

The purpose of this Management Brief is to provide the highlights within the Government of Canada’s Federal Budget released on March 22, 2016 as it relates to Aboriginal People.

This Budget is based on the key priorities of Help for the Middle Class; Growing the Middle Class; A Better future for Indigenous peoples; a Clean Growth Economy; and an Inclusive and Fair Canada. The Government is providing key investments to stimulate the economy. In particular, these investments are within areas such as infrastructure; clean energy; social infrastructure (affordable housing, early learning and child care) and Aboriginal peoples. At a time of low interest rates, the Government believes that a time to invest is now.

While the focus of this Management Brief is on how the Canadian Federal Budget relates to Aboriginal peoples, it is important to consider how the programming for all Canadians also apply to Aboriginal Canadians. As an example, how can an Aboriginal community also benefit from the Canada Child Benefit program. The Canada Child Benefit will provide a maximum annual benefit of up to \$6,400 per child under the age of 6 and up to \$5,400 per child for those aged 6 through 17. Families with less than \$30,000 in net income will receive the maximum benefit. The Canada Child Benefit will be paid monthly to eligible families, beginning in July 2016, replacing the Canada Child Tax Benefit and the Universal Child Care Benefit.

As the Federal Budget relates to Indigenous people, there is a specific chapter 3 within the 2016 Budget that specifically mentions the following:

*A better future for Indigenous peoples—It is time for a renewed relationship between Canada and indigenous peoples, one based on trust, respect and a true spirit of cooperation. The investments in education, infrastructure, training and other programs contained in Budget 2016 will help to secure a better quality of life for Indigenous peoples—and build a stronger, more unified and more prosperous Canada.*

The 2016 Budget proposes to invest \$8.4B over 5 years beginning in 2016-2017 fiscal year to improve the socioeconomic conditions of Indigenous peoples and their communities and bring about transformational change. The proposed investments in education, infrastructure, training and other programs will directly contribute to a better quality of life for Indigenous peoples and a stronger, more unified, and prosperous Canada. This can be viewed as follows:

<i>(in millions)</i>	2016/17	2017/18	2018/19	2019/20	2020/21	Total
<b>Rebuilding the Relationship</b>	36	40	20	20	20	136
<b>Education, Children and Training</b>	460	774	806	993	1187	4220
<b>Social Infrastructure</b>	503	607	53	36	20	1219
<b>Green Infrastructure</b>	311	418	498	504	511	2242
<b>Other Initiatives</b>	218	202	44	46	47	557
<b>Total</b>	1528	2041	1421	1599	1785	8374

The Government of Canada has outlined its investments over the next two fiscal years at approximately \$3.569B. Of this there was \$446M already existing in the fiscal framework. Therefore, the new funds are at \$3.123B.

In terms of ***Rebuilding the Relationship***, the two specific initiatives under this heading is the National Inquiry for the Missing and Murdered Indigenous Women and Girls. The other initiative is to support the capacity of the Aboriginal Representative Organizations to engage with Government. Budget 2016 proposes to provide \$96 million over five years and \$10 million ongoing. The proposed investment will help to ensure that the government can move forward in the true spirit of cooperation. The funding over two years is as follows:

<b>Two year Specifics (in millions)</b>	<b>2016/17</b>	<b>2017/18</b>
<i>National Inquiry MMIW</i>	20	20
<i>Engaging with Indigenous People</i>	16	20
<b>Rebuilding Relationship</b>	36	40

In terms of ***Education, Children and training***, specific funds have been allocated for improving the educational outcomes of First Nations children living on reserve. Budget 2016 proposes to make substantial investments in primary and secondary education on reserve, totaling \$2.6 billion over five years starting in 2016–17, including the remaining funding previously announced in Budget 2014 for this purpose. This includes funding to address immediate needs and to keep pace with cost growth over the medium term. Budget 2016 also proposes to invest in language and cultural programming. This programming recognizes the unique circumstances and needs of First Nations children and will enrich the classroom experience. Budget 2016 also proposes investments in literacy and numeracy programs and special needs education, which will contribute to improved education outcomes.

There is a significant need to repair and construct schools on reserve and ensure that they are adequately maintained. Budget 2016 proposes to invest \$969.4 million over five years, starting in 2016–17, in First Nations education infrastructure on reserve.

To support both the immediate needs of First Nations children and to begin a process of reform to strengthen the First Nations Child and Family Services program, Budget 2016 proposes to invest \$634.8 million over five years, beginning in 2016–17.

Budget 2016 proposes to invest \$15 million over two years, beginning in 2016–17, to launch a pilot project to enhance training that aligns with community needs. The proposed investments in Budget 2016 are the first phase of a renewed and expanded Aboriginal Skills and Employment Training Strategy.

<b>Two year Specifics (in millions)</b>	<b>2016/17</b>	<b>2017/18</b>
<i>Improving primary and secondary education for FN Children</i>	288	383
<i>Fostering better learning environments by investing in FN schools</i>	97	283
<i>Ensuring the safety and wellbeing of FN children</i>	71	99
<i>Aboriginal Skills and Employment training strategy</i>	5	10
<b>Education, Children and Training</b>	<b>461</b>	<b>775</b>

Turning to ***Social Infrastructure***, to address urgent housing needs on reserve, Budget 2016 proposes to provide \$554.3 million over two years beginning in 2016–17. Of this amount, \$416.6 million over two years would be provided to Indigenous and Northern Affairs Canada to address immediate housing needs on reserve. An additional \$137.7 million over two years would be provided to Canada Mortgage and Housing Corporation, most of which would support the renovation and retrofit of existing housing on reserve.

The need for affordable housing is also particularly high in the North and Inuit communities. To address urgent housing needs in these regions, Budget 2016 proposes to provide up to \$177.7 million over two years, starting in 2016–17, to provinces and territories through the Investment in Affordable Housing initiative.

To support the renovation and construction of new shelters for victims of family violence in First Nations communities, Budget 2016 proposes to provide \$10.4 million over three years, starting in 2016–17.

Budget 2016 also proposes up to \$33.6 million over five years, beginning in 2016–17, and up to \$8.3 million ongoing, in additional funding to better support shelters serving victims of family violence living in First Nations communities

Budget 2016 proposes to undertake urgent repairs and renovations of the facilities used by the Aboriginal Head Start On Reserve Program and the First Nations and Inuit Child Care Initiative through a proposed investment of \$29.4 million in 2016–17. In addition, Budget 2016 proposes to provide \$100 million in 2017–18 towards Early Learning and Child Care on reserve.

In First Nations communities, cultural and recreational infrastructure can provide an important focal point for community activities. To support the construction of cultural and recreational infrastructure on reserve, Budget 2016 proposes to provide \$76.9 million over two years, beginning in 2016–17.

To address critically needed health infrastructure for First Nations communities, Budget 2016 proposes to invest \$270 million over five years. This funding will support the construction, renovation and repair of nursing stations, residences for health care workers, and health offices that provide health information on reserve.

<b>Two year Specifics (in millions)</b>	<b>2016/17</b>	<b>2017/18</b>
<i>Improving housing in FN Communities</i>	277	277
<i>Supporting Northern and Inuit Housing</i>	76	102
<i>Providing safe shelter for victims of violence - renovation &amp; new construction</i>	4	4
<i>Support early learning and child care</i>	29	100
<i>Investing in Cultural and Recreational infrastructure</i>	35	42
<i>Improving community health care facilities on reserve</i>	82	82
<b>Social Infrastructure</b>	<b>503</b>	<b>607</b>

Turning to **Green Infrastructure**, ensuring that water is safe for consumption requires that it be regularly tested and monitored by trained water system operators and licensed laboratories. To improve the monitoring and testing of on reserve community drinking water, Budget 2016 proposes to invest \$141.7 million over five years, starting in 2016–17.

Budget 2016 proposes to address health and safety needs, ensure proper facility operation and maintenance, and end long term boil water advisories on reserves within five years by investing an additional \$1.8 billion over five years, starting in 2016–17.

Budget 2016 proposes to support efforts to improve how garbage and waste is managed on reserve through a proposed investment of \$409 million over five years, starting in 2016–17. The proposed funding will help First Nations located near municipalities to divert waste from reserve lands to municipal facilities and reduce the amount of garbage going to landfills through recycling and composting programs.

To complement the social and green investments being proposed on reserve, Budget 2016 also proposes to provide an additional \$255 million over two years starting in 2016–17 to the First Nations Infrastructure Fund to support investments in a range of complementary infrastructure such as roads and bridges, energy systems, broadband connectivity, physical infrastructure to mitigate the effects of natural disasters and fire protection services. These investments will help communities as they develop and grow.

<b>Two year Specifics (in millions)</b>	<b>2016/17</b>	<b>2017/18</b>
<i>Strengthening On reserve water and wastewater infrastructure</i>	296	322
<i>Addressing waste management for First Nation Communities</i>	15	96
<b>Green Infrastructure</b>	<b>311</b>	<b>418</b>

Turning to **other initiatives**, to complement the social and green investments being proposed on reserve, Budget 2016 also proposes to provide an additional \$255 million over two years starting in 2016–17 to the First Nations Infrastructure

Fund to support investments in a range of complementary infrastructure such as roads and bridges, energy systems, broadband connectivity, physical infrastructure to mitigate the effects of natural disasters and fire protection services. These investments will help communities as they develop and grow.

Budget 2016 proposes to provide \$25 million over five years, beginning in 2016–17, to support economic development for the Métis Nation.

The \$51-million-per-year Urban Aboriginal Strategy seeks to connect Indigenous peoples in urban centres to services and programs that are tailored for their particular needs. However, \$23.7 million of the program's funding is set to expire at the end of the 2015–16 fiscal year. Budget 2016 proposes to renew this funding for 2016–17.

Indigenous peoples are overrepresented in the justice system and face challenges that can impact their access to fair judicial proceedings. Budget 2016 proposes to provide an additional \$4 million per year for the Aboriginal Courtwork Program.

The Aboriginal Languages Initiative invests \$5 million per year to promote, preserve, and enhance Indigenous languages. Budget 2016 proposes to extend funding for the initiative to 2016–17. The Government will work with Indigenous groups to consider how to best support Indigenous language and culture beyond 2016–17.

The First Nations Finance Authority allows qualifying First Nations to work collectively to issue bonds and raise long-term private capital for infrastructure and economic development projects in their communities. Budget 2016 proposes to provide \$20 million over two years, beginning in 2016–17, to strengthen the Authority's capital base. This will help the Authority continue to secure the best possible credit rating for the benefit of its borrowing members, allowing participating First Nations to continue to access long-term financing at preferred rates.

Budget 2016 proposes to provide \$33.1 million in 2016–17 to Fisheries and Oceans Canada to extend the Atlantic and Pacific Integrated Commercial Fisheries Initiatives. These measures will ensure that First Nations can access commercial fisheries and build sustainable commercial fishing enterprises.

<b>Two year Specifics (in millions)</b>	<b>2016/17</b>	<b>2017/18</b>
<i>Providing safe shelter for victims of violence shelter operations</i>	5	5
<i>Monitoring of water on reserve</i>	27	27
<i>Investing in community infrastructure</i>	105	150
<i>Metis Nation Economic Development Strategy</i>	5	5
<i>Renewing Urban Aboriginal Strategy</i>	24	
<i>Assisting Indigenous Peoples facing the criminal Justice system</i>	4	4
<i>Aboriginal Languages Initiative</i>	5	
<i>Support for First Nations Finance Authority</i>	10	10
<i>Supporting First Nations Fishing Enterprises</i>	33	
<b>Other Initiatives</b>	<b>218</b>	<b>201</b>

## The 2 percent cap

The Government has committed to lift the 2-per-cent funding cap for First Nations programs and work to establish a new fiscal relationship that gives First Nations communities sufficient, predictable and sustained funding. The 2-per-cent funding cap on programs delivered by Indigenous and Northern Affairs Canada was put in place in the late 1990s at a time of significant fiscal restraint and was intended to provide sustainable growth in program funding to support Indigenous peoples.

Budget 2016 proposes an unprecedented investment in programs for Indigenous peoples, including in primary and secondary education, child and family services, and on reserve infrastructure. By 2020–21, total funding for Indigenous programs will be 22 per cent above the level of funding that would have been provided under the previous 2-per-cent funding cap. The proposed investments are expected to meet program funding requirements over the next five years. To determine a new long-term fiscal relationship, the Government will engage in consultations with First Nations over the coming year.

**Other programming of interest**, under the renewed youth employment strategy, the new funding (165M) will be used to: create new green jobs for youth; increase the number of youth who access the Skills Link program which helps young Canadians – including indigenous and disabled youth – make a more successful transition to the workforce; and increase the job opportunities for young Canadians in the heritage sector under the Young Canada Works Program.

This is in addition to the \$339M already announced for the Canada Summer Jobs program to be delivered over three years starting 2016-2017.