

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

March 23, 2022 – 5:34 p.m.  
Remote - Zoom

Presiding: Comm. Kenneth Simmons, President

Present:

Ms. Eileen F. Shafer, Superintendent of Schools  
Ms. Susana Peron, Deputy Superintendent  
Khalifah Shabazz-Charles, Esq., General Counsel  
Boris Zaydel, Esq., Board Counsel

Comm. Vincent Arrington  
Comm. Emanuel Capers  
Comm. Oshin Castillo-Cruz  
Comm. Jonathan Hodges

Comm. Dania Martinez  
Comm. Manuel Martinez  
Comm. Nakima Redmon, Vice President  
Comm. Corey Teague

Comm. Simmons 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 23, 2022 at 5:30 p.m.  
Remote  
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, Board Commissioners, Paterson community and staff. I'm going to ask Boris if he would just put up the flyer from the New Jersey Department of Health. The New Jersey Department of Health has reached out to us. As everyone knows, our vaccination rate for children 5-11 is at 24%. They wanted to partner with us in having vaccination sites at 11 of our schools that would run from 1:00 to 6:00 and they would be strategically placed throughout the city so that parents and children could get to the sites and if the parents wanted their children vaccinated, they could do it and it would be more convenient for them. It would be after work hours as well as right after school and for those students in that particular school it could be during the day. On Wednesday, March 30, from 6:00 to 7:00, we're having a virtual town hall meeting with Dr. Margret Fisher from the New Jersey Department of Health. She will come and

speak to our parents talking about why COVID 19 vaccine is safe, effective and free for all children. It's an opportunity for any of our parents or community members to ask questions that they may have regarding the COVID 19 vaccine. That's going to be Wednesday the 30<sup>th</sup> from 6:00 to 7:00. If you could Boris, put up the list of vaccination sites. These are the locations where the Department of Health is going to set up. Public School 28, International High School, Dr. Hani Awadallah, School Nos. 9, 24, 21, 5, HARP Academy at Paterson Catholic, School No. 27, Eastside High School Complex and School No. 26. You can see there are certain days that the Department of Health is going to be there. They're all running from 1:00 to 6:00 to make it convenient for parents and then at other neighboring schools, the Department of Health will be there giving out all types of paperwork and documents regarding the vaccine and where the locations are so that parents will have multiple opportunities to receive the information. That's starting April 4 and going through to June 2. We'll provide you more information as we receive it, but the town hall meeting for parents is Wednesday, March 30 starting at 6:00.

Comm. Simmons: Thank you, Madam Superintendent. We can proceed with the budget presentation.

## **PRESENTATION OF THE PRELIMINARY 2022-2023 SCHOOL DISTRICT BUDGET**

Ms. Shafer: Thank you, Mr. President. Before I turn it over to our Business Administrator Mr. Matthews, I first want to thank the Board for their input into the budget. We do have the priorities that you asked for in the budget. Also, there were several community forums, and we received some information from the community and that's in the budget as well. I want to thank Mr. Matthews and his team for putting a balanced budget together, but more importantly about this budget is that we have not eliminated any programs and we have not eliminated any staff. I think you all would agree that when we continue to RIF staff and eliminate staff, folks don't want to come to Paterson to work. They're not sure then how long they are going to be here. So, for the past couple of years, we have been able to maintain our staffing. It doesn't mean that we have all the staff we need, but at least we're able to maintain it and we don't have to RIF any staff members. On that note, I'm going to turn it over to our Business Administrator, Mr. Richard Matthews.

Mr. Richard Matthews: Ms. Shafer, I'm going to have to come out of this presentation and put it back up again because there's a little error with my notes. Can I come out and come back in?

Ms. Shafer: Sure.

Mr. Matthews: As Ms. Shafer said, this budget that we are going to present to you tonight is not just a balanced budget, but it's also an effective budget. It doesn't have any cuts. All the budget priorities that were brought before us during the community forums and during budget presentations are in the budget. I'm going to go a little bit off script tonight because I really have one goal tonight and the goal is not to get 5 votes. That's the outcome that's great. But I got a lot of calls from Commissioners over the last day or so and I try to put myself in the shoes of the Commissioners and I really was able to see more of some of the challenges that you guys have regarding taxes. My goal tonight really is that I give you the ammunition to really explain and demystify the tax increase. I'm going to talk about taxes for a little bit in the beginning, the middle, and the end. But my main goal tonight is to really demystify what our tax increase is and what that impact is to the taxpayer. When I left you on Monday, we had a 12% tax

increase in the budget, and we got that number down to 11%. An 11% tax increase is an increase to our budget. That means our number goes up by 11%, but the increase to the taxpayer is not 11%. I've done other presentations where I went to the property tax share. So, we recall and I'm going to go through it later on that our property tax share is 21% of the total tax allocation between the county, the city, and the state. When we raise our taxes 11%, that's not 11% impact to the taxpayer. I'll give you an example. The average taxpayer in Paterson is paying \$8,821 in taxes, and that's based on an assessed value of \$197,089. With the proposed increase that we have to our budget, the 11% to our budget, the taxpayer is now going to pay \$9,034.25. The net impact to that taxpayer, and we've been giving you information saying daily increase, is 2.4%. How does that make sense? The way it makes sense is you remember that our portion of the tax share is 21%. That's not the full tax base. The full tax base is \$275 million and we're 21%. So, when we raise our taxes 11%, that's a budget increase. That's not an 11% increase to the taxpayer. The true impact on this budget right here is 2.4% to the taxpayer. So, when you're out and people say they raised taxes 11%, I said my goal tonight is for you to have the ammunition to be able to explain to your constituents that 11% tax increase is an increase to the budget, to our budget, to our school budget. We're going from \$61 million to \$67 million, and I'll talk about that local fair share piece later on as well. The state says that Paterson should be paying \$112 million in taxes and we're asking for \$67 million. As we said, we have been compassionate about how we increase taxes, but this is a budget increase so that we can educate our kids so we can balance the budget without laying people off. For Ms. Shafer and myself, every year that's one of our main goals, to make sure that we can maintain what we have and grow it and not affect staff. We'll talk about what happens when you don't increase your revenues and we'll go through that total tax breakdown later on and what happens. We know what happens and we have all the data that shows when we didn't get any additional state aid, we didn't raise taxes, we kept everything flat, our costs are going up. We talk a lot about structural deficit and what that means and we're going to talk about that later on, but I want to start with this. I'm going to hit it in the middle, but like I said my main goal tonight is to give the Commissioners the ammunition to speak to the constituents. So, when you're out there and they're coming to you saying they raised taxes 11%, you're going to come back to them and say hey that increase is really 2.4% because we're 21% of the total tax base in the City of Paterson. Yes, we increased our budget 11%, but we're not increasing the impact to the taxpayer. I'm going to go through the presentation, and I need you to ask me all the questions you have because I said I want to make sure that you have that ammunition and understand what this really means. 11% increase is to our budget, not to the taxpayer on the assessed value of \$197,089. Joe Paterson is paying \$8,821. Because of our 11% increase, the impact to him is 2.4%. Here's our mission and our vision. I love this vision that we're going to be a 21<sup>st</sup> Century innovation where students develop habits of lifelong learning and excel academically and become future-ready leaders. I think that's a very, very good vision and it's something that we should definitely effort towards every single day. Again, these are the Board members.

- Mr. Kenneth L. Simmons, President
- Ms. Nakima Redmon, Vice President
- Mr. Manuel Martinez, Jr.
- Mr. Vincent Arrington
- Mr. Emanuel Capers
- Ms. Oshin Castillo-Cruz
- Dr. Jonathan Hodges
- Ms. Dania Martinez
- Mr. Corey Teague

We thank you for your service. We thank you for your calls, your questions, your inquiries, your challenges, and holding us accountable to make it better for Paterson Public Schools. I appreciate you. I thank you for your calls because it has driven me to dig a little deeper. As information becomes available, we have to evolve and change and I think a lot of what I'm saying to you tonight is because of the phone calls you gave to me and those questions that you asked me. They made me say hey, the way we're going about explaining some of these things is not sticking. You said to me, they don't get it. My response to you was, oh it's 58 cents per day and you said they don't get it. So, I said I have to find a way so they get it. I have to give you guys examples so that you can again, as I said, have the ammunition to speak in front of your constituents with confidence that this is what the real impact is and understand that 11% is a budget increase. It's not the impact to the taxpayer. I have to thank my team.

- Mrs. June Gray, Assistant Business Administrator
- Ms. Katori Walton, Comptroller
- Ms. Kennia Fulgencio, Accounting Supervisor
- Ms. Cecelia Dailey, Budget Manager

In our fiscal meeting last week, the auditor said it was the best team ever. At the Board meeting he said it's one of the best teams ever, but I think the former was more accurate. This is a tremendous team and I have to mention Ms. Dailey because last year during the pandemic and we're still in the pandemic when I said I wanted to have a paperless and digital process, she just took those words and ran with it, owned it and made it happen. For the last 2 years we've had no in person meetings. It's all digital and it's all paperless, and this has been the most effective budget we've ever had and it's been really done in an orderly fashion and well thought out. This is the core of the team. It's the brains of the team. We have a lot of meetings, and we don't always agree, which is a good thing, but we challenge each other to come up with the best decision for the district. So, I thank them once again publicly. Also, we have the cabinet which is the core of the district.

- Eileen F. Shafer, Superintendent of Schools
- Susana Peron, Deputy Superintendent
- Cheryl Coy, Chief Special Education Officer
- David Cozart, Assistant Superintendent
- Dr. Jaylyn Lyde, Assistant Superintendent
- Richard Leon Matthews, Business Administrator
- Luis M. Rojas, Jr., Assistant Superintendent of Human Capital/Labor Relations & Affirmative Action
- Joanna Tsimpedes, Assistant Superintendent of Academic Services/Special Programs
- Cicely Warren, Assistant Superintendent
- Boris Zaydel, District Legal Attorney

We work close together, and they help drive a lot of the initiatives and oversee the operations so that our mission and our vision are accomplished. I want to thank each and every one of you for all that you do for the district. The overview, I'm just going to sum it up. Again, we got \$18.6 million in state aid this year and over the next couple of years, as per legislation S2, we will be fully funded by fiscal year 2025. Here's a little bit about structural deficit. There's a little bit of an issue with understanding what that means versus a balanced budget. We have both. We have a structural deficit, and we have a balanced budget. A structural deficit as an example is we have our costs exceeding our revenues. Charter schools are up \$17 million, our state aid was \$18 million, and there are other things that have gone up in non-salary like transportation,

security, and facilities. That's what that really means - your costs are exceeding your annual revenues and what we have done lately was boosted up our revenues so that structural deficit is not putting us into a financial deficit. This is what the state was saying back in 2013, 2014, and 2015, that you're going to be in a financial deficit meaning you're not going to be able to balance out your budget. You're going to have to make drastic draconian cuts. We're not at that point. We are moving toward a healthier district. We're not where we need to be. Obviously, we need to get fully funded as per that legislation and we need to continue increasing our revenues so we can keep up with the expenditures that exceed our revenues. Again, various meetings were had regarding the district priorities. Some were internal, some were external going out to the community, and obviously meeting with the Board asking further input. I think at the last meeting, Ms. Shafer, we added two more items to this priority list. I think it was Maker Spaces and the after-school clubs were the last two items that were increased and these items, as Ms. Shafer stated earlier, everything that was asked of us was put into the budget. I say that the budget is effective. It could be better obviously because we're not fully funded so it can always be better, but in terms of a lot of the things that happened in the past, we're constantly taking things out and we can't do this, or we can't do that. We didn't do that this year and we thank everybody who supported us to make sure that this budget is more effective and is done without any cuts. Without getting into all the details of it, because a lot of these things you've already seen before, it's a good thing and we have to just keep building upon things that are important to enriching our kids academically, socially and emotionally and all the factors. I think we do some things at a much higher clip than most other districts. As a matter of fact, I know we do. I think we did three community forums this year. We do a very exhaustive central office budget review. Literally, when you received the budget yesterday, when we gave it to Ms. Williams and you received the budget, we can safely say with 100% certainty that we reviewed every line in the budget. You know there are thousands of lines in that budget, and we reviewed those lines on numerous occasions with different departments in the schools. We met with the principals and went through how they were going to be funded. If you remember back in the day, the schools were given money on a fixed amount, but it wasn't applicable. It didn't make sense to what the population was. We've actually given schools money now based on their actual population and their demographics, regular education and special education, and we've actually given them more money for custodial needs. We're trying to fit the needs of the school and give the money based of their population demographics, which I think makes the most sense. Numerous budget team meetings, finance committee meetings over and over again, going through different aspects of the budget, giving them updates, getting feedback from committee members. I think also just having other off campus meetings and just having conversations with them and trying to find out how best to move the district forward. Obviously, we had Board presentations and central office meetings with key stakeholders. This is kind of some of the nuts and bolts of putting together the budget, getting the feedback from internal, external and communicating out to the public and receiving feedback and making things happen that fit into terms of what we can do regarding what we received in terms of our finances. This tells you how the state aid number is growing. That number should be growing at a faster clip. We thank that state for the \$18 million that we received this year. We are putting forth effort to do more, but that is yet to be determined. These are the actual state aid numbers. Just so that you know that we are clear, most of our monies to run this district come from state aid. State aid is over 80% of our revenue stream and then the other big item in our revenue stream is the tax levy that I call tax investment because that's what's it is. It's an investment in our kids. A levy is kind of a negative term. It's the term that we use and that we're given, but I see it as more of an investment than as a levy. You hear me say that a lot, tax investment because I see it as an investment in our kids in the Paterson Public Schools. This is just really a 2-year comparison. One of the things that

the Commissioners asked me to do was when they heard about us getting our state aid, I just ran the whole state and tried to get some comps into what other districts got in terms of state aid. This is kind of spilled milk right now. We have to move forward, and we are working some back channels to try to see if we can improve our numbers. Newark over the 2-year period got 13.2%. Newark, they should have gotten a billion dollars. Paterson got 3.9%. Elizabeth got 8.3%. Many districts in Union County got a lot of money this year. I actually ran reports by county and Union County was one of those counties that everybody did well. Mercer County got 7.6%. Plainfield, another Union County district about 40% of our size, got 21% in state aid. Over in Bergen County, Hackensack got 25%. A note, Teaneck got 1.4%, Jersey City lost 65%, to give you kind of a scope and breast of some of the things that are happening out there. But this is what it is and we're just going to have to do some different things to make sure on the front end of next year that this doesn't happen to us again. This is really under the Murphy administration. I'm okay with Newark getting \$285 million and 38% increase over that span of time. What I'm not okay with is us getting 22% and \$89 million. Again, we don't want to cry over spilled milk. We have to move forward, and this is just kind of the numbers under the Murphy administration, and this is what it is. This information comes off of the State of New Jersey's website regarding state aid. Of note again, here we go with the charter school. It's just information. It's not a complaint. It's just what it is. These are still our kids. The charter school costs went from \$87 million to \$105 million. Again, structural deficit so every year we can... I think this year we forecasted 18% when we gave you the gap review back in November/December timeframe, and it came in at \$105 million. We were 18%, now it's 20%. Again, these are structural imbalances. These are things that hit our budget every year and the only way to keep up with the increase in expenditures is obviously we need to get more support in our state aid and the tax investment that we will talk more about later on. This is the charter school number over the last couple of fiscal years, so you see the steady increase. Again, getting to the tax levy, this number the other day on Monday was \$68 million, but it's now \$67 million. A little bit about that number, \$67 million. What should that number be? You're going to see it later on. That number should be \$112 million. Again, as I said to you earlier, we increased our tax budget 11%. This is not an 11% increase to the City of Paterson. It's a 2.4% increase to the average taxpayer in Paterson and the average person is paying \$8,821. These are real numbers. The assessed value of the average home in Paterson is \$197,089. With this increase to our budget, the taxpayer now pays \$9,034.25. His increase, because of our 11% budget increase, is 2.4%. When they say to you, "You raised the taxes 11%," we raised the budget 11%, but the tax increase to the homeowner because of Paterson Public Schools is 2.4%. The federal number is \$17 million. Other sources like Medicare and extraordinary aid is \$9 million, and Reserves is \$16.5 million. Going back to my fund balance review meeting, I came to you guys and said we're looking healthier financially and I'm probably going to come to you guys in June with a resolution to increase our contribution to capital reserve. So, you see \$16.5 million that we used this year come from fund balance and excess surplus. As I said to you on Monday, I am going to say to you again that I will come to you in the month of June. I'm not going to come with just one resolution for capital reserve. I'm going to come to you with capital reserve and for emergency reserve which is going to help offset the increase to the health benefits. We're going to do a couple of things to prefund the health benefit line and we're going to do some things to pay for it in 2022-2023. I think I said to you the other day that one of the great things about being self-insured is let's say for instance we budget \$100 million but it costs us \$95 million, we keep the \$5 million. So that health benefit line is performing better than budget so anything that doesn't hit the budget this year we keep, we have it for next year. This was the strategy that we had last week before all those meetings, but I wasn't able to present this information last week, so we never changed our number. Only recently we went from 12% to 11%, but

as far as the strategy to balance the budget it wasn't on anybody's back. It was because we had been better stewards of our money over the last couple years and also received more money. So we had the money to do it either way they went and I begged and pleaded to be able to go first so that we could avoid some of the stuff that happened but whatever. The next thing is just a pie chart. We're still heavily depending on the state regarding functioning as a body. Our tax portion is 11% of our total revenues. So, between the state aid and our tax investment, 93% of our revenues come from those two main sources. It's very important that we continue to increase our revenues to be able to offset our structural deficit. The structural deficit will not go away. It will not go away. So, the question is what are we doing to save money. We are doing some things. I'll give you a quick thing. We are getting closer to that Alexander Hamilton situation where we're going to recoup \$10 million because we're going to buy that property. There are other things that are in the works and there are things that we have to see through. The big gray piece is the state aid at 82% and the green slice is the local taxes to support children and their education. I'm sorry to repeat it, but I'm going to repeat it because I said my goal tonight is to make sure I give you guys the ammunition because I'm trying to put myself in the Commissioner's shoes. I told Ms. Shafer the other day that I want to be a Board member one day, but I really respect what you guys have to go through and understand some of the communication challenges that you have out there. I just see that my job tonight is to help give you the information and the ammunition so that when you are in front of your people you have the knowledge and the understanding of what this is, and you can say with confidence what it is. The information is out there so we have to just give them the truth and people are going to understand it better. Hopefully they will. If I have to go out there and do a public forum on taxes, I will. Some of the information that I'm coming to you with today, I just uncovered myself two hours ago. I was bouncing back and forth to Ms. Shafer today just coming to her with new stuff. She was like - this guy keeps coming back. I just really want to find a better way to explain it because what we have been saying to you in the past is... One of the Commissioners said to me today, "They don't get it." So when you tell me they don't get it, what you're saying is that you don't get it and I have to give it to you better. Again, that's my challenge tonight. That's my goal, to help you get it better and I have more stuff to come, and we'll go through it when we get there. On the expenditures said, again Ms. Shafer said there are no cuts to the staff or programming. I know that's what we are used to. As soon as that Horizon or Aetna thing didn't go through, everybody was expecting calamity but that didn't happen. As I said to you earlier, we increased funding to the schools and the funding to the schools makes more sense than what we've done in the past. In the past there was no consideration for ELL, for special education, etc. and we have addressed that. There's another piece of this that we have to consider for the future that keeps coming our way. For example, Newcomers, they get a lot of population after October 15<sup>th</sup>. School 21, they get hit with more population after. So, one of the things I said we have to start to consider is average daily enrollment. We have to start giving them money based on what their enrollment number is as opposed to what it is at that point. I'm not quite sure how we're going to do that, but again, new information is coming, and we have to find a way to be able to make sure that we give the schools the money they need so they can make sure all the kids are getting what they deserve. The things that are mentioned in our mission and vision are realities and not just words on a piece of paper. This is just really a pie chart of the expenditures. 56% of our salaries and benefits are in the gray chart and the charter school is 17%. School Based is a small percent. Someone asked me the other day why aren't you doing a spending freeze on the school budgets. School budgets are very, very small and that spending freeze doesn't give us a big nut. We need to still be good stewards of what's happening in central office and some of the unbudgeted emergent needs that come up without full information. Again, we're going to give you a little bit of a historical breakdown of the taxes in Paterson. Let's just say

Passaic County because we're talking about the county, the school, and the City of Paterson. I'm just going to take my highlighter really quick and point to 29.5% in the year 2000 and then 13.9% for the county and the city was at 56%. Here are all these years of no raising taxes, all these years no investment in the kids, all these years of cuts in the program, going into fiscal, going off the financial cliff, and then our percentage all these years of the total tax base is going down. But we don't want to raise taxes. We don't want to invest into our schools. Look what the city is doing. They're raising taxes. Now keep in mind, they're raising taxes on a much bigger pot, so that \$82 million is their pot and they raise taxes 10%. They're raising taxes on a much bigger share and fine. The county is raising taxes on a much bigger share, but the kids who are the future and who we want them to have what they want to have, such as equity of technology and education and curriculum and everything there, we are not making that investment in our kids. Anyway, long story short, for the last 21 years we went from 29% of the budget to 21%. The county went up from 13% to 19%, and the City of Paterson went from 56% to 59%. Everybody got their fair share except the kids of Paterson Public Schools and we're cutting accident insurance, we're cutting athletics, we're cutting out the band, we're cutting staff. If we want to reverse that trend of making this place the b, we can't say we want to bring people on board, hire and retain people and pay them more if we don't make the investment so that we can do that. It can't be words on a piece of paper. All of this right here was going on. I've asked people, what were we thinking, that this wasn't going to happen? The cliff wasn't going to happen. It was going to happen. It wasn't telling you any lie. It was going to happen. Again, I went to Ms. Shafer and said we have to do something different. This doesn't work because we have a structural deficit. I will stop there with that, but I just think that people need to understand the big picture. Not just one year, what happened last year, what happened two years ago, but look at the big picture and eventually one day we'll get to the point where we can raise taxes 2%, 3%, 4%. That may not be next year, but we're moving in the right direction, and we just have to make sure that we have to right information whenever we make an increase. I'm going to blame myself for you guys not fully understanding because I just thought by breaking down the daily rate, getting down to the small number people will understand. But I think when you look at Joe Paterson paying \$8,800 a year, the average taxpayer, and now his increase goes to \$9,034, the true impact is 2.4%. I need the community to echo the truth. The 11% is a budget increase. It's not a tax increase for the taxpayer. I just have to hit this point here, local fair share. This is not Matthews saying this. This is what the state says. This is the law. I'm just going to try to summarize it. In our fiscal year 2022, our local fair share is \$112 million. What does that mean? It says that based on the net valuation which is already \$6 billion and based on our demographics and average income, the City of Paterson should be contributing \$112 million each year to the school to educate their kids. This is not me saying this. This is what they say we should be contributing. It says based on that information and what we're proposing that we're able to tax, not just 2% but \$51.7 million above that number to get to \$112 million. If we were a body and said we want to fully fund our schools locally, then the taxes should be \$112 million. We know we can't do that and we're not asking for that. I want to remind you that we are compassionate and when I came to you back in November/December and I think I had 9.75% in there that really is not how we should do the budget. We should know what our state aid is going to be, or we should have a real good number. There is information available to know what that number should be, but maybe they're going to backload us the next couple of years to get to that number. We should have an idea of what that number is so that we can come to you with a real gap and not this number that is not based on reality. We're giving you a gap number of one year was \$78 or \$90 million. We're giving you gap numbers with no projected revenues. You have to make assumptions and you have to have assumptions. The budget is all based on assumptions. We have to make assumptions on revenues to be able to be fair to you



because you guys get fatigued in November when you see these big gap numbers. Like Comm. Martinez says, déjà vu, Groundhog Day. He's right, but we're going about it the wrong way. We should make assumptions on our revenues to give you guys a gap and we can say assumption. We made an assumption on the charter school. We make assumptions on the salaries and the benefits. We have to make assumptions on the revenue side as well so we're not coming to you with all this negative information early in the process and you're like here we go again. I think we have to relook at that process. Again, what's Paterson's local fair share? It's \$112 million. What are we asking for? \$67,748,491 so we're increasing our budget by \$6 million. A \$6 million increase to our budget doesn't do a lot, but we need to keep increasing it so we begin to offset the structural deficit, these are increases that are going to occur. We have collective bargaining coming up. Transportation costs went up like \$7 million. \$7 million the budget went up. Again, my goal is to better give you the information and the ammunition to get in front of your constituents and say what's real. If you have a question after the meeting, call me tomorrow. I got some good calls from Commissioners over the last couple of days and it really helped formulate how I was going to speak tonight. I was going to come in another mode, but those calls were phenomenal, and I could hear the struggle in your voices. I could hear the challenges and one of you said they don't get it. I said they don't get it because you don't get it, so I have to make sure you get it. That's why my whole goal changed over the last couple of hours, and I went to Ms. Shafer's office probably 10 times with 10 different ideas about tonight. Again, this is the typical budget we give you but really now you can go back to your constituents and say this is truly an 11% budget increase, but it's a 2.4% increase to the taxpayer. Mr. Paterson is going to pay a \$9,034 increase for the fiscal year 2022. 11% is the budget increase, but it's not the impact to the taxpayer. That's really it tonight. I'll open it up for any questions. I see Ms. Castillo-Cruz has her hand raised.

Comm. Castillo-Cruz: Mr. Matthews, if you could repeat it one more time, what's the impact to the taxpayers? What increase in percentage is that?

Mr. Matthews: It's 2.4%. My example is the average taxpayer is paying \$8,821 and this increase brings that person to \$9,034.25. That's a 2.4% increase to that taxpayer.

Comm. Castillo-Cruz: I do appreciate you explaining it this way. I think it's a lot easier to digest. I'm not saying it's the best, but it is definitely a lot easier to digest and understand. I do appreciate that. I do have a few questions, Mr. President. Do you have an example of those non budgeted emergent needs that come out throughout the year? What are some examples of those?

Mr. Matthews: Are you talking to me?

Comm. Castillo-Cruz: Yes, sir.

Mr. Matthews: Sure, I can give you one. It's a good one. Do you want the specifics, or do you want me to just kind of overall?

Comm. Castillo-Cruz: An overall.

Mr. Matthews: An overall is we want to do a project at School X and it's nowhere in the budget and so it's a great idea, but we don't do all of the due diligence to find out what the real cost is to do this project. When projects are thrown in our lap, we have to really do the due diligence to understand what the true cost is. Here's one in the past that wasn't really budgeted and it's now history. 45 Smith Street started out at \$275,000.

Then the cost of the project went up like another \$200,000. Then it ended up at another amount of money more than that. The thing is we have to really put a pause on some of these new programs and make sure that we understand the full scope of what needs to be done so we can understand what our exposure is going to be. Sometimes we try to rush things through without having the full understanding of what's involved with it. We're actually going through that right now, but we have paused to make sure we understand what our true exposure is financially so that we can now budget for it the right way as opposed to throwing out a budget number without really understanding what the full scope of the project is. We get a number that this thing costs \$600,000, but we don't really know that because we haven't had an architect there, we haven't had an engineer there, and we haven't had technology there. We have to make sure that we truly understand what our exposure is when we have something that we want to do for the district because unbudgeted emergent needs are going to occur, and we understand that. Things happen all the time but when we do a fund balance report, no district expects to spend at 100%. That's not really a good thing. Yes, in years past we overspent by \$30 million one year, \$11 million another year, but we can't do that. We want to spend so that we can have money into fund balance, into excess surplus, and put money into reserve so we can plan for the future. You have to look at the budget like that. If you are constantly knee-jerking and emotional, we have to be stewards of the budget.

Ms. Shafer: Mr. Matthews, if I could just add something here to answer Comm. Castillo-Cruz's original question, which was about the unassigned fund balance. I think what we were talking about, Commissioner, was for example when we have legal bills. We have a legal budget, but you can't predict everything that's going to happen in the legal realm. So, it all depends on your unfair labor charges, if students get injured in school or something happens, etc. So, we were looking at being able to take some of that unassigned fund balance and putting it into the legal account. We're not sure what's going to happen with the gas prices rising. We increased our transportation budget by \$7 million, but there is a chance that the transportation could go either way. It might come down, or it could continue to go up. That's where we were looking at taking some of that unassigned fund balance if needed and we would be able to put it there. Those are the things that we originally spoke about when we talked about the unassigned fund balance.

Comm. Castillo-Cruz: Right. I appreciate that Ms. Shafer, but I was going in the same direction as well as Mr. Matthews because I do agree, in general, that we make many decisions throughout the year, or many decisions are made throughout the year that are not necessarily budgeted. Emergencies are emergencies. A roof is leaking, which is an emergency. I think they are different from, for lack of a better phrase, new initiatives or projects or something that we want to bring forth in the middle of the year. Granted, it's for the best interest of our students, but how many of those would you estimate approximately you get a year?

Mr. Matthews: It's not a lot but what I would like to say to you is that I think the model we should use going forward is the High School Restructuring Program. To me that's a good model. We did a lot of the early work and pre-work to make sure we understood what our exposure is. I think that's a good model to follow because we know what it is. It might be a little higher here or there, but I think that model is a model that we need to follow going forward.

Comm. Castillo-Cruz: Although I have my few concerns about that, but that's a different story.

Mr. Matthews: The model itself was a good model.

Comm. Castillo-Cruz: Right, the planning of the project. But I do know that we have had many projects throughout the year that weren't necessarily planned for. Great intentions, but it is a reality.

Mr. Matthews: Here's another one, the driveways over at Kennedy and Eastside, but we got the money for it. We got it through an emergency grant, so an emergency project got funded through an emergency grant. Yes, we try to be smart about it but sometimes choices have to be made. When emergencies come up, something else may not happen and that's the decisions that are made through facilities and Neil's group and they plan things out but sometimes things change so we have to adjust.

Comm. Castillo-Cruz: Again, emergencies are one thing and I think it's very important moving forward as a Board and administration to work together on really creating a difference between real emergencies and things that come up, obviously with great intentions and that are beneficial to our students but are not necessarily financially planned I should say. That really does come back and bites us in the behind. Those are things that moving forward we should definitely start discussing maybe a little more in depth or creating a different space to really have those conversations so that we can really push the budget forward and we're not taking three steps back throughout the year. I'm not saying that's the case this time but just in general. I know the last two years, give or take because of COVID, we haven't had any huge legal issues. I have another question, Mr. Matthews. I know last Monday, which seems farther away than it is, we discussed about shared services with the city, so I know we've had conversations and discussions but nothing complete. Are there any other avenues that we've explored to save or to bring in revenue? Are there any additional energy savings? The schools that are now offline, how has that revenue impacted the budget? Not having that expense, I should say, how has that impacted the budget and what do we foresee that looking like in the next few years as we move away from some of these leases?

Mr. Matthews: To answer your question, and I honestly cannot give you the name of the company, but I did reach out to a company for my budget manager and myself to meet with them regarding streamlining payroll and some functions in the business office to help reduce costs. We were on a call today for clean energy regarding transportation. We're looking into a grant regarding buying buses that are clean energy. Again, that was Monday. Not a lot has transpired but I did reach out to a couple of different outfits regarding improving some processes, reducing some warehouse costs. I don't have much more than what I said to you the other day, but we do have the \$10 million opportunity that we came with for the Alexander Hamilton lease. That's a pretty big, significant savings, \$10 million savings. That's pretty huge. There are other things that we'll continue to look at, but from Monday until today I don't have much more than what's been discussed.

Comm. Castillo-Cruz: One last question. Have we called, emailed, or messaged the state on why the lack of funding, I should say, or why we were awarded this amount that was much less than previously and in other school districts?

Mr. Matthews: That was my intent and I said before I contact the state let me reach out to Mr. Wimberly. I did have an in-depth conversation with him and submitted him some documents. He told me he was kind of on it, so I didn't really feel that it was right for me to. But Ms. Shafer has been on a call with the budget committee this morning and did state our case for receiving additional revenues based on some of the needs and some of the things that we did to balance out the budget. I know for a fact that she did explain

we were using significant amounts of surplus and reserve money to balance the budget that could've been geared more toward other items, like capital reserve and other things. That was communicated to the state today. It's an everyday effort to find opportunities to better serve our students and we'll just keep plugging away, but I don't really have anything more than what I had on Monday.

Comm. Castillo-Cruz: Okay, got it. That's it for my questions. I do have to say though that I do appreciate this way of presenting the budget. My concern is, and that's overall, that we're not as proactive sometimes in going outside. Once we got a shortfall from the state, and excuse my phrase, but that was the time to raise all hell and really see what happened, what avenues, why we got here, and at least have an explanation for the community and the taxpayers of why they're getting less and how we can work together. That was the time as well for these discussions that we've been having about shared services of non-profit, finding a way to raise money on a non-profit side. We've had so many conversations on different things, such as food services, and again they don't necessarily all have to be... Some of them are difficult conversations to have, but conversations we should probably have anyway as we're being good stewards of this budget and I think we haven't had many of those. It doesn't mean we'll go with one of those difficult, but I think the conversation needs to be brought up and all the avenues that throughout the years we've been talking about that we can do. It may not be \$50 million in savings, but a million here and a million there. They do add up. I do understand the increase of tax. I do understand about our taxpayer paying their fair share. That I completely understand, but it would make me more comfortable to go back to the community and say this is what we're doing for our students, for our children, however we've explored every option possible to make it as easy as we can for our taxpayers as we gradually move forward. 2.4% definitely sounds way better than 12.5% increase or 11% increase because we're really talking about what it means. However, it's making sure that we've dotted every I and crossed every T. That's my concern.

Comm. Simmons: Any other questions for Mr. Matthews?

Comm. Teague: Yes. Mr. Matthews, tomorrow I'm actually going to be testifying at 12:30 and bringing some information. That was the other reason why I had my picket signs, for those of you who didn't know the last time I mentioned it. It's a zoom call, but I am going to speak my mind about how the state failed us over the years because I think they still need to be held accountable to that. With this information that you just presented I'm going to bring that with me as well when I go on the call and then I'll let you guys know how it goes afterwards. That's all I want to say.

Comm. Hodges: We have lately been raising taxes and suggesting that the costs of the school district have also increased. Why is the budget being increased every year? Can you explain that and particularly talk about the charter schools?

Mr. Matthews: The budget increases every year. First of all, salaries go up every year. Charter school went up \$17 million. Non salary went up over \$10 million. As those expenditures continue to increase, you have to match that with the revenue side so you can't have expenditures exceeding your revenues. We are obligated to provide a balanced budget, so that's why the state has a plan to fully fund us because they understand that expenses are going to go up every year. Again, there are some things that are definitely unforeseen regarding transportation going up when it did. There is just structural growth on the expenditure side that is baked into our budget. Salaries, benefits, and those items are baked into our budget every year to increase based on the collective bargaining agreement. Those are structural things that we have no control

over. We don't have control over what's happening with what the labor rates are going to be from some of these different vendors that we have, like security and custodial and other vendors. The prices for the trades are going up. We contract out for a glazer, for a mason, for a pipefitter, for a plumber, and all their costs are going up in facilities. To be able to provide for the services that are required, we have to contract those services out if a roof goes or there's broken glass or there's carpentry work or plumbing. Those are all baked in increases that we have to be able to support to make sure we're providing the type of education that we desire for our kids and providing the right environment for our students and our staff. Those are just things that are part of the cost of doing business. That's how I look at it. It's the cost of doing business. The gas prices went up, now I have to pay \$4.20 for a gallon of gas. I'm not going to ride a bike or catch a bus. It's just the cost of doing business. We are a business. We're almost at a billion dollars between our federal grants being over \$200 million and our operating budget being at over \$600 million. It's just the cost of doing business, Dr. Hodges. I'm not sure of a better answer than that, but that's really what it is.

Comm. Hodges: The common perception out in the community is well the students leave the district so why shouldn't the money follow the student and you still have enough going over because you have fewer students in the school district. Did you explain the realities behind that?

Mr. Matthews: The charter school number is based on the enrollment in the charter schools. For instance, kids don't leave like in blocks of 24. They leave sporadic over the district, so those costs remain. The cost of a teacher remains, the cost of the benefits remains, the lights, the air purifier, etc. Our fixed costs don't change because 2 kids left School 2 and 2 kids left School 6 and 2 kids left School 15. Our inherent fixed costs don't change because of that. It's not like, for instance, all the kids in one school left so we can now close that building and let that staff go. Because of our population being so spread out, we don't lose kids in the chunks that would make it viable to reduce our expenses. I hope I'm answering your question the right way.

Comm. Hodges: That's precisely what I wanted people to hear because there is that misunderstanding and they need to understand that when the students leave from our district, they don't just leave from one school. They leave from all our schools and it's one or two students per class or whatever so you can't shrink the classes down. You can't get rid of a classroom, you can't get rid of a teacher, and on and on and on. Those are some of the reasons behind those costs. When you have \$17 million taken out of your budget, it becomes a substantial problem to maintain your budget, but also to deliver the educational needs of the rest of the students in their district. What I'm also hearing is the complaint that the schools aren't improving. The performance of the students isn't improving 11% or 2.4%, so why are the costs going up?

Mr. Matthews: They're not really related, though. Comm. Hodges, they're not related. Ideally, our state aid went up 3% and the charter school costs went up. I think there are different metrics to measure the kids' performance and it's more for the academic people to answer that question, but it's not related. It's not linear that we go up X percent in our budget and then that same percent increase is going to be in student performance. I think student performance is tied more to New Jersey Student Learning Standards. Again, you look at obviously per pupil cost and obviously as you see those numbers trending more. It means that more things are going into the kids and there should be an output with that, but it's not linear.

Comm. Hodges: That's what's hard for them to understand and that's why we need to spend more time discussing what we plan to do and how the budget is going to impact

those issues because that's what they're also concerned about. It isn't just the taxes, it's the performance of their students in the schools that they're concerned about and when they see the taxes go up but they don't see the performance go up, they don't understand that and that conversation has to occur far more frequently than it has. This is a big issue for people out there and I've heard the discussion over and over. Whenever we talk about the raises to certain employees, the question is when is the students' performance going to increase? People get raises but the performance doesn't increase, and they don't understand that and then they get hit with more taxes and they don't understand that either. We need to spend a little bit more time talking about the performance and how it relates to the budget moving forward because that's what people in Paterson really want or are concerned about.

Mr. Matthews: That's something different. That's a different model, Dr. Hodges. This is not a true meritocracy in terms of the compensation and the performance of the kids. That's a whole different model. There should be some type of metric that ties performance to part of the compensation, but that's a whole different model that requires a whole disruption of the whole CBA and education.

Comm. Hodges: We went to court and said that the funding of the district was tied to the poor performance that we had. That's what the Abbott decision was about. It was tied to the fact that we were poorly funded, physical facilities did not merit state standards, did not reach state standards, and we have gotten substantial amounts of money but have not had the commensurate improvements educationally. When we now go to them to say we want more taxes from you, they're looking for improvements at the same time and they're not seeing that and that discussion that they need to have is not there. When we talk about raising taxes, there is an anger because they can't stop the taxes from going up. They can't stop that because they don't have a vote for it, but they also can't raise the performance of the students and they're being asked to pay for it. We need to find a way to communicate how we plan to change that with our budget at some point because the budget is supposed to pay for that improvement, and they haven't seen that. I'm raising the issue because that's what I hear.

Mr. Matthews: Understood.

Comm. M. Martinez: Mr. President, if I can intervene briefly, I don't want to derail the conversation or jump out of line. Dr. Hodges, I agree absolutely with the point you were making about the reflection of dollars spent and how it correlates to student performance. The narrative that we were discussing that you brought up before, the funding in charter schools and all that is true to an extent, but there's also another side to that narrative that I also feel needs to be put in place to balance. When a child attends a charter school, 100% of those dollars do not follow the child into that school. 30% goes to that child's school, 70% remains in the district. That needs to be said there too. I agree with both notions, but you also have to consider if charter schools didn't exist in the City of Paterson and those students then got reabsorbed by the traditional public schools, you want to talk about overcrowding and other issues that would be brought into place. Those are realities that we have to consider as well and put on the table when we talk about that discussion. Your point was well taken too, but there is another side to that narrative. If those charter school students came back to PPS, think about the overcrowding and the position that would leave us. Would we be able to handle all of that? And again, 100% of those dollars do not follow the student to those charter schools. If I'm not mistaken the cut is 70-30. Anyway, I bring that up just to throw balance to that conversation, not to derail the conversation or get off track from what we are here to discuss. Thank you for bearing with me.

Comm. Hodges: I wasn't quite through.

Comm. M. Martinez: Dr. Hodges, go ahead. I didn't mean to derail your point. Go for it.

Comm. Hodges: I think it is a little bit more than 30% that goes to the charter schools. It's substantially more than that actually. The issue to bring to the community is the fact that when a child leaves our district, the money does follow the student, but the economy scale is such that we can't close our schools. We can't close buildings. We can't close classrooms down because the child is no longer there. Children don't come from one school or one classroom, they come from all over the district and that's why it's more impactful for us when a charter school opens up and classrooms still remain at the same levels because we can't close them, and we can't absorb those costs.

Comm. M. Martinez: It's a matter of how you put it. Even if you broke it down 50-50, if 50% went to the school and 50% remained in the district, you can say that the district is receiving 50% of those dollars to not educate that kid. So, it's a matter of how you present it. Again, I'm not saying what you're saying is not true, but it's a matter of how you present that information. If you divide it 50-50, 50% goes to the charter school, yes, but 50% also remains to pay for the lights, to pay for things also, and that's a child that the district is not educating. Again, I don't want to derail the conversation because that's not what we're talking about. I really didn't mean to take it in this direction. I'm sorry, Dr. Hodges, I didn't mean to interrupt you.

Comm. Redmon: Dr. Hodges, I just wanted to make sure that you were finished with your comment before we move on to the next.

Comm. Hodges: You can go ahead. I'll come back later.

Comm. Redmon: We have Comm. Arrington and I think I saw Mr. Mapp's hand up next too.

Comm. Arrington: Leon really quick, I just want to echo what Oshin said earlier. I think we do have to look at these opportunities for cost savings. I know we talk about it every year around this timeframe and it kind of dies and goes away, dies on the vine as I heard earlier. We should just make it a priority, Leon. I think Oshin said that a couple times and I definitely agree with her. I think a couple years ago, and Manny I don't know if you remember, it was a big tax increase the first year I was on the Board. I forgot what the number was, but we did the same thing you did, Leon. What is that real number to the homeowners? I definitely do appreciate you giving us that real number. Thank you, Leon. Great job! That's my comment.

Comm. Redmon: It looks like I saw Mr. Mapp's hand up. You had a question or comment?

Mr. Neil Mapp: Yes. Comm. Martinez mentioned if the charter school kids were to come back into the district that we'd have an overcrowding problem. It would be true, but what we're doing as part of the redistricting through the long-range facility plan is to look for ways to compensate for an occurrence like that to happen. We're looking at ways now to create capacity in our schools through redistricting so if something like that does occur, we'll have the capacity and that's what we're required to do through the long-range facility plan.

Comm. M. Martinez: I have just one brief comment when everyone is ready.

Comm. Redmon: Comm. Martinez, you have the floor.

Comm. M. Martinez: Mr. Matthews, I'm asking you to be redundant in repeating this over and over again not for the sake of whatever, but just for the sake of clarity because as this was going on I was receiving some text messages from some city officials who understandably had concerns about what they are perceiving to be this massive tax increase. I tried to assure them that it's not this massive thing that you're envisioning here, but again just for the sake of clarity and real slow for the folks in the upper deck so they can understand this. Reporters, city officials, please pay attention as Mr. Matthews will break this down very slowly and clearly so you can understand this. Leon, I'm sorry to be redundant but I'm getting texts.

Mr. Matthews: Comm. Martinez, I really appreciate that opportunity because I do know there's another audience out there than what's on my screen. I totally appreciate that. I'm going to just say that the 11% number is an increase to our budget. We're taking our taxes from \$61 million to \$67 million. That's a true 11% increase to our budget to help us get to our revenue number, but the true impact to the homeowner is not 11%. The average taxpayer in Paterson is paying \$8,821.00. This is all under the Department of Consumer Affairs website. You can go look at it yourself. With this increase to our budget of 11% to the tax levy, to the tax investment, that homeowner will now pay \$9,034.25. That's the real impact on our 21% share of the total property taxes in Paterson. Remember there are three shares. There's the county share, there's our share, Paterson Public Schools, and then there's the city share. When I went through that tax breakdown, you see what the share is. We're at 21%, the city is at 58%, and the county is now at 19%. Remember, we're increasing our budget on a much lower number and so the impact is 11% to us, budget dollars. We get that 11%. Dollars to us is that. But to the homeowner, he's getting hit 2%, and that's because we're at 21% of the total tax breakout in Paterson. That's the true impact to the homeowner in Paterson, 2.4%. That information is based on the assessed value of \$197,089. That's the average assessed value of a home in Paterson. That's the number that they go by at the Department of Consumer Affairs. Mrs. Smith's house might cost \$200,000 or that's not going to be the same impact, but it's all based on the average assessed value.

Comm. M. Martinez: If I ran my numbers correctly, on the day I think it's something like 61 or 62 cents a day, multiply that, and it's an increase to every home roughly of \$222.

Mr. Matthews: If you don't mind, I'll bring the presentation back up.

Comm. M. Martinez: I'm pretty sure you said, and again I ran my numbers, it was like 61 cents per day.

Mr. Matthews: Yes, it's 58 cents a day.

Comm. M. Martinez: Times the 365 it comes out roughly to \$222 a year per person. That's your number. Press and city officials, you want to run the headline? That's your number.

Comm. Hodges: Comm. Martinez, could you encourage them to get back to us about having a meeting to discuss the budget so that the whole city can understand?

Comm. M. Martinez: Yes, sir.

Comm. Teague: Don't worry, next Tuesday I'm going to be at that Council meeting.



Comm. Hodges: It would be appropriate. If they're concerned now, why didn't they answer our request to have a meeting to discuss the budget with the whole community?

Comm. Redmon: I'm sorry. I think we all concur with you, Dr. Hodges, because it's frustrating that none of us... We have reached out several times and it's just a matter of them listening to our point, but they came up with their own conclusions and never want to sit with us, or they want to do meetings behind the scenes. We should do this in the public, not behind the scenes, so the public can see it.

Comm. Hodges: That's exactly right.

Comm. Capers: I agree.

Mr. Matthews: All the information I've given to you is public information on the Department of Consumer Affairs website.

Comm. M. Martinez: Leon, thank you much. And again, just for the folks out there, this was for you guys to understand and to hear clearly and simply in dollar figures and percentages what this would equate to. All the folks in the press, city officials, please cut this little part of the meeting out, splice this and share this. This is the portion that needs to be understood and shared. Thank you, guys.

Comm. Hodges: Or invite us to the meeting and have a fulsome discussion about what we're doing and how and why.

Comm. M. Martinez: Dr. Hodges, I encourage you to also use your muscle that you have and have earned to apply the same pressure so we can get this done.

Comm. Teague: Yes, and if I might add I've been doing some extensive research. A little birdie dropped something in my ear a couple of weeks ago and I've done some extensive research. I'm finding out that the City of Paterson itself has a huge bill coming up in about three years and I think they're trying to find ways to see if they can get around it by attacking different departments and different entities such as us. I'm doing some more research, but once I get the exact number you know I'm coming for them.

## **PUBLIC COMMENTS**

**It was moved by Comm. M. Martinez, seconded by Comm. Castillo-Cruz 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 Deputy, staff and community. I had my testimony that I gave to the Assembly prepared to share with you, but Mr. Matthews did such a great job of clarifying all the issues that I don't need to repeat it. Two things came up in your discussion that I wanted to respond to. One is that students are registering for charter schools that have never been in Paterson Public Schools. Money is following the child that was never there before because they are going to school for the first time. This year we have kindergarten, first and second graders who are in school for the first time. Also, students are leaving private and religious and parochial schools to enter charter schools because they are public schools and publicly funded. When those other schools close or reduce their enrollment, the students do enroll in charter schools which affect how many kids are enrolled in charter schools. That's neither here nor there on the budget, but I did want to clarify that. Also,

I did a fact check and when it comes to New Jersey state aid and local tax levy, 90% of the money follows the student. That's from the State of New Jersey Charter School Act and New Jersey Spotlight. I checked both sites. Thank you so much and have a good evening.

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

## **RESOLUTIONS FOR A VOTE:**

### **Resolution No. 1**

**WHEREAS**, the Superintendent of Schools forwarded Paterson Public Schools' preliminary 2022-2023 budget to the Commissioner of Education and the Passaic County Executive County Superintendent of Schools for review and approval on March 23, 2022; and

**WHEREAS**, the preliminary 2022-2023 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 2022-2023 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 2022-2023 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 2022-2023 to support the general fund as reflect herein;

	2021- 2022	1-Feb YTD	2022-23
	<u>Pre-Budget</u>	<u>Actuals</u>	<u>Budget</u>
Maximum Travel	\$154,283	\$16,278	\$220,000
	<u>Budgeted</u>		<u>Local Tax Levy included</u>
General Fund Revenue			
Local Sources	\$ 71,937,206		\$ 67,748,491
State Sources	\$ 499,915,582		\$ 0
Federal Sources	\$ 1,542,741		\$ 0
Budgeted Fund Balance	\$ 16,579,592		
Total General Fund	<u>\$ 589,975,121</u>		<u>\$ 67,748,491</u>
Special Revenue Fund (net of operating budget transfers)			<u>Local Tax Levy included</u>
Local Sources	\$ 746,453		
State Sources	\$ 55,809,451		\$ 0

Federal Aid	\$ 151,883,125	\$ 0
Transfer from Operation Fund:		
Pre-K Special Education	\$ 2,889,271	\$ 0
Total Special Revenue Fund	\$ 211,328,300	\$ 0
Grand Total Revenues	\$ 801,303,421	\$ 67,748,491

**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 2022-2023 School Year is \$801,303,421 of which \$67,748,491 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 2022-2023 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, 2021-2022 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. Redmon, seconded by Comm. Capers that Resolution No. 1 be adopted. On roll call all members voted in the affirmative, except Comm. Castillo-Cruz and Comm. Hodges who voted no. The motion carried.**

#### Paterson Board of Education Standing Abstentions

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4<sup>th</sup> and Inches
- Westside Park Group
- Insight
- Jersey Kids
- NFL Foundation

Comm. Castillo-Cruz

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

Comm. Hodges

- Self
- City of Paterson

Comm. Dania Martinez

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

Comm. Manuel Martinez

- Self

Comm. Redmon

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

Comm. Simmons

- Self
- Family

Comm. Teague

- Self
- YMCA

General Fund	2021-2022	2022-2023	# Increase/ (Decrease)
Local Tax Levy	\$ 61,034,676	\$ 67,748,491	\$ 6,713,815
Tuition	\$ 500,000	\$ 500,000	\$ -
Miscellaneous Income	\$ 3,670,510	\$ 3,670,510	\$ -
Extraordinary Aid	\$ 4,148,854	\$ 5,000,000	\$ 851,146
And for Payroll Testing State Fees	\$ 14,208	\$ 14,208	\$ -
State Aid	\$ 176,281,788	\$ 194,915,582	\$ 18,623,794
Federal Aid-Medicaid Reimbursement	\$ 1,538,784	\$ 1,542,741	\$ 3,977
2022-2023 State Aid allocations	\$ -	\$ -	\$ -
Expend. Surplus	\$ 2,872,705	\$ 10,689,041	\$ 8,613,336
Appropriated Fund Balance	\$ 5,222,316	\$ 5,893,984	\$ 2,571,435
Executive County Superintendent of Schools for approval in accordance with the	\$ 54,997,954	\$ 60,999,414	\$ 37,377,503

statutory deadline:

**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 6, 2021, 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 2022-2023, 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, 2022 for the purpose of conducting a public hearing on the budget for the 2022-2023 school year; and

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

**It was moved by Comm. Redmon, seconded by Comm. M. Martinez that Resolution No. 2 be adopted. On roll call all members voted in the affirmative, except Comm. Arrington who abstained. The motion carried.**

**Paterson Board of Education  
Standing Abstentions**

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4<sup>th</sup> and Inches
- Westside Park Group
- Insight
- Jersey Kids
- NFL Foundation

Comm. Castillo-Cruz

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

Comm. Hodges

- Self
- City of Paterson

Comm. Dania Martinez

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

Comm. Manuel Martinez

- Self

Comm. Redmon

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

Comm. Simmons

- Self
- Family

Comm. Teague

- Self
- YMCA

**MOTION TO GO INTO EXECUTIVE SESSION  
TO DISCUSS PERSONNEL AND LEGAL MATTERS**

**It was moved by Comm. Redmon, seconded by Comm. Castillo-Cruz that the Board goes into executive session to discuss personnel and legal matters. On roll call all members voted in the affirmative. The motion carried.**

The Board went into executive session at 7:05 p.m.

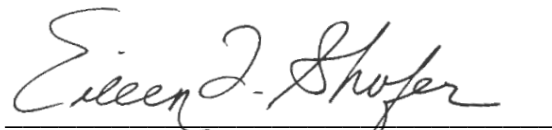
**It was moved by Comm. Hodges, seconded by Comm. Redmon that the Board reconvenes the meeting. On roll call all members voted in the affirmative. The motion carried.**

The Board reconvened the meeting at 7:56 p.m.

## **ADJOURNMENT**

**It was moved by Comm. Teague, seconded by Comm. Redmon that the meeting be adjourned. On roll call all members voted in the affirmative. The motion carried.**

The meeting was adjourned at 7:58 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