

# Board looking at how to pay \$2 million deficit

By JASON MISNER  
Special to The Champion

The Halton District School Board is staring at a \$2 million deficit, but top officials insist the money to pay it off won't come at the expense of vital classroom resources.

Trustees were told at a meeting last week the board faces a \$2-million shortfall on the 2004-05 \$350-million-plus budget because of two things: deficits resulting from the Halton Learning Foundation — \$199,000 — and the Centre for Skills Development and Training, with an approximate shortfall of \$1.9 million.

Trustees have yet to decide how to cover the deficit. Board staff will work on scenarios and bringing back recommendations for trustees.

The bulk of the deficit, attributed to the skills centre, is primarily because of leasing debt it assumed when it took over the space at the Bay Area Learning Centre in 2003, said Barry Finlay, the centre's president and the school board's associate director of education.

The centre, located in Burlington, shares the building with other organizations including Charles Sturt University.

The centre — with a staff of 90 and an annual operating budget of \$5 million — served 22,000 people last year by teaching adults and older youth skills for the working world. Next year, the centre is anticipated to serve 30,000 people.

The goal, Mr. Finlay said, is that by 2007, the centre will operate at break-even, given that Bay Area tenants are paying their share of the lease and the fact programs are fee-based.

Wayne Joudrie, the board's director of education, said after the board meeting the \$2 million deficit is an "issue of concern for the board" but is confident it can be paid without a major impact.

"One of the questions that was asked was will that impact on any classroom enveloping and (it) absolutely will not. In a \$350-million budget, on a one-time basis, I believe we can come to a solution that gets us that \$2 million. There are enough other areas that will allow us some flexibility."

Mr. Joudrie said the board isn't required to pay off the deficit the year after it's incurred. The ministry, he said, can allow up to five years for it to be paid if it approves a board's plan.

"We don't have to necessarily eat the entire \$2 million in one year," he said, adding he would like to see the shortfall paid sooner than later. "We can spread it out."

Stephen Parfeniuk, the board's superintendent of business services, told the board the deficit could have been much higher because of the \$3.8 million it paid for retirement gratuities last year, about \$1 million beyond what was budgeted. To cover the extra money, the board depleted its gratuity reserve.

He told trustees he believes 40 to 50 staff left the board at the end of the year.

Mr. Parfeniuk said the board finished the year with an operating surplus of about \$700,000, which will be put into a working reserve. Trustees decide how that money gets used, he noted.

The deficit, he said, doesn't include a controversial \$600,000 severance paid to former director Dusty Papke when he left the board in June 2005. Part of that severance included a \$100,000

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**WAYNE JOUDRIE**

retirement gratuity. Some trustees have publicly expressed concern the board could be in dire financial straits to cover the amount.

Mr. Parfeniuk said savings found in the 2004-05 budget covered the severance. He said savings would have included money not spent on having to pay the salaries of various senior staff. That would have included the director's position, which was vacant for

some two months. The position of superintendent for business services sat vacant for about four months.


Also, the board has yet to hire a superintendent for special education. Brenda Kearney left at the end of June.

Oakville Trustee Mary Chapin — one of several trustees who have voiced anger over the departure of Papke and the subsequent severance paid — said even though the severance didn't put the board into deficit, she's frustrated because the savings found could have been put into a working reserve and used on students instead.


Combine the \$600,000 with last year's \$700,000 operating surplus, Ms Chapin said the total of \$1.3 million could have been used in a number of ways, including the retirement gratuity reserve and/or to pay down some of the \$2-million shortfall.

"The problem is we could have had a much larger surplus at the end of the year and we could have reinvested in the classroom," she said.


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