

COMMENTARY ON ONTARIO'S SURVEY OF SERVICES
PROVIDED BY THE PROVINCE OF ONTARIO TO
STATUS INDIANS IN ONTARIO

REPORT DATED NOVEMBER 15, 1979

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ONTARIO'S
"SURVEY OF SERVICES PROVIDED BY THE
PROVINCE OF ONTARIO TO
STATUS INDIANS IN ONTARIO"
(REPORT DATED NOVEMBER 15, 1979)

Intergovernmental Affairs
Corporate Policy
Department of Indian
Affairs and Northern
Development
October, 1981

INTRODUCTION

The comments contained herein are provided as a means to facilitate DIAND's understanding of the basic rationale, assumptions and methodology employed by the Province of Ontario in determining its costs of services provided to Status Indians as reflected in the report "Summary of Services Provided by the Province of Ontario to Status Indians in Ontario", prepared by the Ministry of Treasury and Economics - Intergovernmental Finance and Grants Policing Branch, and dated November 15, 1979.

Except where noted otherwise, the observations made relate to the rationale, assumptions, methodology and resulting data employed and reflected in that report in reference to the F.Y. 1977-78. As such the fact that assumptions, date, etc., for other fiscal years are not commented upon should not be interpreted as either an acceptance nor as a rejection of their legitimacy by the Department or the Federal Government.

INTERPRETED

GENERAL COMMENTS

In the perspective of the Federal Government there are three groupings of outstanding matters or issues in respect of the Provincial report. These issues are:

A) Policy Issues:

The original determination of the respective Federal expenditures, as reflected in the draft report "Federal Expenditures Attributable to Status Indians in Ontario...in the Fiscal Year 1977-78", was based upon only those Federal Department programs that met three criteria of contributing directly, specifically and substantially to Status Indians. However, the Province has determined its survey on a more comprehensive basis, including programs which are not directly, specifically or substantially focussed toward Status Indians as the client/recipient. These include programs of general application (e.g. Agricultural extension services, Legal Aid, GAINS, Tax Credits, etc.) and non-direct programs (e.g. "loss revenues"), etc. In the opinion of DIAND the preparation of a useful joint executive summary is dependent upon respective expenditure reports which have employed identical assumptions concerning programs included etc.

Further, some general statements contained in the introduction to the Provincial report and several of the expenditures identified by the Province in its detailed report are unsustainable because of a lack of appropriate revenue offsets. For example,

off-reserve Indians pay appropriate school tax and property taxes, etc. However, these revenues are not shown against the respective Provincial expenditures claimed for education,

Furthermore, the Provincial report credits only the cash portion of E.P.F. payments as a Federal reimbursement. For example in the Post-Secondary education field this cash transfer amounted to 16.9% of Provincial expenditures for 1977-78 (\$482,402: \$2,856,600). However, E.P.F. payments are delivered through a combined cash/tax transfer. This combined transfer would add to an amount approximately equal to 45% of Provincial costs for Post-Secondary education institutions.

Federal expenditures referred to in column D, pg. 17 of the Ontario report and attributed to DIAND do not reflect appropriate capital expenditures as previously reported to the Province in the draft report on Federal expenditures. This is particularly significant in the areas of Housing (approximately \$20.0 million) and Transportation/Communications. Total expenditures attributed to DIAND are consequently understated of previously reported expenditure levels.

It is highly questionable to exclude Federal capital expenditures from a comparison report which includes Provincial capital expenditures. For example, in referring to a comparison of Federal and Provincial expenditures (pg.6-7) the Province compares a figure of Federal expenditures excluding capital to a Provincial figure which includes capital costs for roads and airport construction, etc.

It appears that the costs of health and welfare services paid by the Federal Government have been underestimated while those paid by the Provincial Government have been overestimated. This distorts the total estimates significantly and renders the conclusions about the levels of financing by Federal and Provincial governments questionable. For example, on Page 7 the Provincial report states the actual ratio moves closer to 50-50 for cost-sharing of social service and welfare expenditures. This is a highly inaccurate summary. Under the I.W.S. Agreement and the G.W.A. Act bands are treated as municipalities and contribute 20% of costs, with the 80% balance coming from the Province. However, the Band 20% contribution is covered 100% by the Federal Government and the Provinces' 80% is reimbursed 96% by DIAND. The net result is that the Federal Government is paying approximately 96.8% of these expenditures. Likewise, when one considers that the F.B.A. is recovered 50% under C.A.P. by the Province the actual Federal-Provincial

not to logical link

ratio is closer to 73-27 than to 50-50 as reported by the Province.

B) Consistent Inclusion or Exclusion of Shared-Cost Programs:

Reported Program expenditures involving Federal-Provincial shared cost programs do not consistently indicate that there is in fact a shared-cost component and/or whether or not the provincial expenditure is net of Federal reimbursement or a gross Provincial expenditure. For example, the Ministry of Agriculture and Food did not indicate that Crop Insurance (c.f.pg. 26) is a shared-cost program nor whether the reported expenditure was the total program cost or the net Provincial administrative expenditure.

In addition, Federal reimbursements credited by the Province for these programs in some instances do not coincide with reimbursements reported by the Federal government. For example, the Province, for 1978/79, reports a reimbursement of \$9.2 million for IGWA expenditures, while the Federal Government (NH&W) reports a reimbursement of \$9.8 million.

C) Technical/Methodological Issues:

In March, 1980 Federal representatives submitted a draft analysis of the Ontario report highlighting several areas where the Province appeared to have employed erroneous assumptions and/or methodological errors. While the Province had agreed to some revisions and had satisfactorily explained some items, there remained other items which the Province had undertaken to respond at a latter date. This latter information has not as yet been received. Furthermore, the Ontario report tabled with the ICO has not, to date, been revised to encompass the agreed-upon amendments.

Further, the "Observations" section of the Provincial report analyzes Provincial expenditures in comparison to Federal expenditures. However, the data employed on Federal expenditures was extracted from a draft report. This report was merely preliminary, has not been tabled in final form with the ICO to date, and understates Federal expenditures, for policy and program reasons noted above.

In general the methodological issues are of two types:

- i) In determining the allocation of funds for Status Indians derived from programs which have a total "Native" focus, there exist certain inconsistencies or errors in the related expenditure data and/or methodological assumptions made. For example, the Ministry of Agriculture and Food in calculating off-reserve assistance to farmers (c .f. pg. 26) etc. employed a 1971 census estimate of .3% of these in the form classification as being "native Indian" farmers. However, the census figure actually includes "on-reserve" and "off-reserve" Status Indian farmers as well as MNSI farmers.
- ii) In determining expenditures related to off-reserve Indians, the Province, recognizing the lack of detailed program costs, employs data derived from demographic statistics. However there are inconsistencies between various programs in the demographic statistics employed and/or methodological assumptions made. For example, the Ministry of the Solicitor General in estimating policing services off-reserve, employs the total Status Indian population, both on and off-reserve, rather than only the off-reserve population.

Specific Comments

The following are specific comments on various individual Provincial programs:

1) MINISTRY OF AGRICULTURE AND FOOD

(i) General Cost On-Reserve

The report erroneously states that the "General Cost" on-reserve assistance to farmers and farm organizations are 100% covered by the Province. "Crop Insurance" for example, is a program whose costs are shared on a Federal/Provincial-farmer basis. Farmers pay 50% of the total premium, and in Ontario the Federal Government contributes 50% of the total premium while the Province pays the total administrative costs. Further, no information is provided as to whether the expenditures noted are "administrative costs" or total program costs.

(ii) "General Cost" Off-Reserve Assistance

The 1971 census data employed by the Province in calculating off-reserve costs is questionable. For example:

- . the 1971 census estimate of .3% of those in the farm classification included Status Indian farmers living "off-reserve" and "on-reserve". Provincial expenditures for "off-reserve Indians" consequently include "on-reserve" costs, included in (i) above.
- . the 1971 census classification of "Native Indian" included both "Non-Status" and "Status" Indians.

Hence the expenditures of attributed to off-reserve "Status" Indians are overestimated;

DIAND estimates actual registered Indian farmers "off-reserve" to be lower by .15%.

2) MINISTRY OF THE ATTORNEY-GENERAL

(i) Ontario Native Council on Justice

This program is Federal-Provincial cost-shared and is not restricted to "Status Indians". The expenditures indicated are accurate for Ontario's share of the total program. However, the expenditures have not been pro-rated for MNSI versus Status Indian usage.

(ii) Legal Aid

The Ontario estimate of 3% usage by Status Indians is questionable. Status Indians as percentage of Ontario population is 3/4 of 1% (.75%) and of these the off-reserve proportion is about 32% (i.e. some .25% of the total Ontario population) and declining. Further, of those off-reserve some 33% live in rural non-reserve areas. Presumably, those in rural non-reserve and rural reserve areas have limited awareness and/or access to Legal Aid Services (c.f. Ontario Tripartite Demographic and Socio-Economic Sub-Committee report, February '79). Furthermore, for example, "The Native Inmate in Ontario" report of MCS reported that of Status Indians incarcerated (6.95% of total provincial jail population) only 59% were aware of and had applied for legal aid. More information is therefore necessary concerning how the 3% usage rate was determined by the Province.

3. MINISTRY OF COLLEGES AND UNIVERSITIES

(i) Post-Secondary and C.A.A.T.

DIAND questions the legitimacy of determining as a provincial expense a percentage of costs of education not covered by tuition without also including appropriate revenue off-sets, for example taxes paid, etc. Some of the Indian university and C.A.A.T. students have established their residency off-reserve and hence fully contribute to Provincial revenues as any other citizen. Further, the Provincial calculation assumes a straight line pro-rated increased cost occurs for its educational services per Indian student. A more accurate method would be to examine the "marginal cost added" (i.e. Physical plant, etc. is already fixed. Indian students constitute a very small percentage of total university and C.A.A.T. students, hence the added cost of 1 Indian student entering a post-secondary institution is minimal).

In addition university and C.A.A.T. tuition expenditures attributed by Province to Federal reimbursement, i.e. \$312,390 and \$117,975 respectively for 1977-78, do not correspond with Federal figures of \$496,000 and \$189,400 respectively.

(ii) Manpower Programs

Provincial figures, while reflecting the 100% Federal cost-share feature of the programs, do not appear to correspond with Federal data. In 1977-78 the Province reports a \$1.2 million reimbursement. Federal data for "on-reserve" Indians encompassed within Adult Occupational Training and Manpower programs indicate a \$3.4 million expenditure.

(iii) Campus Employment for Native Students

This program includes both Status and Non-Status students. No indication is given as to whether the expenditures are total program costs or have been pro-rated to reflect the Status Indian component.

(iv) Federal Reimbursements

See comments above re: federal data on tuition and manpower costs.

No information is provided on the basis upon which Province has calculated EPF payments attributable to Status Indians. Further EPF, as noted, only takes into consideration the cash portion. Federal tax point transfers would add \$1,096,495,000 for 1977-78 pro-rated for a portion attributed to the "Post-Secondary" Education component.

4) MINISTRY OF COMMUNITY AND SOCIAL SERVICES

(i) Social Services costs recovered under Indian Welfare Agreement (I.W.A.).

By way of the Memorandum of Agreement Respecting Welfare Programs for Indians, the Department of National Health and Welfare pays the Province monthly advances for expenditures incurred under the Agreement from funds transferred to it by the Department of Indian and Northern Affairs. Because the program content of the Agreement is similar to the program content of the Canada Assistance Plan, Health and Welfare is a party to the Agreement to examine and approve costs claimed by the Province.

The amount of Federal contribution under the Agreement is determined on the basis of a formula which ensures that DINA pays, on the per capita cost of provincial welfare programs under the Agreement, an amount to ensure a federal contribution of approximately 95% of shareable costs under the Agreement since 1965.

The following is a calculation of DINA's contribution to the NH&W under the Agreement in the last four years:

1976-77	-	\$ 7,552,447.20
1977-78	-	\$ 9,195,018.03
1978-79	-	\$ 9,819,701.06
1979-80	-	\$11,618,427.62

It is to be noted that the 1978-79 contribution does not balance with that reported by Ontario (\$9,224,745). Provincial programs to Indians which are presently being shared under the Agreement are general welfare assistance (General Welfare Act), child welfare (Child Welfare Act), homemaker services (Homemakers and Nurses Services Act), day care (Day Nurseries Act) and administration costs directly related to the above.

(ii) Costs not recovered under I.W.A.

As indicated in the Ontario Provincial survey, several costs to the Province are not shared under the Agreement. Among these are Family Benefits, adult institutional care, foster care, services to young offenders, capital depreciation in respect of day care centres and others. However, the Province obtains 50% sharing of such costs under the Canada Assistance Plan, the Vocational Rehabilitation of Disabled Persons Program and the Young Offenders Agreement. While NH&W is aware that the Province is claiming costs for Indians under these programs, the figures are encompassed in costs of welfare programs to the general population.

more points note on what is paid by Ont. - shared cost

and children's part

In consideration of the validity of the above gross Provincial costs and after providing for the Federal reimbursements identified for F.B.A. under "C.A.P." and those for "detention" under the YOA there should be a further off-set to reflect Federal reimbursements for eligible costs under the more general national social security programs - National Welfare Grants, Blind Persons Allowance, Administration Costs (i.e. Provincial Management Information Systems Development Vocational Rehabilitation", "Special Programs", "Child and Youth Institutions" are cost-shared 50% under C.A.P. These federal reimbursements are not indicated in the Provincial report.

(iii) Family Benefits

The statement referring to definitions is inaccurate Sec. 1, sub.sec. 1, clause (c) of the G.W.A. and Sec. 1, sub.sec. 2 employ definition "as per Indian Act" and "up to 12 months resident ... is deemed a Status Indian" respectively as eligible for cost-sharing. Consequently, the cost and case load data difficulties reported are attributed to Provincial collection methods and not to the Agreement per se.

(iv) Rehabilitation

This program is also recoverable under the I.G.W.A. The fact that the Province chooses not to be so is attributable to their policy or administrative decisions.

(v) Detention

The estimate of 7.5% attributed to Status Indians does not reflect data (c.f. table 4.1) contained in the Demographic Sub-committee report for Juveniles in "Conflict with the Law". For example the rate of interaction is 6.42 Status Indians per 1000 population, of which only 6.2% are charged with an offence. This indicates a lower estimate of Indian juveniles in detention.

(v) Day Care Nurseries (capital)

These costs are cost-shared 50% under CAP.

5) MINISTRY OF CORRECTIONAL SERVICES

(i) Juveniles in Correctional Institutions

As per above. DIAND questions that 7.5% of Juveniles would be "Status Indians". Demographic Sub-Committee report (table 4.1) shows that Indian juveniles (age 7-18) rate of interaction with the law represent only 6.42 per 1000 of population and that of these only 62% are charged with an offence. Further, of the total juveniles in conflict with the law in Ontario (5424) only 95 (1.75) were Status Indians. This would indicate a lower rate of Indian juveniles in correctional institutions.

{ii) Native Volunteer Project

The assumption of 90% being "Indians" does not relate to the Provincial "Native Inmate in Ontario" report showing 79% of Natives are Status Indians.

6) MINISTRY OF CULTURE AND RECREATION

Wintario Program

This is a self-financed program of general application (parallel to other lotteries, etc.). Hence, it is questionable that expenditures under this program should be included, without at least "netting" against an assumed revenue from Status Indians.

7) MINISTRY OF EDUCATION

(i) Off-Reserve Indians in Provincial Schools:

The off-reserve Status Indian student population (7,122) versus the on-reserve (17,601) is 28.8%. The Province assumed a 33.3% split. Hence expenditures are over-estimated.

Further, it is difficult to determine the basis on which the Province assumed that:

(i) 20% of Indian students aged 15-19 belong to the kindergarten to grade 9 group, and that

(ii) 60% of the total number of Indians aged 15-19 do not attend school or are in kindergarten to grade 9.

The objective of the computations on pages 47-49 of the Provincial Report is presumably to estimate the number of provincially-funded students, and, subsequently, the direct costs to the Province. Before estimates

can be developed, it is necessary to examine the appropriate age-grade distribution pertaining to the registered Indian population living on reserves and on Crown land (Federal/DIAND data) as follows:

TABLE I

Age Group	1978-1979 Grade	Enrolment Enrolment	Population as of Dec. 31/78	In School Enrolment x 100 Ratio - <u>Population</u>
5-14	K(4)-9	11,382	11,717	97.14
15-9	10-13	1,929	5,884	37.78
15-19	K(4)-9	776	5,884	13.19

These ratios are significantly different from the ones assumed in the Provincial paper.

Based on the assumption of no difference in the age-grade distribution of federally-funded Status (those living on reserve or on Crown land) and provincially-funded students (those living off-reserve), we can derive an estimate of the number of provincially-funded students in 1978-79. These estimates are shown below in Table II. The last column in Table II gives the cost to the Province. The cost per students is taken to be \$2,088, as indicated on page 48 of the Provincial report.

Table II

Age Group	Population as of December 31, 1978 (Off-Reserve)	1978-79 Estimated Enrolment (provincially funded)		Cost
		Grade	Enrolment Estimates	
5-14	4,743	K4-9	4,743 x 0.9714*= 4,607	4,607 x 2,088 = \$9,619,416
15-9	2,379	10-13	2,379 x 0.3278*= 780	780 x 2,088 = \$1,628,640
15-9	2,379	K4-9	2,379 x 0.1319*= 314	314 x 2,088 = \$655,632

*

These numbers are taken from last column of Table I. Based on these estimates, the appropriate 1978-79 costs listed against off-reserve Indians in Provincial schools (page 46) are as follows:

Provincial Costs for Off-Reserve Indians in Provincial Schools, 1978-79

- (a) Students age 5 to 14 Kindergarten to Grade 9 inclusive \$9,619,416
- (b) Students age 15-19 in grades 10-13 inclusive \$1,628,640
- (c) Students age 15-19 in Kindergarten to Grade 9 inclusive \$ 655,632

Furthermore, the parents of a Status Indian off-reserve pay property and education taxes, as do all other residents. Appropriate Provincial revenue off-sets are not indicated in the Provincial report.

(ii) Ontario Native Education Council

No information is provided as to whether the Provincial expenditure reflects the gross or net cost after cost-sharing with DIAND, nor whether it has been pro-rated to reflect its MNSI component.

8) MINISTRY OF THE ENVIRONMENT

Laboratory Services Branch

The Provincial costs related to the analysis of mercury and organics in fish are cost-shared under the Federal "Water Quantity Monitory Program", the "Canada-Ontario: Wabigoon-English River System Mercury Study Agreement", etc., of D.O.E.

9) MINISTRY OF HEALTH

(i) O.H.I.P.

\$4,974,000 is described as a provincial program cost attributable to loss of O.H.I.P. premiums. Since all Indians are eligible for full premium assistance in any case, it is hardly fair to describe this sum as a program cost. While recognizing that the cost was not included in the "total net Provincial cost" one wonders why it was listed at all. On the apparent logic used in the Provincial report, a province could double the premium rate for everyone in the Province, and then rebate the entire increase, and claim to have incurred the expense. It is a Provincial "policy" assumption on that on and off-reserve Indians have sufficiently low incomes that they qualify for free OHIP coverage.

On the other hand, the value of tax points transferred to the Province under E.P.F. Agreement is excluded from the calculation as a Federal contribution. For 1978-79 the value of transferred tax points for Indian health care would have been approximately \$5.8 million. The addition of the value of transferred tax points as a federal cost would reduce the total net provincial cost for health care by approximately 25%.

(ii) Free Medical Services not covered by OHIP

No explanation is given of what services are rendered which are not covered by OHIP.

(iii) Federal Hospitals

The 1977-78 Provincial "expenditure" of \$1.7 million represented a reimbursement or payment settlement for extraordinary cost liabilities. Hence to include this as a provincial cost would not reflect the settlement reached.

(iv) Federal Reimbursement

E.P.F. reimbursement shown does not take into account various 1977-78 conditional cash payments (e.g. health resources fund, etc.), plus the appropriate EPF tax rebate.

10) MINISTRY OF HOUSING

(i) Wigwamen

As reported the rent supplement program is cost-shared by the Federal Government at 58½%. It is assumed that the provincial data reflects its net share cost.

(ii) Thunder Bay

As per above.

11) MINISTRY OF INDUSTRY AND TOURISM

Minaki Lodge Project

On what basis does the Province assume that Status Indians benefitted by 50% of operating deficit for the development of the lodge? (\$94,647 is included for this under Table 1, page 12, for 1978-79).

12) MINISTRY OF NATURAL RESOURCES

Game and Fish Act

To the knowledge of the Federal Government, Ontario does not employ Indian-specific game and fish laws, nor is the Province required to do so. Consequently, it is questionable that there exist special "increased costs incurred" for enforcement where Indian utilization may be more "detrimental to the continued well-being of those resources" than by non-Indians. Further, no explanation is provided as to how expenditures were determined.

13) MINISTRY OF NORTHERN AFFAIRS

(i) Northern Communities Assistance Program

No explanation is provided as to what basis the Province uses to assume, after subtracting out \$2.1 million in identified Status Indian expenditures, that 10% of balance is a cost attributable to Status Indians. For example electrification costs for Status Indians are reimbursed by DIAND (c.f. page 51 of Provincial report).

Further, on what basis does one assume that Status Indians "off-reserve" receive 50% of I.C.A.F. monies?

In addition, on what basis does the Province assume that the O.N.T.C. project benefits Status Indians at 50% benefit level?

(ii) Regional Priorities

On what basis did the Province determine that the remote Northwestern Telecommunications project benefit Status Indians at 100% of the Ontario share of the cost?

14) MINISTRY OF REVENUE

(i) Tax Exemption

Presumably the Provincial data is meant to refer to "loss revenue".

The Provincial report does not indicate the basis of determining the actual dollar values claimed as loss revenue, e.g. tax exemptions under the Tobacco Tax Act increase 785.4% from 1976-77 to 1978-79. It is questionable that smoking by Status Indians increased at this rate, and while tobacco taxes have increased during this period not even Ontario has increased its tobacco tax by this amount. While the \$8.7 mil is not encompassed in the appropriate expenditure summary tables, one wonders why the data was included in the report.

"Loss revenues" do not appear to be net of any revenue from car licences, liquor sale, off-reserve cigarette sales, marriage licences, etc.

(ii) Tax Exemptions and Transfer Payments

The Indian Act exempts,, under Section 87, real and personal property, of an Indian and/or band, situated on a reserve, from taxation. This exemption includes property taxes, succession duty, inheritance tax and estate duties.

The Department of National Revenue, in an interpretation bulletin, has defined property to include income. Under this interpretation bulletin, income earned on a reserve, by an Indian, was exempt from assessment for income tax purposes. The determining factor is where the income is earned, not an Indian's place of residence. Income from sources other than employment or property is considered to be situated at the payer's principal place of residence. Income from sources other than employment or property is considered to be situated at the payer's principal place of business. Therefore, such things as U.I.C. payments, interest from bank accounts or investments situated off the reserve are subject to income tax.

The Federal Court has recently ruled that income is not personal property, and as such is not exempt under the Indian Act.

Although the Provinces cannot tax Indian property interests or Federal property interests on a reserve, the courts have ruled that the municipality and province can tax non-Indian, non-Federal interests in reserve or surrendered land. Ontario, at the request of various bands, has amended its legislation so that municipalities cannot tax these non-Indian, non-Federal interests.

The Provinces' statement on page 69 is therefore not accurate. The Indian Act only exempts from taxation existing personal property, not property about to be acquired. No Province is obliged to provide any sales tax exemption to Indians. Ontario, of its own accord, exempts from sales tax items purchased on a reserve or an item bought off the reserve and subsequently delivered to the reserve by the vendor and a certificate of exemption is completed by the Indian purchaser. Other provinces do not provide such exemptions.

*Ind. Act!
Other prov. as well*

In summary, therefore, Indians pay tax on income earned off a reserve and on goods purchased off a reserve that are not delivered to that reserve. In addition Indian corporations pay all taxes since they are not "Indians" under the Indian Act.

Indians living off-reserve pay all Provincial income, sales, property and municipal taxes, etc.

(iii) Specific Transfer Payments

It should be noted that tax credits referred to only come into effect to provide a mechanism for relating property tax and retail sales tax to the individual's ability to pay and income tax actual payments. It is questionable that Status Indians on-reserve actually received the property tax and sales tax credits. Some Status Indians off-reserve may have received these credits. However, the amounts do not appear to be net of actual taxes paid by the individuals. No information is provided as to how these payments were calculated.

(iv) Special Note

It is to be noted that the Province draws attention to the fact that the "estimates...(are not) reasonable with the...sales tax and personal income tax."

No appreciation is shown regarding total tax revenues paid directly by Status Indians (on and off-reserves) in Ontario plus an effort is not made in the report to attribute spill-over effects of Indian revenues to communities surrounding reserves.

15) MINISTRY OF THE SOLICITOR GENERAL

(i) Cost for Services

There are apparent double expenditure claims in the report. For example, the costs for 17 Provincial Police Districts (item #1) do not indicate the appropriate net for those districts whose policing costs were eligible for cost-sharing under the Special Constable Program and whose costs are shown separately, nor for those portions of the districts' services which were "off-reserve" and hence also costed under the Policing off-reserve estimate (item #6).

The Provincial report employed an on-reserve estimated population of 63,159 Status Indians under the general cost services item and 65,000 for the off-reserve Status Indian population under Policing Services off-reserve. These figures do not reflect the on and off-reserve service Status Indian populations (c.f. Demographic Sub-Committee report, table 2.1, February 1979). The 1976 figures are: on-reserve 43,194, off-reserve 20,326.

(ii) Indian Policing Services Branch

The work of this branch is not limited to Status Indians, and there is no evidence that the costs of its operation were pro-rated to reflect MNSI interactions, etc.

(iii) The "Off-Reserve" Policing item (#6) does not distinguish Status Indian population off reserves, (i.e. used an off-reserve population of 65,000 rather than 20,326).

Costs are double claimed with those under items #s 1,2,3,4 and 5. Further, the "total Provincial expenditure figure of, for example, \$133,000 in 1977-78, does not distinguish those already encompassed under the other above items.

Furthermore it is questionable how the Province determined that 75% of all Native offences were committed by Status Indians off-reserve. For example, the "Native Inmate in Ontario" report indicated that:

- . of sample group of inmates 79% are Status Indians.
- . of these 72% (i.e. 56.9% of sample inmate group) were on reserve.
- . hence only 28% of these (or 22.1% of sample inmate group) were off-reserve Indians.

Consequently the estimate of offences committed by Status Indians off-reserve would be 28% of 7.84% or 2.19%. Indians off-reserve comprise only .24% of the total population.

In order to determine Provincial policing costs off-reserve, it would be more accurate to proceed as follows:

not demonstrated - not all offences are committed by inmates or ex-inmates

- A. Total Policing costs in Province
- B. Estimated total Policing costs for Indian population
 - . per capital interaction x population .
- C. Subtract out known Policing costs for Indians on-reserve usage
 - . cost of services of 17 Ontario Provincial Police Districts
 - . Northwest Patrol
 - . Northeast Patrol
 - . Indian Policing Services
 - . Special Constable Program
- D. Subtract out known Policing costs for Indians off-reserve usage (i.e. portions of above 5 programs)
- E. Balance is estimated Policing costs for off-reserve Indians.

16) MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(i) Municipal Roads

While the Provincial report shows actual expenditures undertaken on a specific Indian reserves, no reflection is made that Provincial expenditures are cost-shared under the Infrastructure and Other Community Improvements Programs, via the bands, with DIAND as follows:

- . road construction 50%
- . bridges culverts construction 80%
- . roads and bridge maintenance 50%,

to reflect the fact that the roads are available to and used by the public at large

ii) Remote Airport Development

No reflection in the costs is made for utilization of these facilities by the public at large. The full cost is attributed to Status Indians.

iii) Remote Telecommunications

There appears to be a duplication between costs reported by MTC and MNA (pg. 63). Further there is no reflection made for pro-rated use of the facilities by MNSI and non-natives.