



## First Nations Child and Family Services (FNCFS) Project – Phase 2 Monthly Update

January 2020

IFSD is pleased to provide the fifth monthly update to its stakeholders on the progress of the First Nations Child and Family Services (FNCFS) Project – Phase 2.

### Principal updates

- IFSD is continuing its work on refining the results framework in collaboration with agencies and experts. A roundtable is scheduled for February 2020.
- As the work on data structures and alignment to results is pursued, work is underway on the structure of a funding approach to meet the goal of thriving First Nations children, families and communities. Cases such as Tennessee are being explored to learn from their experience.
- Overall participation in the questionnaire has increased to 45%. To get to at least a 50% participation for all provinces, we need **five more agencies from Alberta, and two more agencies each from Saskatchewan and Ontario**. We're almost there. Please help us achieve **at least 50% participation** from each province/region to ensure agencies are represented. IFSD wishes to thank all those agencies that have participated and is asking that all agencies who have not yet participated to [download](#) and return the completed questionnaire as soon as possible.
- IFSD is continuing to working with an Indigenous Services Canada (ISC) team tasked with delivery of the data consistent with the project's requirements.
- **IFSD welcomes your feedback throughout this work.**

*Are you an agency that hasn't yet participated in the questionnaire?*

[Connect with IFSD](#) or [download the questionnaire](#)

### Money as a tool for change

At its core, performance budgeting is about aligning spending to desired results. Money can be used as a tool to incentive an outcome. In our case, we want money to be a tool for agencies to support the development of thriving First Nations children, families and communities.

In a perfect world, both the amount of funding and the way the funding flows to recipients, would support desired outcomes. The current First Nations child and family services (FNCFS) system incentivizes the placement of children in care to unlock

funding. While funding for prevention-focused programming and services exists and has been bolstered by the Canadian Human Rights Tribunal (CHRT) rulings, the structure of the funding system has yet to catch up to the need for a prevention-based approach to funding FNCFS.

Agencies and stakeholders made it clear that agency leadership spend time trying to find ways of working around the current funding system, rather than having a system that works for them. IFSD recognizes the importance of a funding approach that enables agencies to act in the best interest of children and families. By looking to the experiences of other jurisdictions, IFSD will leverage their lessons and best practices to inform an alternative funding approach for FNCFS in Canada.

In child and family services, notably in the United States, various budgeting models have been adopted to promote permanent placements for children in care. In jurisdictions such as Tennessee, performance-based contracting has shifted the focus of service providers from system processes (*how* things are done) toward improved outcomes for children (an accountability for *results*).

IFSD had the opportunity to learn about Tennessee's model from those that developed it for the state. The State of Tennessee's approach to child welfare is premised on the goal of timely permanency for children (either through family reunification or adoption). By reducing the length of stay of a child in care, there are improved outcomes for the child and lower associated costs.

To achieve the goal of permanency, Tennessee adopted a performance-based contracting (PBC) model. In this model, providers are financially incented to promote the permanent placement of children and are benchmarked against their own performance. The state pays for a result and bills providers that do not meet their agreed targets.

There are three core components to the PBC model:

- 1) Reduce the length of stay of a child in care;
- 2) Increase rates of permanency;
- 3) Reduce rates of re-entry of children into the protection system.

Since its initial implementation in 2006, Tennessee's PBC model has proven to be cost-neutral for the state and has promoted a reduction in the number of children in care.

Tennessee's child welfare system is comprised of state-run apprehension services supplemented by a network of providers. The providers undertake all maintenance, placement, family-support and care services post-apprehension or contact with the child welfare system.

The program's financial information suggests that PBC is incentivizing better program practices and more stability for children by focusing on Tennessee's continuum of care. Since the start of PBC, Tennessee has been paying out more in reinvestment dollars (to providers meeting their targets), than it has required payment in penalties for not meeting them. When the model was paired with an increase in prevention-focused funding, the



number of children in care dropped (it rose again when those prevention investments were eliminated due to state spending changes).

IFSD recognizes that there is no single model that be transposed for the unique contexts of FNCFS agencies and the communities that they serve. **There is no plan to adopt Tennessee’s PBC model for Canada.** However, Tennessee offers three useful lessons for consideration as funding approaches are being considered.

First, Tennessee implemented a significant shift in its child welfare system that went from “buying beds, to buying results.” We can learn from Tennessee’s experience with transition by encouraging those providers ready to adapt and providing resources and support for those needing more time to adjust to the new system.

Second, Tennessee benchmarks its services provides against themselves. Comparing the activities of service providers to their own context and their own practices can be a useful point of departure when introducing a new system. Providers in Tennessee were only asked to do better than themselves; no one else. This approach helps to recognize diverse contexts and practices to child and family services.

Third, Tennessee successfully used money to change outcomes. Even though a reduction in the number of children in care is not the same goal as enabling First Nations children to thrive, that Tennessee encouraged behavioural changes in its service providers is a helpful lesson for other jurisdictions grappling with change.

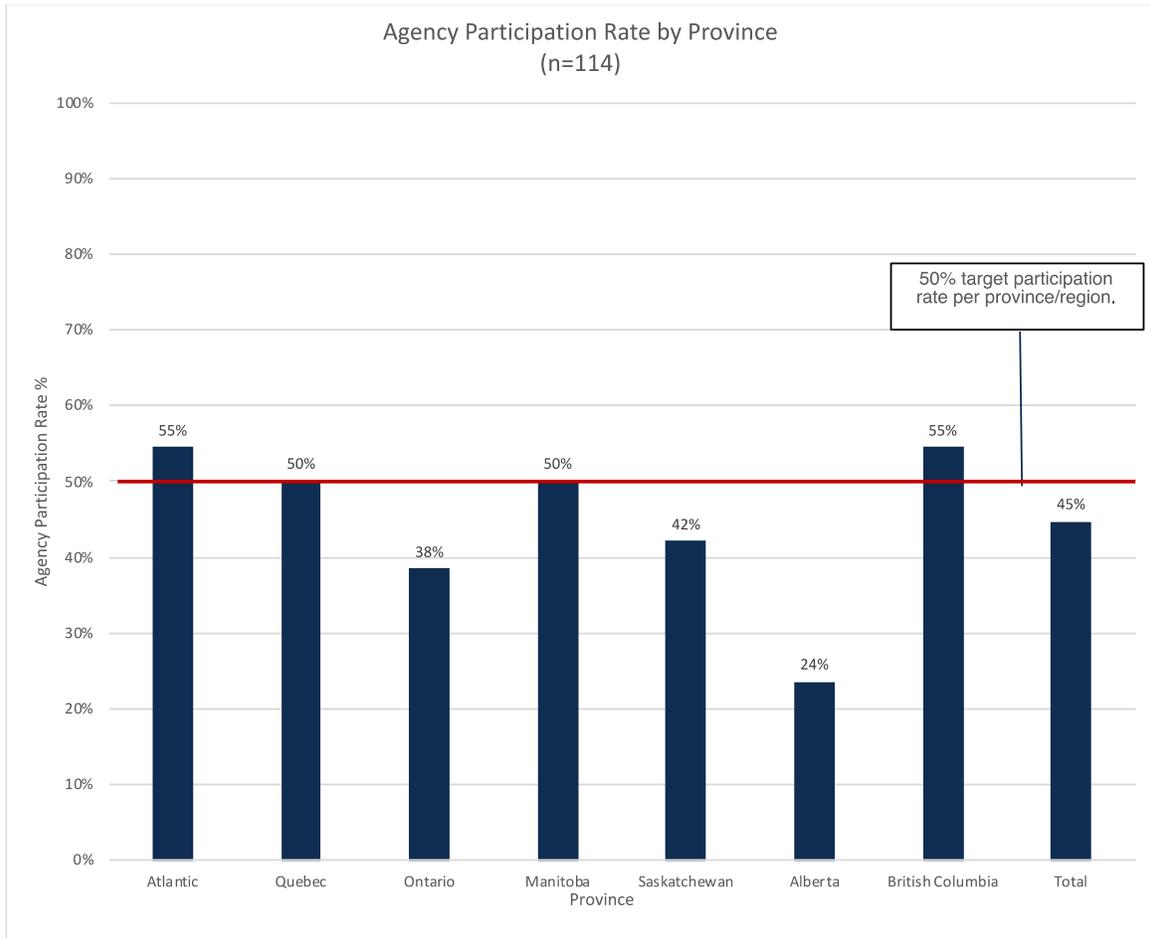
IFSD will continue to build assessments of comparative cases that have altered their funding approaches to achieve different results, e.g. West Region Child and Family Services’ block funding experience from the 2000s.

### **Participation gaps – questionnaire**

We are close to achieving our goal of at least 50% participation in each province/region. To reach the targeted threshold, we require five more agencies from Alberta, and two more agencies each from Saskatchewan and Ontario to complete the survey. Several provinces have made very good progress in the last month, most especially, Saskatchewan.

The information from the questionnaire will help IFSD to ensure alignment to need as a funding approach is developed and more accurately cluster agencies to model the effects of transition.

By sharing your experience, you’re making this work more representative and reflective of your agency’s reality.



### Next steps

1. Continue to build comparative assessments of results-focused funding approaches.
2. Prepare for stakeholder and expert roundtable to finalize the performance framework and data collection strategies.
3. Finalize FNCFS agency participation to complete the questionnaire and analyze data provided through the questionnaire.
4. Continue to work with ISC to complete the data request.

### Contact information

IFSD is pleased to respond to requests for further information or to provide individual briefings on the project and its project. For questions about the project or to participate, please contact:

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