

ANISHINABEK NATION EDUCATION FISCAL TRANSFER AGREEMENT (the “EFTA”) The Plain Language Version¹

PREAMBLE

The preamble confirms that the Participating First Nations and Canada entered into the Anishinabek Nation Education Agreement (the “Education Agreement”) and that the Education Agreement requires the parties to maintain a financial relationship for education.

Chapter 1 – Definitions and Interpretation

Definitions

The definitions in the Education Agreement apply in the EFTA. There are also additional definitions that apply only in the EFTA.

Interpretation

These sections provide guidance to the reader on how to read and interpret the EFTA.

Chapter 2 – Term of this Agreement

The term of the EFTA is 5 years from the Effective Date of the Education Agreement. The anticipated initial term is April 1, 2018 to March 31, 2023.

24 months before the EFTA expires, the Parties will discuss and try to settle on the terms of the next EFTA. If there is no agreement, the first EFTA will remain in force.

Amalgamation

The Anishinabek First Nations are engaged in Governance self-government negotiations with Canada. Starting with the second Anishinabek Nation Fiscal Transfer Agreement (Governance) the parties will combine the transfer agreements for Education and Governance into one agreement. The terms and conditions relevant to education will remain the same after the amalgamation.

¹ **DISCLAIMER:** This summary of the Education Fiscal Transfer Agreement is provided by the Union of Ontario Indians to support the Anishinabek Nation Education Agreement ratification process. It is an interpretative tool and does not form part of the legal arrangements proposed between the Anishinabek First Nations and Canada. This is not a legal document or serves as a legal interpretation of the Education Fiscal Transfer Agreement. If you have specific questions or wish to receive a copy of the EFTA, contact the Union of Ontario Indians by calling 705-497-3799 or Toll-Free 1-877-497-3799.

Chapter 3 – Participating First Nation Responsibilities

The Participating First Nations will decide how to spend the education funding. However, the education funding must be spent on:

- (a) the Anishinabek Education System;
- (b) the delivery of Primary, Elementary and Secondary Education;
- (c) Post-Secondary Education support;
- (d) Implementation activities; and
- (e) other responsibilities under the Education Agreement.

Nothing in the EFTA stops the Participating First Nations from entering into agreements within the Anishinabek Education System on how to spend the education funding.

Chapter 4 – Canada’s Responsibilities

Canada will make Transfer Payments to the Participating First Nations in line with the EFTA. All of Canada’s responsibilities for funding education as described in the Education Agreement are included in the EFTA.

Chapter 5 – Annual Transfer Payment Plan

This part describes the process for finalizing the Annual Transfer Payment Plan. The process is as follows.

| Time | Action | Follow-Up |
|----------------------------------|--|---|
| Before January 15 th | Canada will provide a plan to the KEB | |
| Before February 15 th | KEB will advise Canada of any errors in the plan | |
| Before March 1 st | KEB and Canada will decide if corrections are required | If there is no agreement, then the parties will use the dispute resolution process in the Education Agreement |
| April 1 st | Canada makes transfer payments set out in the annual plan, even if the dispute has not yet been resolved | |

When the dispute is resolved, Canada will adjust the payment plan and pay according to the adjusted plan.

Even though there are timelines set out in the EFTA, the KEB can advise Canada

of an error at any time.

Chapter 6 – Accountability and Reporting

Each Participating First Nation and the KEB will make sure that there are financial accountability processes in place that are similar to how school boards report on their education funding.

Each Participating First Nation will prepare an annual report on education programs and services, make it publicly available and send it to the KEB. The KEB will consolidate the First Nation reports with its own report on education programs and services. The consolidated report will be sent to Canada and made available to the public.

The same requirements exist for annual audited financial statements. Each Participating First Nation will prepare an annual audited financial statement, make it publically available and send it to the KEB. The KEB will consolidate the First Nation audited statements with its own annual audited financial statements. The consolidated report will be sent to Canada and made available to the public.

Chapter 7 – Information Sharing

The Participating First Nations and Canada will share information that is required to allow for the EFTA to be implemented. The information includes student enrolment numbers and descriptions of the education programs and services delivered by the First Nations and the KEB.

Chapter 8 – Extraordinary Circumstances

When extraordinary circumstances (e.g. health or safety emergency) arise, the First Nations may request additional funding from Canada for education. A process is established to address the extraordinary circumstances.

Chapter 9 – General Funding Increase

If Canada puts money into First Nation education outside of self-government that is more than what is included in the EFTA, a General Funding Increase has occurred. Canada and the KEB will meet annually to discuss all General Funding Increases that may have occurred as well as the inclusion of additional transfer payments

Chapter 10 – Additions to Agreed-Upon Education Programs and Services

The Participating First Nations may want to add additional education programs and services. There is an opportunity to negotiate for more funding if additional education programs and services are added.

Chapter 11 – New Approach to Fiscal Relations

Canada has a new fiscal policy that applies to how Canada funds self-government. The KEB may ask Canada to implement the policy prior to the expiration of the original term of the EFTA. Canada's position is that future EFTA's must be consistent with Canada's fiscal policies. However, in the chapter that describes the term of the EFTA, no changes can be made until the Participating First Nations and Canada agree.

Chapter 12 – Amendments

This chapter describes the process to amend the EFTA. It can only be amended by the Parties in writing. Amendments can be proposed at any time by sending a written request to change the EFTA with the reasons for the proposed changes.

The proposed change can be accepted or rejected. If the change:

- (a) is accepted, the EFTA will be amended;
- (b) is rejected, no changes are made and a proposal for similar changes cannot be proposed for at least 12 months.

Addition of a Party to this Agreement

A First Nation that becomes a party to the Education Agreement after the Effective Date will be added as a party to the EFTA. The EFTA will be amended to include additional transfer payments for Agreed Upon Education Programs and Services, Governance Activities and One-Time Implementation Activities (see below).

Chapter 13 – Defaults and Remedies

Where any Party to the EFTA does not fulfill its responsibilities under the EFTA, it is in default. This Chapter sets out what happens if there is a default. This chapter requires that the parties agree there is a default and states that they will discuss how to address the default. If the parties do not agree that there is a default, then the question goes to the dispute resolution process.

Chapter 14 – Other Provisions

Standard contract provisions are set out in this chapter. The chapter includes sections that confirm this is the entire financial agreement for education funding, the EFTA can be signed by the parties in different places at different times and still be effective, for example.

Chapter 15 – Appendices

The EFTA includes the following attachments:

- (a) Appendix 1 – Agreed-Upon Education Programs and Services;
- (b) Appendix 2 – One-Time Implementation Activities; and
- (c) Appendix 3 – Annual Transfer Payment Plan.

APPENDIX 1

AGREED-UPON EDUCATION PROGRAMS AND SERVICES

This Appendix describes the existing federal education programs and services that were used by Canada to calculate Canada's fiscal offer in education.

APPENDIX 2

ONE-TIME IMPLEMENTATION ACTIVITIES

This appendix lists the First Nations' one-time implementation activities that are funded by Canada. Funds are to support the transition from operations under the Indian Act to operations under self-government. The activities are:

- (a) training and professional development to support the implementation of the Education Agreement;
- (b) developing and passing education laws;
- (c) purchasing the student information management system;
- (d) communications on the Anishinabek Education System.

APPENDIX 3

ANNUAL TRANSFER PAYMENT PLAN

This appendix describes in detail how the education Transfer Payment is calculated for Effective Date and how the funding levels are adjusted year-over-year.

The fiscal offer from Canada includes amounts for 39 Anishinabek First Nations. These amounts will change if less than 39 First Nations ratify the Education Agreement.

The amounts provided below are based on the 2012/2013 fiscal year and will be adjusted up to the proposed Effective Date (April 1, 2018).

| Aggregated Amount for All Anishinabek First Nations | VALUE |
|---|--------------------|
| governance activities (operation of KEB and RECs) | \$6,770,256 |
| One-Time Implementation Activities | \$2,845,353 |
| TOTAL: | \$9,615,609 |

| Aggregated Amount | VALUE |
|--|----------------------|
| Instructional Services | \$12,815,649 |
| Low Cost Special Education | \$303,906 |
| Provincial Tuition | \$28,947,973 |
| Ancillaries | \$1,508,097 |
| Student Support Services - Financial Assistance | \$541,217 |
| Student Support Services - Guidance and Counsel | \$1,687,148 |
| Student Support Services - Advice and Assistance | \$44,415 |
| Student Support Services – Accommodations | \$298,200 |
| Student Support Services – Transportation | \$6,446,848 |
| Teacherages | \$46,943 |
| Education operation and maintenance | \$3,622,887 |
| Education Minor Capital | \$361,263 |
| High cost special education | \$6,624,665 |
| New Paths | \$1,449,049 |
| First Nation Student Success Program | \$3,332,000 |
| Band Support Funding – Education | \$1,810,302 |
| Band Employee Benefits – Education | \$1,470,676 |
| Post-Secondary Education | \$29,130,915 |
| TOTAL: | \$100,442,153 |

The education funding will be paid by Canada as follows:

| Month | Corresponding Percentage | Cumulative Percentage Received |
|---------------|--------------------------|--------------------------------|
| April | 55% | 55% |
| July | 15% | 70% |
| October | 15% | 85% |
| January | 15% | 100% |
| TOTALS | 100% | |