

Strength at Two Levels

Appendices to the

**Report
of the**

**Project to Review the
Operations and Structure of
Northern Government**

November, 1991

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APPENDIX 1: COMMUNITY HEALTH PROGRAMS

BACKGROUND/DISCUSSION

- Programs to promote the physical and mental health and general well-being of Northwest Territories residents currently reside within two divisions of the Department of Social Services, the Department of Health, and Regional Health Boards.

Social Services

Within the Department of Social Services, resources and staff to address mental health and well-being are split between two divisions - Alcohol, Drugs and Community Mental Health, and Family and Children's Services. Within these divisions, several discrete programs have been established which address mental health and well-being - including family violence prevention, child sexual abuse, funding and support for community alcohol and drug prevention programs and treatment centres, suicide prevention, and community mental health.

Most of these programs have some regional staff, however, numbers and configuration of staff vary from region to region. Program staff indicate that there is little communication or coordination among program areas, and little sharing of resources. Planning for these programs takes place in isolation. Last fall, Cabinet approved a Suicide Prevention Strategy developed by the Suicide Prevention Coordinator. A revised Family Violence Policy was also recently approved. A Child Sexual Abuse Strategy has been approved by Cabinet. Regarding the development of a Community Mental Health Strategy, senior managers were aware that it was difficult if not impossible to develop a community mental health strategy that did not involve coordination and sharing of resources among the many programs that deal with related issues.

Lack of coordination and integration among programs in the Department of Social Services has likely been exacerbated by organizational problems which have plagued the department.

Health

The Department of Health operates prevention and promotion programs focusing on issues such as maternal and child welfare, family life, wellness, nutrition, and education for the promotion of healthy lifestyles. These programs are made available to the public through local health centres and public health clinics.

The Health Promotion unit within the department acts as a resource for Regional Health Boards, community health committees and other community groups. There is a Family Life Education unit which operates programs promoting healthy lifestyles, including public awareness campaigns, workshops for community groups and health committees, and training for regional and community staff on a variety of healthy life-style related issues. The staff also acts as a resource to the Department of Education in the development and implementation of the Northwest Territories Health Curriculum. The Nutrition Unit also acts as a resource for the general public, in addition to other responsibilities.

Many communities also have Community Health Workers (CHR's) working at the local level. In addition to providing assistance to community nurses, these workers may assist health committees or community groups with awareness campaigns, organization of workshops, and other community health initiatives.

- Responsibility for Alcohol, Drugs and Community Mental Health was transferred to the GNWT at the time of the Health Transfer in 1988. The inadequate level of resources made available through transfer has been a source of frustration. Transferred funds also included the Northwest Territories allocation from the National Native Alcohol and Drug Awareness Program (NNADAP). At one time this was an issue among treaty Indians and, given the current political climate regarding services to natives, may well be challenged again by the Dene Nation.
- As noted above, coordination of efforts within the Department of Social Services is minimal. It is not unusual to hear anecdotes describing, for example, the Child Sexual Abuse Coordinator flying into a region at the request of a community group to hold a workshop, without notifying or involving regional staff of the Division of Alcohol, Drugs and Community Mental Health.
- There appears to be little or no formal coordination between staff of the two departments at any level in this program area. There is potential for amalgamation and coordination at the headquarters, regional and local levels.
- There is a territorial Alcohol and Drug Services Board of Management, which serves in an advisory capacity to the Minister of Social Services, reviewing applications from community groups operating alcohol and drug programs, and making recommendations in relation to contribution funding for these groups.
- The lack of coordination results in a situation where numerous workshops, training sessions and information sessions on issues related to mental health and well-being may take place in a single community, with no effort to involve the same individuals or to ensure consistency and continuity among the sessions.
- Many communities have established Alcohol and Drug committees to coordinate local prevention and counselling programs. Some communities have established local Health Committees, to provide feedback to public health centres and regional health boards. Some of these committees act as sub-committees of community governments, others are independent.
- The GNWT is publicly committed to promoting community self-government through the transfer of appropriate programs to community governments. The Department of Social Services has taken a lead role in negotiating transfers.

- Many of the programs identified above produce information and awareness materials for the general public.
- There is some merit in having Family Violence Prevention, and Child Sexual Abuse Programs, housed in the Division of Family and Children's Services, given the direct relevance of some components of these programs to child protection and welfare -(safe shelters and counselling). However, prevention, information and awareness programs, as well as counselling, also fit logically within a community mental health program configuration.
- Departmental consultants have recommended that the Department negotiate the transfer of Community Health Services, including mental health and suicide prevention, to the Department of Health for subsequent transfer to regional health boards.

ASSESSMENT

- Better coordination and integration of available resources for community health programs would likely result in administrative savings, and more effective program delivery at both the territorial and local levels.
- This program area is a prime candidate for transfer to communities. Programs are discretionary, with less need for common standards and criteria than regulatory programs such as social assistance.

The community service model proposed to be developed during the program review exercise would be particularly appropriate for addressing the fragmented delivery of prevention/promotion/treatment modalities at the local level. Community governments could be responsible for identifying priority issues, allocating resources from transferred budgets to address those issues, and identifying responsible groups or committees to carry through initiatives. Pooling of resources at the headquarters level could ensure availability of support expertise.

Pooling of resources which are now fragmented at the community level would enable communities to more effectively tackle issues of local priority. Decisions about training initiatives, and public awareness projects, could be targeted to issues of most immediate concern.

- Child sexual abuse and family violence programs will have to be carefully analyzed in order to determine which elements should remain with Family and Children's Services, and which should be grouped with a community mental health configuration.
- One program element which may not lend itself to transfer is Clinical Services. As presently structured, this program involves a mobile assessment and treatment team working out of headquarters, visiting regional centres on a regular basis and other communities as required. It has been argued that this treatment model is not effective; however, it is beyond the government's fiscal capacity to locate professional resources in each region.

- The effectiveness of the Alcohol and Drug Board of Management requires analysis. Particularly if responsibility for community health programs is transferred, there may be no role for a territorial advisory board. Communities may choose to pool resources on a regional or broader basis for issue-specific initiatives.
- CHR's (community health workers) and community-based social services workers currently work in isolation. This creates a difficult situation. Staff burn-out and turnover are high among social services staff. Amalgamation of programs and pooling of resources will ameliorate this situation to some degree.

The Project Group recommends:

- All programs in this category, with the possible exception of some elements of family violence prevention and treatment programs, be integrated and housed in the Department of Health.

Estimated Benefits

Our understanding is that the Department of Social Services has 100 employees delivering the entire range of departmental programs at the community level. Based on an estimate that 5% of their workload involves delivery of programs designed to address mental health and well-being, it is reasonable to assume a short-term savings of \$350,000 (five PYs at \$70,000). An additional benefit would be increased program efficiency resulting from the review of the role of the Board of Management, and from increased program effectiveness as a result of transfer to communities.

APPENDIX 2: EMPLOYMENT DEVELOPMENT AND INCOME SUPPORT COORDINATION

INTRODUCTION

From 1982 to 1989, there has been a 151% increase in social assistance payments, and by 1990-91 social assistance payments reached almost \$21 million dollars. The level of social assistance in the Northwest Territories is a strong indicator of the growing problem of social dependence in many communities.

The territory as a whole has a young population growing at twice the rate of the population in the rest of Canada and 32% of working age residents have an education level which is less than grade 9. Another factor which contributes to the problem of social dependence is the fact that most Northwest Territories communities have few employment opportunities. At the time of the Northwest Territories 1989 labour force survey the participation rate of residents 15 years and older in the work force (70%) was one of the lowest, and the unemployment rate (16%) was one of the highest in Canada. If the unemployment rate is examined by ethnicity, aboriginal unemployment ranges between 27% and 38%. It is not surprising that the cost of social assistance payments is projected to rise to \$26 million by 1994-95.

A high percentage of individuals risk becoming dependent on social assistance for long periods of time. However, social assistance recipients who are not considered to be permanently unemployable (individuals with long-term disabilities and elders) often need basic training or skill development programs to help them become more self-reliant.

DESCRIPTION OF AN INCOME SUPPORT SYSTEM: COORDINATING INCOME SUPPORT/EMPLOYMENT DEVELOPMENT PROGRAMS

Coordinating income support and employment development programs would provide a continuum of support and training services which individuals on social assistance cannot access now. The coordination of these programs in the GNWT would initiate the development of an income support system here which could assist people to become more independent and more productive. This type of programming has been developed in other jurisdictions in Canada and is cost-shared through the Canada Assistance Plan in those jurisdictions.

An income support system would not require the development of new program initiatives. It would require, however, that some tasks be clarified, that strong links be developed between existing programs and that government staff become more client-oriented. The departments which would have to work together would be mainly the Departments of Social Services and Education, although there are other programs in other departments and agencies which would have to be linked to this system to provide a continuum of service for social assistance recipients. These other departments and agencies are Arctic College, the Department of

Economic Development and Tourism, and the Canada Employment and Immigration Commission (CEIC). The programs by department and agency which may be considered for coordination in the development of an income support system are identified below.

Programs Contributing to an Income Support System

GNWT Programs

<u>Department</u>	<u>Programs and 1990-91 Budget</u>
Department of Social Services	Social Assistance (\$21,000,000), Vocational Rehabilitation (\$118,000), Employability Enhancement Accord (\$750,000), and Child Day Care (\$2,393,000) programs.
Department of Education	Advanced Education programs - Employment Development and Continuing Education (\$3,600,000), & Apprenticeship (\$5,273,000), programs.
Arctic College	Adult Basic Education and Literacy (approx. \$3 million) and career and skills development (approx. \$4 million) programs.
Department of Economic Development and Tourism	Short Term Employment Program (\$420,000)
TOTAL GNWT EXPENDITURES	\$39,879,000

Federal Programs

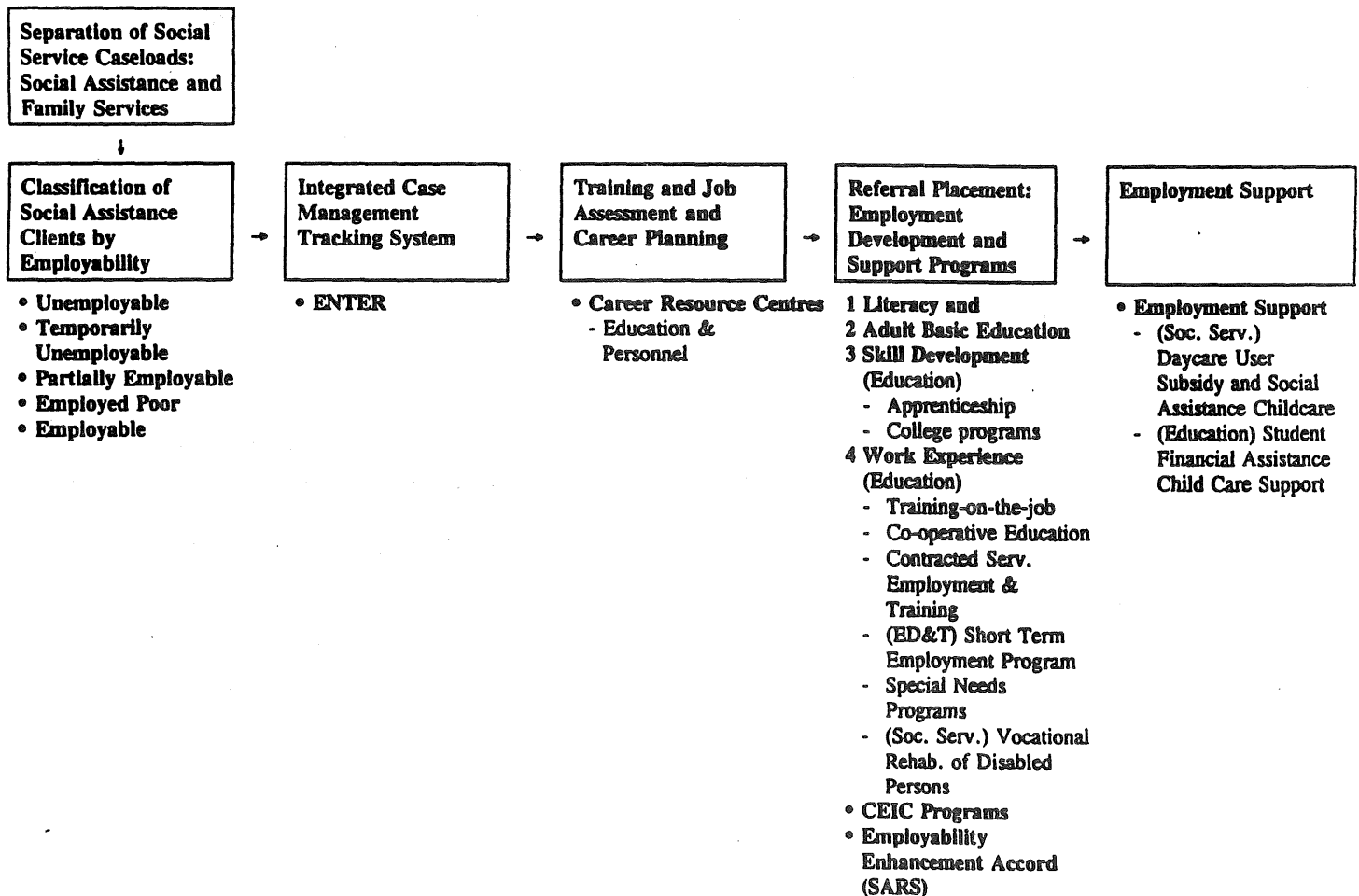
<u>Department</u>	<u>Programs and 1990-91 Budget</u>
CEIC	Job Placement, Employability Enhancement Accord (\$750,000), Canadian Jobs Strategy.

The continuum of programs and services in this system begins with the Department of Social Services. The steps in this system are outlined below and described in more detail in Chart 1 which follows (see page 18 below).

- **Social Services:** Intake, classification according to employability and ongoing financial management of social assistance clients. Where the client is considered to be employable Social Services would refer the client to Education.
- **Social Services and Education:** Integrated case management tracking system of social assistance clients.
- **Education:** Assessment of training needs and the development of career plans for employable social assistance clients through career centres.
- **Education:** Placement and/or referral to GNWT employment development and support programs which are identified in individual career plan. Referral to CEIC and/or GNWT Personnel representatives if/when the individual is prepared for employment.

CHART 1

Employment Development Systems & Income Support Program Coordination Education and Social Services



DEVELOPING AN INCOME SUPPORT SYSTEM: ISSUES AND RECOMMENDATIONS TO CONSIDER

The identification of employable clients and the development/coordination of training and support programs for such clients based on common needs is a well-recognized programming continuum and good social policy.

Social Services Role in the Development of the System

Social Assistance Caseload Specialization, Classification by Categories of Employability and On-going Case Management

Social workers are now generalists and the social assistance caseload is not separate from family services/child care cases; social assistance is provided without any differentiation of client needs and there is little or no systems support for case management. Nor are social assistance clients classified into categories based on need. Social assistance clients now must reapply monthly for support and the number of cases are totalled monthly. The first step is development of social assistance caseloads so that service specialization can be introduced.

The second step in the development of an income support system is the classification of social assistance recipients (client caseload) into general categories based on employability needs. This classification of caseload ultimately determines the nature of training and resources required to assist clients to move towards a higher level of employability and independence.

The Department of Social Services is presently developing mechanisms to separate income security caseloads from family service cases but as a pre-requisite for their community transfer model. Elements are already in place through demonstration projects in the Baffin. It is also the first step required for implementing an employment development strategy for social assistance clients (an income support system). The next step is to assign some of the departmental generalists (social workers) in the regions exclusively to the social assistance caseload. In provincial jurisdictions these employees are referred to as social assistance technicians, or financial assistance workers.

The social assistance technician is not a highly specialized employee. In most other jurisdictions where social assistance is separated (streamed) from child protection, counselling and referral, their qualifications are not particularly demanding and their pay scale is amongst the lowest in the departments responsible for social assistance.

It is critical, however, that well developed policy, regulations, procedures and systems for the administration of social assistance are in place so that "discretionary" decision making on the part of the social assistance technician is minimal. In short, a technician must rely on strong program and systems support.

To manage and serve clients more effectively, and to enable the development of an income support system (as well as distinguishing between family service and social assistance caseloads) social assistance clients can be classified into groups based on their need, and level of employability. While there are a number of benefits to the Department of Social Services from such a classification system, in the context of this program it is essential that the caseload readily distinguish unemployables from employables. It is the latter category of clients, employable clients, that will be referred to the Department of Education. Examples of such classifications are provided in Attachment 1.

The Project Group recommends:

- The Department of Social Services classify social assistance clients into separate caseloads from other services, such as family services and child care, and assign social assistance technicians to manage these caseloads.
- The Department of Social Services develop a classification system for income security clients based on clients' employability needs. This classification system would then be implemented and managed by social assistance technicians.

Social assistance technicians must have sufficient training to classify clients according to the employability classification system and to monitor their employability status. In other words they have to be able to carry out three basic functions:

1. Determine initial and on-going eligibility of individuals and process payments according to established policy;
2. Classify them according to an established criteria in the classification system based on employability needs; and
3. Monitor clients on the caseload to track any change in status of those in the employable categories. The work required in tracking clients is a critical part of case management and requires the social worker to track and record client progress viz-a-viz their career development plan or ability to "get work", and also to ensure clients are receiving only those benefits they are entitled to.

A benefit of monitoring clients can be illustrated with reference to unemployment insurance. Social assistance technicians will be able to determine whether or not clients are eligible to collect unemployment insurance.

The Canada Employment and Immigration Commission has estimated that approximately \$1 million is lost to Northwest Territories residents in unclaimed unemployment insurance benefits. As a result it is assumed that the GNWT is providing benefits through social assistance to individuals who should not be receiving such assistance until they have exhausted their UI entitlements.

The Project Group recommends:

- The Department of Social Services train social assistance technicians assigned to manage income security cases to:
 - a. Determine initial and on-going eligibility of individuals on social assistance;
 - b. Classify them according to an essentially simple classification system; and
 - c. Monitor clients on the caseload to track any change in status of those in the employable categories. The work required in tracking clients is simply to record their progress against an established career development plan and issue benefits accordingly.

The Canada Assistance Plan (CAP) regulations for cost-sharing requires that social assistance recipients identified as employable have to be seeking employment and training. As a result, if an income support system providing employment development programs to social assistance recipients were implemented in the Northwest Territories, employable clients would have to be held responsible to pursue all reasonable opportunities for self-sufficiency. In the extreme, this means that a client who refuses to participate in reasonable employment development initiatives can be denied benefits. CAP also provides coverage to support additional costs to pursue and maintain training or employment. Clients must consistently receive these benefits as an incentive to achieve.

The Project Group recommends:

- Social assistance regulations, procedures and systems be reviewed and, where required, developed to ensure clear procedures regarding client responsibility and eligibility; enforcement measures must be consistently applied across the Northwest Territories.

Education's Role - Employment Planning, Assessment, Counselling and Placement

Career Assessment and Counselling

As noted above Social Service's income security workers will determine benefits and the employability category of social assistance clients. Depending on their employability classification, individuals will be referred to appropriate programs. Those determined to be permanently unemployable will be referred to a "pension" program, and wildlife harvesters will be referred to "Hunter/Trapper" programs. Employable clients will be referred to the Department of Education, Advanced Education division, for assessment and placement through the Career Resource Centres (CRCs). (See Attachment 1).

Education is now restructuring regional offices of Advanced Education as Career Resource Centres for career counselling, development of career plans and referral and/or placement in a GNWT and federal programs. These services and this model could be provided to employable social assistance recipients as well as the general public.

In the model being developed, a CRC counsellor will introduce the client to the resources and services of the centre, assess their training and employment needs and refer the client to testing if required. This will lead to the development of a career action plan with employment as the end result. This plan will reflect the client's skill level and marketability. For low-skilled clients, a multi-year plan may be developed. This plan will be developmental and incorporate regular opportunities for review, update and change as the client progresses through a continuum of skill development opportunities geared to the individual's needs. The Advanced Education staff who are now being trained in employment counselling and assessment are the regional employment development officers, and the apprenticeship development officers.

The Department of Personnel proposes to join Advanced Education in the development of these store-front Career Resource Centres. Equal Employment officers of the Department of Personnel will move to the same facility as the employment development and apprenticeship officers and assist clients by providing information on GNWT job opportunities, interviews, etc.

The Project Group recommends:

- The Departments of Education and Personnel continue to develop the model for Career Resource Centres as per the functions described in the Employment Development Strategy and, that Cabinet approve the development of an income support system that gives employable social assistance clients priority for service through Career Resource Centres.

Case Management/Monitoring

The Department of Education's ENTER system which is implemented in regional Advanced Education offices (proposed Career Resource Centres) can be developed to provide assistance as a territorial client registration system. Presently, Social Services does not have an automated system to identify clients territorially. This is partially addressed in the Kitikmeot pilot project on automation, however, the proposal does not incorporate existing systems such as the Department of Education's Employment and Training Register (ENTER).

ENTER, with modifications to include minimum social assistance data and through modem hook-up, could provide Social Services' offices with personal and employment data including a client resume. A percentage of the 2,300 cases presently registered on ENTER through Advanced Education will be active social assistance clients. Others will have to be registered.

Once the client is assessed and a career plan is developed for a client, a copy would be filed with the social worker and the client. The CRC Counsellor would now take on the responsibility of a case manager. Depending on what resource is required for the skill development opportunity, the client may or may not remain on social assistance. The Master Copy will be stored (electronically filed) on the ENTER System by the CRC Counsellor. The social worker would have access to the master copy at all times. (Note that all the ENTER program design issues discussed in this section are being finalized in 1991-92.)

By using ENTER as a case management tool, client information and the career plan can be updated regularly and becomes the "constant" factor, even during staff turnover. This system must be electronically linked to a social assistance file so that progress can be monitored by the social worker, or if the client is maintained on social assistance, ENTER can provide immediate feed back necessary to retain on-going eligibility.

When placements are made, the on-site supervisor/instructor must be contracted to provide comprehensive support to the client for the duration of the placement (training or employment) and agree to notify the CRC Counsellor immediately if the placement terms and conditions are not honoured by the client. In turn, should the placement not prove satisfactory to the client, they have a "third party" (CRC Counsellor) to call in. This system does not call for the CRC Counsellor or the social worker to provide regular monitoring.

The Project Group recommends:

A comprehensive case management system be developed that links all aspects of the service. To achieve this it is recommended that the Department of Social Services incorporate the ENTER system in their efforts to introduce automated systems into social assistance delivery.

Referral To And Placement In Programs

Once the assessment and counselling has taken place, the career plan will identify the client needs for training or employment development programs, etc. Advanced Education officers in the regions will place people on training and employment development programs available through the GNWT, such as apprenticeship or training on-the-job based on assessed need. Equal Employment officers will be available to refer and counsel clients on job opportunities available in the GNWT. Clients will also be referred to the Canada Employment and Immigration Commission office for other job opportunities when they have the skills required for employment.

Individuals with grade 10 are able to access skill development programs including apprenticeship and college programs, as well as programs such as on-the-job training and co-operative education. Grade 10 has been identified as a benchmark for marketable skills. As a result, where an employable individual is assessed as needing academic upgrading, the employment development counsellor will refer the individual to literacy or adult basic education programs presently being delivered through Arctic College. For those wishing to pursue a full high school diploma, arrangements can be made to continue in adult upgrading. Although it is recognized that few young people drop out of school because they think that they will have an opportunity to be "paid to go to school" later, to discourage anyone from considering this a viable option consideration should be given to referring youth under 21 to return to the regular K - 12 school system for upgrading. (One of the issues proposed for the redraft of the Education Act is the right of students to continue schooling, to a certain age, in addition to the requirement to continue to age 16. It may be reasonable then to require youth up to age 18 (or perhaps 21) to return to the regular school system first before they are referred to adult upgrading. CEIC requires that clients be 18 years of age for pre-vocational training.)

If social assistance recipients are given priority in service, knowing that approximately 80% of social assistance recipients have an education level less than grade 9, basic life skills and adult upgrading should be considered a priority program in the implementation of the income support system.

The Project Group recommends:

- Priority be given to increasing the number of individuals achieving a grade 10 standing. It is further recommended that consideration be given to requiring individuals 21 years of age and under to return to the regular school system (K - 12) first for upgrading.

Other Programs to Consider in the Development of an Income Support System

- The **Short Term Employment Program (STEP)** provided by the Department of Economic Development and Tourism provides wage subsidies for community groups or businesses for the creation of short term employment or training opportunities for unemployed or underemployed individuals or for students requiring seasonal employment. Eligibility is limited to projects sponsored by municipalities, non-profit community groups, Northwest Territories businesses or a GNWT department, in Level 2 and Level 3 communities. Projects may not normally exceed 20 weeks in duration. There has been some linkage to the income support system. This linkage should be strengthened so that employable clients who are ready and would benefit from short-term employment may be directly referred by employment development officers.

- The **Interim Child Care Program** provided by the Department of Social Services has three components: start-up assistance provided to operators, operating assistance provided to operators, and an income-tested user subsidy for parents of pre-school children. The user-subsidy component of this program has not been well utilized and social workers have noted that the forms which must be filled out to access the program are confusing. In the discussion on the Interim Child Care Program (Appendix 6), the recommendation proposes that the subsidy be excised or reallocated to a more needy component of the interim child care program. Another option to consider is to leave the program intact, improve its access and make sure that it is available to support employable social assistance clients when they are referred to training, etc.
- The **Vocational Rehabilitation of Disabled Persons Program** is a cost-shared program administered through the Department of Social Services and governed by a federal act and an agreement with the federal Government. There should also be coordination between this program and the income support system. Some clients who are considered to be unemployable will be referred to this program as well as some clients who are temporarily or partially employable.
- The **Employment Enhancement Agreement** is a cost-shared agreement with the federal Government and is administered by the Departments of Social Services and Education. It provides for training for social assistance recipients. This program would become part of the income support program.
- **CEIC** has an office in each regional centre except the Kitikmeot which is served through Yellowknife by an outreach worker. There should be good communication of information and coordination between the GNWT income support system and CEIC.
- The **Canada Assistance Plan** is a federal program which provides cost-sharing of incentives to support employment and training initiatives. These include the wage exemption and special needs related to employment and training such as work related travel, clothing, special equipment/tools and child care assistance. These benefits have to be regularly assessed and consistently applied to ensure employable clients receive maximum support while pursuing employability initiatives. Such initiatives, funded directly through social assistance, can be targeted to particular clients, such as long term, high cost clients like single parents. An example of enhanced use of social assistance is to increase the number of participants in upgrading by maintaining them on social assistance and paying tuition, books and related costs through the Canada Assistance Plan.
- However, whether or not the **formula financing agreement** will be affected by cost sharing an income support system with the federal government is uncertain. The formula financing agreement is not affected in the situation where, before April 1, 1985, the GNWT offered no programs in an area where the federal government was cost-sharing programs in other jurisdictions in Canada. The formula financing agreement may or may not be affected in the situation where, before April 1, 1985, the GNWT provided programs but these programs were not cost-shared with the federal government, although similar programs in other jurisdictions were being cost-shared with the federal Government.

The Project Group recommends:

- An income support system be developed and implemented in the Northwest Territories in a way which will take best advantage of the cost-sharing provisions in the Canada Assistance Plan.

The recommendations contained in this appendix that address programs and delivery mechanisms must be pursued as a first step in effecting efficiencies. If nothing else is done in light of major organizational change, the above recommendations should result in increased efficiencies through strengthened linkages and co-ordination.

The Project Group recommends:

- As a minimum, that income security and employment development programs be developed through coordination of the programs of two departments: the departments of Social Services, and Education and Arctic College, as they are currently structured. The only change in organizational structure in this recommendation is that the STEP program be transferred from Economic Development and Tourism to Education.

This recommendation requires a high degree of coordination between the departments of Social Services, and Education and Arctic College in order to ensure program effectiveness. Experience would indicate that this can be difficult to achieve, even with a real commitment from each of these three agencies. This recommendation we view as an interim stage in the structural reorganization of departments. It is preferable to house all of the programs in the continuum under a single department of mandate to insure program effectiveness. The preferred option is to establish a single Department of Education and Employment which would include social assistance, Advanced Education and Arctic College in its mandate. Such an alternative is presented in Chapter 4 of this Report dealing with departmental consolidation.

Consideration could also be given to the establishment of this structural reorganization under the Department of Social Services; however, the common northern perception is that Social Services is for "losers" and the thrust to enhance employability is lost entirely.

The separation of caseloads within Social Services coupled with the complexities of the social assistance program and cost-sharing through the Canada Assistance Plan make the task of transfer onerous. Similarly, and understandably, the demands of the K-12 system on the resources of the Department of Education, and the relative smaller scope and resources of Advanced Education limit the ability of Education to smoothly absorb the transfer of the more complex social assistance program. To ensure that policy, program design and management structure are adequately planned for under the Department of Education, the Project Group recommends:

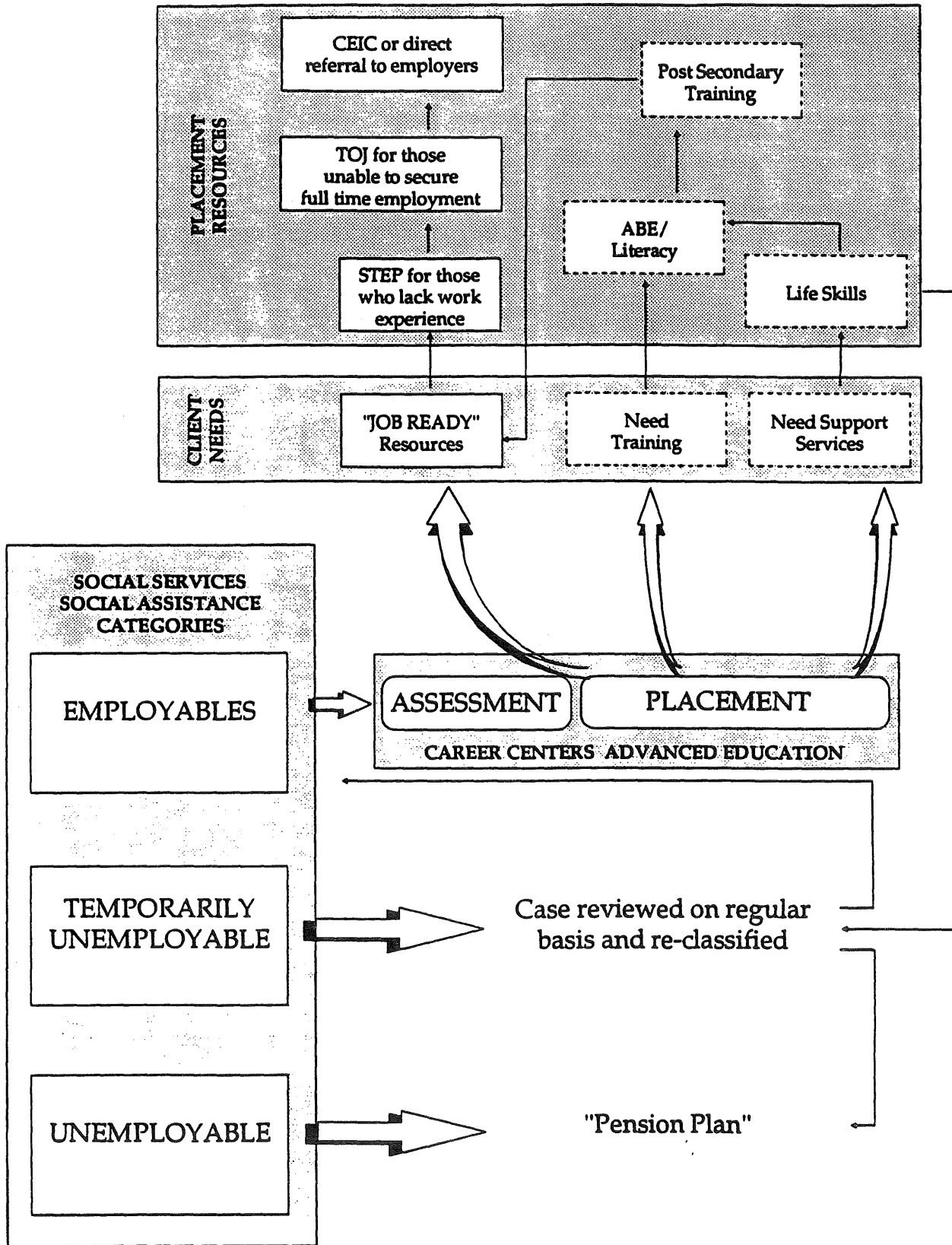
- If Cabinet approves this initiative, the Priorities and Planning Committee direct the Priorities and Planning Secretariat to chair a task force composed of representatives from the Departments of Social Services and Education, in consultation with the Departments of Economic Development and Tourism and Finance (fiscal policy), and Arctic College, to develop the policy and program design to implement an income support system in the GNWT, and prepare this information for the review of the Committee in six months time.

The overwhelming social problems related to growing dependency as seen through rapidly increasing costs of social programs and increasing illiteracy and unemployment rates are of the highest priority to this Government. In this context, the following recommendation, although contrary to our general thrust on integration and departmental re-organization may be worthy of consideration. A new Department of Continuing Education and Employment could be considered in order to create a profile representing a strong political commitment to strengthen northerners' employability through reduced dependency. A new department, created with the same resources needed for the transfer to Education, could do this. Although the argument for profiling should be strictly and rarely used, in our opinion, if there were ever a candidate worthy of the exception, this would be it.

The Project Group recommends:

- Consideration be given to establishing a Department of Continuing Education and Employment with a mandate for delivering all of the programs related to employment development and income support, including social assistance.

INCOME SUPPORT SYSTEM TRAINING FOR EMPLOYABLE SOCIAL ASSISTANCE RECIPIENTS



COST IMPLICATIONS OF THE DEVELOPMENT AND IMPLEMENTATION OF AN INCOME SUPPORT SYSTEM

Some elements of the development and implementation of an income support system can be accomplished without incremental resources. Some elements, as noted below, will require incremental resources but may be offset by other savings (both short and long term savings). It is difficult to provide specific costs and offsets at this time - to do so requires extensive consultation with departments. It is assumed that the need for training and computers and modems will result in marginal increased costs that will not require offsetting resources. It is also assumed that the three areas which will likely result in substantial increased costs (clients staying on assistance longer, volume increase of clients to be assessed, etc., and demand for program increases) may be offset by four possible sources:

- the potential savings in social assistance payments resulting from residents claiming their UI benefits rather than accessing income support. (This sum is assumed to be \$1M).
- the possibility that CAP will cost-share the entire GNWT income support system
- the possibility that results of an income support system in the Northwest Territories will be similar to the results in southern jurisdictions. It is the experience elsewhere in Canada that 30% of clients identified as employable do not return to social assistance if they are involved in an income support system. These savings may be realized after about five years of operation, but of the money saved, 95% of the savings are used in the operation of income support systems. Consequently, there may be a net saving of 5%.
- improved management practices, including control of special need items, and consistent application of policy and procedures should realize saving directly from the Social Assistance fund.

These three sources will be identified in the chart below as **potential offset sources**. The other area of increased costs is the Career Resource Centres. This is a separate initiative and the Department of Education estimates costs to be \$180,000 for resources, and additional costs for renovations. (It is assumed that these costs will be requested through the OPPLAN.)

CHART 1

Finance	Cost Implications by Dept.	Offsetting Resources
<p>Social Assistance: Intake, Classification and Ongoing Financial Maintenance</p>	<p>Social Services: The development of specialized social service workers trained to assess clients for their employability would result in additional training costs.</p> <p>Employable social assistance clients would be on assistance longer to cover the period of their training. This would result in increased social assistance costs.</p>	<p>Training: Incremental costs are anticipated to be marginal and are cost sharable through CAP.</p> <p>The review of community health and social services is recommending that five PYs be transferred to Health, and the review is recommending that responsibility to shelter and care for aged and handicapped individuals also be transferred to Health. As a result, Social Service workers will be responsible for family protection and the provision of social assistance. Although a recent consultants' study assigns 93% of Social Services caseloads to Social Assistance, this % of PYs should not be required. The recommended improvements should result in social assistance technicians able to carry at least double the present caseload.</p> <p>Increase in Length of Time Clients Receive Social Assistance: This would result in substantial increased costs, but they may be countered by the potential offset sources.</p>

Finance	Cost Implications by Dept.	Offsetting Resources
<p>Career Centres: Assessment of needs and development of a career plan; and placement in appropriate resource</p>	<p>Education: Through assessment of social assistance clients, additional employment development officers/counsellors will be required due to increased volume.</p> <p>There are also increased costs noted to enhance current space as Career Resource Centres, but the development of CRCs is a separate initiative.</p>	<p>Increase in Volume of Clients Seeking Training and Employment: This would result in increased costs, but these costs as well may be countered by the potential offset sources.</p> <p>The additional costs to enhance resources and space to create CRCs is estimated by the Department to be \$180,000 for each of the next five years. This estimate would provide for enhanced training resources in all regions which could be taken to communities. Additional resources will also be required for minor renovations such as book shelves, signs, etc. These additional costs will be requested in the OPPLAN by the Department of Education in conjunction with the Department of Personnel to improve service to the public. It is a separate initiative from the development of an income support system, although CRCs could be used to serve employable social assistance recipients as well.</p>

Finance	Cost Implications by Dept.	Offsetting Resources
Case Management	Social Services: The computerization of caseload data will require that computers and modems be installed in social worker offices. If the social assistance program were fully automated, as in some jurisdictions, functions could be further streamlined with technicians carrying higher caseloads. The ENTER program/data base may be accessed in this manner.	Computers and Modems: There would be marginal additional costs for equipment.
Programs	GNWT Departments: The employment development and support programs identified above are all programs which are in place. There may be a need to expand some of these programs to meet the increased volume of clients, and the greatest need identified is for academic upgrading.	Program Increases: With additional clients there may be a need to expand programs. The potential offset sources may also offset these costs. (In other jurisdictions, in its cost-sharing of the income support system, CAP has covered the cost of additional training programs.) It is also possible that current contracts for the delivery of adult employment development programs could be expanded, such as the contracts with the Tree of Peace and Project Change in Yellowknife.

Finance	Cost Implications by Dept.	Offsetting Resources
		<p>Further because many Arctic College programs are undersubscribed and class sizes are very small, it would likely be possible to double current class sizes without increasing the cost of delivery. (The major costs of the instructor, etc. would already be provided.) This would introduce economies of scale and also contribute to offsetting costs resulting from program increases.</p>
<p>Placement Opportunities</p>	<p>Education: Counsellors in the development of a career plan will "place" clients in training programs and/or refer clients to STEP, or the Equal Employment Officer for job opportunities in the GNWT.</p> <p>CEIC: Clients will also be referred to CEIC offices for placement in jobs advertised in the private sector.</p>	<p>Placement: Placement in jobs in the GNWT or in the private sector will not result in increased costs, rather than increased benefits to Northwest Territories society. The main problem in placement is not cost but the fact that there are not many employment opportunities in small to medium sized communities.</p>

ATTACHMENT 1**EXAMPLES OF CLASSIFICATIONS OF SOCIAL ASSISTANCE CLIENTS BY EMPLOYABILITY****Permanently Unemployable**

This category includes people with long-term disabilities, and elderly or handicapped individuals. They form a fairly stable client group, whose number and composition will not change significantly from year to year, and research in the Northwest Territories shows that this group is relatively small. Social Services is presently developing a "pension" plan for such clients and have estimated this group to include approximately 450 clients, 250 of whom are over the age of 60.

This group of social assistance clients would not be referred to employment development initiatives. The onus is on the social worker initially to determine eligibility for benefits in this category, although some clients who cannot be placed in training or employment because they have been assessed to be mentally, physically or socially disabled may be re-classified into this group.

Wildlife Harvesters

The Department of Renewable Resources in conjunction with the Department of Social Services is planning revisions to the assistance programs provided to hunters and trappers and developing a new and more comprehensive income support program for these individuals. Many hunters and trappers receive social assistance and if a new program is developed providing them with a level of income support which would eliminate their need for social assistance, it could reduce the overall caseload for the Department of Social Services by 1,200. However, some hunters and trappers supplement their income by working part-time in the wage economy. These individuals could be considered for employment development programs and, as a result this category of clients would overlap with other social assistance clients who are partially employable (other seasonally employed individuals, etc.).

Partially Employable Clients

This group includes those individuals who for a variety of reasons will not be able to achieve or hold full time employment. Some of the reasons individuals may be included in this grouping of clients are: age, handicaps or social reasons such as familial responsibilities. Nonetheless, part-time or seasonal employment may be possible for these clients. Although this group will not be targeted for employment development, all benefits and incentives should be made available to them.

Temporarily Unemployable Clients

This client group includes individuals who normally would be employable and available for work, but for some temporary reason require assistance. These individuals may include those who have a short-term disability, who are pregnant, or who have young children requiring care.

Social assistance to this client group could be handled in much the same way as the majority of social assistance cases are now handled - that is, by periodic evaluations assessing the client's need and providing assistance based on those assessments. Case management procedures must be in place to ensure regular reviews of this status and their re-classification and referral to assessment when they become employable.

Individuals in this category may have barriers to employment that are not immediately obvious. Upon assessment, individuals may be referred back to social workers for assistance that is not within the continuum of employment services, including alcohol or drug counselling, outstanding conflicts with the law that constrain their options (e.g. Fine Option obligations, pending court, etc.). Responsibility for support services and mechanisms for tracking progress vis a vis the barrier to employment development must be jointly developed.

Employable Clients

This client group includes people who are available for employment and willing to work but for a variety of reasons, cannot obtain employment. The recidivism research shows that a large proportion of the social assistance client group falls into this category, and that the majority of this group cannot obtain employment because of factors which are beyond their personal control - for example, availability of jobs, lack of training opportunities, lack of child care.

These individuals require social assistance to enable them to survive on an interim basis, but they also require a wide range of support programs designed to enable individuals to take advantage of existing employment opportunities. These "supply side" programs include work experience, training, literacy and upgrading, and child care tailored to the needs of trainees. Without upgrading their skill levels, these individuals can be expected to return to the caseloads. Support programs for this group should be matched to "demand side" programs designed to increase the number of jobs available.

Employed Poor/Underemployed Clients

This group includes heads of families who are employed, but at such a low wage that their income is still not sufficient to support their families without requiring supplementation through social assistance or some other program. The recidivism research indicates that this is a significant client group on social assistance in the Northwest Territories, requiring a "top-up" to their wages in order to provide for their families.

Some of these individuals, however, are interested and capable of progressing in their field or wish to change occupations. On the job training or higher education are two means to help individuals achieve this and reduce dependency on social assistance.

APPENDIX 3: PROGRAMS FOR SPECIAL TARGET GROUPS AGED AND HANDICAPPED

BACKGROUND/DISCUSSION

Three departments are primarily responsible for providing services, including residential and shelter services, to aged and handicapped residents. Delivery of some programs involves two or three departments. There are some areas of confusion regarding responsibility areas.

Programs for the aged and handicapped are as follows:

Shelter-Related

- Coordinated Home Care: Coordinated home care refers to a comprehensive program which arranges services such as home nursing, home support services (e.g. homemaker, Meals on Wheels) and may also include professional services, neighbourhood services and equipment loans. The program is funded jointly by Health and Social Services, and is available to clients residing in all residential facilities. Regional Coordinators report to hospitals or regional health boards. Comprehensive programs are in operation in only six communities, but components are available elsewhere. There is a user fee for the Meals on Wheels element of the program; all other costs are covered by the departments.
- Nursing Homes: Nursing homes are the responsibility of the Department of Health. There are six facilities in the Northwest Territories which can accommodate clients requiring Level III care. Several are combined with personal care facilities under one roof. User fees ("co-payments") are in effect but are not standardized.
- Personal Care Homes: Personal care homes are jointly administered by Social Services and Health. Clients are individuals requiring Level 2 care. User fees have recently been standardized at \$350/month. The Northwest Territories Housing Corporation builds senior citizens' personal care homes with funding provided by the Department of Social Services. Cost-sharing arrangements with CMHC for operating costs apply to some facilities. Social Services pays all O&M costs on facilities run by non-profit organizations. There are six facilities in the Northwest Territories.
- Senior Citizens' Homes: Seniors' residences are built and maintained by the Northwest Territories Housing Corporation with capital funds provided by Social Services. NWTTC is responsible for O&M costs. Capital and operating costs are cost-shared with CMHC contributing 75%. Extra program costs and personal care costs are covered by Social Services.
- Institutional Care: The Department of Health provides institutional care for aged, disabled or chronically ill residents on a long-term basis.

There is some confusion about who should be the lead agency in negotiating CMHC funding for aged and handicapped residential facilities - Department of Social Services or the Northwest Territories Housing Corporation.

Non-Shelter Related

A variety of services are available to individuals through the Department of Social Services, including:

- counselling for aged and handicapped adults;
- day care for aged and handicapped adults;
- vocational rehabilitation for handicapped adults.

The department also funds community and non-profit groups to provide rehabilitative services and programs to aged and handicapped adults.

There is fairly high degree of overlap between the programs run by the departments of Health and Social Services, primarily at the headquarters level.

Some personal care facilities are built and operated by the Department of Social Services (in cooperation with Health). Others are built and operated by non-profit groups, through funding arrangements with the GNWT. Of those owned by GNWT, some are operated on a contract basis; others are staffed by GNWT employees. There is pressure throughout the Northwest Territories for non-GNWT employees to achieve wage parity with GNWT employees, thus there is little potential for cost-saving through contracts with the private sector.

In January 1990 the FMB approved a standardized user fee of \$350/month for residents in personal care homes, regardless of the residents' ability to pay. Approval of the fee involved a slight increase in GNWT funding required to operate the facilities (\$20,000). The primary rationale for the fee was that it would leave seniors receiving the Guaranteed Income Supplement and Territorial Income Supplement with sufficient income to contribute towards the well-being of their families.

The Departments of Health and Social Services are intending to develop a policy or Memorandum of Understanding, to provide a framework for the delivery of Coordinated Home Care.

The Department of Social Services has continuously lapsed funds in the Aged and Handicapped accountability area for the past several years. A recent report requested by the FMB identified the following factors contributing to lapsing of funds:

- deferral of capital projects (primarily to allow for community input);
- difficulty of projecting capital costs because of the many funding options which must be explored (e.g. possibility of cost-sharing under at least two CMHC programs);
- lapsing of budgeted O&M funds as a result of capital projects deferral;
- department's need to assign training and organizational priority to programs with a statutory basis, and to programs of an emergency nature such as child sexual abuse;
- staff turnover at the regional level and shortage of staff at the headquarters level;
- community emphasis on development of facilities rather than community based support programs.

Departmental consultants recently recommended that the department negotiate the transfer of aged and handicapped programs to the Department of Health. This was based on a perception that the Department of Social Services' mandate has been too broadly interpreted, rather than on an analysis of efficiencies to be gained by integration.

The 1991-92 report of the Standing Committee on Finance recommended that the Department of Social Services maximize the use of home boarding for a number of client groups, and pursue the possibility of boarding individuals with families in public housing units, thereby cutting overall costs to government.

CONCLUSION

Insufficient data were available to allow a detailed analysis of precise areas of program overlap, and costs associated with the programs cited above, to be conducted. Elements of Department of Health programs for the aged and handicapped are not carved out in either the Programs and Services Manual, or the Main Estimates.

It is difficult to ascertain the exact number of PYs devoted to these programs in the Northwest Territories, as regional staff are attached to hospitals or health boards, and much program delivery is done through contracts with the private sector. PYs at headquarters are minimal in both the Department of Health and Department of Social Services.

Analysis of the cost savings available from implementation of increased user fees and cost-sharing of nursing home and personal care programs cannot be done in detail until better data are available.

There may be areas of federal cost-sharing which could be accessed more effectively, including the following:

- There appears to be confusion over which CMHC programs provide optimal cost-sharing for aged and handicapped facilities.
- Residence in personal care facilities for senior citizens is eligible for cost-sharing under the Canada Assistance Plan (CAP), assuming CAP criteria are met. One requirement for cost-sharing eligibility is that the user fee charged to residents must represent a certain proportion of the senior citizen's income received through the Old Age Supplement/Guaranteed Income Supplement. The present standardized user fee of \$350 per month is too low to meet this criterion.
- There may be opportunities for increased cost-sharing under the Vocational Rehabilitation of Disabled Persons agreement (VRDP).

Increasing user fees will yield minor revenues, and may enable CAP cost-sharing to be accessed.

Staff of all three departments involved in providing shelter-related services have expressed frustration with existing administrative procedures. Although amalgamation or integration of aged and handicapped programs would not provide an immediate significant yield in terms of PYs and financial savings, it might result in significantly improved program administration, fewer lapses in funding, and more effective accessing of federal cost-sharing opportunities.

Community support programs may be a less costly means of providing support to aged and handicapped than construction of residential facilities. Such programs are hampered by overcrowded housing, lack of basic amenities such as electricity and running water, and social problems including alcohol abuse and family violence. However, it may be worth exploring the possibility of increasing the emphasis on developing and implementing such programs, involving not only volunteers but paid community workers to deliver them.

RECOMMENDATIONS

The Project Group recommends:

- Delivery of all programs for special target groups (aged and handicapped adults) be coordinated from one administrative centre of responsibility, and administration should be located within the Department of Health.
- All shelter-related programs be made available to the public on an income-tested or means-tested basis, pending a review of the formula financing and cost-sharing implications of each option.
- The basic co-payment be raised from \$350 to \$500 per month.
- Further research be conducted into the potential for increased access to federal cost-sharing in this program area, and cost-sharing under the Canada Assistance Plan be vigorously pursued.

ESTIMATED BENEFITS

Integration of all programs under one administrative centre would result in more efficient and effective program delivery, as well as potential PY savings.

In addition, an annual savings of approximately **\$1,645,800** has been estimated (see detailed calculations below). This is only a very rough estimate, as detailed information on numbers of beds available for Level II and Level III care, and average costs per month to maintain residents in care facilities, are not available. It also assumes that the GNWT could successfully negotiate CAP cost-sharing.

The calculations below assume that there are 72 beds for Level II and Level III individuals in personal care and nursing homes, but make no distinction between the two levels of care. An estimated cost per month per resident of \$3,825 has been used, based on an averaging of the 1990-91 operational costs of the Aven Seniors' Centre and Woodland Manor.

- a) increase of standardized user fee from \$350 to \$500 per month (increase of \$150):

$$72 \text{ beds} \times \$150 \times 12 \text{ months} = \quad \quad \quad \mathbf{\$129,600}$$

- b) introduction of income or means testing, assuming 5% of current residents can pay full costs:

Full cost of maintaining 5% of residents:

4 residents x (3825 x 12) =	\$183,600
Subtract user fees already collected	24,000
Potential savings	\$159,600

- c) accessing cost-sharing opportunities through the Canada Assistance Plan, assuming 95% of residents are defined as "in need" and therefore eligible for cost-sharing:

Full cost of maintaining 95% of residents:

68 residents x (3825 x 12) =	\$3,121,200
Subtract user fees already collected	408,000
Cost-sharable balance	\$2,713,200
Potential savings at 50%	\$1,356,600

(Note: Estimated monthly operating cost per resident of \$2,778 is based on an average of the monthly cost to maintain a Level II resident at Aven Seniors' Centre, and at Woodland Manor, in 1990-91.)

APPENDIX 4: FEDERAL/TERRITORIAL ROLES AND RESPONSIBILITIES

DUPLICATION/OVERLAP

The federal Government continues to provide a wide range of services and programs in the North. Most of these are national programs which are delivered throughout Canada, however some are unique to northern areas and directed primarily at the aboriginal population. Each year, DIAND, on behalf of the federal Government produces the Annual Northern Expenditure Review Plan (ANEP), which provides an overview of the expenditures and person-years of the Northwest Territories, Yukon and federal Governments on programs and activities which benefit the residents of the Northwest and Yukon territories. This document records these expenditures in two ways: a. expenditures made in the North (location of responsibility centre); and b. those made in the South on behalf of the North (location of principal benefit).

Total expenditures are as follows:

Type of Federal Expenditure	Total 1989/90*
NWT - location of responsibility	\$ 207,206,000 (p.68)
NWT - location of principal benefit	\$ 331,510,000 (p.113)
NWT - Federal PYs	1,613

In the Northwest Territories, there are some areas of shared jurisdiction where the federal Government is involved in direct delivery of programs and/or services. Concern is often expressed by residents regarding the confusion and apparent duplication of programs at the community level being provided by the GNWT and the federal Government. Negotiations on these areas of overlap could result in a single agency delivering the program, while both agencies provide funding. Alternatively, it may not be necessary in these times of fiscal restraint for two agencies to fund and deliver programs which address similar needs. The upcoming Constitutional talks are likely to provide for Federal/Provincial/Territorial discussions on areas of shared jurisdiction; and in anticipation of territorial involvement in these talks, the 1989-90 ANEP was reviewed to determine programs for examination.

The Project Group recommends:

- These areas should be examined by the GNWT with respect to efficiencies which may be gained in streamlined and coordinated program delivery.

Attached are the listings of the federal programs outlined in the ANEP document which pertain to the Northwest Territories. The listings are given for the departments and programs which have their responsibility centre in the North, and for the departments and programs which provide a principle benefit to the North.

Extracted from these listings are the following programs which may indicate areas of overlap with programs offered by the GNWT. The selection criteria used to determine these programs consisted solely of an examination of the ANEP document with reference to broad program areas currently managed by the GNWT. It is a subjective examination conducted at the general level of departmental and program objectives and no detailed examination of program elements was conducted.

The Project Group recommends:

- Detailed examination of program elements should be conducted prior to talks with the federal Government. This examination should include resources available, program rationale, specific client group, and opportunities for economies.

DEPARTMENT	PROGRAM NUMBER	PROGRAM	AMOUNT (\$000's)	PY
DOE	700	Environment Protection Service	1,170	14
	710	Canadian Wildlife Service	170	1
EIC	412	Human Resource Development Programs, Training, Job Creation	10,038	28
	413	National Employment Services	971	19
INAC	415	Vocational And On The Job Training For Natives, Counselling For Northern Students in Southern Canada	445	0
	420	Special Employment Programs and Monitoring Joint Agreements	170	2
	460	Economic Development For Indians and Inuit	1,186	5
	710	Northern Science Training Programs, Advise on Northern Scientific Matters	76	0
	953	Band Management		
	961	Exploration, Development And Conservation Of Non-Renewable Resources	3,080	5
	975	Renewable Resources - Management Of Land, Water and Forests	1,993	24
			10,917	88
IST	400	Increase Industry, Tourism and Commerce, Aboriginal Economic Development Program	6,492	7
PSC	410	Native Northern Careers Programs	2,770	50
TOTALS			39,478	243*

NOTE: * The totals of these program listings do not equal the totals listed in the ANEP document and noted above under 1,2, and 3. Many categories show a 0 balance, either the program no longer exists or the departments did not reply to DIAND's request for information. Some of the figures for programs which were examined appear to be inaccurate, however, no attempt was made to correct them as detailed examination will be needed prior to Constitutional talks.

APPENDIX 5: MEDICAL TRANSPORTATION

PROGRAM DESCRIPTION

Overview

Federal health care standards insure that all Canadians have access to basic levels of medical care ("insured medical services"). Because this access is difficult in the Northwest Territories, where a small population is spread over a large area, a scheme for medical transportation was devised by the GNWT to allow access by all Northwest Territories residents to insured medical services. This scheme comes into effect after the employer's medical plan (if any) of the resident has been exhausted.

This plan for medical transportation for residents of the Northwest Territories is set out in the Medical Travel Policy (91.02), last revised in May 1990 (the "Policy").

Whenever Northwest Territories residents require "insured" medical services not available where they live, they are sent to the nearest centre at which necessary and appropriate services are available. The "nearest" centre might be the regional hospital (e.g. Inuvik, Iqaluit, Yellowknife), the territorial capital (Yellowknife) or the nearest southern location (Edmonton from the West, Winnipeg from the Keewatin, Montreal from the Baffin). Status Indians and Inuit also receive certain limited "non-insured" benefits such as extended dental coverage and drug and alcohol rehabilitation which are also eligible for similar travel benefits.

As a rule, the cost of travel for these trips for medical treatment is paid for by the GNWT. Certain local costs of Status Indians and Inuit are paid by Health and Welfare (Canada) and the "co-payment" of \$50 each way for Status Indians and Inuit is picked up by the federal Government. Metis and non-natives are required with certain exceptions to pay their own co-payment and pay their own local out-of-pocket costs.

For reasons set out in the Policy, non-medical escorts have their plane fares paid for by the GNWT. Again, escorts for status Indians and Inuit have certain costs such as local accommodation paid for by Health and Welfare Canada, which, with certain exceptions, are not available to Metis and non-status persons.

The Policy also applies to situations where there is an entitlement to supplementary health benefits, such entitlement depending upon age, ethnicity and disease.

Program Finances

The Northwest Territories Medical Travel Program, which funds the air fare (minus user fees) for all Northwest Territories residents was a \$15.5 million program in fiscal 1989-90. There were no PYs or salary dollars assigned to the program in the Main Estimates. In addition to the total patient trips taken of about 26,000, some 10,000 non-medical escort and 3,000 medical escort trips were taken during fiscal 1989-90.

In fiscal 1990-91, \$15.5 million was appropriated, but a \$3.2 million supplementary appropriation was required to finish the year. Justification for this unbudgeted appropriation was related to the volume-driven nature of the program. The total number of trips has not yet been calculated. There continue to be no salary dollars or PYs attached directly to the program in the Main Estimates.

Travel approval Process

Medical Doctors or Community Health Nurses:

The medical travel approval process starts with the local health care worker approving travel to see a more specialized health care worker. This referrer may be the community health nurse, or may be the medical doctor. If in their opinion, the necessary and appropriate medical care is not available in the local community, a medical referral is made to the nearest centre where appropriate and necessary services are available. Travel is often approved in stages, given that only the expert referred to can determine whether she or he has the expertise to deal with the problem. Often travel is in increments (for example, first a referral from Sachs Harbour to Inuvik; if that is not successful, a referral from Inuvik to Yellowknife, then one from Yellowknife to Edmonton).

The health care worker also indicates whether an escort is required. This determination is based upon an interpretation of the Policy and the Non-Medical Escort Directive of May, 1990 (the "Directive"). The Department of Health recently issued an administrative directive which outlines in detail the appropriate interpretation of the Medical Travel Policy, to ensure more consistent application of the policy by health professionals.

Both the determination of medical travel and requirement of an escort are documented on a medical travel form which is signed by the health care worker.

In their positions, health care workers do not have any control over or accountability for expenses for medical travel requested by them.

Medical Referral Offices

The medical referral form signed by the health care worker is then taken by the patient to the medical referral office (run through the Health Board), where a travel warrant is issued. This warrant can be turned into a plane ticket when accompanied by payment of the \$50 per flight co-payment (the \$50 for status Indians and Inuit is billed to the federal Government). Full medical travel arrangements are made for status Indians and Inuit; Non-status persons are required to make their own travel arrangements.

In the case of medical travel to the closest point, there are no further reviews of the appropriateness of the referral. Similarly, when the medical travel form indicates the requirement for a non-medical escort, there are no further reviews done.

The Department of Health

The Department of Health processes the payments for medical travel and acts as a resource centre to answer questions from the health professionals and travel referral offices. It also manages some aspects of the program.

Although there are no salary dollars or PYs earmarked to this program in the Main estimates, the following resources have been dedicated to Medical travel by the Department of Health:

- A "Senior Policy Officer, Benefits",
- 2/3 of the time of a "Health Benefits Administrator",
- 3 1/2 Medical travel clerks.

The **Senior Policy Officer, Benefits** has a many-faceted role. She is the policy officer with policy responsibilities in the area of medical travel. She provides advice to health care workers and head office staff in interpreting the Policy as well as administering the Non-Insured Health Benefits for Status Indians and Inuit. Until April 1, 1991, she had Yellowknife travel referral clerks reporting directly to her. (They have since been reassigned to the Mackenzie Health Board).

The **Health Benefits Administrator** is responsible for managing five separate areas, one of which is called Medical Travel but contains management of only some of the full Medical Travel Program. In fact, her "management" of Medical Travel is restricted to overseeing the medical travel clerks, giving advice on the Policy to staff and making case decisions relating to pre-approvals in three areas:

- Extended southern travel: The general rule is that no southern travel is approved beyond the nearest southern point. Pre-approvals by exception are made where the health expertise is not available in Edmonton, Winnipeg, or Montreal, as the case may be.

- Extraordinary escort requests: The general rule is that one escort may accompany a patient. Where extraordinary requests are made for escorts, usually for more than one, they must be pre-approved.
- Extended escort requests: Escorts must return on the next available flight and be responsible for their own expenses. Any exceptions beyond those set out in the Policy must be pre-approved.

The position was only staffed in September 1990. Its pre-approval functions were added specifically to provide some management control over travel which was previously not there.

There is no reporting relationship between the Policy Officer and the Administrator, who both report to the Director of Health Insurance Services.

The Medical travel clerks process travel warrants and expense claims.

PROGRAM ANALYSIS

General

The Department of Health has only recently assumed responsibility for a large part of the medical travel budget. Devolved from the federal Government, this program was one that, at the time of devolution, was in need of a stronger regulatory framework (less subjectivity) and stronger management where subjectivity in decision making applied. Progress has been made but there is still no clear centre of responsibility for program management.

The present organizational structure of the Program, much improved over the previous year, still needs clarity. The work of the "policy" officer is not restricted to policy work and development, but includes both program delivery and case management. Until recently, it also included a reporting relationship with travel referral clerks, whose jobs were only incidentally connected. This multi-faceted role of the Policy Officer creates grey zones of responsibility between her and the Health Benefits Administrator, who performs some of the program and case functions in relation to medical travel.

As a consequence, neither position has full responsibility over the management of the program and because of this lack of clarity of responsibilities, management of the program is divided and its focus diffuse. Likewise, policy cannot be developed in an atmosphere where programs based on that policy are delivered by both the developer of the policy and a manager of similar rank and function.

The Project Group recommends:

- The Medical Travel Program of the Department of Health ought to be re-organized so that there is one program manager in Head Office with responsibility over all administrative aspects of the program.

Specific Cost Containment Opportunities

The Medical Travel Program would benefit from a more developed management framework and provide cost containment opportunities in the following areas:

Patient Travel And Health Worker Education

The decision as to whether someone travels for medical reasons is left to the discretion of health care workers. Some concern has been expressed that unnecessary medical referrals are made by health care workers as a loss prevention measure in anticipation of liability for medical malpractice. No statistics are available to back this claim. However, given current liability insurance coverage as well as protection under the Collective Agreement (for nurses), this ought not be a driving feature of medical referrals. Although the Policy sets out the circumstances to permit medical travel, there are no checks internal to the program to determine whether these circumstances are being adhered to.

The Project Group recommends:

- Whatever the degree of delegation, the final authority and responsibility for decisions as to whether travel benefits are available ought to be with the Department of Health. Authorization of travel ought to be a delegated function which can be withdrawn or redelegated.
- Health care workers ought to be educated about the costs of inappropriate health travel, whether driven by lack of financial accountability or lack of correct information regarding legal liability.

Patient Destinations

The decision as to which hospital a patient can be referred to in the nearest southern centre is left to the discretion of health care officials, with no system of checks from the Department of Health.

The cost of similar services by different hospitals in the same city can vary up to 65%.

The Project Group recommends:

- The Department of Health should negotiate with hospitals in each of the three southern destinations of medical travel (Edmonton, Winnipeg, Montreal) to obtain the best rate available and all patient referrals should be directed to those hospitals. Compliance with this referral practise should be strictly enforced and exceptions should be permitted under limited conditions such as unavailability of services. Although this does not impact directly on medical travel, it represents a significant cost of hospital expenses and is most easily monitored as a part of the medical travel program.

Patient Mode And Cost Of Transportation

The decision as to the mode of transportation and its cost effectiveness is left to health care workers, who have neither the information about nor responsibility for cost of the program, or to medical referral clerks, who have neither the training nor the accountability to make such decisions. This pertains to both the cost of emergency and non-emergency travel.

The Project Group recommends:

- A system of GNWT authorizations for expenditure, similar to that for various levels of contract authorities, ought to be instituted. This would delegate approval of different types of travel to different levels of responsibility. It would be managed and enforced like similar financial commitments in non-medical travel areas like purchases of goods and commitments for service contracts.

Medical travel on high density air routes is frequent and predictable.

The Project Group recommends:

- Negotiate a discount in fares for patients on high density airline routes.

Patient Appointments

The booking of appointments with specialists or for hospital tests is often not co-ordinated to minimize the amount of time spent away from home.

The Project Group recommends:

- Guidelines relating to the timing of airline flights and doctors appointments ought to be set out and compliance should be monitored.

Doctor Community Visits

The information about available general practitioners or specialists soon to be in the region is not readily available or always accurate. Close co-ordination of these trips is crucial to minimize the necessity of referrals which entail medical travel.

The Project Group recommends:

- The program manager ought to co-ordinate this information, ensure its correctness, and monitor its application by medical referral staff.

Southern Doctor Follow-Ups And Education

Southern specialists are not always sensitive to the cost of referrals and follow-up appointments and need to be educated on the costs and delegation of this referral work to northern health care workers.

The Project Group recommends:

- A specific directive relating to the circumstances of follow-up appointments needs to be placed in force and monitored appropriately.
- Education of the specialists to whom referrals are made ought to be undertaken, so that they understand the medical capabilities of any particular community.

Patient Trips To Distant Locations

The decision on when to travel beyond the nearest southern centre as a health benefit, rather than at the cost of the patient, is one which is based on largely discretionary criteria which are difficult to administer. The exercising of discretion unfavourable to the patient periodically results in pressure from above.

The Project Group recommends:

- If an individual chooses to travel beyond the nearest centre where the required medical services are available, the individual should be responsible for all costs beyond that of an economy round trip ticket, minus co-payment, to the nearest centre.

Escort Policy

The escort travel policy, as articulated in the Policy, is inconsistent with the way it works in practise.

The Policy sets out four circumstances where non-medical escorts are allowed:

- The patient is a child;
- The patient is physically or mentally incapable;
- The patient requires interpretation during travel;
- The escort needs instruction on how to care for the patient after discharge.

In practise, escorts are also approved when:

- The patient needs "emotional" support. There are legendary examples of approval of escort travel on this basis.
- The patient or his/her family demand an escort as a "right". Frequently, the medical care worker accedes. Less frequently, the administrators accede. Sometimes sufficient "political" pressure is exerted.

Escort requests falling into the last two categories should never be approved unless the policy is changed. They are continuously approved, however, because of the way the escort approvals are managed. The decision to use an escort is made by the health care worker. If it is a "normal" escort - that is, to the closest appropriate centre - then there is no review of the referral. Non-compliance with the criteria in the Policy is impossible to police, and escorts travelling for other reasons are a frequent occurrence.

Compliance with the escort policy would produce savings. Based upon the information currently available, it is impossible to determine how much of the non-medical escort component of \$4.2 million (25% of the total budget for medical travel) is for escorts who are travelling in contravention of the Policy. No information separates escort approvals into the different categories provided in the Directive. This additional information would be enormously useful in further analysis.

The Project Group recommends:

- Ensure compliance with the present written Policy on escort travel. **As a small first step in this direction, the medical travel forms ought to require the recommending health care worker to identify for which of the four reasons the escort is being approved.**

The Policy allows for a second non-medical escort only in "rare situations", but gives no indication of what these might be. The Operations Manual gives the Health Benefits Administrator the right to approve a second non-medical escort, but sets out no criteria and doesn't mention the word "rare". This minor difference, combined with wide discretion of the Health Benefits Administrator makes any "second escort" requests difficult to reply to.

The Project Group recommends:

- If there are any circumstances envisaged where a second escort is actually required, these should be spelled out in the Policy and the Manual for the benefit of the administrators. If there are to be no circumstances where a second escort is required, this should be stated and applied. If the circumstances are "rare", this should be clearly conveyed in the Manual as well as in the Policy. The less discretion given to the program manager in this area, the easier it would be to administer.

25% of the medical travel budget is spent on people who do not have medical problems. In attempting to reduce this percentage so that a greater proportion of the medical travel budget is spent on medical travel, the number of situations in which a non-medical escort is used could be reduced. The following are examples of considerations to be given to reducing the numbers of escorts:

1. Reduce medical escorts further by eliminating some of the "escort" criteria.
2. Interpret the existing "escort" criteria restrictively.
3. Establish an arrangement with the transporting airline to take on many of the "escort" functions. For example, the interpretation services aboard the commercial airlines in the Eastern Arctic are sufficient to eliminate the necessity of an "interpreter" escort. Physically handicapped travellers are continually transported on airlines for non-medical reasons without escorts.
4. Establish community based programs in the health clinics to help "escorts" learn how to care for patients following discharge, rather than flying long distances to learn the same thing. This would reduce the numbers of patients required to travel to "learn how to care for the patient following discharge".

The Project Group recommends:

- Review the present escort policy with an eye to cost reduction by trying to keep the program designed for the exclusive use of people who are medically at need. Consider the four approaches taken above in restricting escort costs.

Location of Medical Services

The Department of Health is working on a strategy to weigh the advantage of providing medical services locally which are traditionally those which patients fly south for. Greater savings can be had under some circumstances by providing the medical services locally, either on a permanent basis, a scheduled part time basis, or an as-needed basis.

The Project Group recommends:

- The cost-benefit analysis of the Department of Health in bringing medical services north as opposed to sending patients south ought to be aggressively and continually pursued to minimize costs of medical travel.

Drug and Alcohol Rehabilitation

The federal Government, at the time of the health transfer, also transferred funding for medical travel for certain "non-insured" services for Status Indians and Inuit. The most significant of these "non-insured" services is alcohol and drug rehabilitation.

Unlike most services supported by the medical travel Policy, this service is administered and referrals are made by the Department of Social Services. This has resulted in a referral procedure which is inconsistent with other medical services. Despite the existence of several alcohol and drug rehabilitation centres in the Northwest Territories (for example, Detah, Inuvik, Hay River, and Coppermine), referrals are consistently made to southern institutions, necessitating increased travel costs. In fact, referrals to southern institutions like Poundmakers (a native rehabilitation centre near Edmonton with an excellent reputation) are often considered "rewards" for successful treatment at a local centre first.

The Project Group recommends:

- The alcohol and drug rehabilitation program should be treated consistently with "insured" medical services - i.e. there should be referral only to the nearest rehabilitation centre, and not automatically a referral out of the Northwest Territories.
- Alternatively, rehabilitation referrals and the medical travel for such referrals ought to be managed out of the same office, requiring the balance between resources and referrals.

Increase Of Patient Co-Payments

- Presently, the "co-payment" for medical travel is \$50 one way, \$100 round trip. This payment is made by Health and Welfare (Canada) for Status Indians and Inuit and self-paid by Metis and non-natives except for in relation to Extended Health Benefits. The amount has not changed since about 1976, when a decision was made to charge a medical travel co-payment, which would reflect about 25% of the average cost of an airplane ticket. There has been a considerable increase in the cost of air travel since 1976.

The Department of Health billed \$1,270,000 to Health and Welfare (Canada) for co-payments in 1989-90. Its medical travel costs were reduced by a further \$110,000 in 1989-90 through co-payments by Metis and non-natives. In cases where co-payments were impossible to receive up front (like medical emergencies), there were invoices totalling about \$30,000, against about \$13,000 of uncollectibles being written off in the same year.

The co-payments billed to and collected from Health and Welfare Canada are contractually agreed upon, with the contract up for renewal in April 1, 1992. Until that time, the co-payment for Status Indians and Inuit must stay at \$50; after that time, it may be changed by contract.

If co-payments were kept in line with inflation, the \$50 co-payment would now be \$135. Doubling the present co-payment would result in a yield as follows:

Status payments:	\$1,270,000
Pre-paid:	110,000 *
Net billed(and col.)	17,000 *
TOTAL:	\$1,397,000

(Note: * assuming no extra indigents as a result of increasing the co-payment.)

The Project Group recommends:

- Double the co-payment. By doubling it to \$100 per one way ticket, and assuming that no one is rendered indigent as a result, the total yield is \$1,397,000. Review the co-payment periodically to keep it in line with inflation.

Publicity

An enormous amount of misinformation about medical travel exists. It is fuelled by "campfire horror stories" of abuse, which northern residents seems to have in plentiful supply. It is fuelled by a program where exceptions to rules have until recently largely been tolerated. It is fuelled by lack of clear information about the rules of the game, including confusion over the relationship between the universal medical travel program of the GNWT and various government employees insurance programs. Noteworthy also in this regard is the slight wording discrepancies between different brochures, the Policy and Directives, all of which explain the program.

The Project Group recommends:

- The tightened management of the medical travel program ought to be accompanied by public advertisements and program brochures which set out clearly and accurately what the new expectations of the public will have to be.

GNWT Travel

The Medical Transportation Policy has many features similar to the GNWT employees' medical travel package of benefits, which are accessed by GNWT employees instead of accessing this plan. Most persons who have medical travel anecdotes are unable to distinguish between the two.

The Project Group recommends:

- Tighter management of the Policy requires a co-ordinated approach with management of the GNWT's travel benefits.

Management Resources

- The primary focus of cost containment in the medical travel area must be on a tighter and more developed management. This requires the resources of one additional person to manage all aspects of medical travel. It is expected that significant dollar savings will result.

The Project Group recommends:

- Increased resources of one PY and its equivalent salary ought to be given to the Department of Health for the sole purpose of managing medical transportation.
- Freeze the medical travel budget at the 1990-91 expenditure level of \$17.4 million (out of a \$15.5 million budget and a \$3.2 million supplementary appropriation). This represents a savings of \$2.9 million over the department's projected cost for 1991-92. In the event that any additional resources are required, the department should justify its request by indicating what portions of this paper have been implemented and how.

PROGRAM YIELDS

- Doubling the co-payment will result in a yield of \$1.4 million.
- The freezing of the medical travel budget will result in a yield of 2.9 million.
- Total yield is \$4.3 million.

APPENDIX 6: INTERIM CHILD CARE PROGRAM

SITUATION/FINDINGS

1. The Interim Child Care Program was announced in February 1989 and came into effect on April 1, 1989. The program was designed as an interim program only. Design of a permanent program was put on hold pending the expected announcement of a federal child care support program which would provide some cost-sharing opportunities. The program has been extended for 1990-91 and 1991-92, as there has been no federal announcement as yet.

Development of a Child Care Policy (at the level of a government-wide policy) was also put on hold pending announcement of a federal program. The Minister of Social Services has since directed staff to proceed with development of a policy, which would provide the framework for a permanent child care program.

2. The interim program has four components:
 - a. start-up contributions to new child care centres;
 - b. operating contributions to existing child care centres;
 - c. an income-tested user subsidy, based on a regionally differentiated sliding scale; and
 - d. provision of training programs and workshops for child care providers.

The user subsidy was designed to support parents who are employed full-time, or in a full-time training program; and specifically to provide an incentive to get families off social assistance, by ensuring that families are marginally better off with the subsidy than they would be on assistance. Subsidies to employed parents vary according to approved sliding income scales; and vary according to regional scales established by the Department. Parents in training are eligible for support up to the full cost of care.

Program budget since the program's inception is as follows:

	1989-90	1990-91	1991-92
User Subsidy	\$1.2 million	\$695,000	\$669,000
Grants and Contributions	\$648,000	\$1.2 million	\$1.2 million

3. Take-up of the user subsidy has been considerably lower than projected, while the demand for start-up and operating assistance has exceeded available funds. In 1989-90, the program lapsed \$1 million due to poor take-up on the user subsidy. For 1990-91, the Department is projecting an overall lapse of \$1.8 million for the Division of Family and Children's Services; some of this lapse is attributed to "fewer day care start-up grants than anticipated...(and) slow uptake of user subsidy due to fewer clients than anticipated."

The Department has not undertaken a program evaluation to determine why the user subsidy has not been accessed. Departmental funding submissions in 1990 and 1991 indicate that the eligible clientele (i.e. employed parents or parents in training within the approved income range) is lower than originally anticipated. However, two other factors may also come into play, for example:

- Departmental analyses indicate that many parents are better off on social assistance, i.e. they receive more by accessing child care support through social assistance than they would through the user subsidy.
 - Community social workers are responsible for assisting clients to fill out the application forms, and for determining eligibility. Some regions have complained that the forms are too complicated and the responsibility is an additional burden on social workers. It may be that social workers are not referring eligible individuals to the user subsidy because of the perceived work load.
4. In 1989-90, 18 child care centres received start-up assistance, and 27 received operating assistance. Each centre that is provided assistance to open drives up the demand for operating assistance on an on-going basis.
 5. The department estimates that for every five child care spaces created in a community, one new job is also created.
 6. Targeted child care assistance is also an essential element of an effective employment development.

ASSESSMENT

Questions requiring research:

- How many clients are actually accessing the user subsidy? For how long? At what level of support (i.e. how much are they getting?)
- Has the Department investigated the possibility of cost-sharing the user subsidy under CAP?
- How many Social Assistance clients are receiving child care support through Social Assistance? For how long? At what level of support?

The user subsidy appears not to be meeting a widespread need, therefore consideration should be given to modifying, excising or reallocating this program.

The department attributes the drop in requests for start-up assistance during 1990-91 to the fact that child care operators require a level of certainty about on-going operating support which is not provided by an interim program. It may also be that the urgent demand for new child care spaces has been addressed sufficiently to slow down the creation of centres.

As noted above, providing assistance to new centres drives up the demand for operating assistance on an on-going basis.

Although the provision of child care is an urgent social need, governments alone cannot be expected to assume the full costs of providing assistance. Business and labour also have a responsibility in this area. For example, employers might be encouraged to provide child care in the workplace as an employee benefit, and unions might wish to pursue negotiation of child care benefits as part of their collective agreements with the government, in exchange for reduced salary increments.

IMPROVEMENT OPTIONS

OPTIONS	PROS	CONS
1. Cut the user subsidy. People in need continue to receive child care support through social assistance; others are supported indirectly through operating support to licensed centres and day homes.	Yield: \$669,000 to redeploy towards other government priorities.	Negative political impact; extreme criticism from the child care lobby groups.
2. Reallocate user subsidy to the contributions portion of the child care program.	Not as politically sensitive as cutting the overall budget. Money will go where there is a demand.	There may be some negative political reaction as most jurisdictions have a user subsidy of some sort.
3. Reallocate user subsidy to a targeted child care assistance program tied into employment development.	Targets support to those who most need it.	As above.

APPENDIX 7: SUPPLEMENTARY HEALTH BENEFITS

INTRODUCTION

Beyond the insured medical services, which the GNWT is required to provide to all residents, there are additional health benefits, which are called supplementary health benefits. They are not mandated by the Canada Health Act, and are not universal. These are age, ethnic, or illness specific programs which each carry their own conditions of application.

PROGRAM DESCRIPTION

Supplementary health benefits can be divided into two broad categories:

1. Non-insured Health benefits:

- The federal Department of Indian and Northern Affairs has a program of supplementary health benefits for status Indians and Inuit which are called "non-insured health benefits". Under this program, these persons receive all drugs and medical supplies, eyeglasses, non-insured alcohol and drug rehabilitation and certain dental services. The policy for provision of non-insured health benefits was established by the federal Government, but the program is administered by the GNWT.

2. Extended health benefits:

- Metis and non-native persons receive "extended health benefits" from the GNWT. These benefits are both age and disease based. All Metis and non-native persons receive a series of extended benefits such as the cost of drugs prescribed as a result of certain diseases, and certain medical-surgical supplies. The package is significantly less than the federal "status" package, in that the coverage is selective rather than complete. (see Extended Medical Benefits Policy dated December, 1990)
- Metis and non-natives over age 60 receive a richer complement of extended health benefits than those under 60, but not as complete as the "status" supplementary health benefits package. (see the Policy, Part B)

PROGRAM ANALYSIS AND RECOMMENDATIONS

Although it is not our intention to focus directly on supplementary health benefits, there are certain aspects of the supplementary health benefits package which will be addressed by us in order to provide a clearer idea of where savings can be made.

These areas are the following:

Risk shifting by employers:

- The standard provincial approach to supplementary health benefits is to have them apply universally to the population, and let employer benefit plans "top" them up with whatever benefits are made available through the private plan. This creates a situation where the government's delivery of supplementary health benefits is not connected to the additional benefits plan and no amount of tailoring of the plan affects the government's obligation.
- The Northwest Territories is the only jurisdiction in Canada where employees are required to access their employer benefit plan before qualifying for government supplementary health benefits. This is true for all citizens, be they accessing the federal "status" benefits or the territorial non-status benefits. If they do not use their benefit plan, employees are ineligible for the supplementary benefits available through either the federal Government or the Department of Health.
- The natural consequences of this have been that employers have either discontinued their benefit plans for employees (resulting in a savings of money, but a continuation of supplementary benefits) or else they have tailored their benefit plans to exclude government supplementary services. Both alternatives are costly to the government.
- Given the precedence of employer benefit plans over government supplementary health benefits, it is unlikely that anything can be done to prevent this risk shifting. However, there are possibilities of minimizing it by requiring all persons applying for supplementary benefits to be income tested. This would capture and disqualify most workers and all well paid workers whose employers might wish to off-load risk onto the GNWT. It would then be a matter between the employees and their employer whether the employer plan would be strengthened.

The Project Group recommends:

- For all programs where the GNWT pays for extended health benefits, there should be an income testing scheme in place to insure that the benefits are available only to those who are in need.

Addition of supplementary health benefits by "disease condition":

- The extended health benefits model of the GNWT is "disease" based. In other words, extended health benefits flow, not from the need of the person affected but from the type of "disease condition". If the person is afflicted with a disease condition which is scheduled in the Policy (Schedule A), then supplementary health benefits flow. If the person has similar expenses but is afflicted with a disease condition which is not scheduled in the Policy, no supplementary health benefits flow. A list of 14 eligible disease conditions (Schedule A of the Directive) was established, effective June 1987. An additional 19 disease conditions were added, effective April 1990. An amalgamation of the Pharmacare Policy with the Extended Health Benefits Policy in December 1990 resulted in an amalgamation of the disease lists from both policies. Forty-two disease conditions are presently listed.
- There is no cohesive rationale to the selection of these forty-two disease conditions and the exclusion of others. The selection does not use the federal Indian Health Policy as precedent, nor reflect critical thinking of the Department of Health. It omits more chronic disease conditions than it includes. It does not provide favoured assistance to those persons with chronic diseases who can least afford the associated drugs and appliances.
- The rationale for providing supplementary health benefits on the basis of "disease condition" should be revised. If the model were based on need, rather than "disease condition", then a more effective approach could be sculpted to target those persons who ought to be covered by supplementary health benefits, providing a fairer, less arbitrary and more patient-specific coverage.

The Project Group recommends:

- The model for providing extended health care benefits should be re-formulated. Its starting point should be the provision of supplementary health care benefits to those who need them, rather than those who happen to have selective (and randomly selected) diseases. This change in the model can be income neutral with the present model, or cost-containing, depending upon the income threshold set for eligibility.

Alternatively, if there appears to be no willingness to reformulate the model, the present model can still be means-tested, eliminating those persons with the eligible "disease conditions" who have sufficient income.

If means testing for either model is not preferred, a co-contributor scheme could be implemented. A typical scheme would require the GNWT to apply only 80% of the cost. Another scheme would require the eligible person to pay the first (for example) \$500 per year, or anything beyond (for example) \$5,000 per year. Contributor levels could be adjusted to reflect the desired yields.

The Project Group recommends:

- If means testing is unacceptable, then a co-contributor scheme is an alternative to it.

It is apparent that, with a disease based model, every time a disease condition is added to the Schedule, the costs increase. The addition of any disease condition extends benefits to all persons who have the disease, regardless of their ability to pay. Since the Extended Health Benefits Policy was originally approved by Cabinet, disease conditions are added by the Cabinet, which is an inappropriate way of managing the program. Although we have not been able to confirm it, we have been advised that one of the disease conditions in the Schedule was added as a result of the lobbying of a previous Cabinet by a person afflicted by such a disease. That person, who was the only person in the Northwest Territories with such a disease condition, has now left the Northwest Territories.

The Project Group recommends:

- If the disease-based model is to be retained, no disease conditions should be added.

Metis supplementary benefits:

- It is clear from the description of supplementary health benefits in the Program Description section of this paper that the "fault line" between full supplementary benefits and partial supplementary benefits separates status Indians from Metis and non-natives. Metis organizations and politicians have been lobbying strongly and effectively for a benefit level for Metis equal to that of status Indians. Since the enhanced benefits to status Indians come from the federal Government, the first attempts were to have the federal Government expand their supplementary benefits to Metis as part of their fiduciary duties to aboriginal people. When the federal Government refused to consider this proposal, the focus of the pressure groups was turned on the GNWT. Despite preliminary resistance by the GNWT to take on the responsibilities of the federal Government (if they exist) in this area, the pressure has been strong.
- The first steps in making a decision on this issue require that the cost of the Metis inclusion be quantified. Issues which are presently being researched by the Department of Health include: who qualifies as Metis, who should qualify as Metis, what the population of Metis is in the Northwest Territories, how many Metis have employer plans (and need not be counted, or need be partially counted only), how many Metis are on social assistance (and need not be counted because they are already covered), how many are elders (and are, for the most part already covered). Until these questions are answered, no accurate costing can be done.

- The further consequences of extending supplementary benefits to Metis are also not clear. Based on the GNWT's general policy of no discrimination based on ethnicity, there will be great pressure to increase supplementary benefits for non-natives. This would drive costs up to unknown levels. It would also make unnecessary the "need-based" supplementary health benefits model (discussed in the previous section on benefits by disease condition), because supplementary benefits would be extended to all.

The Project Group recommends:

- The costs of extending health benefits to Metis must be rigorously examined before their inclusion is confirmed. Preferably, the "need-based" model for supplementary benefits should be offered as the GNWT's substitute for the federal denial of responsibility.



APPENDIX 8: LEGAL AID IN THE NORTHWEST TERRITORIES

PROGRAM DESCRIPTION

The expenditures for Legal Aid in the Northwest Territories in 1990-91 were \$4.644 million. This was a significant increase over the 1989-90 expenditures which were \$3.566 million and 1988-89 which were \$3.404.

The program is funded by a cost-sharing agreement with the federal Government, whereby the federal Government contributes about 50 cents of every dollar. In the most recent agreement (signed March 1988), Canada capped its contribution at the level of fiscal 89-90 (about \$1.725 million). Legal aid costs have increased by 37% since 1989-90, and all of this increase is being borne by the GNWT.

Legal aid funds are principally spent in three areas. The figures for 1989-90 and 1990-91 show the expenditures in these areas as follows:

	1989-90 (000's)	1990-91 (000's)
Salaries and Wages in Head Office:	132	140
Contributions to Legal Aid Clinics:	1,504	1,839
Payments to Lawyers		
Fees:	1,600	2,167
Disbursements:	400	*

(Note: * Not yet ascertained)

The Seamless Web

A large part of the increasing cost of legal aid has to do with the increasing involvement of the criminal justice system in the communities of the Northwest Territories. In realizing the impact of the criminal justice system on the communities of the Northwest Territories, it is evident that legal aid cannot be looked at in isolation from the rest of the criminal justice system: the RCMP, the Crown prosecutors, and the Courts. Each of these parts of the criminal justice system has seen large increases in demand, and large increases in costs. Legal aid as the last part of the continuum is necessarily reactive to the activity of the RCMP, the Crown and the Courts, and its costs are driven, to a large extent, by these external programs.

A few examples of the action and interaction of legal aid with these other components are the following:

- **RCMP:** Intake into the legal system begins when a charge is laid. This is done by or through the RCMP. For many reasons, the number of charges laid has grown dramatically over the last few years. Whenever the RCMP lay charges, the "system" must respond. This means, in many cases, that legal aid is moved to process the application and appoint counsel for the accused. The ripple effect of almost every charge is felt on legal aid.

The charging practises and policies of the RCMP are internal to the RCMP, although large derivative costs are borne by the Legal Services Board. Examination of these policies is outside of the ambit of this review.

- **The Crown:** Crown counsel have discretion to prosecute charges, stay them, or divert them and have a role to play in educating the RCMP in when charges ought to be laid and what evidence is acceptable and admissible. The use or non-use of this discretion and the participation or non-participation in the educating of the RCMP can affect the legal aid caseload.

How they conduct their cases and their willingness to accept plea bargains affects the time and cost of defence counsel.

- **The Courts:** In their attempts to provide a thorough court presence in communities to deal with increased levels of criminal charges and to provide full Charter protection to the criminally accused, the Courts have recently extended their circuit travel and decreased the time between charge and trial. These increases in the judicial workload also mean increases in the workload of defence counsel.

Off the System

The Legal Aid program is dependent upon and reactive to the justice system. The Justice system, and especially the criminal justice system does not have much procedural flexibility. Justice is a federal responsibility and frontal changes to it can only be done through amendments to the Criminal Code, which require the approval of Parliament. One can not be optimistic about the speed or capacity of change to this federal legislation. Indeed any national consensus for change in the criminal law is unlikely.

Proceeding, therefore, on the recognition that frontal change to the system will happen slowly if at all, there are ways to decrease the demand on the legal aid program by removing certain aspects of criminal justice from the reach of legal aid.

- **Diversion:** Diversion is a provincial program whereby properly laid criminal charges are removed from the criminal justice system. Generally, the provincial attorney general's office (in our case Justice Canada) decides to earmark a certain profile of accused and offence. Charges which fit these criteria are "diverted". Cases which fit the person and crime profile, usually including an admission of guilt, are dealt with outside of the courts. Although lawyers are often involved in the initial stages, the offenders are removed from the Courts early on.

No program of adult diversion exists in the Northwest Territories. No reason exists not to have one. If it existed, all cases which are diverted would also be removed from the ambit of Legal Aid.

- **JP Programs:** The Territorial Court has been developing a JP program which has as a general goal, the removal from the Territorial Court of properly laid offenses which are not targets for diversion but which are proceeding through the courts. With this removal, goes the removal of Crown prosecutors and defence counsel. These cases are removed to a Justice of the Peace Court, which is staffed by a non-legally trained local person. The greater the success in training Justices of the Peace, and the greater the success in having JP Courts take over responsibility for trying certain types of less serious offenses, the greater the savings in costs to the Legal Aid program.
- **Courtworkers:** The Courtworkers act as a "liaison" between the justice system and their "clients", the accused. They often remain involved in the cases throughout their duration and offer assistance and sometimes interpretation to the accused. Frequently, they have spoken to sentencing and on occasion they have been prepared to handle, and have handled trials. They could be used to speak to crowded circuit dockets, allowing the circuit lawyer to spend more time interviewing witnesses in preparation for trials. As a substitute for using more counsel, this is an inexpensive alternative. Courtworkers are less expensive to hire than lawyers.

The greater the success of each of these programs, the greater the chance of reducing the costs of legal aid.

Because criminal justice is the only contact that the majority of communities in the Northwest Territories have with the justice system, we do not consider the equally complex relationship between the justice system and family disputes.

It is not our intention to dwell on these areas of concern, nor to make recommendations in their regard. The focus of this paper is on those parts of the Legal Aid program which are susceptible of analysis and treatment independent of the larger concerns of criminal and family justice.

COMPONENT PARTS: DESCRIPTION

Some component parts of the Legal Aid program can be examined in isolation from other parts of the justice system. Those worthy of examination include the following:

Method of Delivery

The legal aid delivery method in the Northwest Territories provides legal aid services in the following manner:

- **Circuit work:** Private legal counsel are retained by the Legal Services Board to travel on circuit and act for eligible clients throughout the circuit. Most of this work is of the duty-counsel variety, and includes "docket" work relating to first appearances, speaking to bail, speaking to sentence, conducting trials and all other matters arising in relation to the criminal charges against these accused. The hours are long, the conditions are poor, contact with the clients is minimal. Lawyers are paid their expenses plus a "per diem" for work which they do on circuits. It is related to their years of experience at the bar: 0-2 years are paid \$375; 2-5 years are paid \$465; 5+ years are paid \$550.
- **Hourly rates:** Legal counsel who work for eligible clients in the home community of the lawyer charge by the hour for work which they do. Again, the rate is graduated according to the lawyer's years of call. Students are paid \$42.80; 0-2 years are paid \$64.20; 2-5 years are paid \$75; 5+ years are paid \$92. Almost all work done in Yellowknife is done on an hourly basis. Similarly, there are private lawyers in Ft. Smith, Hay River and Inuvik who are paid hourly for cases from their communities. Further, hourly rates are charged for "preparation" time for circuit work, when that preparation time is spent in the lawyer's home community.
- **Legal Clinics:** There are presently four Legal Aid clinics, in Iqaluit, Pond Inlet, Tuktoyaktuk, and Rankin Inlet. A fifth is being opened in Cambridge Bay. Each of the four existing clinics has one lawyer, who is paid between \$15,000 and \$30,000 by the clinic to administer the Legal Aid office, and who is guaranteed a minimum income, which is obtained by billing the Legal Services Board on a per diem or hourly basis, as the case may be.

2. Range of Services

The territorial Legal Services Act and its accompanying Regulations do not require that legal aid be provided to anyone: the Act is entirely permissive.

There are, however, certain factors which militate against a complete discretion in what legal services can be provided. The first factor is the Charter of Rights and Freedoms. Although the case law has not yet evolved to where the constitutional limits are known of providing a government paid lawyer for accused persons defending a criminal charge, at some point in the denial of legal aid, the Charter will come into play and force such provision.

The second factor is the cost-sharing agreement with the federal Government. In this agreement, which provides us with about \$.50 of every dollar, there is mandatory legal aid coverage in certain areas:

- Criminal law:
 - . Indictable offenses
 - . Summary conviction offenses where there is a "likelihood" of imprisonment or loss of livelihood
 - . Crown appeals
- Matrimonial proceedings: These are classified under "civil" in the cost-sharing agreement.
- "Civil" proceedings: What is classified as "civil other" is a wide variety of civil matters, often considered under the rubric of poverty law. WCB appeals, rental hearings, personal injury, adoption, etc. "Civil" matters exclude those matters agreed by Canada and the GNWT to be excluded.

All of the provinces have similar agreements for cost sharing of the Legal Aid program with the federal Government.

Eligibility

There are both financial and situational eligibility criteria for legal aid.

The federal cost-sharing agreement with the GNWT requires that the GNWT establish "flexible" rules for financial eligibility to the Legal Aid program, which take into account whether the applicant "can retain counsel at his own expense without the applicant or his dependents suffering undue financial hardship."

The territorial Legal Services Act and Regulations establish this flexibility. The Act says at s. 21(2) that:

- A person is not eligible to receive legal services to the extent that, according to the financial criteria prescribed, he can afford to pay for the services from his own resources.

Regulation 21 and Schedule C qualify an applicant for legal aid if "all or most of his income" is social assistance, or where if he had to contribute to legal fees, he would qualify for social assistance.

The territorial Act also disqualifies persons for behavioral reasons from being eligible for legal aid, setting out in Regulation 19, a whole series of activities which disqualify a person from legal aid.

Fee Structure

As shown in the paragraph relating to method of delivery (above), the fee structure is based on a combination of hourly rates and per diems.

Contributions

Presently, a system of contributions for payment of legal aid exists. Contributions are assessed and collected on a largely discretionary basis by the Executive Director of the Legal Services Board. Generally, they relate to the ability of the legal aid recipient to pay. The large majority of contributions are assessed for "matrimonial" or "civil" matters, and criminal clients are rarely assessed the payment of contributions.

Disbursements

Disbursements are those monies expended for legal aid which are exclusive of counsel fees. They include such things as air fare, hotels, meals, photocopying, and expert reports and evidence.

The costs of air fare and duty travel are a non-controllable part of the expenses, driven by the courts. Expert reports are paid for at the discretion of the Executive Director.

In 1990-91, disbursements accounted for 14% of the budget for fees for legal counsel.

Corporate structure of the Legal Services Board

The Legal Services Board is a "public agency" created by the territorial Legal Services Board Act, and governed by the territorial Financial Administration Act. The Board consists of appointed, volunteer members, who are members of both the Bar and the public. It happens to include the Directors of the Legal Aid clinics. The Executive Director is hired on contract to the Board. All other "employees" of the Board are, in fact, employees of the GNWT.

The Board's monies are voted by the Legislative Assembly as a line item in the Department of Justice's budget. The Department of Justice provides financial and administrative support to the Board, in keeping its records and processing payments on behalf of the Board.

Private lawyers are paid with GNWT cheques.

Structure and Relationship of the Legal Aid Clinics

The Legal Aid Clinics are privately incorporated societies, with Boards of Directors from the regions where they operate. They are funded by contribution agreements from the Legal Services Board (LSB) and use part of the monies to run the office, including paying the Clinic Director's salary. The clinics are accountable to the LSB for the money they receive through administration agreements. Their Directors are financially accountable to the Executive Director through similar agreements. The legal work of the Directors is monitored through their submission of accounts to the Board. As community based societies, the budget of the clinics is used for travel for the Board of Directors to board meetings and to conferences such as the Northern Justice Conferences (held in 1991 in Alaska). In one case, 25% of the budget was used for board travel.

Various administrative tasks have been divided up between the clinics and the LSB offices. The Legal Aid Clinics do legal aid intake, but approvals are done at the LSB offices in Yellowknife. All payments are processed through the LSB, however purchasing is not centralized.

PROGRAM ASSESSMENT AND RECOMMENDATIONS

Method of Delivery

It appears to be an accepted thought that "mixed" models for delivery of legal aid are superior, as they lend themselves to the maximum flexibility and objectives of a Legal Aid program. A traditional "mixed" model offers staff lawyers, private "judicare" and clinics.

The Northwest Territories' Legal Aid program contains two of the three elements of a mixed model, "judicare" and clinics. It does not include salaried "staff" lawyers as the lawyers who work in the clinics are not salaried in the usual sense. Salaried lawyers are also a valuable component in a cost containment exercise because salaried lawyers in legal aid circumstances are less costly than privately retained counsel. In fact, as indicated in the following work-up, considerable savings can be made by adding salaried lawyers selectively to the legal aid mix.

Yellowknife lawyer:

- There are at least 250 files per year available in Yellowknife for a Legal Aid lawyer.
- The average cost per adult non-circuit criminal case when done by the private bar and charged hourly is \$1,728. The average cost per adult non-circuit criminal case when murder (the main "choice of counsel" case) cases are excluded is \$1,212. The average cost per non-circuit matrimonial case is \$598. The average cost per non circuit young offender act case is \$749. (All 1989-90 figures)
- A medium low file load for a salaried lawyer is 250 files per year.
- The lawyer would do no circuit work.
- The cost of a salaried lawyer in Yellowknife, including O&M and 1/2 PYs is \$120,000. (Excluding infra-structure costs)

The cost savings of a salaried lawyer doing exclusively each of the three types of legal aid work are the following:

Adult criminal: $(\$1,728 \times 250) - \$120,000 = \$312,000.$

Adult (exc. murder): $(\$1,212 \times 250) - \$120,000 = \$183,000.$

Matrimonial: $(\$598 \times 250) - \$120,000 = \$29,500.$

Youth criminal: $(\$749 \times 250) - \$120,000 = \$67,250.$

Iqaluit lawyer:

- There are 250 files available in the Baffin for a Legal Aid lawyer (It is impossible to assess the actual number available by the systems available for our review. It appears to be at least twice this number which are handled by Yellowknife counsel yearly).
- The weekly cost of bringing Yellowknife counsel to the Baffin for infill and overflow work is estimated at \$5,500 (fees of \$2,500 and travel, room and board of \$3,000 per week. Preparation time is ignored.)
- Infill and overflow counsel would be required for Iqaluit as well as Baffin circuit work (including Iqaluit) for 45 weeks of the year.
- The cost of a salaried lawyer in Iqaluit, including O&M would be \$130,000. (excluding infrastructure costs)

The savings of a salaried lawyer would be:

$$(45 \times 5500) - 130,000 = \$107,500.$$

This calculation ignores the greater savings created by not considering hourly preparation time and the effect of timing, volume and human effort on the practical ability of one lawyer to spend 45 weeks or partial weeks per year in court.

Ignoring the filling out of the "mixed" model of legal aid delivery, cost containment can be addressed by adding salaried lawyers in those numbers and in those places in the system where savings are largest.

Range of services

The range of services can be reduced in several areas. In criminal law, counsel fees are about 75% of all legal aid counsel fees. The federal cost sharing agreement requires mandatory coverage in certain areas. The only way that the range of criminal services can be reduced is by taking a policy approach to exclusions. A decision could be made to exclude certain types of crimes: liquor offenses, motor vehicle offenses, etc. A decision could be made never to fund territorial offenses. If developed well and wisely (and possibly with an amendment to the federal funding agreement required), this exclusionary policy could act as a social policy tool as well as a cost containment device. Consequently, a serious review of such an opportunity should be considered.

The second area of possible containment of services is in "matrimonial" law. Although a growth area, accounting for 20% of the billings but only 10% of the cases in 1989-90, legal advice in this area tends to be holistic in approach and involves developing facts as opposed to established facts. It cannot be separated into distinct areas like criminal law. The only legal aid services in matrimonial matters which we feel can properly be denied are "uncontested" divorces, where there are no collateral issues. Although these are expressly allowed by statute presently, they are generally refused coverage presently at the discretion of the Executive Director. We support this initiative. These are not services which should be supported by government. Subject to this exclusion, however, we do not recommend reduction of services to matrimonial clients as being realistic without undermining the viability of the program.

The third broad area for consideration is the non-matrimonial civil area. This area contains about 5% of the work (by billings) of legal aid. It is generally centred in areas which are consumer friendly or else are revenue generating. Examples of the former include WCB appeals, rental disputes or uncontested adoptions. Revenue generating files include all personal injury work, where contingency agreements are regular fare in many southern jurisdictions.

Legal aid is refused or severely restricted in all of these non-matrimonial civil matters by some southern Legal Aid boards. In the case of revenue generating work, Legal Aid acting as a bank for the client or a fee guarantor for the lawyer is a violation of the spirit and use of legal aid.

It is our recommendation that non-matrimonial civil matters can be eliminated from the range of services provided by legal aid.

Eligibility

The present financial eligibility test is sufficiently flexible but is difficult to administer and difficult to apply with complete consistency.

We are aware of the anecdotes of abuse of the legal aid system by persons who should not qualify financially for legal aid. However, the present system contains an ad hoc procedure of spot auditing in Yellowknife, which given the nature of the community, is probably time and result effective. There is no serious consideration given to the use of a similar system outside of Yellowknife, given the general economic situation in the rest of the Northwest Territories.

Approval of legal aid on financial grounds is based upon clients being forthright about their financial affairs. Any further system of spot auditing or confirmation of legal aid eligibility will be labour intensive and in order to make any sense, must cost less than the application of the audit. We have neither the time, resources, or data available to determine the existence and extent of abuse and make no recommendations relating to it.

The behavioral eligibility criteria provide an interesting challenge. People are disqualified from legal aid for things they do (getting charged too often), for things they don't do (pay contributions as promised) and for a myriad of other failures. Considering behavioral disqualification from legal aid as a social policy tool would contribute to the decreasing of expenditures, and an interesting set of behavioral criteria could be established. They would probably include some but not all of the present criteria.

Fee structure

There are as many different legal aid fee structures in Canada as there are jurisdictions. Generally speaking, they are divided into two types of structures: hourly rates and block fees. Block fees are a fixed charge for a service (such as \$550 per day for circuit counsel work). Hourly rates allow fees for a service to be charged depending upon the amount of time spent by the lawyer. However, all jurisdictions which allow hourly rates to be charged also cap those hourly rates.

Two additional features of most legal aid tariffs include a billing discount for less serious crimes and a billing discount for less experienced legal counsel. Additional less universal features exist which can further modify the tariff.

A schematic diagram of these possibilities is attached.

The distinguishing characteristics of the Northwest Territories' fee structure are:

- the only block fees are the per diem rates for circuit work;
- there are no caps on the hourly rates; and
- the hourly rates are the most generous in the country.

There are no limits to the amount which can be charged for a particular service, short of the billing lawyer's restraint and the discretionary eye of the Executive Director in approving the bills.

The Northwest Territories tariff has only one discounting mechanism; a billing discount for experience of legal counsel.

Capping, blocking, and discounting legal fees should result in a per case savings. However, with the data available, it is impossible to quantify this savings. It is impossible to identify specific non-circuit cases by offence, not possible to separate out guilty pleas from trials, and not possible to identify cases to allow a random sampling to take place. Even selective sampling proved difficult to analyze, since the sui generis reporting procedure makes a proper analysis of the services impossible without personal knowledge of the file.

Given these restraints, a series of criminal and matrimonial cases was selected to be analyzed. Using the legal aid tariffs in Alberta, BC, and the Yukon as templates, the cases were costed as if the offenses had been committed in those jurisdictions. The results were uniform; in each case, the costs of counsel in the Northwest Territories (disbursements excluded) were significantly greater than those in all other jurisdictions. Even when the tabulated bill in that province was grossed up by the hourly rate differential, the fees in the Northwest Territories were significantly greater.

The conclusions are irrefutable: capping, blocking, and discounting will reduce the costs per case. Given the lack of information available to complete the analysis, however, all that can be said further is that the cost savings are presently unquantifiable.

A special comment is in order relating to matrimonial fees. The same blocking and capping which can easily be applied to criminal cases cannot be applied easily to matrimonial cases. The use of the wrong cost-containment device can distort representation: i.e. if there is a restriction on the number of interlocutory applications permitted (like in Alberta), systemic underrepresentation may occur. If unlimited applications are permitted, but fees are only assessed for court time and not for settlement (as in BC), there is a bias towards matters being disputed in Court. Special care must be taken to devise a tariff which encourages the appropriate resolution of matrimonial issues without creating unnecessary burdens on the program administrators.

It is not our intention to devise a scheme for capping, blocking, and discounting legal fees in criminal and matrimonial matters. This can be done efficiently and effectively by the professionals, and can be tailored to the quantity of savings desired.

A by-product of the capping, blocking and discounting of all tariffs would be a more customized reporting procedure. Presently, each lawyer reporting on legal aid work done, has his/her own reporting and billing style. A disproportionate amount of time is spent by the staff of the Legal Services Board in reviewing, absorbing, and processing these numerous reporting letters and bills. By its nature, the information cannot be coded for useful future purposes. It is also obvious that significant resources of private lawyers are occupied in preparation of these bills as well. This would be eliminated through the use of pre-printed forms. These forms would also capture information necessary for other purposes.

Contributions

An analysis of contributions must recognize the differences between the two major areas of legal aid: criminal and matrimonial.

Accused persons in criminal cases are unwillingly driven to the system. As well, the core services performed for them are court services, requiring court appearances. It is felt by many close to legal aid that a system of collecting contributions from criminally accused persons will not succeed. It is for these reasons that the Legal Services Board usually does not assess contributions from criminal clients. It is also for these reasons that most jurisdictions which assess contributions have difficulties collecting them from accused persons.

It is felt that contributions from criminal legal aid clients should be modest but mandatory, and be part of the intake process so that collection never becomes an issue. The contribution should be pegged at a reliable benchmark; the cost of a case of beer (presently close to \$20).

Matrimonial disputes become legal aid files in many different ways. They remain legal aid files for varying lengths of time. There are several opportunities in the course of such files, from instructions to trial, to obtain settlement. Only if there is no settlement, do matters proceed to trial.

A contribution scheme could be used as a control mechanism in matrimonial litigation, but it must be used carefully. Studies elsewhere have shown that an up-front contribution discourages participation. The goal of encouraging participation on the one hand, while controlling the litigation and motivating settlement on the other can be met by assessing monthly or quarterly contributions, which must be paid for the work to continue. It is felt that periodic contributions to their legal dispute will act both as a deterrent to prolonged legal rancour and as a source of income for the plan.

Consequently, a plan ought to be devised which requires criminal applicants to contribute a sum of money up front, while matrimonial applicants ought to contribute modestly up front and on a steady periodic basis. The amounts can and ought to be regulated by a less discretionary policy than at present.

Disbursements

Although not a large part of the budget of legal aid (about 14% of legal counsel fees, 8% of the total budget), disbursements have been rising rapidly.

Adult Criminal disbursements increased 95%, civil disbursements increased 75% and youth criminal disbursements increased 208% between 1988-89 and 1989-90.

A review of the disbursements of legal counsel, itemized by criminal offence or matrimonial service on the GNWT's 1991 Financial Information System (FIS) system gives the impression that disbursements remain a minor cost of providing legal aid. The suggestion by some that disbursements have increased due to the increased use and abuse of "experts" is not borne out by a review of the data. It is the rare case where experts are used and the large cost of experts, even when considered unnecessary in retrospect, is limited to a handful of cases each year. These experts fees are controllable and are, in fact, controlled by the Executive Director's prior approval.

Independent observations by various persons have been made that legal aid is being driven by "circuit work". If this is so, then the costs of airfare, duty travel and accommodations are not controllable by the Legal Aid program.

It is our feeling that the majority of disbursements are driven by the increasing cost and frequency of circuit work. Although controllable, they are only so in the context of a review of court circuits, a review which is outside the scope of our review. Such a review, in conjunction with court services and the judiciary, however, would be worthwhile.

Corporate Structure of the Legal Services Board

Transforming the Legal Services Board into a Commission will produce no obvious benefit, but will result in some unnecessary costs. From a legal perspective, there is no advantage to a legal aid "commission" as opposed to a "public agency". From a fiscal management perspective, there is no difference between the two, either entity being capable of accepting and managing block funding. Even from the "optics" perspective which usually drives the creation of independent commissioners, studies have shown that no benefit is derived from this extra level of "independence".

The disadvantage of establishing an independent commission is that it would be unable to fall back upon the financial and administrative support of the GNWT, resulting in overlaps of duties and costs between the support staff of the Legal Services Board and the GNWT.

It is our recommendation, therefore that there be no change in the present corporate structure of the Legal Services Board except for the exclusion of the clinic directors from membership on the Board.

Structure and Relationship of Legal Aid Clinics

The structure and relationship of the Clinics to the Legal Services Board is too unnecessarily complicated. Lack of simple controls and lack of efficiencies exist with the present structure.

The local Society concept for the Clinics should be abandoned as a vehicle to deliver legal aid. Clinic Directors should be salaried employees of the Legal Services Board, reporting to the Director of the LSB.

The clinics should be funded directly from the LSB, which can make the necessary management decisions to create efficiencies. Some such examples would be the centralization of auditing and purchasing, but the delegation of legal aid approvals.

Immediate savings in this regard would be the cost of travel of community board members. Further savings would come from a more flexible deployment of resources by the manager of the program, the Executive Director.

RECOMMENDATIONS

It is recommended that the following be done for immediate savings from legal aid:

- All non-matrimonial civil legal aid should no longer be funded by the Legal Services Board. The cost of this part of the program, including disbursements, was \$122,000 in 1990. With recoveries estimated at \$26,000, savings will be \$96,000.
- Hire 2 salaried lawyers in Yellowknife to work exclusively on non-circuit adult criminal legal aid. The savings resulting will be \$624,000.
- Assess a contribution from legal aid clients as follows:

criminal clients: Upfront application fee of \$20 for each of 3000 criminal cases.
Savings: $3000 \times \$20 = \$60,000$.

matrimonial clients: Periodic and continuing assessment, averaging \$100 per case.
Savings: $500 \times \$100 = 50,000$.

Total savings will be \$110,000.

- Hire one salaried lawyer based in Iqaluit to work on all matters which arise in the Baffin. Because of the unavailability of clear data relating to case volume from the Baffin, we do not recommend further salaried counsel until the file numbers can be verified. The savings would be \$107,500.
- Cap, block, discount, and freeze the hourly tariff. Given available data, it is impossible to project the savings to be incurred. We estimate that the savings will be several hundreds of thousands of dollars.

A summary of other, financially related, but non-quantified recommendations are the following:

- A proper data-tracking information system should be devised, so that, even at intake, significant facts are known about the client. This will enable, among other things, cost comparisons (to make fiscal management decisions such as staffing levels for salaried lawyers and rationalizing clinic purchasing), credit checks (for non-payment of previous contributions), and representation decisions (if clients are situationally disqualified).
- A policy should be considered whereby certain criminal offenses are excluded from legal aid coverage.
- "Uncontested" divorces with no collateral relief should be excluded from legal aid coverage.
- A spot auditing system should be put in place to verify client eligibility.
- A "situational" disqualification policy should be prepared to eliminate legal aid coverage from clients for situational reasons which are both rational and consistent.
- A customized reporting system for lawyers should be devised and tied in with the client data base.
- No change should be made in the corporate structure of the Legal Services Board, except for the deletion of clinic Directors from the Board.
- Community legal aid counsel should become salaried employees of the LSB and the societies should be abandoned as vehicles to deliver legal aid.

APPENDIX 9: STUDENT FINANCIAL ASSISTANCE

PROGRAM DESCRIPTION

Development 1967 - 1991

The Student Financial Assistance Program began as a universal program of assistance providing all residents of the Northwest Territories with the same level of support. The Student Grants Ordinance, approved in 1967, provided grants to cover tuition, books, a living allowance, and the cost of transportation. The grants were available to students for a maximum of four years, provided that the students' parents were resident in the Northwest Territories for a minimum of two years. (The benefits provided to all were similar to the benefits provided by INAC to status Indians and Inuit, but that was not a stated objective of the program at that time. A loans program, which had been in place in the early 1960s, was eliminated in the 1967 Act because of administrative and collection problems.)

The program evolved over the next ten years, and by 1979 a new Act was proclaimed, the Student Grants and Bursaries Ordinance which reduced the number of students eligible for the program. At least eight years of residency and schooling in the Northwest Territories was required for four years of assistance, and a student with less than two years of schooling was not eligible for a grant but could apply for a limited number of bursaries. Bursaries were available to students who had been residents of the Northwest Territories for three years, and the maximum value of a bursary was set at \$2,000. At that time the Act and Regulations made no distinctions between aboriginal and non-aboriginal students.

The Legislative Assembly Special Committee on Education was established one year after the new Act was proclaimed. Its first task was to review post-secondary student financial assistance because it was believed that the student weekly living allowance of \$56.00 was too low. In 1981 the Legislative Assembly approved the Special Committee recommendations which provided for:

- creation of regional student aid boards;
- integration of the Northwest Territories student aid plan administered under the authority of the 1979 Act and the Canada Student Loan Plan;
- referring students eligible for assistance under the post-secondary assistance program of INAC to INAC - they would no longer be eligible for assistance under the Northwest Territories Student Financial Assistance Act;
- providing assistance to students of Dene, Metis and Inuit ancestry, who were not eligible under the INAC program with assistance through the Northwest Territories Student Financial Assistance Act on the same terms as are available under the INAC program; and

The total O&M budget for student financial assistance in 1990-91 was \$6,391,000. This included a supplementary estimate approved in October, 1990, of \$620,000 to provide for an increase in supplementary and basic grants approved in the 1990 Budget Session.

Supplementary Grants: In supplementary grants in 1990-91 approximately \$2,311,337 was expended in living allowances, \$154,340 in daycare and \$199,427 in rental and other allowance assistance. This totals \$2,665,104 for supplementary grants, and does not include travel for dependents which is part of the supplementary grant (or the basic grant elements: books, tuition, travel and transitional allowance, which supplementary grant students are also eligible for).

Basic Grants: In 1990-91 \$639,928 was expended on tuition, \$215,592 on books and supplies, \$48,511 on transitional allowances, \$26,000 on scholarships, \$4,202 on correspondence course reimbursement, and \$1,222,320 on travel, which includes travel for supplementary grant students' dependents. These sums total \$2,156,553 for basic grants. (Note that some of these basic grants are allocated to supplementary grant (aboriginal) students, and the rest are allocated to students (non-aboriginal) who are not eligible for supplementary grants.

The preliminary projected average costs for a basic grant student who is not eligible for supplementary grants (non-aboriginal student) in 1990-91 is \$2,765.00, including travel, books, tuition and transitional allowance. Thus the total projected costs for the 510 strictly basic grant students in 1990-91 is \$1,184,730.

Loans

Expenditures on student loans increased from \$1,285,472 to \$2,047,000 (159%) during the same period (1983-84 to 1990-91). The total loans receivable (revolving fund) in 1990-91 was \$9,720,000.

Post-secondary Incentive Grants, Scholarships and Correspondence Fees

In 1990-91 approximately \$150,000 was awarded in post-secondary incentives, and over \$26,000 was expended in scholarships. Also \$4,202 was expended on the reimbursement of correspondence course fees.

Types and Levels of Assistance Available

Supplementary Grants:

Dene, Metis and Inuit students who are born and ordinarily resident in the Northwest Territories may receive a supplementary grant which provides:

- a weekly living allowance from \$120.00 for single students to \$260 for students with four dependants and \$25.00 per week for each additional dependant.

Allowances may also be provided for:

- childcare (up to \$45.00 a week plus \$25.00 for each additional dependant/week for a single parent, or if the spouse is a student);
- two return airfares for the students' dependants;
- special equipment and clothing allowance, if certified as required by the school;
- a tutoring allowance, if recommended in writing by the appropriate dean;
- a special accommodation allowance for high rent situations, if approved by the Minister;
- a special local transportation allowance, if approved by the Minister;
- an emergency allowance to cover the actual cost of emergencies; and
- a special maintenance allowance where the student and his/her dependents must maintain separate households.

Basic Grants:

Non-aboriginal students are eligible for one year of basic grant for every three years of schooling in the Northwest Territories. As a result a maximum of four years of basic grant is provided.

Aboriginal students who are eligible for a supplementary grant are automatically eligible for a basic grant without reference to years of schooling in the Northwest Territories. (No ceiling has been established on the number of years a basic grant may be made available for supplementary grant students.)

A basic grant provides:

- tuition to a maximum of \$2,500 per year;
- books and supplies to a maximum of \$400 per year;
- travel for two return trips per year to nearest approved institution offering admission; and
- a transitional allowance of \$295 for single students and \$1,480 to students with dependants who do not have access to student housing for the first year of study.

Post-secondary Student Incentives (Remittable Loan):

All students in the Northwest Territories with at least one year residency may be eligible for a remittable loan of \$2,500 to \$10,000 as an incentive recognizing special circumstances, such as, high cost programs (aviation and crane operator training). The criteria for this incentive is broad and applicants must be approved by the Minister. Three factors are taken into consideration: if the studies relate to the Northwest Territories, if the applicant has made an outstanding contribution to the quality of life in the Northwest Territories, and if the applicant is needy. The post-secondary incentive is subject to the same repayment and remission conditions as the primary loan.

Special Training Allowances:

Where the GNWT as the employer is funding individuals to take training and the GNWT's share of salary and benefits is \$23,538 or less the candidate is considered eligible for student financial assistance (living allowance, etc. and basic grant) in addition to that portion of his salary. This allowance was originally developed for classroom assistants who were taking teacher training. Approximately 40 to 50 candidates are eligible for this type of allowance.

Primary Loan:

Non-aboriginal students who are resident in the Northwest Territories for at least three years are eligible for a primary loan of \$3,200 per year for students who receive a basic grant and \$800.00 per year for the student's first dependent, and \$500.00 for each additional dependent.

Students who are ineligible for a basic grant are eligible for \$4,400 primary loan plus \$800.00 per year for the first dependent, and \$500.00 a year for each additional dependent. (Only needs assessed loans are available to aboriginal students/supplementary grant students.) This loan does not involve a financial needs assessment.

Primary loans are eligible for remission. Loans may be forgiven upon completion of at least 60% of the course load and return to the Northwest Territories. The rate of forgiveness is \$750.00 for each three month period of full-time residency in the Northwest Territories once the individual is no longer a student.

Secondary Loan:

Non-aboriginal students who are resident in the Northwest Territories for at least three years are eligible for a secondary loan if they have exhausted their primary loan entitlement. The rates are the same as the primary loan, however, this loan is not eligible for remission and does not involve a financial needs assessment.

Needs Assessed Loan:

All students in the Northwest Territories with at least one year residency may be eligible for a needs assessed loan. The criteria used by the Northwest Territories is similar to the criteria used in the Canada Student Loans Plan and a maximum of \$105.00 per week may be provided through this program. This loan, like the secondary loan, is not eligible for remission and must be repaid following a six month interest free period once the student has completed his/her studies.

[In 1988 the GNWT opted out of the Canada Student Loans Program because it was using only \$40,000 of the \$1,100,000 allocated for loans. Through the opting out provisions of the Canada Student Loans Act the GNWT receives an alternative payment provided the GNWT operates a loan program similar to the Canada Student Loans Program. As a result, the N.W.T. Needs Assessed Loan was introduced in 1988. The GNWT received \$849,000 in January, 1991, as an alternative payment from the federal government.]

Scholarships:

Scholarships are available to Northwest Territories residents of at least one year who were resident while earning the qualifying average - \$500 to high school graduates with an 80% average, \$750 to undergraduate students with an "A" average, \$1,000 per year to graduate students with an "A" average and \$1,500 per year to postgraduate students in doctoral programs with an "A" average.

A scholarship of \$1,500 is also available to aboriginal/supplementary grant students who are enrolled in postgraduate studies and who have obtained a "B" average in the previous year of full-time study.

Correspondence Course Fees:

Reimbursement for correspondence course fees, up to \$250 per course, is available to all individuals who have been resident in the Northwest Territories for at least three years prior to the beginning of the course, who are not eligible for reimbursement by their employers and where the course was taken through an accredited post-secondary institution and completed successfully.

Contributions:

The GNWT contracts with a number of institutions for student counselling (largely peer counselling). The cost of these contracts is small (\$20,000 with the University of Alberta, \$5,700 with the Northwest Territories/Calgary Student Association, and \$7,000 with the Northwest Territories/Saskatoon Student Association.)

In 1987 the GNWT entered into an agreement with INAC to deliver a federal government program, the University College Entrance Preparation Program. The federal government funds the GNWT \$222,000 for 50 students in 1990-91. (Approximately 6% of that contract is supposed to cover the administration of the program as INAC does not have the infrastructure in the Northwest Territories to deliver the program.)

A contract has also been signed between the GNWT and the University of Manitoba for \$116,000 for total of four seats in pre-engineering and pre-med programs. (Three students are enrolled in this program.)

PROGRAM ASSESSMENT

Department of Education Program Evaluation Findings

The Student Financial Assistance Program has recently undergone a number of departmental reviews. The rates provided to supplementary grant students were assessed to determine if they were adequate; the administrative procedures of the program were reviewed to improve efficiencies; and the general objectives and development of the program were reviewed (largely through a survey of the level of satisfaction of students with the program) to determine if the program was demonstrating some measure of success in its results.

The review of rates resulted in an increase in allowances implemented in 1990 and an overall increase in program costs (supplementary estimate of \$620,000). In contrast, the administrative review of the program identified measures which will make the program more efficient and save costs. For example, the supplementary grant program provided emergency allowances as one-time grants and the program has now been changed to provide emergency allowances as small needs assessed loans. A new computerized monitoring system and procedures which make more efficient use of staff time are being implemented. Also it has been decided that the GNWT will now pay for "actual" Christmas travel under the supplementary grant program, rather than providing transportation allowances for students and their dependents automatically whether or not the dependents travelled. (It is estimated that this measure will save approximately \$200,000 annually.)

The student survey (see Attachment 3) also provided information which is useful to consider when investigating this program for cost savings. With respect to the respondents opinions on student financial assistance, approximately 28% said that they could have completed their studies without financial assistance. (This percentage was higher for non-aboriginal students than for aboriginal students.) Financial assistance according to the results of this survey covered educational expenses to varying degrees. Respondents indicated that from 5% to 100% of expenses were covered through student assistance. Overall, 47% reported that 50% or less of their expenses were covered and 6% received complete coverage of their education costs. However, looking at the ethnicity of the respondents, 3% of non-aboriginal students said that all their educational costs were covered and 11% of students from aboriginal backgrounds. (No response on this question was received from approximately 12% surveyed.)

When asked what percentage of expenses the program should cover, thirty percent of the respondents believed that it should cover between 75% and 90% of students' educational costs, including living expenses. Twenty-eight percent suggested that it should cover between 25% and 50%, while twenty percent believed that all expenses should be met by the program. The majority of aboriginal students favour more complete coverage of educational expenses.

Comparing Government Student Financial Assistance in Canada

The Canada Student Loans Act as well as the Indian Act provide for student financial assistance across Canada. In addition the majority of provinces and territories have enacted legislation governing their student financial assistance programs, and all provinces do provide some provincial student financial assistance options. Only the Northwest Territories and Quebec have opted out of the Canada Student Loan Program. Consequently, the criteria the Northwest Territories uses for the needs assessed loan is very similar to the criteria described in the Canada Student Loan Program.

In a comparative report on the principles and objectives underlying student financial assistance across Canada the objectives of the Northwest Territories were shown to be similar to the objectives of all Canadian student financial assistance programs. However, there was one objective which the Northwest Territories did not share. Other jurisdictions emphasized that the cost of attending post-secondary institutions was a shared responsibility among students, parents and government, but the Northwest Territories did not.

The Northwest Territories is the only jurisdiction in Canada which administers programs directly to Status Indians and Inuit on behalf of the federal government. Administering a federal responsibility through a GNWT program puts constraints on the eligibility criteria and the benefits of that program. Although legislation does not specifically state that the GNWT must provide what the federal government provides in terms of benefit levels, politically the GNWT is expected to deliver a program which is equal to, or better than, the student financial assistance program INAC provides to Status Indians and Inuit in southern Canada. This arrangement created some problems in that Revenue Canada was not allowing Northwest Territories status Dene the same tax deductions granted to status Indians in southern Canada and the Yukon. This situation has been resolved over the past three years.

It is assumed that because the Northwest Territories provides assistance to status Dene and Inuit, shared responsibility for the education of the majority of the Northwest Territories population who are aboriginal people is not a commonly accepted principle. Although education may not be considered to be an aboriginal right, it may be considered to be a treaty right (treaties 8 and 11 provide for education), and, if that is accepted, it would then be a government responsibility, not a shared responsibility, to provide student financial assistance to status Dene and Inuit.

Indian and Northern Affairs Canada has taken some initiatives to manage the student aid program they provide to status Indian and Inuit residents. They collapsed the variety of benefits they provided into a more generous basic living allowance than the Northwest Territories provides, and they have established annual program ceilings. A formula has also been developed whereby resources are allocated to bands and, if the demand is greater than the resources available in that year, individuals are given priority for student financial assistance benefits for the following year. INAC's position is that they are responsible for determining the way the student aid program for status Indian and Inuit will be delivered.

One underlying GNWT policy guiding program delivery is that an equal level of service should be provided to all Dene, Metis and Inuit. Consequently, in student financial assistance the GNWT extends the types of student benefits INAC provides to Status Indians and Inuit (supplementary grants) to Metis and non-status Dene as well. The supplementary grant package provides for a variety of specific allowances in addition to the basic living allowance through relatively broad regulations that permit flexibility and discretion in their application.

The GNWT also strives to provide levels of service to long-term non-aboriginal northerners which are close to the benefits available to aboriginal residents. This policy guideline is evident in the student financial assistance program. When the program was first established it provided the same benefits (grants) to all northerners. As it developed the program did distinguish between aboriginal and non-aboriginal northerners in the types of benefits it provided, but it also recognized long-term northerners by providing benefits (basic grant and remittable loan) based on length of residency and schooling.

To determine whether or not the GNWT provides a similar, less generous or more generous assistance package to Northwest Territories students in comparison to students in the provinces, or students receiving benefits from INAC, two case studies were examined. These cases were two among the five cases examined in a comparative survey of Canadian student financial assistance in June, 1990 (see Attachment 1). (The Northwest Territories, Yukon and students served by INAC were not included in this study.)

Case 1

Case one describes a single parent with a ten year old child. The student is in a graduate program that is 52 weeks in length and her request for assistance totalled \$20,872.

In general provinces accessed the Canada Student Loan Program (CSL) first, and based on a means test, the student was eligible for the maximum available through that program - \$5,460. Then provinces provided additional assistance, some through additional loans, some through a grant/loan combination, etc. The largest amount of assistance for this case was identified by Saskatchewan totalling \$12,000 (includes CSL) and the lowest assessment was provided by Nova Scotia totalling \$7,500 (includes CSL). The average assessment of this case study in the four western provinces was \$10,500 (includes CSL).

In the Northwest Territories the amount of assistance available to this student would depend on need as well as ethnicity, length of residency and length of schooling.

Assuming that this student was not an aboriginal person and had resided in the Northwest Territories for less than three years, she would only be eligible for a needs assessed loan and would receive an equivalent to the maximum sum the CSL would provide, ($\$105 \times 52$ weeks) **\\$5,460** (repayable). If the student was a three year resident she would be eligible to receive a primary (and subsequently a secondary) student loan, which would provide her with an additional **\\$5,200** ($\$4,400 + \800 for one dependent) which may be forgiven. Her total assistance package, including the amount she would receive through the needs assessed loan, would then total ($\$737 + \$5,200$) **\\$5,937**. However, if the student was eligible for a basic grant she would receive **\\$3,378** as a basic grant ($\$1,566$ tuition, $\$400$ books and $\$1,412$ airfare) as well as **\\$4,000** as a primary loan ($\$3,200 + \800 for one dependent). In addition, she could apply for a needs assessed loan, but her grant and primary loan would be considered and her needs assessed loan would likely be determined to be approximately **\\$2,300**. As a result she would receive ($\$3,378 + \$4,000 + \$7,378$). In conclusion, if she were eligible for any of the assistance in addition to the needs assessed loan (basic grant and primary loan) her total assistance package would be similar to the average provided by the western provinces.

Assuming that this student is an Northwest Territories aboriginal person she would be eligible for a supplementary grant which would provide her with approximately **\\$11,890** living allowance + **\\$2,160** childcare + **\\$730** dependent travel). In addition she would be eligible for a basic grant of **\\$3,378** ($\$1,566$ tuition, $\$400$ books and $\$1,412$ airfare). The total assistance she would receive based on those benefits would be approximately **\\$15,268**. In addition she may request other types of benefits available through the supplementary grant package such as an accommodation allowance, local transportation allowance, maintenance allowance or emergency allowance. (Although she may apply for a needs assessed loan it is unlikely that she would be eligible given the assistance package she is already eligible to receive.) In conclusion, if this student was a Metis or a non-status Indian resident in the western provinces she would likely receive a sum close to the average identified above, **\\$10,500**, in contrast to the total the Northwest Territories would provide, **\\$15,268**. However, if she was a status Indian or Inuit, she would receive her assistance directly from INAC, and would receive **\\$16,471** based on the calculations provided by INAC (see Attachment 3).

Case 2

Case two describes a single student in the third year of a 43 week undergraduate program. He lives in a university residence since his parents' home is in another community and he lives with his family during the summer where he has a summer job. He is requesting **\\$5,696** in assistance (see Attachment 1).

In general, for this case study provinces again accessed the CSL first and three out of the four western provinces awarded \$4,515 as a CSL. (Alberta only assessed this case as \$1,825 in CSL, and that was the lowest assessment of CSL entitlement amongst the provinces.) Then the provinces provided a small amount in additional loan or grant funding, or like Manitoba provided for a remittance package. As a result the average total assessment for three of the western provinces was close to the \$4,515 CSL and Alberta only offered a total assessment of \$2,895 (\$1,825 of which was CSL).

Again in the Northwest Territories the amount of assistance available to this student would depend on need, as well as ethnicity, length of residency and length of schooling.

Assuming that this student was not an aboriginal person and had resided in the Northwest Territories less than three years he would be eligible for a needs assessed loan which would provide him with \$4,515. If he had resided in the Northwest Territories for at least three years, he would be eligible for a primary loan (and subsequently a secondary loan) which is remissible and would be assessed at \$4,400. As the amount of his primary loan would be taken into consideration in the determination of his needs assessed loan, his needs assessed loan would be total approximately \$2,434. As a result he would be eligible for a total of (\$4,400 + \$2,434) \$6,834. However, if this student was eligible for a basic grant as well he would receive \$2,275 as a basic grant (\$1,725 tuition, \$400 books and \$106 airfare) and \$3,200 as a primary loan (remissible). His total assistance package in that case would be \$5,475. (This student may also apply for a needs assessed loan but the amount which he would be awarded in this case would be approximately \$1,359. This amount, when added to sum of \$5,475 would make it equal to the sum reported above, \$6,834.)

Assuming that this student was a Northwest Territories aboriginal person he would be eligible for a supplementary grant (\$522 x 10 weeks living allowance) of \$5,220. In addition he would be eligible for a basic grant of \$2,275. Therefore, the total assistance package he would receive would be \$7,495. In addition he could apply for other allowances available through the supplementary grant package (accommodation, local transportation, and emergency allowances). In conclusion if this student was a Metis or non-status Indian in the western provinces he would likely be eligible for the assistance package referred to above of approximately \$4,515, in comparison to the assistance provided by the Northwest Territories, \$7,495. If he was a status Indian or Inuit and receiving student financial assistance directly from INAC he would be eligible for \$9,141 (see Attachment 3).

CONCLUSIONS

Objectives:

The Northwest Territories Student Financial Assistance Program appears to be a program which is meeting its objectives.

- Student enrolment increases and survey information indicate that students are being assisted financially so that they can pursue post-secondary education.
- The majority of student loan holders do return to live and work in the Northwest Territories. Fifty-eight (58%) of the student loan holders returned, or 426 out of 733 students. However, only 34% of the 733 were eligible for partial or full remission. (Some students did not meet the academic requirements of the program - 60% completion of program of study in the loan year - or had received non-remissible loans.)
- The program does provide scholarships to recognize academic achievement and there are special scholarships for aboriginal students.
- The program recognizes aboriginal students as a special category for assistance and the dramatically increasing enrolment of aboriginal students over the last five years indicates a measure of success.

Minor Modifications/Efficiencies:

The findings of the various departmental reviews of this program, and initiatives proposed by the department to save costs through previous operational planning exercises, provide some direction for cost savings. It is reasonable to investigate the review findings in detail to note the efficiency measures - cost savings - identified by the Department of Education, but it is recognized that the total value of these measures will be relatively small.

It is also reasonable to assume that this program can be modified further, and some elements reduced entirely, without threatening program objectives. This conclusion is complemented by the finding of the student survey. Twenty-eight percent of student survey respondents said they would have pursued post-secondary education without GNWT assistance and 28% say that the program should provide between 25% and 50% of students' costs.

Modification of Supplementary Grants:

The program is providing comparable assistance to all aboriginal students as Indian and Northern Affairs Canada is providing to status Indians and Inuit in southern Canada (see the case studies above and Attachment 2). (Note that the calculations did not include any of the special additional allowances available in the Northwest Territories such as, special accommodation allowance, tutoring allowance, special local transportation allowance, emergency allowance, and special maintenance allowance.)

The case studies discussed above demonstrated that if the students in these examples were aboriginal students the Northwest Territories grant (without any of the additional allowances noted above) would be comparable to the assistance provided by INAC. However, if the student took advantage of any of the other allowances available to them through the supplementary grant program, the student could receive substantially more than the assistance provided by INAC. Further, based on:

- the growing enrolments of aboriginal students which are expected to continue at least in the short term;
- the budget increases in grants over the past eight years (523%) which may be attributed to increased enrolment of aboriginal students (from < 100 to 491);
- the total expended on supplementary grant students (approx. \$4,008,040);
- the comparison with INAC in the case study.

It is reasonable to consider and propose modifications of the supplementary grant program.

Modification of Basic Grants/Primary Loans - Also shown by the case studies discussed above, the Northwest Territories Student Assistance Program likely is providing more than the average provided by western provinces to single students (as well as more than Indian and Northern Affairs Canada provides).

The case 2 study, which concerns a single student living at home in the summer, shows that the Northwest Territories may provide over 1 and 1/2 times the average assistance provided by the western provinces (\$7,470 in comparison to \$4,515). Consequently, it would be reasonable to consider the basic grant/primary and secondary loan package in an exercise to reduce the cost of the overall Student Financial Assistance Program.

Means Testing/Needs Assessed Loans:

One method of reducing costs which was considered generally at the outset of this review was an expansion of means testing. Means tests are now only used in the needs assessed loan, and theoretically means tests could be administered across the program. Looking at the program in detail there are a number of issues which would have to be considered if means testing were expanded:

- Because the GNWT is administering a program to status Dene and Inuit in trust on behalf of the federal government means testing status Dene and Inuit students would be unacceptable. (Status Dene consider education to be a treaty right.)

Also, the Department of Education states that very few students now receiving supplementary grants (living allowances) would be proven ineligible for a grant through a means test. It is also worth noting that processing a needs assessed grant would add administrative costs. Processing needs assessed loan applications are now estimated to take 60% more time to complete than a non-means tested loan application. As a result it would be both politically unacceptable, and generally an action not worthwhile pursuing because it would not realize savings. However, one recommendation which would save time (and therefore costs) would be to establish a late fee for applications.

Finally, although means testing non-status Dene and Metis would not challenge the trust relationship, all aboriginal people are treated in the same manner in the Northwest Territories. In addition, means testing non-status Dene and Metis, like means-testing status Dene and Inuit, would also not be worthwhile pursuing because it would not realize substantial savings.

In contrast, means testing non-aboriginal students as part of the basic grant/primary loan program would likely demonstrate more cost savings. However, means testing the basic grant/primary loan would change it from a combination grant/loan package which recognizes long-term northerners into assistance (grant and forgivable loan) only for long-term northerners who were needy. If the purpose of student financial assistance is only to assist financially needy students it would be more reasonable to eliminate the basic grant and primary (and secondary) loan programs and expand the needs assessed loan program.

In conclusion, expanding means testing generally across the program would add an administrative cost which may not result in cost savings in all areas and it would change the objectives of the program in general. The program would change from one with specific incentives (such as elimination of the high cost of travel as a barrier to northern students) to one which provides only three types of aid: a grant package to all aboriginal students which is similar to INAC's and two needs assessed loan packages (one which would be much more generous than the Canada Student Loans (CSL) for financially needy long-term northern students, and one which would be similar to the CSL for needy short-term northerners). Long-term northern students who were not financially needy would not be eligible for any assistance, not even assistance recognizing the high cost of travel.

With the exception of grants for non-status Dene and Metis, expanding means testing across the program would likely make the Northwest Territories student assistance program one of the least beneficial in Canada according to the case studies presented in Attachment 1. The purpose of this review is to recommend actions which demonstrate substantial cost savings and generally maintain the integrity of the program. With that in mind each element of the program will be analyzed and recommendations made, but the general expansion of means testing will not be proposed.

[Although the focus of this exercise is to identify cost savings, not to recommend program increases, the discussion of the case one study demonstrates that student financial assistance programs across Canada in general are probably not providing enough assistance to individuals in situations similar to the one described in the study (single parent with one dependent). (This has been recognized by the Council of Minister of Education Canada and the findings of a study on the assessment of needs in relation to the Canada Student Loan will be available this spring.) In the case one study the Northwest Territories assistance total (assuming the individual was a non-aboriginal student) was almost equal to the average in the western provinces only if the individual was eligible for a basic grant and primary loan in addition to a needs assessed loan. If the individual was only eligible for a needs assessed loan (maximum \$5,460) the Northwest Territories assistance would be almost \$5,000 less than the average provided by the western provinces. The rates for needs assessed loans should be reviewed and, particularly as the Northwest Territories has opted out of the Canada Student Loan Program, it could choose to increase the rates provided. It may be reasonable to use rates similar to the living allowance rates approved for supplementary grant students.]

APPROACH

To identify cost savings in the Student Financial Assistance Program the approach taken generally will be:

- to identify possible elements of the program which could be eliminated without destroying the integrity of the program - program objectives;
- to reduce the number of students eligible for benefits (grants and remittable loans); and
- to reduce the overall level of benefits provided (grants).

As a result one option will be developed with a series of recommendations proposing moderate reductions. The assumptions and calculations for the expected cost savings outlined in the recommendations are detailed in Attachment 4.

Greater cost savings could be realized if the GNWT decided to provide the supplementary grant program only to status Dene and Inuit. This would be possible if the GNWT was willing to change the underlying policy of the Student Financial Assistance Act of providing the same benefits to all aboriginal people, and close to the same benefits for long-term northerners. Similarly further savings would be realized if the GNWT was also willing to challenge the fiduciary relationship with the federal Government for the provision of services to status Dene and Inuit. However, these decisions have not been made and, for many reasons, may not ever be considered. (See table below for an illustration of the potential savings in this case.)

RECOMMENDATIONS FOR MODERATE MODIFICATIONS AND REDUCTIONS IN SERVICE EXPECTED TOTAL COST SAVINGS - \$1,000,000		
RECOMMENDATIONS	EXPECTED SAVING	RATIONALE
<p>1. <u>Supplementary Grant</u></p> <p>Continue to provide a supplementary grant program to all Dene, Metis and Inuit, but tighten the regulations, reducing costs (such as paid return travel for students' dependents whether or not they travel) and set a maximum ceiling for individual students based on a completion rate of 60% of the course load per year. Incorporate the basic grant benefit for books and supplies into this package and collapse living expenses in a manner similar to INAC so that the Northwest Territories program is not providing more than what INAC would provide for living allowances.</p>	<p>400,000</p>	<p>This recommendation continues to provides a level of support to all aboriginal residents comparable to INAC program for status Indians and Inuit.</p>
<p>2. <u>Basic Grant</u></p> <p>a) Reduce the cost of the return trip home at Christmas in the basic grant package by using an enroute card system for all students for Christmas travel. This would affect all students: aboriginal and non-aboriginal students.</p>	<p>300,000</p>	<p>This recommendation would still provide assistance for travel to and from the institution in recognition of the high cost of travel for all northern students. Also the basic grant package for non-aboriginal students would still be more generous than that provided by the western provinces.</p>

RECOMMENDATIONS FOR MODERATE MODIFICATIONS AND REDUCTIONS IN SERVICE EXPECTED TOTAL COST SAVINGS - \$1,000,000		
RECOMMENDATIONS	EXPECTED SAVING	RATIONALE
<p>3. <u>Post-secondary Incentives, U of M Contract and General Regulations</u></p> <p>Tighten the Student Financial Assistance regulations and eliminate post-secondary incentives and the contract with the University of Manitoba.</p>	<p>200,000</p>	<p>The U of M contract (\$100,000) provides pre med and engineering training for four students. The Student Financial Assistance Program could support the development of doctors and engineers generally through the grants and loans already available. With the UCEP options available aboriginal students also can access a university preparation program.</p> <p>Similarly, the post-secondary incentive program (\$100,000) provides general discretion to assist students whose programs do not qualify under other sections of the regulations and high cost programs. The regulations could be amended to provide for a limited number of students in specific high cost programs a year. In general the regulations should also be amended so that less discretion is required in their application (general efficiency measure).</p>

RECOMMENDATIONS FOR MODERATE MODIFICATIONS AND REDUCTIONS IN SERVICE EXPECTED TOTAL COST SAVINGS - \$1,000,000		
RECOMMENDATIONS	EXPECTED SAVING	RATIONALE
<p>4. <u>Loans</u></p> <p>Continue to provide for primary, secondary and means tested loans.</p> <p>5. <u>General</u></p> <p>Establish a late fee for all applications to improve program efficiency.</p>		<p>(Note: although \$100,000 is disbursed in incentives as it is now a remittable loan (changed in 1991), it is estimated that about 60% of that amount, or \$60,000, is remitted so \$60,000 is the real saving in the long-term.)</p>

SEVERE PROGRAM MODIFICATIONS AND GREATEST COST SAVINGS		
TOTAL EXPECTED COST SAVINGS - \$2,569,000		
RECOMMENDATION	EXPECTED SAVING	RATIONALE
<p>1. <u>Supplementary Grant</u></p> <p>Eliminate the supplementary grants provided to Metis and non-status Dene.</p>	627,000	INAC does not provide assistance to Metis and non-status Dene.
<p>2. <u>Supplementary and Basic Grant</u></p> <p>a) Provide for the tuition, books, and living allowance as a grant package to status Dene and Inuit, eliminating costs (such as travel benefits for dependents whether or not they travel), and tightening regulations. Set a maximum ceiling for individual students based on a completion rate of 60% of the course load per year. Also, collapse living expenses in a manner similar to INAC so that the Northwest Territories program is not providing more than what INAC would provide for living allowances.</p>	530,000	a) This package of assistance would be fairly comparable to INAC's program (with the exception of the Christmas trip home, which could be maintained but savings would be reduced by \$200,000).
<p>b) Eliminate the basic grant (tuition, books, travel, and transitional allowance). The tuition, and books allowance would be provided only for status Dene and Inuit. However, provide a grant for a one round-trip travel to students with three years residency to post-secondary institutions.</p>	\$1,092,000	b) This would recognize the high cost of travel and students in need could apply for a needs assessed loan.

SEVERE PROGRAM MODIFICATIONS AND GREATEST COST SAVINGS		
TOTAL EXPECTED COST SAVINGS - \$2,569,000		
RECOMMENDATION	EXPECTED SAVING	RATIONALE
<p>3. <u>Post-secondary Incentives, U of M Contract and General Regulations</u></p> <p>Tighten the Student Financial Assistance regulations and eliminate post-secondary incentive grants and the contract with the University of Manitoba.</p>	200,000	<p>The U of M contract (\$100,000) provides pre med and engineering training for four students. The Student Financial Assistance Program could support the development of doctors and engineers generally through the grants and loans already available. With the UCEP options available aboriginal students also can access a university preparation program.</p> <p>Similarly, the post-secondary incentive program (\$100,000) provides general discretion to assist students whose programs do not qualify under other sections of the regulations and high cost programs. The regulations could be amended to provide for a limited number of students.</p>

SEVERE PROGRAM MODIFICATIONS AND GREATEST COST SAVINGS		
TOTAL EXPECTED COST SAVINGS - \$2,569,000		
RECOMMENDATION	EXPECTED SAVING	RATIONALE
<p>4. <u>Loans</u></p> <p>Continue to provide for primary, secondary and means tested loans.</p> <p>a) Eliminate primary and secondary loans.</p> <p>b) Provide special incentive loans to Metis and non-status Dene to pursue post-secondary education. These would be 100% remittable if the individuals completed 60% of their program successfully and returned to work in the Northwest Territories, similar to the revised supplementary grant package being proposed above - Cost \$900,000.</p>	0	<p>[It is unlikely that there will be any savings in loans with the alternatives being proposed in b), c) and d).]</p> <p>b) Comparable support would be provided to Metis and non-status, except that the assistance would be a remissible loan, not a grant.</p>

SEVERE PROGRAM MODIFICATIONS AND GREATEST COST SAVINGS		
TOTAL EXPECTED COST SAVINGS - \$2,569,000		
RECOMMENDATION	EXPECTED SAVING	RATIONALE
c) Provide special opportunity loans for tuition, books and supplies, which are 100% remittable for study in particular employment areas if residents return to the Northwest Territories to live. (This would not be limited to special incentive groups and would be capped at \$500,000. It could also recognize high cost training such as aviation.)		c) Incentives would be provided for particular employment areas.
d) Continue to provide a means tested loan similar to CSL for individuals who have been resident in the Northwest Territories for at least one year.		d) Without basic grants or the availability of primary/secondary loans it may be necessary to increase the living allowance rates of needs assessed loans so that the Northwest Territories provides comparable assistance to other provinces in Canada for students with dependents.

Preamble

In 1984/85, The Canadian Association of Student Financial Aid Administrators undertook a survey to compare the results of standard need assessments performed by the various provinces on five "typical" students. Although the criteria used for Canada Student Loans program are intended to provide an underlying basis for need determination, each province has established its own detailed criteria, which, as will be noted in the following material, produce a distinctly different result.

It is not easy to compare the details of the assessments, and complete information was not always made available. I am indebted to the CASFAA members and provincial aid officials who assisted by completing the assessments. The spreadsheet and graphs are self explanatory. Brief notes explain some of the identifiable differences. Several provinces have announced program changes which will take affect in the 1990/91 academic year.

A summary of the 1984/85 survey is included for the information of the reader.

Byron H. Hender
Director, Awards and Financial Aid
The University of B.C.
Vancouver, B.C.
June, 1990

Notes

All assessments were done using 1989/90 criteria on the assumption that the applicant was studying in the "home" province.

Loan Remission for BC students is calculated after the student completes the program of study. Students who complete their first undergraduate degree in the normal number of semesters plus two will normally have their debt reduced to \$12,000.

For Cases 1 and 2, PEI performed two assessments (1st and 2nd semesters, plus 3rd semester). For purposes of this analysis I have reported the 1st and 2nd semester costs and resources plus 3rd semester fees and books. The figures reported for married student defect, assessed need, and award values are combined for all three semesters.

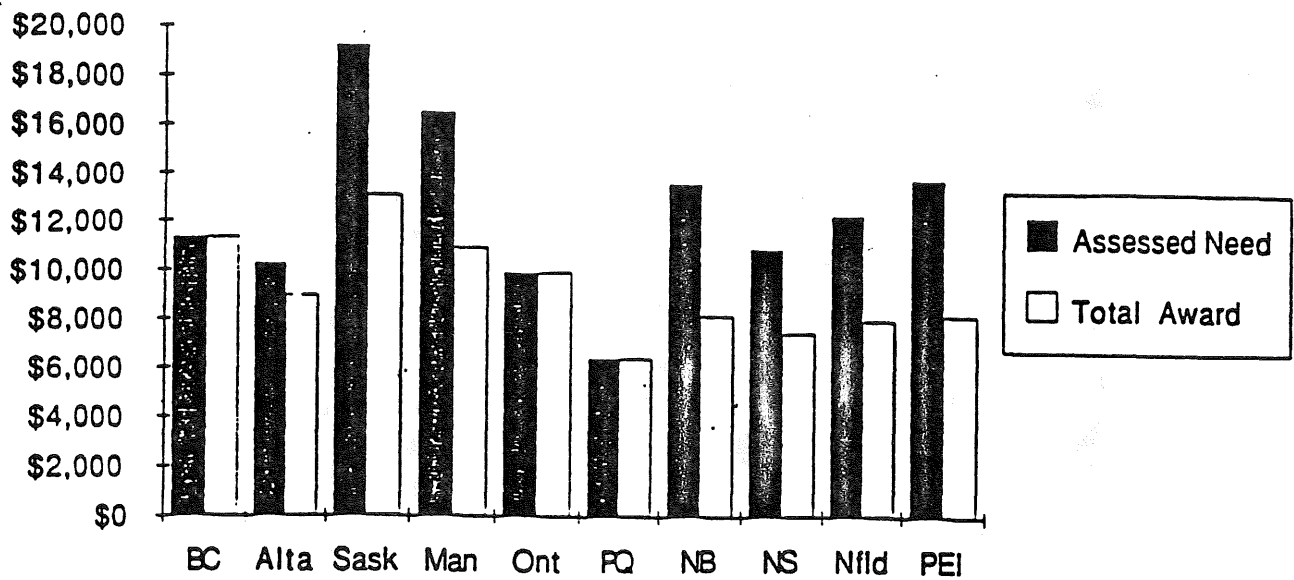
Manitoba's married and dependant allowances appear significantly higher than those of other provinces. It is possible that the additional housing allowance is incorporated into these figures.

Both Manitoba and Ontario had dual assessments for some or all of the cases. For purposes of this survey, I have used the allowances which result in the largest award. It is difficult to compare the OSAP assessments with those of other provinces. The major differences on the Manitoba assessment are set out below.

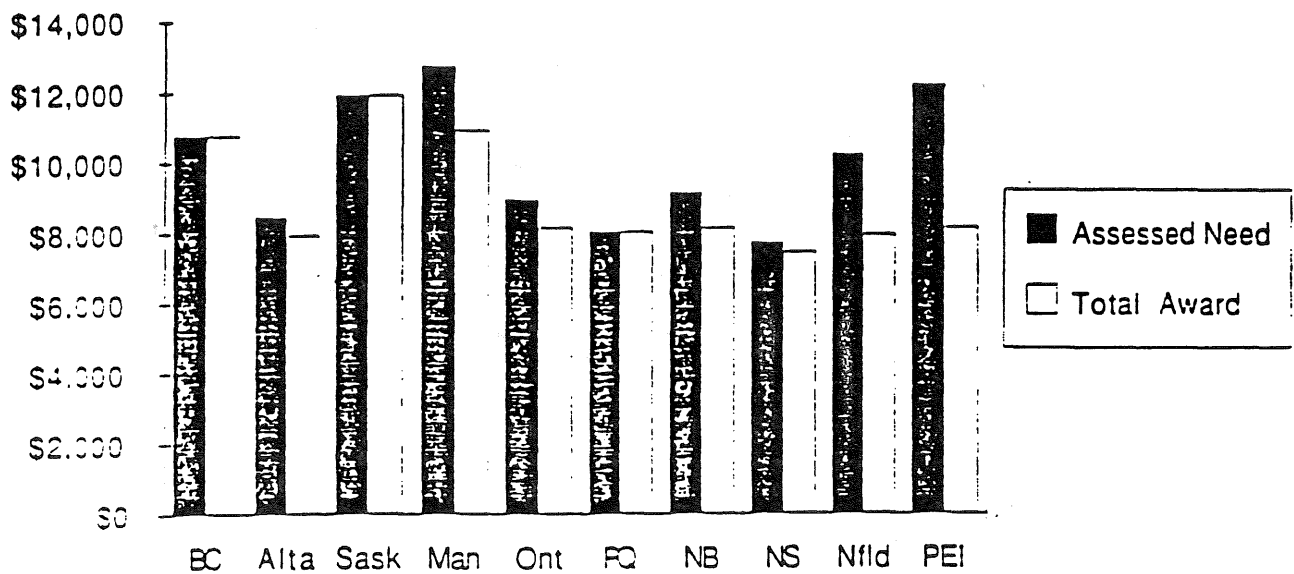
Manitoba	Grant	Loan
Case 2		
Gross Family Income	\$8,620	\$7,320
NEI	\$9,001	\$10,301
Need	\$11,432	\$12,732
Case 4		
Student Contribution	\$2,028	\$1,306
Part Time Earnings	\$250	\$0
Other Assets	\$178	\$0
Need	\$2,546	\$3,696
Case 5		
Maintenance Allowance	\$3,155	\$4,580
Student Contribution	\$2,871	\$2,149
Other Assets	\$225	\$0
Need	\$4,009	\$6,381

For purposes of Case 5, both Ontario and BC assessed a parental contribution based on family assets. In Case 4, Ontario assumed that the family did not own a home. In Case 5, it was assumed that the family did own a home and that their home equity was \$30,000.

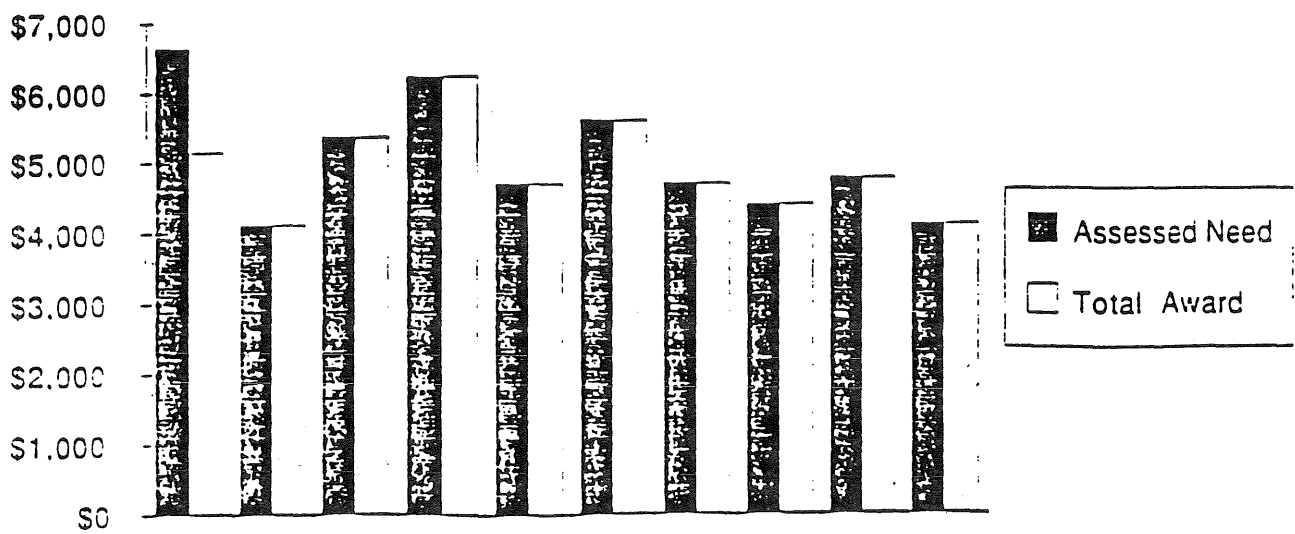
Quebec has noted that major program changes have been proposed for 1990/91. The Quebec assessment criteria differ in many respects from those of other provinces and many of the allowances and contributions are calculated on a 52 week basis.

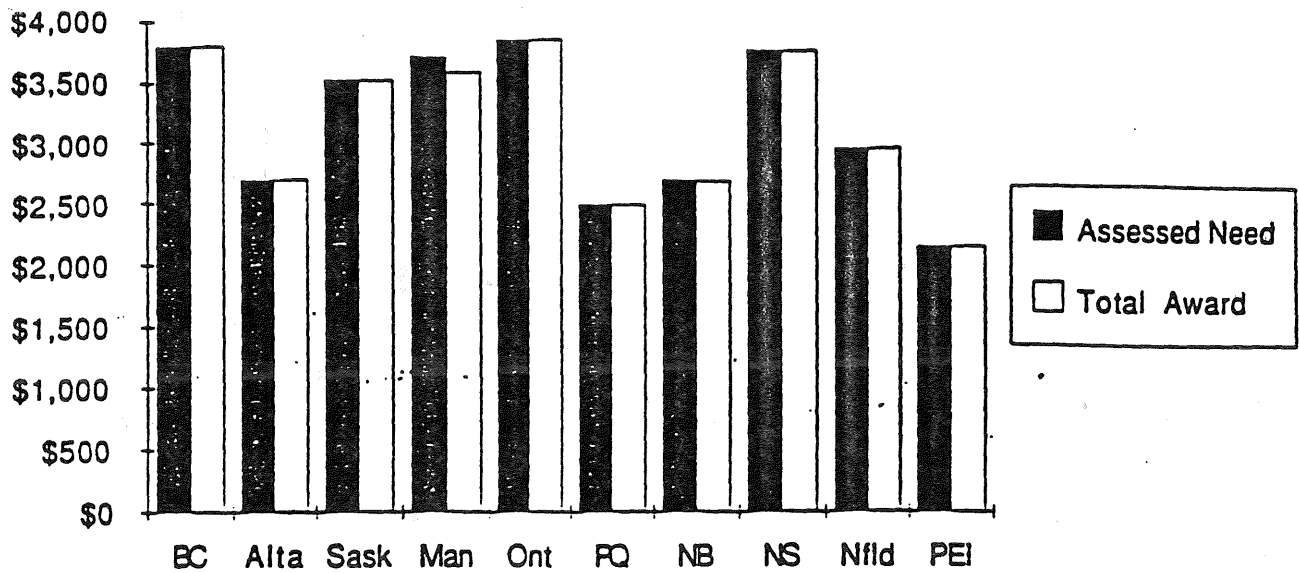


1989/90 CASFAA Provincial Aid Survey - Case 2

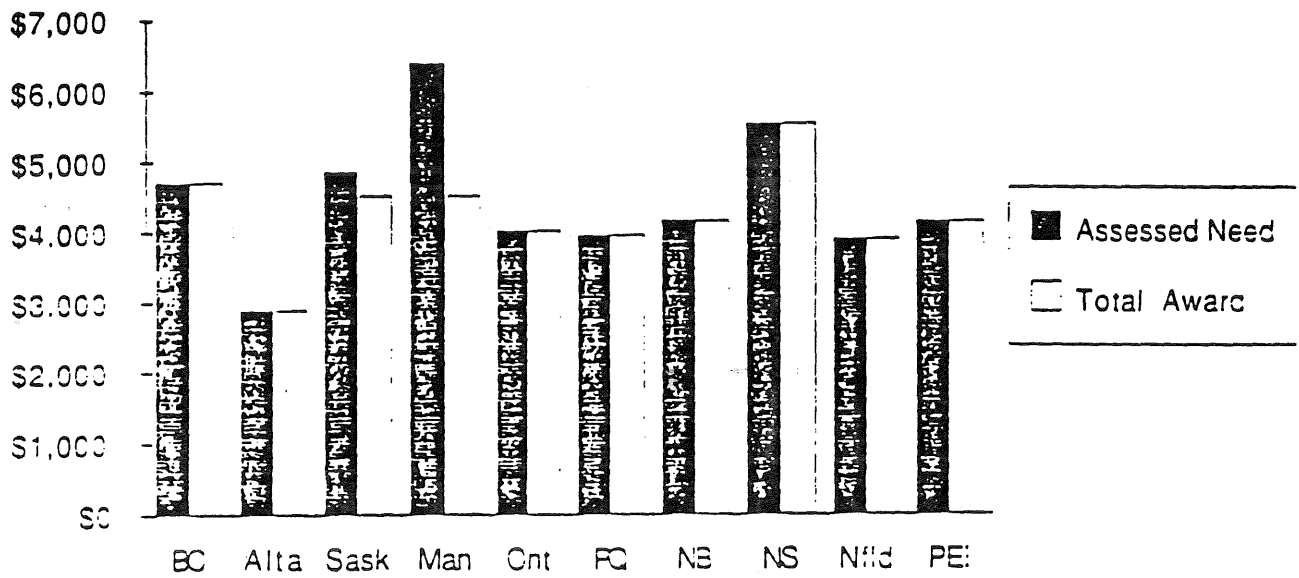


1989/90 CASFAA Provincial Aid Survey - Case 3





1989/90 CASFAA Provincial Aid Survey - Case 5



Case 1.

Student is married and has three children aged 6,12, and 17. His wife works full time and one of their children is in after school care. He is in third year of his undergraduate program which runs 12 months (52 weeks).

Costs:

Tuition fees	\$3864 (actual)
Books and Equipment	\$720 (actual)
Daycare	\$1600 (claimed and documented)

Resources:

	Student	Spouse
Summer income (gross)	\$4800	
Wages (gross)		\$22,920
Family Allowance	\$1200	
Income Tax		\$3894
Exceptional expenses (dental)	\$3000 (claimed and documented)	

Student's Request as per budget \$20,872

Case 2

Student is a single parent with a 10 year old child. She is in a graduate program that is 52 weeks in length.

Costs:

Tuition	\$1566 (actual)
Books and equipment	\$865 (actual)

Resources:

She holds a Teaching Assistantship during the winter term which pays her \$9536 (gross) and she receives Family Allowance of \$384. She claims income tax deducted from her TA of \$1216. She does not have Daycare and claims no exceptional expenses.

Student's Request as per budget \$20,872

Case 3

This single student is in second year of an undergraduate program in Arts. He is group B by virtue of having worked for two years following completion of secondary school. His program is 34 weeks long. He lives all year in an apartment off campus.

Costs:

Tuition Fees	\$1715 (actual)
Books and equipment	\$305 (actual)

Resources:

Parental support (volunteered)	\$660
Summer Income (net)	\$2596
Indicated savings from summer	\$611
Part time earnings during term	\$800

Student's Request as per budget \$5140

Case 4

This student is Group A and lives with her parents. She is in a 34 week program and is in her second year of undergraduate studies.

Costs:

Tuition	\$1897 (actual)
Books and Equipment	\$1600 (this student is in Music and has documented costs associated with the rental of her piano in the amount of \$100)

Resources:

Parents	Husband	Wife
Wages	\$10,371	
Family Allowance	\$62	
Self Employment Income (net)	\$12,000	
UIC		\$9345

There are three children in the family; one in post secondary education. Self employed income is from a company with a net worth of \$100,000.

Student

Net income from summer job	\$1180
Indicated savings	\$178
Part time income	\$1100

Student's Request as per budget \$4800

Case 5

This Group A student is in third year of a 43 week undergraduate program. He lives in a University residence since his parents home is in another community. He lived with his family during the summer. Although the family's reported income is quite low, they have declared net assets (excluding their family home) of \$172,564.

Costs:

Tuition fees	\$1725 (actual)
Books and Equipment	\$560 (actual)
Residence costs Room and Board)	\$3155 (actual)
Cost of return Transportation	\$106 (two round trips)

Resources:

Parents	Husband	Wife
Family Allowance	\$388	
Self employed income (net)	\$4185	\$4186
Investment income	\$365	

There are two children in the family; one in post secondary education.

Student

Net income from summer	\$3560
Indicated summer savings	\$2320 (student lived at home during the summer)
Other savings	\$225
Student's Request as per budget	\$5696

AA Provincial Aid Survey 1989/90

	BC	Alta	Sask	Man	Ont	PQ	NB	NS	Nfld	PEI
1										
Income	\$28,920	\$28,920		\$28,200	\$28,200	\$18,086	\$24,120	\$28,920	\$24,120	\$28,920
Income Tax	\$3,894	\$3,894		\$5,272	\$3,859		\$3,894	\$3,618	\$3,894	\$3,894
Spouse Allowance	\$1,703	\$1,703		\$1,703	\$1,703		\$1,700	\$1,703	\$1,701	\$1,700
Maint Allowance	\$13,329	\$13,329		\$18,176	\$13,329	\$14,503	\$13,300	\$13,329	\$13,329	\$13,325
Personal Housing	\$1,268	\$1,268						\$1,268	\$1,268	\$1,250
Uninsured Med/Dent	\$2,600	\$2,400			\$2,700		\$3,000	\$2,600		\$2,600
Child Care Allowance	\$1,400	\$1,600		\$1,600	\$1,600	\$1,600	\$1,600	\$2,014	\$1,600	\$1,600
Home Allowance	\$1,833	\$2,313			\$1,834		\$1,929	\$2,313	\$1,834	\$2,314
Additional Expenses					\$2,700					
0-11	\$1,879	\$1,879		\$12,736	\$7,447	\$1,895	\$1,700	\$1,879	\$1,879	\$1,875
12-15	\$2,784	\$2,784		inc	inc	\$1,895	\$2,750	\$2,784	\$2,784	\$2,780
over 15	\$3,396	\$3,396		inc	inc	\$2,545	\$3,250	\$3,396	\$3,396	\$3,395
	\$3,864	\$3,864	\$3,864	\$3,864	\$3,864	\$2,031	\$3,864	\$3,864	\$3,864	\$3,864
Uninsured Defecit	\$720	\$720	\$720	\$720	\$720	inc	\$600	\$720	\$600	\$720
	\$5,166	\$5,646	\$11,919	\$11,787	\$5,328		\$9,003	\$5,984	\$7,565	\$9,081
	\$1,580		\$2,600					\$300		
Unmet Need	\$11,330	\$10,230	\$19,103	\$16,371	\$9,912	\$6,382	\$13,467	\$10,868	\$12,209	\$13,665
Test	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872	\$20,872
RD	CSL \$5,460	CSL \$5,460	CSL \$5,460	CSL \$5,460	CSL \$4,332	OSL \$2,400	CSL \$5,460	CSL \$5,460	CSL \$5,460	CSL \$5,250
	BCSL \$5,870	Grant \$2,500		Burs \$5,460	Grant \$5,580	Grant \$3,900	Grant \$2,700	Grant \$2,000	Grant \$2,500	Grant \$2,925
		ASL 995	SSL \$7,540							
	Ln rem **	Ln rem \$1,420	Ln rem \$3,635							
Award	\$11,330	\$8,955	\$13,000	\$10,920	\$9,912	\$6,300	\$8,160	\$7,460	\$7,960	\$8,175

CASFAA Provincial Aid Survey 1989/90

	BC	Alta	Sask	Man	Ont	PQ	NB	NS	Nfld	PEI
CASE 2										
Gross Income	\$7,320	\$9,920		\$8,620	\$7,960	\$4,960	\$7,320	\$9,120	\$7,320	\$10,000
Income Tax	\$1,216	\$1,216					\$878	\$442	\$1,216	\$1,216
Wkg Spouse Allowance	\$693	\$992					\$732		\$694	\$1,000
Basic Maint allowance	\$10,424	\$10,424		\$14,200	\$10,424	\$9,076	\$10,400	\$10,424	\$10,424	\$10,424
Additional Housing	\$634	\$634						\$634	\$634	\$625
Uninsured Med/Dent	\$260									
Retirement Allowance	\$554	\$793					\$585	\$729	\$555	\$550
Child 0-11	\$1,879	\$1,879		\$3,421	\$1,879	\$1,895	\$1,700	\$1,879	\$1,879	\$1,796
Fees	\$1,566	\$1,566	\$1,566	\$1,566	\$1,566	\$2,031	\$1,566	\$1,566	\$1,566	\$1,566
Books	\$865	\$865	\$865	\$865	\$865	inc	\$600	\$865	\$600	\$865
Married Deficit	\$8,340	\$6,018	\$9,476	\$10,301	\$6,515		\$6,975	\$4,988	\$8,082	\$9,000
Other								\$300		
Assessed Need	\$10,771	\$8,449	\$11,907	\$12,732	\$8,946	\$8,042	\$9,141	\$7,719	\$10,248	\$12,000
Request	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769	\$20,769
AWARD	CSL \$5,460	CSL \$4,300	CSL \$5,460	CSL \$5,460	CSL \$5,460	OSL \$3,350	CSL \$5,460	CSL \$5,460	CSL \$5,460	CSL \$5,460
	BCSL \$5,311	Grant \$3,630	SSL \$6,447	Burs \$5,460	OSL \$2,700	Grant \$4,690	Grant \$2,700	Grant \$2,000	Grant \$2,500	Grant \$2,500
	Ln rem **	Ln Rem \$1,120	Ln Rem \$2,546							
Total Award	\$10,771	\$7,930	\$11,907	\$10,920	\$8,160	\$8,040	\$8,160	\$7,460	\$7,960	\$8,160

CASFAA Provincial Aid Survey 1989/90

	BC	Alta	Sask	Man	Ont	PQ	NB	NS	Nfld	PEI
CASE 3										
Fees	\$1,715	\$1,715	\$1,715	\$1,715	\$1,715	\$1,354	\$1,715	\$1,715	\$1,715	\$1,715
Books	\$305	\$305	\$305	\$305	\$305	inc	\$305	\$305	\$305	\$305
Maintenance	\$4,590	\$4,760	\$3,400	\$3,621	\$4,114	\$7,251	\$3,128	\$2,890	\$2,890	\$3,060
Misc	\$952		\$952	\$952			\$952	\$952	\$952	\$952
Transport - local	\$425		\$255	\$281	\$340		\$46	\$35	\$272	\$50
Transport - return								\$96	\$600	
Other								\$360		
Student Contribution	\$611	\$1,215	\$611	\$4	\$1,120	\$2,337	\$778	\$1,296	\$1,298	\$1,296
Part Time earnings		\$800								
Other Resources	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660
Assessed Need	\$6,626	\$4,105	\$5,356	\$6,210	\$4,694	\$5,608	\$4,708	\$4,397	\$4,776	\$4,126
Request	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140	\$5,140
AWARD	CSL \$3,570	CSL \$3,570	CSL \$3,570	CSL \$3,570	CSL \$3,570	OSL \$2,480	CSL \$3,300	CSL \$2,900	CSL \$3,570	CSL \$2,600
	BCSL \$1,570	ASL \$535	SSL\$ 1,786	Burs \$2,650	OSL \$1,124	Grant \$3,120	Grant \$1,400	Grant \$1,145	Grant \$1,206	Grant \$1,520
	Ln rem **	Ln Rem \$1,240	Ln Rem \$1,786	Ln Rem \$460				NSL \$352		
Total Award	\$5,140	\$4,105	\$5,356	\$6,220	\$4,694	\$5,600	\$4,700	\$4,397	\$4,776	\$4,125

FAA Provincial Aid Survey 1989/90

	BC	Alta	Sask	Man	Ont	PQ	NB	NS	Nfld	PEI
E 4										
ly Gross Income	\$31,778	\$31,778		\$31,778	\$31,778		\$31,778	\$31,778	\$31,778	\$31,778
	\$31,778	\$30,844		\$30,843	\$31,778		\$30,844	\$30,844	\$30,843	\$30,843
	\$1,897	\$1,897	\$1,897	\$1,897	\$1,897	\$1,354	\$1,897	\$1,897	\$1,897	\$1,897
s	\$1,600	\$1,600	\$1,600	\$1,600	\$1,700	incl	\$600	\$1,600	\$600	\$450
tenance	\$170	\$272		\$272	\$1,020	\$2,519	\$136	\$272		
	\$952	\$952	\$952	\$952			\$952	\$952	\$952	\$952
sport - local	\$425	\$280	\$255	\$281	\$340	\$572	\$46	\$35	\$272	\$50
r								\$300		\$100
ent Contribution	\$1,250	\$1,215	\$1,200	\$1,306	\$1,120		\$767	\$1,296	\$590	\$1,296
time earnings		\$1,100								
r Resources						\$4,047	\$178		\$178	
ssed Need	\$3,794	\$2,686	\$3,504	\$3,696	\$3,837	\$2,480	\$2,686	\$3,760	\$2,953	\$2,153
est	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
RD	CSL \$3,500	CSL \$2,685	CSL \$3,500	CSL \$3,570	CSL \$3,570	QSL \$2,480	CSL \$2,680	CSL \$2,900	CSL \$2,953	CSL \$2,153
	EP \$294				Grant \$320			Grant \$860		
	Ln rem **	Ln Rem \$610		Ln Rem \$765					Def gnt \$796	
l Award	\$3,794	\$2,685	\$3,500	\$3,570	\$3,837	\$2,480	\$2,680	\$3,760	\$2,953	\$2,153

CASFAA Provincial Aid Survey 1989/90

	BC	Alta	Sask	Man	Ont	PQ	NB	NS	Nfld	PEI
CASE 5										
Family Gross Income	\$9,124	\$9,124		\$9,124	\$9,124		\$9,124	\$9,124	\$9,124	\$9,124
NEI	\$8,706	\$8,706		\$8,705	\$8,705		\$8,706	\$8,760	\$8,705	\$8,705
Fees	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,354	\$1,725	\$1,725	\$1,725	\$1,725
Books	\$560	\$560	\$560	\$560	\$560	inc	\$560	\$560	\$250	\$560
Maintenance	\$3,155	\$3,155	\$3,155	\$4,580	\$5,203	\$6,432	\$3,155	\$3,155	\$3,155	\$3,155
Misc	\$1,204		\$1,204	\$1,204			\$1,204	\$1,204	\$1,204	\$1,204
Transport - local	\$279		\$322	\$355		\$99				
Transport - return	\$106		\$216	\$106	\$159		\$61	\$106	\$106	\$50
Other								\$300		
P C - Assets	\$225				\$2,404	\$1,634				
Student Contribution	\$2,095	\$2,645	\$2,320	\$2,149	\$1,220	\$2,299	\$2,314	\$1,296	\$2,320	\$2,320
Other Resources							\$225	\$225	\$225	\$225
Assessed Need	\$4,709	\$2,895	\$4,862	\$6,381	\$4,023	\$3,952	\$4,166	\$5,529	\$3,895	\$4,149
Request	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696	\$5,696
AWARD	CSL \$4,515	CSL \$1,825	CSL \$4,515	CSL \$ 4,515	CSL \$4,023	OSL \$2,480	GSL \$,3300	CSL \$2,900	CSL \$3,895	CSL \$2,600
	BCSL \$194	Grant \$1,070	SSL \$347			Grant \$1470	Grant \$860	Grant \$2,000	Def gnt \$2,000	Grant \$1,550
	Ln rem **	Ln Rem \$330	Ln Rem \$347	Ln Rem \$1,753				NSL \$629		
Total Award	\$4,709	\$2,895	\$4,515	\$4,515	\$4,023	\$3,950	\$4,160	\$5,529	\$3,895	\$4,150

ATTACHMENT 2

1989

**STUDENT GRANTS AND LOANS
COMPARISON OF STUDENT BENEFITS
BETWEEN GNWT'S & DIAND**

BENEFITS	G.N.W.T.		D.I.A.N.D	
	Non-native Students	Native Students (Dene, Metis, Inuit)	Native Students (status Indian & Inuit)	Non-Native Students
<u>GRANTS</u>				
TUITION	\$1,000 semester	\$1,000 semester	Actual of nearest Canadian school	Not provided
BOOKS	\$200 semester	\$200 semester	Actual	Not provided
TRAVEL	2 round trips per year to school of acceptance	2 round trips per year to school of acceptance	2 round trips per year to nearest school	Not provided
START-UP ALLOWANCE*	a) \$295 single b) \$1,480 with dependents	a) \$295 single b) \$1,480 with dependents	Not provided	Not provided

BENEFITS	G.N.W.T.		D.I.A.N.D.	
	Non-native Students	Native Students (Dene, Metis, Inuit)	Native Students (status Indian & Inuit)	Non-Native Students
<u>LIVING ALLOWANCES</u>				
Single student	Not provided	\$523 month	\$675 month	Not provided
Students with dependants				
a) 1 dependant	Not provided	\$741 month	a) \$675 with employed spouse b) \$895 with dependent spouse	Not provided
2 dependants	Not provided	\$915 month	a) \$850 with employed spouse b) \$1,045 with dependent spouse	Not provided
c) 3 dependants	Not provided	\$1,024 month	a) \$1,030 with employed spouse b) \$1,205 with dependent spouse	Not provided
d) 4 dependants	Not provided	\$1,133 month	a) \$1,205 with employed spouse b) \$1,355 with dependent spouse	Not provided
each additional dependant	Not provided	+\$109 month	+\$50 month	Not provided

NEFITS	G.N.W.T.		D.I.A.N.D.	
	Non-native Students	Native Students (Dene, Metis, Inuit)	Native Students (Status Indian & Inuit)	Non-Native Students
CHILD CARE				
a) 1 dependant	Not provided	\$198 month	Not provided	Not provided
b) each additional dependant	Not provided	\$110 month	Not provided	Not provided
SPECIAL EQUIPMENT & CLOTHING ALLOWANCE	Not provided	Actual costs	Not provided	Not provided
TUTORING ALLOWANCE	Not provided	Actual costs	Not provided	Not provided
ACCOMMODATION ALLOWANCE	Not provided	Actual costs	Not provided	Not provided
EMERGENCY ALLOWANCE **	Not provided	Actual costs	Not provided	Not provided
LOCAL TRANSPORTATION ALLOWANCE	Not provided	Actual costs of public transportation	Not provided	Not provided
DUAL HOUSEHOLD ALLOWANCE ***	Not provided	Actual costs	Not provided	Not provided
STUDENT DEPENDANT TRAVEL	Not provided	2 round trips per yr	2 round trips per yr	Not provided

BENEFITS	G.N.W.T.		D.I.A.N.D.	
	Non-native Students	Native Students (Dene, Metis & Inuit)	Native Students (Status Indian & Inuit)	Non-Natives
LOANS				
Non means tested				
Single student	\$3,200/yr or \$4,400/yr.	Not provided	Not provided	Not provided
Student with dependants				
a) one dependant	\$4,000 or \$5,200	Not provided	Not provided	Not provided
each additional dependant	\$500.00	Not provided	Not provided	Not provided
Means Tested	\$105/week depending upon need	\$105/week depending upon need	Not provided	Not provided

NOTES

- * For students who experience a shortage of funds due to unexpected costs when they first attend school.
- ** Transportation costs to return home on the death of a relative. Temporary shortage of funds.
- *** Allowances to assist students who pay rent at both the location of studies and the home communities.

COMPARISON COMMENTS

N.W.T. Native and N.W.T. Non-Native Awards:

N.W.T. natives receive more grant assistance, however, non-natives can receive an equivalent total yearly amount by accessing a Needs Assessed Loan in addition to whatever basic grant, Primary Loan, or Secondary Loan entitlements they receive. The fact that loans are not taxable while grants are taxable means that the yearly amounts of assistance are comparable in net value.

N.W.T. Native and D.I.A.N.D. Students:

The base rate for living allowances are lower for N.W.T. students than D.I.A.N.D. student, however, N.W.T. students actually can receive more funding because they can access childcare, tutoring, emergency, and other special allowances including accommodation. Only certain categories of students in D.I.A.N.D.'s program can access an accommodation allowance. There is no limit on the number of years N.W.T. natives can access assistance while D.I.A.N.D. students can only access funds for the normal duration of their academic program.

Child Care Assistance: Department of Social Services

The Interim Child Care Program administered by the Department of Social Services will provide child care assistance to students with pre-school children where the student is a single student and where both parents are full time students.

ATTACHMENT 3

**Funding for Students Under the
Post-secondary Student Support Program (PSSSP)
of the Department of Indian Affairs and Northern Development**

Case 1

The allowance for this student would be calculated using the table for students with dependents and an employed spouse.

Tuition	3,864	Actual
Books	500	Basic amount
	220	Additional amount if documented as a course requirement and substantiated by receipts
Allowance	14,460	Includes childcare, local transportation etc. No means test.
Dental		Covered by NHW
	<hr/>	
Total	19,044	Possible other entitlements:
		- Return trip once each semester from home to nearest Canadian institution where the required program is available.
		- Annual strategic studies incentive grant annually beginning in second year for study in a program designated as significant for Indian self-government and economic self-reliance (\$3,500)
		- Academic scholarship (\$1,000)

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	<hr/>	
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		- Return trip once each semester from home to nearest Canadian institution where the required program is available.
		- Annual strategic studies incentive grant annually beginning in second year for study in a program designated as significant for Indian self-government and economic self-reliance (\$3,500)
		- Academic scholarship (\$1,000)

Case 2 (Not included in paper)

The allowance for this student would be calculated using the table for single parents.

Tuition	1,566	Actual
Books	500	As above
	365	
Allowance	12,540	No means test
Graduate incentive	1,500	Payable once--in second year of program or on completion.
	<hr/>	
Total	16,471	

Case 5 (titled case 2 in paper)

The allowance for this student would be calculated using the table for single students not living at home.

Tuition	1,725	Actual
Books	500	As above
	60	
Transportation	106	One round trip per semester--actual cost
Allowance	6,750	Four months at \$675. No means test for either the student or the family.
	<hr/>	
Total	9,141	



ATTACHMENT 4

CALCULATIONS RESULTING IN THE EXPECTED SAVINGS IDENTIFIED IN
THE RECOMMENDATIONS INCLUDED IN THE PAPER

1) The Department of Education has stated that \$200,000 is expended on dependant travel for supplementary grant students where the dependents are not actually travelling.	\$200,000
The difference between the case studies described for the Northwest Territories and INAC for status Dene and Inuit is approximately.	\$ 2,000
If the difference in travel is taken into account, by using INAC's rates as a ceiling the Northwest Territories would likely save at least \$500 a student, and there were 485 aboriginal students in 1990-91.	\$200,000+
Sub-Total	\$400,000
2. a) In a base review prepared by the Department of Education it was projected by 1990-91 that \$500,000 could be saved by eliminating Christmas travel for all students. The savings would be about 60% of that amount if an en route card system were established so that all students would travel on excursion fares.	
Sub-Total	\$300,000
2. b) The book benefit for each student is \$400 a year and there were 510 non-aboriginal students of whom 260 were eligible for the benefit in 1990-91.	
Sub-Total	\$100,000+

3. The cost of the post-secondary incentive grants was \$150,000 in 1990-91 and about \$80,000 in 1989-90. \$100,000 is less than the average of those two years. (Note: this program has recently been changed from a grant to a remittable loan - so because about 60% is remitted, only \$60,000 is the actual cost, and actual saving.)

The cost of the University of Manitoba contract is also \$100,000.

Sub-Total	\$200,000
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RECOMMENDATIONS TOTAL	\$1,000,000
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ATTACHMENT 5

**CALCULATIONS RESULTING IN POTENTIAL SAVINGS IN STUDENT ASSISTANCE
IF THE GNWT WERE TO CONSIDER CHALLENGING
THE FIDUCIARY RELATIONSHIP WITH THE FEDERAL GOVERNMENT**

1. Of the 491 aboriginal students in 1990-91 110 were Metis and 4 students of the 175 Dene were non-status. Using the figure of 114 students and an average of \$5,500 in supplementary grants (excluding the basic grant elements of tuition, books, student travel and relocation allowance) the savings in supplementary grants would be approximately \$627,000.

The \$5,500 estimate can be verified both by dividing the total for supplementary grants in the FIS budget report by the number of aboriginal students, and through the averages provided by the department. [Departmental preliminary estimates for a basic grant student is \$2,765, and a supplementary grant student is \$8,244 (which includes the basic grant elements).]

Sub-total

\$627,000

2. a) The Department of Education has stated that \$200,000 is expended on dependant travel for supplementary grant students where the dependents are not actually travelling. Averaging that amount across aboriginal students and subtracting the number of Metis and non-status Dene (114) results in a savings estimate of approximately \$150,000. \$150,000

By using INAC's rates as a ceiling in the Northwest Territories and limiting the amount of time a student could take to complete a program would likely save at least \$500 a student, and there were 381 Dene and Inuit students in 1990-91. \$190,000+

The average cost of a Christmas trip is about \$500 and the elimination of that benefit would result in a savings of \$180,000. \$190,000

Sub-total **\$530,000**

2. b) The preliminary average cost of a basic grant is \$2,765. As a result the total budget for basic grants in 1990-91 was approximately ($\$2,765 \times 780$) \$2,156,700.

The cost for the Christmas trip for Dene and Inuit was identified above and the remainder of savings if the Christmas trip was eliminated for the remainder of the students would be $(114 + 260) \times \$500 = \$187,000$. (Only 260 of the 510 non-aboriginal students were eligible for the basic grant.) \$187,000

The elimination of the book allowance, tuition, and relocation allowance for non-status Dene, Metis, and non-aboriginal students would be $[(\$400 \text{ for books} + \$2,000 \text{ for tuition}) \times 374 \text{ equals } \$897,600 \text{ plus } \$7,500 \text{ (relocation allowance of approx. } \$300 \text{ for 25 (first year) students)}] \$905,100$. \$905,000

The basic grant fund would continue to pay for books, tuition, and relocation allowance for Dene and Inuit and would continue to pay for travel to and from the institution for Dene, Inuit, non-status Dene, Metis, and non-aboriginal students with three year residency. (approximately 800 students in 1990-91).

Sub-total **\$1,092,100+**

3. The cost of the post-secondary incentive grants was \$150,000 in 1990-91 and about \$80,000 in 1989-90. \$100,000 is less than the average of those two years. (Note: this program was changed from a grant to a remittable loan in 1991, so as about \$60,000 is remitted \$60,000 is really the cost.)

The cost of the University of Manitoba contract is also \$100,000.

Sub-Total	\$200,000
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TOTAL	\$2,449,000
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APPENDIX 10: ARCTIC COLLEGE

PROGRAM DESCRIPTION

Development

Post-secondary education began in the Northwest Territories with upgrading and vocational training programs which were brought together through the establishment of the Adult Vocational Training Centre (AVTC) in Fort Smith in the late 1960s. In 1981 AVTC was declared to be a college, was subsequently renamed Thebacha College and a Board of Governors was appointed by the Minister of Education (through policy).

In 1982 the Special Committee on Education recommended that:

- "post-school" education have a statutory basis;
- an independent board of governors be responsible for post-school programs, collectively called the Arctic College;
- "post-school" programs be offered on many campuses, each specializing in a major program, and that the campuses be managed by two principals, one for the east and one for the west;
- "post-school" programs include Grades 11 and 12, and all vocational and training programs offered through the GNWT;
- adult educators be employees of divisional boards of education;
- funds be sought to assist adult academic upgrading and pre-vocational training; and
- a Secretariat for Learning take over the functions of the Manpower Needs Committee.

The task force implementing the Special Committee recommendations argued that grades 11 and 12 should stay with the school system and the Assembly agreed. A strategic plan was prepared and approved by the GNWT in 1984 establishing Arctic College as a decentralized community college system. The Executive Council approved the development of a regional campus in Iqaluit in 1984, and directed that future campuses were to be established when it became academically and economically feasible. (Field based courses had been offered in many communities for several years by that time.)

In 1986 the Arctic College Act was approved by the Assembly, and it came into effect in 1987. The Act incorporated the College as a semi-autonomous corporation at "arms length" from the GNWT. The Act set out the purpose of the college - to deliver adult and post-secondary education - and defined the structure and responsibilities of the Board of Governors.

The Arctic College Development Plan, prepared in 1987, detailed the organization and structure of the College, a system of six campuses and community program centres, and outlined program plans for the Northwest Territories. Inuvik campus became operational in early 1987 in a renovated Canadian Forces Base turned over by the Department of National Defense. Then in 1988 the Kitikmeot and Keewatin Campuses were established, and Yellowknife began to be called a campus in 1989. (Note: the GNWT directed that the Inuvik, Keewatin and Kitikmeot campuses be opened in that timeframe.)

Table 1

ARCTIC COLLEGE FULL-TIME REGISTRATION FOR 1984-85 TO 1988-89

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
TOTAL COLLEGE	594	667	689	1,273	927	947
Aurora	0	0	40	126	51	186
Keewatin	0	0	0	0	91	87
Kitikmeot	0	0	0	0	29	38
Nunatta	N/A	159	166	371	364	306
Thebacha	N/A	508	435	688	331	254
Yellowknife	N/A	N/A	48	88	61	76

Note: In 1988-89 a more rigorous definition of full-time registration was applied. Also, the registration of adult learners in community learning centres was included in the college registration figures as the centres were transferred to the college. (In 1988-89 the community learning centres were included in the Baffin, Keewatin and Kitikmeot, in 1989-90 the centres in the Inuvik Region were transferred to the College, and finally in 1990-91 the centres in the Fort Smith Region were transferred as well.)

N/A - represents Not Available.

Table 2

**ARCTIC COLLEGE STUDENT REGISTRATION BY CAMPUS
FOR 1988-89 & 1989-90**

	1988-89 Full Time	1988-89 Part Time	1989-90 Full Time	FTE*	1989-90 Part Time
TOTAL COLLEGE	927	5,054	947	1,706	6,391
Aurora	51	370	186	227	405
Nunatta	364	342	306	591	2,844
Keewatin	91	355	87	151	642
Kitikmeot	29	286	38	82	398
Thebacha	331	559	254	394	761
Yellowknife	61	1,142	76	261	1,341

Note: *In 1989-90 the College defined full-time enrolment and full-time equivalent. Each full-time enrolment equals one full-time equivalent (FTE). (Full-time enrolment is 60% or more study load for two academic terms, or six months or more of instruction at six hours of study per day. Part-time registration is calculated to be 10% of a full-time equivalent, but each part-time trade registration is calculated to be 25% of a full-time equivalent.)

See Attachment 1 for a more detailed presentation of Arctic College registration for 1989-90.

Because of the history of the College, Thebacha is the most well-established campus and it is the only campus, with the exception of the housing maintainer program offered at Nunatta, which offers apprentice trades programs. (Introductory trades programs, however, are offered at many campuses and community learning centres.) The apprentice trades offered are: mechanics, carpentry, heavy duty mechanics and housing maintainer for all levels of training, and electrical for levels 1 and 2 training. (There is an agreement developing with Yukon College whereby Yukon students will attend Thebacha for levels 1 and 2, and Northwest Territories students will attend Yukon College for more advanced electrical training.)

An analysis of the program offerings of the College demonstrates that Thebacha and Nunatta provide a comparable range of skill development courses [certificate (one year) and diploma (two years) courses] with the exception of trades programs, as described above. In the fall of 1990 Aurora offered two certificate programs and one diploma program, whereas the Kitikmeot and Keewatin campuses offered no certificate or diploma programs, but concentrated on academic upgrading and short-term career development courses. Yellowknife, reflecting the demands of the population of that centre, had the largest part-time enrolment and also offered university transfer courses.

However, reviewing the way programs are initiated, it is clear that there is no well-articulated planning framework for the development of new programs, or for deciding on the delivery location of those programs. The College refers to territorial priorities and strategies and based on available information on the demand for training and the education levels of the population, proposes new programs through the operational plan of the GNWT. (Some broad criteria for the introduction of programs is presented in the Strategic Plan.) The GNWT determines whether funding will be provided and may determine where the program is offered.

Similarly, there is no planning framework in place to guide decisions on budget reductions. For example, in December, 1989, because of a cut-back in the federal formula funding, Arctic College was instructed that the GNWT contribution to the College would be reduced by \$700,000. As a result a decision was made to reduce the organizational structure and student services at Inuvik, as well as relocate the adult community learning centre on-campus and reduce the security service. The Community Administration Certificate Program was transferred from Aurora to Thebacha College, and a number of positions were also reduced in Thebacha and Nunatta.

Overview of Northwest Territories Educational and Employment Concerns

Although the results of the school system are improving, more students are staying in school and more are graduating, there still continues to be a high percentage of students who leave school before they complete grade nine. Youth, aged 15 to 24 years old, make up 28% of the working population of the Northwest Territories, 9,633 of 34,650 people. The formal education and training they have acquired is a strong indicator of how successful they will be in the labour market; 67% of unemployed persons have a grade nine education or less.

Arctic College was identified in the Northwest Territories employment development strategy, Preparing People for Employment in the 1990s, as the key delivery system for adult education and training in the territories. The largest age group the College serves is 18 to 35 years old, and the majority of these clients want to acquire the education/skills they need to be employed. The employment development strategy stated that the College was to be responsive to the needs of clients and employers, and was responsible for delivering employment preparation programs and to deliver specialized high quality programs which reflect the economic development priorities of the GNWT.

Objectives

In 1988, the Board of Governors stated that:

- The College recognizes the need to make appropriate educational opportunities available to any adult who wishes to learn. To accomplish this, courses and services are delivered at campuses and in communities across the Northwest Territories. In this manner, Arctic College strives to encourage lifelong learning in a rapidly changing world.

The Arctic College Strategic Plan for 1990-95 confirmed that broad mission statement and established the focus of programs at community learning centres and campuses. Centres would continue to focus on basic education and short-term career development courses (often funded by CEIC) and campuses would focus on more advanced basic education courses and courses tailored to regional employment opportunities. Also, some campuses would offer programs in specific occupational fields. However, the plan noted that for the 1990-95 period the College would give priority to adult basic education and academic upgrading. Another priority identified stated that the College should enhance its fund-raising capability. The following diagram illustrates the organizational pyramid of college operations.

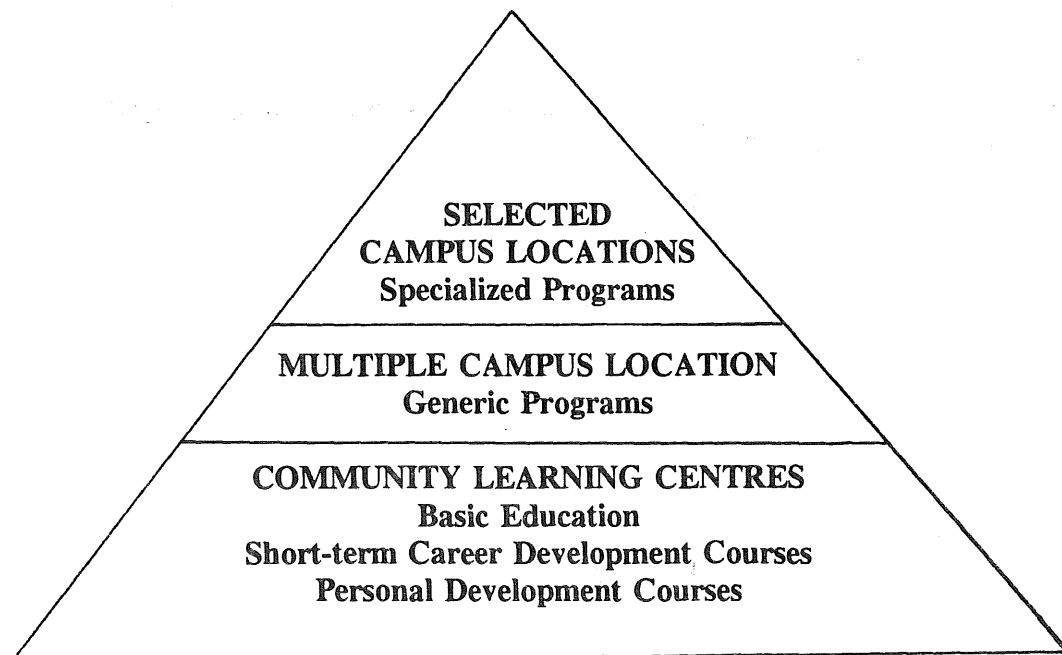


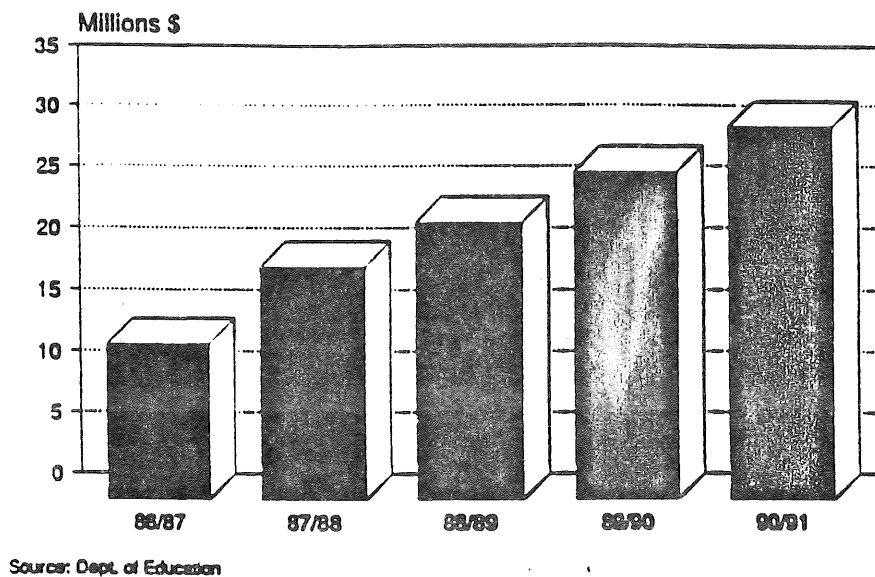
Diagram 1: Arctic College Structure

Budget Description

Budget by Campus

The budget of the College has more than doubled over the period of 1986/87, when Arctic College was incorporated, to 1990-91 - from \$12.7 M to \$30.3 M (revised Main Estimates). This growth includes growth in programs, but also includes the transfer of adult education (\$3 million), an increase in third party funding (\$3 million) and the take-over of the utilities, personnel support costs, etc. from the GNWT (\$5 million).

Arctic College Expenditures 1986-87 to 1990-91



Graph 1: Arctic College Expenditures 1986-87 to 1990-91

In fact comparing the Main Estimates prepared for 1988-89 to the Revised Main Estimates of 1990-91 the college showed an overall expenditure growth rate of 60% (see Table 3 below).

Table 3
ARCTIC COLLEGE BUDGET INCREASES BY CAMPUS
FOR 1988-89 & 1989-90

Budget (\$000's)	Revised Estimates 1990-91	Percentage Growth	Main Estimates 1988-89
TOTAL COLLEGE	30,335 (100%)	60%	18,994 (100%)
Aurora	3,110 (10%)	29%	2,403 (13%)
Nunatta	8,022 (26%)	92%	4,169 (22%)
Keewatin	1,723 (6%)	(N/A)	110 (0.5%)
Kitikmeot	1,649 (5%)	(N/A)	0 (0%)
Thebacha	11,326 (37%)	40%	8,097 (43%)
Yellowknife	1,657 (6%)	54%	1,077 (6%)
Headquarters	2,848 (9%)	121%	1,291 (7%)
Pool*	0 (N/A)		1,847 (10%)

Note: *Main Estimates for 1990-91 demonstrated \$3,825,000 in the pool, but by the end of the year the resources in the pool had been allocated amongst campuses. Similarly in the revised estimates for 1988-89 the amount identified in the pool was also 0.

N/A - represents Not Applicable.

Looking at the growth in campuses, obviously the Kitikmeot and Keewatin campuses show the greatest percentage growth from 1988 as they both were then just recently established. (Although Yellowknife was not called a campus until 1989 courses had been provided in that centre for some time. The dollars allocated to Yellowknife show the same percentage of the budget and an over 50% increase from the main estimates in 1988-89 to the revised estimates in 1990-91.) Thebacha shows a 40% increase in resources during that time period, Nunatta a 90% increase and Aurora a 50% increase. Also, looking at the revised 1990-91 budget, the Kitikmeot, Keewatin and Yellowknife campuses represent from 5% to 6% of the budget. Further, Aurora represents 10% of that budget and the two largest campuses, Thebacha and Nunatta, represent 37% and 26% of that budget respectively.

Revenue Budget

In a general review of college programs and program delivery it is also useful to note the revenue budget for Arctic College.

Table 4

ARCTIC COLLEGE REVENUE BUDGET FOR 1989-90 & 1990-91

REVENUE (\$000's)	Projected 1991-92 (%)	Revised 1990-91 (%)	Actual 1989-90 (%)
GNWT Contributions (O&M, CAPITAL)	\$24,594 (82%)	\$22,972 (76%)	\$21,231 (70%)
CEIC	3,400 (11%)	3,400 (11%)	3,425 (11%)
Other Revenue - Contract Revenue, Room and Board, Tuition, Investment Income and Donations	2,171 (7%)	3,962 (13%)	5,545 (18%)

It is clear from Table 4 above, that GNWT contributions are becoming a larger percentage of the budget. The revenue source which is decreasing is the contract revenue which has dropped from 11% to 2% as projected for 1991-92. (Contract revenue is represented in the table above as part of the other revenue.) The GNWT also anticipates decreases in the direct purchase revenues provided by CEIC in future years.

Budget Information by General Activity (Task)

Arctic College also presents budget information by general activity categories or task for the overall college budget and by campus. (These tasks were redefined in 1989-90.)

Table 5

ARCTIC COLLEGE BUDGET BY TASK FOR 1990-91 & 1989-90

Budget (\$000's)	Revised 1990-91	Percent (%)	Actual 1989-90	Percent (%)
TOTAL COLLEGE	\$30,334	100%	\$30,240	100%
Board and Management	2,032	6.6%	2,340	8%
Finance and Administration	1,766	5.8%	1,683	6%
Campus Programs	9,172	29.9%	10,186	34%
Community Programs	8,051	27.3%	7,092	23%
Student Services	2,753	9%	3,137	10%
Support Services	6,560	21.4%	5,802	19%

The changes to the proportion of the budget allocated to these tasks were generally insignificant over these two years except for the decrease in campus program resources in comparison to the increase in community program resources. This may reflect an increase in part-time students.

Program Budget

As noted above college programs are categorized in the budget as campus or community programs (tasks). College programs are also described generally by type of program; that is, academic, certificate, diploma, career development, personal development and trades. Table 6 below presents college expenditures per full-time equivalent by program type for each campus. The only expenditures represented are those program expenditures contributed by the GNWT and referred to by the college as base expenditures. Registrations supported by fees or third parties are not represented in this table, nor are the costs associated with programs in Student Financial Assistance.

Table 6

**ARCTIC COLLEGE BASE EXPENDITURES PER FTE BY PROGRAM AND CAMPUS
FOR 1989-90**

	Academic On Campus	Certificate and Diploma	Trades	Academic Community Career and Personal Development
TOTAL COLLEGE	\$4,893	\$13,210	\$18,128	\$6,860
Aurora	3,187	13,146	(N/A)	8,094
Keewatin	7,029	(N/A)	(N/A)	5,700
Kitikmeot	3,754	(N/A)	9,290	6,729
Nunatta	7,750	23,099	12,946	6,440
Thebacha	8,582	14,097	20,566	8,951
Yellowknife	2,404	3,991	(N/A)	(N/A)

Table 6 demonstrates that FTE costs are not consistent across campuses by program type. This can be explained in part by the specific programs being offered at each campus. The certificate and diploma programs are generally the most costly to deliver and the highest FTE cost for this type of program is demonstrated at Nunatta Campus at \$23,099. The trades programs are also almost as costly to provide as certificate and diploma programs; whereas, generally community delivered programs and academic programs on campus are the least costly to deliver. Three campuses, Yellowknife, Keewatin and Kitikmeot, demonstrate the lowest FTE costs.

FTE costs have not yet been developed by program, but Arctic College plans to develop these indicators in 1991-92. However, Arctic College is funded for specific programs by the GNWT, and as a result expenditure information is available by program in the college budget. This information, reviewed together with available information on registration, number of graduates and employment of graduates, although not ideal, provides some indication of the relative effectiveness of college programs. The information presented below identifies the program as a diploma, certificate or trades program and reports the GNWT expenditures for these programs for 1989-90. The information is provided for registrations, etc. supported by base funded programs; programs (such as management studies and clerk typist) may be provided through non-base funding and these registrations are not reported.

Diploma Programs (2 to 3 years), 1989-90Program Registration and
Base Costs1989 Graduates from
Previous Program(s)Teacher Education

Base costs - \$1,870,000
 Registrants - full-time 31
 - part-time 85

Grads in 1989 - 9
 Grads employed in
 related work - 9

Renewable Resources /
Environmental Technology

Base costs - \$742,059
 Registrants - full-time 55
 - part-time 9

Grads in 1989 - 15
 Grads employed in
 related work - 8

Management Studies

Base costs - \$673,425
 Registrants - full-time 55
 - part-time 17

Grads in 1989 - 20
 Grads employed in
 related work - 14

Note: Registration and costs reflect GNWT funded programs. A further 19 grads in 1989 were achieved through non-base funds.

Social Services / Human Services

Base costs - \$636,410
 Registrants - full-time 46
 - part-time 32

Grads in 1989 - 20
 Grads employed in
 related work - 14

Journalism

Base costs - \$159,857
 Registrants - full-time 4
 - part-time 0

Grads in 1989 - 4
 Grads employed in
 related work - 3

Recreation Leader

Base costs - \$159,857
 Registrants - full-time 4
 - part-time 0

Grads in 1989 - 4
 Grads employed in
 related work - 3

Certificate Programs (1 year), 1989-90

Program Registration and
Base Costs

1989 Graduates from
Previous Program(s)

Community Administration Certificate

Base costs - \$333,492
Registrants - full-time 0
- part-time 120

Grads in 1989 - N/A
Grads employed in
related work - N/A

Interpreter Translator

Base costs - \$259,786
Registrants - full-time 20
- part-time 94

Grads in 1989 - 2
Grads employed in
related work - 1

Secretarial Arts

Base costs - \$148,638
Registrants - full-time 26
- part-time 22

Grads in 1989 - 14
Grads employed in
related work - 8

Clerk Typist

Base costs - \$61,987
Registrants - full-time 12
- part-time 0

Grads in 1989 - 8
Grads employed in
related work - 7

Note: There are additional certificate programs which are not included in this list. They are: School Community Counsellor, Community Health Representative, Nursing Assistant, Arts and Crafts, Early Childhood Education, and Alcohol and Drugs. The first three programs are funded by contract, etc. and the last three programs are new and are now being funded by the GNWT (1991-92).

Trades

The main apprentice trades training is offered at Thebacha Campus, except for the Housing Maintainer Program which is also offered at Nunatta. Information on apprentices completing their programs is provided in Attachment 2, and the cost and registration in specific apprenticeship trades training, where available, is provided below.

- Apprentice Carpentry - 44 part-time registrants
- \$150,912
- Apprentice Electrical - 11 part-time registrants
- \$68,957
- Housing Maintainer - 88 part-time registrants
- \$153,177

Pre-employment or introductory trades training is provided in a number of areas, trades training is provided in Heavy Equipment Operators and Arctic Airports, and apprentice training is also provided in Mechanics.

Academic Studies

Although academic studies is offered on campus the majority of academic upgrading is offered through the adult educators in community learning centres. CEIC provides funding for pre-vocational training for grades 8 - 10 and 10 - 12. This funding is negotiated in an annual direct purchase training plan as part of the Canada-Northwest Territories Agreement on Labour Force Development. (See Attachment 3 for a sample Annual Training Plan.) There are 68 seats noted in the draft plan for 1991-92 for grades 8 - 12, and these 68 seats represent the only opportunities for training allowances while upgrading available to Northwest Territories residents. Through the Social Assistance Recipients Agreement there are also a number of residents who continue to receive social assistance while taking upgrading/training.

It is difficult to accurately identify the percentage of the College budget which is spent on literacy/adult basic upgrading. The Department of Education spends \$250,000 on community literacy projects. \$315,000 additional dollars for literacy were also contributed to the College. In the 1990-91 budget documents about \$.9 million is allocated to adult upgrading on campus and an additional amount is allocated through community programs. The total of community programs includes adult educators salaries, etc. adult educators provide courses in upgrading as well as community and personal development courses and interest courses. An estimate of 60% of the \$3.8 million for adult educators and administration, or \$2.3 million, may be used as an estimate of community program expenditures on adult education. As a result the total of campus and community programming allocated to adult upgrading/basic education is just over \$3 million. This represents about 18% of the total program budget (campus and community).

Career Development

Career Development programs are typically short-term skill development courses such as basic office practice, which is offered in five months, introductory carpentry, which is six months long, and guide training, which is divided into a number of sessions each of which is three weeks long. Many of these programs are offered through the community learning centre and are funded through CEIC or third parties.

Personal Development

The majority of these programs, like career development programs, are offered through Community Learning Centres. This category of courses includes general interest workshops and short courses which are mainly funded through student fees in campus settings. Community and personal development courses as well as interest/leisure courses are also offered by adult educators in communities. The funding for these programs is not provided through GNWT base funding, with the exception of those courses provided in communities by adult educators.

ASSESSMENT OF ARCTIC COLLEGE

Summary of Findings in College Plans and Studies in the 1980s

In addition to the annual on-going exercise of evaluating individual college programs, as it was being established, the institution itself has been the subject of numerous direction-setting studies. As noted earlier the Special Committee on Education provided direction for the College which was debated in the Legislative Assembly in 1982. That direction was refined further in the Arctic College Act established in 1987, the Arctic College Development Plan prepared in 1987 as well, the feasibility study on the location of Arctic College headquarters in Yellowknife prepared in 1989, and the Strategic Plan, 1990-95 approved for tabling in the Legislative Assembly by Cabinet in 1990.

These studies emphasized the need to improve access to learning and affirmed the direction of the development of Arctic College in the mid-1980s as a growing multi-campus organization. With the establishment of new campuses and programs, and the take-over of the responsibility for adult educators during the four years from 1986-87 to 1990-91 the College budget had more than doubled. By the time the Strategic Plan was being written in 1989 the original vision of theme campuses across the North was being questioned somewhat by the GNWT in light of the growth of the College budget. The budget growth was due to a variety of factors, but the main cause was perceived to be the high cost of infrastructure associated with the development of campuses.

Findings of the Funding Allocation System Report, 1991

Recognizing that GNWT objectives for the College are not as clear as they were in the mid-1980s, the comments and recommendations in a consultants' report, A Funding Allocation System For The Arctic College, prepared in 1991 are timely.

The report asserts that the development of a College planning framework and funding formula would:

- help to define and clarify the decision-making roles of the Ministry, the College and campuses, and
- provide the framework through which the GNWT could articulate its objectives, demonstrate its funding priorities, and assess College programs.

If such a formula were in place now, or if the College budget could be quickly translated into the elements of a funding formula, it would provide a rational approach for the review of Arctic College programs and program delivery. Through a funding allocation system priorities could be assigned between:

- campuses of different sizes through an infrastructure support funding envelope,
- campuses in different locations by considering the additional costs of multi-campus, and
- programs by assigning priorities to the types of programs offered.

However, current College budget categories do not permit analysis according to the funding envelopes proposed in the report.

The funding envelopes, the formulas establishing the envelopes and the funding levels of the envelopes will take time to develop. The report recommends seven envelopes, but cautions that since the College is not a mature institution the funding formula should also allow for growth and change. Similarly, it cautions that the formula not be linked too closely to enrolment because most costs will not fluctuate with enrolment in the Northwest Territories, and small classes will likely continue to be a feature of the College.

There are also essential decisions that have not yet been made with respect to a funding formula approach, such as what College programs should be considered "core", what programs should be offered at particular campuses, and what infrastructure is necessary at each campus. For example, it could be argued that core programs could include adult basic education, and may or may not include the continuum of programs including basic office practices, clerk typist, secretarial arts, and public administration. All other programs could be considered programs responding to specific educational or employment needs of a particular geographic area, or the particular employment needs of specific GNWT client departments.

The report discusses the factors to consider in the planning of programs and the criteria to consider in determining how and where programs will be delivered. The need for a data base on students is emphasized as well as the need to determine demand, consider delivery methods and the resources available, and the need to define a reasonable target for access. The report provides suggestions for program output measurements according to objectives, as the following examples illustrate.

Objective	Examples of Output Measures
Access and Equity:	<ul style="list-style-type: none"> • Enrolment of local high school graduates • Student body age mix vs. adult age mix in service area • Credit received for non-traditional learning • Student enrolment per year per 1,000 area inhabitants (participation rate)*
Employment Preparation and Placement	<ul style="list-style-type: none"> • Placement of Program Completers in work related jobs within a reasonable amount of time • Completion of required licensure/certificate exams by program completers • Employers' satisfaction with competence of program completers (employability skills, work attitude, etc.) • Program completers' satisfaction with education preparation
Economic Development	<ul style="list-style-type: none"> • Placement of displaced or unemployed workers who complete regular classroom or customized training • Jobs created or retained as a result of the college's work with employees • Use of educational services by business personnel to start, improve or expand their business • Annual labour market needs met by program completers
College/University Transfer	<ul style="list-style-type: none"> • Number of students who actually transfer to other senior institutions vs. those who plan to transfer • Acceptance of college credits by senior institution • Baccalaureate degrees obtained by transfer students

*Note: The report emphasizes that the development of participation rates would be more useful than reviewing enrolment. Recognizing that the age of College clients is largely 18 to 35, this age group has been identified in Attachment 4 by the areas the campuses serve. This information can be used to develop College participation rates.

Arctic College is now developing their information base on students, and has begun to perform follow-up surveys on graduation and employment. For example, the College has now developed the cost of program categories (diploma, certificate, trade and career and personal development) by full-time student equivalents, but has not yet developed the full-time student equivalent costs of individual programs. This information will be available in 1991-92. As a result, the data base necessary to determine whether a new program should be introduced, where it should be offered and to measure program outputs is not yet developed.

Annual Program Evaluations

Every year, individual College programs are evaluated. Usually programs are assessed because they are not working as well as they could. The two main purposes of such evaluations then is to identify and explain the problems the program is encountering, and make recommendations to improve program performance.

This is evident in the Heavy Equipment Operator Program Evaluation conducted in 1988. The program was said to be too costly, employers were not satisfied with the work skills of the graduates and there was a high student drop-out rate (38% in comparison to the drop-out rate of 10% to 15% in a similar program offered through Keyano College). The main issues identified in the program evaluation were that the students were not getting the practical experience they required and they also were not getting the lifeskills training employers expected them to have. Recommendations were made to change the content of the program and recommendations were also made to reduce costs by reducing the number of instructors and reducing the vehicle fleet. The evaluation asserted that if the program was amended to meet employer expectations there would be a continuing market for program graduates. The recommendations were carried out and the students, employers, College and GNWT appear to be satisfied with the results.

The College is working on program evaluation procedures as well as the information base and output measures, etc. necessary to assess programs. However, the development of the framework and data for individual program evaluations should not be confused with the development of the College planning/funding allocation system discussed above, although some of the elements are similar. The College has a responsibility to evaluate programs; individual program evaluations generally lead to recommendations to improve the performance of programs. The Ministry and the College should also develop a planning/funding allocation system to enable decision-makers to determine the range and types of programs the College should offer.

Comparing Arctic College with Other Colleges in Canada

When evaluations are conducted on individual College programs comparisons are drawn to other similar programs offered in small northern colleges. However, there are no Canadian standard measures for college program output measures. For example, there are no standard benchmarks for course registration, attrition, or graduation, however, there is some agreement that participation rates are one of the more useful measures.

In general class sizes in most colleges serving southern jurisdictions for career or university transfer programs total usually 25 to 30 students, and for technical programs the class size is usually smaller, 12 to 16 full-time students. The class sizes in Arctic College programs are generally half this number. Most colleges monitor registrations, graduations and employment placement, and if these figures drop the program is evaluated or eliminated. The threshold of concern is different for different programs as well.

In CEIC sponsored programs the completion rate is about 40% to 50% in northern Canada, and as a very broad rule-of-thumb some Arctic College administrators note that if 50% of students are graduating a program is doing relatively well. It is recognized that Arctic College classes will be smaller and that because of a variety of factors the attrition rate and completion rates may be comparatively low, but decisions have to be made on what rates are acceptable for the program dollars invested. In conclusion, the determination of whether or not a program is "doing well" depends upon agreed-upon service standards and program output measures. The GNWT and the College have to determine what these standards and measures will be.

CONCLUSIONS

Arctic College as the Key Delivery Agent:

Although there will unquestionably be a need to continue to provide adult basic education, employment preparation and skill development programs for residents of the Northwest Territories, the way those programs are delivered may be questioned. The first fundamental question that must be decided, particularly in times of fiscal restraint when there are so many social needs to be met in the Northwest Territories, is whether or not a college, which is a costly delivery mechanism, is the best vehicle to meet the adult education and training needs of residents.

In 1989-90 there were 947 full-time students and 6,391 part-time students and the College budget was \$30,240,000. Roughly calculating the total cost of the College per estimated full-time equivalent (dividing the part-time figure by 10 and adding it to the full-time student total) the cost of providing programs per student enrolled is over \$19,000. The costs per registrant and per graduate from certificate, diploma and trade programs is much higher.

Objectives:

If it is decided that a college is the best vehicle to deliver adult education and training programs, the next fundamental decision to be made is precisely what the mission of that college is envisioned to be. In the early to mid-1980s Arctic College was envisioned to be an expanding multi-campus institution. This building vision is beginning to be questioned now by the GNWT in a time of fiscal restraint.

The purpose of the College is to delivery adult post-secondary education. To achieve that purpose the College tries to meet the post-secondary academic and training needs of all residents, while at the same time identifying priorities in programming and approach in the five year strategic plan. As a result, the College is providing basic adult upgrading, career and personal development programs, vocational programs, interest programs and university transfer programs. Although it is recognized that the College is not a mature institution, the scope of the mission of the College is so broad that it appears unclear.

It should also be recognized that the overall direction the GNWT provides the College is also generally unclear. The GNWT approves funding for individual programs and often provides direction for a program delivery location, but as noted in the report, A Funding Allocation System For the Arctic College, an overall framework for higher education in the Northwest Territories has to be considered and developed to guide decision-making.

Data Base:

It is clear and recognized by the College and the GNWT that a detailed information base is necessary for decision-making. Little information is collected and readily available now guiding decisions on infrastructure and student services, or decisions to introduce programs, change program content, or eliminate programs.

Formula Funding Approach:

The roles and responsibilities of the Ministry, the College and College campuses in decision-making are unclear. Decisions are made on discrete programs; there is no overall planning or funding framework for Arctic College.

Fundamental and difficult choices have not yet been made concerning the objectives of the Ministry of Education, the mission of the College and the responsibility to provide post-secondary programs and services to residents of the Northwest Territories. A balance of some kind will have to be struck between the principles of access, economy and stability in College programs and program delivery. A planning and funding framework should be developed based on the recommendations in the report A Funding Allocation System for the Arctic College.

Cost-Saving Measures

Three options are presented below each with cost-saving considerations/recommendations which are illustrative.

OPTION 1

Consider Alternative Delivery Methods

Weighing the principles of access, economy and stability in the provision of adult education and training it is recommended that other alternatives to a college delivery model be considered.

Providing adult and post-secondary education services in the Northwest Territories is costly. One option to consider is to no longer provide a college and college programs in the Northwest Territories. Adult students could receive upgrading through adult educators who may be organized with the Regional offices of Advanced Education and/or community governments, or Divisional Boards of Education and local education authorities, etc. Interest courses could be provided through community governments as well. Any longer term programs such as trades, certificate or diploma programs could be accessed in southern Canada with the support of student financial assistance.

The cost savings resulting from this alternative would be closer to \$15 million to \$20 million rather than the total cost of Arctic College, because of the continuing cost of adult educators (\$3 million), the utilities, etc. associated with the facilities, the cost associated with third party funding and increased demands for student financial assistance (travel costs would be greater as well as tuition, etc.). The actual cost savings from this alternative cannot be determined within the timeframe of this review.

OPTION 2

Dramatically Reduce Arctic College Operations and Program Responsibility

The Project Group recommends:

A dramatically reduced College model of operations and program responsibility be considered.

- a. One model of College operations to consider is to decide that Arctic College be established as a junior college, or post-secondary preparation college, bridging the gap between the school system and post-secondary institutions.

In this model Arctic College would continue to be responsible only for the delivery of adult upgrading programs both on campus and through adult educators in communities. It may be reasonable to provide for lower level upgrading in communities and to provide for upgrading from grades 8 to 12 through a campus. One further decision to make in this junior college model is where the college campus will be located, in the east or the west, or in some central location.

Obviously this model of option 2 would provide less cost savings than option 1. It is not possible to calculate here exactly what the total cost savings would be, but it is likely the campus costs would be similar to the costs of the current campuses at Kitikmeot and Keewatin, approximately \$1.6 million. As a result the savings would be in the range of over \$13 million to over \$18 million. (These estimates are very rough; the actual cost savings of this model will have to be developed carefully.)

- b. Another model to consider is that Arctic College could continue as a trades college in Fort Smith. The adult education function could be transferred back to the Department of Education as is described in Option 1. This model would save approximately \$11 million to \$16 million. (These estimates also are very rough; the actual cost savings of this model will have to be developed carefully.)
- c. A final model of Option 2 to consider, although any number of models could be developed, is that Arctic College could continue both as a trades college and a college offering post-secondary preparation or upgrading courses.

OPTION 3

Reduce Arctic College Operations and Programs

The following two recommendations are largely illustrative and would result in total College budget reductions in programs of \$3 million, \$1.5 million in organization and \$1.5 million in programs.

The Project Group recommends:

"Campus" development be limited to one main campus in the east, and one in the west, and that the other "campuses" be considered regional program centres.

The total number of positions in Arctic College funded by the GNWT contribution is 215.5. The total number of position reductions proposed is twenty; that is, eight from Aurora, one each from Kitikmeot and Keewatin Campuses, two from Yellowknife, three from Nunatta and five from Thebacha, resulting in a total College budget reduction of \$1.5 million.

ARCTIC COLLEGE PERSON YEAR SUMMARY BY CAMPUS & TASK, 1991-92

Tasks	College	Aurora	Kitikmeot	Keewatin	Thebacha	Nunatta	YK	HQ
Total Tasks	215.5	21.0	8.0	10.0	96.0	57.5	9.0	14.0
Instruction	97.0	4.0	0	0	54.0	31.0	6.0	2.0
Cont. Educ.	51.0	8.0	6.0	8.0	16.0	13.0	0	0
Educ. Mgm.	16.0	2.0	2.0	2.0	4.0	4.0	2.0	0
Stu. Services	26.5	4.0	0	0	15.0	6.5	1.0	0
Physical Plant	1.0	0	0	0	1.0	0	0	0
Fin. & Admin.	19.0	3.0	0	0	6.0	3.0	0	7.0
Bd. & Mgm.	5.0	0	0	0	0	0	0	5.0

Note that this review only addresses the positions funded through the GNWT contribution. There are instructors funded through CEIC and other third parties. Also the proposals on position reductions are preliminary organizational recommendations which should be analyzed further. Regional program centres would at a minimum consist of a director, a clerical position, and the adult educators in the communities of that region. However, it is likely that the College could propose a different mix of positions for reduction which would have less effect on programs and program delivery than the ones proposed. A total of \$75,000 was used as an estimate of the value of each position.

Aurora Campus

This would result in a reduction of positions at Aurora from 21 in the current establishment to nine. Four of these positions are associated with specific programs; seven are associated with financial administration and student services, and there is one vice president and one secretary, and one director of community programs and seven adult educators. Estimating each position at \$75,000 eliminating the seven administrative and student services positions and the position for the director of community programs would result in a reduction of the operational budget of \$600,000. (The four positions for the recreation leader program are addressed later.)

Kitikmeot and Keewatin Campuses

Kitikmeot and Keewatin Campuses

The organization of these two campuses are now fairly minimal. There is a vice president, a clerk, a director of community programs and a number of community adult educators. The only possible reduction in organization at these two campuses would be the director of community programs, resulting in a total budget reduction of \$150,000.

Yellowknife

The Yellowknife Campus has a very different profile. It may be possible to reduce that organization of nine by two positions, by combining and downsizing the services offered. This would result in a savings of \$150,000.

Nunatta Campus

Nunatta Campus has 57.5 positions. It may be possible to consider reducing both Nunatta Campus and Thebacha Campus positions by 5%. This would result in a reduction at Nunatta of three positions.

To illustrate an approach to position reduction, there are a number of program chairs which may be considered at Nunatta. Although it is recognized that the program chairs are expected to bring in at least the value of their salaries in third party program funding and any reduction in program chairs would reduce the capacity of the College to market programs, it may be possible to combine some of the chairs of similar programs. In this manner it may be possible to eliminate two chair positions. Further in this illustration, it may also be possible to eliminate one of the dean positions, the dean of community programs, since there are two directors of community programs (one for the north and one for the south Baffin). As a result three positions may be considered - a budget reduction of \$225,000.

Thebacha Campus

Thebacha Campus has 96 positions. Reducing this establishment by 5% would result in the reduction of five positions.

An illustration of how such a reduction could be implemented follows. There are six positions in the Finance and Administration Division in comparison to three at Nunatta, there is a relatively large Student Services Division of fifteen, there is one dean and a number of program chairs, and there is a relatively large on-campus management division for extensions and community programs. It may be possible to reduce the organization at Thebacha by at least five positions in these areas. Since Thebacha manages a budget which is similar in size to the budget managed by Nunatta it may be possible to reduce the finance and administration division by three positions. It may also be possible to reduce the Student Services Division and the On-Campus Management of Community Programs by one position. This would result in a budget reduction to the campus of \$300,000.

The Project Group recommends:

Consideration be given to the reduction of some programs, and to consolidating the delivery of some programs now offered at more than one campus through only one campus.

Any further reductions in the College budget beyond the reductions in organization identified in recommendation one, require that programs be cut and/or consolidated. However, this review will not recommend that specific programs be eliminated. Too little information is now available to measure College programs, and the time permitted for this review was too short to confidently identify the programs that were least effective. Further the choices amongst the adult education/post-secondary programs ultimately to be offered in the Northwest Territories are dependent on the planning decisions made by the GNWT and the College. As a result a number of programs will be identified as examples for consideration.

If two of the diploma programs and one of the certificate programs were eliminated (for example, the journalism, recreation leader and interpreter/ translator programs), estimating each program at \$250,000, the total College budget reduction would be approximately \$750,000. In addition, since the teacher education program is twice as costly to provide as the next most expensive program it may be reasonable to consider a similar reduction to the budget of this program, a reduction of \$250,000 from the total of \$1.870 million.

Another alternative proposed is the consolidation of program offerings through one campus, either Thebacha or Nunatta. For example, the Social Worker/ Human Services Program could be consolidated at Thebacha or Nunatta, resulting in an estimated cost savings of approximately \$250,000. Similarly, the Renewable Resource Technology/Environmental Technology Program could be consolidated at Nunatta or Thebacha, resulting in a further estimated cost savings of approximately \$250,000.

The total of College budget reductions resulting from these examples is \$1.5 million.

ATTACHMENT 1

NORTHWEST TERRITORIES

DIRECT PURCHASE TRAINING FORECAST

1991/92

APRIL 29, 1991

FIFTH DRAFT

SKILL\$ 1,722,136
P.V.T.\$ 987,000
APPRENTICESHIP\$ 550,000
PRIVATE\$ 150,000
SUB-TOTAL\$ <u>3,409,136</u>
ALLOWANCES\$ 2,200,000
TOTAL\$ <u>5,609,136</u>

02-May-91

1991/92 NWT DIRECT PURCHASE TRAINING FORECAST (5th DRAFT)

PAGE 1

SKILL (OFF-CAMPUS)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
BASIC OFFICE PRACTICE	ARVIAT						7				100		7	700		\$41.00	\$28,700.00	
BASIC OFFICE PRACTICE	BAKER LAKE						7				100		7	700		\$41.00	\$28,700.00	
BASIC OFFICE PRACTICE	CORAL HARBOUR						5				100		5	500		\$41.00	\$20,500.00	
BASIC OFFICE PRACTICE	FORT LIARD				7						120		7	840		\$41.00	\$34,440.00	
INTRODUCTORY CARPENTRY	WHALE COVE						5				100		5	500		\$63.05	\$31,525.00	
INTRODUCTORY CARPENTRY	BAKER LAKE						7				100		7	700		\$63.05	\$44,135.00	
INTRODUCTORY CARPENTRY	FORT LIARD				7						120		7	840		\$63.05	\$52,962.00	
INTRODUCTORY CARPENTRY	GJOA HAVEN				7						120		7	840		\$63.05	\$52,962.00	
ADMINISTRATIVE COMPUTING	HAY RIVER									7	60		7	420		\$70.00	\$29,400.00	
CLERK RECEPTIONIST	FORT RESOLUTION									7	100		7	700		\$41.00	\$28,700.00	
ELEMENTARY CARPENTRY	NAHANNI BUTTE				7						50		7	350		\$62.25	\$21,787.50	
MARINE TRAINING	IQALUIT REGION									7	30		7	210		\$77.65	\$16,306.50	

29-Apr-91

1991/92 NWT DIRECT PURCHASE TRAINING FORECAST (5th DRAFT)

PAGE 2

SKILL (NUNATTA)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
CLERICAL SECRETARIAL PROC	IQALUIT								7		140		7	980		\$37.10	\$36,358.00	
CO-OPERATIVE COOKING	IQALUIT									7	180		7	1,260		\$77.85	\$98,091.00	
CO-OP CARPENTRY TERM 1&2	IQALUIT								10		120		10	1,200		\$63.05	\$75,660.00	
CO-OP CARPENTRY TERM 3	IQALUIT								8		60		8	480		\$63.05	\$30,264.00	
CO-OP CARPENTRY TERM 4	IQALUIT								8		60		8	480		\$63.05	\$30,264.00	
JEWELLRY METALWORK	IQALUIT									7	120		7	840		\$63.05	\$52,962.00	
PRE-TRADES PREPARATION	IQALUIT									7	120		7	840		\$61.05	\$51,282.00	
EARLY CHILDHOOD EDUCATION	IQALUIT									7	140		7	980		\$61.05	\$59,829.00	

29-Apr-91

1991/92 NWT DIRECT PURCHASE TRAINING FORECAST (5th DRAFT)

PAGE 3

SKILL (AURORA)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
TRADES ORIENTATION	INUVIK							10			50		10	500		\$62.45	\$31,225.00	
SECRETARIAL ARTS	INUVIK							7			140		7	980		\$41.00	\$40,180.00	
INTRODUCTORY CARPENTRY	INUVIK							7			120		7	840		\$63.05	\$52,962.00	

SKILL (KEEWATIN)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
PRE-EMPLOYMENT CARPENTRY	RANKIN INLET						8				100		8	800		\$63.05	\$50,440.00	
TRADES ORIENTATION (REGIONAL)	RANKIN INLET						8				50		8	400		\$62.45	\$24,980.00	
SECRETARIAL ARTS (REGIONAL)	RANKIN INLET						8				140		8	1,120		\$41.00	\$45,920.00	

SKILL (KITIKMEOT)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
BASIC OFFICE PRACTICE	CAMBRIDGE BAY			7							120		7	840		\$37.10	\$31,164.00	

29-Apr-91

1991/92 NWT DIRECT PURCHASE TRAINING FORECAST (5th DRAFT)

PAGE 4

SKILL (YELLOWKNIFE)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL SEATS	DAYS PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY		TFY	NFY		TFY	NFY
SECRETARIAL ARTS	YELLOWKNIFE			10							180		10	1,800		\$41.00	\$73,800.00	
SECRETARIAL REFRESHER	YELLOWKNIFE			7							30		7	210		\$57.60	\$12,096.00	
INTRO COMPUTERS & WORD PRO	YELLOWKNIFE			7							30		7	210		\$94.15	\$19,771.50	
COMPUTERIZED ACCOUNTING	YELLOWKNIFE			5							50		5	250		\$70.00	\$17,500.00	
CERTIFIED NURSING ASSISTANT	YELLOWKNIFE							1	4		200		5	1,000		\$61.05	\$61,060.00	

SKILL (THEBACHA)

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL PURCHASED		COST PER DIEM	COURSE COST	
											TFY	INFY	SEATS	TFY		INFY	TFY
SECRETARIAL ARTS (REGIONAL)	THEBACHA CAMPUS			7							180		7	1,260	\$41.00	\$51,660.00	
PRE-EMPLOYMENT CARPENTRY	THEBACHA CAMPUS			7							120		7	840	\$63.05	\$52,962.00	
LONG TERM CARE WORKER	THEBACHA CAMPUS			8							70		8	560	\$61.05	\$34,168.00	
HEAVY EQUIPMENT OPERATOR	THEBACHA CAMPUS			3	3						220		6	1,320	\$138.55	\$182,886.00	
SMALL ENGINE REPAIR	THEBACHA CAMPUS			7							80		7	560	\$70.65	\$39,676.00	
PRE-EMPLOYMENT COOKING	THEBACHA CAMPUS			4							110		4	440	\$77.85	\$34,254.00	
CLASS 1 & 2 DRIVER TRAINING	THEBACHA CAMPUS			1	5						30		6	180	\$78.40	\$14,112.00	
INTRODUCTORY FRAMING	THEBACHA CAMPUS			7							60		7	420	\$63.05	\$26,481.00	

PVT 8-10

	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL PURCHASED		COST PER DIEM	COURSE COST	
											TFY	INFY	SEATS	TFY		INFY	TFY
	CAMBRIDGE BAY			7							120		7	840	\$35.00	\$29,400.00	
PVT 8-10	COPPERMINE			6							120		6	720	\$35.00	\$25,200.00	
PVT 8-10	HOLMAN			4							120		4	480	\$35.00	\$16,800.00	
PVT 8-10	SPENCE BAY			4							120		4	480	\$35.00	\$16,800.00	
PVT 8-10	GJOA HAVEN			4							120		4	480	\$35.00	\$16,800.00	
PVT 8-10	TREE OF PEACE (YK)			4							120		4	480	\$35.00	\$16,800.00	
PVT 8-10	CAPE DORSET								7		120		7	840	\$35.00	\$29,400.00	
PVT 8-10	ARCTIC BAY								7		120		7	840	\$35.00	\$29,400.00	
PVT 8-10	CLYDE RIVER								7		120		7	840	\$35.00	\$29,400.00	
PVT 8-10	HAY RIVER									10	120		10	1,200	\$35.00	\$42,000.00	
PVT 8-10	FORT PROVIDENCE									4	120		4	480	\$35.00	\$16,800.00	
PVT 8-10	FORT RESOLUTION									7	120		7	840	\$35.00	\$29,400.00	
PVT 8-10	RAE EDZO			6							120		6	720	\$35.00	\$25,200.00	
PVT 8-10	FORT SMITH					10					120		10	1,200	\$35.00	\$42,000.00	

PVT 8-10

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY	SEATS	TFY		NFY	TFY
PVT 8-10	FORT SIMPSON				7						120		7	840	\$35.00	\$29,400.00	
PVT 8-10	FORT SMITH (REG)			7							120		7	840	\$35.00	\$29,400.00	
PVT 8-10	FORT LIARD				7						120		7	840	\$35.00	\$29,400.00	
PVT 8-10	HAY RIVER									10	120	10	1,200	\$35.00	\$42,000.00		
PVT 8-10	INUVIK							7			120		7	840	\$35.00	\$29,400.00	
PVT 8-10	BROUGHTON ISLAND								7		120		7	840	\$35.00	\$29,400.00	
PVT 8-10	IGLOOLIK								7		120		7	840	\$35.00	\$29,400.00	
PVT 8-10	FORT MCPHERSON							7			120		7	840	\$35.00	\$29,400.00	
PVT 8-10	TUKTOYAKTUK							6			120		6	720	\$35.00	\$25,200.00	
PVT 8-10	FORT NORMAN							4			120		4	480	\$35.00	\$16,800.00	
PVT 8-10	FORT FRANKLIN							4			120		4	480	\$35.00	\$16,800.00	
PVT 8-10	AKLAVIK							7			120		7	840	\$35.00	\$29,400.00	

PVT 8-12

COURSE	LOCATION	START DATE	FINISH DATE	Y.K.	FORT SIMP	FORT SMITH	RANKIN INLET	INUVIK	IQALUIT	HAY RIVER	COURSE LENGTH		TOTAL PURCHASED		COST PER DIEM	COURSE COST	
											TFY	NFY	SEATS	TFY		NFY	TFY
PVT 8-12	KEEWATIN REGION						24				120		24	2,880	\$35.00	\$100,800.00	
PVT 8-12	CAMBRIDGE BAY			7							120		7	840	\$35.00	\$29,400.00	
PVT 8-12	YELLOWKNIFE			10							120		10	1,200	\$35.00	\$42,000.00	
PVT 8-12	FORT SMITH			6	4						120		10	1,200	\$35.00	\$42,000.00	
PVT 8-12	HAY RIVER									10	120	10	1,200	\$35.00	\$42,000.00		
PVT 8-12	INUVIK							7			120		7	840	\$35.00	\$29,400.00	

PRIVATE PURCHASE AND APPRENTICESHIP

PRIVATE PURCHASE	\$150,000.00
APPRENTICESHIP	\$550,000.00

ATTACHMENT 2

Table B1

ARCTIC COLLEGE FULL-TIME CREDIT REGISTRATIONS BY PROGRAM
CATEGORY FOR 1989-90

	Academic	Certificate	Diploma	Trades	Career Development
TOTAL COLLEGE	477	194	185	44	47
Aurora	120	34	16	0	16
Keewatin	80	0	0	0	7
Kitikmeot	21	0	0	0	17
Nunatta	156	61	54	28	7
Thebacha	60	63	115	16	0
Yellowknife	40	36	0	0	0

Table B2

ARCTIC COLLEGE PART-TIME CREDIT REGISTRATIONS BY PROGRAM
CATEGORY FOR 1989-90

	Academic	Certificate	Diploma	Trades	Career Development
TOTAL COLLEGE	666	817	274	346	1,355
Aurora	175	4	0	0	93
Keewatin	0	0	0	0	43
Kitikmeot	176	0	0	31	154
Nunatta	188	166	104	47	703
Thebacha	14	14	12	268	127
Yellowknife	113	633	158	0	235

Table B3

**ARCTIC COLLEGE PART-TIME NON-CREDIT REGISTRATIONS
FOR 1989-90**

TOTAL COLLEGE	2,933
Aurora	133
Keewatin	599
Kitikmeot	37
Nunatta	1,636
Thebacha	326
Yellowknife	202

ATTACHMENT 3

APPRENTICESHIP ENROLMENT AND COMPLETION STATISTICS, 1990

<u>Apprenticeship Enrolment</u> <u>1990</u>		<u>Apprenticeship Training Location</u> <u>1990</u>	
Total No. of Apprentices	425	Total No. of Apprentices	425
No. of Native Apprentices	216 (51%)	Training at Arctic College	245 (58%)
No. of Women Apprentices	16 (4%)	Training outside N.W.T.	180 (42%)

Apprenticeship Graduation Statistics, 1990

Graduating Apprentices	143
No. of Native Graduates	61 (42%)
No. with I.P. Red Seal	91 (63.6%)
No. in non-I.P. Trades	39 (27.3%)

ATTACHMENT 4

Population 15 Years of Age & Over, by Highest Grade Completed and Age Northwest Territories, Winter 1989

	16 Years & Over	(%)	18 - 35 Years	(%)
Northwest Territories	34,650	100	17,597	100
Grade 3 or Less	3,769	11	228	1
Grade 4 to 8	7,384	21	4,063	23
Grade 9 to 11	5,715	16	3,234	18
High School Diploma	5,307	15	3,607	20
Certificate or Diploma	8,394	24	4,591	26
University Degree	3,611	10	1,742	10
Not Provided	471	1	132	1
Ballin Region	6,308	100	3,359	100
Grade 3 or Less	1,188	19	63	2
Grade 4 to 8	1,841	29	1,212	38
Grade 9 to 11	1,008	16	731	22
High School Diploma	481	8	340	10
Certificate or Diploma	1,174	19	714	21
University Degree	456	7	241	7
Not Provided	159	3	58	2
Keewatin Region	3,195	100	1,690	100
Grade 3 or Less	599	19	28	2
Grade 4 to 8	1,015	32	651	39
Grade 9 to 11	543	17	408	24
High School Diploma	171	5	122	7
Certificate or Diploma	577	18	359	21
University Degree	186	6	104	6
Not Provided	104	3	18	1
Kitikmoot Region	2,457	100	1,272	100
Grade 3 or Less	554	23	27	2
Grade 4 to 8	917	37	590	46
Grade 9 to 11	284	11	214	17
High School Diploma	94	4	73	6
Certificate or Diploma	411	17	281	22
University Degree	130	5	65	5
Not Provided	87	4	20	2
Inuvik Region	5,531	100	2,888	100
Grade 3 or Less	505	9	12	.
Grade 4 to 8	1,299	23	565	20
Grade 9 to 11	928	17	573	20
High School Diploma	849	15	610	21
Certificate or Diploma	1,488	27	905	31
University Degree	436	8	212	7
Not Provided	28	1	11	-
Fort Smith Region	17,159	100	8,388	100
Grade 3 or Less	922	5	95	1
Grade 4 to 8	2,312	13	1,045	12
Grade 9 to 11	2,973	17	1,309	16
High School Diploma	3,711	22	2,462	29
Certificate or Diploma	4,744	28	2,332	28

**Population 15 Years of Age & Over, by Highest Grade Completed and Age
Northwest Territories, Winter 1989**

	15 Years & Over	(%)	18 - 35 Years	(%)
Fort Smith Region	17,159	100	8,388	100
Grade 3 or Less	922	5	95	1
Grade 4 to 8	2,312	13	1,045	12
Grade 9 to 11	2,973	17	1,309	16
High School Diploma	3,711	22	2,462	29
Certificate or Diploma	4,744	28	2,332	28
University Degree	2,403	14	1,120	13
Not Provided	93	1	25	-
Yellowknife	9,194	100	4,615	100
Grade 3 or Less	50	1	-	-
Grade 4 to 8	488	5	156	3
Grade 9 to 11	1,447	16	461	11
High School Diploma	2,607	28	1,728	37
Certificate or Diploma	2,725	30	1,344	29
University Degree	1,855	20	868	19
Not Provided	21	-	-	-
Fort Smith Region (excl. YK)	7,985	100	3,773	100
Grade 3 or Less	872	11	95	3
Grade 4 to 8	1,824	23	869	24
Grade 9 to 11	1,526	19	818	22
High School Diploma	1,104	14	734	19
Certificate or Diploma	2,019	25	988	26
University Degree	548	7	224	6
Not Provided	72	1	25	1

Sources: 1989 NWT Labor Force Survey
Prepared by: NWT Bureau of Statistics (May 17, 1991)



**APPENDIX 11:
HEALTH SERVICES AND FACILITIES:
THE "NORTHWEST TERRITORIES WAY"
MODEL OF HEALTH CARE DELIVERY**

PROGRAM DESCRIPTION

Background

As a nation, we are rapidly getting to the point where we can barely afford to take care of our health. The costs of health care in Canada are high and getting higher. How Canadians meet the challenge over the next decade of high costs of health care and universal coverage will determine whether the Canadian system of health care remains intact. One contributor to the health care crisis is the costs of the present model of delivery as it has developed in southern Canada. This model is known as the "medical" model. It is a model which, rather than delegating provision of health services to the most cost effective and competent care giver, encourages the provision of health services by the highest cost care giver - the medical doctor. It is a model in which the medical doctor is the central figure, and around whom observation, treatment, billing and payment are structured.

Under the "medical" model, medical doctors are instrumental in the intake of patients. They control the level and quality of servicing from that time forward. They also control the follow-up. Their work is reflected in their billings in which they charge for each "service" which is performed. The fee for service drives the costs and although the fee is fixed by government, the services are determined exclusively by the consulting physicians. Costs are difficult for governments to either predict or control.

Further, because of the lack of cost to either the doctor or the patient, and the "californization" of medical liability, doctors practise defensive medicine, making referrals to specialists and diagnostic testing when the problem might be complex, the diagnosis might be uncertain, or where caution would request that certain unlikely disease conditions be eliminated. This defensive medicine drives costs up.

Additionally, under the "medical" model, expensive equipment is needed to conduct sophisticated diagnostic tests, which are requested by physicians. Staff with training on this equipment is necessary. This increase in high tech equipment and costs also contributes to the driving up of medical costs.

It is not surprising, therefore, that where the "medical" model exists, health care consumes a significant part of the provincial budget. The present costs of health care represent about 40% of the cost of many provincial budgets. It is also not surprising that provinces which have a "medical" model of health delivery have decided to re-evaluate how health care is delivered to their citizens.

Prior to the formative years of the medical model in southern Canada, the government, the religious orders, and the private physicians were all involved in the delivery of medical care. In the Northwest Territories, principally government, and secondly religious orders were active participants in delivery of medical care. Private physicians, with a few exceptions were not significant independent actors.

In their establishment of the health care delivery model in the Northwest Territories, the government was unable to develop a parallel system to that developed in the south. Doctors were difficult to recruit. Those recruited did not stay long. They could not easily be encouraged to work without government salaries, support or guarantees. Further, medical assistance was not available down the road or close at hand, as distances were so prohibitive and roads, for the most part, non-existent.

The response early on by the federal government, which had legislative responsibility for health delivery in the Northwest Territories, was to develop a three-tiered model. Small communities were equipped with nursing stations and had occasional visits from physicians with airplane access to greater services if needed. Medium-sized communities (including Yellowknife) had enhanced facilities - either a resident physician or a hospital, with airplane access to greater services in the closest southern centre - Edmonton, Winnipeg, or Montreal.

Nurses were recruited into most small communities, where their principal emphasis was on providing "primary" health care - delegated diagnostic and treatment activities, public health program delivery, and counselling on healthy life styles. When the patient was unable to be tended to, she or he was sent by air to a place where a medical doctor could see him or her; occasionally a medical doctor would attend a community. The medium-sized communities developed a system of facilities and services, which were all consistent with the idea that health care would be delivered at that community, and if not available, would be provided at the closest place where such care was available.

The Present Health Care Model in the Northwest Territories

The health delivery model "devolved" from the federal Government in 1986 and 1988 contained a legacy of facilities and services which reflected this general approach of the establishment of nursing stations in small communities and the build up of facilities in medium-sized communities.

The present system of services and facilities spans the range between the nursing station and the large modern hospital.

The vast majority of traditional native communities fit into the first tier of the federal model. There is typically a nursing station (now known as a health centre), staffed by a nurse, with contact with physicians in larger communities. Periodically, doctors visit these communities, periodically people are flown out to larger communities where the appropriate health care is available.

There are four communities which are physician-based, which contain no hospital facilities: Cambridge Bay, Fort Rae, Rankin Inlet and Norman Wells.

The physician in Cambridge Bay is salaried by the local health board and serves most of the Kitikmeot Region. The physician in Rankin Inlet, likewise, is salaried by the local health board, serving the Keewatin. Fort Rae has had a physician in the community for 25 to 30 years, firstly working within a now abandoned local hospital, and latterly working in the community. This physician is on contract with the MacKenzie Regional Board of Health. The physician in Norman Wells is a private physician, associated with the private medical clinic in Inuvik and operating on a fee for service basis.

The Keewatin District has a long historical relationship with Manitoba. For years, Churchill and the University of Manitoba in Winnipeg have been the referral destinations of patients. Doctors from the University of Manitoba have been working actively in the district for years and hold tenaciously to this privilege. The sentiment in the Keewatin, likewise, is that travel to Manitoba is their "right", and preferable to travel to Yellowknife. The only present community alternative to travel to Manitoba is the creation of a hospital in the Keewatin.

There are six other communities with "hospitals".

The hospital in Fort Simpson is an outreach of the MacKenzie Regional Board of Health. It presently has two physicians under contract, each resident for 6 months of the year. It has 17 beds, with an acute bed occupancy rate of 25% in 1989-90, the last year for which complete data is available.

The hospital in Fort Smith has two physicians who are employees of the hospital board. It has 28 beds, with an acute bed occupancy rate of 8.5% in 1989-90.

The hospital in Hay River is run on contract by the Pentecostal Church. There are a combination of contract physicians and fee-for-service physicians. The hospital has 58 beds and an acute bed occupancy rate of 38% in 1989-90.

Inuvik has both a hospital and a private clinic. The private clinic presently has four fee-for-service physicians, while the hospital, through the Health Board, employs two physicians. The Inuvik hospital has 73 beds, and an acute bed occupancy rate of 30%. The doctors from the private clinic also travel to local communities where they perform both contractual and fee-for-service functions.

Iqaluit has a regional hospital, with the only physicians in the Baffin. Physician-level cases are directed to the hospital from the communities in the Baffin, where they are seen by general practitioners on contract or salary with the Health Board. Specialists visit the hospital from time to time. For residents of Iqaluit, health services are available at the outpatient department of the hospital by either a nurse or a physician.

Yellowknife has a hospital, which is, to a large and increasing extent, a regional hospital. All specialists in Yellowknife are employed or on contract with the health board. All general practitioners in Yellowknife are fee-for-service physicians.

The pressures to provide more doctors to more communities, more specialists in more places, and more elaborate treatment capabilities are unending. Meanwhile the hospitals in the four western Arctic Communities (excluding Yellowknife) are considered by the Department of Health to be marginal operations on the basis of cost.

Given the hospitals, the number of doctor-staffed communities, and the general community pressure to receive "modern" medical care, it is clear that if the system is allowed to develop further without any specific strategic planning, the "medical" model will take hold in more places, with no net benefits in quality and enormous increases in costs.

The Department of Health cannot be blamed or congratulated for the present state of affairs. However, it is to be commended for recognizing how critical the next few years are. If the system is allowed to drift into the mature southern-style "medical" model, the incremental costs will be substantial. The Department has taken some incremental steps, but is concerned about proceeding much further without producing a long term strategy to explain to Northwest Territories residents the policy framework which is guiding its decisions.

The Strategic Vision of the Department of Health

The GNWT can allow its medical delivery model neither to drift nor to slip incrementally into the "medical" model of health delivery. Neither can it develop a better model without both publicizing it and making difficult political decisions relating to its implementation.

Consequently, the Department of Health has developed a model for health care which it has called the "Northwest Territories Way". It is our conclusion that this is a model which, if implemented, will provide as good or better health care at a lower cost.

There are four elements to this model:

1. Communities will be staffed with salaried teams of health care providers in health centres who will place an emphasis on primary care. These health care teams will run the health centres, acting as advocates for healthy lifestyles and providing health care on an ongoing and pro-active basis.
2. The community health centres will have coordinated back-up by way of telephone and other consultative linkages with outside health professionals, regular visits by physicians, and medical travel to the closest hospital when appropriate. The role of these physicians will be primarily as consultants and secondarily as care-givers. Local para-professional health care workers will act as support staff.
3. Stanton Yellowknife Hospital (SYH) will become a regional hospital for referral of patients from all communities in the Western Arctic and the Kitikmeot. It will be the regional hospital for selected referrals from the Keewatin.
4. SYH will increase the levels of care available in Yellowknife to reduce medical travel south to Edmonton and Winnipeg.

To implement the model, there will be a variety of changes necessary to the status quo. These include the following:

Yellowknife:

- The population of Yellowknife will still have access to private fee-for-service physicians. However, the Department of Health will work together with the physicians to place a value on their roles as consultants and educators, compensating them by salary or contract for this work. Ultimately, the fee schedule will be modified to reflect this changed role. The Department of Health will also encourage (both philosophically and financially) the employment of nurse practitioners by private medical clinics, so that large numbers of patients can be seen by these lower cost care-givers.
- SYH will move further in the direction of a full service regional hospital. Referrals from elsewhere in the Western Arctic, the Kitikmeot and the Keewatin will come firstly to Yellowknife before access to the southern centre. SYH will also increase its services to decrease the requirement for southern travel.

Inuvik:

- The style of medical practise in Inuvik will have to be changed so that there is a decreased emphasis by the physicians in this community on "fee for service" billings and a greater willingness to act as consultants and educators. The number of physicians will have to be decreased from six to four so that the community is not over-doctored. There will have to be a change in the hospital from its present under-utilized presence, through efficiency measures such as closing down unused beds and reducing the size of the surgical unit, a process which the community has already begun.
- The other "hospital" communities - Fort Smith, Hay River, Fort Simpson:

To make the facilities in these "medium" sized communities consistent with this model, and no longer under-utilized hospitals, it is necessary to maximize their effectiveness.

In the case of the hospital in Fort Simpson, this means transforming the hospital into a modern health centre, with no elective birthing and long term care being removed into the community through home care, and other non-institutional community health care.

In the case of the hospital in Fort Smith, the present facility can be best utilized by being transformed into a health centre with certain "hospital" components. One option envisaged for the present hospital is to eliminate acute care beds, with primary care, birthing, and long term care remaining. A more expansive option would see the removal of long term care as well. Birthing and primary care would remain.

The hospital in Hay River is seen as remaining as a hospital, but more compact. Under one option, the number of acute beds would be reduced, but all other "hospital" functions would be present. Under a more expansive option, all acute services would be eliminated.

Norman Wells:

- A fee for services physician resident in Norman Wells is incompatible with the health delivery model. The physician should be removed from Norman Wells, the decision most consistent with the model. If allowed to remain, the role and method of remuneration of the physician must be reconsidered.

Fort Rae:

- The presence of a contract physician in Edzo is incompatible with the health delivery model. His services should be replaced with those of a primary care nurse.

The Keewatin:

- The referral patterns from the Keewatin into Churchill and Winnipeg will have to be modified so that the referral of selected services is firstly to Yellowknife, and in the event of there being insufficient services available there, to Winnipeg. Much like the present referral patterns in the south MacKenzie region where patients often go directly to Edmonton, the referral patterns in the Keewatin will have to be modified so that Yellowknife is the primary destination for many services.

In the vast majority of the communities, there is no necessity to change the health care model because it is already consistent with the Department of Health's strategic vision.

A final change necessary to implement the model is the identification of training opportunities and the training of staff. Nurses need to have their skills upgraded to the levels of "nurse practitioners", being responsible for many of the diagnostic services as well as the other aspects of primary health care. The role of local para-professional health care workers needs to be developed and integrated into the model. People in the communities need to be identified and trained to occupy these positions.

The strategic vision of the Department of Health in development of the "Northwest Territories Way" is strongly applauded. In the view of the Project Group, it represents a realistic and apparently cost-effective way for the health care system in the Northwest Territories to develop.

COSTING THE MODEL

In order to investigate the realistic value of the health delivery model of the Department of Health, it is necessary to give a costing structure to its various component parts.

Facilities

Community "hospitals":

The hospitals in the medium communities of Fort Smith, Hay River, Fort Simpson, and Inuvik will be transformed into modern centres appropriate for their catchment populations and necessary to maintain cost efficiency and acceptable quality. In order to do this, the Department of Health has developed two options, as described above, and costed as follows:

Option A (moderate version)

Fort Smith	\$2,051,967
Fort Simpson	\$ 411,524
Hay River	\$ 613,965
Inuvik	\$1,427,077
TOTAL	\$4,504,533

Option B (expansive version)

Fort Smith	\$2,967,167
* Fort Simpson	\$ 411,524
Hay River	\$1,283,665
* Inuvik	\$1,427,077
TOTAL	\$6,089,433

(Note: * same as moderate version)

The full details of these options are set out in the Department of Health's document entitled "Support for Program Review" dated May 22, 1991.

Included in these costing options are the costs of renovations, but not the costs of increased employment of locally hired health para-professionals such as Community Health Representatives, Medical Interpreters, Community Health Aids and the cadre of other para-professionals who would assist the primary health care nurses at the health centres. The precise task of assessing the integration and costing of these local hires has not been done by the Department of Health. It is beyond the scope of this paper to do the assessment.

Stanton Yellowknife Hospital:

The establishment of Stanton Yellowknife Hospital (SYH) as a regional hospital will affect the cost of delivery of health services in the Northwest Territories. More patients will be routed to SYH from the communities in the Western Arctic, because the community health centres and hospitals will be unable to provide the same level of services in certain cases. More patients will also be routed to SYH because it will become the hub of referrals from all Western Arctic communities, changing referral patterns from some communities which automatically direct patients to Edmonton rather than Yellowknife (for example, Fort Smith, Hay River, sometimes Inuvik). Patients will lastly be retained more often in SYH because increased services will be available in SYH, eliminating the necessity of travel to Edmonton.

The costs of higher occupancy of SYH because of decreased "hospital" capabilities in the communities will be a marginal cost to the Department of Health. SYH receives block funding from the Department of Health. Given the present under-utilization of the acute beds at SYH (42% of acute inpatient beds are occupied), it is unlikely that increased utilization of the beds for this reason will cause any significant change in the block funding levels.

Savings will result from changed referral patterns within the Northwest Territories, so that those patients who would normally bear expenses related to a per diem charge in an Edmonton hospital would cost the Department of Health much less by occupying a bed in SYH. There will be incremental costs to increased occupancy of SYH due to changed referral patterns. However, they will be small in relation to the savings to the Department of up to \$1,100 per day (the per diem stay in an Edmonton hospital).

Adding services in Yellowknife will also result in savings by reducing the number of referrals to Edmonton. For each bed/day in hospital in SHY rather than in Edmonton, the savings are estimated to be \$1,100 (\$600 for Charles Camsell Hospital).

Recently the Department of Health, in justifying to the FMB the added expenses of hiring an orthopaedic surgeon in SYH, estimated that if half the orthopaedic cases (200) were referred to SYH rather than University Hospital in Edmonton, given the average stay (six days) and the daily cost (\$1100), the savings would be \$1,320,000. Given the correctness of the assumptions of case load and average stay, this is the type of analysis which ought to be done in the event that any additional services are going to be brought to SYH. In fact, the Department of Health is considering the addition to the SYH staff of an anaesthetist, a second internist, and an Eye, Ear, Nose and Throat specialist. In each case, a similar analysis ought to be undertaken.

In sum, and in the short run, there are minor increased hospital costs to the Department of Health for increased referrals from communities and for increased hospital utilization as a result of changed referral patterns. Next, the changed referral patterns will result in a large cost saving to the government. Lastly, the addition of services may significantly decrease the number of hospital days of Northwest Territories residents in Edmonton, with the consequent decrease in costs.

Baffin Regional Hospital:

The Baffin Regional Hospital is presently undergoing a "redevelopment exercise" to assess whether a new hospital should be built and what its component parts should be. Stress on the present facility in some areas and under-utilization in others, and the exploding birth rate in the Baffin are all matters to be considered. This exercise is beyond the scope of this review to consider presently. However, it is the expressed intention of the Department of Health that any changes which occur at the Baffin Regional Hospital will be consistent with the proposed health care delivery model.

The Keewatin:

SYH must also become the regional referral centre for selected services from the Keewatin. If this referral pattern is implemented, there will be significant hospital savings, because the costs of hospitalizing these people will generally be borne within the present funding levels of SYH rather than directly by the Department of Health to hospitals in Churchill and Winnipeg.

In sum, there are significant savings to be captured in hospital billings if the "Northwest Territories Way" is implemented. These include up to \$6 million in decreased community hospital costs and several million dollars more in decreased payments of per diems to southern hospitals.

Cost of Medicare

In considering the effect of the model on the cost of medicare, consideration must be given to costing the differential in having nurses rather than doctors deliver primary care, a lower threshold for medical travel to Yellowknife from the communities, changed referral patterns away from Edmonton to Yellowknife, and increased services at SYH.

It is generally assumed that fee-for-service physicians are more expensive than salaried nurses. These assumptions have been tested in several studies conducted from time to time, both in the United States and in southern Canada. They are best summarized by the following statement from a study conducted at McMaster University, referring to an American study:

"Savings attainable from the substitution of new health practitioners for physicians in the delivery of routine primary care are so substantial that it does not warrant additional costs to conduct better controlled cost studies."

Although no similar studies exist in the Northwest Territories, and no data is available for quantitative analysis, the cost saving is substantial and it can be safely stated that primary health care by nurses is more cost effective than primary health care by doctors.

A few persons will have to be transported from the community health clinics and hospitals to Yellowknife in order to receive health care beyond the ability of the centre to provide. The patients are placed under the care of a physician, or a specialist, and the medicare costs will reflect "fee for service" care. However, the costs of the physician-tended patient in Yellowknife are not more costly than the cost of the physician-tended patient in the community, assuming that they are paid in the same manner (salary, contract, or fee for service), as fees are the same throughout the Northwest Territories. The only exception to this is in the high Arctic, where "fee for service" physicians receive a 15% premium for community visits.

Changed referral patterns will mean that patients now referred directly to Edmonton will be referred to Yellowknife. On the assumption that the physician at SYH is on contract or salary, although the "medicare" cost component will rise, the net effect to the Department of Health will be a savings equal to the costs of medicare if the patients had gone to Alberta.

The identical situation occurs when a service is "augmented" with local salaried specialists - there is a net savings in costs.

Costs to the Department of Health will be saved through implementing this model. Although they are accrued through savings to medicare, the present accounting structure has them appear as savings to hospital funding. The key to savings, however, is to have physicians and specialists on contract in Yellowknife, with sufficient volume so that the salary and supporting costs are less in total than the equivalent "fee for service".

Medical Travel

Three factors are at play in assessing the cost changes in medical travel as a result of implementing this model. First, there must be an assessment made of the increased costs as a result of medical travel from a community where, in the present model, there would be no need. The medical travel budget will be increased by the value of airfares for those persons who, but for downsizing of "hospitals" or converting hospitals or private clinics to "health centres" would be able to be treated in that community.

Second, the change in referral patterns will result in increased travel to Yellowknife, rather than Edmonton. However, given that it is cheaper to travel to Yellowknife than to Edmonton, there will be a medical travel cost savings equivalent to this incremental savings multiplied by the number of such trips.

Finally, increased services available in Yellowknife will result in reduced travel from Yellowknife to Edmonton. This amount will be the cost of travel times the number of cases which fit into this category. The orthopaedic analysis established this savings, for the hiring of orthopaedic staff, as \$141,200, based upon the assumption of 200 patients per year (half the total number of orthopaedic patients) and \$706 per round trip.

The net costs of medical travel ought to be less under the "Northwest Territories Way" model than they are now, although data is not now available to support this tentative conclusion.

Conclusion

It is crucial that all elements of the design and implementation of the Northwest Territories Way work together in order to maximize savings. If compliance is not respected in any of the areas of facilities, medicare, or medical travel, then that lack of compliance will be the leaking valve to cost containment.

For example, if the salaried orthopaedic surgeon in Yellowknife reverts to fee-for-service, then many of the advantages of Yellowknife as a regional hospital, and restriction on medical travel, are lost. Similarly, if the orthopaedic surgeon remains on salary, but medical travel is permitted upon request, the salary advantages are lost.

The cost-benefit analysis has not been sufficiently developed by the Department of Health to provide anything close to an accurate estimate of savings from the "Northwest Territories Way" model. Nor have we, in this review, been able to advance that analysis very far. We have indicated some of the elements to be pursued in that regard. The Department of Health does have some admittedly tenuous estimates that range over a period of years to a point in the future when the savings might be as much as \$1,500 per person in the Northwest Territories. Even if it is only half that, the strategy is worth pursuing. Jurisdictions everywhere in Canada generally accept the basic tenet that lower cost care givers can provide more health services and maintain excellent standards. Getting there will not be without some political challenges and a willingness to stand firm against some vested interests.

EXPLAINING AND "SELLING" THE MODEL

Once the model has been costed, then it is necessary to thoroughly explain it to the public. It must be marketed to the public and to the medical profession. Each constituency will have a different set of sensibilities and each will require a different approach. However, it is worthwhile to outline a few of the concerns which must be addressed.

The naming of the model: The Department of Health has taken to naming its model "the Northwest Territories Way". This name has certain attractions, giving emphasis to the northern flavour of the model. However, critics of the model will see it differently. Firstly, it gives the impression that this model of health care is only available in the Northwest Territories. This is not true. Although it exists in many parts of the Northwest Territories, it also exists in many northern and rural parts of the provinces. To give it a geographic specific title is to claim ownership (for sceptics as well and proponents). There are too many people who support and rely upon this health care model elsewhere for ownership to be claimed by the Northwest Territories. Secondly, this model is an increasingly attractive one to southern provincial governments. It is an approach which is being actively developed as a cost containment measure.

As recently as June 13, 1991, the Globe and Mail reported that Quebec doctors were set to strike in protest of a bill before the Quebec National Assembly which has many similar features to the Northwest Territories Way. The Northwest Territories probably has the best chance of implementing the model and this envy might be carried if concentrated in a different name. Thirdly, the name is not a positive one, but one which is unnecessarily neutral. The model should have a "positive" title - patterned after its positive features - those of access, better health, and community involvement.

The strategic vision is a good one. It provides an excellent health opportunity - as good or better health care at a lower cost. It does not deny access to modern medicine. It brings health care into the community at a level where it can be understood and probably do some real good. There should be nothing apologetic about the way it is introduced to the public.

The present health model is not too far away from what is proposed. Part of the problem in developing it further will be the anomalous situations which exist and which must be dealt with at a political level - hospitals in communities where they are of marginal use, doctors in communities where their value is negative, referrals to hospitals where people should not be going. It may be a challenge for politicians and officials to make it understood in communities that changing does not always mean "taking away" and in any case, "taking away" is not a bad thing in these circumstances.

Residents of the communities have a unique opportunity with this model. The positive aspect of community hospital restructuring must be the increased numbers of local people trained and hired to provide para-professional support. This model guarantees certain numbers of jobs to local people with specific health skills, and allows them to continue to upgrade these skills and increase their involvement accordingly. Although education levels of local populations will delay the immediate benefits to them, the jobs will provide tangible evidence of viable employment after appropriate education. This must be thoroughly explained to the population.

Doctors have a unique opportunity in this model. They will be paid handsomely for being consultants and teachers. They can allow lesser trained care-givers to provide those services which ought to be provided by lesser trained care-givers. They can focus their practise on the level of health care for which their professional training cannot be transferred to other care givers in the system. They also have the opportunity to learn and provide some specialty services.

Nurses have a unique opportunity in this model. They become principal care givers in many situations, acting under the tutelage but not the control of a physician. They have the opportunity to use special qualifications and develop the cutting edge skills of nurse practitioners. In a market where nurses are increasingly difficult to recruit, they should be told about this.

Recommendations:

- The Department of Health must be given every possible encouragement to continue with implementation of its "Northwest Territories Way" model for health delivery. Priority should be given to further benefit/cost analysis before any public dialogue is considered. That analysis should include the following recommendations:
 - A model of implementation and costing of community hiring must be developed and integrated into the model in general and in the communities of Fort Smith, Hay River, Fort Simpson, and Inuvik in specific.
 - The Keewatin District must be required to conform with the model - by sending selected patients, in the first instance, to Yellowknife rather than to Churchill as its regional centre.
 - A system must be devised to capture information on the increased levels of travel, changes in referral patterns, and the addition of hospital services in Yellowknife, and their effect on facilities, medicare, and medical travel. This system will be used for the costing analyses necessary to make further decisions relating to cost containment.
 - Prior to any decision made to add services to SYH, a financial analysis must be done, and a conclusion reached that money will be saved. If money will not be saved, the services should not be added.
 - Periodically, newly added services, as well as older services previously added at SYH should be analyzed to ensure that the original assumptions still hold and that money is still being saved. If it is not, the service should be eliminated.
 - Compliance with all aspects of the general model for medical care delivery in the Northwest Territories must be firmly required, monitored, and strictly enforced. This is particularly critical with respect to the hiring of physicians by salary or contract, and with respect to the maintenance of recommended travel referral patterns.

APPENDIX 12: SOCIAL ASSISTANCE AND SOCIAL HOUSING

The Department of Social Services has a budget in the 1990-91 Main Estimates of \$87,446,000. The breakdown of the Department's budget into its component parts is as follows:

Administration	10,304,000
Child and Family Services	13,456,000
Community/Family Support	34,355,000
Alcohol/Mental Health	11,238,000
Corrections	8,093,000

Rent is one of the expenses normally associated with and funded as social assistance in provincial budgets, usually as a component of Community/Family Support. In the case of the GNWT, it is not included in the budget of the Department of Social Services, but is part of the budget of the Northwest Territories Housing Corporation represented as the cost of social housing.

The projected rental costs of social housing in the Northwest Territories for the year 1990-91 are \$61,861,500. This amount was derived from subtracting the costs of Administration (11,030,400), Maintenance (20,056,300), Utilities (38,639,600) and Taxes (1,414,100) from the Revenue (9,278,900). It does not include the costs of either capital construction, depreciation, or the cost of money.

If these operational costs of social housing were included in the budget of Social Services, the cost of social assistance to the GNWT would be about triple what it is presently.

Further, the costs of social housing have increased at about 6.5% yearly since 1988. The magnitude of this increase in actual dollars since 1988 has been about \$12,000,000, or about \$4,000,000 per year.

The Project Group recommends:

Social housing is not in the terms of reference of this project. However, when an attempt is made to perform an accurate and useful program review of social assistance, social housing must be included as a part of the review.

APPENDIX 13: THE OMNIBUS APPROACH

All of the program review and analysis done in the foregoing appendices is based on a "rational" approach to cost containment. In other words, programs are integrated, modified and reduced on the assumption of a rational investigation of the programs themselves. However, the resulting prioritization is almost always considered to be, in part at least, judgemental.

There are some schools of thought which advocate an "omnibus approach" to cost containment as the "fairest" approach. Government is not seen to be prioritizing programs based on value judgments. This is an approach whereby governments direct that growth be frozen, or limited, regardless of how well resources are being deployed and regardless of external factors.

We are aware that this approach is one which the GNWT has taken with many departments with some success over the past several years. To complete our review, we have used this omnibus approach to the containment of costs in certain program areas of the Departments of Social Services and Health as an illustration of its effect on future year expenditure forecasts.

The tables are also somewhat sobering in that they illustrate what may happen to expenditures in many of these programs if no reduction of expenditures is applied.

We asked the Departments of Social Services and Health to provide us with the following information by program area:

- Actual expenditures for the fiscal years 1986-87 through 1989-90 (and 1990-91 where available).
- The Department's estimate of future volume and cost increases over the fiscal years 1991-92 through 1994-95.

We received both sets of information from the Department of Health. The Department of Social Services was only able to provide us with their actual expenditures.

We also consulted with the Bureau of Statistics in order to determine the calculation of inflation adjusted trend lines and future trend lines based on past years' expenditures.

Compiling this information, we were able to produce the following trend lines:

- **Fixed trend line:** This projection kept the cost of program areas at the 1990-91 levels, with no allowances for any increases.
- **Inflation-adjusted trend line:** This trend line is based upon the cost of the program in 1990-91 dollars, adjusted for inflation over the next four fiscal years, using the Conference Board of Canada's Consumer Price Index forecast. Inflation was calculated for the four fiscal years from 1990-91 to 1994-95 at 4.99%, 3.79%, 3.79%, and 3.66%.
- **Previous year trend line:** This trend line is based upon the average compound growth rate per annum between 1986-87 and 1990-91. The average is found by dividing the actual expenditure amount for the last year available (fiscal 1990-91), by the amount for the beginning year of data (fiscal 1986-87). The number of period's root between the last year and beginning year, or the fourth root in this case, of the result is then calculated to determine the average compound growth rate per annum. This average varies from program to program.
- **Departmental projection trend line:** The Department of Health used its experience and familiarity with its programs to make projections of both unit cost increases and volume increases. Both varied from program to program.

In the case of the Department of Health, all four trend lines were developed for each of three program areas: Doctors Billings, Hospital Billings, and Medical Travel. Because of the lack of historical data in the area of Extended Health Benefits, no previous year trend line was drawn.

In the case of the Department of Social Services, no departmental projection trend lines were drawn as a result of the unavailability of the information. The other three trend lines were developed in the areas of Community and Family Support, Alcohol Drugs and Community Mental Health, Family and Childrens Services, and the Directorate.

Separate graphs for each program area are attached. As expected, significant features of these graphs are the following:

- The pattern is similar in each case: The greatest costs will be incurred if the departmental projections are accurate, the least costs will be incurred if the budget is fixed. Inflation-adjusted increases are the next smallest; previous year trends are the next most costly.
- Regardless of which trend line is observed, when it is compared against any less costly alternative, although a one or two year difference is not great, because of the compounding nature of the increases, the trend lines diverge and cost differentials accelerate as the years proceed.

- The differences are very large between fixing the program budget, and letting it develop as the Department of Health forecasts. In the case of the Department of Social Services, where instinct and demographics indicate that the volume increases ought to be significant over the next few years, no trend line has been developed. If projections could have been obtained, the differential between fixing program budget and the projection would be even more dramatic than those in the Department of Health.

An Omnibus approach to the savings of money would pick an arbitrary limit - commonly fixed, inflation adjusted, or some other percentage increase, and hold the programs to that level. It is easy to see what the cumulative effect of such a decision would have on the budget - significant compounded savings.

Some examples of the savings involved are the following:

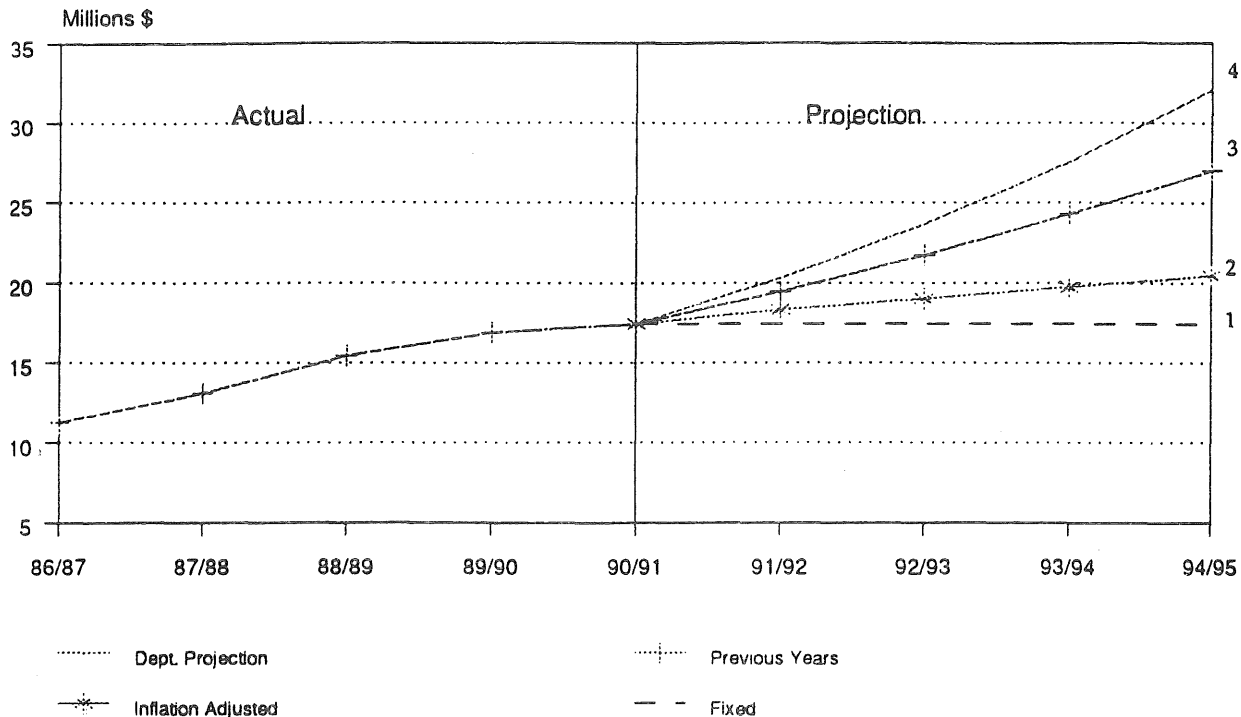
- In the area of Alcohol, Drugs and Community Mental Health, the Previous Years Trend Line indicated a compound annual growth rate of 39.9%. Were this program to continue to increase at the same rate, the budget of \$9.3 million in 1990-91 would be \$35.9 million by 1994-95. Should the expenditures be restricted to the Inflation Adjusted Trend Line of approximately 4% per annum, the 1994-95 budget would be around \$11 million.
- In the area of Medical Travel, the Departmental Projection Trend Line shows a compound growth rate of 16%; the Previous Year Trend Line shows an annual growth rate of 11.6%. Given the 1990-91 expenditures of \$17.4 million, the budget in 1994-95 will be \$32 million if the Departmental Projections are correct, \$27 million if the Previous Year Trends are accurate, and \$20.5 million if adjusted for inflation only.

Some of the program areas which have been examined have been the subjects of specific recommendations relating to cost containment in other parts of this report. In these cases, if these recommendations were implemented, in conjunction with the Omnibus approach to cost containment, there would be even more significant effects.

The Project Group recommends:

The GNWT should continue to include the Omnibus method in its approaches to cost containment.

ATTACHMENT 1
Medical Travel Expenditures
1990-91 Dollar Projection



Source: Department of Health, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate

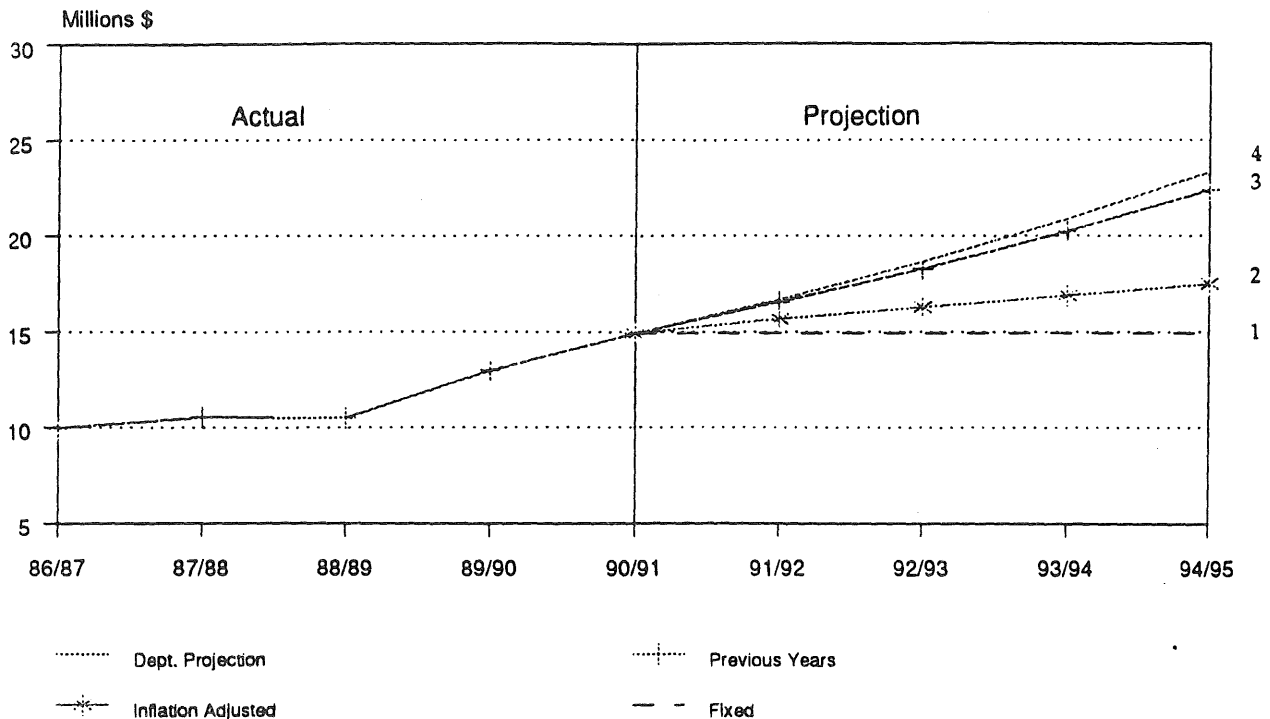
per annum between 1986/87 to 1990/91. (i.e. $\sqrt[4]{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$)

where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate for medical travel is 11.6%.

Data is based on airfare only (by date of travel) and is not adjusted for revenue offsets which total approximately 11.3%.

4. **Departmental Projection Trend Line** - This line is based on the volume increase of 12% per annum and price increase of 4% per annum. The projection is based on perception of expected population increases and a demand for more services from the client base as well as economic stability and competition in the airline market.

Doctors Billings 1990-91 Dollar Projection



Source: Department of Health, GNWT; Conference Board of Canada.

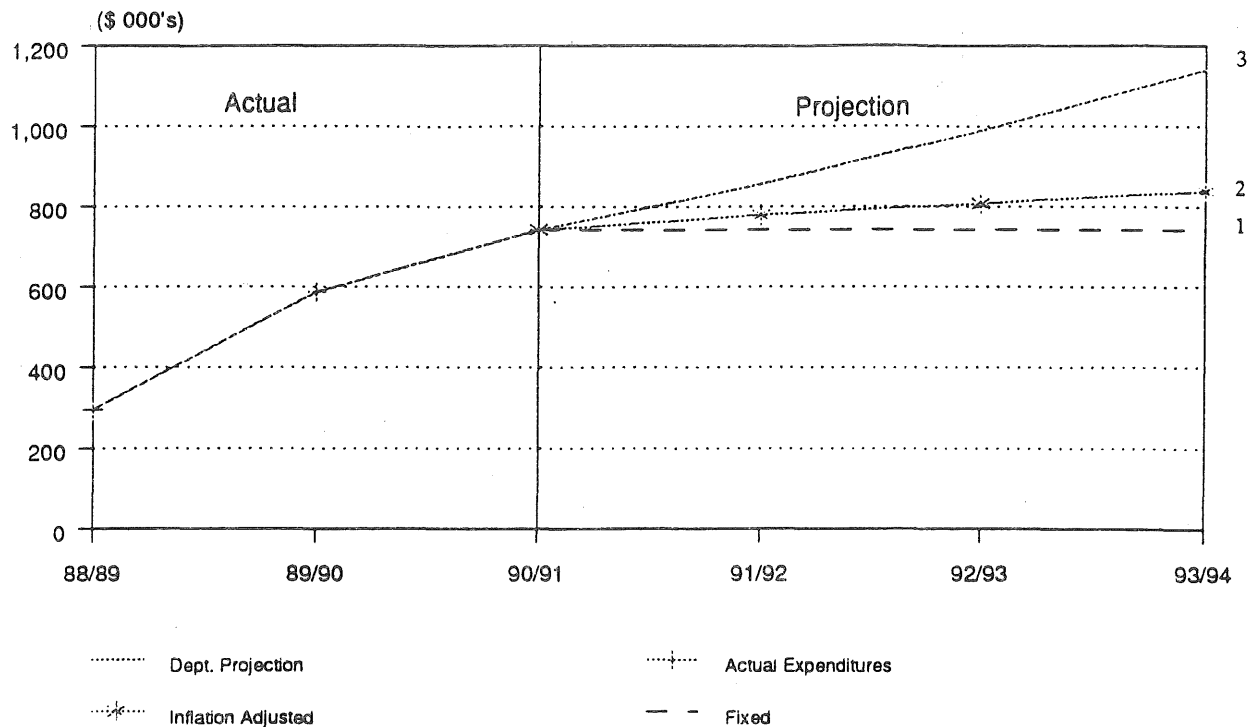
Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e. $\sqrt[4]{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$ where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate for doctors' billings is 10.7%.

Data is based on Doctors' Billings only (inside and outside the NWT billings combined, by date of service) and is not adjusted for revenue offsets which is based on a projected DIAND recovery of 21.3%.

4. **Departmental Projection Trend Line** - This line is based on the volume increase of 7% per annum and price increase of 4.5% per annum. The projection is based on perception of expected population increases and a demand for more services from the client base as well as on expected fee increases.

Extended Health Benefits 1990-91 Dollar Projection



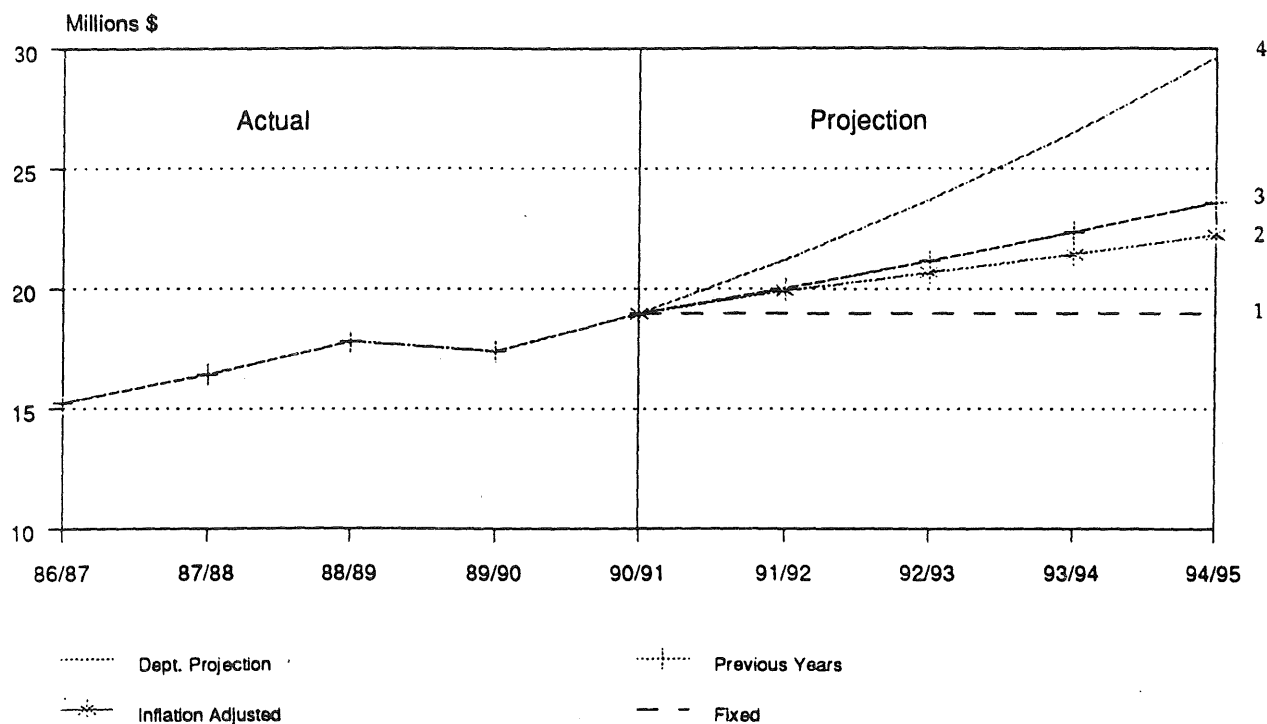
Source: Department of Health, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Departmental Projection Trend Line** - This line is based on the volume increase of 10% per annum and price increase of 5% per annum. Economic conditions and health referral patterns are assumed to remain constant.
4. **Previous Years Trend Line** - Because records relating to extended health benefits are only available for two previous years and this information is too restricted to accurately project, no previous year trend line was drawn.

The data excludes status Indian and Inuit benefits, payments for indigents and payments for chronic psychosis.

Hospital Billings 1990-91 Dollar Projection



Source: Department of Health, GNWT; Conference Board of Canada.

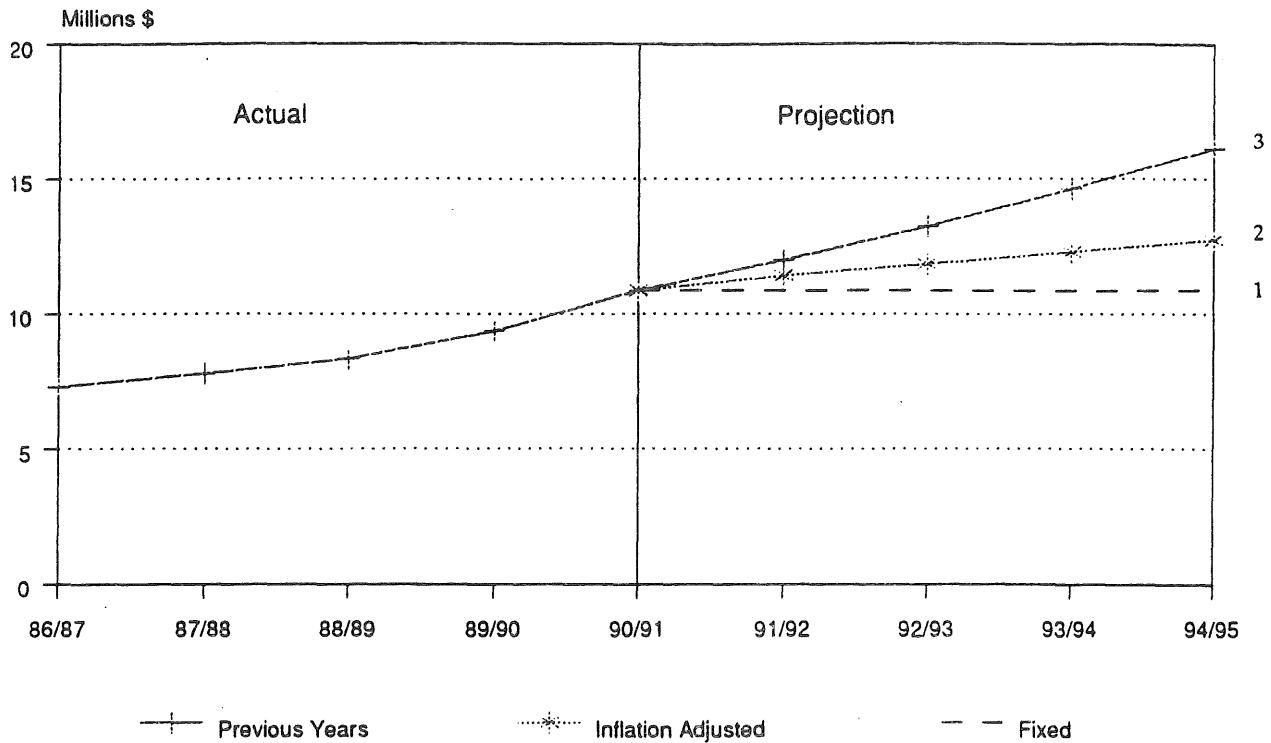
Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e.
$$\sqrt[4]{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$$
 where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate for hospital billings is 5.6%.

Data is based on Hospital Billings only (inside and outside the NWT billings combined, by date of service) and is not adjusted for revenue offsets which is based on a projected DIAND recovery of 45.1%.

4. **Departmental Projection Trend Line** - This line is based on the volume increase of 2.6% per annum and price increase of 9% per annum. Economic conditions and health referral patterns are assumed to remain unchanged.

Social Services - Directorate 1990-91 Dollar Projection

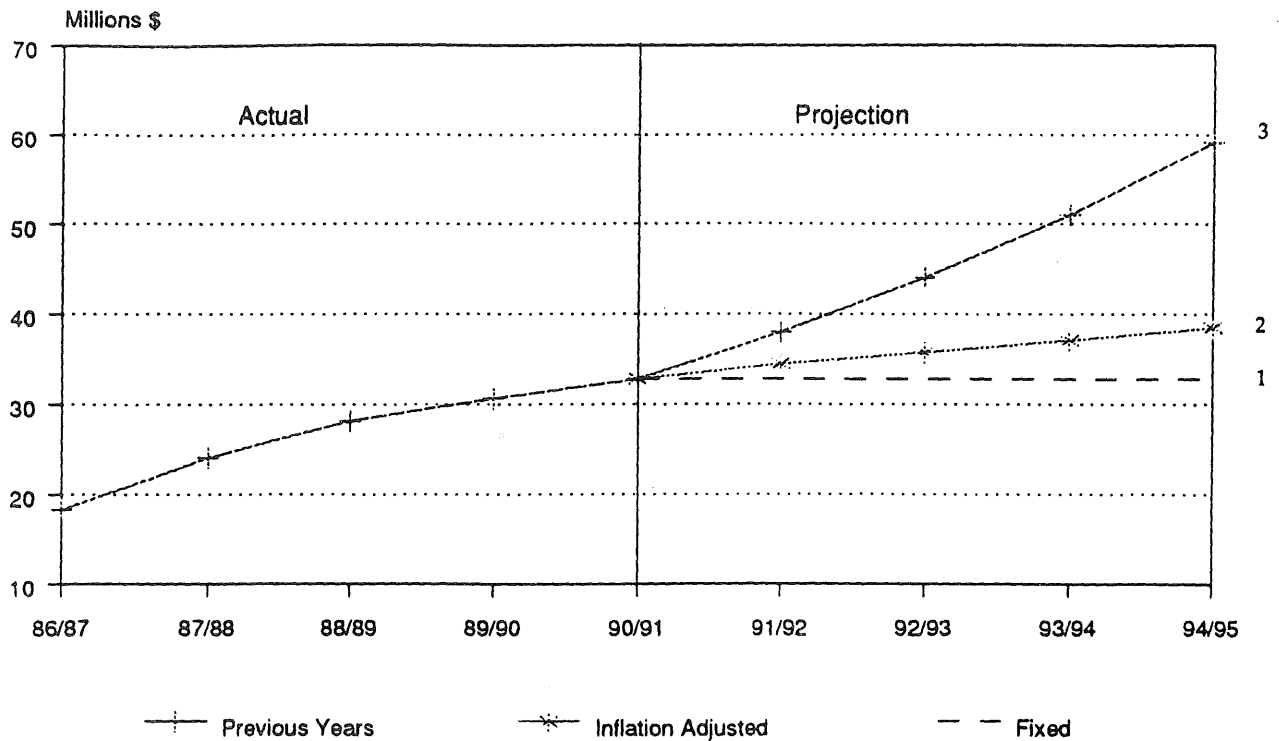


Source: Department of Social Services, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e.
$$\sqrt[4]{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$$
 where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate is 10.4%.
4. **Departmental Projection Trend Line** - No information was available to produce this line.

Community and Family Support 1990-91 Dollar Projection

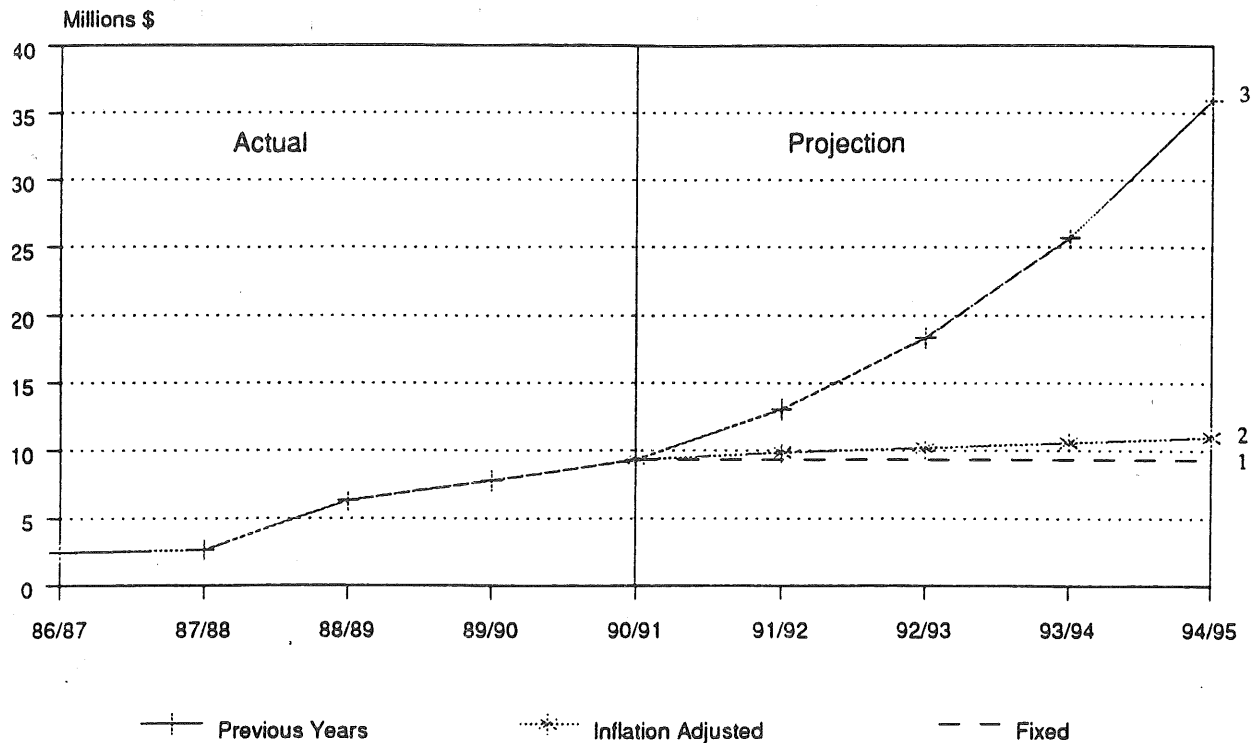


Source: Department of Social Services, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e.
$$4\sqrt{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$$
 where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate is 15.8%.
4. **Departmental Projection Trend Line** - No information was available to produce this line.

Alcohol, Drugs & Community Mental Health 1990-91 Dollar Projection

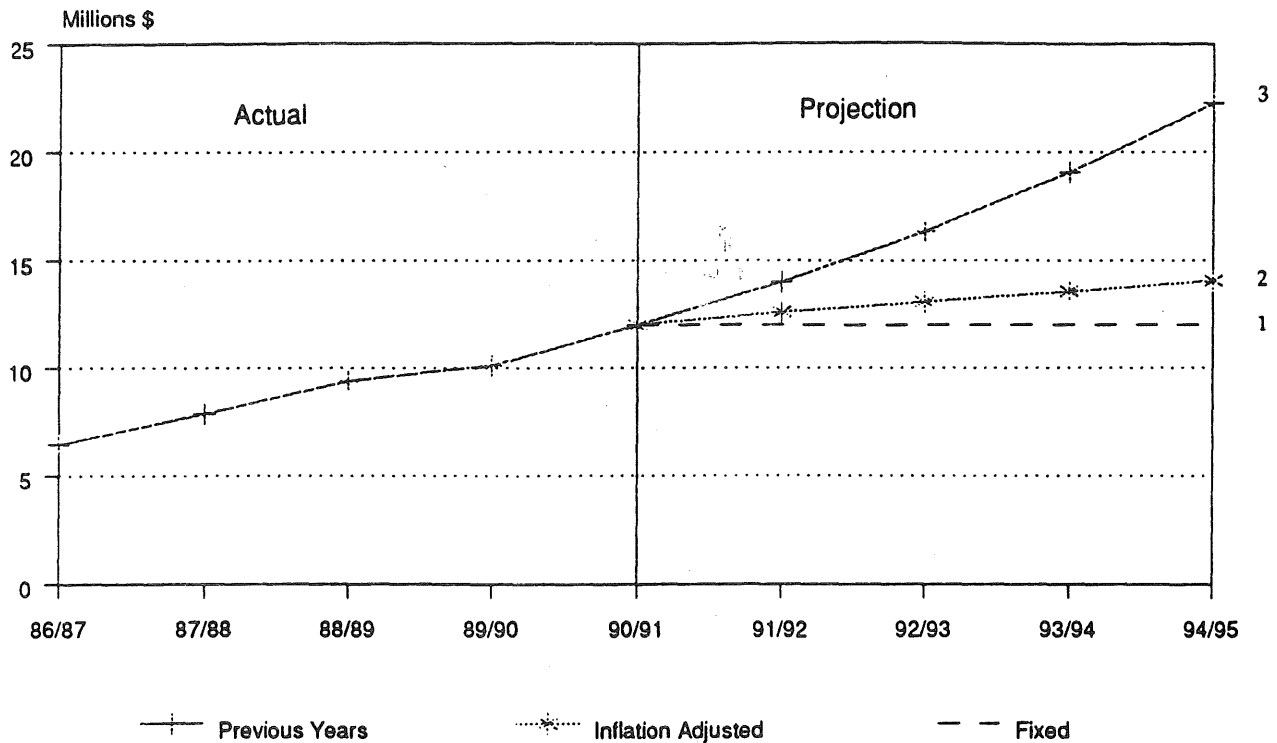


Source: Department of Social Services, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e.
$$\sqrt[4]{\frac{Value_{90-91}}{Value_{86-87}}}$$
 where 4 = the number of periods; $Value_{86-87}$ = the amount in fiscal 86-87; $Value_{90-91}$ = the amount in fiscal 90-91). The average annual growth rate is 39.9%.
4. **Departmental Projection Trend Line** - No information was available to produce this line.

Family and Childrens Services 1990-91 Dollar Projection



Source: Department of Social Services, GNWT; Conference Board of Canada.

Notes:

1. **Fixed Trend Line** - Costs and Volumes do not increase from their 1990-91 levels.
2. **Inflation Adjusted Trend Line** - This line is based on current 1990/91 dollars adjusted for inflation using the Conference Board of Canada's Consumer Price Index forecast. 1990/91 volume is held constant.
3. **Previous Years Trend Line** - This line is based on the average compound growth rate per annum between 1986/87 and 1990/91. (i.e.
$$4\sqrt{\frac{\text{Value}_{90-91}}{\text{Value}_{86-87}}}$$
 where 4 = the number of periods; Value_{86-87} = the amount in fiscal 86-87; Value_{90-91} = the amount in fiscal 90-91). The average annual growth rate is 16.7%.
4. **Departmental Projection Trend Line** - No information was available to produce this line.

DEPARTMENT OF HEALTH EXPENDITURE PROJECTIONS

PREVIOUS YEARS TREND LINE

	HOSPITAL	DOCTOR	MEDICAL TRAVEL	EXTENDED HEALTH
COMPOUND GROWTH RATE:	1.056196026	1.1066409	1.115826556	NA
YEAR				
1986/87	15,229,998	9,946,808	11,257,282	NA
1987/88	16,427,506	10,593,971	13,114,654	NA
1988/89	17,806,705	10,483,575	15,459,071	296,685
1989/90	17,408,165	12,972,762	16,922,412	586,554
1990/91	18,953,000	14,918,000	17,451,000	741,531
1991/92	20,018,083	16,508,869	19,472,289	NA
1992/93	21,143,020	18,269,390	21,727,697	NA
1993/94	22,331,174	20,217,654	24,244,342	NA
1994/95	23,586,097	22,373,683	27,052,480	NA

INFLATION ADJUSTED TREND LINE

YEAR	CPI	HOSPITAL	DOCTOR	MEDICAL TRAVEL	EXTENDED HEALTH
1986/87	0.833082	12,687,837	8,286,507	9,378,239	NA
1987/88	0.869569	14,284,850	9,212,189	11,404,097	NA
1988/89	0.905435	16,122,814	9,492,196	13,997,184	268,629
1989/90	0.952709	16,584,915	12,359,267	16,122,134	558,815
1990/91	1	18,953,000	14,918,000	17,451,000	741,531
1991/92	1.049919	19,899,115	15,662,692	18,322,136	778,547
1992/93	1.089677	20,652,648	16,255,801	19,015,953	808,029
1993/94	1.131006	21,435,957	16,872,348	19,737,186	838,676
1994/95	1.17237	22,219,929	17,489,416	20,459,029	869,349

DEPARTMENT PROJECTION TREND LINE

YEAR	HOSPITAL	DOCTOR	MEDICAL TRAVEL	EXTENDED HEALTH
1986/87	15,229,998	9,946,808	11,257,282	NA
1987/88	16,427,506	10,593,971	13,114,654	NA
1988/89	17,806,705	10,483,575	15,459,071	296,685
1989/90	17,408,165	12,972,762	16,922,412	586,554
1990/91	18,953,000	14,918,000	17,451,000	741,531
1991/92	21,195,898	16,680,562	20,326,925	856,468
1992/93	23,704,221	18,651,370	23,676,802	989,221
1993/94	26,509,378	20,855,029	27,578,739	1,142,550
1994/95	29,646,498	23,319,051	32,123,715	NA

DEPARTMENT OF SOCIAL SERVICES EXPENDITURE PROJECTIONS

PREVIOUS YEARS TREND LINE

	DIRECTORATE	FAMILY & CHILDREN	ALCOHOL & DRUGS	COMMUNITY
COMPOUND GROWTH RATE:	1.10397363	1.166784564	1.399538985	1.158417469
YEAR				
1986/87	7,314,000	6,479,000	2,441,000	18,231,000
1987/88	7,790,000	7,869,000	2,661,000	24,061,000
1988/89	8,346,000	9,395,000	6,309,000	28,208,000
1989/90	9,362,000	10,126,000	7,772,000	30,646,000
1990/91	10,864,000	12,008,000	9,365,000	32,830,000
1991/92	11,993,570	14,010,749	13,106,683	38,030,846
1992/93	13,240,584	16,347,526	18,343,313	44,055,596
1993/94	14,617,256	19,074,041	25,672,182	51,034,772
1994/95	16,137,065	22,255,296	35,929,220	59,119,571

INFLATION ADJUSTED TREND LINE

YEAR	CPI	DIRECTORATE	FAMILY & CHILDREN	ALCOHOL & DRUGS	COMMUNITY
1986/87	0.833082	6,093,162	5,397,538	2,033,553	15,187,918
1987/88	0.869569	6,773,943	6,842,638	2,313,923	20,922,700
1988/89	0.905435	7,556,761	8,506,562	5,712,389	25,540,510
1989/90	0.952709	8,919,262	9,647,131	7,404,454	29,196,720
1990/91	1	10,864,000	12,008,000	9,365,000	32,830,000
1991/92	1.049919	11,406,320	12,607,427	9,832,491	34,468,841
1992/93	1.089677	11,838,251	13,084,841	10,204,825	35,774,096
1993/94	1.131006	12,287,249	13,581,120	10,591,871	37,130,927
1994/95	1.17237	12,736,628	14,077,819	10,979,245	38,488,907

DEPARTMENT PROJECTION (NOT AVAILABLE)

Source: Dept. of Social Services; Conference Board of Canada.

APPENDIX 14: YOUTH INITIATIVES PROGRAM

BACKGROUND/DISCUSSION

The program does not address any specific identified needs of the client group (Northwest Territories youth) that were not already being addressed through other programs within the Department of Social Services, or other departments (a list of some programs already providing these services is attached); except to provide funds for youth to hold meetings/conferences.

Existing initiatives subsumed under the Youth Initiatives Program included a contributions program for Alcohol and Drug Prevention for Youth (budget \$400,000 in 1989-90); and responsibility for annual grants to the Boy Scouts, Girl Guides, Army Cadets and Air Cadets which had previously been handled through the Department of the Executive (approximately \$60,000 in 1990-91).

The Youth Initiatives Program is not a social services program; it was housed in that Department because the Minister Responsible for Youth was also the Minister of Social Services.

The program objectives are not specific enough to provide clear eligibility criteria (e.g. "promote healthy lifestyles", "promote community development"). Furthermore, the vague objectives do not permit the identification of measurable performance indicators, making it virtually impossible to evaluate the program.

Although funding priorities were identified and approved by Cabinet for 1990-91, no such priorities have been identified for 1991-92.

The strategy does not address the issue of equitable distribution of financial resources across the Northwest Territories. Applications are considered on a "first-come, first-serve" basis, thus leaving the door open for a situation where a worthwhile project may be received after the budget has been allocated. This could lead to the Minister seeking additional funding rather than reject a good project.

CONCLUSIONS/OBSERVATIONS

The duplication of program initiatives implicit in this program increases government's costs by duplicating administrative mechanisms, primarily for funnelling contribution monies.

The clientele specifically served by the Youth Initiatives Program is small, as only those youths who are active participants in conferences/projects sponsored by the program can be considered to be directly benefiting.

There may be a risk of double-funding groups through contributions from the YIP and other programs.

RECOMMENDATIONS/OPTIONS

Option 1: Excise the program, resulting in a savings to government of \$940,000, and no significant reduction in services available to Northwest Territories residents.

Option 2: Excise the program, but should the government wish to maintain a high profile program targeted to youth, consider the establishment of a Youth Directorate within the GNWT. This unit could be funded through reallocations from existing program budgets, and ensure that the portion of those budgets targeted towards youth is spent in a focused and effective manner.

Existing GNWT Programs Addressing Issues Identified as Youth Issues

Department of Social Services:

- Suicide Prevention (\$500,000)
- Alcohol and Drug Prevention Programs (\$4.6 million)
- Alternative Measures Programs (Corrections) (\$296,000)

Department of Education:

- Literacy Program
- School Community Counsellor Program
- Parent Support Programs
- Employment Programs (\$3.5 million)

Department of Municipal and Community Affairs:

- all Sport and Recreation Programs (\$7.4 million)

Department of Culture and Communications:

- Cultural Enhancement Grants (\$118,000)

APPENDIX 15: A MODEL FOR COMMUNITY SOCIAL, HEALTH, AND EDUCATION SERVICES IN THE NORTHWEST TERRITORIES

FOREWORD

In addition to the essential conditions which must be identified by the GNWT for delegation generally (see Part II of the Report), the government must "tailor" these for specific program elements.

Therefore, before Government can proceed to the negotiation of transfer agreements with communities, a considerable amount of analytical groundwork is required.

This Working Paper entitled "A Model for Community Social, Health, and Education Services in the Northwest Territories", illustrates the nature of that work to determine conditions for transfer/delegation, of certain key programs in the "Social Envelope".

In particular, Attachment 3 of this Working Paper initiates the analytical work required to determine:

- What the components of existing programs are and how they might be changed by communities empowered to deliver them.
- What components of existing programs are mandatory, i.e. statutorily driven and what, if any, flexibility might be delegated to local communities.
- Evaluation factors, by program, to be reflected in the transfer agreements.
- Accountability factors by program to be reflected in the transfer agreements.
- Cost/implications by program component.

This work is time consuming, detailed, and requires the expertise of an experienced program "technician" and legal council to complete. This Working Paper, and its Attachments illustrate in some detail the work required. The delay involved in preparing the GNWT for delegation of some programs to community governments may put off some departments eager to proceed. However, to proceed without this analysis (and the resulting "clauses for a model Transfer Agreement" selectively and tentatively developed in Attachment 2) is to invite chaos down-the-line... Indian Affairs and Northern Development Canada is struggling retro-actively to develop standard funding arrangements, accountability clauses, etc. out of a plethora of different and differing bilateral arrangements with bands and band councils in Southern Canada. The time and expense devoted to this exercise is far greater than that required to develop standard clauses for program transfer agreements before negotiating actual agreements.

THE COMMUNITY SERVICE MODEL

Summary

This paper discusses the transfer of a wide range of social services, along with certain health and education services, to local governments in the Northwest Territories. This process is referred to as the establishment of a community service model. The approaches set out in the paper pertain to Phase 2 of community transfers whereby multi-year agreements would be negotiated for transfer of resources (\$, people and assets) to interested communities who would take on defined program delivery responsibilities.

The model discussed in the paper is consistent with the objective of the GNWT to transfer greater responsibility for programs and services to community-based governments. The potential positive impacts include:

- improved service effectiveness - local "ownership"; service standards adapted to the unique conditions of each community; service administration by persons who "know" the community; movement of funds towards the highest priorities;
- enhanced accountability at community level - between service deliverers and clients, their families and other persons within the community;
- greater predictability and clarity in resource requirements - through block funding arrangements.

The challenges to be faced in developing and implementing a community service model include:

- complexity of social programs - some programs have mandatory requirements based on legislation of GNWT or the federal government; programs also require resolution of complex family situations, such as in child protection cases;
- front-end costs - communities will need to establish one or more social service delivery agencies; associated with this will be incremental planning, negotiation, administration and training costs; community workers will demand a benefit package equitable with that of comparable workers for these programs elsewhere in the GNWT;
- necessity of further research and planning - further development of the preferred approach to a community service model; included in this work would be development of a model agreement, examination of financial implications and establishment of a method to adjust funding levels from year to year and to deal with emergency situations;
- scale of operations (small communities) - some consideration would need to be given to the use of regional resources (sharing) when communities are not of sufficient size to warrant the establishment of a full range of services to be delivered uniquely by the community;

- mandatory and other basic GNWT requirements - the GNWT will need to be assured that fundamental (including mandatory) service requirements are being met within the community and that the community will provide information to maintain the Minister's accountability.

Two transfer approaches are discussed in the paper, incremental and aggregate. The incremental approach involves a series of one-by-one service transfers to the community along with the financial and human resources involved. This approach does not differ greatly from the status quo method of delegating services and would lessen the risk of community mismanagement. The aggregate approach involves the planned transfer of an extensive basket of services and resources to interested and capable communities. The financial management features of the aggregate approach are somewhat similar to those of the Sechelt Band self-government arrangement (in British Columbia) and would likely receive the support of communities in the Northwest Territories such as the Inuvialuit Region. Also, in the early years of the aggregate approach, a community may wish to arrange the purchase of some of the services for which it has received block funding.

The other points discussed in the paper include:

- the model could be implemented with a high degree of uniformity with respect to the range of services to be transferred and the funding arrangements involved while, at the same time, communities would have a high degree of flexibility in service emphasis and design;
- criteria would have to be developed to determine community readiness to enter into agreements with the GNWT;
- the community service model should take into account the implications of cost-sharing rules and the efficiencies to be gained through use of the Canada Assistance Act and other forms of federal cost-sharing.

In order to illustrate the development and implementation of the aggregate approach towards a community service model, Attachment 1 invents a community and describes some possible milestones in the history of this fictional community as it proceeds with implementation of the model.

Attachment 2 suggests wording for a few key clauses that could form part of a model agreement between GNWT and communities.

Attachment 3 identifies a range of social, health and education services and looks in a summary way at what these services are now and what they could be under a community service model. It should be noted that data for financial impact assessment are not available. Financial analysis should be pursued in depth in the near future.

The Context

The model set out in this paper comprehends many of social, health and education services currently delivered by departments of the GNWT and is consistent with the broad objective of the GNWT to provide communities with the opportunity to increase their service delivery responsibilities. The main approach suggested in the paper, an aggregation of service delivery capacity in the form of a "community service model", represents both an expansion and an acceleration of the process of delegation and the development of community accountability.

The model suggested by this paper would be implemented at an early stage of Phase II of community development, following the infrastructure development of Phase I.

The Concept

This paper uses the following definition of "community service model":

Community Service Model: A service delivery and block funding arrangement that is established through a formal agreement between the GNWT and a local community government. This agreement provides the local government with new responsibilities for managing a wide range of social, health, education and other services on the condition that a limited number of mandatory service criteria will be met, and that the GNWT will be assured of receiving basic accountability reporting.

COMMUNITY TRANSFER AGREEMENT: A COMMUNITY SERVICE MODEL - FOR THE SOCIAL ENVELOPE

The following are some of the key decision criteria with respect to the implementation of such a model, either on a full scale or a pilot basis:

- community readiness
- appropriateness
- service effectiveness
- cost effectiveness
- accountability

The remainder of this report on a community service model will focus upon:

- a comparison of two approaches for implementing community service models ("Incremental Growth" and "Aggregate Growth")
- a discussion of the key decision criteria identified above
- an identification and analysis of many of the GNWT services that could be included in a community service model

Community Service Model: General (Phase II)

A general objective of the GNWT is to increase community involvement in, and responsibility for, services.

It is reasonable to think that such a policy leads over time to a broadening of responsibility (the community becomes increasingly involved in the delivery of most or all of the range of services) and involvement (the community receives increased authority for individual services and for making adjustments between services).

Maturity under the community service model will be reached when the community has sufficient program, financial and administrative flexibility in order to manage effectively and to reflect the unique priorities of the residents. Rather than GNWT setting funding levels for each specific service, funding levels would be determined for groups of services or for all services collectively.

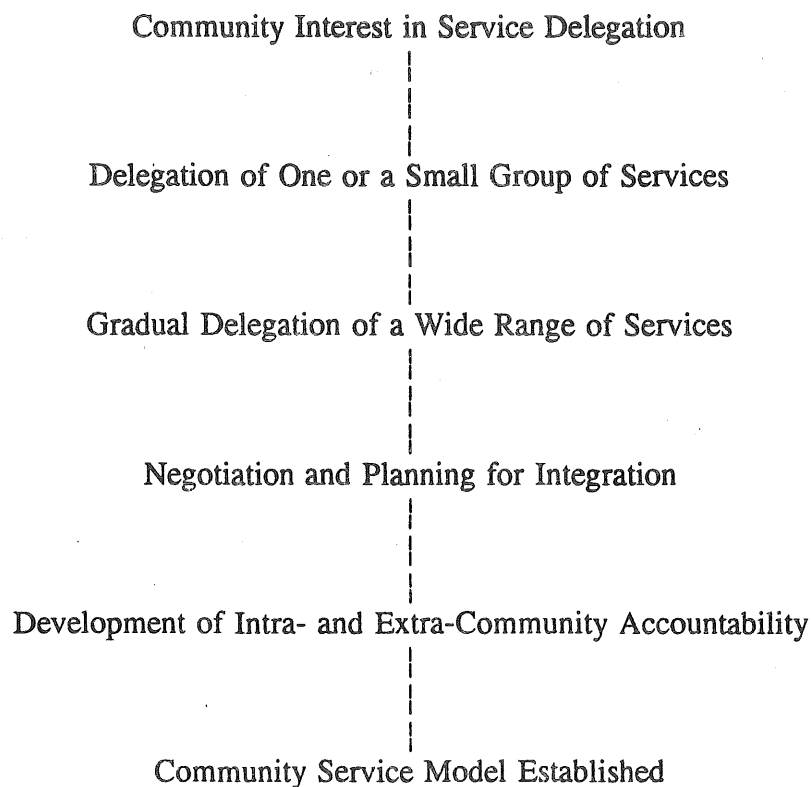
For all options, it would be essential that GNWT departments continue to receive accountability reporting of adequate quality. Unless there were changes in legislation, some of the mandatory reporting requirements would not be altered. However, the bulk of the other reporting would change as the focus would now be upon the effectiveness and efficiency of a full range of community services rather than upon indicators and evaluations that focus directly upon each individual service.

Strategic Approaches

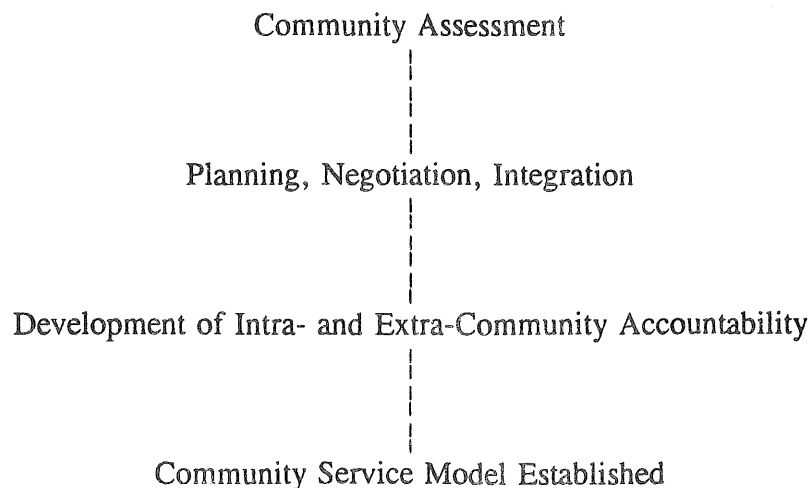
The GNWT can consider two strategic approaches towards achieving mature community service models. In this report these approaches are referred to as the "Incremental Growth" and "Aggregate Growth". The illustration on the following page summarizes the steps involved in both of these approaches.

TWO APPROACHES:

I) INCREMENTAL GROWTH



II) AGGREGATE GROWTH



Incremental Growth

The type of delegation envisioned for the first half of the Incremental Growth Approach resembles the current policy direction of GNWT. The delegation is generally an administration arrangement for the community to increase its responsibility over the delivery of government programs and its say over the management of program resources. This delegation is, however, program-specific. Funding is provided to the community service delivery agent in order to provide a specific service. Accountability also is defined on an individual service basis or on the basis of a defined small group of services.

No policy is yet in place to deal with the last stages of the incremental growth approach, the process of integrating community services and establishing a block funding arrangement. If the incremental approach is to be continued in the NWT, it can be argued that there is not yet a need to establish vehicles for integrating services at community level and other means to greatly enhance community responsibility - it will take quite a number of years before a saturation point is reached in program specific delegation.

The advantages of the incremental growth approach are:

- Managerial:** allows for gradual build up of community expertise and a lengthy period of transition.
- Less risk:** central programs can maintain partial or complete control over key mandatory services until the community has demonstrated its service delivery capabilities over a number of years.

The disadvantages of this approach are:

- Lack of incentive:** the desire of communities to enter into delegation arrangements will be limited, particularly if there are uncertainties about future funding for these services.
- Slowness:** it would take many years before true community service models would be developed - administration and monitoring by the territorial government would remain a complex task for many years.
- Limited Objectives:** the community would have only limited scope to reflect its priorities in managing the delivery of services - no basis for reducing or eliminating one service, for example, and diverting the funding to one or more other services.
- Cost:** in order to cover additional planning and administration costs, and to make delegation attractive to communities, costs will rise.

Aggregate Growth

This approach to implementing community service models would be much faster than that of incremental growth, although it would not be necessary or even practical to bring all communities on stream at the same time. Aggregate growth would begin with a community assessment carried out jointly by the relevant Program areas in GNWT and by the interested communities. The past managerial performance of a community would have to be considered, along with the potential for putting in place the necessary expertise to deliver services. As well, it would be important that there be sufficient consensus among residents that the local government and/or service delivery organizations were proposing to adopt new responsibilities and that accountability mechanisms to residents will be implemented.

When a community meets the criteria for establishment of a community service model, more detailed planning and negotiation between the community and the GNWT would commence. As well, there would have to be consultation among the affected Programs in the GNWT. Measures and reporting to ensure accountability both to community residents and to the Ministers of GNWT Programs will be also be a key consideration at this stage.

GNWT resources would be provided through a block-funding arrangement with very few conditions tied to it. Communities would be required to manage a range of services within their block of funding. However, a contingency for emergency circumstances would probably have to be included in the agreement.

The advantages of this approach are:

- Policy: there will be a clear delegation of substantive authority and communities will have scope to manage and to enhance effectiveness at community level.
- Timing: communities which are ready, able and willing could have models in place within a year rather than waiting for many years.
- Administration: territorial and community roles would be distinct and well-defined -- the territorial government would become a funder rather than service deliverer.
- Cost Control: the indicators used to make adjustments to a block fund would make resource requirements much more predictable than is possible under the current approach of service-by-service resourcing in response to level of need.

The disadvantages of this approach are:

- Risk:** approach assumes some or all communities can take on major new service management functions - if communities fail, clients may be at risk and service responsibilities may have to revert to GNWT Programs.
- Rapid Change:** communities and GNWT Programs would have to adapt quickly to new methods of accountability and service resourcing.

Key Decision Criteria

Before establishing a policy and proceeding to implement a community service model, the GNWT will find it useful to consider a number of criteria generally having to do with effectiveness and efficiency.

Management Assessment (Community Readiness)

A community must be both capable and willing to manage service delivery within a pre-determined budget and must also be accountable for mandatory and certain other reporting requirements, as specified in the agreement with the GNWT.

Some of the indicators that a community is ready to proceed under such a model are:

- amount and types of responsibilities already taken on by community through delegation, devolution, and other arrangements.
- effectiveness, stability and financial performance of local government, existing boards and organizations.
- potential for co-operation among potential service deliverers.
- level of community self-reliance (e.g. potential for volunteerism, revenue generation possibilities, economic development potential).
- motivation of community and degree to which a consensus to accept major new service responsibilities has been achieved.

Appropriateness

The community service model is the most appropriate option for a policy which emphasizes decentralization and significant local decision-making.

This model offers an opportunity for communities to reflect their own priorities in the selection of a range of services, in the level of services, and in service standards.

A community can also choose to intertwine social and economic programming -- for example to have greater scope to rechannel some of the community base of funding from social assistance towards employability projects or training.

In the sense of "appropriateness" with regard to legislative requirements for mandatory services, the community service model can be founded on minimum program requirements that are part of the community's agreement with the GNWT. Thus, the model lends itself to a structure that is a blend of what both the community and the territorial government regard as appropriate.

Service Effectiveness

Under the community service model, the community makes the decision on what is an effective service and what is not. The community service model adapts to situations where a service that is highly effective in assisting individuals and achieving social objectives in one community turns out to be less effective in another community.

With the existing approach to service delivery, decisions are made centrally by the GNWT on what is an effective service and what is not. It is difficult to custom-design service delivery, community by community.

The effectiveness of a community service model may be evaluated by broad community indicators of well-being such as changes in dependency rate, income levels, family stability, and health conditions. Generally, the mode of determining performance would be evaluation studies of the effectiveness of achieving the desired results through the combined services managed by the community.

This contrasts with existing program-specific approaches, where the focus is upon determining a more narrow range of results involving individual services. It is very difficult to assess the contribution of an individual service to a social objective. It is also difficult at a time of resource scarcity to have a mechanism for reducing the level of one service in order to bolster another service.

Cost Effectiveness

The community service model offers the potential for increased predictability of program costs and control over these costs. However, it is not inherently a means to reduce costs.

Rather than funding each service separately, the GNWT would provide block funding. This funding would be adjusted annually to correspond to price and volume changes in the community - the factors used to do this might be as simple as population change and inflation (Consumer Price Index) or they might involve additional indicators such as employment, housing and individual or community income. Unless an unexpected emergency were to occur, communities would be required to live within their budgets but they would also be able to keep and divert surpluses.

A block funding approach is feasible because of the averaging of resource needs for a broad set of services. Thus, while a formula approach may be impossible or at least highly complex when applied to one service (e.g. social assistance) that is driven by dynamic changes to the economy, demographics, local conditions, etc., a community budget provides the flexibility for the community to make adjustments within its service envelope as time goes on.

Funding for the first year operation of the model would take into account the existing costs of providing the relevant range of services. There may be additional administration, planning, developmental or (especially) training costs that the community would be faced with in order to operate effectively under the new arrangement. Furthermore, supplemental funding would have to be provided if an emergency situation arose that was beyond the control of the community authorities (e.g. closure of a major employer, major economic recession) and health and safety of community residents have become clearly at risk.

If successful, the model offers a more effective expenditure of the GNWT dollar within the community. There will be more incentive to train, employ and retain resident community service providers. Communities can live within their fixed budgets but make on-site decisions to reduce expenditures on a particular service and divert dollars to another service. If communities can reduce their dependency rates, they can divert social welfare dollars to more positive and productive purposes. Communities will also be in a better position to call upon volunteers and to raise charitable funds if they are in control of their own programs.

Cost effectiveness will also be affected by cost-sharing rules applicable to the types of services provided by the community. Canada Assistance Plan (CAP) and Vocational Rehabilitation for Disabled Persons (VRDP) funding differs from that of other services which are funded solely by GNWT or are assisted by funds made available through Established Program Funding (EPF) or other federal sources.

The greater the proportion of a fixed community budget that is cost-sharable under CAP or VRDP, the lower the cost to GNWT. An option that might be considered would be to require that a threshold level of the community expenditures be cost-sharable. Another option would be to restrict dollars saved on social assistance and to require they be used only for other CAP shareable services. Yet another option would be to implement an incentive system -- for every cost-shareable dollar that is demonstrably used for defined purposes such as work opportunity and training that will break down barriers against employability, a funding bonus will be provided to the community.

Accountability

The implementation of the community service model will bring with it a change in accountability: the responsibilities of individual service deliverers and community organizations towards the residents of the community will be the primary focus, rather than the accountability of government employees and managers to the Minister of the Program.

Notwithstanding this, the Minister will still require that certain legislation and regulations be observed, in areas such as child custody and social assistance, assuming these would be included within the community's new responsibilities. This will require specific provisions being set out in the service agreement and the implementation of an effective reporting system.

Reporting requirements would also include any necessary information needed for resourcing (e.g. annual population levels) and for periodic evaluations that GNWT, in consultation with the community, may wish to carry out.

Comparison to Other Models

The community service model described in this paper that some similarities to the program of Alternative Financial Arrangements (AFA) of Indian and Northern Affairs Canada (INAC). Under AFA, an agreement is signed between the Council of a band and the Minister of the department. The band is required to observe certain minimum program requirements and to report specified information to the department. In return, the band has the flexibility to prioritize services, to shift funding between services, and to develop service standards appropriate for the Indian community.

The community block-funding approach suggested in this paper would, however, provide NWT communities with an element of flexibility currently not available to Indian communities through AFA. INAC initially determines and then makes annual adjustments to funding levels on a program-specific basis.

It should be noted that INAC is reviewing its policy in this area and will be consulting with the Assembly of First Nations on possible new approaches which could provide more flexibility at community level.

Special Considerations

There are numerous strategic and tactical issues that would have to be resolved before the implementation of policy. A few of these key issues are identified below.

- **Co-ordination at community level:** The local government would be the body signing the agreement on behalf of the community residents. In some cases, however, there may be problems in harmonizing the efforts of the local government and the existing interest and service delivery organizations. Communities will have to discover their own ways of working together. Nevertheless, the assessment (feasibility) stage of community service model development will be a constructive forum for bringing together community interests and assigning specific responsibilities to various groups.
- **Problems arising from the scale of operation:** Many of the communities of the NWT are too small to justify a fully-independent capacity for service delivery. It will be necessary for these communities to purchase certain types of services, or share staff or facilities with other communities in order to provide services effectively and efficiently. Such arrangements should not pose a major barrier to the implementation of community service models. Over time, through use of training and operational integration, communities should be able to increase their level of reliance upon resident services.

ATTACHMENT 1**COMMUNITY SERVICE MODEL:****WHAT COULD HAPPEN IN COMMUNITY "X"**

(The following is a scenario of the use of the aggregate approach in implementing a community service model in the fictional community "X". Community "X" has 500 people and a social assistance dependency rate of 60%. Certain residents of the community have been active in health and education boards and there are several well-developed interest groups and native organizations that meet regularly in the town -- however, when this scenario begins in late 1991, there has not as yet been any delegations of service delivery from the territorial government to the local government or groups in the town.)

September 1991

The Government of the Northwest Territories announces a policy of enhanced transfer of services to communities - The Community Service Model. The community leaders of "X", who have been active in boards and who believe the community has the potential to manage many of its own services, arrange to meet with territorial government officials who have been designated responsible for consultation and implementation of the new policy. It is mutually agreed that the community has potential. A six-month period of consultation and planning is considered appropriate; the territorial government agrees to provide a limited amount of seed money to cover some of these initial costs.

October 1991 - March 1992

This is a busy period for Community "X". A task force is established by the local government to prepare a report on the feasibility of a community service model for "X" and to consult with the various service organizations and interest groups, as well as the resident deliverers of services. Some community groups initially say that the risks are excessive, because a community service model means relying upon a pre-determined budget for social, health and education services, that varies only according to simple indicators such as population change and inflation. However, as the consultation proceeds, this concern decreases as these groups become aware of such compensations as the community having the flexibility to prioritize service dollar spending and to achieve certain efficiencies through a more integrated, homegrown approach to service delivery. During this period there is also ongoing consultation between the territorial government and the community. Territorial government officials provide information on the direct and indirect costs of existing service delivery to the community for those services that

would constitute the model; this provides an indication of the base year funding that will be negotiated more definitively later on. Community "X" discovers that there are some services - - such as certain forms of treatment, training and residential services -- which it can not provide directly in an efficient manner. A plan is established mutually between the two parties so that the local government of "X" could purchase certain services out of its community service budget from other communities, from outside service organizations or from the territorial government.

April 1992

The main features of the plan have been developed by the community task force and receive approval of the local government. There is not complete unanimity, but a role has been set out for many of the existing interest groups which have expertise and an interest in service delivery and there is every intention to expand community group involvement as time goes on. The local government decides that before it proceeds with final negotiations with the territorial government, it will hold a referendum to ensure there is a broad base of support within the community.

June 1992

In early June, a referendum is held and there is a large majority of residents in favour of establishing the model. Negotiations with the territorial government begin at once. The government policy already establishes which services will form part of the model, the mandatory service and the basic reporting requirements, and the method for adjusting the community service model from year to year. The negotiations focus upon: establishment of a base-year budget (for the first year of service delivery); arrangements for those services which must be provided by an outside source and that would be purchased by the community; training requirements; and the timetable for implementation of the model.

August 1992 to March 1993

Negotiations are successfully concluded. A formal agreement is signed by the territorial Minister and the community council. Pre-implementation planning is carried out. A limited amount of training for administrators and community service workers takes place. Arrangements are made for transfer of resources and personnel from the territorial government to the community.

April 1993 to March 1994

In this first year of operation, Community "X" registers both successes and failures. On the positive side, the community believes that a substantial number of residents have become more employable than before, resulting from extensive community programs providing employment experiences and training for persons who would otherwise be on social assistance. There has also been a successful campaign, involving many people from the community, in combatting alcohol and drug abuse. Less positive, however, has been the management of the service budget resulting from over-expenditure in the first half of the fiscal year. As well, the local government has had some problems coordinating the operational role of several non-profit community service organizations and in retaining qualified staff within the community. In the upcoming year, the communities priorities are: a) to have a more direct role in a broader range of service delivery and rely to a lesser degree on service purchase; b) to more fully integrate and coordinate certain services in the interest of greater effectiveness and efficiency; c) to involve greater numbers of community residents in service delivery through self-help and volunteer efforts. The territorial government is reasonably satisfied with the results of the first year in community "X". The community was able to manage services within its pre-determined budget and the reporting provided by the community was adequate to indicate adherence to mandatory (legislative) and other basic requirements as set out in the agreement. In a meeting between to discuss the first year of operations, territorial government officials point out some areas where improvements could be made: in the timeliness of reporting and in level of detail for reporting on certain non-mandatory items which nevertheless will be important for the periodic (e.g. three-year) evaluation of the model.



ATTACHMENT 2**SAMPLE CLAUSES IN GNWT - COMMUNITY AGREEMENTS:****COMMUNITY SERVICE MODEL**

(The following represents the type of wording - on a preliminary draft basis and covering only a few aspects - that could be adapted to form agreements between the GNWT and communities to establish Community Service Models. The final wording would be subject to the results of negotiations, although GNWT may wish to require standard wording for certain clauses such as adherence to provisions within legislation and a consistent formula for determining annual resource requirements).

1. Mandatory Service Requirements

- a) The community agrees to provide services that comply with the eligibility criteria, standards, and other requirements as set out in territorial and federal legislation and regulations;
- b) The community is responsible for reporting service data and financial information on the use of funds provided it for services required under its agreement with the territorial government so that the Minister may maintain his accountability under legislation and regulations; and
- c) The community is responsible for any additional costs of providing mandatory or other services that exceed the funding provided under the Community Service Agreement, except for the following:
 - i) if there should be a new policy with incremental resources approved by the territorial government or Canada, in which case a community operating under this program will receive supplemental financial or other resources at a level equal to that of comparable other communities; or
 - ii) if the territorial government agrees to provide supplemental funding under an Emergency Circumstances Provision.
- d) The GNWT agrees in principle that, in the course of this agreement, it will not, through new or amended legislation or policy, impose significant, unavoidable new costs upon the community for services included within this agreement unless incremental funding is made available to the community.

2. Range of Services

- a) With the implementation of a Community Service Model, the territorial government will provide a block of funding and will cease its administrative and operational responsibility for a range of social, health, and education services.
- b) The community will take on the full range of services, but may make arrangements with other service providers (including GNWT) to purchase services out of the block of funding provided by GNWT.
- c) The community will become responsible for development, operation or purchase of services to replace the GNWT's responsibilities and for meeting basic requirements as set out in an agreement with the GNWT.

3. Funding

- a) For the first year of the Community Service Agreement, funding for the range of services is to be based upon the status quo expenditures that are forecast for the range of services included in the Community Service Model, and then aggregated in a block; and
- b) For each subsequent year of the Agreement, the block of funding will be increased or adjusted by use of a standard formula for volume and price change (e.g. proportional to change in indicators such as community population, costs of goods and services).

4. Emergency Circumstances

- a) Temporary changes may be made to the funding provided by the GNWT to a community if an emergency occurs and the community demonstrates it can not respond to the situation within its overall budget. An emergency circumstance is one where the community can demonstrate that there is a clear risk to the health or safety of people residing in the community and that it is obvious that the block funding provided the community can not respond adequately to the situation.
- b) The original block funding formula will be used once again as soon as the emergency has been addressed.

5. Evaluation

- a) The community will ensure that an objective evaluation of community-based services will be carried out at a minimum of every five years, and that territorial government officials will have the opportunity to participate in the development of evaluation questions and management review of the results of the evaluation.

ATTACHMENT 3

**ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

Page 1 of 1

No. 4101-01
Department: Social Services
Division: Administration
Service Name: Direct Services Delivery

	KEY FEATURES OF PRESENT SERVICE DELIVERY	CHANGES RESULTING FROM IMPLEMENTATION OF COMMUNITY SERVICE MODEL
a) Components:	Information and referral; crisis intervention, counselling; assessment and referral; community development.	Community may choose to aggregate, rename or not provide all of the components of services (except for mandatory component).
b) Mandatory Aspect(s):	Crisis intervention in protection or abuse situations.	No change proposed; delegation of responsibility to worker who is not a Territorial Government employee may require regulation change.
c) Evaluation Factors:	Social effectiveness (family and community stability, incidence of abuse, level of community involvement in services, client acceptance of service standards and levels); cost effectiveness (unit cost per client served, ability to manage effectively within budget level).	Key factors will be: Are the Services continuing to meet community priorities and needs of individuals? Do the services represent an effective expenditure of the limited community service budget? Other evaluation factors will remain the same.
d) Accountability Factors:	Accountability of departmental officials to Minister for any delegated mandatory responsibility (e.g. protection or abuse intervention); accountability of officials and workers to clients based on service standards; accountability to consult with communities and organizations on community development of services.	Reporting to ensure mandatory requirements are being met (this would be a feature of the GNWT-community service transfer agreement); also would be a requirement for other limited reporting to GNWT on services rendered, etc. for purposes of evaluation; the main accountability for services, however, would be from signatories of agreement (community authorities) to community residents and groups; community would have significant scope to establish service standards.
e) Costs/ Cost Factors:		



**ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

Page 1 of 2

No. 4102-01 to 4102-8, 4104-3

Department: Social Services

Division: Family and Children's Services/Alcohol, Drugs, Mental Health

Service Name: Investigation and Assessment Services; Home Support Services; Supervision Services; Emergency Care Services; Foster Home Services; Group Home Services; Residential Treatment Services; Provision or Purchase of Goods and Services; Clinical Services.

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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|-------------------------|--|--|
| a) Components: | Responding to complaints or service requests regarding child welfare; providing homemaker, day care and other support services; supervision to ensure court conditions are being carried out; emergency or short-term care for children who are apprehended or in care of the Superintendent of Child Welfare; provision of short and long-term care in approved family (foster) homes, in group homes or other residential care (as appropriate) for children who are in the care of the Superintendent of Child Welfare; arranging for purchase or provision of residential treatment services; purchase of goods and services to meet needs of children who are placed in care; assisting in the assessment and treatment of children and adolescents who have emotional, behavioural or other difficulties or special needs. | Community is required to provide most or all of these components. The community has some discretion in the areas of prevention and counselling and in the handling of "grey" areas - where there is a judgement call as to whether a child should be taken into care or where the family can be assisted to resolve its problems in alternative ways. Some services (e.g. residential treatment, emergency care, clinical services) may be purchased from the Territorial Government or another service provider during particularly the early stages of development of a community service model. |
| b) Mandatory Aspect(s): | Intervention by appropriate authorities where the family situation warrants; capability of ensuring court orders are being followed; taking of children into care; ensuring physical and psychological needs of children in care are being met; provision of treatment and preparation of assessment reports as required under the Young Offenders Act. | Regulation or other change required to permit delegation of responsibility of Superintendent of Child Welfare to worker(s) reporting to the community authority. Requirements under the Young Offenders Act would continue to be applicable. |

ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES

Page 1 of 3

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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|-------------------------------|--|--|
| c) Evaluation
Factors: | Social effectiveness (incidence of children being taken into care for the first time and on repeated occasions; duration of care; extent of compliance with service standards; necessity of taking children into care on repeated occasions or taking young offenders into custody; quality of care; control of unit costs for various types of care). | Key consideration will be: are the standards for, and the emphasis placed upon, particular types of services continuing to meet the specific needs of the community? What is the relationship of Child Welfare programming to other service areas (e.g. income support, education)? To what extent is the community-as-a-whole supporting programs to assist or treat young offenders? |
| d) Accountability
Factors: | Accountability of Superintendent of Child Welfare to Minister; Accountability of social service employees to the Superintendent and other senior officials; accountability for following court dispositions in accordance with the Young Offenders Act. | Reporting to ensure mandatory requirements are being met. The major accountability feature of the community service model would be the accountability of service providers to the needs of children, young offenders, and their families within the community. There may be a need for formal recognition of a right of the Department of Social Services to monitor and carry out investigations of residential services and the well-being of specific children where circumstances warrant. |
| e) Costs/
Cost Factors: | | |

**ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

Page 1 of 4

No. 4102-09 to 4102-14

Department: Social Services

Division: Family and Children's Services

Service Name: Family Violence Prevention Services; Family Violence Prevention Contribution; Family Violence Prevention Inter-Departmental Services; Family Violence Prevention Community Services; Family Violence Prevention Program Development; Family Violence Prevention Information.

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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|-------------------------|--|--|
| a) Components: | Review of complaints and family violence risk situations; determination of follow-up action; provision of contributions for shelter programs and community initiatives (e.g. workshops, training); interdepartmental coordination and information-sharing; consultation for, and monitoring of, family violence prevention projects; provision of information and advice. | Community would have extensive scope to restructure main features of programs, to develop service standards and to adjust levels of service in order to make the programming reflective of the priorities of the community. |
| b) Mandatory Aspect(s): | (Indirect) Intervention through the child welfare system where warranted following investigation. | There would be no diminishment of the laws, regulations or policies respecting mandatory intervention to protect children in family violence situations. Community programming would in general be designed to lessen the need for involuntary intervention. |
| c) Evaluation Factors: | Social effectiveness (known incidence of family violence; ability to respond to a situation through prevention rather than involuntary intervention; extent of community interest and initiative in programming; availability of services; quality of information and counselling provided). Cost effectiveness (ability to manage within budget levels; unit cost per client for shelter programs). | Key consideration will be: are the standards for, and the emphasis placed upon particular types of, family violence services continuing to meet the specific needs of individuals, families and the community? Are there more cost-effective means to achieve the same objectives? |

**ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

d) **Accountability
Factors:**

Accountability of departmental management and workers to provide service according to policy (Spousal Assault Policy); accountability of departmental employees to clients, to groups and communities to provide effective information, counselling and administrative services (e.g. of contribution programs).

The major accountability feature of the community service model would be the accountability of service providers to individuals, families and children who have a need for service or who are in risk of neglect or abuse.

e) **Costs/Cost Factors:**

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No. 4102-15 to 4102-18

Department: Social Services

Division: Family and Children's Services

Service Name: Child Care; Child Care User Subsidy; Child Care Start-Up Assistance; Child Care Operating Assistance.

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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| a) Components: | Consultation and resource services for day care operators and groups; coordination of training; licensing and monitoring; information provision; child care subsidy to parents with children who meet the eligibility criteria; provision of grants for equipment, minor renovations and other costs to assist non-profit organization or family day home operator; contributions for operating and maintenance to licensed child care centres and family day homes. | Community would have extensive scope to restructure main features of programs, to adapt certain service standards and to adjust levels of service in order to make the programming reflective of the priorities of the community. |
| b) Mandatory Aspect(s): | Taking action when a facility is operating without a license, or when a licensed facility is violating the <u>Child Care Facilities Act</u> or the <u>Child Care Standards Regulations</u> . | There would be provisions in agreements with community authorities regarding adherence to basic legislative and regulatory requirements for child care centres and homes. This could include the right of territorial officials to investigate on a regular basis or when warranted. |
| c) Evaluation Factors: | Social effectiveness (full licensing of centres; extent of compliance with legislation and regulations; effective administration of grants, subsidies and contributions; access to child care; quality of child care; impact of child care on family and community stability). Cost effectiveness (minimizing administration costs; number of spaces made available per dollar of territorial government expenditure). | Key consideration will be: is the correct level of child care been provided within the community? Has the appropriate combination of incentives or forms of assistance (e.g. grants, subsidies, financial support for parents) been provided? Is there an effective system of monitoring to ensure adherence to standards. Beyond the basic standards (e.g. for health and safety) what standards, if any, should be implemented consistent with the priorities of the community. |

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**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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| d) Accountability Factors: | Accountability of departmental management and workers to take action leading to full adherence to child care licensing provisions. Accountability to senior management and Minister for decisions made on grant, contribution and subsidy programs. | The major accountability feature of the community service model would be the accountability of day care planners, administrators, operators and inspectors to the community as a whole. The Minister would continue to be accountable for basic questions such as health and safety, but it should be possible to proceed with a community service model without jeopardizing this accountability. |
| e) Costs/Cost Factors: | | |

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No. 4103-1 to 4103-3

Department: Social Services

Division: Community and Family Support

Service Name: Financial Assistance; Financial Assistance for Social Services; Social Assistance Appeal System.

KEY FEATURES OF PRESENT SERVICE DELIVERY	CHANGES RESULTING FROM IMPLEMENTATION OF COMMUNITY SERVICE MODEL	
a) Components:	Provision of financial assistance to eligible persons who are in need; provision of funds for social assistance recipients to purchase social services that have user charges; establishment of an appeal system for persons who wish to dispute decisions made regarding social assistance eligibility.	Community is required to provide social assistance to eligible persons and an objective appeal mechanism; community may have flexibility with regard to provision of, or payment for, provision of social services for social assistance recipients.
b) Mandatory Aspect(s):	Provision of social assistance to eligible persons as set out in the <u>Social Assistance Act and Regulations</u> (Northwest Territories); access to a decision review (appeal) system regarding social assistance eligibility.	No change to eligibility criteria for receipt of social assistance, but community would have scope to adjust benefit levels and to implement alternatives to welfare (e.g. employability and training programs); community will also be required to establish an appeal procedure but would have the scope to design the details of the mechanism in a manner consistent with community customs and wishes.
c) Evaluation Factors:	Social effectiveness (change in dependency rate; level of self-generated income among social assistance recipients; utilization of work opportunity or training programs to break down barriers to employment among social assistance recipients; length of time on social assistance; range of, and access to, social services; degree of compliance with regulations and policies; awareness of, and access to, appeal mechanism). Cost effectiveness (social assistance administrative overhead per client; extent of provision of correct amount of assistance to correct persons at the correct time (audit results); reduction of over-payments).	Key evaluation question will be: has there been progress in the achievement of community objectives for employment support and reduction of welfare dependency? To what extent has the local community provided overall support for these objectives (e.g. administrators, employers, groups)? Are welfare recipients receiving services and training that are most relevant to particular community conditions and priorities?

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**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

d) **Accountability
Factors:**

Accountability of government employees to Minister for provision of assistance in accordance with regulations and policies; accountability to clients for "objective" decisions regarding eligibility, as required by the appeal system.

Basic accountability is that of local service deliverers to the local government and to persons receiving assistance. Communities would be accountable for providing basic information to the Department of Social Services to demonstrate adherence to mandatory terms and conditions in legislation/regulations and to satisfy requirements for Canada Assistance Plan cost-sharing. Communities would also be accountable for managing assistance programs within the overall community budget levels (agreements would probably allow for "extremely unusual circumstances" such as closure of a major community employer). Communities would also be accountable for providing an objective appeal mechanism.

e) **Costs/Cost Factors:**

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No. 4103-5 to 4103-9

Department: Social Services

Division: Community and Family Support

Service Name: Social Services to Handicapped Counselling Services; Handicapped - Home Support Services; Handicapped Day Care Services; Handicapped Residential Services; Handicapped Vocational Rehabilitation Services.

KEY FEATURES OF PRESENT SERVICE DELIVERY	CHANGES RESULTING FROM IMPLEMENTATION OF COMMUNITY SERVICE MODEL
<p>a) Components: Information and referral to help identify handicapping conditions; individual and/or family counselling services; provision of immediate services in emergency situations; home and respite services for handicapped persons; provision or purchase of care and activities outside the home for part of the day; residential services for handicapped persons; assistance for handicapped persons to obtain or maintain employment.</p>	<p>Basic requirement of agreement with community would be to provide services to disabled persons within the community. However, the particular range of services (except perhaps for residential services when necessary) would be the decision of the community, as would the service standards.</p>
<p>b) Mandatory Aspect(s): None of these services are mandatory - this could change with the implementation of Dependent Adults legislation.</p>	<p>Not a mandatory program in the sense of legislation or regulations. For the community, however, there could be some mandatory requirements regarding programming for disabled people that could be set out in agreements (see above).</p>
<p>c) Evaluation Factors: Social effectiveness (access to a range of services for disabled persons; effectiveness of employment maintenance or creation programs; degree to which a community has a support system to permit a disabled person to live and work independently; client and family satisfaction with services made available). Cost effectiveness (administration cost per client; use of home support rather than institutionalization).</p>	<p>Key evaluation question will be: do services meet the particular needs of individuals and their families within the community. Community might also be able to evaluate whether it has placed sufficient emphasis (with respect to programming and resources) upon services for disabled persons.</p>

**ATTACHMENT 3
COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

d) **Accountability
Factors:**

Accountability of employees to Minister for effective and efficient program management consistent with policies of the government and the commitments of the government to disable persons, their families and their organizations. Accountability for ensuring relevant program costs are cost-shareable by the federal government through Vocational Rehabilitation for Disabled Persons or the Canada Assistance Plan.

Basic accountability is that of local service deliverers to the local government and to disabled persons and their families. Communities would be accountable for providing basic information to the Department of Social Services to demonstrate it has met basic programming requirements, and to facilitate cost-sharing through VRDP and CAP.

e) **Costs/Cost Factors:**

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COMMUNITY SERVICE MODEL: REVIEW OF SERVICES**

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No. 4103-4, 4103-10 to 4103-13

Department: Social Services

Division: Community and Family Support

Service Name: Senior Citizens Benefit; Aged - Counselling Service; Aged - Home Support Services; Aged - Day Care Services; Aged - Residential Services.

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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| a) Components: | Financial supplement to senior citizens who receive the Federal Guaranteed Income Supplement or Spouses's Allowance; information and referral service; crisis intervention; individual and/or family counselling; purchase or provision of care to assist independent living by seniors in their own homes or temporary services until other living arrangements can be made; activities or care for elderly persons outside the home; provision or purchase of residential services. | Community would have the scope to select range of, levels, and standards for services in this area (with the possible exception of Senior Citizen Benefits and some of the requirements for residential care). Territorial Government may wish to choose to retain Senior Citizens Benefit if the community is to have no scope to alter the level or use of payments. |
| b) Mandatory Aspect(s): | Financial supplement for senior citizens is through the <u>Senior Citizen Benefit Act (NWT)</u> . The remaining services are not mandatory but derive from policies of the Territorial Government - this could change with the implementation of Dependent Adults legislation. | Only the Senior Citizens Benefit has legislation in this area. However, there could be some mandatory commitments set out in agreements regarding the provision of care in the home or through residential care for elderly persons who are in need. |
| c) Evaluation Factors: | Social effectiveness (access to a range of services for elderly persons; client and client family response to services; success of inducing independence through support programs rather than having a necessity to institutionalize and elderly person; quality of care provided in residential services). Cost effectiveness (administration cost per client; use of lower cost home support rather than institutionalization). | Key evaluation question will be: do services meet the particular needs of elderly persons and families within the community. Community might also be able to evaluate whether it has placed sufficient emphasis (with respect to programming and resources) upon these services. |

**ATTACHMENT 3
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**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

d) **Accountability
Factors:**

Accountability of employees to Minister for effective and efficient program management consistent with policies of the government.
Consistency with legislation for the Senior Citizen Benefit.

Basic accountability is that of local service delivers to the local government and to elderly persons and their families. Communities would be accountable for providing basic information to the Department of Social Services to demonstrate it has met basic programming requirements where necessary, such as for residential care.

e) **Costs/Cost Factors:**

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No. 4105 to 4108, 4105-13

Department: Social Services

Division: Alcohol, Drugs, Mental Health/Corrections

Service Name: Fine Option Program (Adult); Probation Supervision (Adult); Preventive Programs (Adult); Community Residential Programs (Adult); Alternative Measures Programs (Young Offenders).

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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| a) Components: | Providing alternatives to incarceration within the community for those persons who are unable to pay their fines; supervision and correction of offenders sentenced to periods of probation; promoting and assisting programs for prevention and diminishment of crime within the community; development and operation of community residential centres for adult offenders; provision of programs for persons 12 - 18 as an alternative to court action. | Components would remain in place but the level and nature of involvement by community groups and individuals could be established in accordance with community priorities. |
| b) Mandatory Aspect(s): | These programs are highly governed through their legislation. Northwest Territories legislation includes the Fine Option Act, Corrections Act, and Young Offenders Act. Federal legislation includes the Criminal Code, and the Young Offenders Act. | Mandatory aspects would be unchanged. It may be necessary to amend legislation or regulations to delegate authority to community officials to allow them to carry out actions as established through court dispositions. |
| c) Evaluation Factors: | Social effectiveness (incidence of crime within a community; involvement of the community in programs to assist adult and young offenders; numbers of repeat offenders; range of and quality of services; ability to utilize effectively alternatives to incarceration). Cost effectiveness (cost per client, ability to use a lower cost alternative to closed custody). | Key evaluation question will be: Is the community achieving its objectives with regard to protection of individuals and property, and with regard to support and reform of adult and young offenders? Is there more the community can do to provide greater support? |

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**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

**d) Accountability
Factors:**

Accountability of Minister and of departmental employees for child welfare and for the availability of basic public health services; accountability of funded public health groups to the Minister for the terms and conditions of funding received from GNWT; accountability of funded public health groups to the communities that they represent.

Accountability to the federal and territorial governments for mandatory matters will continue unchanged. However, there will be a new dimension of accountability by service deliveries to the members of the community for provision of a range of public health services and for health promotion.

e) Cost/Costs Factors:

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Department: Social Services, Education, Others (Integrated Income Support and Employment Development)
Service Name: Employability Enhancement Accord, Social Assistance, Vocational Rehabilitation of Disabled Persons, Day Care, Employment/Training Contracted Services, Training on the Job, Career Resources, ENTER, STEP, Literacy Training, Job Placement, Canadian Jobs Strategy.

**KEY FEATURES OF PRESENT SERVICE
DELIVERY**

**CHANGES RESULTING FROM IMPLEMENTATION
OF COMMUNITY SERVICE MODEL**

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| a) Components: | Social assistance; alternative usage of social assistance; basic training; skills training; on-the-job training; employment experience; labour market planning; career information and counselling. | None - the community could however select the most effective range of services and the majority of standards for delivery of these services, in accordance with community priorities. |
| b) Mandatory Aspect(s): | Provisions governing eligibility for social assistance; cost-sharing requirements (for the most part the initiatives envisioned in this integration program are discretionary). | Mandatory aspects stemming from legislation would be unchanged. However, certain basic program requirements may be made mandatory through the agreement with the community. |
| c) Evaluation Factors: | Social effectiveness (changes in social assistance caseloads; breakdown of barriers to employability of social assistance recipients; range of services provided or choices available to clients; quality of training; improvement in workplace skills, aptitudes and ability to cope socially of persons who are trained; involvement of volunteers and employers in programming; participation and drop-out rate of trainees). Cost effectiveness (reduced dependency on social assistance; cost per client). | Some of the key evaluation questions will be: Within this particular community, what type(s) of programs would best serve the needs of clients - training on the job, employment experience, skills or basic training? What are the most cost-effective ways to deliver these programs and how is it possible to recruit employers or other persons to assist in these efforts? How can programs be adapted to be consistent with employment needs of the community? Has there been a reduction in barriers to employability as a result of employment experience or training? |
| d) Accountability Factors: | Accountability of Minister and of departmental employees for provision of social assistance to eligible persons; accountability for following cost-sharing rules. | Accountability to the federal and territorial governments for mandatory service and cost-sharing matters will continue unchanged. However, there will be a new dimension of accountability by service deliverers to the members of the community for provision of an integrated range of programs meeting the specific needs of the community. |
| e) Cost/Costs Factors: | | |

