

Fact Sheet

The Alberta-Metis Settlements Accord: Making Progress Sustainable

Findings from the Stage 1 Report of the Transition Assessment and Planning (TAP) Project, May 2005

Context

The Metis Settlements General Council and Alberta Aboriginal Affairs and Northern Development commenced the TAP Project in 2004. Stage 1 of the Project ran from July 2004 to January 2005. The objective was to determine what progress had been made toward the Accord goals of securing the Settlements' land base, enhancing local autonomy and effective governance, and developing the foundation for viable communities. A further objective was to summarize the lessons learned, and identify the challenges to be faced in 2007. The assessment includes technical and community consultation components.

The Stage 1 TAP Report was released on May 11, 2005.

Findings from the Stage 1 Report

General

The Accord started an important new era for Alberta and the Metis Settlements. The Constitution of Alberta was amended to reflect its high level goals. A large investment has created the foundation for viable communities with housing, infrastructure and services similar to other rural Alberta communities. The job is not quite finished, however. Hard work needs to be done to develop local revenue sources, economic capacities, and to optimize the effectiveness and efficiency of governance structures. Without this effort, progress toward the Accord goals is unlikely to continue.

A Secure Land Base

Security is at the very heart of the Accord. In terms of protecting the underlying title to Metis lands, the commitment to protect the

lands in the Constitution of Canada remains unmet. However, title has been well protected by the *Metis Settlements Land Protection Act* and the *Constitution of Alberta Amendment Act*.

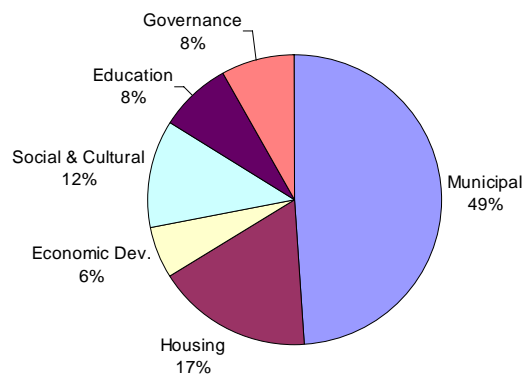
In terms of providing a base for future generations, the study concluded that land allocation amongst members remains a concern and mechanisms have not yet been established that would enable the use of individual interests in land to leverage capital for economic opportunities.

Effective Self Governance

When the Alberta legislature unanimously endorsed Resolution 18 on June 3, 1985, Alberta formally launched the effort to bring self-governance to the Settlements. The commitment was expressed at the highest level in the 1990 amendment to Alberta's constitution, which expressed the desire "to enable the Metis to attain self-governance under the laws of Alberta."

With the guidance of the Metis Settlements Transition Commission, Settlement Councils became involved in:

- local governance, administration and public works;
- housing construction, maintenance, and management; and
- social, cultural, economic, and education initiatives.



Source: Audited Financial Statements 1999-2003

Note:

- Municipal expenditures include Settlement administration, public works, roads, protective services, building maintenance and landfill
- Housing expenditures include new construction and renovations
- Social & Cultural expenditures include Family and Children Community Services (FCSS) and addiction initiatives, services for the disabled and seniors, Aboriginal Healing Foundation, community development and recreation
- Education expenditure includes Strategic Training Initiative, early intervention programs Aboriginal Headstart, and early childhood development
- Economic Development expenditures include SEED program and financial statement entries labeled "Employment".
- Governance expenditures include the functions of the council as elected representatives.

The preceding diagram shows the breakdown of public expenditures of all eight Settlements from 1999 to 2003.

- Not including business expenditures, public expenditures average a total of \$34.7 million per year.

The Settlements have made significant strides towards self-governance. Unique institutions, including General Council, the Metis Settlements Appeal Tribunal, the Metis Settlements Land Registry, the Metis Settlements Ombudsman, and the Metis Settlements Child and Family Authority (Region 10) are the modern building blocks of Canada's only legislated and recognized land-based Metis government.

- Expenditures on the governance function of the Settlements Councils total \$2.8 million per year. General Council costs, including expenditures on supporting central administration, are currently an additional \$2.4 million per year.

Unless addressed, uncertainties about General Council's role, and the role of Settlements, will make effective central government difficult in the economically constrained post-2007 era.

Viable Communities – Housing & Infrastructure

The goal of "catching up" and "keeping up" in the areas of housing and infrastructure is part of the general Accord goal of community viability.

The Accord has contributed significantly to the expansion of Settlement housing stock:

- An estimated 1000 houses have been built since 1990, accounting for 60% of the total housing stock;
- Construction costs are in line with the experience elsewhere;
- The number of people per dwelling has gone down from 4.1 in 1986 to 3.7 in 2001 but is still above the provincial average of 2.7;
- Housing expenditures of all Settlements are \$5.8 million per year, accounting for 17% of Settlement expenditures; and
- Additional housing expenditures are needed to further reduce the number of people per dwelling and to accommodate population growth.

Key housing challenges are:

- Developing an appropriate mix of public and private responsibility for housing;
- Developing mechanisms that will enable the public responsibility for housing to be maintained on a sustainable basis, and carried out in a transparent and fair manner; and
- Providing access to financing for the private responsibility.

In terms of infrastructure the study found:

- Interior roads are not as developed on Settlements as on adjacent lands;
- Settlements spend an average of \$1.75 million per year on road projects;
- About \$650,000, or 35% of expenditures, is covered by provincial grants, similar to rural municipalities;
- Many provincial infrastructure programs require a contribution by the municipality, which will be difficult for Settlements without Accord funding; and
- Creating the capacity for Settlements to fund their contributions to road, water, waste water and solid waste projects that are eligible for provincial support is a key challenge.

Viable Communities – Socio-Economic Development

The analysis of audited financial statements indicates that the Settlements spent:

- \$2.7 million per year on training and education; and
- \$4.1 million per year on social and cultural initiatives.

As set out in the following table from the study, Settlement members now have a higher level of education and employment than they did before the Accord.

TAP Report: Selected Labour Force Statistics

TAP Report: Selected Educational Statistics (persons 20+ yrs old)

	Settlements			Alberta
	1979	1995	2001	2001
Up to/less than grade 9	67%	35%	18%	5%
Grade 10 through grade 12 (with or Without graduation certificate)	31%	21%	23%	31%
Trades certificate, diploma or short course ¹		12%	26%	15%
Other non-university education (with and without diploma)	2%	28%	28%	30%
University (with or without degree)		4%	4%	20%
	100%	100%	100%	100%

Sources: 1979 Nichols Applied Management Survey of Metis Settlements, 1995 and 1998 Metis Census, and 1996 and 2001 Statistics Canada Census

Notes: 1979 estimate based on four eastern Settlements only.

- In 2001, 50% of young people between 15 and 24 were attending some type of schooling, approaching the Alberta average of 55%.
- The number of Settlement members with only grade 9 or less has been reduced from 67% prior the Accord to 18% in 2001, although still well above the 5% estimate for all Albertans;
- The number of Settlement members with some post secondary education has increased from an estimated 2% prior to the Accord to 58%, noting that much of the improvement is due to short-term courses and further noting that Settlement members still trail the estimated 65% of all Albertans with some post-secondary education; and
- Only 2% of Settlement members obtain university degrees as compared to 18% of all Albertans 20 years or older.

The following table shows that Labour force participation rates have improved since the Accord.

	All Settlements				Alberta	
	1979	1995	1998	2001	1996	2001
Participation rate	66%	50	55%	61%	72%	73%
Unemployed	55%	22	32%	25%	7%	5%

Sources: 1979 Nichols Applied Management Survey of Metis Settlements, 1995 and 1998 Metis Census, and 1996 and 2001 Statistics Canada Census

Notes: 1979 estimate based on four eastern Settlements only.

- More than half of Settlement members were unemployed before the Accord. This number declined to 25% in 2001, but was still five times higher than the Alberta average of 5%; and
- income is also rising but is still trailing that of all Albertans. According to the study, average household income on Settlements is estimated at \$39,900 in 2000. This is 62% of the Alberta average household income of \$64,200.

The TAP Report also found that with some work, the Economic Viability Study and institutions such as the Settlement Sooniyaw Corporation and Settlement Investment Corporation could provide the data and framework needed for an economic diversification effort.

Viable Communities – Revenue/Expenditures

Since 1990, the Settlements have relied primarily on Accord funds and proceeds from oil and gas development.

- The Accord funds ending in 2007 consist of \$386 million over 17 years in Accord and Matching Grants Replacement Agreement funds, including a \$35 million contribution locked in a "Future Fund" and expected to be worth \$100 million when accessible in 2007; and
- Future Fund withdrawals cannot exceed \$5 million annually without reducing the underlying capital. Even at \$5 million, however, Settlements will see a significant gap between costs and revenues if current practices continue when existing funding ends in 2007. For example, the illustrative small Settlement budget with expenditures after 2007 of \$3.43 million—which does not include any money for housing and modest expenditures on education and economic development—shows deficit of \$1.4 million or more.

¹ These include short-term courses of several days or weeks granting some form of certificate. See above footnote.

As revenues decline with the depletion of oil and gas resources [over the next five years], almost all Settlements will find it impossible to pay for basic services with revenues from the Future Fund and local contributions, no matter how aggressive they are in cost cutting.

- This revenue-cost shortfall picture will change if Settlement prosperity continues to grow.
- For that to happen, however, there will need to be a concentrated effort to create a framework of laws, policies, and practices, and a revitalization of existing central institutions, that will encourage Settlement based entrepreneurial efforts and economic links to regional economies.

The study also presupposed that the answer in Stage 2 to the question of whether funding under the Accord “reflects the needs of the Settlements and their members in light of prevailing circumstances” would have to be *“no,” the funding was not sufficient.*