



# K-12 Education Transformation Review and Costing Analysis Report Summary

January, 2025



This fact sheet is intended to provide an overview of the findings from the Assembly of First Nations *First Nations K-12 Education Transformation Review and Costing Analysis* which evaluates the implementation of the Government of Canada's reform of First Nations education funding on-reserve.

## Evaluating First Nations K-12 Education Transformation Implementation

- In 2019, and in co-development with AFN, the federal government implemented a new funding approach for First Nations education.
- This approach, called K-12 Transformation, replaced outdated, inefficient, and inadequate proposal-based Education programs with more predictable core funding.
- Transformation has two components:

1. Implementation of Interim Regional Funding Formula (IRFF)

2. Development of Regional Education Agreements (REA)

Figure 1: Interview participants for First Nations K-12 Education Transformation Review and Costing Analysis Report



- In 2024, AFN conducted a review of the K-12 Education Transformation (Transformation) process to evaluate how Transformation has been implemented since it came into effect in 2019.
- While Transformation increased the amount of funding that most First Nations receive for K-12 education, the current funding model is insufficient to fulfill First Nations' real, demonstrated needs.
- Immediate nationwide funding enhancements are needed in key areas like inclusive education, language, culture, nutrition, and infrastructure, regardless of REA status.



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## Beyond Provincial Comparability: Quantifying the Gap

### Common Gaps in IRFFs:

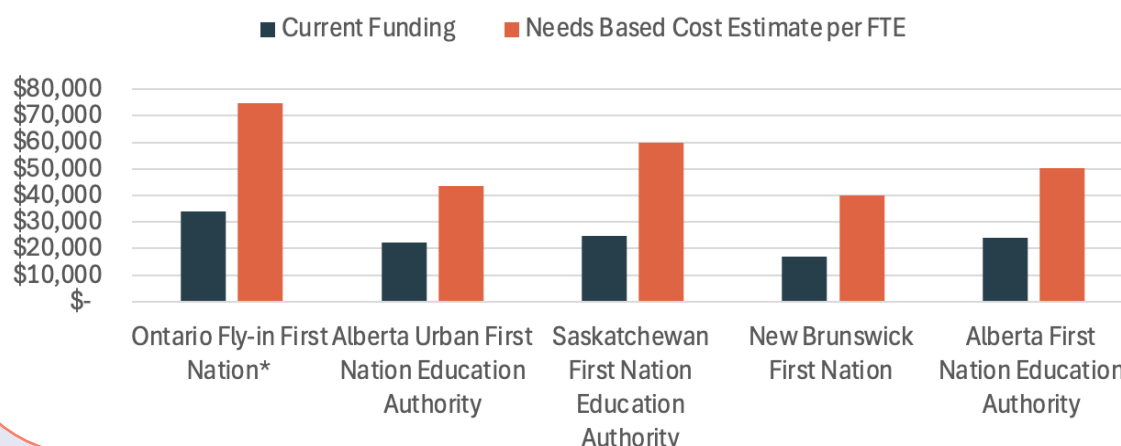
- Language and culture
- Inclusive education
- Education infrastructure
- Adjustment for remoteness
- Adjustment for small schools
- Adjustment for outcome gaps
- Nutrition
- Third-level services
- Teacher pensions
- Administration

*The gaps identified are primarily focused on meeting the unique needs of First Nations, recognizing that they are not starting from the same point.*

- In 2019, Canada introduced IRFF, which uses the provincial education funding model as a base to determine allocations, plus adaptations to address the specific needs of First Nations schools and students.
- The Government of Canada must continue implementing nationwide funding enhancements, particularly in high-need areas like language and culture, nutrition, education infrastructure, and inclusive education.
- AFN research shows that the current funding for inclusive education is approximately 2.5-5 times lower than First Nations' demonstrated needs.<sup>1</sup>
- Other challenges in the process include:
  - First Nations' requests for funding enhancements have often been ignored by Indigenous Services Canada (ISC).
  - IRFF funding breakdowns are overly complicated and sometimes include calculation errors and omit key data.
  - Funding delays, which inhibit First Nations' ability to manage resources effectively.
- Based on Figure 2., the costs required to achieve outcome parity are more than twice the current funding produced through IRFF.

1. Assembly of First Nations. (September 26, 2023). [First Nations Inclusive Education Costing Summary Report](#).

### Figure 2: Current vs. Needs-based funding per Student\*

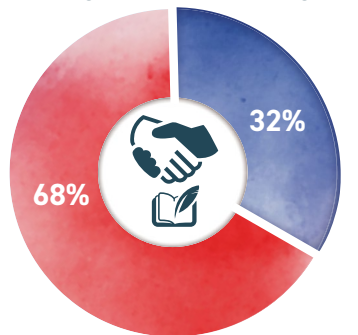


\*The graph shows the gap between current funding, based on provincial comparability, and requested funding, based on real needs. Figures are displayed on a per-student funding basis. The costing data for the first two First Nations is estimated by MNP, and the data for the latter three is based on needs-based budget requests submitted by the REA holders.



## Regional Education Agreements

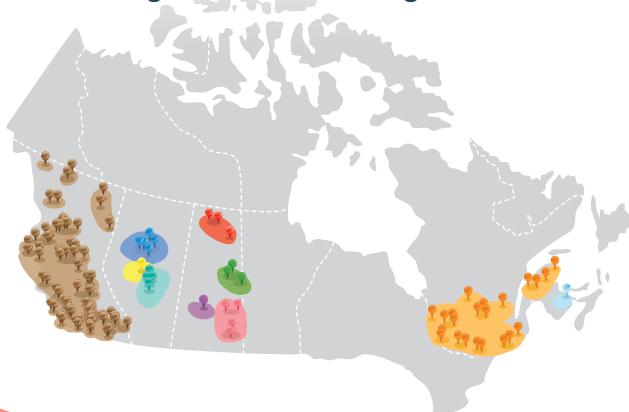
**Figure 3: A Landscape of First Nations Under a Regional Education Agreement**



Canada committed to 20 REAs by 2023  
Canada concluded 10 REAs as of 2025

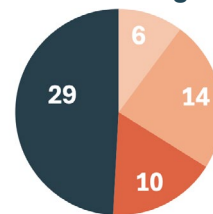
- REAs are a mechanism for First Nations to develop their own local, regional and/or Treaty based education agreements that identify the funding required to implement their vision of First Nations control over First Nations education.
- ISC has failed to secure funding for REAs and Canada has not allocated funding in the last two years. This lack of funding has stalled negotiations for new agreements: at present, six REAs are finalized. They are not signed because of lack of funding.
- Most First Nations across Canada, including the majority of REA holders, have been unsuccessful in negotiating needs-based funding, despite having submitted multiple budget requests to Indigenous Services Canada (ISC).
- Three First Nations education authorities report that their REA's are funded at least 50% below what they need.

**Figure 4: A Landscape of First Nations Under a Regional Education Agreement**



- ISC lacks the funding to conclude new REAs, yet they continue to push forward with negotiations, effectively setting First Nations up for failure.
- Canada has failed to support First Nations seeking an REA by having an unclear budget submission process and not having appropriate decision-makers at the table.
- It is estimated that over the next five years, **\$4.6 billion** is required for First Nations elementary secondary education and the conclusion of REAs.

**Figure 5: Status of Attempted Regional Education Agreements**



- REAs are complete but unimplemented due to lack of funding.
- REA development and approval stages
- First Nations groups that initially indicated willingness to pursue an REA have either officially withdrawn or suspended the process.
- REAs is unknown, suggesting that those First Nations may have paused their efforts due to internal challenges or diminished confidence in the outcomes of negotiations.



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## Education Infrastructure

- The report indicates that a shortfall of operations and maintenance (O&M) funding was a key concern for most interviewees. Despite the overall increase in core funding since the implementation of the IRFF, their O&M funding had declined, with reductions as much as 40-50 percent.
- The condition of First Nations schools is a clear failure on Canada's part. Half of all First Nations schools—202 in total—are overcrowded, and 56 schools need immediate replacement due to poor conditions or age. Some schools have known health and safety risks that have not been addressed due to lack of funding.
- Canada must expand opportunities for all First Nations to build and maintain the education assets they need by providing First Nations with the ability to include capital and education infrastructure processes onto new or existing agreements.
- Moreover, 54% of First Nations students are forced to leave their communities to obtain a high school diploma, where they face systemic racism in provincial schools ill-equipped to address their cultural and language needs.
- The AFN 2025 PBS estimates the real need for on-reserve education infrastructure to be \$5.25 billion for capital, \$3.037 billion for operations and maintenance, and \$1.07 billion for transportation.

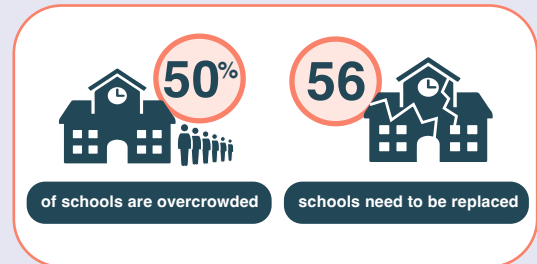
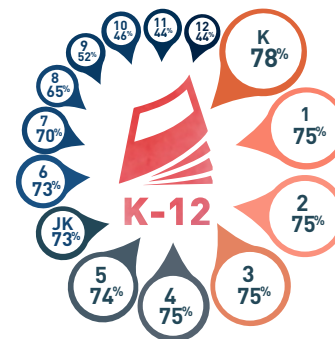


Figure 6: Percentage of elementary secondary schools that offer grades K-12, 2019



Source: Indigenous Services Canada, Nominal Roll, 2019-20  
\*AES and MK schools included

## First Nations Elementary-Secondary Education Landscape



120,000 First Nations elementary and secondary students living on reserve



over 450 First Nations schools



over 634 First Nations



over 70 languages