

**MINUTES OF THE PATERSON BOARD OF EDUCATION  
SPECIAL MEETING**

March 17, 2023 – 5:37 p.m.  
Remote - Zoom

Presiding: Comm. Nakima Redmon, President

Present:

Ms. Eileen F. Shafer, Superintendent of Schools  
Dr. Susana Peron, Deputy Superintendent  
Bryant Horsley, Esq., Souder, Shabazz & Woolridge, LLP  
Boris Zaydel, Esq., Board Counsel

Comm. Oshin Castillo-Cruz  
Comm. Valerie Freeman  
Comm. Eddie Gonzalez  
Comm. Jonathan Hodges

Comm. Dania Martinez, Vice President  
Comm. Manuel Martinez  
Comm. Della McCall  
Comm. Kenneth Simmons

Comm. Redmon read the Open Public Meetings Act:

The New Jersey Open Public Meetings Act was enacted to insure the right of the public to have advance notice of, and to attend the meetings of the Paterson Public School District, as well as other public bodies at which any business affecting the interest of the public is discussed or acted upon.

In accordance with the provisions of this law, the Paterson Public School District has caused adequate and electronic notice of this meeting:

**Special Meeting  
March 17, 2023 at 5:30 p.m.  
Virtual  
90 Delaware Avenue  
Paterson, New Jersey**

to be published by having the date, time and place posted in the office of the City Clerk of the City of Paterson, at the entrance of the Paterson Public School offices, on the district's website, and by sending notice of the meeting to the Arab Voice, El Diario, the Italian Voice, the North Jersey Herald & News, and The Record.

Ms. Shafer: Good evening, everyone. Yesterday you received the preliminary budget where there was a correction in the enrollment count. I will have Mr. Matthews go over that. When the enrollment count increases, the per-pupil cost decreases. I know we had a conversation about that Wednesday night when our per-pupil cost was \$29,000. That number has now gone down. It's about \$250 less than this year. I'm going to turn it over to Mr. Matthews. If you can just go over and fill in any of the blanks that I just said and what the error was, where we are now, and then we'll take any questions.

Mr. Richard Matthews: Thank you Ms. Shafer and good evening, Board Commissioners. As Ms. Shafer said, our per-pupil cost was way over last year's number. We were tasked with giving the Board a balanced budget on Monday of this

week. We got our team together, prepared that, and gave the balanced budget to the team. At that point, we did not go through our edits. Within that, the per-pupil cost was high because we used a preloaded number that came off the ASSA report. That number was 18,000 students. When we saw what the edit was, we changed the enrollment, which allows us to go to the regional limit of 24,733 students plus the 4,000 special education kids, minus the 5,000 charter school kids. This brings it to a total enrollment per-pupil calculation of 23,556, which brings our per-pupil cost down to what you see in the updated budget. We've met with the County BA. He looked at our numbers and said we're pretty good. He expects that it should pass without a problem. We wouldn't give you a budget in the future without going through the edits again.

Comm. Redmon: Any questions, comments, or concerns before we go to the resolutions for a vote?

## RESOLUTIONS FOR A VOTE:

### Resolution No. 1

**WHEREAS**, the Superintendent of Schools forwarded Paterson Public Schools' preliminary 2023-2024 budget to the Commissioner of Education and the Passaic County Executive County Superintendent of Schools for review and approval on March 20, 2023; and

**WHEREAS**, the preliminary 2023-2024 budget for the Paterson Public School District was prepared consistent with the New Jersey Quality Single Accountability Continuum (NJQSAC) focusing on quality performance indicators in all five areas of school district effectiveness: Operations Management, Instruction and Program, Fiscal Management, Personnel and Governance; and

**WHEREAS**, the preliminary 2023-2024 budget was prepared consistent with the district's revised Fiscal Policy 6220 addressing budget preparation, with primary consideration given to educational priorities identified by the Board and Ms. Eileen Shafer, Superintendent of Schools, and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Education adopt the 2023-2024 preliminary budget submitted by Ms. Eileen Shafer, Superintendent of Schools, which budget reflects an increase in the local tax levy and use of CAP adjustment increase SDA district local share available for 2023-2024 to support the general fund as reflected herein;

	2022-2023	1-Feb	2023-2024
	<u>Pre-Budget</u>	<u>YTD Actuals</u>	<u>Budget</u>
Maximum Travel	\$154,706	\$14,415	\$250,000
	<u>Budgeted</u>		<u>Local Tax Levy included</u>
<u>General Fund Revenue</u>			
Local Sources	\$ 77,686,575		\$ 73,168,370
State Sources	\$ 534,272,462		\$ 0
Federal Sources	\$ 1,544,842		\$ 0
Budgeted Fund Balance	\$ 27,111,745		
Total General Fund	\$ 640,615,624		\$ 73,168,370

<u>Special Revenue Fund (net of operating budget transfers)</u>		<u>Local Tax Levy included</u>
Local Sources	\$ 507,100	
State Sources	\$ 58,433,239	\$ 0
Federal Aid	\$ 77,580,710	\$ 0
Transfer from Operation Fund:		
Pre-K Special Education	\$ 2,560,096	\$ 0
Total Special Revenue Fund	<u>\$ 139,081,145</u>	<u>\$ 0</u>
 <u>Debt Service -Fund 40</u>		
Budgeted Fund Balance	<u>\$ 789,042</u>	
 Grand Total Revenues	 <u>\$ 780,485,811</u>	 <u>\$ 73,168,370</u>

**AND BE IT FURTHER RESOLVED**, that the Superintendent of Schools hereby fixes and determines that the amount of money necessary to be appropriated for the use of the public schools for the 2023-2024 School Year is \$780,485,811 of which \$73,168,370 is the General Fund local tax levy; and

**BE IT FURTHER RESOLVED**, that the Superintendent of Schools will authorize the reallocations and modifications needed to present a balanced 2023-2024 budget with an adequate amount of funds to provide for a thorough and efficient education; and

**BE IT FURTHER RESOLVED**, that the Superintendent of Schools shall hereby forward to the Commissioner of Education of the State of New Jersey the budget statement, budget statement certification, form A4F (Certification and Report of School Taxes, 2022-2023 School Year) and supporting documentation as required by statute and code; and

**BE IT FURTHER RESOLVED**, that this resolution shall take effect upon its adoption.

**It was moved by Comm. D. Martinez, seconded by Comm. Simmons that Resolution No. 1 be adopted.**

Comm. M. Martinez: I was away for the last week, so I wasn't privy to a lot of the information that was shared during the last couple of meetings. I did my best to try to catch up. It's a massive packet. I did my best to sift through it. The information I gathered over the last week, the emails that I received about corrections and errors and things of that nature, it didn't sit well with me. I need more time and information to responsibly vote on this budget. It's the Groundhog Day effect. A lot of the same things that we've been going over and over again have resurfaced. I can't move forward with this based on what's been shared with me and what I still have to work through. As a precursor to my vote, I wanted to share that.

Comm. Gonzalez: Good evening, everyone. I want to piggyback off what Comm. M. Martinez was just saying. We just had a meeting where over 150 people attended and we gave them information that attempted to clarify, but a lot of people left with a different number. We were trying to make the point that that number was off from the beginning. I personally have questions about certain items on the budget that is going to take too long to discuss today. I'm concerned about the accuracy of a lot of this information. That being said, I do have questions for the Superintendent, if I may. If this vote doesn't go through, my understanding is that the County Board of Education can take this budget, look at it, revise it, and dictate the amount of taxes that we should

be asking for, essentially forcing it down our throats. Is that correct? Before I ask my next question, I just want to make sure I'm right on that.

Ms. Shafer: That is correct. When the budget goes to the county and it's not approved, the County Business Administrator will review it with the County Superintendent, and they can make any changes they want. It could be taxes, eliminating staff, adding something, eliminating a program, whatever they think is appropriate.

Comm. Gonzalez: If it was approved, what is different in that process? Do they come back and say it wasn't high enough? Can they say it was too high? Is there any authority at that point that they have to revise our budget if we approve it tonight?

Ms. Shafer: No. The only thing that they will do is go line-by-line through the budget. If they see something that is inaccurate, an error, or an edit that needs to be changed they will get back in touch with me and Mr. Matthews and we will have to make that adjustment.

Comm. Gonzalez: For point of clarity, that's just for errors, corrections and things of that nature, things that may not be clear to them or need to be made more clear in the outlining of the budget. Is that correct?

Ms. Shafer: That's correct.

Comm. Gonzalez: If this budget was modified and we as Commissioners decided to choose a different number of percentage as to the tax increase, as long as we agree and approve one, that still stands where they can't intervene and dictate a new percentage. The only thing they would do is the latter point that you just made, check of errors and things of that nature.

Ms. Shafer: That's correct. Any approved budget that goes to the county, they are looking for errors, edits, or corrections that they feel need to be there. As far as making changes to it, if it was approved by the Board, they're not making changes. Of course, it has to be a balanced budget.

Comm. Gonzalez: This has to be submitted right away. I know discussions have happened prior to us coming on the Board, for those who just joined in January. Even lately, to be transparent, there were things that were not correct or do not put me in a position to feel confident in voting on this. I'm only speaking for myself. I would be in favor of not raising the taxes, but understanding if we don't and we don't pass this budget, the county can take it over and dictate the 8% or even more.

Comm. Redmon: As of right now, we can't do that. We don't have the authority to not raise taxes.

Comm. Gonzalez: We have the authority to do that. Whether we want to or not may be the question.

Comm. Redmon: That's not true.

Comm. Gonzalez: I would propose to revise the budget. Because it's not 0%, I would propose 1% for the sake of keeping it out of the hands of the county. They're not going to be able to push it any higher. They can do their revisions or edits, and it would be upon us to then balance the budget with that.

Comm. Redmon: That is not true.

Comm. Gonzalez: Can I finish, please?

Comm. Redmon: Sure, you can.

Comm. Gonzalez: With all due respect, I don't like being interrupted. I was elected to represent the community and I want to speak.

Comm. Redmon: But I want to make sure that you're being accurate, sir.

Comm. Gonzalez: Like anyone else, you can just wait until we're finished and then you can respond. I'll respect that. Based on the line of questioning I just heard, it sounds like we can. This is for anyone who doesn't want to raise taxes. There are a lot of reasons why. We can sit here and talk about all the reasons why we shouldn't raise taxes, which is very obvious. There are a lot of players. Councils and zoning boards, or whatever the case, allow these large developers to build and not tax them. Today we need to vote on this. If we vote no, it will go to the county, and they will dictate the percentage. If we dictate the percentage, then they can't come back and change it. They would revise any edits. If that's my understanding, based on the line of questioning that was just confirmed, I would propose that we do a 1% increase, if we have to do any at all. We'll keep it out of the hands of the county, and it will be upon us to then revise our budget to meet that 1%. That's my personal opinion. That's what I feel I would like to see done. It's up to the Commissioners to decide on their own.

Comm. Freeman: Good evening. Does this vote have to be unanimous?

Comm. Redmon: No.

Comm. Freeman: Out of good conscience, I don't see myself voting for this budget. As I went through it, I'm just not comfortable with voting and saying yes. I want you guys to understand that when this used to happen years ago, I feel like I'm back. The budget process from over 10 years ago, I was one of the parents who came and challenged the budget and wanted to know so much about it. I have a problem with the transportation piece of it. In good conscience I just cannot say yes to this and feel comfortable. I'm just letting you all know now I don't know how things have been done before I got here, but things have to be crystal clear for me. It's just not crystal clear. I do understand that if it's not passed it will go to the county. It's one thing that I was taught attending conferences and learning about the budget. I do understand it and it would be unfortunate if it doesn't pass. But my stance is my conscience won't allow me to do this because there are just too many questions. We all make mistakes, but the error that was made is key. We have to be 100% sure before we present something to the public and to the Board that it is actual and factual. That's what the people in the community base it on. They look at certain things and now the numbers have changed, there was a mistake, and the edit wasn't made. They don't want to hear that. They don't look at that as being acceptable. With a budget this large, we have to be as transparent as possible with the community because we want them to trust us. We don't want them to think anything other than what they're being told. I'm just letting you all know that I will not be voting yes and that's just my position. I do understand with the transportation that the state did not bar this company who was just unprofessional. They put kids at risk, and we still have them. I do understand that the state has to disbar them, but what can we as a Board or the Superintendent do to start the process of letting them know that we don't want them any longer? Even though you have people checking their credentials this is crazy. We shouldn't be paying anybody to check their credentials for

their drivers for what's going on with their company. I think that's just absolutely ludicrous to me. We need to figure out what are the steps to take to let the state know that we don't want this company. They're irresponsible. They put several children at risk and that's a problem for me. When you put children at risk, I just can't rock with you. I don't know how things worked before, but things have to be crystal clear to me and I have to feel good about it. Consciously, I have to feel good about voting for something and I'm not comfortable with it. That's just my stance.

Comm. McCall: Good evening, everyone. I feel the same way. I felt the way we received the budget and the timely manner that it was given didn't give us enough time to absorb what we needed to look at and what we needed to reflect upon in giving a complete yes to it. I'm also mindful that this is no longer a state-controlled Board. Here is the first budget that the Paterson Public Schools is receiving as a locally controlled Board. That bothers me because I feel like it's a last-minute decision made upon the fact that we are concerned about the county receiving the budget and taking it apart. I also know that my job here is to present a balanced budget. I'm supposed to be the person who votes on a balanced budget. I'm also still bothered by the fact that we had over 150 individuals watching this meeting on Wednesday night receive information that was not correct. Now we're here correcting it, but those 150 people are not here. That message that's in the community, we're either going to have to go public with it or something to make sure they understood. If it was me, I would be very upset because I would start quoting what I was given and then to find out that there was an error. There's nothing wrong when making a mistake. I had a problem with it because the mistake seemed to be justified when it was asked about. The other concern I have is that I'm hearing people talk about the bus situation and the response is that because they did it low. Sometimes in life you have some other choices too. You just don't have to go with the lowest bid if you have factual reasons why you need to consider other things. That's a concern for me as well. Comm. M. Martinez made a comment about being away and not feeling comfortable about the information received. I'm not comfortable about getting the information in the timely manner that I received it. I don't mean this as disrespect to anyone, but I'm told that this is how things have been done in the past. We're in a new day. The new day is that this is a new Board and a new group of people, all of us, not just the three that came on. We are one entity, and we have to look at the past practices and what we would like the future practices to be. I'm in the same boat as my colleagues. It's really hard to determine something now that I received new figures yesterday to look at things a little differently. Again, I do not slight anyone about a mistake. Mistakes happen. I do have to say we have to be responsible in everything that we do. I think that we need to look at past practices as a Board and decide how we're going to move forward in the future. Thank you.

Comm. Simmons: I understand everyone's position, but I also want to be clear. This is dangerous. It's the preliminary budget. It's not the final budget. It's going to the county. The county will edit and send back anything that needs to be corrected. There's still a chance for us to make some minor changes. We can't make much when it comes back, but it's minor changes. This is the preliminary budget. It is not the final budget. It is dangerous because we have a responsibility to make sure that it gets to the county balanced. That's really what this is - making sure that it gets to the county balanced and then the county goes through it. In terms of the transportation, unfortunately the state didn't bar the company. Our hands are really tied and it's bigger than just getting rid of them. For many of our routes, they are the only bidder. They're not just in Paterson. If we took action and got rid of them, we have an issue with 400 or 500 students getting to school. There is no way for them to get there. It doesn't mean that we're not going to do our due diligence, but right now we have to make sure students can get to school and the state just hasn't barred them. I know that attorneys have

been looking into it and trying to figure out what we can do. But the biggest problem is those students won't be able to get to school. This wasn't something new. This is not a new contract. This is a contract that was signed in August prior to any of the indictments or anything like that. We have to take that into consideration also. I'm not saying that we want to keep our students on this bus because we do care. The district has put in place monitors at every one of those routes to check every day to make sure that they have their proper credentials. You can have a CDL, but you also have to have the 'S' endorsement, which allows you to drive a bus. When you have the 'S' endorsement, it means that you had a criminal background check. It's the only way you can get an 'S' endorsement. Those things are being checked on our routes with this particular company every day. We are proactive in that respect. To not pass this budget just to get it to the county for them to review it is dangerous. I get the taxes, but to take the risk for a much higher tax increase, it's dangerous. And this is a QSAC finding. I also want that to be clear. There's a possibility that we will forever lose the ability to control our budget. It's a dangerous game. I don't want anyone to misconstrue it. I'm not saying that you're calling it a game. It's dangerous.

Comm. Redmon: As Comm. Simmons said, this is a QSAC finding and we can be in jeopardy of going back into state control. One of the key components of us is to balance a budget and to make sure that we have a stake in this budget. I just wanted to clarify a couple of things that were said earlier. Once the budget is out of our hands, there's nothing else that we can do. The county can cut positions, add things, take away things, and anything they want at that particular time. This Board has to sit and live with that budget if it doesn't go to the county on March 20. I just want everybody to be mindful about that. To add another key component to this, and I'm going to ask Ms. Shafer to chime in, the bus component has nothing to do with this current budget.

Ms. Shafer: It does not and we will not be renewing any routes with that bus company. Right now, we do have, and we've had since December, a person at every school where this bus company is transporting our children. They are inspected every morning. Since December we had one violation and that was the first day. I think that this bus company does other school districts. It's possible they know that we are inspecting them. Therefore, they have everything in order. I don't know what's happening in the other districts. We had one violation since we did this. We do care about our children. I don't want them on buses that don't hire properly certified and licensed drivers. We've had this since August. We just had to do two emergency quotes because we had some McKinney-Vento students that came in. We will not be renewing them. Hopefully the state or the county will take more action on them and ban them from participating in school district bidding, but that has not happened at this time. I heard that Comm. Gonzalez wanted to lower the taxes. I just want to remind everyone that for years the taxes weren't raised. Then they were raised close to 15% at one time. We're now down to 8%, which is almost a 50% reduction. If we don't raise the taxes and you raise it 1%, that other 7% is going to be positions. The majority of our budget is salary and benefits. That's what was done for years. We would have a RIF, eliminate positions, and then we would have kids in classrooms with no teacher. Then we would have to add to the budget, which got us in trouble. It was a back and forth every year. Bring the teachers back and then RIF them. We haven't done that for the past five years. We can't start going back because that is not a sound fiscal process. Actually, 2% is the statute of the rate that you have to increase the taxes. We know that we're at 8%, but that's because we haven't raised taxes in a very long time. You can raise taxes up to \$52 million and we're not going to do that either. It was my goal to continue to decrease the taxes every year when we develop the budget.

Comm. M. Martinez: Hearing things, this is my concern. When we were under state control, we were often painted into a corner in that we had to pass the budget. Now we're locally controlled and it's the same thing. If we don't pass the budget, we're going to lose local control or fiscal responsibility. It seems to me like we as Commissioners are always being put in a position of last minute this has to get done and if we don't do it, we're going to lose local control. The fundamental things that we have been talking about on this Board for years, the big tickets changes, it's the same. I don't mean this to slight anyone. The budget presentations we have been getting year after year are essentially the same. The inflators are going up. They're the same seven inflators every year of the budget. It's like page one. Costs are going up because of these seven items. Every year emphasis is put more on that. We've never addressed the big-ticket items that in committee and private we've always discussed. We never wanted to make those tough decisions. We never wanted to make big cuts. We always go back to the same drawing board. Then we're always put in a position as Commissioners that if we want to keep local control we'd better vote on the budget. We're pinned into a position. We're given last-minute information. We give input about how we can do things better as far as allocating dollars. Those recommendations are not implemented and then we're told if we don't do it, these are going to be the consequences. We can't continue to operate from a place of fear. Do this, or this bad thing is going to happen to you. Don't do that, and that bad thing is going to happen to you. We do this every year, and nothing has changed. I've been here 10 years. Every budget cycle has essentially been the same. We're here again.

Comm. McCall: Comm. Simmons, I hear you loud and clear. I do understand that we have a number to reach when we talk about QSAC. This just goes to show how we need to take this more seriously. If this is a dangerous position to be in, then we should not find ourselves in this position. Whether I consider changing or continuing in my stance, I want to make it clear to this Board that I expect us to take every avenue that we need to do to make this situation not happen again. I don't like to be pushed in a corner telling me that my back is against the wall and now I have to make a decision based on not only fear, but last-minute planning. I'm sorry. I know I keep hearing from everybody that this is the way we do it, but we have to do better and differently. I don't know if that means we have two scenarios to look at and then we decide on the one we use based on the state funding we get. I know for a fact that this can't happen. This should never happen. We should not be getting things a day before or two days before to make a decision so important that controls the entire operation of our district. This is unacceptable. As a new Board member, I have to put it out there for you so that you will understand my expectation. That is expectation is very clear. I want to have information. I want to be able to go through that information and make a conscious decision when it comes to voting on these types of things. If this is that important and that dangerous, then we as a Board have to make this more serious.

Comm. Redmon: Mr. Matthews, can you explain the budget timeline?

Mr. Matthews: Maybe I should just start from the time we got the Governor's address, February 28. We got the aid on March 2. We can't give you anything before March 2. After the state aid, we had preliminary stuff that we put into the DOE software. We have to put in salaries, benefits, and all these numbers. We had a meeting last Wednesday to add some more positions on Thursday and Friday. Over the weekend we did some of our edits and explanations and we were pretty much ready to go on Monday. The earliest we could have given you a budget would have been Thursday of last week, but we had more changes that came up after the Wednesday meeting regarding the SACs and some other positions. We put them in there over the weekend and Monday we were 98% ready to go. Every time we give you a budget, we give it to you with the edits



done. Because we're giving it to you on Monday, we gave it to you without the edits. There was a preloaded number that comes from the state that we used for ASSA. If that number is too low, they allow you to go to the regional limit. There was no manual error on our part. It was a preloaded number that comes from the state that we used as part of that balanced budget. We gave you the budget on Monday and then we had our meeting on Wednesday. We couldn't have done it any sooner than last Friday. Does that answer the question?

Comm. Redmon: That didn't answer my question. I got it. I understood the process you're talking about. When did we start talking about the budget process as a Board?

Mr. Matthews: In September and October we had committee meetings, and we presented the first budget to the Board in January as per the budget calendar. We had committee meetings in September, October, November, and December. We gave a gap review, budget presentation, and updates. The calendar tells you when everything is going to happen. We do everything according to the budget calendar that we give to the Board in August/September.

Comm. Redmon: Thank you.

Comm. Freeman: In January when we were sworn in, I think that should have been one of the first things that we were told because I would have been asking. I understand very clearly how it goes with the budget. That was one of the things that I was taught. I came in at the end. You started this process in July/August and in January you could have seen a part of the budget. I don't remember anybody saying anything to me about a budget until maybe the beginning of March. I'm going to have to vote on a budget that I haven't seen yet and it's so important because we don't want points taken off QSAC. I know how important that is. Knowing that we have local control we have to be on our P's and Q's. We have to dot every 'I' and cross every 'T' because we know they're watching. If we drop the ball, then we have to accept the fact that we dropped the ball. There's no way for me that I can feel good about doing this. I can't say enough when we got sworn in somebody should have said something. Some meetings should have been going on, but they weren't. We had our committee meetings, but somewhere along the line we have to have a little session. Ms. Write made it clear that we can have sessions. I don't have a problem with having meetings if it's going to give me a clear understanding of where I stand. I never want to be slapped in the face with something out of the blue and my community who elected me to sit in this seat asks me certain questions and I have to say to them I simply don't know. I don't like to be blindsided. I'm just saying we have to dot every 'I' and cross every 'T'. You know the importance of QSAC. I know the importance of it too. We have to be on point. We have to be on the ball. We can't do things as we used to do. However, you ran it before, it's a new game now. We have to figure something out where everybody is on the same page and just not a few. That's where I stand. I don't have anything else to say. That's where I stand, and I can't back away from how I feel. I respect everybody's opinion, but we have to do things differently and remember we're constantly being watched.

Comm. M. Martinez: Is this the same timeline that other school districts adhere to? Are their boards getting that information at the same time? Are their boards also being put in a position to vote on the budget in such a short window of time? If I'm understanding that's the way it plays out in Paterson, is that the way it plays out in other districts? Perhaps I'm not privy to or paying close enough attention, but do other districts also go through the same last-minute crunch because of the timeline and the way it comes down from the state and the county?

Mr. Matthews: Yes, this window is the same for all districts like Paterson. The windows are all the same. State aid is received at the same time and you have a window of having a public hearing before it gets to the county. Paterson always has more time than the other school districts. We're normally meeting a day or two before it's due to the county. Most districts are meeting a week or so more before it gets to the county. We're giving it more time and we had this discussion in finance about when we want to have certain sessions. We go to the calendar, and we go according to the calendar. If you look at the calendar that was given to the Board, all these dates we met. When the new Board members came in, I reached out to all of them to have one-on-one sessions over the budget. I met with some of them. Some things occurred that didn't happen, but I reached out to every Commissioner to do one-on-one sessions. I met with all the Commissioners last Tuesday when we gave them the budget to give them an update and answer any questions they had. Our window is the same as everyone else's. We meet with 100 different departments and our process is very exhaustive. Before me, it was never done like this. That's my answer. I can share the calendar with you guys again. If you look at other schools, they post their calendars, and all the windows are all the same.

Comm. Castillo-Cruz: The unfortunate part is when the Governor does his budget address, any state aid that goes to any agency all comes out at the same time. No one really knows what each entity is getting until the budget address. There are some assumptions, but there is no clear number. It's not just for education. It's for other entities and non-profit organizations as well.

Comm. Hodges: When is the budget due in the County Superintendent's hands?

Comm. Redmon: Monday.

Comm. Hodges: What would be the impact of reducing the taxes by 1%?

Mr. Matthews: Statutorily, you can't do less than 2%.

Comm. Hodges: You don't have to raise taxes at all. If right now we reduce the taxes by 1%, what would be the result to the budget? What would happen then?

Mr. Matthews: \$4.7 million. It's \$670,000 for every percentage point.

Comm. Hodges: Your budget would be short?

Mr. Matthews: Yes.

Comm. Hodges: That's what people need to understand. Thank you.

Comm. Gonzalez: I just wanted to point out some things to bring some clarity to some of the things that were mentioned. I'll seek confirmation from our Superintendent. I just want to make sure we all understand what's happening here and all the different things that were mentioned about points and NJQSAC. I want to make it clear that in order for us to get hit with any points it would be because we did not submit a balanced budget. It doesn't mean that we have to submit this balanced budget. The process in which the county would intervene in deciding whether it's going to be a higher or lower tax rate would be if we did nothing at all and didn't approve a budget. If we said no today and nothing happened, then we will get hit with some points and maybe even a monitor. I don't want to raise anything at all. For everything that everyone else had mentioned who has questions about this budget still and my gut feeling, I can't look at my

constituents and say that I did the best for them in voting for this when there are so many questions at play here. There are things that we have to further discuss. Being presented this with just days to vote on this is not considerate for us. The plan I would propose is to pass a 2% balanced budget. This Board will approve a balanced budget and it will be the BA's responsibility to balance that budget at 2%. The key thing here is that we approve a balanced budget. It doesn't have to be this balanced budget. The BA and his team would have to find out what the difference is and where those cuts get made. We review that later and this is the process in which we can discuss it afterwards. We have to modify things with the county or whatever the case is. What gets submitted is that percentage that we all approved. It takes it away from the county to not decide for us what the percentage is going to be. We need to just pass a balanced budget and we will not get hit with NJQSAC points. We get hit with NJQSAC points if we do not pass a budget or if it's not balanced. That's not what I was recommending. What I'm recommending is to pass a 2% increase to take that way from the county from dictating to us a higher percentage. If you do nothing at all, then they can come in and give us 15%. To take that away, we will pass the lowest possible tax increases that we can and it's our responsibility to pass a balanced budget at 2%. We will not get hit with NJQSAC points. The county will not then dictate how much we need to increase or decrease because we passed the budget. To the Superintendent's point, they will review it and correct any errors in the process. If I'm not correct, please tell me.

Comm. Redmon: Is that your conclusion, Comm. Gonzalez?

Comm. Gonzalez: I'm asking the question to the Superintendent.

Ms. Shafer: You're correct. You need to submit to the county a balanced budget. We would have to find \$4.5 million to go from 8% to 1%. \$4.5 million would be close to 35 positions that we would have to eliminate.

Comm. Gonzalez: Or programs and other things that you can find to eliminate out of the budget, correct?

Ms. Shafer: Right. Programs don't necessarily cost. The majority of the money in the budget is salaries and benefits.

Comm. Gonzalez: Obviously there's a large vacancy in the district. Those positions we obviously need because we're hoping to fill them. We don't want to get rid of positions. The reality is that a lot of these positions we don't have today for the remainder of the school year. We had discussed this earlier. We don't want to cut positions, but the reality is that nationwide all districts have vacancies. We're struggling there as it is. I just wanted to be clear that my point in stating all that I just said is to clarify. I heard the threat of NJQSAC points and that this has been ongoing. This was ongoing when I was here 12 years ago. A lot of this last-minute thing happened and it didn't need to happen. We got to a better place back then and I think we're back to it now. I think we can do better. My whole point was just to clarify that if we don't want the taxes to be any higher and just not have control over what that's going to be, we have to pass a balanced budget. The county then does not have the authority to do that. We just have to pass a balanced budget. The balanced budget needs to match whatever it is that the Superintendent just stated. I think it was \$4.5 million. That would be our responsibility to take that action. We remain in control. We don't get hit with any QSAC points. We do deal with the loss of whatever that may be, a couple of SACs, programs, or whatever the case is. To Comm. Freeman's point, then we get together and start focusing on how we fix this for next year. There's going to be a transition this year anyhow and new

priorities and things of that nature. There's a lot of discussion that has to happen in this transition. This should all be part of that conversation. New priorities determine where the funding goes moving forward. I'll leave it at that.

Ms. Shafer: When the county looks at the budget, they're going to look at a position control roster. That is all the positions you have in the district. Did you add any? Why did you add them? Was there a need? For example, we added bilingual, substance awareness coordinators, and paraprofessionals because there was a need. They're going to see that. But if we show them that we're eliminating positions and we only raised our taxes by 2%, they can do something about that even though it's a balanced budget. Right now, we're addressing student learning loss from the pandemic. If we eliminate programs, they're going to look at those programs and ask why we are eliminating programs when we said we need them to address the learning loss. It's going to be scrutinized.

Comm. Gonzalez: I definitely agree that it will, but I also understand it always is.

Ms. Shafer: It's worse right now because we're coming out of two years of remote instruction and learning loss for our kids. Even though we have vacancies, every one of those vacancies are being covered because there are classrooms full of children in those vacant positions. Whether it's a substitute or another teacher covering that class, there are still classes of children that need an adult.

Comm. Gonzalez: We currently have around \$7 million for substitutes?

Ms. Shafer: Yes.

Comm. Gonzalez: If we kept the positions open and continue to fill these slots with substitutes, then that number will remain the same.

Ms. Shafer: Yes, but that is not the ideal situation. The ideal situation is to have a certified teacher in the classroom and not a substitute.

Comm. Gonzalez: Obviously. The argument is that we need to have the position open. The other side of it is we currently do, but we just don't have the people. They're just not coming in. This is not a Paterson issue. This is a national issue.

Ms. Shafer: Right. Whatever it is that you want to cut from the budget, whether it's programs or staff, \$4.5 million is a lot of programs. If you want to cut positions, then you're talking between 30-35 positions. Both are needed since we're coming off a pandemic and since students need a certified teacher in front of the class. Leon, what are the total taxes that we could go up to?

Mr. Matthews: \$121 million. We're \$48 million below adequacy. That's in the presentation.

Ms. Shafer: That's below adequacy. When the County looks at that, they can make a change. They can increase the taxes so we can put our positions and programs back.

Comm. McCall: I was trying to get the number that Ms. Shafer was saying. I'm sorry I left my hand up. You said it would be \$4.5 million that we would be losing if we lowered the taxes and lowering the taxes doesn't mean that the county won't raise them. Am I correct?

Ms. Shafer: That's correct.

Comm. McCall: 35 teaching positions would be eliminated if we were to lower the taxes. I know this is repetitive, but I want to make sure I have the right information.

Ms. Shafer: That's correct.

Comm. McCall: In essence, we're in a position where if we went with Comm. Gonzalez' request you could put it in there but that doesn't mean it's going to stay there. The county in the end is going to have the last say on how this budget should really be balanced. Is that correct?

Ms. Shafer: That's correct.

Comm. McCall: If tonight the budget passes, there are very little edits that we can do when it comes back.

Ms. Shafer: There are some edits that you can do, but you can't do a complete overhaul.

Comm. McCall: If the budget comes back and we make some minor changes, then that's something that the entire Board would be part of. Am I correct?

Comm. Redmon: I'll turn that over to Mr. Matthews and let him explain the process once it comes back from the county.

Comm. McCall: Thank you.

Mr. Matthews: For instance, if you were to pass the budget tonight and it goes to the county, anything that you would want to have for consideration would have to be discussed at this meeting. Comm. Gonzalez expressed a need to go to 2%. That's on the record for today's meeting. If at the public hearing we decide to reduce that number, being that it was discussed at this meeting, then that can be up for consideration for the final public adoption on May 4. Anything has to be discussed at this meeting to consider for changes as the budget gets approved by the county.

Comm. McCall: If we don't discuss it, then we can't change it when the budget comes back. Is that what you're saying? You just said that because we're discussing tonight about some changes, if we pass this budget tonight when we come back that's something we can talk about in the final process. If we don't discuss it tonight, we wouldn't be able to make any changes in the final budget?

Mr. Matthews: That's correct. Taxes are being discussed today and so at the final public hearing if that's still an issue it can be up for consideration because it has been discussed at the public hearing.

Comm. McCall: That's even more of a concern for me. When we get the final budget back and we see some things, if we don't discuss it tonight then we can't make any changes.

Mr. Matthews: That's true.

Comm. McCall: Thank you.

Comm. Redmon: Are there any other questions, concerns, or comments before we take the vote?

**On roll call all members voted as follows:**

Comm. Castillo-Cruz: Yes.

Comm. Freeman: No.

Comm. Gonzalez: Point of clarification, I'm not sure what exactly we're voting on. Are we voting on the budget as is at 8%?

Comm. Redmon: You're voting on the resolution that was put forth. You had a discussion that was already on the floor.

Comm. Gonzalez: Can you clarify what that motion is?

Comm. Redmon: Resolution No. 1 on the agenda.

Comm. Gonzalez: Can you read that because I'm not looking at it right now?

Comm. Redmon: The approval to adopt the preliminary 2023-2024 School District Budget submitted by the Superintendent of Schools, to support the general fund, and that the School Business Administrator is authorized to submit the preliminary budget reflecting revenues in the amount of \$780,485,811.00, of which \$73,168,370.00 is the General Fund local tax levy. That's what you're voting on at this point.

Comm. Gonzalez: If this gets denied, do we have an opportunity then to vote for 2%?

Comm. Redmon: No. If this gets denied, it is what it is at this point.

Comm. Gonzalez: Ms. Shafer, if you don't mind, if this gets denied...

Comm. Redmon: We're in roll call at this point.

Comm. Gonzalez: Point of clarification.

Comm. Redmon: Even though you're saying point of clarification, we're in roll call.

Comm. Gonzalez: I need clarity before I vote on this.

Comm. Redmon: We're in roll call.

Comm. Gonzalez: Robert's Rules of Order. I need clarification.

Comm. Redmon: You can pass if you choose.

Comm. Gonzalez: I don't want to pass. I want to be clear as to what everyone is voting on.

Comm. Redmon: I explained to you what you're voting on.

Comm. Gonzalez: I need clarification.

Comm. Redmon: You got your clarification. We're voting on Resolution No. 1.

Comm. Gonzalez: Is legal online here?

Comm. Redmon: Yes.

Comm. Gonzalez: Can legal assist in this request?

Mr. Horsley: Right now, we're in roll call. The Board members would have to respond with yes, no, or abstain.

Comm. Gonzalez: Is there another motion that I can put forth at this moment to modify what we're voting on?

Mr. Horsley: Not in roll call.

Comm. Gonzalez: Is there another point of order we can utilize so that we can put another motion when there's a motion on the floor? I believe there is.

Mr. Horsley: The time to do that was before roll call.

Comm. Gonzalez: My vote is no. I would like to hopefully have a motion after this to put 2% on the floor to vote on.

Comm. Hodges: Pass.

Comm. D. Martinez: Yes.

Comm. M. Martinez: No.

Comm. McCall: Pass.

Comm. Simmons: Yes.

Comm. Hodges: Regrettably, I'm going to vote yes only because there seems to be grave misunderstanding on this Board about what we're supposed to be doing here today. I don't know why that misunderstanding is here, but there is misunderstanding. My inclination would be to vote no for other reasons. I don't see how you can cry about this money and turn down \$123 million moving forward. I'm going to vote yes and just cross my fingers.

Comm. McCall: Before I cast my vote, I do want to say that I feel like you, Dr. Hodges. I really want to vote no because as a Board there are some things that have to start to happen. I know everything is new and we've only had about three months into this. But we really have to work together and make things happen. I don't want to see us go through the QSAC situation by giving the county our budget and having them take their red pen to it. If we don't pass this tonight, that's what will happen, and I don't want to put our children in that position. My vote is yes regrettably because I'm not happy about how this all happened.

Comm. Redmon: Yes.

**The motion carried.**

## Paterson Board of Education Standing Abstentions

### Comm. Oshin Castillo-Cruz

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

### Comm. Valerie Freeman

- Self
- Family

### Comm. Eddie Gonzalez

- Self
- Family
- New Jersey Community Development Corporation (NJCDC)
- Community Charter School of Paterson

### Comm. Jonathan Hodges

- Self
- City of Paterson

### Comm. Dania Martinez

- Self
- City of Paterson
- Ilearn Schools
- Paterson Arts & Science Charter School

### Comm. Manuel Martinez

- Self

### Comm. Della McCall

- Self
- City of Paterson

### Comm. Nakima Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

### Comm. Kenneth Simmons

- Self
- Family

## Resolution No. 2

**WHEREAS**, the tentative budget submitted by the Superintendent of Schools, be affirmed and approved by the Board of Education for the 2022-2023 school year using the 2023-2024 State Aid allocations; and the School Business Administrator be authorized to submit the tentative budget reflecting the following revenues to the Executive County Superintendent of Schools for approval in accordance with the statutory deadline:



State Aid	\$	474,513,382	\$	329,272,482	\$	34,338,888
Federal Aid-Medicare Reimbursement	\$	1,542,741	\$	1,544,842	\$	2,101
Withdrawal from Emergency Reserve	\$	-	\$	-	\$	-
Excess Surplus	\$	10,686,041	\$	15,000,103	\$	4,314,062
Appropriated Fund Balance	\$	5,893,551	\$	12,111,641	\$	6,218,090
<b>Total General Fund</b>	<b>\$</b>	<b>589,975,121</b>	<b>\$</b>	<b>639,938,138</b>	<b>\$</b>	<b>49,963,017</b>

**WHEREAS**, the District will advertise said tentative budget in the Herald News in accordance with the form suggested by the State Department of Education and according to law; and

**WHEREAS**, a travel expenditures maximum resolution was approved on January 5, 2022, with an annual maximum amount per employee of \$1,500 for regular business travel pursuant to the provisions of N.J.A.C 6A:23A-7.3(b) with a maximum travel expenditure amount of \$220,000 for the 2022-2023 school year;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Education adopt the 2023-2024, preliminary tentative budget submitted by Ms. Eileen Shafer, Superintendent of Schools.

**BE IT RESOLVED**, that a public hearing be held at the Board of Education Administration Building, 90 Delaware Avenue, Paterson, New Jersey on May 4, 2023, for the purpose of conducting a public hearing on the budget for the 2023-2024 school year; and

**BE IT FURTHER RESOLVED**, that this resolution shall take effect upon its adoption.

**It was moved by Comm. D. Martinez, seconded by Comm. Castillo-Cruz that Resolution No. 2 be adopted. On roll call all members voted in the affirmative. The motion carried.**

### Paterson Board of Education Standing Abstentions

#### Comm. Oshin Castillo-Cruz

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

#### Comm. Valerie Freeman

- Self
- Family

#### Comm. Eddie Gonzalez

- Self
- Family
- New Jersey Community Development Corporation (NJCDC)
- Community Charter School of Paterson

#### Comm. Jonathan Hodges

- Self
- City of Paterson

#### Comm. Dania Martinez

- Self

- City of Paterson
- Ilearn Schools
- Paterson Arts & Science Charter School

Comm. Manuel Martinez

- Self

Comm. Della McCall

- Self
- City of Paterson

Comm. Nakima Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

Comm. Kenneth Simmons

- Self
- Family

## **PUBLIC COMMENTS**

**It was moved by Comm. Castillo-Cruz, seconded by Comm. McCall that the Public Comments portion of the meeting be opened. On roll call all members voted in the affirmative. The motion carried.**

Ms. Rosie Grant: Good evening, Commissioners, Madam Superintendent, Madam Deputy, staff, and community. I charge you to focus on the children that are elected to serve the Paterson Public School District. You are the community's representatives for our children. We do love and care for all children. The ones who have left the district, their institutions are not in your purview as the Paterson Board of Education officially. They have their own boards, and they manage their own budgets.

Comm. Hodges: Amen.

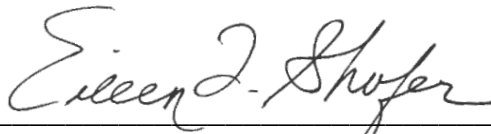
Ms. Grant: As I listened to the discussion today, I wonder if we're really focusing on the children. The only question you should be considering today around this budget is whether or not this budget will provide a thorough and efficient education for the children of Paterson Public School District and if it doesn't, then what? What will go away as we cut the budget and lower the totals? That is my plea today. Please put our children at the center. That is the primary concern of the Paterson Board of Education. Thank you.

**It was moved by Comm. D. Martinez, seconded by Comm. McCall that the Public Comments portion of the meeting be closed. On roll call all members voted in the affirmative. The motion carried.**

## **ADJOURNMENT**

**It was moved by Comm. Castillo-Cruz, seconded by Comm. M. Martinez that the meeting be adjourned. On roll call all members voted in the affirmative. The motion carried.**

The meeting was adjourned at 6:51 p.m.

A handwritten signature in cursive script, reading "Eileen F. Shafer", written in black ink. The signature is positioned above a horizontal line.

Ms. Eileen F. Shafer, M.Ed.  
Superintendent of Schools/  
Board Secretary