

*Implementation  
General  
25-010*

IMPLEMENTATION OF FEDERAL CABINET  
DECISION AND FOLLOW-UP OF OTHER  
ITEMS IN IMPLEMENTATION REVIEW

Submitted to D.I.A.N.D. by:

Makivik Corporation  
Kativik Regional Government  
Kativik School Board

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# I. ITEMS COVERED BY FEDERAL CABINET DECISION

## 1.1 School and Housing Construction

The federal Cabinet allocated \$26.3 million for accelerated construction of Inuit schools and housing during the period 1982-87. This new funding is in addition to monies available under existing programs.

Since it was too late this year to use the \$8.0 million allocated by the federal government for 1982-83, this sum will be added to the 1983-84 allocation.

Keeping in mind that the maximum federal amounts allocated for school and housing construction must not exceed \$15.2 million and \$24.8 million respectively, the Kativik Regional Government, Kativik School Board and Makivik are proposing the following tentative arrangement (see Table 1 below), which is subject to change based on the outcome of negotiations with Québec.

Table 1 - Proposed Allocation for School and Housing Construction

	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>additional federal funding</u>	<u>additional Québec funding based on fed.-prov. cost-sharing</u>	<u>additional Québec funding based on matching funds</u>	<u>Québec funding available due to additional federal monies</u>
Annual federal allocation	13.1 <sup>1</sup>	5.5	5.9	1.8	26.3			
schools	5.1	3.5	3.5	-	12.1	36.3 <sup>2</sup>	12.1	9.08 <sup>4</sup>
housing	8.0	2.0	2.4	1.8	14.2	14.2 <sup>3</sup>	14.2	7.1 <sup>5</sup>

### Explanatory Footnotes:

1. All sums indicated are in millions of dollars.
2. Based on the existing federal-provincial cost-sharing arrangement in education, the additional federal funding of \$12.1 million would represent the federal government's 25% share. Therefore, Québec's 75% share would amount to \$36.3 million.
3. Although Québec was given responsibility to provide housing under the federal-provincial transfer agreement of February 13th, 1981, C.M.H.C. still contributes 50% to Québec's housing program. Therefore, if the federal share is \$14.2 million, Québec's share would also amount to \$14.2 million.
4. Assuming a total of \$12.1 million additional dollars is spent on school construction, Québec's usual share would be 75% or \$9.08 million. Therefore, as a very minimum, this amount must be allocated elsewhere in Québec's education budget.
5. Assuming a total of \$14.2 million additional dollars is spent on housing construction, Québec's usual share would be \$7.1 million.

### 1.1.1 Education - Preliminary Considerations and Options

As indicated in Table 1, it is proposed that one additional new school be constructed each year at an estimated average cost of \$3.5 million. However, two additional schools should be built in 1983-84 since it is too late to construct an additional school for 1982-83.

Under the proposed plan, the new schools urgently required in the remaining eight Inuit communities will be constructed by 1987. This necessarily assumes that Québec will continue to build one new school each year under the existing program.

Due to the additional federal funds, four of the eight new schools will be constructed under an accelerated timetable using only federal funds. However, if the net benefit of such funds is to go to Inuit, Québec must transfer the amount it would have ordinarily spent ( \$9.08 million) to build these schools to other portions of Kativik School Board's education budget.

In determining Québec's contribution to the "catch-up" program in education, the following principles should apply:

1. Québec should not only re-allocate \$9.08 million to other parts of the education budget but also consider adding new funds to Inuit "catch-up" efforts in education.
2. Areas, other than school construction, urgently requiring increased annual budgets include educational programming, operations and the establishment of a northern administration for the Kativik School Board.

3. Increased funding in the area of educational programming must adequately provide for Inuit curriculum development, second language programs and teacher training.
4. Kativik School Board and Makivik, in their respective capacities, must have an adequate role in the discussions or negotiations with Canada and Québec in regard to Inuit education;
5. A five-year agreement should be entered into by Canada, Québec, Kativik School Board and Makivik in order to allow Kativik School Board to properly plan its programs and other educational activities and to respect the spirit and letter of the James Bay and Northern Québec Agreement.
6. A written agreement should be obtained indicating the extent of Québec's increased allocations in the future, under a specified timetable.
7. The proposed allocations of federal monies for school construction (see Table 1) may have to be altered depending on Québec's response to additional funding for school and housing construction.

1.1.2 Housing Construction - Preliminary Considerations and Options

It is proposed that \$14.2 million of the new federal funds be used to build additional houses (see Table 1 above).

Taking into account Inuit population growth, the actual housing needs over a five-year period have been estimated at four hundred and sixty-five new houses and seven hundred renovations.\* In order to determine how close we are to meeting Inuit housing needs, the following table has been prepared.

Table 2 - Housing for Inuit Communities

	<u>Québec's current 5-year program</u>	<u>Actual Inuit 5-year needs</u>	<u>Deficit</u>	<u>Additional federal funding</u>	<u>Deficit Remaining</u>
New Houses	30/yr 150	80/yr 400	50/yr 250	40	210
Renovations	45/yr 225	140/yr 700	95/yr 475	60	415
Cost	\$9M/yr <sup>1</sup> \$45M <sup>2</sup>	\$24M/yr \$120M	\$15M/yr \$75M	\$14.2M	\$60.8M

Explanatory Footnotes:

1. Costs assumed are in 1982 dollars: \$140,000. per new house; \$110,000. per renovation.
2. Since Québec and Canada Mortgage and Housing Corporation each bear fifty percent of the total cost, Québec's share is \$22.5 million.

It is evident from Table 2 that even with the additional federal monies, Québec would have to more than double its present financial commitment (\$22.5 million to \$45 million) in order to meet Inuit housing needs.

\* It is likely that as many as 25% of the estimated 700 houses requiring renovations are in actual fact not possible to renovate.

In determining Québec's contribution to the "catch-up" program in housing, the following principles should apply:

1. Due to the urgent housing needs, Québec should not only match the additional federal monies of \$14.2 million (see Table 1) but also consider increasing the current Inuit housing program.
2. Since the ongoing operation and maintenance (O & M) costs for the additional houses are likely to discourage Québec from increasing the current housing program, the federal government should explore ways of contributing to such costs through CMHC or otherwise. (Such an action is justified since federal responsibility to provide housing was transferred to Québec despite Inuit objections.)
3. Kativik Regional Government and Makivik, in their respective capacities, must have an adequate role in the discussions or negotiations with Canada and Québec in regard to housing.
4. A five-year agreement should be entered into by Canada, Québec, KRG and Makivik in order to ensure adequate housing for Inuit beneficiaries under the Agreement and to provide for adequate participation of KRG in the administration of the housing program.
5. A written agreement should be obtained indicating the extent of Québec's increased allocations in the future, under a specified timetable.
6. The proposed allocations of federal monies for housing (see Table 1) may have to be altered depending on Québec's response to additional funding for school and housing construction.

## 1.2 Makivik Implementation Funding

While the \$2.77 million allocation to Makivik includes the ongoing annual payment of \$240,000 up to and including 1986-87, it is understood that this ongoing payment will continue indefinitely after that date. In addition, the indexation of the basic amount of \$240,000 will be dealt with by D.I.A.N.D. as part of any general submissions it would make to Treasury Board for the indexation of funding of that nature.

In arriving at the figure of \$2.77 million, the federal government acknowledges that the implementation costs, both past and future, are considerably higher. However, the government believes that Inuit (Makivik) and Québec should also bear their share of the overall costs.

Makivik should request Québec to make a similar arrangement to fund Makivik's implementation costs based on the following:

1. A large majority of the implementation activities requiring Makivik's input include areas of provincial jurisdiction or involvement.
2. As the Inuit "native party" under the Agreement, Makivik has an ongoing responsibility to protect the rights of Inuit beneficiaries. Therefore, its role in implementation will continue in the future.
3. Rather than negotiate each year the exact amount of Québec's contribution to Makivik's implementation expenses, an agreement should be entered into with Québec (similar to that proposed by the federal government) which would provide for a specified annual payment subject to indexation.



II. ITEMS NOT COVERED BY THE CABINET DECISION (to be followed-up with DIAND)

It was agreed that items not covered by the federal Cabinet decision, but which were included as part of the Implementation Review, would be followed up with DIAND. Such items include among others:

- Economic Programs (including community infrastructure)
- CORE funding
- Administration of justice
- Port Burwell
- Educational programming and operations
- Training programs
- Formal implementation process

It is also understood that matters related to the Great Whale River relocation and remedial works may also be addressed.

In order to ensure the smooth implementation of the Cabinet decision as soon as possible, we would propose to deal with these other follow-up issues in detail at a future meeting. However, it should be emphasized at this time that the follow-up items remain a high priority and will require careful consideration in the near future.

