INDIGENOUS SERVICES CANADA

Draft Final Report

Evaluation of the Education Facilities Program

March 2024

Evaluation Branch
Strategic Policy and Partnerships Sector

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LIST OF ACRYNOMS

ACRS	Asset Condition Reporting System
AFN	Assembly of First Nations
AHSOR	Aboriginal Head Start On Reserve
CFMP	Capital Facilities and Maintenance Program
CIB	Community Infrastructure Branch
EF	Education Facilities Program
ESDPP	Education and Social Development Programs and Partnerships Sector
FNIHB	First Nations and Inuit Health Branch
FNIIP	First Nations Infrastructure Investment Plan
ICMS	Integrated Capital Management System
ISC	Indigenous Services Canada
IFSD	Institute of Fiscal Studies and Democracy
LWB	Lake Winnipeg Bundle
O&M	Operations and Maintenance
REAs	Regional Education Agreements
RIDB	Regional Infrastructure Delivery Branch
SSAS	School Space Accommodation Standards

EXECUTIVE SUMMARY

This evaluation of Indigenous Services Canada's (ISC) Education Facilities (EF) program was conducted as outlined in ISC's Five-Year Departmental Evaluation Plan and further to the Treasury Board *Policy on Results.*[1] The evaluation was undertaken to provide a neutral, evidence-based assessment on program relevance, effectiveness and efficiency. It also presents findings in relation to climate change, service transfer, gender-based analysis plus and impacts of the COVID-19 pandemic on the program to the extent possible. Moreover, given the interlinkages of the program with two other ISC infrastructure-related evaluations undertaken during the same period (i.e. the On-Reserve Housing program and the Other Community Infrastructure and Activities Program), this evaluation also highlights crosscutting findings across the three evaluations with the view to provide a more holistic perspective to inform ISC's infrastructure programs.

Background

Administered under the Capital Facilities and Maintenance Program (CFMP), which is the Government of Canada's main vehicle to support community infrastructure for First Nations on-reserves, the EF program supports First Nations to build new schools, renovate and expand existing facilities, and to operate and maintain existing education infrastructure. Education infrastructure can include teacherages, student residences, and school facilities such as classrooms, gyms, science labs, sports fields, home economics and shop facilities. The funding was provided through a combination of annual allocations and targeted funds (i.e. the Education Infrastructure Fund and the Enhanced Education Infrastructure Fund).

Since the last evaluation on the EF program in 2015,[2] First Nation communities have been experiencing ongoing changes that have affected education facilities on-reserve and its delivery. Such changes include population growth on-reserves; challenges around supply chains, construction costs, inflation, and competition for labor, which were exacerbated by the COVID-19 pandemic; and communities experiencing more frequent and severe weather conditions due to climate change.

Evaluation Scope and Methodology

Covering a five-year period from April 2016 to March 2021, the evaluation was conducted by ISC Evaluation with support from a third-party evaluation firm. The evaluation employed a mixed-methods approach that included multiple lines of evidence: literature and document review; administrative and financial data analysis; an online survey with 50 completed questionnaires for the EF program; interviews with 60 individuals representing First Nations, First Nations partner and technical organizations, as well as ISC staff both at the national and regional levels; a focus group with members of a First Nation community in Alberta; and a case study on the School Bundling initiatives which included a field visit to the God's Lake First Nation and group interviews with school bundling communities. To the extent possible, data collection activities for the EF program evaluation were integrated with activities for the evaluations of the On-Reserve Housing Program and the Other Community Infrastructure and

[1] Treasury Board *Policy on Results*: www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=31300
[2] ISC website: www.rcaanc-cirnac.gc.ca/eng/1467300208069/1537884442650#chp2

Activities Program to reduce the burden in the engagement of ISC regional staff and First Nation communities and organizations.

To help inform the evaluation from a more cultural appropriate perspective, a First Nation Evaluation Advisory Committee was established, which is composed of representatives including First Nations community members, education authorities and First Nation infrastructure technical organizations. The Evaluation Advisory Committee was consulted at key milestones and helped guide the planning, conduct and reporting throughout the evaluation process.

Main Findings

Relevance

The evaluation finds a continued need for the EF program and its alignment with ISC and Government of Canada priorities; however, the magnitude of existing and future demands of education facilities far exceeds the funding available. A few intensifying or emerging factors, including population growth on-reserve, impacts of climate change and COVID-19 and the growing needs of diverse segments of the communities have placed additional pressure on already limited resources. While the EF program is deemed relevant in addressing some education facilities' needs, some gaps were identified in relation to meeting health and safety standards, impacts of climate change, students with special needs, and teacherages.

Effectiveness

The evaluation examined the extent to which the EF program has been effective in supporting First Nation communities to construct and upgrade education facilities in their communities, to develop the capacity to plan and manage education facilities, and to maintain their ISC-funded assets. The evaluation finds that the EF program delivered numerous schools and education facility projects to First Nations communities which helped meet the needs and address education facilities gaps on-reserve; however, the reliability and sustainability of these facilities could not always be ensured due to funding constraints and program design. Moreover, the CFMP's overarching objectives of maximizing the life cycle of assets, mitigating health and safety risks and ensuring assets meet applicable codes and standards were not fully achieved. The availability and reliability of performance data continue to be an issue as identified by the evaluation. In reporting on the achievement of the program, there is a lack of performance data and the department mostly uses data at the output level as specified in the program Logic Model (Annex A); alternative performance measurement approaches were proposed to measure the success of the infrastructure investment on-reserve more effectively by integrating a wellbeing or human rights centered lens.

The evaluation also looked at the effectiveness of the funding approach, oversight and support of program delivery, including the First Nations Infrastructure Investment Plan (FNIIP) process. The evaluation finds that the current planning does not support strategic long-term planning and the asset management principles; also the prioritization criteria used in the FNIIP process does not sufficiently consider emerging key factors identified by communities such as public health, climate change and accessibility and other community-based priorities. Issues identified in accessing EF program funds included the timing of funds, application criteria and rationale for the approval of proposal-based funds, community capacity, access inequality and transparency. Further, a lack of regular maintenance due to funding availability and backlogs, compounded by worsened weather conditions and lesser quality of materials, resulted in the lifespans of

community infrastructure shorter than elsewhere in Canada. While it may be early to assess the full impacts of including the Operations and Maintenance (O&M) as part of educational programming that took place in 2019-20, some limitations were raised during the evaluation in relation to the transfer of the O&M component to the Education and Social Development Programs and Partnerships Sector (ESDPP).

In addition to the expected outcomes of the program, the evaluation finds that the EF program provided employment and training opportunities, increased on-reserve enrolment and academic success, positive impacts on the wellbeing of community members, especially children, and increased community pride.

Efficiency

The evaluation assessed the extent to which the EF program demonstrated efficiency and economy. The findings suggested that while the program has implemented initiatives to generate more efficiency in program delivery, opportunities exist in improving cost-efficiency and generating more value for money through more integrated planning based on lifecycle asset management principles, applying a whole-of-community approach based on the unique needs and realities of the communities and taking more proactive and preventative measures in repairs and maintenance of investments.

The evaluation finds that the planning and approval of EF program projects did not take into consideration infrastructure investments in other sub-assets under the CFMP, which had resulted in instances where schools were built without proper enabling features. The delivery of infrastructure funding in asset-based silos made it difficult to align processes and deadlines, hindering the coordination of funding sources. Further, cost-efficiencies in the EF program were not fully achieved as a result of insufficient maintenance and repair. Moreover, the evaluation noted a lack of a cohesive approach towards capacity building for asset management, which inhibits the efficiency in delivering education facilities outcomes. Related to capacity issues, was a high turnover of staff, both ISC and First Nation communities, results in inefficiencies due to loss of capacity and additional efforts by First Nations.

Several alternative delivery models were implemented during the evaluation period to realize more cost-effective ways of delivering the EF program, which included the Innovation Fund and school bundling initiative. The evaluation finds that nine projects were announced as part of the Innovation Fund investments, however few First Nations respondents were aware of the Innovation Fund. When it comes to the school bundling initiative, despite not generating the cost-efficiencies as anticipated, the school bundling approach allowed for greater engagement and decision-making of First Nations communities in the design and build of their schools as compared to the non-bundled approach, which resulted in the integration of more community-focused and culturally relevant design elements into the school projects. The evaluation finds that the selection of communities in a bundle affected the outcomes of the project - the project with communities belonging to the same tribal council, sharing geographic similarities and located adjacent to each other reported less challenges in its implementation.

Crosscutting Findings

The evaluation of the Education Facilities program was conducted simultaneously with the evaluations of the On-Reserve Housing program and the Other Community Infrastructure and Activities program. These evaluations revealed that the infrastructure programs are sharing many similarities when it comes to the challenges being faced, from funding insufficiency,

program design and delivery, capacity and staff turnover, to data and results measurement. Moreover, the findings point out the interlinkages among the programs that are integral to take into consideration in closing the infrastructure gaps on-reserve. More specifically, the asset-based approach through targeted investments and siloed programming, means communities with differing priorities are challenged to adequately plan ahead or address their needs. This resulted in loss of efficiencies and missed opportunities to better meet communities' infrastructure needs and achieve better health and safety.

Recommendations

Based on the findings of the evaluation, it is recommended that ISC:

1. Better support community-led infrastructure planning and prioritization to meet First Nations' needs:

    1.1. Review and adapt community infrastructure planning processes to better support First Nations in having reliable, sustainable, and community-led infrastructure;

    1.2. Explore opportunities to better align program design and implementation with the evolving priorities identified in this evaluation by First Nations to address the unique needs in their communities, which could include health outcomes, climate change, and accessibility;

2. Prioritize or allocate dedicated funding or efforts to areas identified as top needs or gaps by the communities:

    2.1. Conduct an analysis to identify the gaps for communities that are smaller, more remote and with lesser resources in accessing funds;

    2.2. For communities that rely on teacherages, provide dedicated funding for teacherages, for existing schools where teacherages are not sufficient or when building new schools and major renovations;

    2.3. Further assist and support communities with their capacity development activities to support the operation and maintenance of education facilities and service transfer;

3. Establish clear definitions of the fields and categories used in the ICMS Project Tracking Module to help ensure data entry is consistent to improve data quality;

4. Implement strategies to mitigate impacts of staff turnover to better support collaboration with First Nations.

MANAGEMENT RESPONSE AND ACTION PLAN

Overall Management Response

Overview

- This Management Response and Action Plan was developed to address the recommendations presented in the Evaluation of the Education Facilities Program. It was developed by ISC-Regional Infrastructure Delivery Branch (RIDB) and ISC-Community Infrastructure Branch (CIB) in collaboration with the Evaluation Directorate.
- RIBD and CIB recognize the findings outlined in the evaluation regarding the performance and delivery of the Education Facilities Program.
- The Evaluation provides four recommendations to improve the delivery and effectiveness of the Education Facilities Program. All recommendations are accepted, and the attached Action Plan identifies specific activities to move towards meeting these recommendations. The Program would like to note that while it concurs with the recommendations related to funding in principle and continue to seek funding through the avenues available, funding decisions are beyond direct program control.

Assurance

- The Action Plan presents appropriate and realistic measures to address the evaluation's recommendations, as well as timelines for initiating and completing the actions. Over the next two years, the department will proceed with a phased response to analyse, develop and implement operational and policy improvements to the Education Facilities Program, in consideration of our departmental priorities and ongoing initiatives to modernize the delivery of on-reserve education facilities infrastructure programs and services.
- Many action items involve engagement with partners and relevant stakeholders, with changes to be implemented following these discussions. A status update on this Management Response and Action Plan will be conducted by the Evaluation Directorate regularly and presented to the Departmental Performance Measurement Evaluation Committee to monitor progress and activities.
- The phased approach recognizes program complexities and provides time to engage First Nations and other partners in a meaningful development process.

Management Response and Action Plan Matrix

Recommendations	Actions	Responsible Manager (Title/Sector)	Planned Start and Completion Dates	Status and Rationale
Better support community-led infrastructure planning and prioritization to meet First Nations' needs: 1.1 Review and adapt community infrastructure planning processes to better support First Nations in having reliable, sustainable, and community-led infrastructure;	We **do** concur. We will:			
	1) Advance the initiative to review and modernize ISC's infrastructure policy and funding delivery models that support long-term, whole-of community infrastructure planning in collaboration with First Nations partners.	DG CIB; Directors of HISRD and IPMCMD	Start Date: **May 2023** Completion: **December 2023**	**Status:** ☐ Fully Implemented ☒ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** ISC officials are currently engaging First Nation partners, through regional engagement sessions, on the modernization of infrastructure policy and funding delivery models. **As of:** May 2023
	2) Update and modernize O&M national funding formulas including annual updates to the cost indices to keep pace with inflation.	DG CIB; Director HISRD DG RIDB; MIPD (to work in collaboration with ESDPP for O&M Education Facilities, including teacherages)	Start Date: **2021** Completion: **Ongoing**	**Status:** ☐ Fully Implemented ☒ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** Budget 2021 provided ongoing funding increases for the operation and maintenance of OCI assets. The national funding formulas for OCI O&M were updated and modernized to provide significant increases to annual

				allocations by asset. The updated formula funding allocations started to flow to First Nations in 2022-2023 and are ongoing. **As of:** 2021
1.2 Explore opportunities to better align program design and implementation with the evolving priorities identified in this evaluation by First Nations to address the unique needs in their communities, which could include health outcomes, climate change, and accessibility.	We **do** concur. We will:			
	1) Develop a plan for further collaboration between Regional Operations branches and regions, including First Nations and Inuit Health Branch, to better support health outcomes in First Nation communities.	DG CIB DG RIDB RO, RDGs	Start Date: **March 2024** Completion: **July 2024**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** *Scoping/assessing start date* **As of:**
	2) Integrate climate change mitigation and adaptation considerations and resiliency tools, aligned with ISC's Climate Change Strategy, into project selection decisions and implementation.	DG RIDB, Directors of SOD and SPMR	Start Date: **November 2023** Completion: **March 2025**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** *Scoping/assessing start date* **As of:**

	3) Develop a plan that best supports First Nation identified accessibility needs on-reserve.	DG RIDB DG CIB	Start Date: **TBD** Completion: **TBD**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** *Scoping/assessing start date* **As of:**
Prioritize or allocate dedicated funding or efforts to areas identified as top needs or gaps by First Nations communities: 2.1 Conduct an analysis to identify gaps in addressing First Nations' needs, including communities that are smaller, more remote and with lesser resources;	We **do** concur. We will:			
	1) Conduct a review and analysis of existing studies and reports that identify gaps in addressing First Nations' needs, including smaller, more remote communities.	DG CIB DG RIDB	Start Date: **February 2024** Completion: **September 2024**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** **As of:**
2.2 For communities that rely on teacherages, provide dedicated funding for teacherages for existing schools where teacherages are not sufficient, and when building new schools or major renovations;	**1)** Review ISC's Teacherages Policy to modernize and provide flexibility to meet First Nations requirements for teacherages.	DG, RIDB; Director, MIPD DG, CIB; Director, IPMCMD	Start Date: **TBD** Completion: **TBD**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** New Schools, major renovations and additions to ensure teacherages costing is included, where teacherages are required.

				ISC is working with the AFN to determine the timeline of the Teacherages Policy review. **As of:**
2.3 Further assist and support communities with their capacity development activities to support the operation and maintenance of education facilities and service transfer.	**1)** Develop a Circuit Rider Training Program (CRTP) for Education Facilities modelled on the successful program for Water and Wastewater infrastructure to advance the delivery of operation and maintenance activities to extend the capital lifespan of First Nation infrastructure.	DG, RIDB; Director, MIPD	Start Date: **TBD** Completion: **TBD**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** This program is to be implemented once a dedicated source of funding is made available. **As of:**
3. Improve data quality in departmental systems, including to establish clear definitions of the fields and categories used in the ICMS – Project Tracking module to help ensure data entry is consistent to improve data quality.	We **do** concur. We will:			
	1) Extend the ACRS Inspection program to provide data that forecasts future capital investment needs for existing infrastructure and ensures a comprehensive inspection of major components of each asset.	DG, RIDB; Director SPMR DG, CIB; Director HISRD	Start Date: **April 2022** Completion: **March 2026 and ongoing**	**Status:** ☐ Fully Implemented ☒ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** The extended ACRS program was piloted nationally in 2021-22 and received positive feedback. In 2022-23 regions and First Nations were supported through ongoing proposal-based funding to begin implementing the extended inspections. **As of:** April 2022

	2) Update ICMS to allow for import and export of the capital investment forecasts from the extended ACRS inspection program and create reports to be generated from ICMS.	DG, RIDB; Director SPMR DG, CIB	Start Date: **April 2022** Completion: **December 2024 and ongoing**	**Status:** ☐ Fully Implemented ☒ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** ICMS has been updated to support the data elements from an E-ACRS inspection. The Inspection module in ICMS has been updated with the addition of a 'Compact Inspection' export-import. **As of:** April 2022
	3) Conduct an analysis of the data collected in the ICMS – Project Tracking module to determine its reliability and assess information gaps to implement improvements related to data quality and lead a regional standardization business process exercise (tools and practices) in the ICMS – Project Tracking module to ensure a common understanding and usage of the data to improve reliability and the planification and tracking of infrastructure investments.	DG, RIDB; Director SPMR	Start Date: **July 2024** Completion: **July 2026**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** *Scoping/assessing start date* **As of:**
4. Implement strategies to mitigate impacts of staff turnover to better support collaboration with First Nations.	We **do** concur.	Responsible Managers:		
	We will:			
	1) Review existing human resources, succession and onboarding plans, processes and guides, and develop strategies to ensure new staff have been sufficiently trained to carry out their duties in working with First Nations.	DG RIDB DG CIB RO, RDGs	Start Date: **March 2024** Completion: **December 2024**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete

				Update/Rationale: *Scoping/assessing start date* **As of:**
	2) Review communities of practice and other knowledge sharing tools/forums to develop a toolkit to improve collaboration, information sharing and knowledge transfer during staff turnover.	DG RIDB DG CIB	Start Date: **March 2024** Completion: **December 2024**	**Status:** ☐ Fully Implemented ☐ Partially Implemented ☐ Implementation did not Commence ☐ Obsolete **Update/Rationale:** *Scoping/assessing start date* **As of:**

1. INTRODUCTION

This document constitutes the report for the evaluation of Indigenous Services Canada's (ISC) Education Facilities (EF) program. The evaluation was conducted by ISC Evaluation in accordance with the Treasury Board *Policy on Results* and Section 42.1 of *the Financial Administration Act* as part of ISC's Five-Year Departmental Evaluation Plan 2022-2023.

Planning of the evaluation took place in 2021 and the preliminary evaluation work was conducted between August and November 2021. Most data collection activities occurred between March and September 2022. Preliminary findings were finalized in October 2022. The final evaluation report is to be approved in winter 2024.

Data collection activities for the evaluation were coordinated with those for two other infrastructure-related evaluations being conducted within the same timeframe (i.e. Evaluation of the On-Reserve Housing program and Evaluation of the Other Community Infrastructure and Activities Program), with the intention to maximize engagement efforts and reduce burden for ISC program staff and First Nation communities and organizations in the data collection process, as well as to identify crosscutting issues in the evaluation findings across the three evaluations.

Report Structure and Sections

To provide context for the evaluation findings, a description of the EF program and the changing landscape for education facilities on-reserve is presented in the next section followed by the evaluation's focus and methodology. Subsequent sections present the evaluation findings of program relevance, effectiveness, and efficiency. Findings in relation to COVID-19 and climate change are included in the relevance, effectiveness and efficiency sections as appropriate, rather than in separate sections. In addition, given that a key aspect of ISC's vision is to "support and empower Indigenous peoples to independently deliver services and address the socio-economic conditions in their communities",[3] findings relevant to service transfer are presented in their own section.

Given the cross-cutting issues identified among the above-mentioned three infrastructure-related evaluations, the findings across the three evaluations are presented in a section following the findings on the EF program with the view to provide a more holistic perspective on the infrastructures on-reserve as a whole. The final section summarizes the key findings and presents recommendations for program improvement and to support the achievement of results moving forward.

2. PROGRAM CONTEXT AND DESCRIPTION

[3] ISC Mandate published on the Government of Canada website. Mandate (sac-isc.gc.ca) www.sac-isc.gc.ca/eng/1539284416739/1539284508506

2.1 Program Context

Schools are an infrastructure asset central to children's development and well-being. Many First Nations students currently do not have access to functional schools in their community to support their academic and social development and improve the overall well-being of the community.[4] Numerous reports have underlined the infrastructure deficiency in First Nations communities, including a cycle of underdevelopment and underinvestment. Given the legacy of the Indian residential school system, to First Nations communities, education facilities on-reserve mean much more than a physical infrastructure.

First Nations own and operate education facilities on-reserve and are responsible for managing projects to renovate or build new facilities. ISC provides funding to First Nations to build new schools, renovate and expand existing facilities, and operate and maintain existing education infrastructure. Education infrastructure can include school facilities such as classrooms, gyms, science labs, sports fields, home economics and shop facilities.

ISC funds education facilities under the authority as set out in the Capital Facilities and Maintenance Program (CFMP), which is ISC's main vehicle to support community infrastructure for First Nations on-reserves, including the EF Program, which is the main federal initiative funding education facilities in First Nations communities on-reserves. The Territories are funded separately for their education infrastructure through the federal transfer via Territorial Formula Financing. For First Nations communities that are subject to a specific self-government agreement, Crown-Indigenous Relations and Northern Affairs Canada is mandated to distribute the funding for their education infrastructure.

2.2 Changing Landscape

ISC has been supporting on-reserve community infrastructure over decades.[5] The last evaluation on the EF program was completed in 2015 covering the period from 2010-11 to 2015-16. Over the past several years First Nation communities have experienced ongoing changes that have affected education facilities on-reserve and its delivery.

The Indigenous population grew by 9% from 2016 to 2021, nearly doubling the rate of the non-Indigenous population over the same period (5%).[6] Although the population of Status First Nations living on-reserve grew little (i.e. 0.6% increase) during this period as per Statistics Canada 2021 Census,[7] many First Nations interviewees of this evaluation indicated that they

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[4] Haldane, S., Lafond, G., & Krause, C. (2012). "Nurturing the Learning Spirit of First Nation Students (PDF)". National Panel on First Nation Elementary and Secondary Education for Students on Reserve.

[5] In 2017, the Department of Indian Affairs and Northern Development was dissolved and the departments of Crown–Indigenous Relations and Northern Affairs Canada (CIRNAC) and Indigenous Services Canada (ISC) were established so as to separate the process of designing and rebuilding new relationships with Indigenous Peoples from the administration of the *Indian Act.* Where CIRNAC is responsible for continuing to modernize institutional structures and governance so that Indigenous Peoples can build capacity that supports the implementation of their vision of self-determination, ISC's primary responsibilities are focused on capacity building to improve access to high-quality services, and to support Indigenous Peoples in assuming control of the delivery of services at the pace and in the ways they choose.

[6] Statistics Canada 2021 Census. Retrieved from: www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm

[7] Status First Nations people in Canada: A snapshot from the 2021 Census. https://www150.statcan.gc.ca/n1/pub/41-20-0002/412000022023004-eng.htm

had observed more members returning to live on-reserve in their communities, which had become more diversified in various segments of the population including youth, single individuals, single parents, seniors, and those with disabilities or special needs.

The COVID-19 pandemic has exacerbated education and educational facilities issues on-reserve and has long-term implications for the planning and design of education and community infrastructure. In addition, challenges around supply chain issues, construction costs, inflation, and competition for labor became more acute during the pandemic.

Due to climate change, First Nations communities have also been experiencing more frequent and severe weather conditions, which further stress infrastructure and highlight the need for schools that are more durable and resilient. The impacts are even more evident for remote communities as the durations of winter roads diminish.

With the Government of Canada's continuous commitment towards reconciliation with the Indigenous peoples and support for nation-to-nation relationships and self-determination, First Nations are increasingly more attuned to taking control of programs and services in making decisions affecting their communities through capacity development and strategic planning as they move towards self-determination and jurisdiction over education facilities and community infrastructure.

2.3 Program Profile

Capital Facilities and Maintenance Program

According to the 2016 CFMP Program Manual, the CFMP invests in the planning, design, construction, renovation, acquisition and operations and maintenance of community infrastructure that supports First Nations to build healthy, safe and prosperous communities and enables engagement in the economy. Through the CFMP, more than $2 billion per year is invested in four program areas, including housing, education facilities, water and wastewater systems, and other community infrastructure. Program activities are governed by the terms and conditions of the *Contributions to support the construction and maintenance of community infrastructure* Transfer Payment Program Authority.

ISC allocates funding for the construction and the maintenance of community infrastructure to First Nations at a regional level through formula, proposal-based project funding or as a combination of both. Formula-based funding includes operation and maintenance funding, formula-based minor capital funding, and housing funds. While proposal-based funding, including all targeted funds, covers acquisition, construction, renovation, or repair projects, whether they are major or minor projects.

Funded under three streams, i.e. operations and maintenance (O&M)[8], minor capital (for projects under $1.5 million), and major capital (for projects over $1.5 million), the intended objectives of the CFMP are to make investments that:

[8] In 2019-20, the O&M component under the EF program (except for teacherages) was transferred to ISC's Education and Social Development Programs and Partnerships as part of education transformation.

- maximize the life cycle of physical assets;
- mitigate health and safety risks;
- ensure assets meet applicable codes and standards; and
- ensure assets are managed in a cost-effective and efficient manner.

Contributions to eligible recipients under the CFMP provide financial assistance to plan, construct and/or acquire and operate and maintain community capital facilities and services (infrastructure, including schools) and housing (residential) consistent with approved policies and standards. This assistance is provided to First Nations on-reserves, as well as First Nations and other eligible recipients on Crown land or recognized Indian land.

Education Facilities Program

The EF program falls under the Core Responsibility of "Governance and Community Development Services" in ISC's 2022-23 Departmental Results Framework and contributes to the Departmental Result of "Indigenous people have reliable and sustainable infrastructure."

Administered under the CFMP, the EF program funding is provided to First Nations on-reserve and First Nations and other eligible recipients on Crown land or recognized Indian land to:

- plan, design, construct/acquire, renovate, repair, replace, and operate and maintain federally or band-operated elementary and secondary education facilities (including teacherages[9] and student residences), and related facility services;[10]
- acquire, replace, and repair furniture, equipment, and furnishing for schools, teacherages and student residences;
- identify education facility needs and develop education facility plans; and
- design maintenance management practices.

From 2016-17 to 2020-21, ISC provided an average annual base (A-base) of approximately $131M (excluding O&M funding under Education and Social Development Programs and Partnerships Sector's authority since 2020). In addition to construction and renovation costs, Regions and First Nations can use these funds to support minor capital expenditures projects and capacity development. During the evaluated period, the EF program also received time-limited targeted (B-base) funding for educational facilities projects through Budget 2014 and Budget 2016 announcements for a total of approximately $1 billion over seven years:

- **Budget 2014:** $500 million over seven years (2015-16 to 2021-22) for the Education Infrastructure Fund;[11]
- **Budget 2016:** $969 million over five years (2016-17 to 2020-21) for the Enhanced Education Infrastructure Fund.

[9] A teacherage is defined as a living accommodation for a teacher and his/her family. A teacher is defined as a person who holds or is considered to hold a teaching certificate or license and is employed in a *full-time* position at the reserve school. Included are administrative principals and vice-principals or equivalents. The Department has the authority to invest in the construction of teacherages in First Nation communities (zones 2, 3, and 4) where a need can be clearly demonstrated and subject to the availability of funding.

[10] Provincial school boards are also eligible for funding to plan, design, construct / acquire elementary and secondary education facilities serving First Nation students ordinarily resident on reserves.

[11] In 2012, the Education Infrastructure Fund was created with an initial investment of $175 million over three years.

While these time-limited funds were used for new constructions, additions, renovations and major repairs to existing schools in First Nations communities, two initiatives were funded to explore innovative and cost-effective ways of delivery:

- **The Innovation Fund**: It was created in 2012 as part of the Education Infrastructure Fund.[12] ISC extended the Innovation Fund as part of Budget 2014 and Budget 2016 for a total of $50 million from 2016-17 to 2020-21 to build school facilities using innovative methods.
- **School Bundles**: School bundling is a specialized project classification that allows communities to combine school projects that spans multiple First Nations. As part of the Budget 2014 and Budget 2016 announcements, ISC was to deliver three school bundles projects: 1) Manitoba Schools Initiative, 2) Lake Winnipeg School Bundle, and 3) Northwestern Ontario School Bundle.

Some A-Base funding allocated to education facilities can also be used to complement projects supported by targeted B-base funding. In addition, other infrastructure needed to support schools, such as road and sewer upgrades and teacherages, are typically funded through other ISC infrastructure programs (i.e. sewers are water and wastewater funding).[13]

Program Expenditure

The following table summarizes the EF program expenses (both A-base and B-base) over the evaluation period. Overall, the EF program spent approximately $1.88 billion over five years, which was split between seven regions and HQ. Across the regions, Manitoba spent $547 million followed by Ontario of $415 million and Alberta of $360 million. The lowest expenditure was in the Atlantic region of $63 million.

Table 2.1: EF Program Expenditures by Region from 2016-17 to 2020-21 (in $)

Region	2016-17	2017-18	2018-19	2019-20	2020-21	Total
ATL	13,758,293.00	12,000,112.00	16,309,658.00	7,786,812.17	12,678,935.60	62,533,810.77
QC	27,870,623.00	26,513,494.00	20,540,615.00	14,583,321.00	7,182,185.00	96,690,238.00
ON	54,699,855.80	55,135,187.00	92,299,925.00	126,258,374.21	86,126,306.00	414,519,648.01
MB	37,084,695.12	65,868,228.96	139,021,190.39	192,171,449.15	112,517,393.31	546,662,956.93
SK	45,451,428.00	68,022,075.00	96,186,402.00	52,248,333.83	17,550,457.00	279,458,695.83
AB	72,836,278.00	83,407,364.00	65,151,642.86	58,578,200.50	79,753,717.94	359,727,203.30
BC	16,921,985.00	38,513,455.00	18,481,772.00	12,716,991.00	15,555,401.00	102,189,604.00
HQ	3,209,924.00	7,109,758.29	3,621,780.47	1,923,027.18		15,864,489.94
Total	**271,833,081.92**	**356,569,674.25**	**451,612,985.72**	**466,266,509.04**	**331,364,395.85**	**1,877,646,646.78**

Source: ISC financial reporting

2.4 Program Governance and Management

The EF program is managed at ISC's National Capital Region (NCR) through the Regional Infrastructure Delivery Branch (RIDB) and the Community Infrastructure Branch (CIB), and implemented through regional offices, all within the Regional Operations Sector. More specifically:

[12] Retrieved from: Innovation Fund (sac-isc.gc.ca): www.sac-isc.gc.ca/eng/1456154039297/1533642270665.
[13] Ibid.

- **RIDB** is responsible for managing program funding allocations at the national level, completing technical reviews of projects over $15 million prior to approval and providing technical policy support and analysis in developing technical policies to seven regional offices.[14]
- **CIB** is responsible for the CFMP policy umbrella, including leading the modernization of school infrastructure policies.
- **Regional offices** are responsible for the day-to-day delivery and management of the program, which includes developing and implementing infrastructure investment plans with the First Nations they serve.

The Operations and Service Delivery Committee and the Regional Operations Senior Management Committee chaired by RO's Senior Associate Deputy Minister ensure consistency of strategic decisions of the CFMP within the RO Sector and with the rest of the Department. In addition to the RO Sector, the Education Program of ISC's Education and Social Development Programs and Partnerships (ESDPP) Sector is also involved in the delivery of the EF program. In 2019-20, as part of education transformation, RO transferred the authority for the O&M component of the school funds to ESDPP as part of the core education budget for recipients in implementing the new interim regional education formula-based funding approach. (The O&M for teacherages remains with RO.)

ESDPP administers the O&M component for First Nation schools, with the exception of federal schools and block agreement recipients that have not yet opted into the formula-based approach. The Elementary and Secondary Education Guidelines include reference to ISC's Protocol for ISC-Funded Infrastructure which ensures that the operation and routine (ongoing) maintenance activities of school facilities are performed in accordance with ISC's *Operations and Maintenance Directive.*[15]

Moreover, the First Nations and Inuit Health Branch (FNIHB) also play an important role in the implementation of the EF program at the regional level. The Environmental Public Health Division housed within the FNIHB and its environmental public health officers work directly with First Nations to inspect community facilities where there are concerns of health and safety risks and provide advice and guidance about how to minimize these risks. Environmental public health officers also assist communities in reviewing infrastructure project proposals from a public health perspective.

2.5 Project Prioritization and Selection

First Nation communities own and operate community infrastructure facilities and systems on-reserve. First Nations are responsible for maintaining existing assets and building new ones. ISC regional offices assist First Nations in developing infrastructure investment plans, managing capital projects, operating, and maintaining existing assets. The Council of a First Nation is expected to ensure that applicable codes and standards are met, and First Nations are responsible for hiring qualified professionals that are expected to familiarize themselves with

[14] The scope of the CFMP also extends to the First Nations reserves in Yukon and Northwest Territories, yet Education programming and schools are a territorial responsibility.
[15] The Protocol for ISC-Funded Infrastructure lists the statutes, regulations, policies, codes, directives, standards, protocols, specifications, guidelines, and procedures applicable under ISC's Capital and Facilities Maintenance Program.

and abide by applicable standards and requirements related to operating and maintaining community infrastructure.

The EF Program is delivered under the CFMP authorities as detailed in its Terms and Conditions, and funds (except the O&M component for EF) flow through the Contributions to Support the Construction and Maintenance of Community Infrastructure. The CFMP requires First Nations to identify all eligible infrastructure projects through their First Nations Infrastructure Investment Plan (FNIIP). ISC allocates funding for the construction and the maintenance of infrastructure to First Nations at a regional level through formula, proposal-based project funding or as a combination of both.

According to the 2016 CFMP Program Manual, proposal-based funding is used by the CFMP to provide financial support to First Nations to invest in capital infrastructure assets. Contribution amounts for the construction of new or the renovation of existing assets are determined by regional offices on the basis of proposals submitted by First Nation recipients. Regional offices align those needs with program terms and conditions, criteria, priorities, and resources; and the NCR determines the national funding allocation approach and allocates funds to regions.

Funding levels for education facilities O&M are calculated separately by the Education Programming core funding formula (which differs by region) and considers data from the Integrated Capital Management System (ICMS) about the number and status of educational facilities in each community. Regions transfer the calculated amount of funding and allocate funds to the respective First Nations for their O&M activities.

First Nations Infrastructure Investment Plan

As indicated on ISC's website[16], the FNIIP is a planning tool to help ISC assess infrastructure needs and strategically plan infrastructure investments in First Nations communities across Canada. FNIIPs are how ISC manages CFMP funding and are developed in partnership with First Nations based on community-identified infrastructure needs, which covers all CFMP asset areas. The deadline for a First Nation to submit their infrastructure investment plan to a regional office is September 30 of each year. Investments are prioritized through the National Priority Ranking Framework (NPRF), a planning tool that helps direct funding to the highest priorities using a consistent and transparent process across all regions. Higher-ranked projects are placed in earlier years of the plan, while lower-ranked projects are placed in later years. The amount of money available to support projects identified in the FNIIP varies from year to year due to time-limited, targeted funding programs.

National Priority Ranking Framework

The prioritization of proposed projects is based on several factors covered under the NPRF, including:

- protection of health and safety as well as assets (assets require upgrading or replacement to meet appropriate standards);

[16] ISC website, updated 2023-07-28. First Nations Infrastructure Investment Plans. https://www.sac-isc.gc.ca/eng/1440084290678/1533645718223

- health and safety improvements (upgrades of existing assets, new construction/acquisition projects to mitigate an identified significant risk to health and safety);
- recapitalization/major maintenance (extend the useful operating life of a facility or asset, or maintain the original service level of the asset); and
- growth (anticipated community growth requiring new construction, expansion or procurement of assets to maintain the level of service standards).

School Priority Ranking Framework

In addition to the NPRF, the School Priority Ranking Framework (SPRF) is another tool used to guide education infrastructure investment decisions, which considers the following criteria:

- condition of existing facility (with a focus on health and safety);
- overcrowding;
- accessibility to off-reserve schools;
- design (grade distribution and amenities offered);
- cost-efficiency opportunities (external funding sources and aggregation);
- state of project readiness;
- cost-sharing opportunities;
- opportunities to achieve efficiencies; and
- innovative solutions and financing.

During the investment planning allocation of Budget 2014 and Budget 2016 for education facilities, the SPRF tool was used as a factor to prioritize both at the national and regional levels; however, it was not consistently applied across regions.

School Space Accommodation Standards

ISC's Space Accommodation Standards (SSAS) outlines the department's level of service standards for the construction and major renovation of First Nation schools on-reserve that may be funded by the department. The SSAS determines the total gross floor area allowance of a school for which funding may be provided by ISC. The SSAS does not determine which school is eligible for funding or which school will be funded. The SSAS complements the CFMP terms and conditions. In the event of a conflict between the SSAS and the CFMP terms and conditions, the CFMP terms and conditions shall prevail.

First Nations seeking a new educational facility (or major renovation or addition to an existing facility) are required to apply for funding through the FNIIP process, following the standard procedure for submitting proposals under the CFMP. If approved, funding will be provided on the basis of the Total Gross Floor Area allowance pursuant to the SSAS application methodology. First Nations desiring a facility that is larger than what is allowed by the SSAS may fund the additional cost of the project from own-source funding, from funding from a non-governmental third party, or from funding from another level of government. Applying the SSAS is a requirement for eligible school projects to move forward and obtain Departmental project approval and is a condition to obtain capital funding.

The SSAS has been updated over the years since the original document was developed in 1993. The latest SSAS took effect as of April 1, 2023, which supersedes the previous versions

dated 2021, 2016, 2013 and 2000. The SSAS is an evergreen document. During the evaluated period, the 2016 version was being applied in funding education facilities projects.[17]

2.6 Project Tracking and Inspections

ISC uses the ICMS, a web-based application consisting of a number of modules including assets, Bands, budget, deficiencies and inspections, O&M and project tracking to track projects. The ICMS is used by ISC program staff responsible for the construction, operations and maintenance of capital assets. Regional staff enter project information reported by First Nations into the ICMS and update project information as appropriate.

The department has been using the Asset Condition Reporting System (ACRS) as the inspections module to collect and record data on the condition of on-reserve assets. The condition of each asset is expected to be assessed every three years,[18] according to the ACRS inspection cycle. Inspections are formal on-site reviews by professional inspectors of Assets and Water and Wastewater systems. Asset inspection information includes General Condition Rating, O&M Rating, estimated remaining life and deficiencies. Additional inspection information for buildings includes management plans, grounds, exterior and interior conditions, mechanical systems, building substructure, and safety and fire protection systems.

The ACRS inspections generate a list of deficiencies for the First Nations and ISC's regional offices then work with First Nations through the annual FNIIP planning process to address any identified repairs and maintenance work needed to preserve investments. Projects are then tracked through a Project Tracking module in the ICMS. Regional offices have engineers and other employees who are available to provide guidance to First Nations and third-party contractors regarding compliance with policies and codes. With the exception of Alberta, whose ACRS inspections are performed by the Technical Services Advisory Group, regional offices also contract engineering firms to perform cyclical ACRS inspections.

[17] The 2021 SASS was released on July 29, 2021 and effective as of April 1, 2021.
[18] During the pandemic, ACRS inspections were put on hold for one year, so some schools may not be inspected for four years.

3. EVALUATION SCOPE AND METHODOLOGY

3.1 Evaluation Scope and Issues

The coverage of the evaluation took into consideration the mandatory requirements under the *Financial Administration Ac*t and the Treasury Board *Policy on Results*. The focus of the evaluation was also informed by findings from previous evaluations and audits, as well as program needs and the ongoing work on program reform.

While examining both A-base and B-base funded activities of the EF program delivered through the CFMP authority over a five-year period from April 2016 to March 2021, the evaluation focused on relevance, effectiveness and efficiency issues, and sought evidence to support crosscutting issues in relation to service transfer and impacts of climate change. A gender-based analysis plus lens was integrated where appropriate from the perspective of the diverse segments of the populations on-reserve.

For relevance, the evaluation focused on the ongoing and emerging needs of First Nations in relation to education infrastructure on-reserve. For effectiveness and efficiency, the focus was on the extent to which the EF program has achieved its intended outcomes, as well as the performance of program design, delivery and governance.

Crosscutting Issues with Other Infrastructure-related Evaluations

Two other evaluations were conducted during the same period as the EF program on other infrastructure-related programs under the CFMP (i.e. On-Reserve Housing program and the Other Community Infrastructure and Activities program), which were subject to the same authority and requirements under the CFMP and involved overlapping regional contacts and First Nations partners across the three programs.

To reflect the similarities, independencies and other crosscutting issues across the three programs in delivering infrastructure programs and services to First Nations communities, the Evaluation team assessed these crosscutting aspects that are applicable to all three evaluations in order to provide a more holistic view to inform ISC's infrastructure program and service delivery beyond a single program.

3.2 Lines of Evidence

To the extent possible, data collection activities for the EF program evaluation were integrated with activities for the evaluations of the On-Reserve Housing Program and the Other Community Infrastructure and Activities Program to reduce the burden in the engagement of First Nation communities and organizations and to realize efficiencies where applicable.

Six lines of evidence were used to support the evaluation of the EF program, of which the survey was administered across the three above-mentioned evaluations:

- **Literature and Document Review** – Relevant departmental documents such as Treasury Board submissions, ISC reports, briefing notes and correspondence; key studies completed or sponsored by First Nations Partners including the Assembly of First Nations' 2021 First Nations Education Infrastructure Capital Needs Assessment and 2022 Education Infrastructure O&M Needs Assessment, were reviewed.

- **Administrative and Financial Data Analysis** – Financial and performance/monitoring data, progress reports, project files, were analyzed.
- **Key Informant Interviews** – 54 interviews (both internal and external) were completed with 60 individuals from 8 First Nations, 3 Tribal Councils, 1 First Nations Technical Services Organization, 3 First Nations Educational authorities, 1 First Nation National Organization, i.e. the Assembly of First Nations (AFN), 23 NCR staff including CIB, RIDB, ESDPP, FNIHB, and 15 ISC regional staff in all seven ISC regions.
- **Survey with Funding Recipients** – A survey integrating all three programs (i.e. EF, On-Reserve Housing program and the Other Community Infrastructure and Activities program) was conducted with voluntary First Nations community recipients targeting a total of 1,098 invitees across 588 First Nations across Canada. Of the 226 completed surveys, 50 were on the EF program.
- **Focus Group** – One focus group was conducted with members of a First Nation community in Alberta designated as a zone 2 community (between 50 km and 350 km of a service station with year-round road access).
- **Case Study** – A case study on the School Bundling initiatives included document review and interview/focus group discussion with 18 external First Nation participants (12 from Manitoba and 6 from Ontario), 12 internal interviews with ISC staff and a site visit to God's Lake First Nation community.

3.3 Challenges and Limitations

Limitations to the interpretation of survey, interview and focus group results are related to the distribution of sample demographic characteristics. While regional representation was obtained and the data can be illustrative of the experiences of many First Nations and reported with confidence, it is not necessarily representative of all First Nation communities across Canada.

- **Survey**: As follow-up was limited or not possible in many instances, this led to a smaller final sample size. While the overall sample size remained large enough to report results, one region (the Atlantic region) is underrepresented in the final data.
- **Interviews**: Multiple interviews were conducted with First Nations and tribal councils in British Columbia, Saskatchewan, Ontario, and the Atlantic regions; however, only one interview with a First Nation was conducted in each of the remaining regions (i.e., Alberta, Quebec, and Manitoba) and no interviews were conducted with First Nations from the Yukon and Northwest Territories. Moreover, some First Nation respondents were new to their role and as such were not familiar with all aspects of the program, hence they may not been able to confidently report on their communities' experiences and outcomes related to the program beyond the time spent in their current role.
- **Focus group**: There was a significant challenge in recruiting the focus groups with First Nations community members/end-users of education infrastructure facilities. Despite the best efforts in engaging approximately 60 communities, only one community in Alberta (a small-sized community in zone 2) agreed to participate in a focus group.
- **Financial and Administrative Data:** Considerable challenges were experienced in obtaining financial and administrative data to support evaluation findings. Despite the readily available First Nations Targeted Infrastructure Investment Quarterly Reports published on GCpedia,[19] when seeking information beyond total number of projects

[19] GCpedia: https://www.gcpedia.gc.ca/wiki/Report_Archive

completed and funding invested under each asset (i.e. expenditures by project type, by project sub-category, by zone, and total recipient funding requests, etc., the data was found not to be well populated in ICMS, which posed usability issues. Moreover, as regions manage their own data entry into ICMS based on information reported by First Nations, consistency was also raised as an issue in how certain fields and categories were interpreted across regions.

3.4 Integrating Culturally Appropriate Practices and Methods

To support ISC Evaluation's mandate to integrate co-development principles and implement evaluation methods and approaches with Indigenous peoples and partners that are more centred on Indigenous worldviews and knowledge systems, the Evaluation team sought opportunities where possible to integrate more culturally appropriate practices in the evaluation process, including:

- Engaged key First Nations partners at key milestones, including evaluation planning, preliminary findings and final evaluation report;
- Collaborated with First Nations partners in finalizing the evaluation approach and instruments (i.e. Interview Guide and Survey Questionnaire) by considering Indigenous perspectives in relation to data collection methods;
- Integrated Opening and Closing ceremonies and storytelling in some group discussions and engagement activities where appropriate;
- Shared evaluation-related findings and results with First Nations partners and participants respecting the principle of reciprocity;
- Hired a consulting firm versed in Indigenous evaluation approaches and methods to support data collection with First Nations partners and community representatives and members;
- Ensured a sufficient representation of First Nations participants in data collection, where a majority of interviewees were composed of First Nations community members, administration, technical organization and partners, a survey targeting First Nations communities only, and focus groups with First Nations community members;
- Established the First Nation Evaluation Advisory Committee for the Evaluation of the EF program, which is composed of representatives including Chief and First Nation infrastructure technical organizations; the Committee helped guide the conduct of the evaluation. Also, given the linkages and similarities among infrastructure evaluations, the relevant advice from the Committee were also used to inform evaluations of the On-Reserve Housing and the Other Community Infrastructure and Activities programs, where applicable;
- Used a more narrative style, and citations where appropriate, in providing qualitative evidence to support evaluation findings with the intention to convey feedback from First Nation communities.

4. FINDINGS ON RELEVANCE: MEETING FIRST NATIONS EDUCATION FACILITIES NEEDS

The evaluation examined the extent to which the EF program has met the existing and emerging needs in accessing reliable and sustainable education facilities on-reserve. The evaluation finds that the magnitude of existing and future demands of education facilities far exceeds the funding available. A few intensifying or emerging factors, including population growth on-reserve, impacts of climate change and COVID-19 and the growing needs of diverse segments of the communities have placed additional pressure on already limited resources. While the EF program is deemed relevant in addressing some education facilities' needs, some gaps were identified in relation to meeting health and safety standards, students with special needs, and teacherages.

4.1 Alignment with Government of Canada Priorities

Finding #1: The EF program aligns with ISC and the Government of Canada priorities.

According to a report from the Canadian Council for Public-Private Partnerships entitled "Bridging the First Nations Infrastructure Gap", the infrastructure deficit for First Nations on-reserve alone was estimated at $30 billion in 2016. The deficit is due in part to the remoteness of some communities, a range of socio-economic challenges, outdated O&M policies, and decades of under-funding. In addition, current investments are not keeping pace with population growth, the rate of inflation, and the needs of First Nation communities.[20]

Activities under the EF program are aligned with the Government of Canada's priorities to address infrastructure gaps on-reserve. The Prime Minister's 2021 Mandate Letter to the Minister of Indigenous Services indicated:

> *"To achieve equity, you will continue to collaborate with Indigenous partners by working together to close socio-economic gaps and improve access to high-quality services. This includes continuing work to eliminate all remaining long-term drinking water advisories, and closing the infrastructure gap by 2030, with a focus on building sustainable and affordable housing."*[21]

The EF program contributes to ISC's core responsibility of governance and community development services and contributes to the departmental result of "Indigenous people have reliable and sustainable infrastructure" and its mandate of improving the quality of services delivered to non-self-governing Indigenous communities. A 2022 letter from the Indigenous Services Minister announcing the 2022-23 Departmental Plan reaffirmed the alignment of the ORH program with the department's core mandate to:

> *"Improve access to high-quality services for First Nations, Inuit, and Métis, to support self-determination and Indigenous-led service delivery, and to address the fundamental issue of closing socio-economic gaps. We will deliberate and create strategies to better*

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[20] The Canadian Council for Public-Private Partnerships: P3's: Bridging the First Nations Infrastructure Gap
[21] Retrieved from: https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-indigenous-services-and-minister-responsible-federal-economic

measure the gaps and report on them, so we can all show progress in our work and investments. We will remain focused on our urgent commitment to identifying and closing infrastructure gaps, clean drinking water, safe and affordable housing, health infrastructure, educational facilities. The absence of any of these […] hurts successive generations."[22]

4.2 Education Facilities Gaps: Existing and Emerging Needs

For the EF program to be relevant, it must support First Nations in addressing their education infrastructure needs. As such, it is important to understand the magnitude of the existing and emerging needs related to education and education facilities on-reserve to ensure the EF program helps address these needs.

Finding #2: Many First Nation schools are aging, overcrowding, and in need of replacement, which contributes to the gaps in providing education programming on-reserve. The standards specified in the 2016 SSAS did not address communities' educational needs in terms of school size.

Many interviewees indicated that their schools are at or beyond capacity, some before they had been completed, leading to the need for more schools or additions to existing facilities. Some communities are addressing overcrowding by employing other community infrastructure such as community halls as gymnasiums and classrooms. In one community studied, a school opened just two years ago designed for 450 students, it now hosts 570. One First Nation organization estimated that there were over 200 on-reserve schools across the country experiencing overcrowding and over 50 schools that needed replacement due to age and deterioration. Several First Nations reported having to transport students outside of their community, especially those in grade eight or higher because there is no room in their current school for these grades. These respondents indicated that students can be bused daily to schools up to 80km from their reserve; some remote communities must send their children to board in non-Indigenous communities to attend high school.

Interviewees from First Nation communities and organizations and several government staff also pointed to the need to host early childhood programs in schools, which are common among off-reserve schools but are not eligible for EF program funding, as they are beyond the current CFMP authority. Regional project officers work with FNIHB regional staff to fund Aboriginal Head Start On-Reserve (AHSOR) programs in new schools. Regional project officers work with FNIHB regional staff to fund AHSOR programs in new schools. Interviewees explained several reasons for children attending an off-reserve school by choice including, parents wanting to provide their children with educational opportunities not available at the on-reserve school; and parents pulling younger students from the reserve school once the eldest has reached a grade no longer offered on-reserve so that all their children can attend the same school. First Nations are concerned about the impact, stating the lack of early childhood education can hinder graduation rates and overall community-wellbeing.

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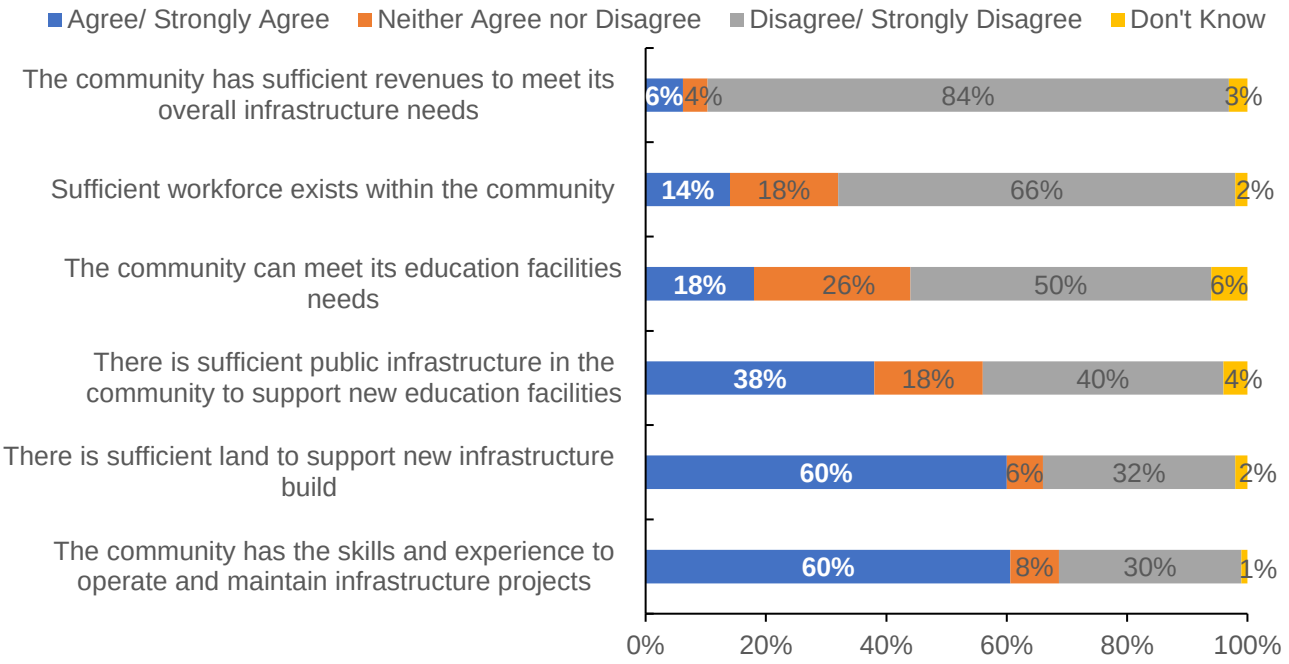
[22] Government of Canada website. Indigenous Services 2022-23 Departmental Plan webpage. Retrieved from: www.sac-isc.gc.ca/eng/1642087807510/1642087838500.

Many First Nations interviewees mentioned their schools lack the space to provide their students with learning opportunities that students attending non-Indigenous schools can access, further limiting access to education and giving parents cause to consider sending their children to non-Indigenous schools. For example, many communities need space for teaching trades related skills such as mechanics, welding, hair and aesthetics, carpentry, culinary, science and computer labs, and performance spaces. An even greater need exists for space for language (immersion programs) and cultural programs, traditional activities, ceremonies, and elders.

Among survey respondents, 50% indicated that their community could not meet its education facilities needs (Figure 4.1).

Figure 4.1: Agreement with Current Community Needs



ISC Evaluation Survey 2022 (Question: To what extent do you agree with the following statements about your community? Respondents n=50)

Some interviewees noted that, under the 2016 SASS, when a new school is approved, space for inclusion of students in higher grades was often not approved due to the low number of students in these grades. Many First Nation interviewees shared that the formula for determining school size does not account for expected growth, equipment storage, or special needs programming. Other First Nations noted that they cannot get funding to accommodate a larger school or include higher grades because they cannot include children attending an off-reserve school by choice in the funding formula to justify the school size needed.

The 2021 SSAS[23] made improvement to the 2016 SSAS to provide additional types of spaces and increased the size of existing space allocations to support education programming. It also

[23] Although the 2021 SASS took effect beyond the evaluated period, given the timing of the evaluation, some feedback on 2021 SASS was collected during the data collection.

gave First Nations more flexibility in determining the space distribution within the allocation, as compared to the previous SSAS, which was more prescriptive.[24] The 2021 SASS also required demographers to properly determine the enrolment projections at the fifth year of the school operation. However, many First Nation interviewees expressed that only schools built post the 2021 SSAS can take advantage of this extra space, as older schools are not automatically provided with the funding to retrofit their buildings in order to meet the current SSAS.

Finding #3: Teacherages are identified as a gap to be addressed as funding to build, repair and maintain teacherages is not always included in new builds and O&M budgets.

Many First Nations, especially northern and remote communities, rely on teacherages to attract and retain qualified non-Indigenous teaching staff, specialists and school administrators to deliver education programs on-reserve. While a few teacherages projects received targeted funding prior to 2019 through Budget 2014 and Budget 2016, teacherages were not funded as part of school projects in order to maximize the funding allocations through the two Budgets. The evaluators heard from First Nations interviewees that, during the evaluated period, it was difficult to obtain funding to build teacherages. Many indicated that the limited funding meant they often must choose between funding for a new school or addition and funding for new teacherages; the school is always the priority. Teacherages are also not considered as a top priority housing project as the need for housing for members of the community takes priority.

Some teacherages were decades old and in need of major repairs. A 2021 AFN study noted that the average construction year for teacherages on-reserve was 1996 and the average general condition rating was 6.3 out of 10 on the ACRS inspection.[25] According to 54% of survey respondents (Figure 5.1), they disagreed that the EF program responded to the needs of their communities in relation to teacherages. A First Nations Education Infrastructure Capital Needs Assessment conducted by the AFN estimated $1.57 billion capital costs over 20 years for teacherages as per the 2021 SSAS. A follow-up AFN study on First Nations Education Infrastructure O&M needs found that the annual O&M requirements for teacherages were approximately $68 million.[26]

Interviewees noted that the availability, proximity and condition of teacherages had limited their ability to hire professionals, and suggested that teacherages should be intertwined into school projects. Some First Nation communities use own-source revenues to construct and maintain teacherages. One respondent shared an innovative solution where their community applied for a grant to build a tiny home constructed by students for use as a teacherage, while the community provided the lot and connection to services.

Finding #4: First Nation communities have increasing needs for education facilities to better accommodate First Nations children with special needs and mental health issues, which requires special equipment, quiet rooms and space for specialists.

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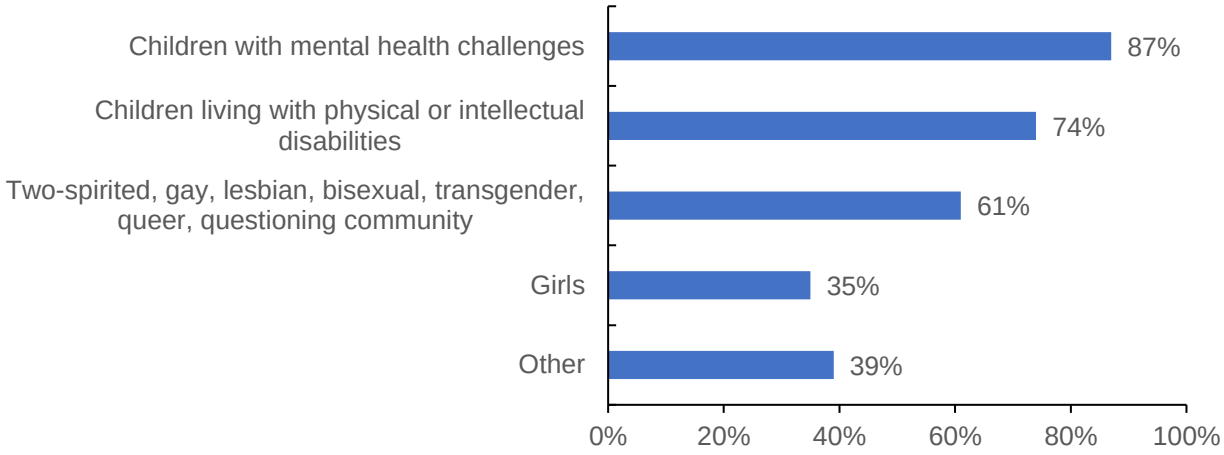
[24] Some of the additions better meet community needs include cultural and traditional teaching spaces, land-based education spaces, space for professionals, space for elders, and space for special needs.
[25] Assembly of First Nations (2021). First Nations Education Infrastructure Capital Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Capital-Needs-Assessment.pdf (bynder.com)
[26] Assembly of First Nations (2022). First Nations Education Infrastructure Operation and Maintenance Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Operation-and-Maintenance-Needs-Assessment.pdf (bynder.com)

First Nation communities are often not able to meet the education facilities needs of diverse members of their community. Almost half (46%) of survey respondents indicated that the EF program did not adequately respond to diverse segments of the population in their community. Among these survey respondents, the most frequently mentioned groups were children with mental health challenges (87%), followed by children living with physical or intellectual disabilities (74%). Other groups mentioned included adult learners, and Elders and knowledge keepers (Figure 4.2).

Figure 4.2: Groups Not Supported by Education Facilities Program



ISC Evaluation Survey 2022 (Question: Which of the following groups is not being adequately served by the Education Facilities program? Asked of those who disagreed or strongly disagreed Education Facilities program serves diverse segments of the community's population. Multiple responses permitted. Respondents n=23.)

Although a majority (61%) of survey respondents indicated that the EF program did not serve the needs of the two-spirited, gay, lesbian, bisexual, transgender, queer, or questioning community members, some progress is being made here as a few First Nation and government interviewees indicated that some communities have adopted gender neutral bathrooms in their schools. Some First Nations noted that they were able to simply switch the signage on some bathrooms, while others indicated that they included gender neutral bathrooms as part of their new school design. During the evaluated period, schools built were required to have barrier-free designs under the 2016 SASS, many First Nation respondents noted that their older buildings required significant upgrades to make them accessible for those with physical limitations such as entrance ramps, automatic doors, wider door openings, and lifts to access upper levels.

The majority of First Nation communities have a significant proportion of students with special needs (i.e. autism spectrum disorder, trauma-type disorders, and prenatal alcohol) which increases the need for special equipment, quiet rooms, and space for specialists supporting these children. A 2021 AFN study estimates that 30% of all First Nations students on-reserve have special education needs.[27] Some interviewees indicated that finding space to support children with special needs was challenging, and they needed to operate without spaces such as gymnasiums, staff rooms, and offices in order to accommodate children with special needs.

[27] Assembly of First Nations (2021). First Nations Education Infrastructure Capital Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Capital-Needs-Assessment.pdf (bynder.com)

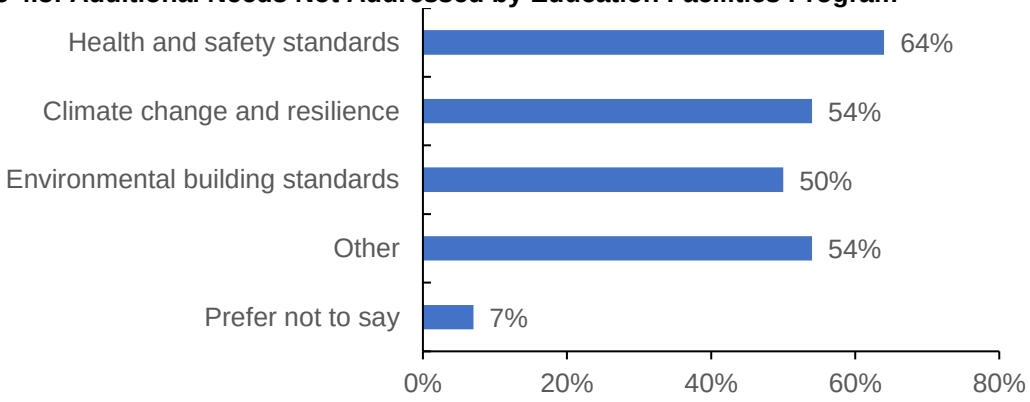
Several First Nation and AFN respondents stated that children with special needs, especially those with multiple special needs, are not adequately considered when determining space allocation.

As compared to the 2016 SASS, the 2021 SASS included additional spaces above standard allocation for counseling, elders office and other special needs spaces, and improved the approach in calculating special needs spaces, which helped address the gap and respond to the areas identified in the AFN study. However, it was raised by ISC staff that most schools could not update their schools to include these additional special needs spaces due to a lack of funding. The revised policy did not come with extra funding to retrofit existing schools – the policy was only applied to schools that were in the feasibility study or design stage. At the time of evaluation reporting, ISC respondents indicated that they were working with the AFN on phase two of SSAS policy revisions, which is expected to include more improved special needs space allocation along with environmentally friendly and climate resilient infrastructure.

Finding #5: Health and safety standards and climate change were identified as top needs to be better addressed by the EF program. While climate change is increasingly and negatively impacting community infrastructure, there is currently no centralized approach in planning and design taking into consideration infrastructure resiliency to address and mitigate these impacts on communities.

Health and safety standards were the most frequently mentioned needs not addressed by the EF program (64% of survey respondents), followed by climate change and resilience (54%), and environmental building standards (50%). Other mentions of needs not met by the program included annual upgrades to education facilities, accessibility for disabled individuals, and infrastructure to support school facilities (i.e. sidewalks, street lighting, fencing to protect from wild animals) (Figure 4.3).

Figure 4.3: Additional Needs Not Addressed by Education Facilities Program



ISC Evaluation Survey 2022 (Question: Which of the following needs are not being addressed by the Education Facilities program? Asked of those who disagreed or strongly disagreed Education Facilities addressed community needs. Multiple responses permitted. Respondents n=28.)

Schools in many First Nations communities are not up to current standards and lack many of the amenities required for today's school environments such as secure and accessible entrances, proper heating, cooling, and ventilation. Several First Nations indicated their portable classrooms cannot withstand winter climates, have poor air circulation, and develop mould. Other First Nations noted that overcrowded schools led to more rapid deterioration and increased health and safety issues in the facilities, and these ultimately impacted learning.

Focus group participants noted that since taking possession of their new school, it has been plagued with defects resulting from poor construction including broken pipes in their in-floor heating system, faulty locking system, drinking fountains that do not work, leaking plumbing pipes that destroyed the camera security system, and rodent infestation, which led to health and safety risks. They stated that the ongoing faulty school infrastructure was having a negative impact on the learning environment and teacher retention.

Interviewees from the Environmental Public Health Division of FNIHB stated that the same public health issues remain over time in First Nations community infrastructure and yet they are not systematically addressed in the CFMP programs, including the EF program. They noted that the current project planning does not prioritize public health to preventatively address health and safety concerns which put the health of students and staff at risk. Further, ISC respondents indicated that while the EF program Logic Model (Appendix A) indicates that building more infrastructure increases health, it cannot be achieved if schools are not being built or retrofitted with consideration for impacts of the environment and the enforcement of standards.

Many older schools are more vulnerable to climate change and costly retrofits as they may have poor heating/cooling and ventilation systems meaning that students and teachers endure uncomfortable temperatures in their classrooms. Some buildings have leaking roofs and poor drainage that also make them vulnerable to flooding and extreme climate conditions. Climate change also impacts the busing of children as flooding washes out roads causing additional wear on vehicles, and winter road quality and length of use are decreased causing longer commutes.

Close to one-third (32%) of survey respondents indicated that harsh climate and/or catastrophic weather events had impacted their community to a great extent in recent years, with a further 36% saying it had somewhat impacted their community (Figure 4.4). Some of the climate related events that impact education infrastructure include floods, heatwaves, forest fires, and permafrost thaw. To support communities through these disasters there will be an increased need for schools to be climate resilient as many act as community hubs for cooling stations and evacuation centers.

First Nations interviewees noted that when planning new schools, they try to ensure that the buildings are being designed and constructed to withstand many of the impacts of climate change, such as using greener energy, improved ventilation, air conditioning and more resilient building materials. Although First Nations were signaling needs for backup generators and commercial kitchens etc. as part of new schools builds, the program does not have a centralized approach to address these requests. Current demands from First Nation communities for more climate resilient infrastructure are typically funded by gathering dollars from other programs.

Interviewees from the Environmental Public Health Division underlined the significant risks to health that climate change poses in remote communities without climate resilient infrastructure. Many government and First Nation respondents cited the need for climate projections and mapping for the next 40 years to better plan how infrastructure should be constructed to be more resilient to the impacts of climate change.

4.3 Existing and Emerging Challenges

Existing and emerging challenges inhibiting First Nation communities' ability to address their other community infrastructure needs include the amount of available funding, capacity to

manage infrastructure, increased construction costs, and the availability of skilled labor, as well as the impact of the COVID-19 pandemic.

Finding #6: First Nation education facilities have not been sufficiently funded for many years. The expanded scope in education program created additional pressure on already limited education infrastructure funding.

Schools in First Nation communities have not been sufficiently funded for decades. A 2021 AFN study estimated the total capital needs for education infrastructure will be approximately $2.8 billion over the next 5 years, with a further $8.4 billion in the 15 years thereafter.[28] A follow up AFN study on First Nations education infrastructure O&M needs found an annual 32% to 64% gap in funding required to maintain schools (varies by region).[29]

As previously shown in Figure 4.1, the majority (84%) of survey respondents indicated that their community did not have sufficient revenues to meet its overall infrastructure needs, including education infrastructure. Among First Nation respondents who had been approved for funding to build a new school, many indicated that the funding did not cover all of the costs for the build that would meet their needs. Thus, they were often required to modify plans to fit within the funding formulas. This meant reducing the number of classrooms and eliminating space for staff offices and specialized programs such as a trades shop which increased their education infrastructure gaps as they had to continue the use of their old school in parallel to avoid overcrowding, which effectively doubled their O&M costs. Additionally, not being able to provide programming equivalent to that offered in non-Indigenous schools increased the education gaps for their students.

Further, education programming are consistently evolving and have expanded in scope. For example, in 2018 when full day kindergarten was implemented, the Education Program received a large funding allocation in Budget 2022. However, although education infrastructure is to support education programming, there was no additional funding allocated to education facilities to support the program expansion. Multiple ISC respondents stated that despite a large budget influx during the period under evaluation, there is still not enough EF program funding to address high priority health and safety issues in schools, let alone the other school facility needs in communities where they went beyond the mandate of the EF program as part of the CFMP, (i.e. supporting K-12). The cumulative impacts of Education Program expansion also impact the ability of the EF program to respond to First Nation needs over time.

Finding #7: Capacity continues to be a challenge, especially in smaller First Nations that struggle to plan and develop education infrastructure.

First Nation communities, particularly smaller ones, lack the capacity to plan, identify and develop their education facilities and infrastructure. Some communities do not make the best use of their FNIIP perhaps because there are higher priority needs within the community, or a lack of collaboration among those responsible for education infrastructure and those who

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[28] Assembly of First Nations (2021). First Nations Education Infrastructure Capital Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Capital-Needs-Assessment.pdf (bynder.com).
[29] Assembly of First Nations (2022). First Nations Education Infrastructure Operation and Maintenance Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Operation-and-Maintenance-Needs-Assessment.pdf (bynder.com)

update the FNIIP. While First Nation technical service organizations do assist communities with such tasks, they note that the community must reach out to them for assistance. Some community interviewees noted that with few staff to manage their education facilities, there is not time or resources for planning or developing projects.

Interviewees from all categories (communities, organizations and government) noted that many smaller First Nations are also at a disadvantage when having to compete for proposal-based projects as they often do not have the capacity within their community to create strong proposals and do not have the funds to hire external consultants to develop their proposals. These respondents mentioned the processes for funding infrastructure favors strong proposal writing over needs within communities; this perpetuates poor socioeconomic conditions for lower capacity communities. ISC staff noted that capacity development should be promoted as a higher priority funding area due to its essential role in communities. First Nation organizations also stated that to keep strong capacity in communities, staff must be paid with a competitive salary.

Finding #8: COVID-19 has not only posed additional challenges in implementing infrastructure projects and highlighted the lack of community infrastructure, but also exacerbated other existing challenges in relation to construction costs, skilled labor within the community.

Survey respondents detailed how the COVID-19 pandemic has impacted their communities with 58% indicating that COVID impacted their community to a great extent and a further 26% saying the pandemic somewhat impacted their communities. Both interviewees and survey respondents identified several impacts on education facilities experienced by their communities as a result of the COVID-19 pandemic, including:

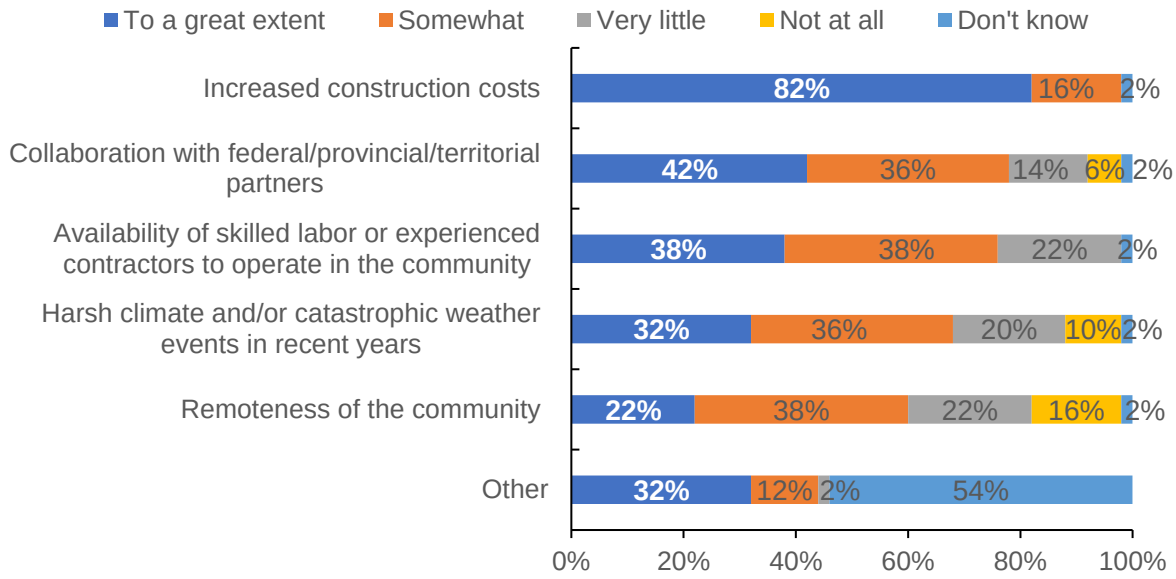
- Limited or no space for social distancing for in-person learning due to overcrowded schools or undersized schools;
- Challenges with online or hybrid learning, given the slow and unreliable internet in some communities;
- Lack of proper ventilation in older schools;
- A need for additional physical materials (i.e. barriers, hygiene stations, masks) to help protect students and staff;
- Loss of economic opportunity for community members due to the need to separate them from non-community workers on construction sites (as a safety precaution many community members were not hired for these projects);
- Increased prevalence of behavioural and mental health issues among students;
- Increased stress and burnout among teachers and school staff; and
- Some communities used their schools as isolation centres which highlighted the need for emergency preparedness plans.

COVID also had a direct impact on the delivery of the EF program, including cost increase, project delays, and stoppage of work where communities were closed. Because of isolation requirements, some communities had to finance workers camps to ensure urgent projects were completed. Issues with supply chains impacted the availability of materials, which in turn increased their costs or use of poorer quality building materials. Project delays were caused by the availability of materials, the difficulty accessing manpower, and with the ability to access communities that were closed. Other respondents noted a reduction in the amount of collaboration between First Nations and ISC staff as they could no longer meet in person and poor connectivity in some First Nations limited their ability to meet virtually.

The increased costs of construction were a challenge indicated by 98% of survey respondents (across the three programs) with 86% indicating being impacted to a great extent and 12% being somewhat impacted. Another impactful community challenge was the shortage of skilled labor or experienced contractors within the community (38% of survey respondents indicated to a great extent and 38% indicated as somewhat impacted by the shortage) (Figure 4.4).

Many respondents noted that the pandemic highlighted the lack of community facilities. For example, many communities do not have hospitals and had to use schools and community centres to treat those with COVID and/or evacuate them to non-indigenous communities. Some noted that once they were back in school full-time, with many students returning to school with behavioral issues, teachers and school staff were not equipped to handle. This put added stress on staff and faculty already contending with crowded classrooms.

Figure 4.4: Extent Challenges Impact Community



ISC Evaluation Survey 2022 (Question: To what extent does each of the following present challenges in your community? Respondents n=50.)

5. FINDINGS ON EFFECTIVENESS: PROVIDING BETTER SERVICES AND CLOSING THE INFRASTRUCTURE GAPS

The evaluation examined the extent to which the EF program has been effective in supporting First Nation communities to construct and upgrade education facilities in their communities, to develop the capacity to plan and manage education facilities, and to maintain their ISC-funded assets. The evaluation also looked at the effectiveness of the funding approach, oversight and support of program delivery, including the FNIIP process.

The evaluation finds that the EF program has implemented numerous projects to First Nations communities and helped meet the needs and address education facilities gaps on-reserve; however, the reliability and sustainability of these facilities could not always be ensured due to funding constraints and program design. Moreover, the CFMP's overarching objectives of maximizing the life cycle of assets, mitigating health and safety risks and ensuring assets meet applicable codes and standards were not fully achieved.

5.1 Achieving Results

Finding #9: The EF program delivered numerous schools and education facility projects and has helped address some infrastructure gaps in First Nation communities.

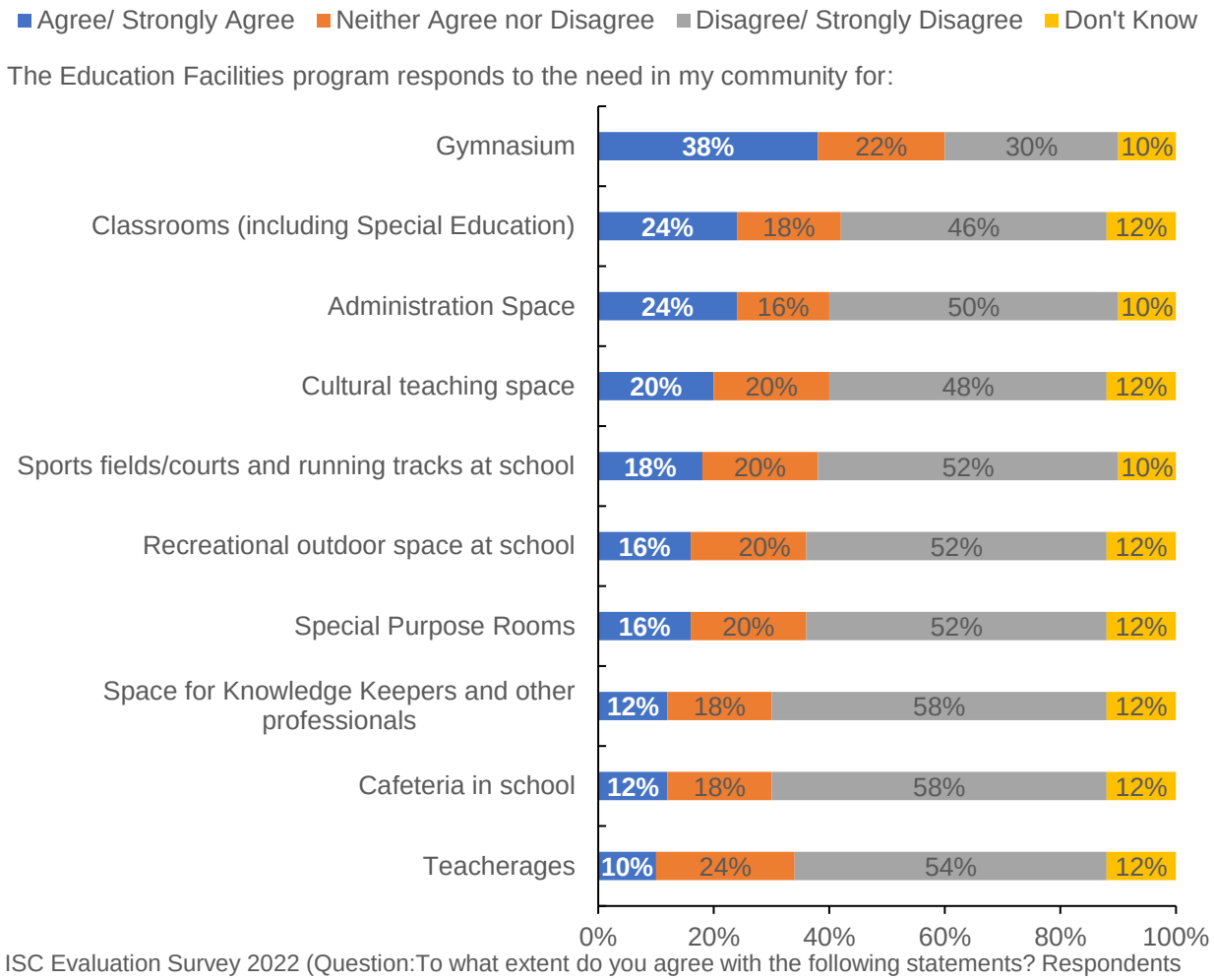
As per ISC reporting, since 2016, and as of December 2022, ISC has invested $1.73 billion in targeted funding towards 273 school facility projects on-reserves across Canada. Of these projects, 168 are complete. These investments are estimated to be benefiting 285 First Nation communities serving approximately 35,000 students and 325,000 community members.[30] More specifically:

- 77 projects resulting in the construction of 67 new schools;
- 151 projects resulting in renovations or upgrades to 137 existing schools;
- 12 supporting projects and initiatives toward capacity building; and
- 33 feasibility studies and design projects.

However, more than half (56%) of survey respondents disagreed that the EF program adequately responded to education infrastructure needs in their community as compared to 14% who agreed. Additionally, fewer than one-third (30%) of survey respondents agreed that overall the EF program helped address education infrastructure gaps in their community. When asked whether the program addressed the need of the various types of facilities within a school, most of them were deemed as not being sufficiently supported by the majority of the survey respondents, in particular in relation to space for knowledge keepers and other professionals, cafeterias in school, teacherages and recreational outdoor space. (See Figure 5.1 for details)

[30] As of December 31, 2022; Government of Canada website. Investing in Indigenous community infrastructure webpage. www.sac-isc.gc.ca/eng/1526995988708/1526996020578#education

Figure 5.1: Extent EF Program Responds to Community Need



ISC Evaluation Survey 2022 (Question:To what extent do you agree with the following statements? Respondents n=50.)

Interviewees indicated that targeted funding of the EF program has helped to reduce education facility gaps by supporting the construction of new and bigger schools. However, the EF program funding was insufficient on its own; First Nation communities reduced their gaps by combining ISC funding, own-source revenues and other federal/provincial/municipal programs. A greater proportion of survey respondents disagreed that ISC supported their community to develop more reliable and sustainable education infrastructure in the past 5 years (38% compared to 28% who agreed).

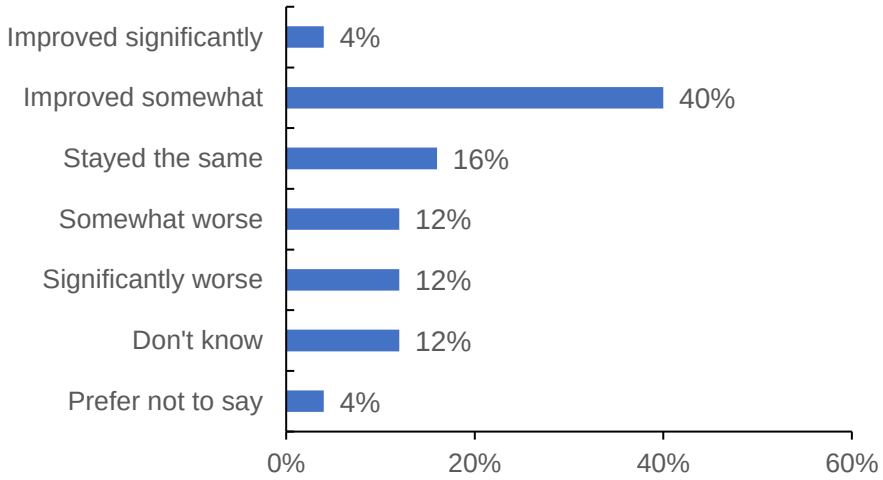
With respect to the extent to which the EF program has supported First Nations communities, a greater proportion of survey respondents agreed that the EF program provided the information needed to allocate resources to manage education facilities (48% compared to 22% who disagreed) and helped to identify education facility needs (36% compared to 34% who disagreed). Comments provided by survey respondents about why they felt their community was not being supported centered on overcrowding issues and the lack of space, inadequate funding to support upgrades to increase accessibility for disabled individuals and infrastructure (i.e. sidewalks, street lighting, and fencing) to support school facilities, and the need for a school located on-reserve.

Finding #10: Despite the overall satisfaction for the EF program was moderate, many viewed the quality of the services offered by ISC as having improved over the past five years.

Th overall satisfaction with the EF program as indicated by the survey was moderate, with 32% indicating they were dissatisfied and 30% indicating they were satisfied with the program. Reasons for satisfaction with the EF program included community partnerships with other First Nations to better improve education. Reasons for dissatisfaction with the EF program included: school facilities not having space to meet the needs of a growing population; no space or capacity to deliver the same programs as non-Indigenous schools; and wanting more control over the design and location of education facilities in their community. One First Nation organization stated that although education standards have changed and as First Nation populations continue to grow, the EF program has remained stagnant.

However, more survey respondents (approximately 44%) stated that the quality of the EF program's services offered at the community level had improved over the past five years, while 16% said the quality had stayed the same, and 24% noted it was worse than five years ago (Figure 5.2). Reasons for improved quality included: greater prioritization of educational facilities; improved funding for education facilities; and greater community control over the education facilities funding. Reasons for decreased quality included: the need for communities to supplement costs associated with education facilities; limited funding for education facilities; and the need for better data to support decisions around education facilities planning.

Figure 5.2: Improvement in the Quality of EF Program Over Past 5 Years



ISC Evaluation Survey 2022 (Question:How has the quality of the Education Facilities services offered at the community level changed over the past five years or so, has it… Total may not add to 100% due to rounding. Respndents n=50.)

5.2 Program Design and Delivery

Finding #11: The current EF program funding model and allocation cycles limit the ability of First Nations communities to build education facilities. Predictable, sustainable and flexible funding is necessary to support more long-term and strategic planning.

The majority (58%) of survey respondents and virtually all interviewed indicated that the EF program funding was insufficient given that A-base funding has not been increased in decades

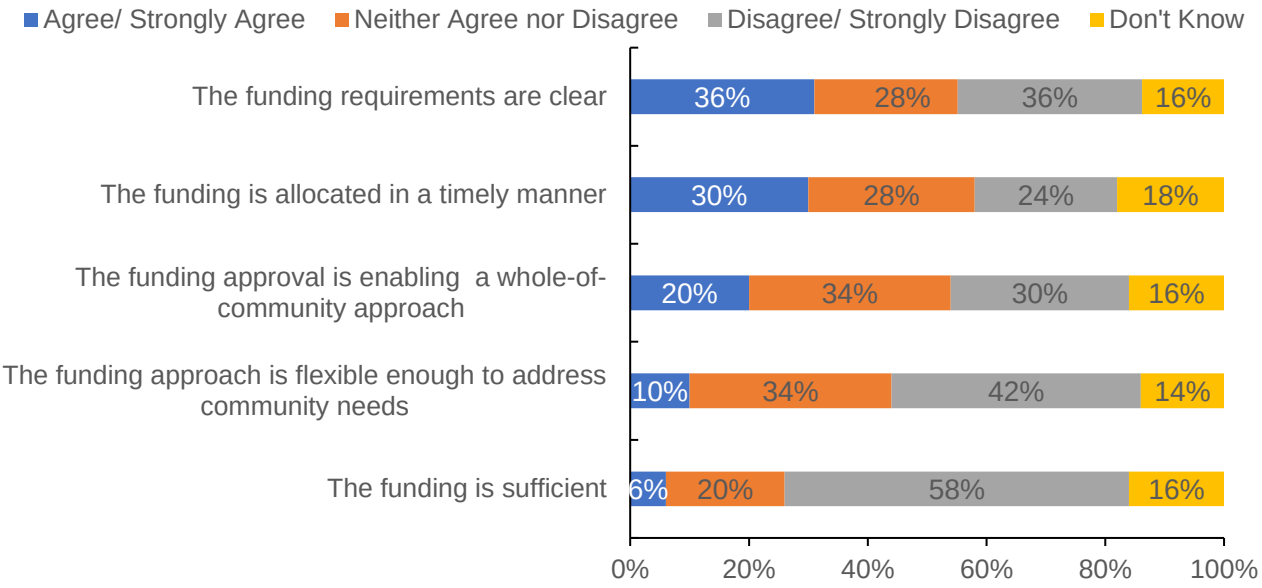
and the program has been relying on time-limited B-base funds through budget announcements over the years, which was seen as a 'band-aid' solution that addressed the most urgent gaps but not predictable and sustainable. Both First Nation and government respondents stated that this funding model was constraining, and it did not allow for long-term planning. The majority of respondents supported committed, long-term, flexible funding so that communities can plan strategically, and many suggested the funding to be for twenty years or more to reflect the lifecycle of an infrastructure, otherwise it disincentivizes communities from developing strategic plans and realizing the maximum values for investments.

The AFN Special Chiefs Assembly resolution 12/2021 was regarding support for closing the infrastructure gap by 2030, which urged the federal government to commit to sustained long-term funding over the next five to fifteen years. Resolution # 18/2022 re-affirmed the need for long-term predictable funding and for the government to "transition the insufficient housing and infrastructure investment commitment timeframes of 5 to 10 years to long-term commitments of 25 to 30 years or more to provide on-going, predictable, and sustainable funding."

When being asked whether the funding approach is flexible enough to address community needs, 42% of the survey respondents disagreed (see Figure 5.3). Reasons provided by respondents included that: the funding approach needs to allow for greater flexibility and priority decision making on education infrastructure projects, no funding to build teacherages, lack of consideration for the growth of First Nations communities when planning for education infrastructure, and lack of support and funding for facility maintenance. Program documents revealed that during the evaluated period (2016-17 to 2020-21), annual prioritization took place at both the national and regional levels using both the NPRF and the SPRF; and a ranked national list of school projects was created to determine the number of projects to be funded within the targeted funds through Budget 2014 and Budget 2016. This approach limited the flexibility in the regions to better respond to infrastructure needs identified by First Nations.

At this time of evaluation reporting, documents indicated that the Budget 2021 allocation, which took place in February 2021, had adopted a formula-based national allocation approach based on number of students, number of schools, number of poor and fair rated schools (according to a shovel ready list), with a minimum amount per region to allocate a portion of the budget to each region with the intention to provide more flexibility.

Figure 5.3: Agreement with Funding for Education Facilities Program



ISC Evaluation Survey 2022 (Question: The following questions are about ISC funding for the Education Facilities program. To what extent would you agree with the following statements? Respondents n=50.)

Funding Allocation Cycles

When being asked whether the funding allocation is timely to address community needs, 30% agreed as compared to 28% who disagreed (see Figure 5.3). Several interviewees noted that funding can be ill-timed in relation to their construction season causing delayed or postponed projects. Infrastructure projects are dependent on building seasons, which could vary among communities depending on their location. For example, communities that are easily accessible or located in southern regions of the country would prefer to receive funding in early spring so they can begin projects immediately. Northern communities require funding mid-winter so they can move materials using the ice roads and are prepared to begin construction when the ground thaws. This could help explain the split of opinions of survey respondents.

The current funding allocation aligned with the federal government's fiscal cycle, where annual funding approval and regional allocation take place towards end of March or early April, does not necessarily allow for optimal timelines for construction, and the impacts are most evident in remote communities. For other in-year approved projects, funding could arrive in the regions anytime during the year. ISC staff also indicated that for new Budget funds, funding could be allocated to regions later than March-April. Both internal and external interviewees noted that the timing of funding can be a challenge as funding could be allocated late in the construction season when communities receive their funds.

Related to the timing of funding are the timelines for spending the funds. First Nation respondents noted that they are required to spend their funding within a given period, usually within the fiscal year in which funding is received. However, project delays could happen and the fund cannot always be spent within the specified timelines. Communities must then request extensions to expand the timeline for spending the funds, which in turn can impact reporting timelines and can jeopardize future funding approvals if reporting is submitted late.

Finding #12: The current EF program funding process through FNIIP is effective for identifying projects, but not for funding them. The prioritization criteria being used in the

FNIIP process do not sufficiently consider public health and environment-related standards and considerations.

First Nation respondents were divided as to the effectiveness of the FNIIP. Many indicated that the FNIIP was effective for identifying projects. Some First Nation respondents used the FNIIP five-year plan to guide their longer-term planning. However, many First Nation respondents indicated that their FNIIP was ineffective in getting projects funded. They likened the FNIIP to a 'wish list'. Some expressed frustration with having projects remain on the list for years that may never be funded. One respondent noted that they use the FNIIP solely as a planning tool and do not expect that a project listed on the FNIIP will get funded. Moreover, some First Nation respondents indicated that the FNIIP, while useful for new projects, was not effective for planning upgrades or repairs.

> *"First Nations do not really plan well beyond the first year because they don't have any indication that they will get funding the following year, so the best they can say is what I need next year without expecting it to be funded. That is the weakness of the FNIIP."*
> *External Interviewee*

A June 2021 AFN position paper on education infrastructure investment process highlighted the extent to which projects identified and ranked through the allocation process received funding.[31] Using ISC data on 375 project funding requests from 2014 to 2020-21, the paper estimated that less than half (47%) of project funding requests resulted in a new school or major renovation by March 2022, with an additional 19% of projects having received funding for project planning such as for feasibility studies and/or design. Among the 34% of projects that did not receive funding, more than half (51%) were requests submitted before 2018-19. Program recipients also raised issues in relation to FNIIP prioritization criteria, justification and transparency around funding decisions. Some mentioned having to complete the FNIIP yearly but not receiving explanations from ISC for the reasons they did not get funding.

Many interviewees mentioned that with limited funding, the focus on 'urgent health and safety' associated with the deficiencies indicated through ACRS inspections in ranking projects left other projects unfunded for years only until the infrastructure became unsafe to be prioritized. With ACRS inspections focusing on repairs and maintenance work needed to preserve the infrastructure investments, public health related factors may not be equally considered. Also, environment-related standards and considerations, as well as impacts of climate change are not currently fully integrated in the current infrastructure planning process.

Access to environmental public health officers (EPHO) services to support service standards can mitigate risks for housing, water, wastewater systems and public buildings. EPHOs bridge infrastructure and health outcomes by promoting public health standards, and monitoring and preventing public health risks at all stages of infrastructure planning, design, construction and operation. For environment-related, consistent climate-informed infrastructure standards and mapping over the next 20 to 40 years to give indication of how infrastructure should be constructed to mitigate and adapt to climate change impacts are urgently needed, especially for remote communities where risks to health are more prominent.

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[31] Assembly of First Nations (2021). First Nations Education Infrastructure Capital Needs Assessment. Retrieved from: First-Nations-Education-Infrastructure-Capital-Needs-Assessment.pdf (bynder.com)

"You need to provide the adequate support to protect investments, but also to protect the health and safety of communities so, for example, that the water treatment plants keep on producing water for the First Nations from a health perspective."

Environmental Public Health Officer

Respondents from external organizations noted that the FNIIP does not encourage First Nations to plan infrastructure beyond a few years, mainly because communities do not know what, if any, projects will get funding from year to year. Both internal and external respondents agreed that the FNIIP and the associated funding should span beyond five years, suggesting the duration be extended to twenty years or more. They stated that funding determined on a yearly basis (or even on a five-year basis) disincentivizes communities from developing strategic long-term plans to adequately support their investments. They noted that major infrastructure such as water treatment plants (which is comparable to schools) should last for up to 50 years and funding should be provided for the life cycle of the facility.

Finding #13: A number of issues were identified in accessing EF program funds through the proposal-based process in relation to application criteria, approval rationale, community capacity, access inequality, transparency and communications.

EF program funding requirements are not always clear to potential applicants. Equal proportions of survey respondents (36%) agreed as disagreed that the funding requirements were clear (Figure 5.2). However, the majority of First Nation interviewees indicated that the direction, policy advice and oversight of the EF program were not always clear or effective for program delivery to achieving expected results. Some First Nations noted that the coding, labeling and reporting requirements were not easy to understand, and the ISC website was hard to navigate.

Challenges in accessing education facility funds through the proposal-based approach included: complicated, time-consuming applications, re-submissions of proposals, and the withholding of funds due to incomplete or non-submission of reports. Many First Nation respondents expressed frustration with the lengthy and complicated approvals process, noting that it often required multiple revisions and resubmissions of their proposals even after they received notification that their project would be funded. Focus group participants indicated that the process for obtaining funding, design approval and construction of their new school took approximately seven years.

Some First Nation respondents noted that for them to prepare successful application proposals, having a clear understanding of all the steps needed to secure funding was crucial. To this end, one respondent indicated that, as a best practice, their First Nation Schools Association (B.C.) had worked with ISC to develop a tool kit to assist with the steps needed to fund a First Nation school. The *Tool Kit for Building, Renovating and Expanding First Nation Schools* was published in 2019.[32]

A few First Nation respondents experienced having funding withheld for incomplete or unsubmitted reports on previous projects. One respondent noted that it took several years for a

[32] *Tool Kit for Building, Renovating and Expanding First Nation Schools.* Available at: www.fnsa.ca/portfolio-items/toolkit-for-building-renovating-and-expanding-bc-first-nations-schools-2019/

report erroneously flagged as delinquent to be cleared. One organizational representative commented that communities struggling to complete reports should not be penalized by having funding withheld; instead, they should receive additional support to increase their capacity to adequately fulfill reporting requirements in a timely manner.

Interviewees noted that the application process was lengthy and complicated. Eligible funding required communities to meet specific and, in some cases, multiple layers of criteria. As a result, communities sometimes lacked the expertise to prepare successful proposals. Some indicated that the proposal-based approach is fundamentally inequitable as it creates a bias toward more organized, wealthier communities that can afford to pay consulting firms to develop proposals. Moreover, some First Nation reported that often the timeline to apply for funding was too short, making it more difficult for communities with limited capacity to access funding.

Both internal and external interviewees stated the need for greater transparency around how proposals are assessed and the rationale for when proposals are denied. Many First Nation communities desire more understanding around how funding decisions are made and how funding is distributed. Some First Nations suggested the government produce an annual report to show who received funding, the amount of funding received and what was funded. The report should also include a rationale for what was spent and, if applicable, why any allocated funds were not used. The AFN flagged transparency as a key issue.

> *"All First Nations have issues understanding how to access funds. At headquarters, they push First Nations to regional offices. First Nations always think they are in line for schools, but in reality, there is no actual list. ISC does not keep records or status of how First Nations are in line to access funds nationally. Transparency is [a] huge issue here." (AFN)*

First Nation respondents also suggested that ISC could do more to communicate information about available funding for infrastructure from the infrastructure related programs or initiatives. They noted that often when new funding is announced, there is little engagement with communities. For example, one First Nation respondent mentioned that previously field services officers gave workshops to First Nations and tribal councils to inform them about available funding for the upcoming year; now such valuable information is covered in one sentence on social media.

Finding #14: The amount for repairs and maintenance received through the EF program is not sufficient to mitigate health and safety concerns and to ensure education facilities achieve their full lifecycle. While the transfer of O&M funding stream from Regional Operations EF to ESDPP resulted in increased funding flexibility to First Nations through the Education Interim Regional Funding Formulas, it also created challenges in relation to governance and asset management of the EF program.

Through the CFMP, there are three funding streams, i.e.:

- **O&M**: Funding provided to First Nations for the maintenance and operation of existing assets (formula-based);
- **Minor Capital**: Funding provided to First Nations for construction, acquisition, renovation or minor repair projects with value below $1.5 million (can be both formular or proposal-based); and

- **Major Capital**: Funding provided to First Nations for specific, construction, acquisition, renovation or significant repairs projects with value exceeding $1.5 million (proposal-based).

Both the O&M and Minor Capital streams fund the repair and maintenance projects and activities needed to mitigate the most urgent health and safety risks and help ensure existing and new education facilities achieve their full lifecycles. First Nation respondents indicate that the funding cannot cover their backlogs of repairs, especially major repairs. The majority of First Nation respondents commented that their funding for repair and maintenance was inadequate and it impacted their ability to effectively maintain their infrastructure leading to further deterioration. A lack of regular maintenance due to the backlogs, compounded by worsened weather conditions and lesser quality of materials, resulted in the lifespans of community infrastructure shorter than elsewhere in Canada.

Further, due to limited infrastructure funding, some communities (especially those with less resources) used formula-based operation and maintenance funds to build or renovate community infrastructure, which further contributes to the lack of repairs for education facilities. Many interviewees shared that First Nations that have the capacity and are wealthier put money aside to do the maintenance and complete repairs, but those with less capacity, experience, and money use the totality of their funding to build or renovate those in need. Some ISC respondents cautioned that using a population-based formula creates an unfair disadvantage for smaller communities as the costs to maintain some infrastructure can be the same as for larger communities.

The transfer of the EF program O&M component to ESDPP in 2019 as part of the Education Transformation process was intended to increase First Nations control over First Nations education.[33] As a result of the transfer, the O&M component was imbedded within the Education Interim Regional Funding Formulas, which led to funding provisions being more in line with the respective province As per ISC reporting, education funding for First Nations has increased by approximately 80% for education program funding to First Nations since 2015-16. Also, through transformative mechanisms such as the Regional Education Agreements (REAs), First Nations have the flexibility to identify more specific needs-based funding such as the need for more O&M funding given their specific circumstances.

However, input from the ISC interviewees indicated that this change limited the extent to which education facilities could maintain health and safety standards. Having O&M as part of a school's education programming budget does not allow for a clear understanding of the annual maintenance O&M funding as the amount is not specifically identified. This makes it difficult for community education infrastructure managers to track the amount of O&M funding available and to plan for repairs from the asset management perspective. In addition, the inclusion of O&M in the education programming allocation means it can be reallocated away from its intended purpose to other needs such as teacher salaries or other needs related to educational programs. A lack of regular maintenance could lead to faster deterioration and earlier re-investments to repair the damage.

[33] ISC respondents noted that this change came at the request of the Assembly of First Nations.

While ISC respondents indicated that it was too early to assess the full impacts of including O&M funding as part of educational programming, several expressed concerns related to this program change and suggested that the education facility maintenance gaps increased over the evaluation period due in part to the transfer of EF program O&M to the ESDPP. These respondents noted that O&M was already not sufficiently funded, and this change could lead to further strain of O&M funding should First Nations divert these funds to other educational needs. ISC regional office interviewees also shared several limitations in the new O&M approach, including the absence of consideration for First Nation capacity development needed for O&M in the new formula allocation; the potential to discourage First Nations from implementing the best practice of lifecycle management as the O&M funding is separated from capital; and the need to consistently support ESDPP to carry out its responsibility as education programming does not require infrastructure engineering technical expertise.

Moreover, during the evaluation conduct, the Evaluation team also observed governance issues between EF and ESDPP as a result of the transfer of the O&M stream, which included unclarity in funding coverage and differing understanding on the O&M component in relation to asset management planning.

Finding #15: COVID-19 related funding was viewed as timely and effective in helping communities in addressing the unprecedented situation.

The majority (61%) of First Nation survey respondents involved with the EF program were satisfied with the COVID-19 funding they received and acknowledged that receiving COVID related funding was timely and helpful as it allowed those responsible to better respond to the impacts of COVID in their community. First Nation communities were helped by the federal government as they: planned for a safe return to school and upgraded ventilation systems (including fogging machines for buses and classrooms). First Nation communities employed these funds to hire additional staff to screen for COVID symptoms and to sanitize classrooms, and provide hand sanitizers, masks, and plexiglass barriers. Other communities used the funding to develop protocols for addressing COVID issues at schools and to provide safety guidelines. The implementation and guidelines for spending COVID related funding were generally viewed as clear to most recipients.

5.3 Performance Data and Data Systems

Finding #16: In reporting on the achievement of the program, performance data is mostly at the output level. Alternative performance measurement approaches were proposed to measure the success of the infrastructure investment on-reserve more effectively by integrating a wellbeing or human rights centered lens.

Currently, the EF program reports on results using data such as the number of schools built and amount of funds spent. While these data are useful in demonstrating the scale of investments and implementation efforts, they are not fully corresponding to what communities and partners view as the most appropriate way of measuring success in relation to education facility outcomes and closing the infrastructure gaps on-reserve. Moreover, reporting on the number of units built at the output level does not demonstrate to what extent the program has achieved its outcome of providing sustainable education infrastructure that meets health and safety standards.

The evaluators also observed the lack of baseline data and clear targets for measuring performance of the EF program. Not all the outcomes had defined indicators in the program's

Performance Information Profile approved in 2018, and not all indicators had been tracked. Canada's first Federal Housing Advocate, Marie-Josée Houle, suggested during the 2022 First Nations Housing Forum to go beyond the numbers of units built and apply a human rights centered approach, which values participation, non-discrimination, equity, transparency, empowerment and respect for human rights and obligations. Similarly, the Institute of Fiscal Studies and Democracy (IFSD) has proposed implementing a wellbeing centered housing and infrastructure performance measurement framework by assessing service level performance. According to the IFSD, applying the well-being lens to infrastructure helps transform the First Nations infrastructure investment narrative from focusing on fixing legacy issues to a holistic system-wide approach on-reserve.

Finding #17: Data availability and reliability remain as issues in project tracking, reporting and capturing asset conditions.

Data availability and sufficiency were identified as an issue by both internal and external respondents. Many interviewees, both internal and external, noted that the actual extent of infrastructure gaps was unknown or under reported due in part to lack of available data on the condition and needs of First Nations infrastructure. Some indicated that the ICMS does not capture sufficient data on infrastructure projects. Others noted that the ACRS was not up to date to capture the current condition of infrastructure assets for many FNs communities.

ISC respondents indicated that historically poor data on school infrastructure and its condition hindered the delivery of the program. During the evaluated period, the EF program conducted an exercise in the ICMS to validate the list of existing school buildings to eliminate duplications and as a result, a more accurate set of baseline data was created in 2020-21 and the initial count of approximately 600 schools was confirmed to be around 400. Several ISC respondents noted that the asset condition rating collected for education facilities in the ACRS was not of high quality, as the inspections conducted are superficial and cursory in nature and the estimated scale of work is not as accurate when compared with project estimates. While the ACRS is intended to assess a community's infrastructure, many noted that the system does not provide helpful information in determining the true costs of maintenance. Several First Nation respondents called for the federal government to conduct a detailed assessment of all First Nation education facilities to determine actual cost gaps.

Consistency was raised as a concern in relation to data entry into the ICMS and interpretation of the various fields in the ICMS among users. As projects are self-reported by First Nations, regions must enter the data they receive from First Nations into the ICMS. While regional officers make every effort to ensure accuracy when entering project information into the ICMS, their interpretations of certain fields and requirements may vary, as there is not a set of specified definitions associated with these fields. This created inconsistency in data entered not just among regions but also users in the same region, which resulted in discrepancy on project data and unreliability in reporting. Moreover, regional practices vary on what to enter into the ICMS, with some entering only funded projects into the ICMS, others entering all project proposals. Further, during the evaluated period, limitations existed on verifying the accuracy of the data entered into the ICMS. While data review takes place at the national level on a quarterly basis, data entry and verification mostly took place at the regional level. Finally, regions indicated the challenge of obtaining data from First Nations in the first place, which could be delayed by one to three years in some regions and the received data could be missing or incomplete.

During the evaluation data collection, the evaluators learned that some features were not available in the ICMS for tracking projects to certain causes. For example, impacts of projects in strengthening resilience to the effects of climate change could not be measured due to a lack of tagging ability for projects. Also, ISC staff noted the extent to which A-base funding contributes to the achievement of intended program outcomes could not be sufficiently measured as there was no performance information related to A-base funding. There was also deficiency in linking the financial system and the ICMS, the example of which was provided under section 3.3 Challenges and Limitations of this report.

First Nation respondents expressed their desire that ISC streamline the reporting processes. For example, using an online system whereby new data can be entered or updated and feed into the reports would help ease the reporting burden for First Nations.

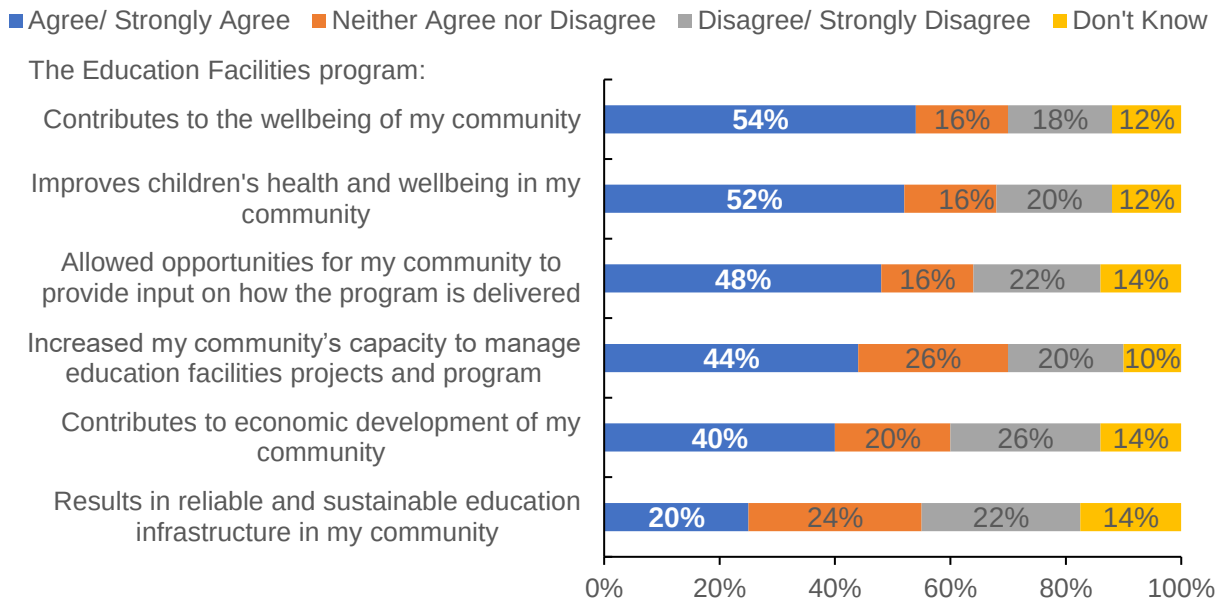
5.4 Unintended Outcomes

The evaluation collected information in relation to unintended outcomes, which are other outcomes in addition to the expected program outcome for education facilities (i.e. Indigenous peoples have reliable and sustainable education facilities).

Finding #18: The EF program provided employment and training opportunities, increased on-reserve enrolment and academic success, positive impacts on the wellbeing of community members, especially children, and increased community pride.

First National communities have experienced additional benefits as a result of the EF program. Generally, a greater proportion of survey respondents agreed than disagreed that the EF program had positive social and economic impacts on their community, including contributing to the wellbeing of their community, improving children's health and wellbeing, opportunities for their community to provide input on how the program is delivered, increased community capacity to manage education facilities projects and program, and contributing to economic development of their community. (Figure 5.4).

Figure 5.4: Agreement with Social and Economic Impacts of EF Program on Community



ISC Evaluation Survey 2022 (Question: To what extent do you agree with the following statements? The Education Facilities program: Respondents n=50.)

First Nation and ISC respondents indicated that the EF program has contributed to increased employment opportunities for community members through the construction of new schools (i.e. contractors, trades and labourers) and with school support staff. Respondents in First Nation communities close to larger non-Indigenous communities also indicated that building schools in their communities increased the number of students enrolled in their schools as students have the option to stay on-reserve to receive their education rather than attending a non-Indigenous school.

A greater proportion of survey respondents agreed the EF program and services had increased academic success over the past five years (38% agreed compared to 24% who disagreed and 24% who held a neutral position). Reasons for agreement with the EF program's contribution to academic success included having space to accommodate all their children on-reserve and providing their children with a quality education based on their culture, language and values. Reasons for disagreement with the EF program's contribution to academic success included the negative impact of overcrowded school facilities on learning, lack of proper ventilation, heating/cooling issues, and increased mental health issues and learning challenges among the children.

Another positive outcome is the increased pride community members have when new construction and upgrades are done in their community schools. First Nation respondents stated that having new schools in their community increased community pride not only because of having a new school but also because the new facility leads to fewer students dropping out of school and the potential for more students pursuing postsecondary education. Focus group participants also stated that teachers and students exhibited a sense of pride in their new school.

> *"We still have issues but there is a big difference. It gives us all, teachers and kids alike, a sense of pride to have a new school. It lets the kids know that they deserve to be in a school that works."*
>
> Focus Group Participant

Finding #19: Despite positive social and economic impacts of the EF program, communities struggled to maintain health and safety standards in schools, which exacerbated health issues of students and school staff.

Many First Nation communities interviewed have experienced a number of health and safety issues that negatively impacted their students and school staff, including poor heating and ventilation systems that exacerbated health issues such as respiratory illnesses, broken and damaged equipment were safety hazards, and learning being impacted when classrooms have to relocate while repairs were being made as students become easily distracted and disengaged when they are not in their usual learning environment. In addition, many First Nations have a large portion of their students with behavioural issues and do not cope well with disruptions to their school environment.

Despite the reports of positive social and economic impacts of the EF program on First Nation communities, a slightly greater proportion of survey respondents disagreed that the program resulted in reliable and sustainable education infrastructure in their community (22% vs. 20% who agreed) (Figure 5.3). Reasons for disagreement with reliable and sustainable education infrastructure included requests for additional funding so the community can address health and safety issues within their educational facilities and the need for a school located on-reserve.

Another unintended outcome cited by some First Nation communities and organizations was the challenges of teacher retention. While teacher retention is not an EF mandate, the building of teacherages where required, contributes to the success of the retention among other reasons that are beyond the control of the EF program such as teacher salaries, etc. Approximately 30% of survey respondents disagreed that the EF program and services had increased teacher retention over the past five years, compared with 28% saying they agreed and 28% that neither agreed nor disagreed. Reasons for disagreement in relation to the EF program included: lack of funding to build and maintain teacherages that would help attract teachers.

6. FINDINGS ON EFFICIENCY: BETTER WAYS IN DELIVERING THE PROGRAM

The evaluation assessed the extent to which the EF program demonstrated efficiency and economy. The findings suggested that while the program has implemented initiatives to generate more efficiency in program delivery, opportunities exist in improving cost-efficiency and generating more value for money through more integrated planning based on lifecycle asset management principles, applying a whole-of-community approach based on the unique needs and realities of the communities and taking more proactive and preventative measures in repairs and maintenance of investments. Communities' views on cost-efficiency in relation to education facilities were presented as part of the findings.

6.1 Alignment with Other Programs

Finding #20: The asset-focused and project-based approach in delivering the EF program without systemic integration with other asset areas under the CFMP has not only resulted in more administrative burdens on First Nations in seeking infrastructure funding but also lost opportunities to support First Nations with the capacity to address the needs and priorities identified by their own communities from a whole-of-community lens.

During the evaluated period (i.e. 2016-17 to 2020-21), while the planning for EF projects was community-driven in principle stemming from the FNIIPs developed by the communities, the approach in prioritizing and approving EF projects was mostly by CFMP asset area. More specifically, for Budget 2014 and Budget 2016, a ranked national list of school projects was used based on the NPRF, the SPRF, and other criteria to determine the number of projects to be funded within the targeted funds and consequently which projects got funded in each region. For Budget 2021 funding allocation (which took place in February 2021), a formula-based regional allocation format specific for the EF program was used, which allowed the regions greater flexibility to prioritize and manage school projects in their regions. However, regardless of the approach, the regions must work within the national asset-based funding allocation frameworks (including EF), which can vary across the CFMP asset areas in terms of funding formulars and allocation processes.

Moreover, how regions prioritize and allocate their funding from budget allocations to First Nations also vary, where some use the SPRF as a tool, others focus on health and safety and protection of assets. Other considerations that regions consider in prioritizing include contractual obligations and other commitments. Given these complexities, while the regions make every effort to coordinate across the different asset areas and timing of projects to be more community-centered, it may not always to be possible to perfectly coordinate and synchronize projects across different CFMP assets, including off-site and supporting infrastructure,[34] such as upgrades to roads, water, sewer, fencing and fire sprinkler systems, etc. to ensure an asset could be used immediately in a safe and effective manner. This is a limitation as a result of the current CFMP program design and authority.

[34] While recognizing it is necessary to support ancillary investments, given high needs related to constructions and renovations and limited funding available, off-site and supporting infrastructure is not always funded under a school project.

Moreover, the project and proposal-based approach means that the administrative burdens are on First Nations to request for funding for projects under various sub-assets which were not guaranteed to be approved at the same time. The organization of infrastructure funding in asset silos also makes it difficult to align all of the processes and deadlines in a way that serves First Nations well by allowing them to coordinate funding from multiple programs and make more efficient use of funding. Many First Nation and government interviewees agreed that infrastructure siloes should be broken down to support logical and holistic community infrastructure planning. Such an approach would lead to better outcomes for all community infrastructure programs including the EF program and realize greater cost efficiencies in the long term. However, it should be noted that some First Nations may still be developing the capacity to support a whole-of community lens. Until all First Nations have this capacity, equity in supporting projects based on health and safety priorities is accomplished through the current asset-based approach.

A universal sentiment expressed was that all community infrastructure assets are interrelated. For example, off-site infrastructure (such as lighting, roads and sidewalks) is needed to support schools, and for many communities, the school is the hub of their community acting as a gathering place for ceremonies and celebrations, and sheltering stations during climate events and emergencies. Several First Nations indicated that their long-term strategic plans look at the community as a whole, highlighting ways to integrate the development of education infrastructure with other community assets such as recreation facilities and community spaces.

Finding #21: In addition to other CFMP programs, the delivery of the EF program also requires effective collaboration with other sectors within ISC, which could be further aligned for better efficiency.

While there is some collaboration with the ESDPP as the O&M component is now part of the education programming budget, many internal interviewees stated that this has created a disconnect between education infrastructure and education programming due to the fact that the two functions are housed in different sectors. Concerns were raised regarding the level of expertise in the EF and educational programs, indicating that the EF program could benefit from integrating more education expertise to support evolving education programs, and vice versa for education program to integrate more infrastructure expertise. First Nation respondents called for better integration of education programming with education facility planning to better align the space needed in schools to accommodate education programs and ensure sufficient O&M to increase the lifecycle of schools, which could lead to more efficient use of EF program funds.

Similarly, the split of the CIB as policy lead and the RIDB as implementation lead within the Regional Operations sector in delivering the program also raised issues in terms of efficiencies. Despite the initial intention to have a clear division of the policy and implementation functions, the two functions were mixed under both branches and the four CFMP asset areas were split between the two, with RIDB mostly for EF and OCI and CIB mostly for water and housing. However, in the case of the EF program, while RIDB is responsible for program delivery, CIB is responsible for the SSAS updates. Also, while RIDB is responsible for investment planning and funding allocation, CIB is responsible for the coordination of the process. Some ISC staff raised efficiency issues in these divisions.

In addition to infrastructure-related outcomes, education infrastructure also has cross-over impacts on health and social outcomes, as well as general community well-being. As noted previously in the Relevance Section of this report, the current EF program does not prioritize

public health to preventatively address public health-related health and safety concerns. Many ISC interviewees suggested that integrating public health into education facility planning would make the EF program and overall health spending more efficient. For example, funding environmental public health officers through the EF program would realize better health and safety outcomes. Further, co-developing more appropriate health indicators with First Nations could better support education facility planning and project ranking.

6.2 Asset Management Planning and Lifecycle Approach

Finding #22: Cost-efficiencies in the EF program were not fully achieved as a result of insufficient maintenance and repair, and that project approval decisions tend to opt for the lower-costs options rather than based on long-term asset management planning.

The importance of asset management was raised by many respondents, as it is crucial in assessing the condition of infrastructure assets, estimating costs for repairs and upgrades, and accommodating community growth to facilitate planning to extend the lifespan and value of infrastructure. Both First Nation and ISC respondents agreed that having a fully developed asset management plan allows them to outline what is needed to manage the asset, including the required funds for human resources to operate and maintain community assets, and the adequate support to protect investments and uphold the health and safety of community assets.

Asset management is also tied to long-term capital planning as it takes into consideration lifecycle maintenance costs and timelines. Some First Nation respondents reported being informed that funding for a new facility was ten or more years away even though the cost of a new school was less than the costs to repair and maintain their old school over that same period of time. First Nation respondents stated that rather than trying to realize cost savings in building and maintaining educational facilities in the short term, ISC should be looking to increase their investment as a cost benefit over the long term. These respondents suggested that in order to promote long-term cost effectiveness, a lifecycle approach to infrastructure funding would be superior and would better address the education infrastructure gaps on-reserve.

Some First Nation respondents commented that while they try to find less expensive materials and cheaper energy sources for construction (i.e. oil-fired furnaces), these workarounds often result in added costs for maintenance and repairs. Again, other First Nation respondents pointed to outdated allocation formulas that do not reflect the rising costs of materials, delivery fees, and inflation. They noted that the outdated formulas mean the funding does not cover the actual costs to build the facilities, forcing communities to build less expensive infrastructure that is often unsuitable for the environment.

Many First Nation respondents pointed to the need for up-to-date databases that would help develop asset management plans. While ACRS provides information on the condition of infrastructure assets, it requires an inspection by a certified ACRS inspector every three years. Many FNs do not have such a professional and must contract this work to an external consultant. As such, many First Nation respondents called for funding to train community members to complete these inspections. Respondents say that having this expertise in-house would be a more efficient use of EF program funds and would help First Nations prepare for service transfer.

Finding #23: There is a lack of a cohesive approach towards capacity building for asset management in the communities, which inhibits the efficiency in delivering education

facilities outcomes. The pilot Circuit Rider Training Initiative of the EF program was seen as beneficial for operation and maintaining education facilities.

Many First Nation respondents cited the lack of trained staff as the main reason inhibiting the reform of their community infrastructure programs and in turn making their programs less efficient or cost-effective. They noted that the lack of repair crews, project managers and support staff to help administer community infrastructure meant they were less focused on efficiency as they were struggling to manage assets. Many communities relied on costly external consultants for support in preparing proposals, reports, and needs assessments, and in hiring inspectors to ensure buildings and assets met construction standards.

As noted previously in the Relevance Section of this report, professional training and capacity development remains a gap in the EF program. First Nations desire the internal capacity and resources to adequately plan for education infrastructure as part of strategically developing all community infrastructure. This includes the expertise to assess and manage educational infrastructure assets and lifecycle planning, and for succession planning to ensure best practices are carried forward to future program managers. First Nation and ISC respondents indicated that the EF program could better support communities to develop their capacity and implement asset management programming long-term across all assets, including schools.

As part of Budget 2014, the EF program received funding through the Education Infrastructure Fund to be allocated for the First Nation Circuit Rider Training Program (CRTP) for schools to address the challenge of early rust-out of school infrastructure on-reserve by enhancing First Nations capacity through the creation of a training and education program, based on the success of the CRTP for water and wastewater, to support operations and maintenance activities in school. A pilot Circuit Rider Training Initiative took place in 2019-20, where regions received funding ranging from $150K to $900K. Although this was not a full implementation and that regional experiences varied, among the interviewees who could speak to the Initiative, many found it to be valuable as their circuit rider was the ‘go-to’ person for all of the facility operators in their community and they relied on this person to help troubleshoot issues with operating systems, including those in their schools. They pointed to the Initiative as part of capacity development and a key support for operating and maintaining school and community infrastructure. They suggested that the Circuit Rider Training Initiative should be considered foundational to overall EF program success. A few ISC respondents noted that the pilot Circuit Rider Training Initiative program has not had the same success as the CRTP implemented under the Water and Wastewater Program due to low in-take in some regions and communities because of the short duration of funds.

6.3 Other Cost-efficiency Practices and Observations

Finding #24: High turnover of staff across infrastructure programs, both ISC and First Nations’ sides, results in inefficiencies due to loss of capacity and additional efforts by First Nations.

First Nations community and organization respondents observed that the high turnover of both FNs and ISC staff (both national and regional) has hindered their ability to deliver their infrastructure programs. The high turnover of FNs staff due to burnout or staff taking on positions outside of the community means that communities must invest additional effort and funding to train new staff. The turnover also results in less efficient management of infrastructure as there are fewer staff to complete infrastructure maintenance leading to further deterioration. ISC staff turnover impacts First Nation communities as knowledge and lessons

learned are not always transferred to new staff. Several First Nation respondents indicated that the time spent developing relationships with ISC staff and helping them to understand their community's infrastructure situation and unique needs is lost when the ISC staff leave, and they must anew with other ISC staff.

The high turn-over of ISC staff in infrastructure programs was raised by many First Nations respondents, which was viewed as an inefficient management practice of infrastructure programs as there was no sufficient knowledge transfer following the departure of staff. Based on an assessment of the staffing numbers across the three programs (including both NRC and Regions),[35] the data reviews that there has been a total of 829 counts of turnovers, including both new hires and departures from 2016-17 to 2020-21 (Table 6.1).

Table 6.1: Staff Hiring and Departure Across the ORH, EF and OCI Programs 2016-17 to 2020-21

Turnover	Fiscal Year	Q1	Q2	Q3	Q4	Total
Hiring	2016-17	9	14	27	20	70
	2017-18	20	18	7	10	55
	2018-19	16	16	22	41	95
	2019-20	29	44	22	49	144
	2020-21	19	12	9	11	51
Departure	2016-17	10	6	8	9	33
	2017-18	14	26	10	6	56
	2018-19	10	13	37	32	92
	2019-20	35	37	44	27	143
	2020-21	40	20	15	15	90
Total Turnover	**Five-year**	**202**	**206**	**201**	**220**	**829**

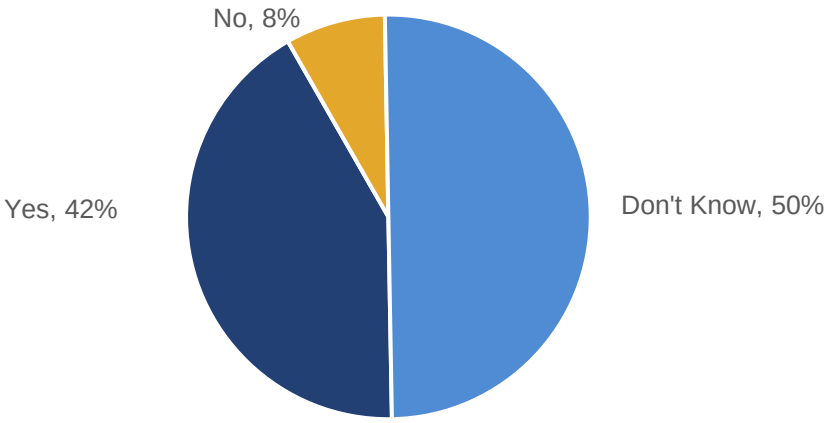
Source: ISC Human Resources reporting

Finding #25: Some noted that the EF program was cost-effective as many First Nations identified education infrastructure costs borne by their communities that could be considered by ISC to include in the program.

Some costs that are directly tied to building and maintaining education infrastructure are not eligible under the EF program. As a result, First Nations communities need to share those costs in order to access the EF program funding, which means the communities without the financial resources are often unable to effectively leverage the funding. A total of 42% of survey (Figure 6.1) respondents indicated there were education facility related costs borne by their community that were not covered by the EF program but could be considered by ISC to include.

[35] Due to regional set-ups in delivering programs, where housing, education facilities and other community infrastructure can be place in the same organization, the HR data is not available for a specific program.

Figure 6.1: Education Facility Related Costs Borne by Community and Not Covered by Education Facilities Program



ISC Evaluation Survey 2022 (Question: Are there education facility related costs borne by your community that are not covered by the Education Facilities program but could be considered by Indigenous Services Canada to include? Total may not add to 100% due to rounding. Respondents n=50.)

Some examples[36] of the costs borne by communities (during the evaluated period) included:

- space/facilities for adult upgrading, trades training and employment programs;
- space/facilities for land-based teachings and projects;
- space for elders and knowledge keepers;and
- fencing and landscaping school facilities.

Focus group participants spoke of the additional costs they incurred to repair their newly built school. One participant noted that not all repairs needed were covered by warranties as many of the warranties had expired due to lengthy construction delays and their O&M budget of $15,000 per year did not cover the needed repairs to their new school. Another focus group participant indicated that much of their time was spent pursuing other funding sources to bridge the funding gaps not covered by the EF program at a given time. For example, they received non-ISC funding for playground equipment and a washer and dryer for the school. Another participant received funding from Jordan's Principle to hire an aide to support a student who is non-verbal and has behavioral episodes.

Some First Nation respondents noted that for some projects they are reimbursed by ISC at a later date; however, fees to borrow the money are not recovered. Better timing of funding would allow communities to avoid construction delays and related cost increases.

> *"It can take as few as a couple of months to a few years to receive ISC funding for a project. In order to keep the project moving forward, some First Nations will pay from their own source funding and when the ISC funds come through, they will repay the funds borrowed/used from the other source."*
>
> First Nation Respondent

[36] Some of these are expected to be bettered addressed by the 2021 SSAS, which was released in July 2021.

When First Nations interviewees were asked whether they thoughts the delivery of the EF program was cost-effective, some provided comments on how the EF program could be more efficient in their view, including:

- Less restrictive policies such as the 2016 SSAS and program so communities can plan and build for growth over time so new schools are not overcrowded as soon as they are built;
- Support to build in-house expertise to develop strong proposals and reduce the reliance on external consultants;
- Conduct annual reviews or audits of educational facility assets to better plan for O&M costs; and
- Support for asset management capacity development to develop cost-effective solutions and maximize the lifecycle of schools.

Finally, some First Nations interviewees stated that the EF program needs to better promote self-determination of communities. First Nations control of their education is supported by the *United Nations Declaration on the Rights of Indigenous Peoples* and has been a longstanding priority of First Nations across Canada. To respect the sovereignty of each community, First Nations children should have the option to be educated in their community.

6.4 Alternative Delivery Initiatives

Several alternative delivery models have been implemented with respect to education infrastructure during the evaluation period. These include the Innovation Fund and school bundling. The intent of such alternative delivery initiatives is to realize more cost-effective ways of delivering the EF program.

Innovation Fund

As noted in Section 2 (Program Context and Description) of this report, the Innovation Fund provides funding to build school facilities using innovative methods. A project can receive up to $10 million depending on the kind of innovation used such as cost-sharing, or alternative models for financing, procurement, construction, education reform or cost savings. Budget 2014 invested $50 million over six years beginning in 2016-2017 in the Innovation Fund. A maximum investment of $10 million per education facility project was available for infrastructure costs.

Nine projects were announced as part of the Innovation Fund investments:

- Squiala First Nation (British Columbia);
- Old Massett Village Council First Nation (British Columbia);
- Westbank First Nation (British Columbia);
- Adams Lake Indian Band (British Columbia);
- Blood Tribe/Kainai (Alberta);
- Meadow Lake Tribal Council (Saskatchewan);
- Fisher River First Nation (Manitoba);
- Southeast Resource Development Council Corp (Manitoba);
- Innu Takuaikan Uashat mak Mani-Utenam First Nation (Quebec).

In interviewing with both internal and external respondents, few First Nations and ISC respondents were aware of the program. A First Nation organization indicated that the lack of awareness may stem from how innovation is defined for the program, noting that it has more to do with cost savings than new and true ‘innovative’ ideas for the design of schools. One First

Nation respondent affirmed that their community had partnered with another nearby First Nation to access the fund to expand their schools using similar designs, cost sharing and the same contractor to complete both projects.

A few First Nation respondents commented that the fund favoured communities that were in a position to share costs with partners, suggesting that a community needed substantial own source revenue to access the fund. While the results achieved through the Innovation Fund are yet to be further observed, ISC respondents stated that the projects funded via the Innovation Fund were mostly for feasibility studies while funding for innovative materials or design approaches may have been more appropriate. Some ISC program staff suggested that First Nations may be less inclined to put forth proposals for innovative approaches to designing and building schools as ISC is expected to fully fund EF program projects.

School Bundles

A case study was conducted to assess the School Bundling Initiative that was implemented as a model to generate more efficiencies in building schools on-reserve with the intended outcomes of: increasing speed of delivery of school projects through consolidating or amalgamating core project management functions, attracting larger and more experienced construction firms, creating greater competition and economies of scale as companies bidding on any number of schools, achieving value for money (overall project costs reduced), and reducing the administrative burdens on First Nations.

As part of the EIF Budget 2014 and Budget 2016 announcements, ISC was committed to delivering three bundling schools projects (i.e. Manitoba Schools Initiative, Lake Winnipeg Bundle, and Northwestern Ontario Schools Bundle). The composition of the communities in each bundle and their community profiles are in Table 6.2.

Table 6.2: School Bundles Community Profiles

Bundle	Community	Nation	Tribal Council	Zone [37]	Population (2016 vs. 2021)[38]	
Manitoba Schools Initiative	Bunibonibee Cree Nation	Cree	Keewatin Tribal Council	4	3,081	3,279
	God's Lake First Nation	Cree	Keewatin Tribal Council	4	2,744	2,847
	Manto Sipi Cree Nation	Cree	Keewatin Tribal Council	4	937	957
	Wasagamack First Nation	Oji-Cree	Island Lake Tribal Council	4	2,146	2,228
Lake Winnipeg Bundle	Bloodvein First Nation	Saulteaux/ Ojibwa	Southeast Resource Development Council Corp.	2	1,799	1,974
	Little Grand Rapids First Nation	Saulteaux/ Ojibwa	Southeast Resource Development Council Corp.	4	1,654	1,763
	Poplar River First Nation	Ojibwa	Southeast Resource Development Council Corp	4	1,866	2,000
	Pauingassi River First Nation	Saulteaux/ Ojibwa	Southeast Resource Development Council Corp	4	637	666
Northwestern Ontario School Bundle	Shoal Lake No 40	Ojibwa	Bimose Tribal Council	4 (2)	462	513
	Wapekeka First Nation	Ojibwa/ Ontario Saulteaux	Shibogama First Nations Council	4	3,081	3,279

Source: ISC program data and Registered Indian Population by Sex and Residence for 2016 and 2021.

The purpose of the case study was to assess the extent to which the bundling initiative has achieved its intended outcomes; more importantly, the study examined the success factors and lessons-learning from its implementation with the intention to inform similar undertakings in the future. The key findings below are primarily based on document review, interviews and a site visit in the God's Lake First Nation community.

Finding #26: Despite not generating the cost-efficiencies as anticipated, the school bundling approach allowed for greater engagement and decision-making of First Nations communities in the design and build of their schools as compared to the non-bundled approach, which resulted in the integration of more community-focused and culturally relevant design elements into the school projects.

The bundles tendering process did not attract the larger construction companies as intended, instead middle-sized contractors were granted the contract. Reasons include lack of desire and experience of large construction companies in working in remote northern communities. Further, the school bundling tender process had the unexpected impact of eliminating some contractors with remote and regional experience who were too small to bid on a bundle. Both ISC staff and

[37] Zone 1: A geographic zone where the community is located within 50 km of the nearest service centre with year round road access. Zone 2: A geographic zone where the community is located between 50 km and 350 km from the nearest service centre with year-round road access. Zone 3: A geographic zone where is the community located over 350 km from the nearest service centre with year-round road access. Zone 4: A geographic zone where the community has no year-round road access to a service centre, and as a result, experiences a higher cost of transportation.

[38] Indigenous Services Canada: Registered Indian Population by Sex and Residence 2016; Registered Indian Population by Sex and Residence, 2021

communities highlighted this issue and reiterated that it does not promote capacity development of local and/or First Nations owned companies.

In terms of costs, despite challenges in obtaining financial data to compare the costs of school built through the bundling approach and those through the single school process, the evaluation team heard from every First Nations participant and regional staff interviewed that the bundling project was costly to build and the schools ended up costing more than a single school, sometimes significantly higher. Some indicated that the only savings were in design costs, but the amount was minimal in relation to the total project cost. Cost overruns were noted as one of the main reasons for the high project cost – according to the interviewees, there appeared to be many during the construction. For example, significant work needed to be done to correct issues in relation to site selection due to the nature of the terrain as a result of inadequate geotechnical assessments on the outset.

Some suggested investment in more comprehensive despite more expensive geotechnical assessment before construction starts to mitigate the risk of cost overruns. Another factor that contributed to the cost overruns was the inaccurate estimation of project costs. Some noted that the estimation did not sufficiently consider remoteness and inflation. (On a positive note, LWB had more accurate budgeting after learning from the MSI experience.) These unexpected cost overruns posed additional pressure on regional operations and impacted the delivery of their other infrastructure projects. A number of planned infrastructure projects in the Manitoba region had to be delayed so the fund could be re-allocated to the school bundling projects, which prevented other communities from benefiting from the investments.

In terms of project timelines and administrative burdens, the overwhelming opinion from both internal and external respondents was it took longer to build school bundling projects. In the case of MSI, it took about twice the length of a typical build (i.e. six years versus three years). In LWB, it cannot be accurately determined due to the impact of COVID-19. It was also noted that the administrative burden was increased on First Nations' end in comparison to typical school projects. Community representatives for LWB expressed the painstakingly slow process with an excessive number of meetings for decision-making due to long chains of review (i.e. the Lake Winnipeg Bundle consultant proposed 40 meetings but it had in excess of 300 in the end). The consensus building among participating communities, as part of project commitment, appeared to extend the time required as well due to the diversity among the communities.

Despite these challenges, the value and benefits mostly acknowledged by First Nations communities are the ability for the communities to include additions not typically in other schools (i.e. space for elders and cultural teaching features). As well, communities within the same bundle reported being able to learn from one another's decisions and build a sense of broader community, in their own words:

> *"This [Lake Winnipeg Bundle] had much more community involvement (in comparison to a standard school build). Now communities are going to expect this. Communities enjoy this approach – this allows community to voice their needs."*
>
> *"The biggest positive was for the ability for these communities to work together and have input into what kind of school they would have. They feed off of other ideas to get [the] best school within the budget. They were able to advocate for design choices and personal touches."*
>
> Lake Winnipeg Bundle Meeting

Finding #27: The selection of communities in a bundle affected the outcomes of the project – the project with communities belonging to the same tribal council, sharing geographic similarities and located adjacent to each other reported less challenges in its implementation. While the potential benefits of bundling projects were acknowledged by all, it was suggested that certain conditions should be considered in selecting the communities or projects to be bundled in order to maximize the bundling model.

Multiple interviewees underlined that the bundles approach does not offer any intrinsic benefits that would not be achieved in typical school construction, unless the bundled communities were strategically chosen to achieve costs savings. Many of the challenges in implementing arose from the lack of geographic proximity of construction sites, difficulties in transporting materials to communities in different remote areas (some with road access while others are fly-in only), involvement of multiple tribal councils, and the use of separate contractors. Some ISC regions are hesitant in taking a bundled approach due to the vast variety of First Nations communities that are very different from each other and require their own unique design. In the case of the Northwestern Ontario Schools Bundle, fundamental differences in community circumstances and characteristics made it extremely challenging to coordinate and align project activities and schedules within some bundles, where the two communities decided relatively early in the process to pursue their school projects independently, by mutual agreement.

Other interviewees suggested that a bundling approach could be more effective in road-accessible communities where very similar buildings are being constructed. Additionally, working within tribal councils or other organizations with existing community relationships will facilitate consensus building amongst multiple communities. While all respondents agreed on the fundamental principle and abundant benefits of bundling projects, some alternative thinking to approach bundling was proposed. For example, one idea presented was to bundle the design portions of the projects but not construction since the construction process is distinct to each site.

Another idea was to move from bundling schools, to bundling other types of infrastructure projects where less cultural diversity features are required. Furthermore, some suggested to consider bundling construction components from the whole-of-community approach (i.e. to source materials for all the construction projects during the same period in one community, which would generate cost savings in procurement and transportation tremendously).

The newly opened school (September 2022) in the God's Lake First Nation. It brought joy and sense of pride to the community.

7. SUPPORTING SERVICE TRANSFER: FUTURE OF THE PROGRAM

To support the ISC mandate of transferring services to Indigenous peoples, the evaluation examined the progress made in relation to transfer of the EF program, collected challenges and best practices, and identified additional support required by First Nations partners and communities.

Finding #28: As ISC continues its efforts to support service transfer of education facilities, there appears to be limited awareness among First Nation communities of ISC's initiatives to support engagements and institution building in relation to service transfer.

ISC has been supporting First Nations partners since 2017 to develop and deliver infrastructure solutions that suit their needs while recognizing and implementing the inherent right to self-determination. The focus of the work is to create new models for First Nations service delivery. ISC has provided $108.89 million (until 2025-26) under the CFMP authority to support engagements and institution building related to transferring housing and infrastructure services.[39] Up to date, education facilities related transfer initiatives include:

At the national level:

- The First Nations Infrastructure Institute, an Indigenous-led initiative that will support Indigenous communities and organizations to plan, procure, own and manage their infrastructure assets on their lands,[40] is scoping and developing models for policy and training, as well as procurement and project management standards.

At the regional level:

- The First Nations Housing and Infrastructure Council of British Columbia is developing the scope, models, and framework agreements for First Nations housing and community infrastructures;
- Alberta's Technical Services Advisory Group has begun engagements on service model development and has launched a value-for-money study;
- The Blackfoot Confederacy Tribal Council is engaging and consulting on housing and infrastructure service transfer within the Blackfoot Confederacy Nations (Siksika, Pikanii, Blood Tribe);
- The First Nations Capital and Infrastructure Agency of Saskatchewan signed a framework agreement with ISC. The organization is in the interim operations phase prior to transfer and their model covers all community infrastructures;
- The Confederacy of Mainland Mi'kmaq is in the initial scoping and feasibility phase for program management initiatives; and
- The Union of Nova Scotia Mi'kmaq is in the initial engagement, scoping, and model phase for delivering housing and infrastructure services.[41]

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[39] Government of Canada website. Transferring infrastructure service delivery to First Nations webpage. Retrieved from: https://sac-isc.gc.ca/eng/1575318593525/1575318624018.

[40] The First Nations Infrastructure Institute is an Indigenous-led initiative that will support Indigenous communities and organizations to plan, procure, own and manage their infrastructure assets on their lands. The Institute will be fully operational once it has been established through an amendment to the *First Nations Fiscal Management Act*. It is expected that the process will commence in 2022. https://fnii.ca/faq.

[41] Ibid.

Despite these initiatives that have taken place over the past few years, multiple First Nation community and organization representatives indicated that their communities were not aware of any ISC initiatives related to service transfer. Among those acknowledging awareness of service transfer activities, many indicated that they had not received any formal communication from ISC nor had ISC engaged with their community about service transfer. One respondent recalls an AFN information session in which service transfer was discussed but no timeframes were given.

When asked about their satisfaction level regarding ISC's efforts to transfer the EF program, more survey respondents (36%) held a neutral opinion compared to those who indicated they were satisfied (34%) or dissatisfied (18%). Reasons for satisfaction with efforts to transfer delivery of the EF program to First Nation communities included: the ability for First Nations self-determination and self-control of their education, and having more graduate degree educated members moving back to the community. Reasons for dissatisfaction included: the need for increased capacity among First Nation communities to take control of the program, and the need for ISC to address overarching issues created due to lack of funding and supports before handing the program off to communities.

Specifically for education facilities, there are three types of potential service transfer options being explored or implemented by ISC:

1. Full Service Transfer via the CIB Service Transfer Group;
2. REAs including borrowed authorities to build capital;
3. Sectoral Self Governance.

Currently, the CIB Service Transfer Group is working on twelve community infrastructure related projects which will transfer services (as opposed to programs) so First Nations partners can decide how they structure the programs that deliver their services.

Regional Education Agreements

The REAs provide First Nations with the ability to include capital and education infrastructure processes into new or existing education agreements, which would formalize how First Nations receive and distribute education capital and allow them to address their diverse capital needs more effectively. The REAs are seen as an alternative model for EF program reform and service transfer.

First Nation communities that had formed partnerships and REAs with municipalities, provinces, and other First Nations indicated finding program efficiencies while ensuring consistent funding. For example, one First Nation respondent indicated that their agreement has allowed them to control their funding to empower better decisions about their school facilities O&M. Finding ways to better coordinate and stack funding from various programs would also reduce costs associated with project delays stemming from issues with the flow and timing of funding.

In relation to implementing via the REAs, one concern raised by some ISC staff is managing infrastructure funds under different authorities other than the CFMP and the challenge in having a complete picture of investments form the asset management perspective. While this may require additional efforts in collaboration among different groups within ISC, from the AFN's perspectives, the REAs provide an alternative to help address long-lasting inefficiencies under the CFMP structure and that they help implement the communities' vision of education.

Finding #29: While First Nations communities are at different stages in service transfer, the vast majority are not in a position to assume control of their EF program; although many have begun to take steps to prepare for service transfer, they indicated the importance of meeting the right conditions before taking control.

The extent to which First Nation communities have the capacity to operate an education facilities infrastructure program varies. Some respondents indicated that they look to their tribal council for advice and support, while other First Nations pointed to having five-year REAs and/or an educational authority as best practices to managing education facilities portfolios and to ensure stable funding.

According to ISC staff, regional variances also exist, and while some regions are well-positioned for service transfer, other regions are not. It was suggested that service transfer will need to be customized and cannot be rushed. Other government respondents indicated that some regions are focused on creating the right conditions (i.e. sufficient long-term funding in place) before taking over the EF program.

According to the respondents, the right conditions include: 1) having the capacity to manage education facilities portfolio, 2) having reliable and sustainable funding, and 3) addressing the existing education facilities conditions. While many First Nation respondents were supportive of having control of their education facilities portfolio, they were adamant that they were not interested in taking ownership of the program as is. They stress that the government should provide sufficient funding to address education infrastructure gaps prior to transferring the program to communities.

First Nation respondents overwhelmingly agreed that funding for capacity development was needed to better position First Nations for service transfer. Specifically, these respondents called for more support for asset management, long-term planning, and project management to better deliver and manage community assets and infrastructure. The majority of First Nation respondents indicated that the greatest challenge they faced with respect to service transfer was having the human resources to deliver the EF program. They noted that to build their internal capacity they need qualified staff to administer the program and develop internal processes and policies. Some First Nation respondents argued that by having qualified internal staff, they would rely less on consultants.

A few First Nation respondents indicated that their communities want to move from just meeting basic needs through a reactionary approach, to being able to sustain themselves and prosper; however, they called for a stable source of funding to develop this capacity.

> *"Capacity funding is the link in the chain that prevents more progress for communities."*
>
> External Interviewee

Some respondents (government, First Nation communities and organizations) indicated that communities needed to develop their capacity to better manage and implement projects before they can consider service transfer. Many First Nations rely on outside consultants for project management; however, one respondent noted that if the community does not provide oversight, projects can incur costs overages, delayed timelines, or not meet the needs of the community. Other First Nation respondents noted that having in-house project managers increased communities' capacity and readiness for service transfer.

The training and capacity building for community leaders were also raised by some respondents, given the importance of community leadership in the process of service transfer. The appropriate training could support the leaders in managing their community infrastructure portfolio and applying better building practices, as well as financial and human resources more effectively. The focus group participants noted that the First Nation governance cycle was too short to effectively help the community – a four-year cycle similar to that of non-Indigenous governments would be more effective for their council as opposed to the current two-year cycle. Another example is the use of educational authorities that employ professionals to manage the school facilities and keep band counsels at arm's length with respect to control of the flow of funds. While chief and counsel were still involved in decision making, the management of the program and day to day operations are the responsibility of the education authority.

Despite not being in a position to completely take control of their housing program, many First Nation interviewees indicated that they had taken steps to increase their capacity to manage their school facilities, including training to build O&M skills through programs such as the Circuit Rider Training Initiative.[42] Additional supports communities identified for them to fully deliver and manage the EF program included:

- Increased funding for an education facilities manager, grounds keepers and other school facility staff;
- Capacity to develop long-term planning;
- Funding to address education facility gaps for early ages;
- The need for a process map for requesting new facilities and facility upgrades; and
- Sufficient and sustainable funding to Indigenous people to deliver and manage the EF program.

Although focus group participants could not comment on the extent to which their community was prepared to assume control of the EF program, one participant noted that they would like to have more autonomy with respect to applying for funding to enhance their school facility. For example, they had sourced some gently used portables at a good price but could not act quickly enough to secure them as the purchase needed chief and council approval, which was slow to respond to their request.

Finding #30: Some best practices were observed or suggested to support service transfer.

When asked to describe best practices to facilitate service transfer, some First Nation respondents stressed the importance of having qualified staff to manage infrastructure, support of the chief and council, and establish a long-term plan to develop and maintain their infrastructure assets. First Nation respondents indicated the need for long-term capital planning with a 50-year horizon. Respondents expressed that planning should be the responsibility of the community, in order to dictate their infrastructure priorities and develop self-reliance. Long-term planning requires funding to support strong leadership and develop qualified staff within the First Nation.

[42] See Indigenous Services Canada's website: www.sac-isc.gc.ca/eng/1313424571273/1533818103401

Other ISC respondents indicated that services related to major infrastructure requires the participation of many partners and ISC should promote more networking opportunities to encourage First Nations to develop partnerships that could fund or provide support for their infrastructure projects. As well, other ISC respondents cited the need for clearer messaging by ISC leadership to First Nations as a means to moving forward with service transfer.

8. CROSSCUTTING FINDINGS ACROSS THREE EVALUATIONS: INFRASTRUCTURE PROGRAMS AS A WHOLE

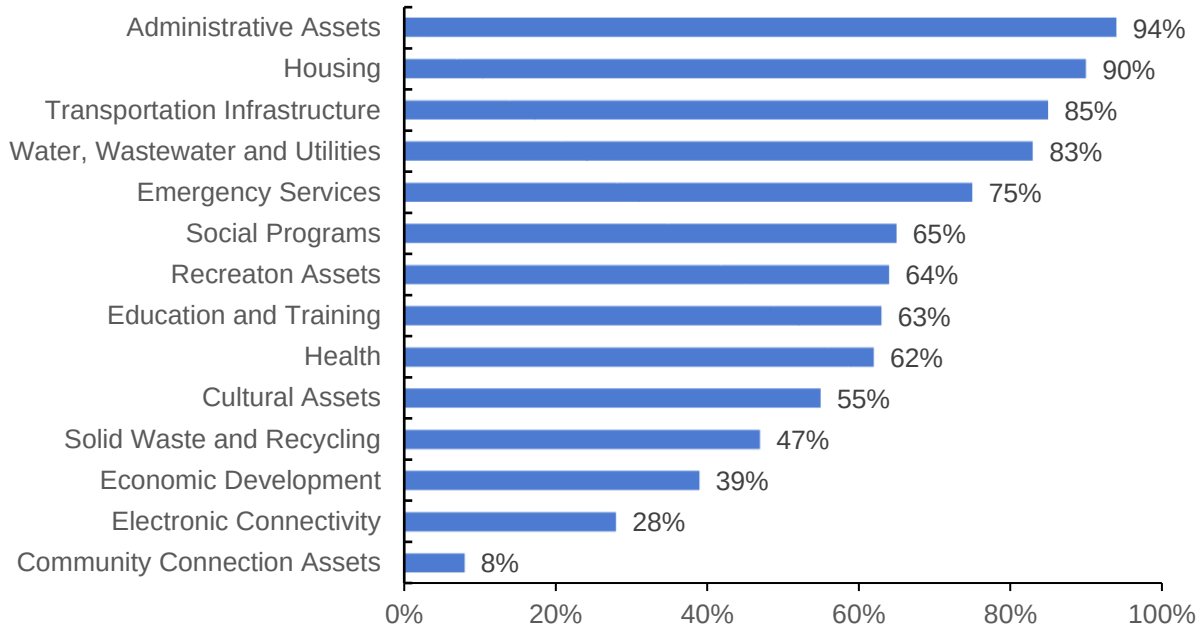
The evaluation of the EF program was conducted simultaneously with the evaluations of the On-Reserve Housing program and the Other Community Infrastructure and Activities program. While each evaluation resulted in findings specific to its program, the findings across the three evaluations illustrate the similarities of the challenges being faced by programs and First Nations communities and the interlinkages among the programs that are integral to taken into consideration as a whole in closing the infrastructure gaps.

Crosscutting Finding #1: In terms of needs and challenges, the infrastructure programs are facing similar challenges in meeting the needs of First Nations communities and addressing the infrastructure needs on-reserve across infrastructure categories (i.e. housing, education facilities and other community infrastructure).

While all three programs are dealing with emerging and additional challenges in meeting communities' needs as a result of COVID-19 and climate change, as well as population growth on-reserve and the growing needs of diverse segments of the communities, a few sustaining key challenges were experienced across the three programs in relation to funding, capacity development, data systems, and ISC staff turnover.

According to an exercise undertaken by ISC's regional offices throughout 2022 to work with First Nations leadership across the country to identify their community-specific infrastructure needs that would contribute to closing the infrastructure gap in their communities and help improve the overall health and wellbeing of community members, Housing, Transportation Infrastructure (such as roads/bridges), Emergency Services (including fire protection), Recreation Assets, Education and Training are all among the top needs identified (Figure 8.1).

Figure 8.1: Community Demand by Infrastructure Category



Source: First Nations input provided to ISC in 2022

Despite experiencing similar challenges, regional variances exist in implementing the three programs. Some regions consistently received the least funding across the infrastructure categories. Financial data show that over the five-year evaluated period from 2016-17 to 2020-21, the Atlantic region received the least for all three programs (due to smaller population base and existing self-governing agreements that fund infrastructure), as compared to Ontario and Manitoba, which topped the expenditures.

Table 8.2: Program Expenditures Across Regions from 2016-17 to 2020-21 (in $)

Region	ORH	EF	OCI
ATL[43]	51,140,036.85	62,533,810.77	164,595,158.72
QC	143,678,612.00	96,690,238.00	211,519,812.00
ON	394,999,647.13	414,519,648.01	671,638,317.40
MA	445,647,541.68	546,662,956.93	518,075,220.30
SA	247,939,882.25	279,458,695.83	247,280,192.18
AB	243,188,661.16	359,727,203.30	351,751,211.81
BC	217,398,242.58	102,189,604.00	423,727,692.69
HQ	13,165,947.02	15,864,489.94	27,712,026.13
Total	**1,757,158,570.67**	**1,877,646,646.78**	**2,616,299,631.23**

Source: ISC HR reporting

Crosscutting Finding #2: In terms of implementation, the infrastructure programs have been delivered in silo and the interlinkages among the programs are not sufficiently considered and integrated in the planning and approval of the infrastructure projects through the FNIIP process across the various sub-asset categories. This resulted in loss of efficiencies and missed opportunities to better meet communities' needs and achieve better health and safety.

Currently, the planning and approval of infrastructure projects through the FNIIP process is per each sub-asset and do not take into consideration investments in other sub-assess under the CFMP. This has resulted in instances where housing or education facilities were built without proper enabling features funded under the Other Community Infrastructure and Activities program (i.e. connecting roads, sidewalks, electricity, fire safety features), in which case the housing or education facilities could not be used immediately in a safe and effective manner. The administrative burdens are on First Nations to request for funding for projects under various sub-assets which were not guaranteed to be approved at the same time.

In addition to infrastructure-related outcomes, community infrastructure also has cross-over impacts on health and social outcomes, as well as general community well-being. The current programs do not prioritize public health to preventatively address health and safety concerns. In integrating public health into community infrastructure planning, it would make the program and overall health spending more efficient. For example, funding environmental public health officers through the infrastructure program would realize better health and safety outcomes. Further, co-developing more appropriate health indicators with First Nations could better support infrastructure planning and project ranking.

Crosscutting Finding #3: In terms of achieving results, the infrastructure programs have not fully achieved their expected outcomes of providing reliable and sustainable

[43] Atlantic receives less EF funding as all the NB First Nations are in self-governing and funded with CIRNAC.

infrastructure to First Nations on-reserve due to a lack of long-term asset management planning using a lifecycle asset approach.

As specified in the 2016 CFMP Program Manual, life cycle analysis is required in the feasibility study for each proposed option to reflect the total costs in relation to the management of an asset, including construction, operation, maintenance, major maintenance and disposal. However, currently, the operation and maintenance activities and costs are not funded when a new asset is to be built. Also, as all three programs are using a project-based approach, for minor capital projects, First Nations need to seek approval for the maintenance and repair work associated with the asset separately through the FNIIP process after the construction is completed. For O&M activities, as it is formula-based and that the formula has been dated, the funds may not reflect the actual needs of the work. Due to a lack of funding for operation and maintenance, as well as the backlog of repairs, this resulted in some assets not getting the necessary maintenance and repair in a timely manner, which resulted in their early deterioration.

Asset management is crucial in assessing the condition of infrastructure assets, estimating costs for repairs and upgrades, and accommodating community growth to facilitate planning to extend the lifespan and value of infrastructure. Having a fully developed asset management plan would allow First Nations communities to outline what is needed to manage the asset, including the required funds for human resources to operate and maintain community assets, and the adequate support to protect investments and uphold the health and safety of community assets.

Crosscutting Finding #4: In terms of measuring results, the infrastructure programs have been reporting data at the output level. The success of infrastructure investments should also be assessed from the socioeconomic and wellbeing lens to better assess the progress in closing the infrastructure gaps.

The infrastructure programs currently report on results using data such as number of projects and amount of funds spent. While these data are useful in demonstrating the scale of investments and implementation efforts, they are not fully corresponding to what communities and partners view as the most appropriate way of measuring success in relation to community infrastructure outcomes and closing the infrastructure gaps on-reserve. Moreover, by reporting results at the output level does not demonstrate to what extent the program has achieved its outcome by providing reliable and sustainable community infrastructure to First Nations communities, given the lack of repair and maintenance.

Canada's first Federal Housing Advocate, Marie-Josée Houle, suggested during the 2022 First Nations Housing Forum to go beyond the numbers of units built and apply a human rights centered approach, which values participation, non-discrimination, equity, transparency, empowerment and respect for human rights and obligations. Similarly, the Institute of Fiscal Studies and Democracy (IFSD) has proposed implementing a wellbeing centered housing and infrastructure performance measurement framework by assessing service level performance. According to the IFSD, applying the well-being lens to infrastructure helps transform the First Nations infrastructure investment narrative from focusing on fixing legacy issues to a holistic system-wide approach on-reserve.

Crosscutting Finding #5: In terms of service transfer, the infrastructure programs are exploring options in reforming their ways of delivering the services and programs to First Nations as part of Canada's commitment to closing the infrastructure gap by 2030, which will support service transfer.

To meet the Government's commitment to close the infrastructure gap facing Indigenous communities by 2030, significant changes are required to provide First Nations communities with tools to advance community priorities and allocate funding accordingly. The AFN proposed a number of resolutions during their 2021 and 2022 Annual General Assemblies related to infrastructure and urged the federal government to commit to sustained long-term funding over the next five to fifteen years. One resolution[44] 18/2022 re-affirmed the need for long-term predictable funding and for the government to "transition the insufficient housing and infrastructure investment commitment timeframes of 5 to 10 years to long-term commitments of 25 to 30 years or more to provide on-going, predictable, and sustainable funding."

Recognizing the barriers existing within its infrastructure programs, in particular the asset-by-asset approach through targeted investments and siloed programming, ISC has been working with First Nations to create the conditions needed to facilitate long term funding and First Nation self-determined infrastructure service delivery. Starting in spring 2023, ISC will engage with First Nations on ways to improve how infrastructure programs are delivered on-reserve. This builds off of the work that the Department started in 2022, when ISC engaged with First Nations to identify infrastructure gaps.

The progress made following the reform of infrastructure programs will support the transfer of infrastructure services and programs. Building on the service transfer initiative already in place, ISC is partnering with First Nations organizations to advance First Nations self-determination in housing and community infrastructure. With funding from ISC, First Nations organizations will determine new models of service delivery, including infrastructure services, that meet their own diverse needs, priorities and approaches.

[44] AFN Resolution no. 18/2022

9. CONCLUSIONS AND RECOMMENDATIONS

Although significant investments have been made by the EF program to address education infrastructure gaps on reserve, the program did not fully address the education facilities needs in First Nation communities. Such needs include the evolving demand to provide First Nations children with comparable educational programs offered to non-indigenous children along with Indigenous cultural and language programs. For communities that rely on teacherages, the lack of or condition of teacherages impacts communities' ability to deliver education programming. The impacts of climate change, COVID-19 and the growing needs of diverse segments of the communities, including supporting children with special needs, have also placed additional pressure on education infrastructure requirements. Moreover, a few sustaining key challenges were experienced by First Nations communities in relation to funding, capacity development, data systems, and ISC staff turnover.

In relation to program effectiveness and efficiency, areas of improvement exist in the design and delivery of the EF program to better support the achievement of the expected outcomes (i.e. to provide reliable and sustainable infrastructure to First Nations). Many education facilities may not meet health and safety standards as a result of overcrowding, poor construction and maintenance gaps. The asset-focused and project-based approach funded through time-limited sources resulted in inefficiencies in maximizing ISC's investments and missed opportunities to better serve the First Nations communities. The current planning and prioritization process for education facilities through the FNIIP constrained within individual CFMP asset area and prioritization criteria poses systemic challenges and does not effectively support First Nations to address their needs from a community-based perspective. Moreover, to better achieve the intended CFMP outcomes, emerging factors such as climate change and accessibility need to be considered in program delivery.

Finally, as ISC continues to explore alternate funding models and options for service transfer (such as REAs) to provide longer-term funding and help build capacity among participating First Nations and move them closer to assuming control of their education facilities, it is important to invest in capacity development and raise more awareness about service transfer and its initiatives among First Nation communities to serve that purpose.

Based on the evaluation's findings, it is recommended that ISC:

1. Better support community-led infrastructure planning and prioritization to meet First Nations' needs:

    1.1. Review and adapt community infrastructure planning processes to better support First Nations in having reliable, sustainable, and community-led infrastructure;

    1.2. Explore opportunities to better align program design and implementation with the evolving priorities identified in this evaluation by First Nations to address the unique needs in their communities, such as embedding health outcomes, climate change, and accessibility;

2. Prioritize or allocate dedicated funding or efforts to areas identified as top needs or gaps by the communities:

2.1. Conduct an analysis to identify the gaps for communities that are smaller, more remote and with lesser resources in accessing funds;

2.2. For communities that rely on teacherages, provide dedicated funding for teacherages, for existing schools where teacherages are not sufficient or when building new schools and major renovations;

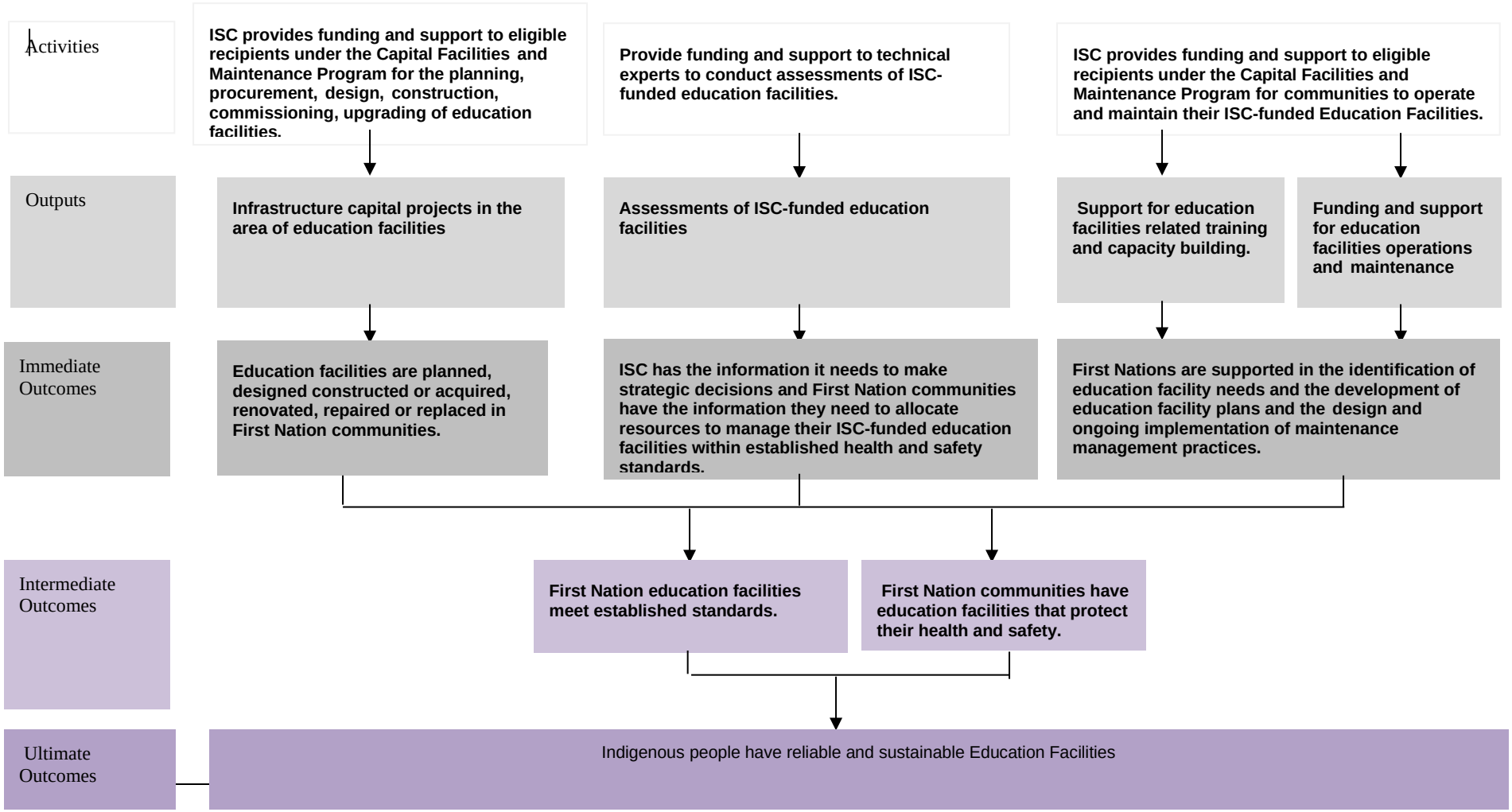
2.3. Further assist and support communities with their capacity development activities to support the operation and maintenance of education facilities and service transfer;

3. Improve data quality in departmental systems, including to establish clear definitions of the fields and categories used in the ICMS Project Tracking Module to help ensure data entry is consistent to improve data quality;

4. Implement strategies to mitigate impacts of staff turnover to better support collaboration with First Nations.

APPENDIX A: Program Logic Model

Education Facilities Program Logic Model[45]



[45] Source: Program Information Profile Approved in 2018