

**Briefing Note**  
**FNESC Post-Secondary Sub-Committee (PSSC)**  
**Regarding a New Report:**  
***The Post-Secondary Student Support Program:***  
***An Examination of Alternative Delivery Mechanisms***

**Purpose:**

To provide an overview of a new study commissioned by Indian and Northern Affairs Canada (INAC) regarding the Post-Secondary Student Support Program (PSSP), with the intent for FNESC to draft a comprehensive position paper for B.C.

**Background:**

FNESC was recently alerted to the existence of a new report on post-secondary education (PSE) that INAC has not yet publicly released. The report examines a number of alternative delivery mechanisms for PSSSP funding.

That report, *The Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms*, was prepared by the Educational Policy Institute. To the knowledge of FNESC, no First Nations representatives were involved or consulted in the development of the report.

A short summary of the report is attached to this note. Overall, the paper highlights the need for PSE support, barriers to First Nations student access and success, as well as limitations of the PSSSP program.

The report also examines five possible administrative arrangements for the future of the PSSSP.

- 1) Status Quo. Continued administration by individual First Nations with some modifications to address concerns raised by various audits and reports.
- 2) Administration by Regional First Nations' Education Organizations. Under this option, PSSSP monies would be administered by a First Nations education organization that is above the level of the individual First Nation, such as a Treaty organization or a provincial organization.
- 3) Administration by a pan-Canadian First Nations Foundation, such as the National Aboriginal Achievement Foundation or a newly-created entity created specifically for the purpose of managing the PSSSP.
- 4) Direct Administration by Indian and Northern Affairs Canada.
- 5) Direct Administration by Human Resources and Skills Development Canada.

The PSSSP report does not recommend any one of the options identified above, but it does offer an analysis of each (see summary attached).

FNESC, the Assembly of First Nations, and First Nations across the country have consistently and adamantly asserted the need for the full inclusion of First Nations in decision-making regarding First Nations PSE and the PSSSP program specifically. First Nations have firmly rejected a consideration of alternative delivery mechanisms without thorough and comprehensive discussions with First Nations.

INAC's unilateral decision to commission the new report on alternative delivery mechanisms does not recognize First Nations' rights and responsibilities for post-secondary education.

FNESC continues to demand that INAC consider this issue through a process of respectful collaboration with First Nations.

## **Summary of the *Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms***

The report *Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms* (hereafter referred to as “the report”), begins by documenting the serious gap in post-secondary access and success for First Nations students, as well as their numerous barriers to post-secondary education – both financial and non-financial. The report concludes that, while costs represent an important barrier to post-secondary education for many First Nations people, it is certainly not the only barrier or even necessarily the most important one. It is, however, the only barrier that is being specifically addressed through a national program to assist First Nations students.

The report then explores the PSSP program specifically. It notes that while PSSSP funding is available across the country, this does not mean that there is a national funding formula. Instead, the different regional offices of INAC use different formulae to distribute the money.

The report also asserts that barriers to PSE access for First Nations are multi-faceted. Because PSSSP is simply a financial aid program and does not touch any of the other barriers that exist, it should not be thought of as a cure-all for access problems; even with double or triple the current funding, the program might not necessarily raise the participation rate significantly because of the existence of other, possibly more serious barriers to attendance. Nevertheless, the report recognizes that it is important that the PSSSP function in a way that allows it to achieve the maximum impact with the tools available to it (namely, non-repayable financial assistance).

According to the report, there are, broadly speaking, three sets of problems that are regularly identified with the current PSSSP system.

The first set of problems is related to weaknesses in program oversight and accountability. Regular audits of the PSSSP have consistently found a number of problems surrounding the delivery of the program. Reports have repeatedly noted that there is a lack of structure within INAC to deal with this program. In addition, numerous reports have repeatedly noted that lack of a strong accountability structure, in terms of setting realistic performance measurement standards for the program as a whole, and in terms of Bands providing details of expenditures to INAC.

Many First Nations are quite small, yet they are expected to be able to run dozens of programs, some of which are quite complicated and which collectively have program and policy manuals that run to the thousands of pages. These programs are accompanied by accountability regimes, which mean that not only does each Band need to run a large number of programs, but they need to fill in quite daunting amounts of paperwork for each one as well.

The second problem has to do with stagnating resources per eligible recipients. As has frequently been noted by First Nations themselves, the amount of money available under the PSSSP has stayed roughly constant, in real dollars, over the past fifteen years. However, at the same time, the change in Aboriginal demographics means that more First Nations youth are becoming qualified to attend PSE. Educational costs have also tended to rise by more than inflation. With money roughly steady in real terms, this increase in demand and increased costs must mean either that average aid is being reduced in some manner, or that the number of people being assisted is being reduced, or some combination of the two. In short, rationing is required.

The third problem has to do with fairness in administration and, in particular, how issues of rationing are dealt with in the absence of clear policy direction from INAC.

Given that context, the new report examines five possible administrative arrangements for the future of the PSSSP.

- 1) Status Quo. Continued administration by individual First Nations with some modifications to address concerns raised by various audits and reports.
- 2) Administration by Regional First Nations Education Organizations. Under this option, PSSSP monies would be administered by a First Nations education organization that is above the level of the individual First Nation, such as a Treaty organization or a provincial organization.
- 3) Administration by a pan-Canadian First Nations Foundation, such as the National Aboriginal Achievement Foundation or a newly-created entity created specifically for the purpose of managing the PSSSP.
- 4) Direct Administration by Indian and Northern Affairs Canada.
- 5) Direct Administration by Human Resources and Skills Development Canada.

**The report does not recommend any one of the options identified above, but it does offer the following analysis of each.**

***Option 1: Continued administration by individual First Nations, with some modifications to address concerns raised by various audits and reports.***

Advantages:

- It retains a system that has wide support among major First Nations organizations.
- There would be no transition costs to a new system, and no need to communicate new arrangements to clients.

- It retains the principle of “Indian Control of Indian Education.”

Disadvantages:

- It is unclear whether problems raised in government audits and reports can in fact be addressed given basic limitations on First Nations’ administrative capacity.
- The current system is not especially efficient.
- There is no evidence to date that current system is capable of generating innovation.

Challenges in Implementation:

- Providing greater clarity around policy and procedures, as well as a more precise statement of program goals and performance indicators.
- Greater training of personnel, both within the department and for Band administrators.
- Greater oversight of expenditures.
- Greater investment in data-collection to support a performance monitoring system.

### ***Option 2: Administration by Regional First Nations Education Organizations***

Advantages:

- It retains the principle of Indian control over Indian Education, albeit not at the level of the individual First Nation.
- Some economies of scale are likely.
- Larger institutional capacity might improve policy-making, as well as increase the capacity to innovate and capture additional funds for students.

Disadvantages:

- Though these organizations do exist across the country, they vary widely in size, scope and policy/administrative capacities. Not all regions of the country have one. Not all First Nations choose to participate in them.
- It is unclear if First Nations would accept the notion of these new entities delivering post-secondary student assistance.
- The transition to a new system will undoubtedly cause short-term problems with clients.

Challenges in Implementation:

- A fairly detailed policy discussion and consultation would be required in order to determine what their responsibilities in the PSE field could be and how accountability arrangements would work.
- INAC does not at present have the authority to pass PSSSP monies to any intermediary agency. A set of legal and regulatory changes would be needed to make this system work.

- Ensuring appropriate governance and inclusiveness of the organizations.
- Establishing a selection/rationing mechanism.
- Hiring and training has to take place. Only then can policy development begin. Only then can an administrative structure to solicit applications, select recipients and distribute funds be designed and implemented. This process will take time, and it is unlikely to be error-free.
- Moving to a new system means that the locus of decision-making will change, new policies may be applicable and new forms may need to be filled out. Communicating these changes to clients will be a significant challenge requiring the co-operation of First Nations and their education officers.

### ***Option 3: A pan-Canadian Aboriginal Educational Foundation***

PSSSP monies would be administered on a pan-Canadian basis by a non-governmental entity with a board that is largely or entirely composed of people of First Nation descent.

Advantages:

- It retains the principle of Indian control over Indian Education, albeit not at the level of the individual First Nation.
- Some economies of scale are almost certain because of the required size of an institution to serve the entire country.
- Larger institutional capacity will very likely be able to innovate and capture additional funds for students.
- Having a single entity responsible for reporting makes some accountability issues easier to manage.

Disadvantages:

- Political support for the idea among First Nations is untested.
- Pan-Canadian scale may make it difficult to respond to the needs or concerns of individual First Nations.
- The Foundation model remains unfavoured by the Office of the Auditor General.
- The transition to a new system will undoubtedly cause short-term problems with clients.

Challenges in Implementation:

- Deciding on whether to use an existing foundation or creating a new one.
- Establishing a selection mechanism.
- Passing the necessary legislation/regulations.

- As in option 2, issues around staffing and the speed with which administrative arrangement can be implemented are an issue.
- Communicating these changes to clients will be a significant challenge requiring the co-operation of First Nations and their education officers.

#### ***Option 4: Administration by Indian and Northern Affairs Canada***

PSSSP monies would be administered on a pan-Canadian basis directly by the INAC itself, either centrally, or more likely through regional offices.

##### Advantages:

- Accountability issues, at least in the sense identified by repeated INAC audits and evaluations of the PSSSP, would be resolved.
- Efficiency would be likely be improved over existing system.
- Increased policy capacity might over time be able to organize and capture some additionality; however, within INAC the ability to deal directly with First Nations clients is limited and some time might be required either to hire service providers or to hire and train program administrators.

##### Disadvantages:

- It abandons principle of “Indian Control of Indian Education.”
- Political support from First Nations is clearly lacking.
- Staff complement and capacity in the short-term is missing and would either need to be hired/trained or contracted.
- The transition to a new system will undoubtedly cause short-term problems with clients.

##### Challenges in Implementation:

- Establishing a selection mechanism.
- Passing the necessary legislation/regulations.
- As in option 2 and 3, issues around staffing and the speed with which administrative arrangements can be implemented are an issue.
- Communicating these changes to clients will be a significant challenge requiring the co-operation of First Nations and their education officers.

#### ***Option 5: Administration by Human Resources and Skills Development (HRSD) Canada***

PSSSP monies would be administered on a pan-Canadian basis directly by HRSD, which as of 2009 is administering roughly \$400 million of grants each year through the Canada Student Loans Program (CSLP).

#### Advantages:

- Accountability issues, at least in the sense identified by repeated INAC audits and evaluations of the PSSSP, would likely be resolved.
- Efficiency would be likely be improved over existing system.
- Increased policy capacity might be able to organize and capture some additionality.

#### Disadvantages:

- It abandons principle of “Indian Control of Indian Education.”
- Political support from First Nations is clearly lacking.
- Negotiations would still be required with provinces for actual program management.
- The transition to a new system will undoubtedly cause short-term problems with clients.

#### Challenges in Implementation:

- Establishing a selection mechanism.
- Some kind of inter-agency agreement for the management of funds would be required.
- If the PSSSP were to be made more fully need-based and administered via the CSLP, buy-in from provinces would be required.
- Communicating these changes to clients will be a significant challenge requiring the co-operation of First Nations and their education officers.