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N.L. to pay \$13M to acquire 32 church-owned schools

Money will be used to help compensate abuse victims as St. John's archdiocese continues to liquidate assets

[Terry Roberts](#) • CBC News • Posted: Apr 19, 2023 12:29 PM NDT | Last Updated: 1 hour ago



Marystown Central High and the adjoining property is one of 32 schools that will be formally acquired by the Newfoundland and Labrador government as part of a \$13-million deal announced in the province's Supreme Court on Wednesday. The schools are owned by the Roman Catholic Episcopal Corporation of St. John's but

have been used by the province since the abolition of the denominational education system in the 1990s. (Terry Roberts/CBC)

An tentative agreement announced in a St. John's courtroom Wednesday morning will clear a cloud of uncertainty that's been hanging over the province's education system and help compensate victims of abuse at the hands of Catholic clergy and those who ran the notorious Mount Cashel orphanage.

The Newfoundland and Labrador government has agreed to pay \$13 million to acquire full ownership of at least 32 schools on the Avalon and Burin peninsulas that are currently owned by the Roman Catholic Episcopal Corporation of St. John's. The church's ownership of the schools is a legacy of the old denominational education system, which was abolished in the 1990s.

The agreement-in-principle ends months of uncertainty about the fate of the schools and the thousands of students who attend them, and adds considerably to the pot of money needed to compensate a pool of abuse victims that could be as many as 150 people.

It's the latest milestone in the historic insolvency of the episcopal corporation, the land-holding arm of the once-powerful Roman Catholic Archdiocese of St. John's.



More than a dozen lawyers — including, from left, Geoff Budden, Todd Stanley, Clifton Prophet and Rod Zdebiak — took part in a brief hearing at Supreme Court on Wednesday about the fate of 32 church-owned schools. (Terry Roberts/CBC)

The courts have ruled that the archdiocese is vicariously liable for the abuse that occurred at Mount Cashel in the 1940s, '50s and '60s.

The archdiocese, facing claims that could exceed \$50 million, is in bankruptcy protection as it sells off a wide array of assets — churches, rectories, parish halls and vacant land — in order to compensate the victims.

The liquidation has so far raised more than \$30 million, and Wednesday's agreement-in-principle swells the pot of money closer to amount needed to fairly compensate victims.

A claims process that has been endorsed by the court includes a late September deadline to file a claim, and it's expected that money could begin flowing to victims later this year.

More than a dozen lawyers appeared in person or virtually before Justice Garrett Handrigan on Wednesday morning at the Supreme Court of Newfoundland and Labrador.

The agreement was announced by Todd Stanley, who represents the provincial government. He cautioned, however, that a great deal of work has to be completed before the process is finalized and ready for court approval.

"We now have 32 real estate transactions we have to get through for some properties that have never been surveyed," said Stanley.

The deal includes some of the province's most prominent and largest schools, including O'Donel High in Mount Pearl, Gonzaga High in St. John's and Marystown Central High.

All sides are expecting some complications with titles, boundaries and surveys because the properties have ownership histories that date back more than 150 years.

But the deal includes a dispute resolution mechanism, and there's confidence the parameters are now in place to complete the transactions.

"We believe it's a workable one that will see significant funds delivered to the episcopal corporation, and we would submit ultimately for the compensation of survivors," said lawyer Geoff Budden, whose firm represents dozens of abuse victims.

- **Fate of 33 N.L. schools in legal limbo because of church-linked abuse scandals**

In a statement issued Wednesday morning, Education Minister John Haggie said the agreement is significant because it "protects education infrastructure in these areas and removes the uncertainties which had been caused by the insolvency processes of the Roman Catholic Episcopal Corporation of St. John's."

Haggie said there will be no disruption to school programming for students, parents, teachers and staff during the ownership transition.



The Roman Catholic Episcopal Corporation of St. John's has been found to be vicariously liable to the abuse that occurred at the notorious Mount Cashel orphanage in the 1940s, '50s and '60. (CBC)

The final price may appear low for so many large institutional buildings and what in many cases prime real estate, but Budden said it reflects the large investments made by taxpayers over the years to improve and maintain the schools. It also reflects the language in the Schools Act, which gave the province the right to occupy the schools for as long as they were needed for educational purposes.

"The government had a duty to be mindful of the public purse and we had a duty, as did the episcopal corporation and the monitor, to maximize the funds available. And we all had to do duty to minimize the risk to our clients," said Budden.

"So that's that's the number that we arrived at and it's a number that I feel is is is a reasonable compromise."

It's not known how long it will take to complete the transactions.

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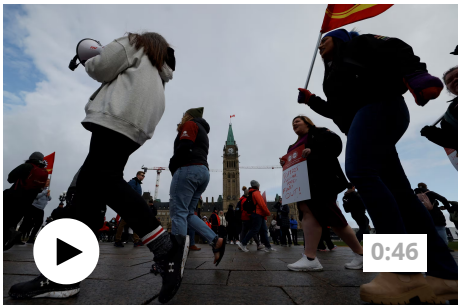
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