements are financially independent. Most tuition agreements make this distinction explicit in a clause stating that tuition costs exclude the cost of capital and if construction of a new school becomes necessary, a separate capital agreement would be drawn up.

PURPOSE OF THIS STUDY

The purpose of this study is to prepare a reconnaissance survey of the Joint School Program. Data were collected on Program expenditures, disaggregated by region and year, and descriptions were provided of program objectives and issues. The overall objective is to provide input into the evaluation phase. The main purpose of that phase will be to assess performance and user satisfaction. Our approach to the survey in Phase I is outlined in the following section.



II - STUDY APPROACH AND DESIGN

The Terms of Reference for the Reconnaissance Survey identify several major tasks to be completed at the conclusion of Phase I. These include the following:

- preparation and analysis of baseline information
- description and appraisal in one Region of the process leading to agreements
- an examination of all Joint School agreements that have terminated
- discussion of program objectives to identify major effectiveness issues that will be investigated in the evaluation phase.

Details of our approach are outlined in the following sub-sections.

PREPARATION AND ANALYSIS OF BASELINE INFORMATION

The first step of the survey was to prepare baseline information for sampling, description and analysis. All existing agreements were classified by region, year, and value. Arranging the data in this manner permitted trends in Program expenditures to be highlighted.

The second step in the preparation of baseline information involved a series of meetings with the members of the Steering Group in order to better appreciate the issues and to specify the criteria for analyzing the content of the agreements.

The third step of the survey was the selection of a sample of agreements for analysis. The sample of about 300 files was drawn from the population of 700 and stratified by region and value. As agreed, only Joint School capital



agreements were selected, since files containing tuition agreements are kept in the Regions and tuition agreements were the subject of a separate study by the Departmental Audit Group.

The last step in the preparation and analysis of baseline information involved analysis of the content of agreements. The analysis provided information on:

- trends in terms of payment
- the extent to which cost overruns occur
- trends in terms of termination.

DESCRIPTION AND APPRAISAL IN ONE REGION OF THE PROCESS LEADING TO AGREEMENTS

Based on consultation with members of the Steering Group, the Manitoba Region was chosen in order to provide a close examination of the process leading to agreements. The emphasis was on understanding the roles of the participants. Participants interviewed included regional staff and two members of the Peguis Band. A valuable output of the various meetings was the identification of issues which might be addressed in the evaluation phase.

OTHER DATA ANALYSIS

Two other steps were subsequently added to the survey as a result of recommendations by the Steering Group. These two additional topics were analysis of the nominal roll system and analysis of terminations.

The nominal roll system is a computerized file of actual enrollment records provided by schools and the Regions. We were asked to compare actual enrollment with the projected enrollment as stated in the agreements. We also were asked to identify any possible inadequacies in the system.

Over the past 30 years several agreements have terminated prematurely. We analyzed information in the headquarter files related to each termination and identified some issues for the effectiveness evaluation phase.



DISCUSSION OF PROGRAM OBJECTIVES

Objectives of the Program were compiled by means of a review of the available literature, such as Treasury Board Authorities, IIA Program Circulars, and previous evaluation progress reports prepared by the Program Evaluation Branch. Interviews were also carried out with selected DINA personnel in order to gain a better understanding of Program objectives. On the advice of the Steering Group, however, we did not review our Documents Model with Management. This task will be completed in the Evaluation Phase.

We also examined the clarity and measurability of stated objectives and identified factors that may affect the process of meeting these objectives.

Brief Outline of Program Evaluation (Phase II)

The output from this survey is designed to feed into the evaluation phase. A preliminary design is presented in the final section of this report. This design examines some of the significant evaluation issues and discusses methods for resolving the fundamental evaluation questions.

EXHIBIT III

NUMBER OF AGREEMENTS VALUED AT MORE THAN \$1 MILLION, BY REGION AND YEAR

	Before 1955	1955-59	1960-64	1965-69	1970-74	1975-79	1980	Totals
Maritimes	0	0	0	2	0	2	0	4
Quebec	0	0	0	1	2	3	2	8
Ontario	0	0	1	6	3	0	0	10
Manitoba	0	0	0	5	6	2	2	15
Saskatchewan	0	0	3	0	2	6	0	11
Alberta	0	0	1	8	4	5	2	20
British Columbia	0	0	1	11	2	5	1	20
Total Number of Contracts, Over \$1 Million	0	0	6	33	19	23	7	88
Total Number of Contracts, All Sizes	24	54	136	257	108	80	19	678
Number of Contracts, over \$1 Million, as a Percentage of All Contracts	0	0	4.4	12.8	17.6	28.8	36.8	13.0

EXHIBIT II

VALUE OF JOINT SCHOOL CAPITAL AGREEMENTS, BY REGION AND YEAR

DOLLARS AND (%)

	BEFORE 1955	1955-64	1960-64	1965-69	1970-74	1975-79	1980	TOTALS
Maritimes	- (0.0)	540,556.99 (5.9)	293,963.00 (1.1)	6,768,388.80 (4.1)	1,194,328.00 (2.1)	3,699,537.55 (5.8)	- (0.0)	12,496,774.34 (3.5)
Quebec	291,721.00 (10.0)	1,706,795.18 (18.6)	2,823,379.00 (10.3)	5,137,066.00 (3.1)	3,861,600.00 (6.7)	5,141,336.08 (8.0)	5,707,190.00 (20.3)	24,669,087.26 (7.0)
Ontario	621,149.00 (21.3)	1,543,876.25 (16.8)	5,405,017.26 (19.6)	23,916,838.42 (14.5)	13,640,178.61 (23.8)	2,361,414.51 (3.7)	- (0.0)	47,488,474.05 (13.4)
Manitoba	25,000.00 (0.9)	583,664.53 (6.4)	3,139,378.54 (11.4)	17,055,440.47 (10.3)	10,949,911.58 (19.1)	6,641,083.82 (10.4)	12,389,337.72 (44.0)	50,783,816.66 (14.3)
Saskatchewan	59,000.00 (2.0)	835,639.89 (9.1)	4,645,974.00 (16.9)	26,245,470.53 (15.9)	9,256,131.31 (16.1)	19,911,463.92 (31.1)	- (0.0)	60,953,679.65 (17.2)
Alberta	- (0.0)	650,196.02 (7.1)	6,560,420.00 (23.8)	25,670,346.60 (15.6)	12,094,579.00 (21.1)	13,962,822.25 (21.8)	7,957,112.92 (28.3)	66,895,476.7 (18.9)
British Columbia	1,921,967.89 (65.9)	3,328,107.68 (36.2)	4,685,079.39 (17.0)	60,299,609.30 (36.5)	6,445,236.36 (11.2)	12,216,562.00 (19.1)	2,077,149.83 (7.4)	90,973,712.45 (25.7)
Totals	2,918,837.89 (100.0)	9,188,836.54 (100.0)	27,553,211.19 (100.0)	165,093,160.12 (100.0)	57,441,964.86 (100.0)	63,934,220.13 (100.0)	28,130,790.47 (100.0)	354,261,021.20 (100.0)

EXHIBIT I

NUMBER OF JOINT SCHOOL CAPITAL AGREEMENTS, BY REGION AND YEAR

NUMBER AND (%)

	Before 1955	1955-55	1960-64	1965-69	1970-74	1975-79	1980	Totals
Maritimes	0 (0.0)	2 (3.7)	2 (1.5)	7 (2.7)	3 (2.8)	2 (2.5)	0 (0.0)	16 (2.4)
Quebec	2 (8.3)	6 (11.1)	11 (8.1)	6 (2.3)	2 (1.9)	5 (6.3)	3 (15.8)	35 (5.2)
Ontario	2 (8.3)	14 (25.9)	34 (25.0)	46 (17.9)	22 (20.4)	5 (6.3)	0 (0.0)	123 (18.1)
Manitoba	1 (4.2)	8 (14.8)	13 (9.6)	32 (12.5)	18 (16.7)	19 (23.8)	10 (52.6)	101 (14.9)
Saskatchewan	3 (12.5)	4 (7.4)	32 (23.5)	62 (24.1)	26 (24.1)	17 (21.3)	0 (0.0)	144 (21.2)
Alberta	0 (0.0)	2 (3.7)	18 (13.2)	34 (13.2)	20 (18.5)	18 (22.5)	3 (15.8)	95 (14.0)
British Columbia	16 (66.7)	18 (33.3)	26 (19.1)	70 (27.2)	17 (15.7)	14 (17.5)	3 (15.8)	164 (24.2)
Totals	24 (100)	54 (100)	136 (100)	257 (100)	108 (100)	80 (100)	19 (100)	678 (100)



III - BASELINE DATA

One of the objectives of the reconnaissance survey was to produce a general overview of Joint School Program spending since its conception in 1950. This overview was provided by grouping the agreements into specified categories (region, year, size of contract).

TRENDS IN PROGRAM EXPENDITURES

The Federal Government has entered into educational agreements with provincial governments for thirty years. Between February 1950 and March 1980 a total of 678 Joint School agreements have been signed valued at \$354 million (as shown in Exhibit I, opposite), with 454 of them relating to new school construction. The remaining agreements represent additions to existing facilities, renovations to existing facilities, and so on. In comparison to other school programs, in 1979-80 there are, according to the Nominal Roll Data System in the Statistics Division, 246 Federal Schools, 2,738 Provincial Tuition Schools, 137 Band-Operated Schools, and 179 Private Schools.

It is more difficult to make the comparison between school programs in terms of enrollment. As will be discussed later, the Nominal Roll System does not accurately distinguish between Joint Schools and Provincial Schools. Together these two programs accommodate, in 1979-80, 45,742 Indian students, while the Federal, Band-Operated, and Private Schools accommodate 27,742, 6,311, and 1,442 Indian students, respectively.

The 1965-69 period was the time of great expansion for the Joint School Program, with 257 agreements being negotiated. Although the number of agreements signed has decreased in recent years, the funding level has remained fairly constant (as shown in Exhibit II, opposite). The main reason why the level of funding has remained stable is that the number of agreements valued at more than one million dollars has increased over time, reflecting the effects of increased building costs and a tendency toward larger schools (as shown in Exhibit III, opposite).



The Joint School Capital Program provides for the construction of educational facilities in all regions of Canada. As indicated by Exhibit I, British Columbia leads all provinces with 164 agreements, followed by Saskatchewan (144) and Ontario (123). Although Manitoba accounts for relatively few of the total number of agreements (101 or 14.6 per cent), this province accounts for most of the agreements signed since 1970. In contrast, British Columbia was the province of greatest program expenditure in the 1950-1970 period.

When the total value of agreements is examined instead of the number of agreements, a similar pattern emerges. British Columbia accounts for 25.7 per cent of total dollar value of contracts, followed by Alberta, Saskatchewan, and Manitoba. Alberta's high ranking on value compared to the ranking of fifth on number indicates that relatively more agreements of a large value are being signed in this province.

SELECTION OF SAMPLE OF AGREEMENTS

The second step in the survey was the selection of a stratified sample of agreements from the population of 678.

First a list of the files was made and then the sample was selected in a systematic fashion, with every second agreement being chosen. Because many schools have had more than one agreement, only one agreement was selected per school within any five-year period. The sampling procedure yielded 296 agreements, or 44 per cent of the total number.

The 296 files had to be obtained from three locations:

- Central Registry
- Public Archives of Canada - Records Centre
- Public Archives of Canada.

EXHIBIT IV

DATA COLLECTION FORM

REGION	SCHOOL	FILE NO.	AGREEMENT NO.
CONTRACT RATIFICATION DATE	CONTRACTING PARTY	TYPE OF CONSTRUCTION	
AMENDMENT? <input type="checkbox"/> YES <input type="checkbox"/> NO DATE OF ORIGINAL CONTRACT			
EXPENDITURES PROJECTED		EXPENDITURES INCURRED	
TERMS OF TERMINATION	COMMENTS		



Generally, current or active files are kept at Central Registry. Files prior to 1975 are stored in the Public Archives of Canada - Records Centre while very old files dating back to the fifties are kept in the Public Archives of Canada. Because files at the Public Archives of Canada cannot be removed from the building, they had to be examined there.

ANALYSIS OF CONTENT OF AGREEMENTS

The 296 agreements were analyzed with a view to answering the following questions:

1. How are agreements identified?
2. What kinds of information are in the files? Is there any information pertaining to the decision to enter into an agreement?
3. Who are the contracting parties?
4. What are the terms of payment, and have they changed over time?
5. How does the Department calculate its contribution?
6. What is the degree of community/band involvement in the negotiation process?
7. How often have projects gone over budget? When over budget, what are the causes?
8. How are agreements terminated?

In order to answer these questions, data were collected on a standardized form, shown as Exhibit IV, opposite.

Agreement Identification

Every Joint School Capital Agreement is identified by file and agreement numbers. An example of a file number is 501/25-11-121. A typical agreement number is 621. The three-digit number at the beginning of the file number



identifies the province and district. The last number specifies the original agreement number. In this case since the agreement number (621) differs from the original agreement number (121), it means that an addition to the school, for example, has been made.

Information in the File

Most of the information in the headquarters files relates to expenditures on construction projects. Files for recent agreements usually contain the following pieces of information:

- Joint School Submission, which describes the proposed cost, the facilities to be constructed, relevant background information, and the enrollment ratio
- Joint School agreement
- copy of the Band Council Resolution stating band support for the proposed facilities
- copy of the construction contract
- auditor's report on final cost of construction.

In addition the files usually contain correspondence between the Regions and headquarters discussing financial aspects of the agreement (e.g., calculation of ratios, cost of facilities, etc.).

Types of Agreements

Agreements are usually signed with an individual school board, except in British Columbia where agreements are initiated by school boards but administered by the province. There were also a few cases in other provinces where the contracting party was a provincial government department.



Terms of Payment

The Departmental policy with respect to terms of payment has changed over time. During the fifties, full payment was made by the Department shortly after agreements were signed. Around 1960 the Department began making payments in stages: two-thirds upon execution of contract, and one-third upon completion of construction. In the mid-sixties these payment ratios changed to one-third upon execution and two-thirds upon completion. By the end of the sixties, the ratios changed once again to one-half upon execution and one-half upon completion.

By the mid-seventies, the terms of payment became more complicated and placed the onus upon the school boards to keep the projects on schedule. The Department began paying 30 per cent upon receipt of a construction contract, 30 per cent when the school board pays 50 per cent of the total contract price, 30 per cent upon receipt by the Department of a certificate of construction completion, and 10 per cent upon receipt of an audited statement of the total cost.

Agreements signed in 1979 and 1980 contain a payment clause stating that the Department will make payments on a quarterly basis upon receipt of a financial report and a statement of construction progress. The amount paid each quarter is equal to the projected cash flow for the quarter. Successive quarterly payments are made until the total amount paid is not more than 90 per cent of the departmental share. The balance is paid upon receipt of a satisfactory audited statement.

Additional Agreements Pertaining to the Same Joint School

Whenever the Department or Province wishes to expand or renovate a Joint School another agreement is negotiated which effectively replaces the existing agreement. The procedure usually followed for calculating the Department's contribution to additional facilities is as follows.

EXHIBIT VII

NUMBER OF OVERRUNS AND UNDERRUNS
1950-1980 (Number and Percent of
Total Number of Agreements) *

	Before 1955	1955-59	1960-64	1965-69	1970-74	1975-79	1980
Number	1	2	30	65	31	26	3
Total Number of Agreements	10	24	62	108	43	34	8
Percent	10.0	8.3	48.4	60.2	72.1	76.5	37.5

* Based on sample of 296 agreements

EXHIBIT VI

SIZE OF COST OVERRUNS
AND UNDERRUNS, 1950-80 *

(i) Overruns

	Total (\$)	Number of Overruns	Average Size
Maritimes	140,042.44	1	140,042.44
Quebec	309,122.72	5	61,824.54
Ontario	466,513.02	18	25,917.39
Manitoba	1,630,582.26	16	101,911.39
Saskatchewan	1,249,966.10	26	48,075.62
Alberta	1,510,670.89	9	167,852.32
British Columbia	735,874.91	18	40,881.94
Canada	6,042,772.34	93	64,376.05

(ii) Underruns

	Total (\$)	Number of Underruns	Average Size
Maritimes	460,778.19	2	230,389.10
Quebec	27,426.10	1	27,426.10
Ontario	192,004.51	10	19,200.45
Manitoba	298,803.51	8	37,350.44
Saskatchewan	179,946.01	12	14,995.50
Alberta	873,415.86	13	67,185.84
British Columbia	389,539.79	19	20,502.09
Canada	2,421,913.97	65	37,260.22

* Based on sample of 296 agreements

EXHIBIT V

NUMBER AND DEGREE OF COST OVERRUNS AND UNDERRUNS *

(i) Percentage of Agreements Over-and Under-Budget

	Over-Budget	Under-Budget
Maritimes	14.3	28.6
Quebec	31.3	6.3
Ontario	34.6	19.2
Manitoba	37.2	18.6
Saskatchewan	42.6	19.7
Alberta	21.4	31.0
British Columbia	26.1	27.5

(ii) Average Size of Cost Overruns and Underruns
(as Percentage of Projected Costs)

	Overruns	Underruns
Maritimes	25.3	4.3
Quebec	6.8	6.8
Ontario	10.6	3.7
Manitoba	19.1	12.8
Saskatchewan	20.4	5.4
Alberta	17.3	10.7
British Columbia	14.1	12.3

* Based on the sample of 296 agreements between 1950 and 1980



The estimated costs of proposed facilities are added to the depreciated value of existing facilities to produce the total cost of the project. The Department's share is calculated based on the new enrollment ratio, from which the Department's previous depreciated contribution is subtracted.

The depreciated costs of the previous facilities have to be considered because the additional students will be using the existing facilities, and the Department's increased contribution on the existing facilities reflects this change in the ratio.

Of course, if the ratio remains the same, the Department's contribution is based solely on the costs of the new facilities.

Cost Amendments

Usually a cost amendment is signed by the Department only upon receipt of an auditor's statement attesting to the cost overrun.

Our analysis of the sample of agreements indicates that the actual costs of a construction project often differ from the projected costs (as shown as Exhibit V, opposite). Whenever the final cost of a construction project differs from the expected cost, the tendency is for the project to go over budget, although cost underruns are not uncommon. As Exhibit V indicates, projects tend to be over budget mainly in Saskatchewan, Manitoba, Ontario and Quebec, while the sizes of the cost overruns are highest in the Maritimes, Saskatchewan, Manitoba and Alberta.

The total amount of overruns over the life of the program, based on the sample, is \$6,042,772 - an average of \$64,376 for each overrun (see Exhibit VI, opposite). As for underruns, both the total amount and the average size of them has been much smaller.

It is also evident that the number of budget overruns and underruns, as a percentage of total number of agreements has increased over time (see Exhibit VII, opposite).



Why do the final construction costs often not match the projections? Unfortunately, the files usually contained very little qualitative information about the reasons for the cost discrepancies. From the few files where the reasons were stated for the cost overruns or underruns, the following appear to be the main factors:

- changes in projected enrollment levels, causing changes, for example, in number of classrooms
- changes in the type of facilities constructed
- increased labour and material costs, since some projects took several years to complete.

Whenever a cost overrun or underrun occurred, an amended agreement was drawn up to reflect the changed costs. If costs increased, say, by \$20,000, then the Department would contribute based on the enrollment ratio. It was not unusual, however, for the Department to account for none of the additional expenditures; presumably the school board has had to pay the total additional costs on some occasions. According to officials of the Department the onus is on the provincial school boards to ask for additional funds from the Department.

COMMUNITY/BAND INVOLVEMENT

It is not possible to assess from the files in headquarters the degree of band involvement in the decision to build Joint Schools. Although agreements are signed by a representative of the bands, the bands are not party to the agreements.

Our regional visit to Manitoba, to be discussed later, did, however, indicate that in this province the Indian bands do provide input into the negotiation process leading up to agreements.

A study of tuition agreements by the Departmental Audit Group indicates that more opportunity is provided for Indian band involvement in the creation of



tuition agreements. In many cases, Indian bands are actually party to the agreements. In these instances DINA transfers the administration of funds to bands, thereby establishing a contribution arrangement. An additional clause is put in the agreement stating that the Department will transfer funds to the bands and they will, in turn, pay the school boards. There are a number of these arrangements in Ontario, Manitoba, Alberta, and Saskatchewan.

TERMS OF AGREEMENT TERMINATION

During the nineteen-fifties a termination clause was written into most, but not all, agreements stating that the agreement could be terminated five years after the start of the first school term. Notification of termination had to be made by June 30 of the preceding school year.

During the sixties, termination clauses were not part of the agreements. Presumably if the Department had decided to terminate any agreement, its share would be refunded and equal to the depreciated contribution.

Starting in 1972, a termination clause was once again made a standard part of each agreement, a policy which continues in 1980. The clause states if the Department wishes to terminate an agreement, a twelve-month notification is required and the Department's contribution is repaid less one twenty-fifth for every year the agreement has been in effect.

COMPARISON OF NOMINAL ROLL DATA WITH PROJECTED ENROLLMENT

Objectives

The Statistics Division of IIA keeps computerized records of nominal roll listings provided by Joint Schools and the Regions. Our objectives in examining this information were to:



- compare actual enrollment with the enrollment projections in the Joint School Capital agreements
- identify possible inadequacies in the nominal roll system.

Procedure

The procedure taken to compare the nominal roll data with the enrollment projections in the agreements was as follows. The name of a Joint School, as stated in the Joint School agreement for that school, was searched for its match on the computer print-out of the nominal roll listings. The file number and/or agreement number could not be used in the search because the nominal roll system does not incorporate these identifiers; instead, the nominal roll system identifies each school by an eight-digit financial code. Using the name-search method, we were able to locate only 129 of the 454 Joint Schools.

This low discovery rate occurred even though 530 Joint Schools are listed in the nominal roll file. In order to determine both why so many Joint Schools could not be found and why so many schools were incorrectly stated as being Provincial Joint on the computerized system, we searched for the names of a few Joint Schools in other computerized files in the Statistics Division. We discovered that most Joint Schools were being assigned incorrect financial codes. Apparently each school is assigned a code in the region identifying it as being one of the following:

- Federal
- Provincial Tuition
- Provincial Joint
- Band Operated
- Private Tuition
- Private Joint.



It seems that many Provincial Joint Schools are labelled as Provincial Tuition Schools, and vice-versa, and as a result most data are being stored in the wrong computer files.

Another factor which made the search difficult are changes in school names. This is very common and older agreements may never have been corrected. This factor makes it impossible to find many schools on the nominal roll list.

It also seems that many of the nominal roll figures are incorrect. For example, many Joint Schools are shown as having only one or two Indian students, indicating perhaps that the teachers have filled out the nominal roll forms incorrectly. Also, some schools are listed twice on the print-outs, with different enrollment figures in each case. The exact sources of these recording errors should be determined.

In summary, our overview of the computerized nominal roll system indicates that there are several deficiencies in the system which should be eliminated:

1. The names of Provincial Joint Schools should be updated to account for changes.
2. The problem with the school coding procedure should be rectified.
3. The data on file should be verified via a manual comparison with the nominal roll forms, in order to identify key punch errors.
4. A simple cross-referencing system should be implemented which links the Joint School Agreement enrollment data with the nominal roll data. For example, the file or agreement number could be associated with the financial code in the nominal roll system. At present, the nominal roll system cannot properly serve the needs of all users of the data.

EXHIBIT VIII

LEVEL OF UTILIZATION IN A SAMPLE OF
PROVINCIAL JOINT SCHOOLS*

REGION	NOMINAL ROLL 1979-80	PROJECTED ENROLMENT**	PERCENT UTILIZATION	NUMBER OF SCHOOLS
ATLANTIC	328	375	87.5	4
QUEBEC	223	560	39.8	2
ONTARIO	1,483	2,149	69.0	28
MANITOBA	1,988	2,895	68.6	20
SASKATCHEWAN	2,407	3,431	70.2	34
ALBERTA	1,500	2,293	65.4	21
BRITISH COLUMBIA	966	1,310	73.7	20
TOTAL	8,895	13,013	68.4	129

* For Joint Schools which were found in the nominal roll file.

** As stated in the agreements. This is the number of seats provided by the Department for Indian students.



Results of the Comparison

The comparison of the nominal roll data with the enrollment data for the schools located in the files yielded some interesting facts about the status of the Joint School. If the nominal roll data are accurate, then the Joint Schools are being underutilized to a considerable degree. The overall space utilization level in Canada, according to the sample, is 68 per cent (shown in Exhibit VIII, opposite).

The Atlantic provinces and British Columbia have the highest level of utilization; 88 and 74 per cent respectively. In the Atlantic region all of the agreements in the sample are pre-1970, indicating that Indian families continue to send their children to Provincial Joint Schools. The relatively high enrollment rate in British Columbia is partly due to the method of enrollment projection used. The enrollment stated in each agreement is current-year, not a five-year projection as is used in other regions across Canada which indicates that current year estimates are more realistic than five-year projections.

In Alberta, although the average space utilization rate is relatively low, the rate for post-1975 agreements is 111 per cent. Further analysis needs to be performed in order to determine why such a high utilization level exists in recently constructed Joint Schools in this province.

In summary, this brief comparison of nominal roll with projected enrollment data indicates that Joint Schools are being considerably underutilized. Further work needs to be done in this area in order to answer the following questions:

- Why do some provinces use current-year projections and others use five-year projections? The preceding analysis indicates that the current-year method may be more accurate.
- Should all agreements be based on current-year projections?



- For Regions using five-year projections, how does the enrollment data for each year compare with the original projections?
- Why is Alberta experiencing overutilization in recently built schools?

ANALYSIS OF TERMINATIONS

As mentioned earlier, most agreements have a life span of 25 years but some have terminated prematurely, for various reasons. The objective in analyzing terminated agreements was to determine if they have any implications for the effectiveness evaluation of the Joint School Capital Program.

Between 1950 and 1980 a total of six agreements terminated ahead of time. Two of the terminations were straightforward. One school was sold while the other school had to close because of its remote location and difficulties in hiring a teacher. In the case of the school that was sold, the department received a share of the assessed value, which was based on the enrollment ratio.

The four remaining terminations raise issues concerning the Joint School Program. Two of the agreements related to two schools in the same school division and accommodated students from one Indian band. The agreements were terminated because the Department, in response to a request from the band, provided temporary classrooms on the reserve to serve as a summer school. This move was interpreted by the band, however, as a first step towards permanent facilities on the reserve. After several meetings with the band and the provincial school board, the Department agreed to terminate the two Joint School agreements and provide a permanent Federal School on the reserve.

The Department was returned its original investment, depreciated by five percent for each year the agreements were in effect.

The fifth termination also resulted from the desire by an Indian band to take control of the education of their children and establish an on-reserve school. The Department agreed to terminate the agreement relating to the school in



question, as it wished to avoid duplication of facilities. The Department's original contribution was returned, less 4 per cent depreciation per year.

The sixth termination occurred because a school board no longer desired to accommodate Indian children in the Joint School. According to correspondence in the file between the school board and the Department, there had been several incidents resulting from poor relations between the Indian and non-Indian students. In this case the Indian students were transferred to another school in the area and a new Joint School agreement was established.

Implications

Several of these terminations have implications for any subsequent evaluation, as they raise key issues concerning the Joint School Program.

One agreement was terminated because the school commission felt that integration of Indian education was causing problems in that school. This raises the issue: Is the Joint School Program best serving the education needs of the Indian people?

Three other terminations reflect the desire of the Indian bands to take control of the education of their children. This trend away from the Joint School Program is confirmed by our Regional interviews. This finding indicates the demand-supply relationship is an issue to be addressed in the evaluation.



IV - DESCRIPTION AND APPRAISAL PROCESS LEADING TO AGREEMENTS, IN ONE REGION

Another objective of the reconnaissance survey was to meet with DINA officials in one Region and describe and analyze the process by which Agreements are drawn up between the Department, Indian Bands and Provincial school boards.

OUR ACTIVITIES

We travelled to Winnipeg for interviews and discussions in the Manitoba region. The Regional Superintendent of Education Support Services provided an overview and explained the nature of the joint capital agreement records kept at the region. The Regional Superintendent of Special Services and Continuing Education described the process of discussions and negotiations with the bands. The Regional Superintendent of Education Support Services and the Regional Director of Education discussed trends in the region with respect to federal support of Indian education, and the administration of the Joint School agreement.

Although we did not meet any Indian Bands, a conference call was arranged with the School Superintendent and the Chief Financial Officer of the Peguis Band and officials of the band-operated school.

We found the regional staff to be open and cooperative and willing to discuss specific band and school situations. As former teachers and as administrators, they were both familiar with the institutional realities and committed to providing quality education to Indian people. However, no arrangements had been made prior to our arrival for face-to-face meetings with Indians who participate in the educational institutions. The conversation with Peguis officials was useful, but we did not have enough contact with Bands for our perceptions to be verified by the Indian people themselves.



SUMMARY OF OUR FINDINGS

The results of these discussions are presented below in three topical areas:

- a description of the major types of school situations found in the region and the associated forms of federal support
- a discussion of educational trends in the region which are affecting schools and federal support
- a description of the present processes the region follows with respect to joint capital agreements.

Types of School Situations and Federal Support

It is difficult to generalize the factors which promote a successful school situation. Many variables are involved: proximity to a white community, on-reserve or off-reserve facilities, involvement of non-treaty natives, band unity, leadership personalities, school board attitudes, etc.

Administratively, there are four different types of schools, and certain characteristics generally go along with the categories identified below.

1. Federal Schools. These are on-reserve schools administered by the Department. In Manitoba, the regular administration of these schools is done by one organizational unit (Elementary and Secondary Education), while band relations and supporting agreements are the responsibility of Special Services and Continuing Education. Federal schools have separate operating and capital budgets, which are part of the regional budget.
2. Joint Schools. These are provincially administered schools in which there is cost-sharing by the Department. Capital agreements provide federal funds to assist the province in construction of a new school or make capital improvements, in exchange for the right to send a specified number of Indians to the school. Tuition agreements provide federal funds to share in the operating costs of schools where Indians are placed. Manitoba is one of three provinces which have master tuition agreements between the Department and the provincial ministry of education. Recently some bands opted out of this master agreement in order to have a separate tuition agreement to which the band is party.



A further distinction can be made between two types of Joint Schools:

- a) School Divisions
- b) Unorganized Areas

In the case of an organized school division, there is a local board responsible for the schools. These are generally in the southern and more settled areas of the province. The joint school is likely to be off-reserve and include a sizeable, if not dominant non-native student population.

The unorganized areas in Manitoba are the responsibility of the Frontier School Division, with a central administration and local school committees in an advisory capacity. These schools are in more isolated areas where the large majority of students is likely to be made up of treaty and non-status native people.

- 3. Band Schools. In certain cases, the band has taken over administrative responsibility for the school, typically located on-reserve. Usually there is a school board of band members separate from the band itself, with separate accounts and funds. The first (1975) and largest of these is the Peguis School with 42 teachers and 600 students from kindergarten through grade 9. Capital and operational funding is provided to these schools under the federal school program.
- 4. Tribal Division Schools. There are six tribal councils in Manitoba, each of which represents the interests of a group of bands who share a common territory and heritage. One of these is seriously considering forming a school division to administer the eight schools in the area. Presumably, the divisional school board would take on the administrative responsibility now exercised by the Frontier Division and would negotiate directly with the Department for funding.

Trends Affecting Schools and Federal Support

The role and purpose of the joint agreement program is shifting as a result of certain important trends in the region.



1. Sensitivity to Quality of Education. Many bands have been aroused by the high drop-out and failure rates among Indian children. Several studies (e.g., the Long Plains School Study and the Kirkness Study) present convincing arguments that the present institution is not meeting the needs of Indian people.
2. Value of the School in the Community. The school facilities have often served as a community center and focal point on the reserve. Those who have their "own" school take pride in the tangible achievement it represents.
3. Band Political Development. Some bands who have been fractured by internal strife have found a uniting force in the concerns over the state of Indian education. Younger and more educated band leaders are more aggressive in pursuing the education issue.
4. Local Control of Schools. The net effect of a number of forces is to create considerable pressure in the direction of increasing the band's control over the school which educates its members. All bands now exercise some administrative responsibility, from a minimum of providing daily student transportation, to maintaining the facility and payrolls, all the way to hiring and firing teachers, and setting curriculum, policy and budgets. Several band-operated schools, such as Peguis, serve as models for others to follow. More and more bands have the professional resources - native teachers and administrators - to consider a takeover. Further, educational philosophy, within the Department and outside, favors stronger local control of the school system.

One significant indication of this trend is the fact that 13 bands have opted out of the Manitoba Master Tuition Agreement in favor of separate local agreements, and next year 20 bands will likely take this course. Most of these are located in organized school divisions.

Regional Processes for Joint Capital Agreements

As indicated above, school administration is in a state of flux, and regional staff are forced to be flexible in responding to changing demands and requirements of the bands. In this context, the Joint Capital Program becomes one program among others for channeling federal educational support to the



point of need. Far from providing a permanent solution for the delivery of education services, these agreements are now drawn up with an eye toward eventual local control.

For example, one school in the region was built a few years ago under a joint school agreement and located on the reserve. An order-in-council was required to give the province temporary jurisdiction over the school properties. Subsequently, the agreement was terminated and it became a federal school. This was done so that a year from now the band can take over the administration. Other schools are being built with this process in mind.

1. The Initiation of Joint Capital Agreements. Formally, the process begins with the school authority. The divisional school board determines that a new school or an expansion is required, and plans are made accordingly.

Then the band chief and council must be convinced that the project is desirable and must pass a Band Council Resolution requesting the department to share in the cost. The local school committee may discuss the idea, but only the band council has the authority to take this step. The council does not always go along. Recently, one B.C.R. stated that no expansion plans were acceptable since a whole new school was required.

The department prepares an agreement based on the school specifications and costs. The federal contribution is calculated by the ratio of spaces for treaty Indians out of the total school capacity.

The agreement is signed by three parties: the department, the school division on behalf of the province, and the chief, on behalf of the band.

Then the agreement is submitted to Ottawa for approval and release of funds.

2. The Continuation of Joint Capital Agreements. The agreements specify no time limit, but 25 years is the estimated lifetime of a school for depreciation purposes. Often, there will be additional capital agreements on a joint school, expanding or improving the facilities. The process for this type of agreement is the same as above, but the number of "seats" or spaces for treaty Indians may be adjusted to meet anticipated need. The federal share of the agreement is adjusted accordingly.



3. The Termination of Joint Capital Agreements. In a negotiated termination, all parties agree on a settlement of the obligations involved. This can be accomplished when one party want to buy the "seats" and the other party wants to sell. In some cases where the band no longer wants to use a joint school, the province needs the space and is willing to pay the remaining value, so the agreement can be dropped on one year's notice.

In other cases, the non-Indian population is declining, and there is no provincial requirement for the space. Here there is no possibility of reclaiming the value of space no longer required or desired by the band. There has been one instance in Manitoba of a band unilaterally removing its children from a joint school, and this case is discussed in more detail in the section of this report dealing with terminations.

EXHIBIT IX

PROGRAM DOCUMENTS MODEL

PROGRAM

JOINT SCHOOL (CAPITAL)
PROGRAM

PROGRAM ACTIVITIES

SELECTION OF PROJECTS

FUNDING EDUCATIONAL
FACILITY CONSTRUCTION
(DINA DELIVERY) 1, 5

MANAGEMENT OF FACILITY
CONSTRUCTION
(PROVINCIAL GOVERNMENT
DELIVERY) 4

IMMEDIATE OUTPUTS AND EFFECTS

PROVISION OF OFF-RESERVE
EDUCATIONAL FACILITIES 5

INTERMEDIATE OBJECTIVES

MINIMIZE COST/STUDENT
RATIO 1, 3

IMPROVE SCHOOL
PARTICIPATION RATE

MEET DEMAND FOR OFF-RESERVE
EDUCATION 2

Sources

1. INA Circular E-1
2. NIB Policy Statement
3. INA DRM 10-7
4. TB Authority 601776
5. Indian Act



V - OBJECTIVES OF THE JOINT SCHOOL CAPITAL PROGRAM

One of the requirements of this study was to determine the objectives of the Joint School Capital Program, based on a review of available literature and limited discussions with headquarters staff. The process of determining and clarifying program objectives constitutes part of an evaluability assessment, a normal precursor to effectiveness evaluation.

An evaluability assessment of the Community Infrastructure and Services Activity, of which the Joint School Program is part, was carried out by the Program Evaluation Branch in 1979.*

That study presents a documents model which covers the Joint School, Federal-School and Band-Operated School Programs and therefore is too broad for our purposes.

PROGRAM DOCUMENTS MODEL

The documents model we have prepared is shown as Exhibit IX, opposite. This model relates program components, immediate outputs, and intermediate objectives with assumed cause-effect linkages. As such it is a "first-run" model of the program and depicts how the Program should be operating. Program management may want to modify the model to have it represent real life conditions.

The sources are given for as many objectives and activities as possible. The source for some effects and objectives could not be found, but they have implicitly become part of Program policy.

The model begins on the second row from the top with the basic activities of the program - project selection, funding, and management. The activities yield

* Progress Report on the Development of an Evaluation Strategy for the Capital Components of the IIA Community Infrastructure and Services Program. Program Evaluation Branch, June 1979.



immediate outputs and effects, such as the provision of educational facilities. Finally, the outputs attempt to achieve several intermediate or continuing objectives.

We have not listed any long-run objectives for the Joint School Program. We feel that the Program has some specific objectives against which it can be measured, and it would not be proper to measure it against an ultimate objective which relates to several Indian education programs.

ANALYSIS OF CLARITY AND MEASURABILITY OF OBJECTIVES

One of the requirements early in the evaluation phase will be to assess the clarity and measurability of the program's objectives. At this preliminary stage we feel that indicators exist for the objectives listed in the documents model. For example, demand for Joint Schools can be estimated by forecasting the number of Indian school children by age, cohort and grade. Such information would then be compared with the supply of educational facilities. Also, the school participation rate can be measured by relating the number of students in a school to the potential number of participants.



VI - ISSUES AND IMPLICATIONS

The final objective of the reconnaissance survey was to summarize issues which arose during the data analysis and interviews.

ISSUES

Throughout this study a number of issues have arisen which should form the background for further investigation of the program. We have aggregated the issues into four groups:

1. The prospective decline in demand for Provincial Joint Schools. Program expenditures are expected to decline in most regions. The number of new Joint Schools being constructed each year is also declining. This trend needs to be further documented and analyzed, so that Capital Program budgets and staff resources can respond to the changes in demand for the various categories of educational facilities.
2. The high drop-out rate and failure rate among Indian children. Several studies such as the Long Plains School Study present convincing evidence that the Joint School Program is not meeting the needs of the Indian people.
3. Local control of schools. There is a definite desire by Bands to increase their control over schools which educate their children. Some Bands do not want their children educated in schools under provincial jurisdiction, while others desire a greater role in the setting of curriculum, policy, and budgets.

Treasury Board recently has provided authority for the transfer of education funds to Bands. Consequently, Joint School Agreements are often drawn up with the assumption that Indian students will eventually be withdrawn and transferred to Band-Operated Schools.

4. Project selection and execution. The survey has suggested that projects often exceed projected budgets - a finding confirmed in other studies. The sources of this problem need to be identified. The process of funds distribution



also needs to be studied in order to improve the timing and communication. This issue is particularly relevant in minor capital projects (expansion or improvement of existing facilities). Delays in approval can mean a year's postponement, given the differences between the department's fiscal year and the school year.

OPTIONS FOR THE EVALUATION PHASE

There are several options available for the evaluation phase of the Joint School Program. A focus on the management of the program, control procedures, and on the quality of input from all project participants, would form what is often called an "operational" review. A focus on the extent to which program objectives are achieved by the outputs constitutes an "effectiveness" evaluation. The following discussion considers how each type of evaluation could be applied to the Joint School Capital Program.

Operational Review

Our file analysis indicated that often overruns and less frequently, underruns, occur in Joint School Capital projects. We propose that a critical review be taken of both project planning and management-control. The emphasis in this operational review would be to determine the causes of overruns and make recommendations, in the form of new or modified procedures, in order to prevent them.

We suggest that a case study approach be followed. A similar study to the one described here is the Study of Procedures in Cost Effectiveness (SPICE), undertaken by the Office of the Auditor General in 1978. In that study six Federal School projects, five of which experienced cost overruns, were chosen for analysis.

The operational review would focus on two areas:

- project submission
- project control and reporting.



A description of these two areas and some of the questions to be resolved follows.

Project Submission

The proposal to build a new Joint School begins with a project brief.

Questions to be resolved include:

- to what extent did DINA Regional officers participate, along with provincial representatives, in the development of project briefs and subsequent cost estimates
- did the project briefs include a complete and accurate description of the proposed facilities
- were alternatives to the projects discussed
- were provincial space accommodation standards followed
- were provincial design and construction standards adhered to
- with respect to estimated costs of projects, were these estimates realistic, e.g., were they based on a realistic and detailed design? Were any additional costs that might be incurred specified in the cost estimate? For example, was the cost of transporting construction equipment to remote locations included
- were detailed site surveys undertaken
- did DINA technical specialists participate in the development of cost estimates
- was the impact of inflation on multi-year construction projects considered?



Project Control and Reporting

Joint School Capital Projects may be experiencing frequent cost overruns because they were not implemented within the projected time and cost frames. Questions to be examined would include:

- were adequate project control and reporting systems established
- were regular progress reports provided to the Department and did they include a current estimate of when the project would be completed and the ultimate cost? Were there comparisons made between actual physical progress, man-hours, and costs-to-date, and what had been planned?

Effectiveness Evaluation

As the Program Documents Model showed, the primary objective of the Joint School Capital Program is to provide for the construction of educational facilities. There are several options with respect to measuring this output, some of which are:

- number of units constructed (demand and supply)
- unit construction costs
- space accommodation levels
- user satisfaction with physical facilities
- material performance, in terms of suitability, economy, maintenance characteristics, and durability.

Demand and Supply

Our analysis of baseline data and the regional interviews both indicate that the present and future demand for Joint Schools needs to be assessed, as does a



related question: is there a surplus of Joint Schools? We suggest that a demographer and a economist participate in the evaluation and address this topic by collecting data on a region-by-region basis. They would need to work in close cooperation with the Statistics Division of DINA, Resource Planning and Analysis, provincial ministries of education, Statistics Canada, and band councils. Data could be collected on: enrollment patterns, number of Indians by age cohorts and the tendency towards local control.

The output of the demand analysis would be a description on a regional basis of the short to medium term outlook on the demand for Joint Schools. The output from this analysis could then be used in the Capital Program Planning process, so that budgets and staff resources could be built up in the other capital areas.

Unit Construction Costs

Cost comparison of Joint Schools with schools in the other Capital Program areas is an obvious evaluation option but a two-phase study has recently been conducted on cost disparities between schools constructed for the Department of Indian and Northern Affairs and those constructed under Provincial jurisdiction in Alberta, Saskatchewan and Manitoba.*

Phase I of the study found that Federal Schools were 40% to 90% more costly to build than schools constructed for the provincial educational jurisdictions. Phase II attempted to explain this cost discrepancy.

The report found that schools built in remote locations, which are usually Federal Schools, were more costly to build than schools built in urban areas. The main reasons for higher costs of school construction in remote areas of a province were that water supply and sewage disposal systems need to be constructed, and material and labour are long distances away.

*Nesco Consulting Ltd. A Comparison of School Construction Costs, Phase II.
Report prepared for Engineering and Architecture Branch, Department of
Indian and Northern Affairs.



Space Standards

With respect to space standards, Joint Schools are built according to provincial accommodation standards. Space accommodation in Joint Schools could be compared to that of other types of schools. If the space accommodation standards in Joint Schools are greater, this would be of concern as the Department often is the major contributor to construction costs.

User Satisfaction

With respect to the user satisfaction option, the objective here would be to determine if the schools constructed are conducive to the learning process. Both school students and staff and educational experts would be consulted in order to obtain their views on the design of the educational facilities.

Analysis of Materials

With respect to the analysis of materials option, the services of architects and engineers would be used. Questions to be answered would include:

- were the most economical materials in accordance with standards, used in construction
- was the design suitable
- were maintenance costs affected by material selection and school design?

In summary, we feel that there are several options available for the evaluation of the Joint School Capital Program. One option is to undertake an operational review, with the objective of reducing the frequency and degree of cost overruns. The second option is to perform an effectiveness evaluation, whereby program outputs could be measured in a number of ways.



VII - CONCLUSIONS

The reconnaissance survey of the Joint School Program had as its objectives to:

1. Prepare and analyze baseline data on the Program.
2. Examine the process used in a selected Region to draw up Agreements and obtain views from Regional officials and Indian Bands on trends in education.
3. Based on the data gathered and interviews, identify issues for evaluation.
4. Prepare an evaluation design, which, after consultation with DINA officials, will be used to evaluate the Program.

Our analysis of Program expenditures indicated that demand for Joint Schools is declining, a trend which will become more pronounced in the eighties. There are several reasons for this development. Our analysis of terminations together with interviews with Regional officials and members of an Indian band suggest that the following factors are responsible:

- dissatisfaction on the part of the Indian people with the present educational system
- the tendency toward local control
- slowdown in growth of the number of Indians of school age.

Each of these factors, along with the Program delivery system, could be addressed in the evaluation phase. If the evaluation phase is to be restricted to an effectiveness evaluation of the capital component of the Joint School Program, then the evaluation would focus only on the provision and performance of the physical facilities.



Peat, Marwick and Partners

APPENDIX A

List of Treasury Board Authorities and Documents Reviewed



(a) Education Capital Program Authorities

T.B. Minute No. 601776, March 9, 1963, provides authority for the Department to enter into Joint School Agreements.

T.B. Minute No. 712957, August 9, 1972, provides authority to enter into reverse Joint School Agreements for the purpose of educating non-Indian children in federal schools constructed on Indian reserves or on Crown land.

T.B. Minute No. 751608, January 30, 1978, provides approval of the terms and conditions for the transfer of education capital funds to Indian Band Councils for the planning, design and construction of educational facilities. The "Design and Construction Standards" and the "Space Accommodation Standards" were also approved under the authority of this Minute.

(b) Documents Reviewed

Department of Indian and Northern Affairs. Education Policy. Program Circular E-1 November 1, 1978.

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Peat, Marwick and Partners

APPENDIX B

Sample Capital
and Tuition Agreements

CAPITAL AGREEMENTAGREEMENT NO.

MEMORANDUM OF AGREEMENT made this

DAY OF

BETWEEN:

HER MAJESTY THE QUEEN in
right of Canada hereinafter
called "Her Majesty"

OF THE FIRST PART

AND

OF THE SECOND PART

WHEREAS the parties desire that the Board will provide the accommodation described in this Agreement, that accommodation being necessary for the education of Indian children and to accept Indian children for enrolment in the School, under the terms and conditions of the tuition agreement dated the day of 19 , between Her Majesty and the Board, agreed to furnish to Indian children who will attend that school the services set out in that agreement in return for the payment by the Minister referred to in this agreement; and

WHEREAS the Board estimated the cost of providing that accommodation will be \$ including construction and equipment;

NOW THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements hereinafter contained, the parties covenant and agree that:

1. In this Agreement

- a) "Minister" means the Minister of Indian Affairs and Northern Development, and
- b) "School" means the School.

2. The Board shall admit to the _____ School up to _____ Indian children and provide

. In each school year during which this Agreement remains in force, the Board shall provide each such pupil with the education services suited to his needs as these services are set out in the tuition agreement dated the _____ day of _____ between the parties in this Agreement and any amendments thereto.

3. This agreement supersedes Agreement No. _____ dated _____
4. Her Majesty shall pay to the Board the lesser of _____ of the actual cost to the Board of the new accommodation mentioned in Section 2.
5. Her Majesty shall pay the sum of _____ referred to in Section 4 as follows:
- a) upon receipt by the Minister of a statement of the projected cash flow for the total project showing, in a form acceptable to him, the forecast expenditures and the forecast work progress for each three month period of construction, and upon the Minister and the Board agreeing on the amount of the projected cash flow for the period from the execution of this Agreement until the day before commencement of the next quarterly payment period begins, the amount so agreed on,

- b) upon receipt by the Minister of a financial report in a form satisfactory to him of the total cost of the construction in respect of which the initial payment was made, and of a statement, in a form satisfactory to him, of construction progress to date, a further payment in an amount equal to the amount shown in that statement as the projected cash flow for the next quarterly payment period, less any balance in the hands of the Board in respect of the period from the execution of this Agreement to the end of the previous quarterly payment period,
 - c) a further payment in respect of each succeeding quarterly payment period equal to the amount of the total projected cash flow for the respective quarterly payment period, each such payment to be reduced by the amount of the balance in the hands of the Board in respect of the period from the execution of this Agreement to the end of the quarterly payment period previous to the one in respect of which the particular payment is made, the final such payment not to bring the total payments under this Agreement to a total of more than 90 per cent of the figure referred to in Section 4, and
 - d) payment of the balance due and owing upon receipt by the Minister of an audited statement in a form satisfactory to him of the total cost actually incurred of the new construction.
6. The Board shall, as soon as practicable after the end of each quarterly payment period, furnish to the Minister a financial report and a progress report showing the total expenditures in respect of the construction incurred from the execution of this Agreement until the end of that quarterly payment period, the projected cash flow for each

remaining quarterly payment period and containing a statement of the construction progress to date and a statement of the remaining forecast construction.

7. Each quarter will commence on the first day of April, July, October and January as the case may be.
8. Either party may terminate this Agreement at the end of any school year by giving written notice of termination to the other party at least twelve months before the date of termination.
9. If the Board gives notice of termination pursuant to Section 8, the Board shall within three months after it has given that notice, repay to the Minister an amount equal to the payment made by the Minister under Section 4 and 5 reduced by one twenty-fifth (1/25) of the amount for each full year that this Agreement will have been in force at the time that notice of termination is given.
10. The Minister may
 - a) postpone the date by which the Board is required by Section 9 to make the repayment mentioned in that Section.
 - b) allow the Board to make that repayment in installments, or
 - c) both postpone that date and allow repayment in installments
 - d) enter into negotiations with the Board regarding alternative arrangements for compensation satisfactory to the Minister.

- 5 -

IN WITNESS WHEREOF the Minister of Indian Affairs and Northern Development has hereunto set his hand and seal on behalf of Her Majesty in right of Canada and the Board has executed this Agreement by the hand and seal of its proper officer duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED
in the presence of

HER MAJESTY THE QUEEN in right
of Canada

Minister of Indian Affairs
and Northern Development

Board

I have read the above Agreement and understand the nature of the project. On behalf of the Indian people concerned with this school program, we concur with the arrangements in this contract and the participation of the Department of Indian Affairs and Northern Development in this Joint School Agreement.

Title

Signature

Band

B. 6

TUITION AGREEMENT

THIS AGREEMENT made this of , 19 .

BETWEEN:

in the
Province of
Hereinafter called "the Board"

OF THE FIRST PART

- and -

THE INDIANS OF BAND
as represented by the Chief and
Council hereinafter called "the Band"

OF THE SECOND PART

- and -

HER MAJESTY THE QUEEN in the right
of Canada as represented by the Minister
of Indian Affairs and Northern Development
hereinafter called "The Minister"

OF THE THIRD PART

WHEREAS pursuant to Section 114, Subsection 1 of the Indian
Act R.S.C. 1952 Chapter 149, the Minister of Indian Affairs and Northern Development
may with the concurrence of the Band enter into an agreement with the Board for the
Education of Indian children in Provincial Schools.

AND WHEREAS pursuant to Section 118, Subsection 10 of the
School Act, the Board may enter into an agreement with the Government of Canada
respecting the education of children.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that the Parties
hereto covenant and agree with each other as follows:

1. (a) For the purpose of this Agreement "Indian child" means a
child defined as an Indian under the Indian Act or
Regulations of the Department of Indian Affairs and
Northern Development.
- (b) "Tuition Fee" means a per pupil fee paid annually to the

Board for each Indian child accepted by the Board and enrolled in a Board Operated School.

(c) Board Operated School(s) means the Schools.

2. The Minister shall pay the Board an annual tuition fee for each pupil as described in 1(a) and the basic fee shall be calculated as follows:

(a) The total cost of the operation of Schools exclusive of conveyance costs shall be divided by the total enrollment in that school.

(b) An enrollment projection of Indian students shall be provided to the Board by the Minister and the Band on or prior to May 1st of the previous academic year, with notes pertaining to special division, and year level of the Indian Students.

(c) For the purpose of calculation of tuition fee payments, the "enrollment" of Indian children referred to in 1(b) shall be considered to be the number of such children enrolled by the Band as at October 31st of the school year for the period September to December inclusive; January 31st for the period January to March inclusive and April 30th for the period April to June inclusive, in each and every year during the term of this agreement.

3. The Minister shall pay to the Board tuition fees as described in Section 2 as follows:

(i) On November 30th, an amount equal to 100% of the tuition fee for the months of September, October, November, and December at the previous year's per capita rate multiplied by pupil enrollment as of October 31st.

(ii) On February 28th, an amount equal to 100% of the tuition

fee for the months of January, February, and March at the previous year's per capita rate multiplied by the pupil enrollment as of January 31st.

(iii) On May 31st, an amount equal to 100% of the tuition rate for the months of April, May and June at the previous year's per capita rate multiplied by the pupil enrollment as of April 30th.

(iv) Notwithstanding the foregoing, the tuition fee rate for the then current school year may be applied as and when such is established by the board and is accepted by the Minister at which time adjustments will be made for prior payments as indicated under (i), (ii), (iii). A financial statement shall be submitted to the Minister not later than seventy-five days from the end of the fiscal year for any adjustments that may be required for payments previously made for the fiscal year.

(v) The tuition accounts referred to in (i), (ii), (iii), shall be accompanied by a certified list of pupils as referred to in 1 (b), pupils enrolled by enrollment periods as in 2 (c), in the school administered by the Board.

4. If it becomes necessary to construct new facilities, expand existing facilities and carry out major renovations, the Minister with the concurrence of the Band may enter into negotiations with the Board for capital contributions arising from the said construction, expansion or renovations.

5. The Board shall make every effort to involve the parents of Indian children attending the Schools in school affairs and encourage native participation of Indian parents in the education process.

6. Indian citizens of the community shall have opportunity to apply for employment in the school system when positions are available.

7. (a) Except as hereinbefore provided in this paragraph, the Board shall assume jurisdiction over the administration, control and operation of the Schools which Indian children are enrolled under the terms of this agreement, including the supervision of teaching personnel and all matters related to curriculum, methods of instruction and material used for instruction.
- (b) Education officials and any other person authorized by the Band and approved by the Board shall have the right to visit the school from time to time.
8. All notices or communications required to be given or sent under the terms of this agreement shall be deemed to be sufficiently given or sent if mailed to the recipient party at their last known address.
9. The Board agrees to accept into the Schools all Indian children as described in Section 1(a) of this agreement for whom the Minister accepts financial responsibility.
10. The Local Board may, upon request from the Minister or the Band, make available the facilities of schools concerned for Adult Education, confluent education, recreation and such similar programs and activities as from time to time are deemed desirable for the benefit of the community.
11. THIS AGREEMENT SHALL come into force on 19 , and shall remain in force from year to year unless:
- (a) Renegotiations are requested by any of the parties hereto in which case such request must be made by February 1st of the then current school year and the renegotiations must be completed by May 1st of the then current school year.
- (b) Notice of termination by any Party hereto must be given not less than 2 years prior to effective date of the

termination called for by such notice.

(c)

In the event of notice of termination of this agreement, negotiations must commence immediately regarding all related agreements including recovery of unamortized capital and land lease agreements. These negotiations must be completed by the effective date of termination of this agreement as per Section 11, Subsection b.

IN WITNESS WHEREOF these Presents have been signed
by the Parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED

WITNESS

BOARD

WITNESS

BAND

WITNESS

MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT.