

Funding Allocation Overview Ontario Final Agreement

Virtual Information Session May 2026



Purpose of the Presentation

The purpose of this presentation is to provide an overview of the Ontario Final Agreement's **funding approach methodology** for each of the funding components of the Reformed First Nations Child and Family Services (FNCFS) Program in Ontario under the Ontario Final Agreement.

Overview:

- Review of OFA Funding Approach
- Review of the OFA transition year - May 29, 2026 – March 31, 2027
- Timelines for planning reporting and claims submission
- How each funding stream will be calculated and implemented moving forward

OFA Funding Approach

Funding for First Nations and FNCFS Service Providers

Funding flows to the First Nation directly or to a First Nation’s requested service provider (e.g., a FNCFS agency or another entity authorized by a First Nation) to deliver these services.

PREVENTION	FIRST NATION REPRESENTATIVE SERVICES	POST-MAJORITY SUPPORT SERVICES
<p>\$2,708.73 per capita (amount for 2026-27) (adjusted for inflation and remoteness)</p> <p>Funding continues to be split between First Nations and FNCFS service providers. A First Nation may give notice directing how to allocate its funding. First Nations not served by a FNCFS agency receive the full amount of their prevention funding.</p>	<p>Funding based on a First Nation’s highest annual amount of First Nation Representative Services funding between 2019-2020 and 2023-2024 (adjusted for population, inflation and remoteness)</p> <p>First Nation Representative Services funding flows directly to First Nations or FNCFS service providers.</p>	<p>\$328.2 million during the lifetime of the agreement (allocated based on eligible population - with a \$75,000 floor annually - and adjusted for remoteness)</p> <p>Post-majority support services funding will be available directly to First Nations or FNCFS service providers to support First Nations youth and young adults in their transition to adulthood.</p>

TOP UPS Information Technology (6% of Baseline), Results (5% of Baseline), Emergency* (2% of Baseline)
* funding split between First Nations and FNCFS agencies

HOUSEHOLD SUPPORTS \$50.9 million during the lifetime of the agreement (allocated based on population below the Low-Income Measure-After Tax, and adjusted for inflation and remoteness)

REMOTENESS Upward adjustment, on applicable components, for First Nations with a 2021 Index of Remoteness score of 0.40 or greater and based on Remoteness Quotient Adjustment Factor

Funding for FNCFS Agencies

Funding flows to agencies delegated or authorized according to provincial legislation to provide legislated child welfare services.

BASELINE FUNDING

A portion of Baseline Funding will continue to be provided through the agreement with the Government of Ontario. ISC will also provide FNCFS agencies with an amount equal to 2022-2023 intake and investigation, legal fees, and building repairs costs, adjusted annually for inflation and population

Baseline funding supports FNCFS agencies in meeting statutory obligations related to operations and maintenance, including least disruptive measures.

TOP UPS Emergency* (2% of Baseline)
* funding split between First Nations and FNCFS agencies

CAPITAL

CAPITAL
\$455 million during the lifetime of the agreement
Funding available to First Nations and FNCFS service providers, where agreed upon with their affiliated First Nation(s), and supports the lifecycle costs of owned assets.

First Year of the OFA – Transition Year Funding (May 29, 2026 - March 31, 2027)

Prevention	<ul style="list-style-type: none"> • Provided based on population, and adjusted for inflation and remoteness 	No Change
Baseline	<ul style="list-style-type: none"> • FNCFS Agencies will continue to receive reimbursement on actuals for intake and investigation, legal fees and building repairs in line with 2018 CHRT 4 process and guidance 	No Change
Post-Majority Support Services	<ul style="list-style-type: none"> • May 29, 2026- Funding will shift to allocations (with a minimum of \$75,000) provided to First Nations • *minus any funding provided to First Nations at actual cost from April 1, 2026-May 28, 2026 	NEW
First Nations Representative Service	<ul style="list-style-type: none"> • Actual costs continue to be reimbursed as per Program guidance 	No Change
Top-up Funding	<ul style="list-style-type: none"> • Top-Up Funding will begin as of May 29, 2026 • *prorated from May 29, 2026, to March 31, 2027 	NEW
Household Supports	<ul style="list-style-type: none"> • Predetermined allocation adjusted annually for inflation and remoteness allocated to First Nations • *prorated from May 29, 2026, to March 31, 2027 	NEW
Capital	<ul style="list-style-type: none"> • May 29, 2026, Capital requests will follow a community planning approach using a Priority Ranking Framework to ensure capital funding is directed to the highest priorities 	NEW

First Year of the OFA – Timelines for Planning and Reporting

	<u>DEADLINES</u>	
	<u>First Nations</u>	<u>Agencies</u>
Unexpended Funding Plans	July 31, 2026	July 31, 2026
FNCFS Annual Reporting Deadline for fiscal year 2025-26	120 days after end of fiscal (July 29, 2026)	120 days after end of fiscal (July 29, 2026)
BCR to redirect funding (Prevention / First Nations Representative Services / Post-majority Support Services) (for April 1, 2027 Implementation)	September 30, 2026	
Housing Data (Community Infrastructure and Housing Report)	October 15, 2026	
First Nations Multi-year Plan	November 29, 2026	
Child and Community Wellbeing Plan		November 29, 2026
First Nation Infrastructure Investment Plan (FNIIP)	November 29, 2026	
Agency Infrastructure Investment Plan (AIIP)		November 29, 2026

First Year of the OFA – Timelines for Funding Claims

	<u>DEADLINES</u>	
	<u>First Nations</u>	<u>Agencies</u>
On-reserve First Nations Representative Services	<p>Can incur actual costs until March 31, 2027</p> <p>Claims deadline for 2025-26 is September 20, 2026 Claims deadline for 2026-27 is September 20, 2027</p>	
Baseline (Intake & Investigation, Building Repairs, and Legal Fees)		<p>Actual costs for eligible intake and investigation, building repairs and legal fees until March 31, 2027, in line with CHRT 4 guidance documentation</p> <p>Claims deadline for 2025-26 is September 20, 2026 Claims deadline for 2026-27 is September 20, 2027</p>
Post-Majority Support Services		<p>Can incur actual costs until May 28, 2026.</p> <p>Claims deadline for 2025-26 and 2026-27 is Sep 20, 26</p>
Capital	<p>Capital funding requests (CHRT 41) will continue to be accepted until May 28, 2026.</p> <p>As of May 29, 2026, the Capital funding process will change to that of the Priority Ranking Framework Any reimbursement for approved request 2025-26 is September 20, 2026</p>	

Funding Details

Key changes to the Funding Agreements under the OFA include:

- **Post-Majority Support Services:** funding allocations will be added to First Nation funding agreements *unless* directed otherwise by the First Nation through a Band Council Resolution to ISC.
- **Funding re-allocation:** All FNCFS funding will be added to agreements in a manner that allows First Nations and Agencies to re-allocate funds to other components of the Reformed FNCFS Funding Approach. There are exceptions.
- **Carry-forward of unexpended funds:** First Nations and Agencies will be able to carry forward unexpended funds to use in the next fiscal year, subject to an unexpended spending plan.
- **Planning:** FNCFS Agencies will be required to co-develop a single child and community well-being plan with its affiliated First Nation(s).
 - First Nations will also be required to develop a multiyear plan for the funding received under the FNCFS Program
- **Reporting to First Nations:** Agencies will be required to report to First Nations on the implementation of its child and community well-being plan(s) on an annual basis and on key indicators as outlined in paragraph 113 of the OFA

Current funding agreements will be amended to include the reformed Program funding approach after the OFA Effective Date (May 29, 2026). Updated agreements expected in June 2026.

First Year of the OFA - Planning

Planning Designed to Work Together to Support Goals and Objectives of the First Nations Community

First Nations Multi-year Plan

Purpose: supports First Nation's planned use of FNCFS Program funding over multiple years.

Detail service activities and implementation plans and how agency and First Nations will work together.

Agency Community and Child Wellbeing Plan

Purpose: Supports FNCFS Agency's planned service delivery according to the priorities of their affiliated First Nations

Co-developed between the Agency and the First Nation(s) it serves. Must be signed off by each First Nations Chief or Deputy Chief

First Nation Infrastructure Investment Plan

Purpose: describes how capital funding will be integrated into overall community infrastructure planning to ensure alignment with broader community goals.

Attached to the MYP
Supports the plans and activities outlined in the MYP.

Agency Infrastructure Investment Plan

Purpose: describes how capital funding will be integrated into overall community infrastructure planning to ensure alignment with broader community goals.

Attached to the CCWP
Supports the plans and activities outlined in the CCWP.

ALL PLANS ARE DUE TO ISC BY NOVEMBER 29, 2026

Remoteness Adjustment Funding



Remoteness Adjustment Implementation

- **First Nations with an Index Remoteness Score at or above 0.40** will receive a funding adjustment to account for the increased costs of delivering child and family services in remotely located areas on the following funding:
 - Prevention (beginning April 1, 2027)
 - First Nation Representative Services (beginning April 1, 2027)
 - Post-Majority Support Services (beginning May 29, 2026)
 - Top-Ups: Information Technology, Results, Emergency Funding (beginning May 29, 2026)
 - Household Supports (beginning May 29, 2026)
- For prevention, remoteness will be calculated based on the First Nation's remoteness score before the funding is divided between the First Nations and the FNCFS Agencies.



How is Remoteness Adjustment Calculated?

- Each Remoteness-Eligible First Nation and/or FNCFS Agency will receive a unique amount of additional remoteness funding that is based on a formula called the Remoteness Quotient Adjustment Factor (RQAF), developed by the Nishnawbe Aski Nation and Canada.
- This formula uses the Statistic Canada [Index of Remoteness](#) and separate data gathered through NAN and ISC to determine the required funding adjustment for each applicable First Nation.
- The Index of Remoteness Scores how isolated a community is based on factors such as how far and how accessible key services are from the First Nation.

There are three different RQAF formulas depending on if you are a:

1. First Nations With All-Weather Road Access
2. First Nation Without All-Weather Road Connected Access
3. NAN Member First Nation With All-Weather Road Access

Inflation and Population Adjustment Funding



Inflation and Population Adjustment Implementation

- Beginning on May 29, 2026, some funding will also be adjusted to **inflation** to ensure funding is reflective of current market conditions.
- Where applicable, funding will also be adjusted to reflect **increases of First Nation's populations** where funding is calculated using a per capita bases (for example, post-majority support services).
- Where funding is adjusted for population but is not calculated on a per capita basis, funding will be adjusted annually by an amount proportional to the previous fiscal year's change in the First Nation's or the FNCFS Agency's population (for example, Top-ups or Prevention).
- For the 2026-27 Fiscal Year Prevention, Tops, ups, Household support and Post Manjority Support Services will be adjusted for inflation



How are Inflation and Population Calculated?

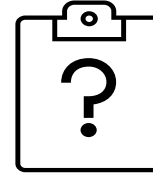
- Funding will be adjusted for inflation annually, in accordance with the Consumer Price Index (CPI) measured over the twelve-month period ending September 30 of the applicable fiscal year. No adjustment will be less than zero.
- Funding will be adjusted to account for population by using the registered on-reserve and on Crown land population and will be drawn from the Indian Registration System (IRS), as of September 30 of the year preceding the year in respect to which the population adjustment will apply. For example, ISC will use the IRS population on September 30, 2025, to adjust funding for the 2026-27 fiscal year.
- For an FNCFS agency or First Nation Service Provider, population will be the sum of the populations of the First Nations to which it is affiliated.

Prevention



Prevention Funding Implementation

- Beginning on May 29, 2026, prevention funding will **continue to be funded as it is currently**, unless a First Nation has directed otherwise, with annual increases for population, inflation, and if applicable, remoteness.
- A First Nation may provide notice to receive all the prevention funding attributable to it or may direct that funding be directed to its affiliated FNCFS Agency (in full or in part) through a Band Council Resolution or other official decision document. The Band Council Resolution/official decision document will be due by the First Nation September 30 of the preceding fiscal year in line with the standard annual FNCFS Program deadline. i.e., notices received by September 30, 2026, will impact funding provided April 1, 2027.



How are Prevention Allocations Calculated?

- Prevention funding is calculated by multiplying the amount of \$2,708.73 (2026/2027 amount based on 2% inflation – for example purposes only) by the total on reserve and on Crown land population of an individual First Nation, plus the amount necessary to provide the First Nation a minimum of \$75,000 (adjusted for inflation).
- In subsequent years, these amounts will continue to be adjusted for inflation, population growth, and if applicable, remoteness.

First Nation Representative Services



First Nation Representative Services (FNRS) Implementation

- As of May 29, 2026 FNRS will continue the way it is currently being funded.
- Beginning on April 1, 2027, First Nations will **automatically** receive their FNRS funding according to the OFA methodology. First Nations can authorize an FNCFS Service Provider to receive this funding (in full or in part) through a Band Council Resolution or other official decision document submitted to ISC.
- The Band Council Resolution/official decision document will be due September 30 of the preceding fiscal year in line with the standard annual FNCFS Program deadline. i.e., notices received September 30, 2026, will impact funding provided April 1, 2027.



How are Allocations for FNRS Calculated?

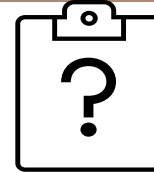
- Each First Nation will be funded for First Nation Representative Services at its highest annual amount of First Nation Representative Services funding received over five fiscal years, from fiscal year 2019-2020 to fiscal year 2023-2024, adjusted for inflation, population, and if applicable, remoteness.
- In subsequent years, ISC shall provide funding for First Nation Representative Services to each First Nation in Ontario equal to funding received in the previous fiscal year, which will continue to be adjusted for inflation, population growth, and if applicable, remoteness.

Post-Majority Support Services



Post-Majority Support Services Implementation

- Beginning on May 29, 2026, First Nations will **automatically** receive their post-majority support services funding unless they have authorized a FNCFS Service Provider to receive this funding (in full or in part) through a Band Council Resolution or other official decision document.
- ISC will provide First Nations with their full year OFA allocation.
- The Band Council Resolution/official decision document will be due September 30 of the preceding fiscal year in line with the standard annual FNCFS Program deadline. i.e., notices received September 30, 2026, will impact funding provided April 1, 2027.
- FNCFS agencies may submit claims for eligible PMSS claims for the period April 1, 2026, to May 28, 2026, by September 20, 2026.



How are Post-Majority Support Services Allocations are Calculated?

- From 2026/27-2028/29, a total of \$106,581,723 million is allocated for post-majority support services (already adjusted for inflation) that will be split among all First Nations in Ontario.
- To calculate an individual First Nation's share of this funding, an estimate of how many eligible youth/young adults that may need post-majority support is created by taking 80% of the population within the eligible age range.
- This estimate is then compared to estimates of every First Nation to determine the First Nation's share of overall funding. Each First Nation will receive no less than \$75,000 (adjusted for inflation).
- In future years, this amount will continue to be adjusted for population growth, and if applicable, remoteness.

Baseline Funding



Baseline Funding Implementation

- As of May 29, 2026, Baseline funding will continue as claims on actuals until March 31, 2027 (costs for intake & Investigation, Building Repairs, and Legal Fees).
- As of April 1, 2027, Baseline funding will switch to the OFA methodology - based on actual expenditures incurred in 2022–2023 for Intake & Investigation, Building Repairs, and Legal Fees increased for population and inflation for FNCFS Agencies.
- Claims on actuals incurred up until March 31, 2027, must be submitted by September 20, 2027.



How are Baseline Allocations are Calculated?

- Baseline funding is provided in 2 parts:
 - All FNCFS Agencies receive child protection funding for on-reserve through the Government of Ontario (ISC reimburses the Government of Ontario through the 1965 Agreement).
 - In 2027-28, the amount provided to FNCFS Agencies by Indigenous Services Canada will be calculated based on actual expenditures that were funded directly by ISC in 2022-23 for intake and investigation, legal fees, and building repairs. Funding will be adjusted for inflation and population growth between March 31, 2023, and March 31, 2027.
- In subsequent years, this baseline funding will continue to be adjusted annually for population and inflation.

Top-Ups

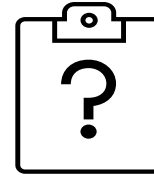


Top-up Funding Implementation

- As of May 29, 2026, Top-up Funding will be **automatically provided** accordingly:
 - **Information Technology:** directly to First Nations
 - **Results:** directly to First Nations
 - **Emergency:** 50% of Emergency funding will be allocated to First Nations and 50% will be allocated to FNCFS Agencies.

Non-affiliated First Nations will receive 100% of the emergency funding allocation (based on Ontario's total operations and maintenance funding for non-FNCFS agencies and estimate the share of that funding that ISC will reimburse to the Government of Ontario under the 1965 Agreement reimbursed under the *1965 Memorandum of Agreement Respecting Welfare Programs for Indians*).

- Allocation will be prorated from May 29, 2026 – to March 31, 2027.



How are Top-up Allocations Calculated?

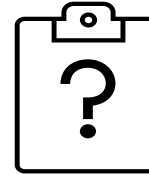
- **Information Technology:** Funding is equal to 6% of annual Baseline Funding received by the First Nation's affiliated FNCFS Agency adjusted for inflation and, if applicable, remoteness.
- **Results:** Funding is equal to 5% of annual Baseline Funding received by the First Nation's affiliated FNCFS Agency adjusted for inflation and, if applicable, remoteness.
- **Emergency:** Funding is equal to 2% of annual Baseline Funding received by the First Nation's affiliated FNCFS Agency adjusted for inflation and, if applicable, remoteness.
- In subsequent years, the information technology, results, and emergency funding of First Nations affiliated with an FNCFS Agency and the emergency funding of FNCFS Agencies shall be upwardly adjusted for inflation, population growth, and if applicable, remoteness, and shall not be reduced.

Household Supports Funding



Household Support Funding Implementation

- Beginning May 29, 2026, Household Supports funding will be **automatically provided** to First Nations.
- Allocation will be prorated from May 29, 2026 – to March 31, 2027.



How are Top-up Allocations Calculated?

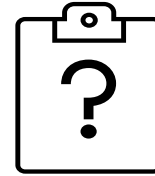
- The total funding for Household Supports for 2026/2027 will be \$5.3 million adjusted for inflation.
- For each First Nation, the First Nation's population will be multiplied by the percentage of its population that is below the Low-Income Measure-After Tax figure (as determined from the 2021 Census).
- This estimate will then be divided by the total population that is below the Low-Income Measure-After Tax figure for all eligible First Nations in Ontario, multiplied by the total annual funding for Household Supports under the Reformed FNCFS Program.
- This funding will be adjusted annually for inflation, and, if applicable, remoteness.

Capital



Capital Implementation

- Beginning May 29, 2026, capital will be delivered using the “Priority Ranking Framework” (PRF) process to determine if the request or proposal is approved.
- Capital Funding requests made before May 29, 2026, will continue to be processed under the 2021 CHRT 41 process.
- Funding will align with Capital Facilities and Maintenance Program (CFMP) management practices currently used for other community infrastructure projects.
- ISC will follow the 2021 CHRT 41 approval process for capital funding requests that are received before the Effective Date, and for capital projects with design funding approved under the 2021 CHRT 41 approval process or requests for construction or completion funding.



How is Capital Calculated?

- In the Initial Funding Period, a maximum of \$264.1 million is allocated for First Nations and FNCFS Service Providers in Ontario for capital assets that support the delivery of the Reformed FNCFS Program’s funded services and activities.
- Under the new PRF process, ISC will assess requests or proposals against a standard set of criteria (the PRF) and use their assessment scores to determine whether and in what order to fund requests and proposals.
- If a request/proposal is approved, there is a commitment of funding for the entire project life cycle.

Questions?



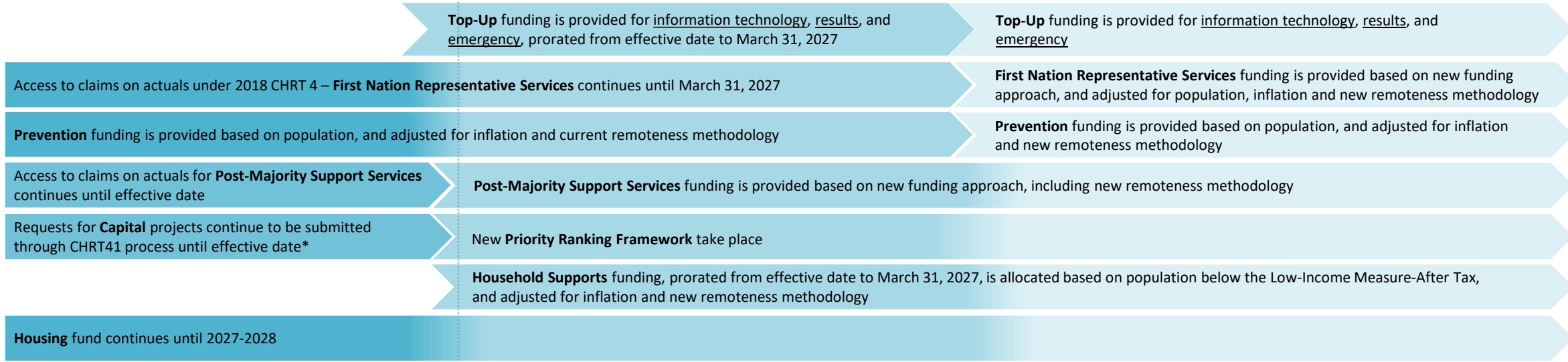
ONTARIO REFORMED FIRST NATIONS CHILD AND FAMILY SERVICES PROGRAM

FUNDING TIMELINE FOR TRANSITIONAL YEARS 2026-2027 / 2027-2028

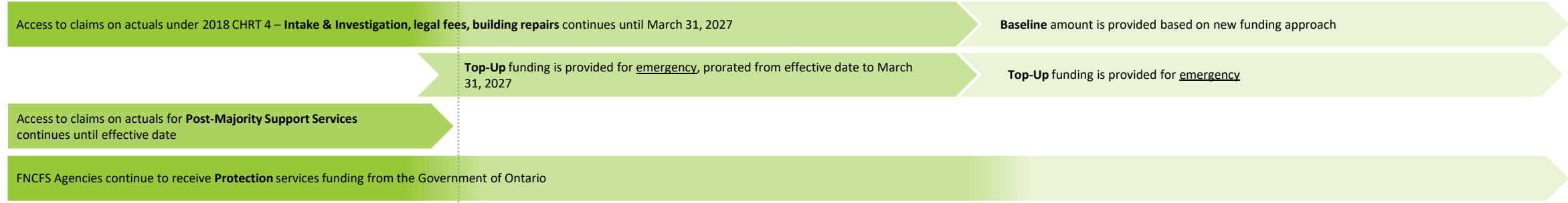
OFA May 29, 2026



Funding for First Nations



Funding for FNFCS Agencies



* CHRT41 Capital stream for Jordan's Principle will remain available