Payout to retiring teachers forces board to use reserve funds

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Papke said the cost to the board of paying retirement gratuities, at a time when teachers are leaving in large numbers in Halton and the province, is creating a serious short-term fiscal crisis.

If the provincial government doesn't step in with special funds for the issue, Papke said the board may have to take drastic measures with its next budget.

"That's why you set aside (money) for a rainy day— and it's raining," he said.

Papke refuses to call the 2000-01 funding shortfall a deficit, but says one is looming.

That could have dire implications for current and future budgets, said the director.

"The government did not recognize the retirement gratuities in terms of the funding model; in grants they fund us for actual (teacher) experience.

"We're going to look for it," Papke said of additional government funding related to retirement gratuities, which the province provided one-time to Halton—\$2.3 million in 1998.

"If we don't get it this year, we'll have to look to cut elsewhere" in the budget, he said, without specifying.

All indications are that will be the case unless the government steps in, said Papke, noting he expects the retirement gratuities deficit in this year's budget to at



DUSTY PAPKE

is currently around \$6 million annually. Prior to 1998, Papke said school boards were able to keep the dif-

ference between retiring and new teachers' salaries and that paid for the former's owed gratuities. "That's \$6 million that we don't have

least match the shortfall from last

year, which was around \$2.9 mil-

The full retirement gratuity cost

(anymore) but we still have the liability. The ministry is aware of it; all boards are in this position," said Papke.

The general rule of thumb, said Papke, is that a retiring teacher will be making about \$60,000 while an entry-level

replacement gets around \$30,000.

The Halton board does not pay retirement gratuities to its elementary teachers anymore, following last year's contract settlement. Instead, it makes an RRSP contribution to the teacher.

"It will have significant savings for the board but not for about 20-25 years," he

The board has many veteran teachers, said Papke, and with the frosty relations between their unions and the province he doesn't see many sticking around.

"We are facing a very severe teacher shortage. I've heard (recent) statistics like 6,500 applications (for teachers' college) but more than 6,500 are retiring."

—By Tim Whitnell, special



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