

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

March 21, 2022 – 5:36 p.m.
Remote - Zoom

Presiding: Comm. Nakima Redmon, Vice 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. Kenneth Simmons, President
Comm. Corey Teague

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 21, 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. At this time, I'm going to ask Jeff Booker and his team from CBIZ if they would present the questions and the answers that they received from the district. After the Board meeting last Wednesday, my office put up a Google document where all employees had an opportunity to ask questions regarding the change from Horizon to Aetna. That drive was then shared with the CBIZ folks, and they worked on answering the questions starting on Thursday and throughout the weekend. Tonight, they have the answers to those questions and so at this time I'm going to turn it over to Jeff Booker.

HEALTH BENEFITS PRESENTATION

Mr. Jeff Booker: Thank you, Madam Superintendent. We appreciate again the opportunity to be with you this evening and be able to help work through the various questions that we received. I'm here with my team, Suzanne Wood and Nichelle Santos, and the folks from Aetna. I'm going to ask Suzanne if she would be so kind as to share her screen so we can begin to get into the Q&A, which was quite extensive. We're happy to share that with you this evening.

Ms. Suzanne Wood: Unfortunately, I'm not able to share. If I'm given that permission, I can do so.

Ms. Shafer: Boris, you have the presentation.

Mr. Zaydel: I'm not sure that I do, but I just gave Suzanne permission.

Mr. Booker: As I said, we do appreciate the opportunity to dig a little deeper here to discuss our findings with the Q&A. We're going to cover a number of things this evening with respect to the survey that was provided and the various answers. We do appreciate the insight that folks took the time to share and give us an opportunity to work with Aetna to come up with the various answers. 340 individuals provided feedback. There were concerns raised regarding the Aetna/Meritain relationship, network access, plan design, cost savings, transition of care, and the overall level of service to be provided to the membership. What's important to understand here is what will not be impacted if a change is made. The current plan design will remain the same. 'Equal to or better' has been provided and the plan is being matched line by line. The prescription program will continue to be administered by CBIZ as it has been. The Wellbeing program will continue to be administered by EBIX, which includes the \$250 reimbursement that will continue if 800 points from the program are achieved. As we have for the last three years, CBIZ will continue to advocate for the employees and address concerns during and after a transition.

Ms. Wood: I wanted to provide an overview of some of the questions. As we go through, I will answer all of the questions that have been asked. I've segregated them in different areas so we could stay on the same topic. Why is Aetna/Meritain being considered? Why is the district considering a change? In reviewing the data what you will see is that the provider access with Aetna is 87% in-network. Current with Horizon, it's somewhere between 69% and 70%, and that has been fairly consistent over the last three years. Members will continue to have access to their current providers. Remember that if you're using a network provider, you have access under the same benefits as you had before. If you choose to go out-of-network, you can still use those providers, but cost differences might apply and we're going to hit on that a little bit later in the conversation. Aetna has 6,625 providers that Paterson members are currently utilizing, while Horizon has 6,211 providers. That does not mean that everyone's providers participate with Aetna. It means that the majority of the providers participate with Aetna, and some do not. As Jeff said, we got a lot of questions on plan design and we're going to go into that in a little bit more detail. From a plan design perspective, Aetna is matching the plan designs. The concerns over getting charged more to go to your doctor's office or to the hospital, I can assure you those changes will not happen. The plan design, copays, and hospitalization coverages are all staying exactly the way it is today. Under the Aetna plan there is an enhancement where there are no referrals for any of the plans. Currently, under the point of service plans with Horizon you are required to get a referral. Under the Aetna plans, none of the plans will have a referral requirement so that is a little bit of an enhancement from what you have now. As Jeff

said, Aetna did provide us with an 'equal to or better than' letter. We do have a plan summary and some detailed summary plan descriptions. If you were to make this decision to move forward, we would go through the benefits line by line and make sure everything matched. Why is this change being considered? The projections, based on all the details that we reviewed, suggest a \$14.3 million projected savings with Aetna in year one. That's not a three-year savings. That's a first-year savings. That's predominantly being driven by a few things. One, higher in-network utilizations and more discounts apply for the claims that are being incurred. Second, Aetna offers an underlying network that will help with all of those out-of-network claims and we'll get into that a little bit further later. Aetna is forecasting and has provided a performance guarantee on their average discount of 65%. Currently Horizon's average discount is somewhere around 62%. Aetna is projecting a larger discount than the Horizon discount currently being experienced. Just from a perspective of where the employee contributions will lie, if we move to Aetna the employee contributions will stay the same as they are today. If we were to move to Horizon, because the plan is going to cost more, those employee contributions would need to increase. We wanted to talk a little bit more about the Aetna/Meritain relationship. From an Aetna/Meritain perspective, I want to assure everyone that Meritain is a wholly owned subsidiary of Aetna. It is very different than the relationship that WebTPA had with Cigna. Cigna and WebTPA were not connected at all. Meritain is a third-party administrator associated and owned by Aetna and they report up through the Aetna corporate office. They do have claim integration. If a claim gets sent to Aetna and it should have been sent to Meritain, it will be directed to Meritain. It will not go in a hole and never be found again. This was the experience with the Cigna/WebTPA relationship. It is a very different relationship. They are one entity, as opposed to two separate entities. Meritain is really combining the strength and experience that they have. What the third-party administrator does is allow you to have a high-touch caring support and member advocacy. We'll talk a little bit about the support at the end of the presentation as well. I shared with you that Meritain claims, and customer service are in fact integrated. In addition, Aetna and Meritain are now owned by CVS. There was a merger back in 2018 and now CVS also owns Aetna/Meritain. That gives you access to CVS HealthHubs and Minute Clinics to provide some additional healthcare options. There was a lot of concern regarding the service levels that Aetna/Meritain provided. One of the things that is used commonly in the industry is net promoter score to measure the service levels providers give to their members. Aetna scored a 56. The industry average is 27. A score between 50 and 70 means that the company in this range is doubling down on customer service experience. Some of the most beloved brands have an NPS net promoter score in that range. From a service level, are they at the top of the scoreboard? No, but very few are at the top of that scoreboard. That net promoter range not only measures insurance companies, but many other companies as well. Some regulatory concerns were also brought up. We did a little research in an effort to try to understand what these issues were and where they are within the litigation process. Someone shared that there was a lawsuit – Sandra M. Peters vs. Aetna. That was regarding reimbursements for chiropractic and physical therapy services. According to the lawsuit, additional charges were being added to billing codes to pass on expenses to employers' members. The initial judgment on this lawsuit, based on the legislation that we found, was in favor of Aetna. An appeal was filed. That is in the fourth circuit. The appeal was granted. Please keep in mind I'm not an attorney but based on everything we have been able to find it's still in litigation. There has not been a response or result or decision on the appeal as of this weekend. Aetna's response to this was that Optum provides value to their customers and members in reducing costs and broadening in-network options. Aetna believes that they need to vigorously defend this lawsuit because they don't believe it is warranted. They did share that Optum was not utilized in New Jersey so most of this would not apply to the members located or seeking services in New Jersey.

Aetna remains fully committed to providing members and customers with the highest quality care at the most affordable rate. Again, that is Aetna's response to the inquiry. In the second case it was mentioned that several class action lawsuits have been filed against Aetna for falsifying their network of benefits in order to receive new contracts. We did some digging to see if we could find out what that result was or what that referenced because it wasn't specific in the comments that we received. We assumed based on our digging that this is in relationship to the Pennsylvania Qui Tam action that was a whistleblower action over network issues from Medicaid. The result of that, based on everything that we could find, was that the DOJ reviewed all the evidence and chose not to participate in the lawsuit, and it was dropped. If it was something else that somebody was referring to, if you can provide more information, we will do some investigation on it. That is what we found when we did the research. We received a lot of concerns regarding the Aetna network. One of the reasons that the change is being considered is because the providers that are being utilized you have more participation within the Aetna network than you do within the Horizon network currently. Aetna offers a national network of providers so you are free to seek care in the United States in whatever area you would like. Aetna is offering the largest network, which is their Choice Point of Service II Network. The best way to see whether or not your provider participates is by going to www.aetna.com/docfind/custom/mymeritain/. I know that's a long web address and I do have it a couple of places in this presentation, but that is the most effective way to look and see whether or not your particular providers participate. There was a lot of concern regarding employees contacting their providers and not necessarily having the right network. It is the Choice Point of Service II Network that Aetna is offering. If you would like to call your provider, you can ask them if they participate in the Choice Point of Service II Network because that is the network that will be utilized. If you want to reach out to your provider, as opposed to looking on the website, you would need to say the Choice Point of Service II Network, which is Aetna's largest broadest network. Once you get into the network, it is fairly easy. You enter your zip code, search what you want to look for, whether it's a hospital provider or the name of a facility, and you can filter the search that way. I did a search on the local hospitals that participate with Aetna. Again, you can look at www.aetna.com/docfind/custom/mymeritain. The hospitals in question, St. Joseph's, Hackensack, and Valley, all do participate within the Aetna network. They are all on the website. I checked that as late as a half-hour ago. We did a pretty detailed comparison of the networks in an effort to make sure that we were doing as comprehensive an analysis as possible. The network comparison showed that 6,622 providers were part of the Aetna network, and these were by utilizing Paterson members, while 6,211 participated in the Horizon network. That's 53,623 claimants that will receive care at an in-network provider, compared to the 50,219 that received care in Horizon. Please keep in mind that you can be a claimant more than once. A claimant is a person incurring a claim. If you have multiple claims, you're in this number more than once. We did a lot of analysis on out-of-network comparison. The analysis that we did on the out-of-network comparison focused in on who was not participating and where some of those differences were. Aetna has 414 additional network providers that Paterson employees are using and 3,331 additional claimants. That does not mean that every provider is in the Aetna network. There are providers in Horizon that do not participate with Aetna and there are providers in Aetna that do not participate with Horizon. Below is a summary of the out-of-network utilization. We've already shared how many providers in-network participate, and we shared how you can capture who participates. Now we're going to talk about from an out-of-network perspective the specific areas where there was a lot of interest in in the survey. When we're talking about acupuncture, Horizon has 127 providers that fall out-of-network, which impact 534 claimants. Aetna has 120 acupuncturists out-of-network that impact 464 claimants. Horizon has 176 chiropractors and 800 claimants, compared to Aetna's 215 and 880 claimants. Social

work, which is mental health, it's 141 providers and 223 claimants, and 142 versus 240. Physical therapy is 146 providers out-of-network with Horizon and 636 claimants compared with 69 out-of-network providers for Aetna and 304 claimants impacted. Orthopedic surgeons, 100 out-of-network providers and 412 claimants impacted. Aetna has 77 out-of-network providers and 362 claimants impacted. Family practice is 103 providers out-of-network with 276 claimants. Aetna is 60 providers and 170 claimants impacted. In all cases, except for chiropractic where Horizon is much stronger, the Aetna network is a little bit wider when we are talking about the providers currently being utilized by Paterson members. What happens if my doctor does not participate? I want to make sure that everybody is clear and understands what happens when your doctor does not participate. All plans have an out-of-network benefit. If your provider does not participate, you would fall into the out-of-network benefit. I'm going to go into the plan designs in a moment. Remember that the Garden State Plan only covers doctors in New Jersey. While Aetna offers a national network, by legislation under Chapter 44, the Garden State Plan will only cover providers in New Jersey. That's state legislated, not necessarily governed by Horizon or Aetna. Under the out-of-network benefits, a deductible and coinsurance apply. That deductible and coinsurance depend on the plan that you're enrolled in. I want to assure everybody that you have an out-of-network benefit, and you can continue to see existing providers. However, your claims will be paid out-of-network. Members could possibly have to pay out of pocket first and get reimbursed depending on the provider. If there's no contract, Aetna nor Horizon can control out-of-network behavior or claim reimbursement. I wanted to walk through an example because there's a lot of confusion in the out-of-network. The majority of the population is in the PPO-10 plan. Under the PPO-10 plan, you have a \$100 single deductible, and you pay 20% of the cost. The insurance company pays 80% and you pay 20%. You have to pay the first \$100 out of your pocket. Let's just take a very simple example of a doctor's office visit that costs \$200. Assuming your deductible has not been met, you're going to pay the first \$100 of that visit and then 20% of the balance. 20% of the \$100 that is left is \$20. In this particular example, you'd pay \$120. It is important to note when your next claim comes up, your deductible would then have been met and you would only have to pay the 20% of the coinsurance. That is if you're single. If you're a family, you have a \$250 deductible on the plan. You have to pay \$250 and then the plan would start paying at 80%. Under both the single and family, you have an out-of-pocket maximum. Your out-of-pocket maximum is the maximum expense that you are responsible for paying before the plan pays 100%. If you were using all out-of-network providers, and we don't necessarily encourage that, the maximum expense you would have out-of-pocket under the PPO-10 plan for single coverage is \$2,000 and for family coverage it is \$5,000. That's assuming all out-of-network providers are being utilized. However, only claims that are eligible expenses go towards that out-of-pocket. If you get something that's not covered under the plan at all, that does not go towards your out-of-pocket maximum. To continue on with the out-of-network reimbursement and how it works, Aetna is matching the out-of-network reimbursement that Horizon currently has. One of the big challenges with the Cigna plan is that out-of-network reimbursement wasn't necessarily matched. CBIZ was not involved with the Cigna placement, so I cannot comment necessarily on any of the details on that. But Aetna has agreed to match the out-of-network reimbursement. To simplify what is on the bottom of this page, Aetna is going to pay practitioners at 90% of the covered rate for your geographic area. Ambulatory and surgical centers are being paid at 160% of Medicare. All other services are going to revert back to geographic fair health, which is an incredibly generous reimbursement for out-of-network. That is exactly how Horizon is doing the out-of-network benefits and that is how Aetna has shared with us out-of-network claims would be reimbursed. The exception to that is the New Jersey Educators and the Garden State Plan. Those out-of-network reimbursements will be done at 200% of Medicare and that is legislated by Chapter 44.

Chapter 44 specifically identifies how those two plan's out-of-network reimbursements are required to be done. That is how those two plans will have the reimbursement, at 200% of Medicare. From an out-of-network perspective, if you are using out-of-network providers you will have some out-of-pocket expenses. But your out-of-pocket expenses and balanced billing will be limited to how it was reimbursed under the Horizon plans currently.

Mr. Booker: I just want to comment on the previous slide so that we have clarity on this. The actual processing of the out-of-network claims will be handled under the same arrangement that is in place now with Horizon. It's exactly the same. It's critical to understand that because there may be some confusion that somehow this is different. This is what is taking place now. It's the exact same plan design and the exact same handling with respect to out-of-network claims. That's an important thing to be aware of. We see this as an enhancement because we're having more claims being processed in-network. Even though it's being processed out-of-network, it will be processed under the exact same terms in place with Horizon now.

Ms. Wood: Correct. Thank you for the clarification. What do you do if you have an out-of-network claim or go to an out-of-network provider and the provider's office will not file the claim for you? Out-of-network providers are not required to file claims for you and that goes for the Aetna and Horizon plans also. There's no contractual relationship, so the provider's office is not required to do it for you. If they will not do it for you, you will need to file the claim yourself. Under that, there is a sample claim form. I referenced that it's been attached, but we certainly can get it to everyone. Meritain has a claim form that you have to complete, and it should be submitted to the Meritain address on the screen. As far as processing and reimbursement, times will vary. It is important that all information be complete on the claim form and the doctor's bill is sent along with all the diagnoses codes. Aetna is not going to be able to reimburse unless they have those diagnoses and CPT codes. Assuming Aetna gets all the information that they need, the promised turnaround time is 10 business days. Aetna has guaranteed that 80% of all claims will be paid within 10 days, but the claim does need to include everything that is needed in order to process it. The guarantee is based on all claims and not just out-of-network claims. That is how you would process the claim if the provider was unwilling to send it to Meritain for you. This is just another recap on out-of-network reimbursement. I included this because it is on Meritain letterhead and it's just their confirmation that they are paying the claims as outlined in the current Horizon plan document. Aetna also has underlying networks. One of the cost advantages is that Aetna has underlying networks that sit underneath the Aetna network. These are not advertised networks. They are not part of the Aetna network, and they were not included in the evaluation that we just went over with all of the in-network and out-of-network provider data. These networks in essence are not necessarily known to you as the consumer, but if you happen to go to one of these providers the claim is automatically processed and paid using the contractual arrangement. You might say, "How does that benefit me?" It actually does benefit you the consumer because the reimbursement is agreed upon in the underlying contract and you will not be balance-billed for any difference. Your deductible and/or your 20% will be paid on a lesser amount. The \$200 claim that I might have mentioned maybe was negotiated for \$150 and your portion would only have to be paid on \$150 and not on the whole \$200. Again, these underlying networks are invisible to members. You're not necessarily looking for these providers, but it is a way that Aetna can save dollars for the district and you the member. You are paying your portion on the negotiated rate. I'm going to go into plan design now and I'm going to talk a little bit about what the plans are and how they would work if Aetna was chosen. Aetna provided an 'equal to or better than' letter and they agreed to match the existing plans. That would be the 12 existing plans as they are

stated now. The one difference that you will notice is that referrals are not required on the Point of Service plans as they are on the Horizon Point of Service plans. There were many questions about why we couldn't offer members a choice between Aetna or Horizon. Unfortunately, neither carrier will allow that. Horizon will not allow Aetna to be offered and Aetna will not allow Horizon to be offered. That is not an option for us. Others asked about the State of New Jersey plan. There seems to be some misconception about employees who are enrolled in the New Jersey Educators and the Garden State Plan being on a state plan. Those two plans are currently administered by Horizon. The Paterson employees are not on the plans that are administered by the state. The New Jersey Educators Plan is matched and administered by Horizon under the Paterson umbrella. The Garden State Plan is not offered by the state, but it is offered by Paterson because legislatively it should be offered. That is obviously administered by Horizon under the Paterson umbrella too. Your PPO plans will be the same. Your Point of Service plans will be the same. Your high-deductible plan will be the same. All employees hired after 7/1/2020 are only eligible for two plans – the New Jersey Educators Plan and the Garden State Plan. That is by state requirement, Chapter 44. That is not a decision that Paterson, Aetna, or Horizon made. That is a requirement outlined by Chapter 44. There's a lot of confusion about that. The next couple of pages are the plan designs. I will not go through every line because we probably will be here all evening. However, I will tell you that when you look at this plan design, you will see the benefits are exactly the same across the board. The only difference is the referral requirement and that doesn't become a difference until we get into the Point of Service plans. As I said in the beginning, Aetna has agreed to match the Horizon plans line by line, but we did a side-by-side comparison because several people asked for that. You will be getting summaries of benefits plan documents. If Aetna were to be offered, we would share a plethora of communication, so you know exactly what was being offered. You will see where the difference comes when you get to the Point of Service plans. You will see that the referrals are required under the Horizon Point of Service plan, but not under the Aetna Point of Service plan. All the other plan designs are the same. In these plan comparisons, while prescription is on here and while CVS owns Aetna, your prescription plan is not changing. It's still under the CVS umbrella. That means nothing is changing with what is covered and not covered. There were many questions in the survey that was done, and prescription is not changing. This is the 'equal to or better than' letter that Aetna provided confirming that they will match the plan design. I wanted to share that with you. I want to go a little bit into the cost. We talked about the savings. Many people asked about what increase will you get and will the savings be shared. The answer is that the savings will be shared with the employees because in the event that we were staying with Horizon, it would call for a 9.6% increase to your overall contributions. That 9.6% is based on the rates and then your Chapter 78 percentages are applied. The premium would have to go up by 9.6% in order to continue with Horizon. Under Aetna, we don't have to pass along that 9.6%. Obviously, the New Jersey Educators and the Garden State plan would continue as a percentage of salary as required by Chapter 44 under the legislation. I wanted to make sure that you understood what impact it would have by retaining Horizon just based on the pure cost difference between the plans. Rightfully so, a lot of people had issues on transitional care and active course of treatment. There is an action plan in place if you are in active course of treatment. If you or one of your covered family members is pregnant or receiving ongoing care, maybe you're in cancer treatment, chemotherapy, transplant, and things of that nature, there is a transition of care plan. We will ask you to complete a transitional care form, provide us with the information, and Aetna will make a determination as to whether or not you can see your current providers without any impact, meaning they will pay them as if they were in-network for the period of time that you're receiving that treatment. Aetna does have to approve that transition of care. If the decision is made to move to Aetna, we will arm

you with that information, so you know exactly what to do. There is a form available that all Paterson employees will have access to so you can begin that process and we can make it a smooth transition for you. I do want to assure you that there is an action plan in place to make sure that you can continue care for that existing treatment that you may be in the middle of. It is not for all treatment. It is for conditions that are currently being actively treated that require special medical care. If you see your doctor once a year and you want to maintain that relationship, you certainly can. But that wouldn't necessarily be a transitional care because you're not in an active course of treatment with that provider.

Mr. Booker: I just want to amplify this point here. One of the things we heard a lot in previous meetings and even in the survey is that there was a high degree of concern about transitional care issues and how that would work. Are we going to be left hanging? The answer is an empathic no. Part of our role, and if a change was made to Aetna, Aetna's role, is to work with you to make sure that things are not dropped or fall under the cracks. Quite frankly, collectively it is in everyone's best interest for that not to happen. We'll work very hard to keep that from happening because we understand these things are serious concerns and we will be double and triple-teaming to make sure that the transition is smooth. Obviously, that's what folks would expect.

Ms. Wood: Absolutely. I do have a portion on the service that I'm getting to, but I can assure you that the CBIZ team as well as the Aetna team is ready, willing, and able to assist in any of those transitional care issues that you might have in order to make sure care is not interrupted. Just to clarify a few things, Meritain/Aetna will provide a customized ID card for Paterson. There's a sample here. You will see that the Aetna logo is on the card. In order to prevent confusion, Meritain took their logo off. It will be up to Paterson whether it should be off or on. CVS can be combined with the card, if we choose to. We may or may not want to do that. There are valid reasons to do it either way. Not everybody has prescription coverage, so we may or may not want to do that. It can be added if the district chooses to do so. The Aetna network is the Aetna Choice Point of Service II, which is Aetna's largest and broadest network. Aetna is guaranteeing that they will have ID cards in your hands by July 1, 2022. They have offered a performance guarantee on that. We at CBIZ will do everything humanly possible to make sure that those cards are out on time with plenty of notice so that you have them in your hands. I will also share with you that Aetna has a mobile app that you can use to confirm your ID. In the event that you don't have your card, or you are running out the door and you forgot your wallet when you're going to the doctor, you can pull it up on your phone by just using that app. What do you do if you have a problem, a question, or things just aren't going the way you need them to? Aetna has an advocacy team dedicated to Paterson. They will have a team specifically trained in Paterson benefits to answer your questions, resolve your claim issues, and provide assistance. They have offered a service guarantee on ID card delivery, overall implementation, financial accuracy of paying claims correctly, claim turnaround time, and first call resolution, which I think is incredibly important. Did they resolve your call the first time they spoke to you? Did you have to call again? And average wait time, or what we refer to in the industry as average speed of answer. We'll also share with you that our team, as we have been for the last three years, are dedicated and available to help you through this process. We at CBIZ have a dedicated team. You can email us or call us, and we will do everything possible to assist you. We are certainly committed to continuing the same level of service that we have provided over the last three years. Madam Commissioner and Ms. Shafer, that is the end of our presentation. I don't know if you want to allow questions.

Ms. Shafer: Thank you, Suzanne and Jeff. That concludes the presentations for tonight.

Comm. Hodges: Did you want to have questions after the public portion?

Comm. Redmon: Yes, because some of the questions may be covered during the public comments. How many speakers do we have?

Mr. Zaydel: A record-breaking 250.

PUBLIC COMMENTS

It was moved by Comm. Teague, 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.

Comm. Redmon: Boris, can you please read the policy with regards to the public comments in the minutes?

Mr. Zaydel: Our policy 0167, posted on our website in the policy section, provides that public speakers will have three minutes to make their statements ordinarily. However, the presiding officer, meaning the Board President, can waive these rules when necessary for the protection of privacy or to maintain an orderly operation of the Board meeting.

Comm. Redmon: Thank you. The reason why that was read is because from the past meetings we were getting questions as to why we were changing the minutes of our public portion. With the respect of time of each person that's signed up for public portion, we will allow each person to have one minute.

Mr. John McEntee: Good evening, everyone. I want to thank you for the time. I wasn't going to raise this tonight, but I do want to make a point of order here. We've been speaking to our attorney all day and since it seems that this is going to move forward, the Board of Education does follow, according to their bylaws and constitution, Robert's Rules of Order. In that, if the Board does decide this evening to bring this to a vote, reconsideration can only be made on the day the vote was taken, which was last week on the 16th or the next succeeding day, which has already passed. This would be a violation of your own bylaws. Beyond all that, we will take appropriate action if the Board does take a vote on this tonight. I just want to make a couple of comments here because I'm not sure if you're giving me one minute or more. I did request more and hopefully I got that. The conversation last week, I believe, was completely inappropriate. The sky is falling, and layoffs are going to come should not be a discussion that happened where it did. For the members who have all contacted me...

Ms. Camille Lewis-Francis: Hi, I'd like to know why we were given the information to get New Jersey Choice POS II this late. I can't call my doctors to find out if they absolutely participate and I couldn't find it on the website. The out-of-network benefits that I'm able to use, I've budgeted for some doctors. I don't have the disposable income to manage extra payments to them if they're not included in the plan as well as my regular bills. Horizon already has an app so telling me they have an app means nothing to me. Thank you.

Ms. Carmen Coldiron: Good evening. I have been educating the youth of Paterson since 1991. I've been here through many changes in the school system and the city

also. I'm urging you to vote no on switching our healthcare to Aetna. As PEA members, we rely on our doctors and healthcare facilities, many of which took years for us to establish a relationship with. While no healthcare insurance plan is perfect, we have learned to navigate our current plan well. These are benefits that we, including our families, rely on. This will cause a severe disturbance in our everyday lives. I've been here for the city and expect them to be here for me. It's a mutual relationship that we both rely on. I'm a registered voter and I do vote. I would urge any member and citizen of Paterson not to support any Board of Education member who doesn't support us. I'm urging you to vote no to switching our healthcare to Aetna. Thank you for your time.

Ms. Arlethia Kelley: Good evening. I would like to just make a point of trust. Trust is something that is very important in a relationship. I've had trust with Blue Cross/Blue Shield for as long as I can remember. I believe in having good health coverage and I think it is important for all of our Paterson Public School employees. I would like to give a testimony because I believe testimonies tell you what is real and what is not. In 2013, I had a lifesaving procedure, and I was thankful that I could rest in the fact that Blue Cross/Blue Shield covered all the care I needed. I've never had any issues with Blue Cross/Blue Shield. It is an excellent health insurance. I urge Board members to please consider voting no for changing our healthcare to Aetna. Our health matters. What about yours? Thank you.

Ms. Jaclyn Hoogmoed: When I first learned that the vote was in favor of keeping Blue Cross/Blue Shield last week, it was an instant relief and a burden off my shoulders. Yet, moments later that relief was crushed. There has to be a better way to balance the budget besides at the expense of the teachers who educate the students of this community. The physical and mental health and wellbeing of each one of us and our families should be important. Keeping Blue Cross/Blue Shield should be the only choice, especially when you see how important it is to so many. It's heartbreaking to know that we may be put under distress trying to deal with a third-party administrator under Aetna. Everything runs so smoothly with our current benefit plan, and I pray you all vote in favor of our health and wellbeing and keep Blue Cross/Blue Shield. Keep in mind that if something sounds too good to be true, it usually is. Thank you so much for your time.

Ms. Melissa DeBlock: Good evening. My name is Melissa DeBlock. I want to share with you a review from the Better Business Bureau on Meritain Health and Aetna. This review is dated July 24, 2021. Absolutely the worst company I have ever dealt with. As a member, you will never get to speak with them when you need help. They have no options for generic questions about your plan on their automated phone system. The website almost never works. They send confirmation emails to register that never show up. If you are an HR director looking for a firm to help you, go somewhere else. We have over 200 employees and have nothing but bad experiences since switching to Meritain. Is this the type of insurance policy you want for your staff who has already been through so much? How can we be there for our students if our own health isn't of value? Please say no to Aetna. Thank you.

Ms. JoAnn Cascamo: Thank you to the Board for defeating the motion to change our health insurance plan last week. I respectfully implore you to remain with last week's decision. I've been a teacher in Paterson for 20 years and take great pride in that. Most of my family resides in Paterson and are products of the school system. Many are teachers in the district. Please continue to look after us, my colleagues and our families. We should not be forced to adapt to another plan, especially when what we have is working for us. Many are dealing with illness and need proper medical care.

Why add another stress factor to their lives? Reaching out to providers to see if they are a Choice provider is stressful. Now add that to the number of doctors they have times their dependents and that's if they actually take that plan. Telling us 'in most cases' as was stated in the presentation, isn't enough. Please consider what has been said and view it from our perspective. We have faith that your decision will remain the same as it was last week. Please do the right thing and show us that you care for us. Thank you.

Ms. Jean Stewart: I also want to speak in favor of retaining Horizon Blue Cross/Blue Shield. I had a lot of stressful and cumbersome conversations with a third-party administrator the last time this change happened. Horizon Blue Cross/Blue Shield has been stress-free. I call and I get answers immediately. That was not the case with the third-party administrator setup that we had last time. I know this is a different company, but I believe a third-party administrator makes things much more complicated than it needs to be and it makes it very stressful. Thank you.

Mr. Robert Flynn: Only one out of four of my primary doctors accept Aetna. Four out of four of my primary doctors accept Blue Cross/Blue Shield, obviously a significantly higher batting average. My son is autistic, and my wife has heart issues. Both are presently under excellent care. Which is more important, the health of our employees or making up the shortfall caused by Governor Murphy, which was discussed the other night? The vote was taken to keep Blue Cross/Blue Shield. Why is the Board not honoring that vote? Why the change of heart? Somebody on the outside would come in and see this and the optics here would indicate that the BA is now the de facto Board of Education. That's how it appears. In closing, the metrics have not changed.

Ms. AnnMarie Przybylski: Good evening. I asked to speak this evening because I'm very worried about the potential decision to switch our health coverage to Aetna. Every time in the past when we have switched out of Blue Cross/Blue Shield there were major problems. Those major problems have brought us right back to Blue Cross/Blue Shield. They've always provided us with great coverage and peace of mind. Since we pay into our health coverage, and I personally pay \$10,112.40 out of 10 months for myself and my husband, why are we being forced to give up health coverage that we have found to be tried and true? We're fixing something that's not broken. Why are we being forced to do something that we know is not going to be good for us and our families? As other people have said, we have been through so much. We're still going through so much. That peace of mind of knowing that at least our health coverage is going to be there when we need it is what keeps us all showing up every day feeling confident to work and do our best. Our children deserve that. Thank you.

Ms. Lynn Schweighardt: I called a couple of the billing departments of my doctors to ask them about Aetna versus Blue Cross/Blue Shield. The people who process the insurance claims for my doctors all said Aetna in no way compares to Blue Cross/Blue Shield. They also don't understand how in the world you're saying that 30% of our doctors now don't accept out-of-network but we're going to have less out-of-network with Aetna, which they feel is an inferior insurance agency. They're seeing it because they're processing the bills. I also think the BA has a big part in this because maybe had he done his job correctly, he would have had two budgets, one if the plan passed and one if the plan did not. Finding a way to spend \$10 million, which he would have saved if the plan passed, is a lot easier than finding a way to find \$10 million. Blaming us that there's now going to be layoffs because he assumed it was going to pass when it did not is really not fair to any of us.

Ms. Clara Basyurt: Good evening. I'm Clara Basyurt and I'm a second-year teacher in the district. I'm calling again to say please don't get rid of Blue Cross/Blue Shield. The insurance is great and why change something that is already working. I looked at Meritain and the reviews are absolutely awful. My husband is diabetic and Blue Cross/Blue Shield is so comprehensive and reliable. We're not going to get that with Meritain, I promise you. None of his doctors take Aetna. Also, this pandemic has strained everyone's mental health. I have a therapist who is amazing, but she doesn't take Aetna. I don't want to switch therapists and my husband doesn't want to switch doctors. You've heard from dozens of my colleagues and we're all saying the same thing. Keep the insurance the way it is. Please listen to your employees. Thank you.

Ms. Monique Sutera: I want to thank you for letting me speak. If possible, I really would like to keep the Blue Cross/Blue Shield for my family. I agree with the other staff members who have spoken. Thank you so much.

Ms. Shaliza Khan: Good evening. My name is Shaliza Khan and I'm a Paterson Public Schools teacher. I'm opposed to the switch in our health benefits coverage because from past experience it was difficult to find doctors in-network, difficult to determine what was and wasn't covered, and my claims were not properly paid. I understand that the Board is looking to save money. Every time the Board looks to balance the budget, it's always on the backs of teachers. Surely there are other areas that you can look at for budget cuts. Teachers are the ones interacting with students all day every day. We have the most impact. Yet, the Board chooses to save money by changing benefits for teachers. The Board chooses to provide substantial raises to administrators and spend excessively in consultants and areas outside of instruction. These are the areas that they should make cuts to in order to balance the budget. I have no faith that the lower cost health plan will provide the same level of coverage. When you cut health benefits for teachers, you are saying that teachers and their health aren't that important. Please don't switch our plan. Thank you.

Ms. Megan Yar: I'd like to address the Board with regards to staying with Blue Cross/Blue Shield. I've accepted that I work for my health benefits for myself and my family. I have a three-year-old son who gets multiple services, intervention of speech, developmental intervention, along with an array of different doctors. I'm grandfathered into the Blue Cross/Blue Shield PPO plan, which is great and has kept me working in Paterson. I know I'm not alone in this mindset. I, along with other teachers, have the possibility to work for a larger salary and accept the New Jersey Educators plan in another district. The reason I work in Paterson is because I'm grandfathered into that plan. The district is pushing SEL, but you're adding unnecessary stress to our already high-stress levels. I can't even imagine why Mr. Matthews would...

Ms. Jhilda Tatis: Hi, I just want to say that I want to keep my relationship with Blue Cross/Blue Shield. I already know how to navigate the policy and my relationship with my doctors is one that cannot be replaced. I couldn't find them on the Aetna network and my family is also part of the Blue Cross/Blue Shield family. We just went through COVID, which has affected the lives of so many of us immensely. Who knows what other issues involving our health we might be facing in the future? I'm a highly qualified teacher working for Paterson as a bilingual teacher, and I have always been reliable. I would also like to have a reliable health insurance that will take care of my needs and also of my family. Thank you.

Mr. Charles Wilson: Good evening, everyone. I am a Paterson registered voter, and we produce the best and we want the best. The best is Blue Cross/Blue Shield. Remember, election time is coming up. It only takes me one minute to figure out who

I'm going to vote for. It only takes me one minute to tell people not to vote for the people who are not looking out for us. Thank you so much.

Ms. Denece DiGioia-Sall: Good evening. Thank you for the opportunity to speak. I've been teaching 18 years in the district. In January 2020, I was diagnosed with cancer. In the last two years and two months, I have undergone two different types of chemo, immunotherapy, 28 treatments of radiation, four radiation surgeries, and now I'm on my third chemo treatment. I've had a fourth surgery and another surgery that has saved my life, all while teaching. If it wasn't for our Horizon health insurance making sure that my bills were paid and all of my oncologists have been in network, I can't imagine how much harder the situation could have been. My doctors are helping to save my life. I can't chance having my treatments interrupted with a switch in insurance. I know all my colleagues and administrators work so hard every day for our students. Now we need you to do something for us as members of your Paterson Public Schools staff. We need you to keep our current health insurance. My family and fellow colleagues all cannot afford the chance of our important doctors not being in-network and our appointments and procedures not being covered. We do pay into our insurance and by doing so we deserve the right to have a say in what we need and want. I beg you to vote to keep Horizon. Thank you.

Ms. Grace Alves: Please, I urge you not to change our Blue Cross/Blue Shield. Thank you.

Ms. Lauren Ferrer: Good evening, everyone. I'd like to address the comment Dr. Hodges made at the last meeting regarding teachers not living in Paterson. I'm one of those teachers that was born and raised in Paterson attending Paterson schools from k-12. I may have moved out of Paterson, but that doesn't mean I don't care about the children of Paterson or deserve good health care. Firemen, police officers, doctors, and nurses at St. Joseph's care about Patersonians and the majority of the people in this meeting care about the children of Paterson and don't live in Paterson either. My point is just because we don't live in Paterson doesn't mean we don't care and deserve the best healthcare. Let's please be mindful of that. Thank you for your time.

Ms. Rosie Grant: Good evening, everyone. I would just like to say please, Board of Education, listen to the voice of the people and I yield the rest of my time to the employees. Thank you.

Ms. Mary Jo Bancroft: Thank you for the opportunity to speak tonight. I will keep my message simple and say that I have never had a problem with Horizon. I've been with them for many years. I also have had experience with Aetna with my husband in his employment and it was nothing but problems. We experienced many different situations where payments weren't made, and we had many problems. Horizon has always provided what we needed, and they have been the best. I urge you to please keep Horizon. Thank you for your time.

Ms. Camila Ravelo: Hi everyone. Thank you for allowing me to speak. I just wanted to reiterate what I said last time, which was please don't change Blue Cross/Blue Shield. It is very attractive to come to work to a place where they have excellent outstanding insurance. I am a new employee. I'm a bilingual employee. I'm also highly qualified and hopefully doing a great job. I was highly effective on my most recent. I would like to stay here. I also think it's very important for the retention of my colleagues as well. This insurance may impact that and our ability to receive future qualified employees that our Paterson district does need. Once again, I have had Aetna before, and it has not been a positive experience for me. I also know doctors who do not care for that plan as

their reimbursement rates are not very high and they also have a very long process that sometimes gets denied.

Ms. Jehona Badivuka: Good evening. Thank you for the opportunity to speak. I urge the Board not to switch to Aetna. Thank you for your time. Good night.

Ms. Briget Calenda: Good evening. I depend on Horizon. I'm forever thankful for Horizon having the lifesaving care my family needs. As a proud Paterson teacher, Horizon is the one thing we can count on. Again, I respectfully urge the district to keep Horizon.

Ms. Sharon Collins: My name is Sharon Collins. I'm a nurse in the district. I'd like to thank the Board for defeating the motion to move to Aetna last week and I ask that the Board defeat the motion again tonight. I have a dependent young adult child with very serious congenital heart disease. I have never had a problem having his visits and upcoming MRI covered or cleared for him to have. I'm a nurse. I have friends who are doctors. Like a lot of the other members have said, Blue Cross/Blue Shield is the gold standard. It works. Doctors will even tell their friends Aetna is not the preferred plan. Doctors don't want to be in it. It doesn't reimburse as well. Please consider your employees.

Ms. Patricia Greco: Good evening, Superintendent Shafer and Board members. My name is Patty Greco and I'm a teacher at School No. 29. I'm here to ask you to please not go back on your word and vote to change our insurance carrier to Aetna. We're still in the middle of the COVID pandemic. To change insurance would cause undue stress and chaos at a time when we're trying to get things back to normal. In the past, whenever there was a change in the insurance, it was just stress and chaos, and we ultimately went back to Horizon Blue Cross/Blue Shield. You claim you are concerned about the social/emotional development of our staff and students. Why are you considering these chaotic and unnecessary changes? Have you looked for alternate means other than scare tactics of layoffs and cuts in programs? So far, we have only seen one choice and no alternate plan. If you do choose to burden us with the stress and chaos, will the administration also be changing to Aetna? Thank you.

Ms. Priscilla Campagna: Good evening. Please do not vote yes on changing our insurance carrier. Everyone is well aware that Blue Cross/Blue Shield has the best coverage. These statistics are meaningless. We have not had time to verify any of it. We all have experiences with Blue Cross/Blue Shield and are very happy with it. That's why 250 of us are waiting to be heard. Members of the Board of Education, you've all been given your positions on this Board to make responsible, well-informed decisions for us. By not providing you with all the specific terms of these plans in advance, you should not in clear conscience vote yes. Please do the right thing and protect our insurance plan. Thank you.

Ms. Marni Sultanof: Good evening. Thank you for allowing me to speak. Rather than repeat what everyone has heard, I'd like to do a walk down memory lane. Those who do not respect history are doomed to repeat it or if we don't learn from it. Lately, I've been seeing so many returns to a world of the 1980s that I lived in and remember growing up in. Many of you know who I am. You've known me for a long time. If we look at the changes in business of the 80s, we didn't value the employee. Now when we go to buy something, we don't go talk to a specific person. We just simply go and buy. My fear is for the kids. We're going to lose the top. We're not going to lose the bottom. People who can are going to retire, we're going to lose our best and we're going to retain the bottom. That's what happens.

Ms. Heather Crawford: Thank you so much for the opportunity to speak this evening and for your vote last week to keep Horizon. I'm asking that you uphold that vote this evening. I've been educating the children of Paterson for over 25 years. Although I do not live in Paterson, I care about each and every student who comes through my classroom as if they were my own. Educators have been considered heroes since the pandemic. It's unacceptable to try to make up a budget deficit that we did not cause by changing our benefits. If so, many of us are asking to keep our Blue Cross/Blue Shield benefits, which is now shown in a record number of speaker requests this evening. Please do the right thing by voting to keep our medical benefits with Horizon. Thank you so much for your time.

Ms. Nahed Badawy: Good evening. I'm a school administrator in Paterson Public Schools. I do not support the change from Horizon to Aetna. My husband needs constant medical care, and I cannot afford or handle any less care for him or any member of my family. We rely on our health benefits, and it is one of the main reasons why we work in Paterson. Our health and our family's health matter now more than ever. I urge all Board members to vote no to the change. Please continue taking care of us as we take care of the children of Paterson. Thank you.

Ms. Jeri Ann Stetson: Hi, I spoke last week, and I was relieved when we voted against changing to Aetna. Speaking from my dad's experience, he went on the Aetna plan after his retirement. He had a double knee replacement, and he was written a prescription for his physical therapy which was denied by Aetna. He was sitting in the hospital in excruciating pain for days waiting and he had no idea why until the nurse said it was sitting on somebody's desk. They don't approve any of the maximum amounts of physical therapy. That concerns me with the history of issues myself and what's to come. Please do not switch to Aetna. Please stay with Blue Cross/Blue Shield. I have confidence that they will be consistent, and I can depend on them forever. Thank you.

Ms. Ann Matthews: Good evening. I'm pleased to be able to speak with you this evening. I would like you to know my personal information. I have two members of my family with very serious genetic heart disease. My husband was brought back to life after receiving lifesaving healthcare like Blue Cross/Blue Shield. Their disease must be followed very closely by a specific specialist and the ongoing kind of care needed. Blue Cross/Blue Shield has enabled my husband and daughter to receive all the care they need to survive and thrive. Changing insurance will seriously jeopardize their choices and the care they receive. This will be surely horrible and cause grave concerns to me. I urge you to do the right thing for me, for my family, for our teacher, staff, and their families. Thank you very much.

Mr. Jason Velante: First time caller, long time listener. Madam Superintendent, Madam President, Board members, and our Paterson community, when you look at both sides of the coin, you have to flip the coin over. Aetna has 12 different plans. A line-by-line analysis of only one of those plans is only about 8%. That leaves 92% of Aetna's offerings that might have been overlooked. In the conversations I've had with district coworkers, our community civil servants are only looking for sufficient support from life-sustaining care for themselves and their families. 18 years of my life have been given in the name of supporting students, a decade of which has been in Paterson. Should I have 100 more, I would still consider myself very lucky. Please do not make this issue be the straw that breaks the camel's back for many of my coworkers. There are too many teachers and their children in our classrooms that are counting on us to get this

right. Look at the other side of the coin. I yield the floor back to my fellow PEA members.

Ms. Norma Vitale: Good evening, everyone. I beg you to please say no to Aetna. The last time you switched us to Cigna it caused so much confusion even just at my doctor's office. Whenever I would go in, they didn't know who they were supposed to bill. It just was so much confusion on all parts. It was crazy. Every time I went to the doctor, I had to repeat myself and they couldn't understand the confusion that created. Also, some of my prescriptions that I was previously on were no longer covered. I had to reach out to the PEA President, and he was the one who got everything worked out and I was able to pick up my prescriptions with no problem. I implore you to please not switch us again to Aetna. Please leave us with Blue Cross/Blue Shield. Thank you so much for your time.

Ms. Marlene Romanelli: I've been an employee of Paterson Public Schools for six years. I've had Blue Cross/Blue Shield for over 20 years. I've never had a problem. I have two teenagers who have severe emotional, anxiety, and depression. Both have been hospitalized for suicide. I've never had a problem with Blue Cross/Blue Shield. They have been on my side and supportive. They call me to make sure I'm okay. I'm begging you. Do not change our insurance plan. Paterson has always promised, and they drop the ball every single time, whether it's academics, insurance, or whatever it is. Don't drop the ball on this one. Please keep Blue Cross/Blue Shield. Thank you.

Ms. Jin Young Ahn: I'd like to share my personal experience with WebTPA mediated insurance plan in the hopes that the Board will vote to avoid going in this direction again. Even if Meritain is owned by Aetna, the reviews testify that this still happens. In March 2019, when Paterson Public Schools was provided health insurance through Cigna with third-party Crumdale Partners as our member services concierge group, my son had to visit emergency services for a broken finger. He was treated by a specialist at the hospital which required subsequent visits to the specialist's out-of-network office for follow-up examination. The specialist's office contacted Cigna and received preapproval for follow-up visits at 100% coverage for its connection to the emergency room procedure. I was then denied coverage for those follow-up services and had to dispute the non-coverage, a bill of over \$2,000. I worked with the WebTPA Crumdale Partners associate over phone and email, sending her all my documents and writing up a detailed narrative. It took time, worry, and extra mental and physical energy...

Ms. Patricia Spiliotopoulos: Good evening. Teachers in Paterson, which I've been for 23 years, give all that they have to educate the children of Paterson. Keeping our insurance plan is an honor on behalf of the Board to the teachers. It needs to stay the same. Many of us have scheduled procedures with doctors that are in-network with Horizon for this upcoming summer. I've called those doctors and they do not participate with Aetna. That will cause us a great disservice because now we need to seek out doctors and providers that will have access to our insurance in order for us to have those procedures that we wait for until the summer so we can stay in the classroom to educate our children. I urge the Board to please not vote in favor of the change.

Ms. Anita Bozzo: Good evening. Thank you very much for giving us the opportunity to speak. I was very happy to hear that the Board voted not to pursue this further. I was very disappointed to find that Mr. Matthews persuaded you to revisit this. Listening to the presentation I was very concerned about the high touch contact that this company was going to have. To me, that means they're going to interfere with the doctor/patient relationships. We should be very concerned about that. We have to be concerned that our teachers are under tremendous stress. We have no preps, no substitutes, and no

aides. We're getting sick. We're tired and overworked. To lay this extra layer of stress on us is just unconscionable right now. We were feeling very monetized and it's not fair. Thank you very much.

Ms. Jacquelyn Norman: I'd just like to say that I would like the district to continue with Blue Cross/Blue Shield and not go with Aetna. Thank you.

Ms. Helen Dennis: Thank you very much for giving me the opportunity to speak. I would like to beg the Board to please stay with Blue Cross/Blue Shield. Last year I was diagnosed with breast cancer and Blue Cross/Blue Shield was the only thing that allowed me peace of mind because my bills were paid, my doctors were covered, and I'm alive today because of them. Please do not switch us out and make me have more agita. Thank you.

Ms. Carolyn Alford: Good evening. With all due respect to the business administrator who presented, he focused on the bottom line of the business aspect. I ask the Commissioners and Ms. Shafer, what about the children and the educators? What about our bottom line? Our bottom line is our health. Our quality of service to our children depends on our health. If we are forced to go through such a grave change at this time, it would surely be reflected in our service. Many of us are still grieving and healing. Let us catch our breath before we make another change. Let our students catch their breaths. Everyone knows that oftentimes students reflect what they get from home and the teachers. Allow us to shine. Allow us to continue towards some semblance of wholeness, which many people are working towards during this pandemic. Additionally, the presenter mentioned that the transitional care form has to first be approved. They also mentioned pending litigation. That's just additional chaos to be added. We teach our students to strive for reasonableness, so let's be reasonable. Let's look at this from a reasonable standpoint and let's practice what we teach.

Ms. Lorie Slockbower: Good evening. I'd like to Board to please keep Blue Cross. When I joined Paterson's teaching staff in 1999, I was attracted to the district's excellent medical benefits that provided for myself and two young sons after their father's death. That coverage meant security and still does. I remember vividly the problems we had when we switched to Cigna. I had delays in approvals for procedures. I lost some specialists. I had COVID so badly in December of 2020. With Blue Cross I had no problem. Every one of the litanies of doctors was in the network. Now as I look, they aren't all. From my foot and ankle doctor who performed surgery to my pulmonologist. They would be out-of-network with Aetna. My teacher friend who retired from West Milford said when they had Aetna it was nothing but procedural problems and delays. Please don't try to fix what's not broken. Paterson desperately needs to attract and keep teachers. It's been my privilege to teach, but one way is offering excellent benefits. We need teachers. When you talk about layoffs...

Ms. Courtney Rose: Good evening. I'm a teacher in the district. Wellness, mindfulness, and mental health have been stressed to the staff of every school in Paterson as we navigated through this pandemic for ourselves and the students. I'm not so focused on whether or not my specific doctors are covered, but the quality of service we will receive. Aetna is infamous for unnecessary needs of preauthorization and red tape and I'm most concerned about the third-party administration. Last time we switched to a healthcare plan with a third-party administrator, I had a miscarriage and the bill for my procedure was unpaid due to poor administration on Cigna's part. The heartache I had to go through having a miscarriage was enough. I did not need to go through all the heartache again months later when I had to deal with calling back and

forth between hospital and my insurance provider to figure out the bill. Please consider all the people whose lives will be affected by this decision, their mental health and wellness. Thank you.

Ms. Kristy Rau: Good evening, Board members and Superintendent Shafer. I've been a Paterson school teacher for 26 years. In 2002, I was treated for a brain tumor and was covered by Blue Cross/Blue Shield. When we had Cigna, I had unpaid claims and it was hard for processing. It took time and stress to clear up. In 2019, I was diagnosed with breast and pancreatic cancer. I survived and was glad because Blue Cross/Blue Shield handled my claims. My son now faces an eye tumor that has to be treated. Blue Cross/Blue Shield gives me peace of mind because you know where you stand with them. You can count on Blue Cross/Blue Shield. Thank you.

Ms. Debra DiPrima: Good evening, Commissioners and Madam Superintendent. I'm speaking tonight to thank the Board members who voted no to switching to Aetna last week and to urge you to once again vote no. Blue Cross/Blue Shield is a great insurance company and I never have to worry about any of my claims or coverage. I, as well as my colleagues, dedicate our time and effort to the students of Paterson. Please keep Blue Cross/Blue Shield. Give the employees of Paterson Public Schools peace of mind and let us continue giving our full focus to educating the students of this city. Thank you.

Ms. Daisy Flood: I vote yes. Please Blue Cross/Blue Shield. I've never had a problem with them and I do go to the doctors regularly for my conditions. Keep Blue Cross/Blue Shield. It's the best. Thank you.

Ms. Marilyn Rahme: I also would like for the Board to please keep our health insurance. As teachers, we're in the business of making lives better. We do it every day and we do it with joy. It requires a lot of work and sacrifice on our parts to meet our students' needs, especially after the pandemic. Please show us you appreciate and respect us by keeping our insurance. It's obvious that it's a life and death situation for many of us. Thank you.

Ms. Daria Chinni: Good evening. After doing my homework and looking up all my family doctors, seven out of eight are not accepting Aetna benefits. These doctors I've seen for over 20 years and specialists and surgeons my children have been under care since birth. Board members, would you be willing to change these doctors for your family? Isn't it the BA's job to find options A, B, C and so forth to balance the budget? When will you show some respect for us and stop playing chess with our benefits as pawns? It's like playing games with a five-year-old. You don't like the answer, so you keep voting on it. Why vote? Last week, the Board made a decision for a reason and I'm hoping that same reason still exists to defeat the decision. Thank you.

Ms. Paulina Olivares: Good evening. Thank you for hearing me today. I just need to tell you that my heart is in Paterson. After last week, I thought the vote was no and here we are again. I'm calling again to ask you to please vote no for Aetna. The last time we changed the plan, it affected my family. My daughter is a special medical needs person and we had so many difficulties. She ended up having no insulin and there were so many other things that happened. Please, at this point we ask you to make sure you do the right thing. Vote no for Aetna and don't put a price on our lives and our kids. Thank you.

Ms. Sigal Kaplan: Good evening, Board members. First and foremost, I would like to thank you for defeating the motion last week. I encourage each and every one of you to

defeat the motion again tonight. As you're well aware, we were covered by Cigna in the past and it was a huge mess. Personally, my out-of-pocket expenses were much greater than they had been with Blue Cross/Blue Shield. Many of my expenses that should have been covered were not and it left me spending many hours trying to recoup them. Aetna is by no comparison Blue Cross/Blue Shield. As many of you know, many districts throughout New Jersey are currently short-staffed. Many teachers have chosen to retire or leave the profession in general. One way to attract and keep those great educators in our district would be to have a strong and reliable health plan.

Ms. Michele Nardino: Thank you to the Board members who voted down Aetna last week. You are appreciated. The Aetna plan is nothing but a gimmick, just like the Cigna plan that we had to endure. It's important that we as a district learn from the mistakes of the past and not repeat them. We are better than that. There is nothing more important in life than our health. Coming out of this pandemic we value our health even more. There are other ways to balance a budget. Falling for a health plan gimmick should not be one of them. This decision negatively affects everyone from the top down, not just the teachers. There is a national teacher shortage. What are you doing to recruit teachers to come to Paterson?

Ms. Kadedrea Winston: Aetna and all the other providers that you researched sound good. But if everything is the same as what we have already, why are we changing? I highly recommend that the Paterson Board votes to keep what we already have, which is Horizon Blue Cross. Thank you.

Mr. Tristan Jones: During this period of difficulty finding high-quality teachers to fill vacancies across the nation, why should teachers who are currently here stay? Why should others join us? Why choose Paterson when teachers can go to other districts that have teacher contracts? Why choose Paterson when other districts know who their leaders will be? The salary is higher in a lot of places, but at least we have pretty good benefits, including one of the most popular health insurance companies in the state. Tonight, you might give another reason to choose another district when you choose to lower the quality of our health benefits. We went from 75 teacher vacancies at the beginning of the year up to 92 today. Money is not the biggest problem this district faces. It's teacher retention and recruitment. Money can't teach kids. Help your human resources department recruit the best talent. Settle the teacher contract, figure out who will be the superintendent, and don't degrade our benefits. By doing this, you will increase the chances that students next year will actually have a teacher to teach them, unlike this year when in too many cases...

Ms. Mercedes Davidson: Good evening. Again, you are considering changing to Aetna. I'm not sure why, as Robert's Rules apply here. I urge you to honor the vote taken to maintain Blue Cross/Blue Shield. A no vote to Aetna is a no vote. It would be unconscionable to balance a budget at the expense of someone's health. You already made the right decision. Stick to it! Thank you.

Ms. Christine Cifelli: I'd like to thank the Board members that were supportive of the teachers last week. I really appreciate it. Times are uncertain right now. The economy is uncertain. Our contract is uncertain. Inflation is uncertain. Gas prices are up. Yogurt prices are up. The only thing that we have to count on as teachers right now is our benefits. I don't have to worry when I make a phone call to the doctor am I going to get seen and is my bill going to get paid. I'm a highly effective teacher, probably because of that. I don't have to worry when I'm calling the doctor. If this was Mr. Matthew's evaluation, I would mark him as ineffective because he did not bring a plan B, C, or D to the table. It is unfair to put this on our backs. Thank you.

Mr. Todd Pipkin: Good evening. I want to say my colleagues have all eloquently addressed the issue. I would hope that the district administrators as well as the School Board have done their research to find out that there's no comparison and there's no need to shortchange us as staff. We're already beaten down and drained from circumstances. We just hope that this won't add to it. I hope that we will continue to maintain the insurance that we have. Thank you and have a good evening.

Ms. Debra Storch: My name is Debra Storch. I wrote something and I'm listening to everyone speak. My heart goes out to the members who have spoken so far. If you don't have your physical and mental health, you have nothing. This is something that the district can help us maintain. This is part of SEL. This is practicing what you're preaching. I implore you to keep a system that is already working for us. Thank you for your time.

Ms. Laura West: Good evening. Thank you for letting me speak tonight. I want to reiterate and stand in solidarity with most of my colleagues who have been on tonight. Please don't change the healthcare to Aetna. I would like to make sure that we are bringing in excellent teachers and retaining the excellent teachers that we have. Thank you. Good night.

Ms. Noreen Veloz: I matter. My peers matter. Our families matter. The children of Paterson matter. 1,000 is the number of students whose lives I've been part of and have affected as a Paterson teacher. Not only in the classroom during the school year, but in countless after-school and summer programs. This year I currently teach reading and writing to 52 students daily. Let me repeat that – 52 students ages 5-8 daily. I welcome them into a nurturing environment. I engage them in motivating research-based effective lessons. I am their shoulder to cry on, the Band-Aid, and the one who gives them the pencil that they don't have. I spoke at the meeting with Cigna where I stated Paterson invested in my higher education so that I could be the best for the students of Paterson. You do this for all the staff members through monthly professional development. You invest in us.

Ms. Chris-Ann Forchette: Hi, I would like to thank the Board members who voted for us to keep Blue Cross/Blue Shield last week. I don't understand why Paterson doesn't look for other ways to make the budget work besides on the backs of its teachers. If the change of insurance happens, Paterson will make the budget work next year. What about the following two years? Why not look to see what else can be cut for a permanent fix? Aetna states they have more providers. Only one out of my four doctors are covered under Aetna. Just because Aetna says they have more doctors does not mean they have the same quality of doctors. I looked up the web address that was given tonight to find the doctor on the web page. The web page can't be found already. That is not very reassuring. I have read the reviews regarding Meritain and they are horrible, to say the least. Please do not change your vote. Please let us keep Blue Cross/Blue Shield. Thank you.

Comm. Redmon: Boris, can you update us on how many more speakers we have?

Mr. Zaydel: I really don't have an easy way to do that. I can tell you that we probably have gone through 30. I can't give you an exact number, but we're getting down there.

Ms. Kareen Ogurimakinwa: Overwhelmingly, I've sat here, and I've listened to union member after union member, colleague after colleague giving their testimony for why we should keep Blue Cross/Blue Shield over Aetna. How can we harden our hearts?

How can we let these cries fall on deaf ears? It's disheartening. Last week I thanked you Board members for choosing to do the right thing and voting to keep our plan the same. I believe that we need to come up with a plan B and not let it fall on the backs of our teachers. Who are we kidding? Let's keep it real. We know Aetna simply doesn't measure up. Please retain your vote of keeping Blue Cross/Blue Shield and do not accept Aetna. We cannot afford another crisis like this. Thank you so much for listening. Take care.

Mr. Moe Alagha: Thank you for allowing me to speak. As you heard, not one single member has said that they want to go to Aetna. I've been in the district a long time. I've seen a lot of changes. As a teacher, I've had to undergo and withstand many changes and have adapted to them. I'm a relatively healthy person, but I do use physical therapy from time to time. My therapist has told me that although he accepts Aetna, the number of visits would be limited to fewer than what I have now. Asking a teacher to foot the bill and then await reimbursement is asking a lot with our rate of pay. We don't make as much as administrators and therefore we just can't afford the change. The presentation earlier, although it sounded nice and insightful, doesn't change the fact of the pressure and stress we would undergo with a new insurance company. Please listen to us and keep the insurance that we currently have. We're tired of attending these meetings and we would just like to keep what we have without worrying whether or not we will keep our current insurance.

Ms. Danielle Bespalko: I'm here tonight to ask a simple question. Why are we having another vote? Last week the Board members chose to keep Horizon. They said no to Aetna. We listened to a representative speak about the switch. He answered questions that were concerning people. We followed procedure and everything was done fairly. Why are we having another vote, because someone didn't like the results? When has it ever been okay to redo a vote because it didn't go his way? It seems manipulative and I don't see how this is even allowed. Imagine we're just given the opportunity to change our vote for the President of the United States. I'm sure plenty of people would by now, but it's just not how voting works. Bottom line, this is wrong. Our health is immeasurable. If you continue to mess with people's health, you're not going to keep the quality of teachers that we need. There has to be another way to balance the budget. Balancing means prioritize. When most families are prioritizing their needs and how they plan to spend their money, their health and wellness is at the top. Less important things get cut. I encourage the BA to do the same. Think about what's most important, the health of the staff. Without us, there's no future for the schools. Take a closer look at the big picture and make the cuts in areas that don't mean life or death. Thank you.

Ms. Michele Scavone: My name is Michele Scavone. I'm a dedicated Paterson Public Schools teacher. I wish to remain with Blue Cross/Blue Shield. I respectfully ask that you vote no again for Aetna. Please don't put the burden of balancing the budget on the backs of our teachers. When will these meetings be in-person? Many of our brothers and sisters are sharing personal experiences that are breaking my heart and we deserve face-to-face your undivided attention. Thank you.

Ms. Norma Menchan: Please keep the insurance that we have now. We are working too hard. We have more than one job. We give 100% to our children, families, and administrators. We deserve to have Blue Cross/Blue Shield. Please stay with it. Please give us the best. We deserve it. Thank you so much.

Ms. Domenica Goteh: Good evening. Thank you for the opportunity to speak. I hope you will consider not changing our insurance to Aetna. None of my or my children's

doctors participate with Aetna. This change would be horrible for my family. I've been a teacher in Paterson for 21 years. The thought of changing providers is very stressful for me. Thank you.

Mr. Steve Dinnerman: My wife is a psychotherapist, and she does not take Aetna, as do many mental health professionals. This district preaches SEL. I'm married to a mental health professional, and she does not take it and many of her colleagues do not. If you Board members went into any of the schools in the district and talked to the teachers, morale is at an all-time low. Many of us were frozen for four years on a contract. Many have had two to four years stolen from us when we did not get our rightfully deserved raises. This is just another punch in the gut. Please treat us like the educated professionals that we are. Don't change the plan. Thank you.

Ms. Angela Larkin: I just wanted to thank you for allowing me to speak this evening and for voting for not switching to Aetna in the other meeting. I'm confident that you will keep your decision so that it will not put undue stress on the staff. Thank you.

Mr. Justin Torracco: I wanted to share my experience as a former Aetna customer. Last year, they refused to cover an important prescription previously covered by other providers. In their objection letter, they misrepresented my illness and its symptoms. I made repeated phone calls and filed a grievance, only to be rejected again. They claimed the FDA instructed them not to cover my medication. I called the FDA itself as well as the medication's manufacturer and found out that they had lied. I finally had to appeal to the New Jersey Department of Banking and Insurance as the last of my medication was running out. I was assigned a file and a case manager from the Consumer Protection Services Division. The case was only resolved a few weeks before I was transferred to Horizon as a Paterson school employee. Needless to say, I'm worried about the switch to Aetna because I have an upcoming surgery this year and do not have the finances to pay out-of-pocket if Aetna decides to suddenly do this to me again. Thank you.

Ms. Arlene Moseley: I would like the Board to please reconsider changing to Aetna and letting us keep our Blue Cross/Blue Shield. When we transitioned to Cigna, my experience was a nightmare. Cigna would not authorize a gel shot for my knee that had a meniscus removed. I had to make multiple phone calls to Cigna, and they didn't even know why they weren't authorizing the shot. I don't want to deal with a situation like this again. I urge you to stay with Blue Cross/Blue Shield. Thank you for your time.

Ms. Responda Sims: Hi, I vote to keep Blue Cross/Blue Shield. It provides effective wellness, including immunizations, cancer screenings, high blood pressure, diabetes, and other disease treatment. I too am a cancer survivor. They also have high access to quality primary and specialty care and member satisfaction. When we switched last time, we were told that we would receive identical care and high-level insurance, which failed. I go from high-quality to low-quality care. Why should you choose that when lives can be saved? The blood is on your hands. Thank you.

Mr. Nathan Thomas: Good evening. I'd like to say I'm just not even sure why we're even revisiting something that was already decided at the last meeting. It's unfortunate that Mr. Matthews did not get his way. Like our former president, you do not get to say the vote was fixed or stolen. Please leave our Blue Cross/Blue Shield insurance alone. Stop playing these ridiculous games with our health and wellbeing. As a previous colleague stated, staff morale is already at an all-time low. This is pouring salt into an open wound. Sadly, getting that wound treated now might not even be possible with Aetna. Do the right thing, Paterson Public Schools.

Mr. Paul Lake: Good evening. How many directors, executive directors, administrators, coaches, program developers, and whatever they're called within the Paterson bureaucracy make in excess of \$100,000 per year? Are those positions impactful? Do they amount to an increase in student achievement? Are they necessary?

Ms. Allison Rackoff: I'd like to talk on behalf of my colleagues. We should not change from Blue Cross/Blue Shield. I have children who need care and myself. I don't find that it is fair to switch our plan, which we pay into, and we should have a say for. It's unfortunate that I needed to be on this call for this long to hear my name to fight for my insurance when I come to school every day for the children of Paterson. Please keep Blue Cross/Blue Shield.

Ms. Roneea Bundick: Good evening, I'm Roneea Bundick. I reside in Paterson. I'm a homeowner, taxpayer, and voter. I've been teaching in Paterson Public Schools for 20 plus years. The issue of health benefits is very personal. In 2018 when we changed to Cigna, I was on the list for a kidney transplant and was denied because of the change of plans. Fast forward to 2020, thank god I received a kidney, but now I am seeing a specialist and going through different ongoing procedures to keep my kidney and to stay alive. I'm asking again for empathy. Love is what love does. Let us not love with words and deeds, but with action and in truth. I just ask that we keep everything the same. Thank you to those who voted to keep the insurance the last time.

Ms. Greta Mills: Hello everyone. I just need you to go back and look at the budget and figure out how you're going to do this. We shouldn't have to come out of our pockets with any more money. I come to work every single day trying to do my best to teach my students. They don't have a resource teacher. Today when we went to school, they had to call all resource teachers to cover classrooms. Then we have teachers who are leaving. Understand that you can't keep burdening us with money. You can't keep threatening us saying we're going to take teachers out of the classroom. What you need to do is get everybody from downtown into the classroom and make smaller classroom sizes so we can address the needs of these students who are failing. That's what we need to work on. Come out of those cubbies and help us teach these students so they can get where they need to be and stop saying we're taking from the teachers. Help us so we can help the students.

Ms. Wynter Willis: As an employee of Paterson Public Schools, I am extremely confident in my present healthcare coverage with Horizon Blue Cross/Blue Shield. If I or my minor child falls ill at any given moment, I know I will be properly treated and won't have to go through a third-party administrator or fight any bills. With Horizon Blue Cross/Blue Shield, everything under the sun is covered. Confidence creates peace of mind, allowing you to live your life to the fullest. No matter how young or healthy you are, no one is immune to accidents. Staying covered with this present plan allows you to do the activities you love without the stress of a possible injury and the associated costs weighing on your mind. Between the penalty of not having great health insurance, paired with the risk of notoriously high unexpected medical expenses and the unknown, it puts you and your family at more of a financial disadvantage. You can't put a price on a life or health. We all know by keep; we all pay twice. Thank you.

Ms. Tenesa Brown: Being that a substantial number of employees have expressed concern or opposed this new health benefits change, please do not reverse the Board's vote. I'm extremely concerned about losing benefits with Horizon Blue Cross/Blue Shield. I just don't think it's smart to compromise the health of its employees and the benefit plan with everything going on right now. Thank you.

Mr. Hermes Almeida: Thanks for letting me speak. I agree with my colleagues here. We put our heart and soul into teaching, and we deserve the dignity and respect of what we had. Things get taken away from us and this doesn't feel right. I'm comfortable with my insurance. My healthcare provider I see does not go with Aetna. That would mean I would have to pay double per year. They say if it isn't broken, don't fix it. A lot of times when things aren't broken, they try to get fixed, and it causes so many complications. Communicate with the teachers and everybody and we can work together to save money. We can find other ways, not this. Thank you.

Ms. Maria Cardona: Good evening. Thank you very much for giving me this opportunity to speak tonight. Please keep us with the best insurance, which is Blue Cross/Blue Shield. Please don't fix what is not broken. I want to thank you tonight for giving me this opportunity and I hope you have a wonderful evening. Thank you.

Ms. Julie Conway-Rankin: Good evening. Thank you for listening to our concerns this evening. I've been a loyal employee of the district for over 20 years. On a daily, we teachers have to fit our lesson plans to accommodate our students' immediate needs, unforeseeable interruptions, drills, etc. I could go on. As others have said, we need to have a plan A, B, and C. I would expect Mr. Matthews to do the same with the budget and not at the expense of our student needs or staff. Horizon has always been a stable healthcare provider. I implore you to please stay with Horizon Blue Cross/Blue Shield. I understand balancing a budget is not an easy task and I ask Mr. Matthews to rise to the challenge and find another way that can work for everyone in achieving a balanced budget for our district. Thank you.

Ms. Kathleen Renegar: Good evening. Thank you for voting against changing to Aetna. I hope that vote stands. I went from being relieved to panicking last week. I did more research and found out two of my daughter's doctors are not in Aetna. That would be a huge hurdle to deal with. Recently, I had issues. I had to go see experts in New York because nobody in Jersey could figure out what was working. I had no problem with Blue Cross/Blue Shield. That was one thing I did not have to worry about. I have been caring for the students of Paterson for 27 years and I know my colleagues and I can think of many ways and places to cut the budget. I don't understand why there is no united appeal to the state with the district, the Board of Education, the teacher staff, and the city. That's what we need to do. We need to go to Trenton and appeal the state aid we were given. Please stay with the vote against Aetna. Thank you.

Ms. Elizabeth Aviles: Good evening. I'm a personal aide and I have been with the district for almost 20 years. I would please ask the Board to vote no and honor the vote from last week. My doctor does not accept Aetna. As we all know because of the pandemic, many doctors are overworked and not accepting new patients. Please honor the vote from last week. Thank you and have a good evening.

Ms. Kristin Clark: Good evening. Thank you for the opportunity to speak tonight. I strongly urge the district to please stay with Horizon Blue Cross/Blue Shield. It's been a wonderful program for many of us teachers in the district. I think that it is something that draws new and young talent to the district. I sincerely hope that the Board approves to stay. Thank you very much.

Ms. Jenesis Ramirez: Good evening. I'm asking that you reject Aetna as a possible primary insurance and keep our current plan with Blue Cross/Blue Shield. I have called my endocrinologist, along with other physicians my family and I see, and none of them participate with Aetna. This is very concerning to me because my current

endocrinologist was the one who took care of me when he found out that I had cancer in 2014 at the age of 27. We had Blue Cross/Blue Shield then. Before we had Cigna, all the procedures that my family and I recently had to do had been covered with Blue Cross/Blue Shield. I don't want to leave the doctor that saved my life and the other physicians that my family and I have full trust and faith in. As you can hear, many others feel the exact same way. Thank you and have a good evening.

Ms. Gina DeSino: Good evening. Thank you for allowing me to talk and for voting last week no. My personal experience went like this with Cigna. My oldest daughter needed adenoid surgery and was denied. My youngest, at eight months old, had a breathing emergency and there was no hospital within 40 miles of my house. The closest hospital would have been 12 miles and we could not get there in time if there was a breathing emergency because they did not accept Cigna. I would have to pay out-of-pocket. 12 miles versus 40 miles during an eight-month breathing emergency is a serious problem. In March, I needed two major life-threatening surgeries within two days and Blue Cross/Blue Shield covered them all. Please, do the right thing and vote no and keep Blue Cross/Blue Shield. Thank you and have a great night.

Ms. Christina Somma: Hi, I've been a teacher in the Paterson Public Schools for the past 16 years. Each day, I teach my two sections of 32 students to learn from their mistakes, to do their best at all times, to be their best at all times, and treat people how they want to be treated. We show up each day for our students. We are asking you now to show up for us. Sometimes the right decision is the hardest decision. To me, this sounds like a trap. If you have to sign a three-year contract, you're a third-party, and you're putting the debt on the teachers, it sounds like one big sales pitch to me. We are humans. We are dedicated. We are not dollar signs. Thank you.

Ms. Jen Doherty: Hi, I just want to express a couple of things and give a testimonial to Horizon. I'm a 20-year teacher in Paterson Public Schools. 10 years ago, I had a life-threatening injury for which I ended spending seven weeks in St. Barnabas Hospital being treated with my healthcare insurance being Horizon. My husband never had to worry when I was spending time in the ICU. He never had to worry that my bills were being taken care of or that the doctors were not able to treat me. After seven weeks, I did have to come home. I had follow-up visits and wasn't able to return to work for another three months. I just find it deplorable that you would consider taking away health insurance that has saved so many lives in this district and has helped so many people. This isn't just based on the backs of the teachers. It's on the backs of all the employees in the district from top to bottom. I beg of you, Board of Education, please uphold the decision that you made on Wednesday of last week and follow through with your decision. Thank you.

Ms. Darlene Lee: Good evening. Thank you for an opportunity to speak again tonight. My name is Darlene Lee. I'm a Patersonian, an educator here in this town for over 20 years, and a homeowner. I thank all the Board members who voted no against Aetna. Please reconsider that tonight. Please vote again tonight and say no to Aetna. You have heard all my colleagues this evening expressing their concerns. I agree with everything that my coworkers have said. Please vote against Aetna tonight. I'm really concerned why we voted last week no against it and we're going to vote again tonight. I don't understand why Mr. Matthews will come with only one plan. He should have a plan B, C, D, all the way to Z if it has to be. It shouldn't be on the backs of these teachers to take care of the budget. Thank you.

Ms. Mary Churchill: My name is Mary Churchill and I'm an educator here in Paterson. In this age, we are in our schools and we're pushing social/emotional learning. I find it

very upsetting to think that the therapist that my own daughters use may no longer be available to them should we switch to Aetna. Please consider that. It's not just us. It's our children, our families, our oncologist, and our friends' doctors too. There's a huge impact that will be felt if we lose the physicians that we have gained trust in. Thank you.

Ms. Linda Veleber: Hello. Thank you for the opportunity to speak. I'm a math teacher at HARP Academy. I've been teaching for 18 years in the Paterson district. I had a mini stroke three and a half years ago. I want you to please allow us to continue using Blue Cross/Blue Shield. I've had many health issues and I find them an excellent provider.

Ms. Mazuza Matari: Good evening, everyone. I'd like to thank you for the opportunity to express my concerns tonight. I'd like to ask the Board to please keep Horizon Blue Cross/Blue Shield as I've had major difficulty with the first change of insurance. Just this past year, my son had two critical emergency surgeries, one which entailed extensive physical therapy and the other was life-threatening. It put my mind at ease knowing we had amazing insurance coverage. Additionally, I have another family member who will be undergoing surgery in May requiring a transplant. All the doctors we're currently seeing are in-network with Horizon Blue Cross/Blue Shield. It's very worrisome to try and figure out what we'd have to pay for if these doctors are out-of-network. Thank you.

Ms. Shirley Finley: Good evening. Thank you for the opportunity to talk. I would like us to stay with Horizon Blue Cross/Blue Shield. When we switched to another provider within the past few years, I had problems after problems playing phone tag with one doctor to the other. Having everything fixed took weeks and weeks. I had bills after bills, which I had to contact so many people for. I've never had a problem with Horizon. I really would like to stay with our Horizon Blue Cross/Blue Shield. Thank you.

Ms. Felicia Gonzalez: My name is Felicia Gonzalez. I've been with the district for 16 years. We've always had Horizon. It's been the best insurance. My daughter had surgery last year and her specialist was covered. All their doctors are covered. If you can please consider keeping Horizon Blue Cross/Blue Shield, we would all appreciate it. Thank you.

Ms. Emily Rose: Thank you for the opportunity to speak. I respectfully urge the Board not to switch to Aetna and to keep Blue Cross/Blue Shield. Please listen to all these employees who have spoken and please do the right thing. Thank you for your time.

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

Comm. Redmon: Just to bring clarity on why the resolution is back up for a vote, General Counsel, can you explain to the public why?

Ms. Shabazz-Charles: Just to clarify, I'm not explaining why because that's a decision that's not a legal one to make. I do know that there have been some discussions regarding what the appropriate way is, if any, for this motion to be essentially reconsidered. I want to clarify by saying as lawyers there are times when we're giving an analysis and then there are times when you're reading the law as it exists. This is one of the times I'm reading from Robert's Rules of Order. From that, there's a section called 'renewal of a motion.' It reads as follows: "When an original main motion or an amendment has been adopted, rejected, or a main motion has been postponed indefinitely, or an objection to its consideration has been sustained, it or practically the

same motion cannot be again brought before the assembly at the same session, except by a motion to reconsider or to rescind the vote, but it may be introduced again at any future session." A lot of people have talked about this as a motion to reconsider or rescind. It is not that. Only a motion to reconsider is done at the same meeting where the original motion occurred, which would have been the previous meeting. The Board, under these circumstances, is legally able to vote on this motion again. This is not a motion to reconsider because it's not at the same meeting and it's also not a motion to rescind for other legal reasons, but also because it's not the same meeting. By my reading of Robert's Rules and my understanding, there is no ambiguity as to whether it is legally appropriate to have this motion before this body. Thank you, Madam Vice President.

Comm. Redmon: Do we have any questions or concerns before we move on?

Comm. Teague: Say we vote this down again tonight. You're saying it can continue to keep being brought back up?

Ms. Shabazz-Charles: For the purpose of answering this question, I'm going to say yes because I understand what you are saying. Are there potential mechanisms to move forward when we make arguments that things are frivolous? Yes. There is a lot of work that goes into that. For the purpose of what's happening now, this is the second time, and this is appropriate. Is this something that every week we can do the same thing? No. Obviously, the body would have its own abilities to fight against that, but for legitimate purposes, yes.

Comm. Redmon: To clarify why they're not answering the public, this was only a presentation to answer the questions that Commissioners had from our last meeting. That's the reason we had the presentation. If you have any specific questions for Mr. Booker, please ask them at this moment or we're moving into the resolution.

Comm. Castillo-Cruz: Just to clarify, because I want to be sure on this before we move forward, the vote presented would be to move to Aetna. Is Meritain a third-party affiliate? I just want to make sure.

Comm. Redmon: Based on the presentations to the Board and the union, Mr. Booker has said that Meritain was a TPA. Am I correct, Mr. Booker?

Comm. Castillo-Cruz: I just want to make sure because that is something still being repeated. I understand and I also agree Cigna was a disaster, but I just want to make sure that's very clear so that everyone on the Board gets confirmation. It might not solve everyone's concerns, but I just want to make sure that point is taken care of.

Comm. Redmon: Mr. Booker, can you clarify the answer for Comm. Castillo-Cruz?

Mr. Booker: We can clarify. Suzanne Wood, if you're still on, I'm going to ask you to come on screen as well. Meritain is a wholly owned subsidiary of Aetna. They do function, depending on the arrangement, as a TPA because they administer the plan. They are functioning in that capacity. Again, it is very important to restate so that folks are clear, the arrangement that was in place in 2018-2019 as far as a WebTPA program with Cigna was a very extraordinarily different arrangement than what this is. It's like apples and oranges. It's not the same setup when you have two separate companies. This is one company with two divisions. Suzanne, am I correct in my summation?

Ms. Wood: Yes. I don't really have anything to add to that. Everything that we have been told and have researched is that Meritain is owned by Aetna. Aetna is owned by CVS, but Meritain is considered a third-party administrator.

Mr. Booker: To help folks understand, one of the reasons why the previous arrangement that has been talked about at length this evening was a struggle was because of the structure of it and the fact that you had two separate companies trying to come together to work on a particular plan together. With all due respect to the previous arrangement, that was a struggle because of the nature of the setup. This is not that. It really is apples and oranges. I would also offer for consideration that Passaic County has gone through this transition and has moved from Horizon to Aetna and their county administration and leadership has given high marks. It's all information to consider.

Comm. Redmon: Thank you, Mr. Booker. Are there any other questions with regards to the motion that we're getting ready to put on the floor? Are there any other questions to CBIZ?

Comm. Hodges: I heard a lot of the comments on the parts of the people in public session about the performance of Aetna. In terms of handling their cases, what kind of guarantees do we have and what happens if that performance has not changed over this next year? What do we do?

Mr. Booker: I would ask James Malvey from Aetna to come on screen now and address the concern that the Board member has as far as how the employees would be cared for in the transition so there can be clarity on that.

Mr. James Malvey: We've worked with CBIZ to set up processes to take care of all the membership at Paterson. Not only have we set up a whole team internally, but we would also be onsite and even online every week at your request just for the membership at Paterson. As Jeff and Suzanne have gone through, we have put out guarantees in our services. Jeff also mentioned a current customer right in Paterson that we've had for several years who you can speak to and has shown the service level we do provide within this product that we're discussing. We are not a third party. We are a division of Aetna. We're an Aetna company. I also want to clarify that. Hopefully, that answers the question.

Comm. Hodges: Not entirely. What happens if the employees are still not satisfied next year? What do we do then? I don't know how many people spoke tonight, but a substantial number of them complained about having trouble with Aetna in the past. I want to know how you plan to address those concerns moving forward. If they're not addressed, what happens to the situation?

Mr. Booker: The way that the arrangement is structured with the dedicated team at CBIZ that you've been accustomed to, in addition to a dedicated team at Aetna, the level of attention and service that will be given is at the highest level. The effort day in and day out during transition and thereafter will be designed to address concerns that will come up, such as transition of care and claims issues that may arise. That is incumbent on us and our service teams to make sure that as the process goes forward there's a high degree of touch and communication throughout. Suzanne, maybe you can give some comment on how we transitioned the last time and the level of attention and service that was given.

Ms. Wood: The CBIZ team is committed to making sure that we do everything possible in order to ensure a smooth transition. One of the callers mentioned going through one plan. We actually don't go through one plan line-by-line. We go through all 12 plans line-by-line and make sure that the information is built into the Meritain system correctly. We CBIZ are not building the plans in this system, but we are answering all the questions and going through all the detail to build the plans to match what Paterson has now. Our team definitely is committed to making sure that we do everything possible to help your employees through this transition. We understand that it is a very critical thing. We absolutely understand how much this touches people's lives. We know that we are dealing with people's health and finances, which are the two most difficult things in the world to manage. We absolutely know that. From the CBIZ team, I want to express that we will do everything that we can to make sure that it is transitioned properly. I want to make it clear, and a lot of callers said this, we have done everything possible to look at the demographics and network providers and make sure they match. Will every provider participate in the network? Absolutely not! They won't and we know that going in. Some people will need to change, or they can use out-of-network providers. For the vast majority, the data indicates they will not have to change. The other thing I wanted to briefly mention, and I want James to confirm this, is that while this is a three-year agreement and the proposal that Aetna put on the table is a three-year contract, Paterson does have the opportunity to terminate after 12 months with no penalty. Is that correct?

Mr. Malvey: That is correct. That is a very good point. We believe that you're going to be happy, but at any point if you decided that you weren't happy you can leave with no penalty at all. In some of those comments it's just not the experience that I see every day. I work with a bunch of school districts. I would need some more specifics on some of them, but we do believe the service level here you would be very happy with. You wouldn't be looking to leave. We would be matching the benefits exactly. As far as anybody's concern about losing any kind of benefits, we're guaranteeing with certainty that we're going to match the exact plan designs that you have now. There's going to be absolutely no difference in the level of coverage. I think the CBIZ team did a really good job showing the network is a little bit different. It's larger, which might not be the end-all for every member. The only drop-off we saw was in the chiropractic category. We also believe that the network gives greater access to your membership as well. Not only do we think the service is going to be good, we believe the access is an improvement.

Ms. Wood: Just one more point of clarification, because I'm all about making sure everybody has all the facts. Aetna is giving a two-month administrative credit, which equals about \$160,000. There is a portion of that which could be returnable if you do not renew in the second year. Just so we're all clear, I said there were no penalties. If you do not renew in the second year, that \$160,000 must be returned to Aetna. At this point in time, that is 2-month fee forgiveness, for lack of a better word. That's what you would pay for the first two months. That would have to be returned, just so everybody is clear on the provisions there.

Mr. Malvey: We're also providing an implementation guarantee to make sure that everything is implemented on time and a performance guarantee. There is a lot at risk for Aetna on the fees. If we didn't meet your needs, we're financially responsible.

Comm. Hodges: I was concerned about the number of people whose physicians do not take Aetna. What does Aetna plan to do about that?

Mr. Malvey: It was very concerning to hear that for sure. We have a lot of data on the use of your membership, and we found completely the opposite. We're improving the situation, but if there are providers missing, we have a whole recruitment team. If you decided to move this forward, we can talk to your members about recruiting some of those physicians. I do believe that it's an enhancement in the network. At the same time, if there are a few physicians that are not in the network, we will do everything that we can to recruit those providers to be in the Aetna network. That may take some time and there are things we can discuss with you in the meantime to keep those providers in-network, but there are ways we can remedy that.

RESOLUTION FOR A VOTE:

Resolution No. 1

WHEREAS, in regard to the District's needs for the fiscal year commencing July 1, 2022 the District's health insurance broker CBIZ has solicited and obtained proposals for health insurance administrative services pertaining to medical provider networks from various insurance carriers pursuant to a request for proposals; and

WHEREAS, CBIZ has reported to the District that responsive proposals were submitted to CBIZ from administrators/carriers identified as Horizon, Aetna/Meritain, United Healthcare and Integrity Health; and

WHEREAS, CBIZ has evaluated the proposals submitted; and

WHEREAS, CBIZ has provided guidance to the District for the consideration of the alternatives; and

WHEREAS, Horizon has provided services pursuant to a three-year term agreement first effective July 1, 2019; and

WHEREAS, the Horizon three-year term agreement ends June 30, 2022; and

WHEREAS, the proposal received by the District from its current provider, Horizon, was for another three year term leading to a total plan cost, projected by CBIZ, of approximately \$110,149,806 for year one effective July 1, 2022 through June 30, 2023. This is inclusive of Horizon's administrative fees, medical and prescription claims cost (including payments to vendor CVS), broker fees of \$90,000 (to CBIZ), but before payroll contributions.

WHEREAS, the proposal received by the District on behalf of Aetna/Meritain is also for a three year term and leads to a total plan cost, projected by CBIZ, of approximately \$95,863,573 for year one effective July 1, 2022 through June 30, 2023. This is inclusive of Aetna/Meritain's administrative fees and certain credits, medical and prescription claims cost (including payments to vendor CVS), broker fees of \$90,000 (to CBIZ), but before payroll contributions.

WHEREAS, CBIZ has provided the District with the following additional information regarding the District's medical administrative costs relating to the Aetna/Meritain three-year proposal: Effective July 1, 2022 through June 30, 2023, Aetna/Meritain's estimated annual administrative expense will be \$1,242,263 based on 2,962 employees, Aetna/Meritain is not requiring working capital funding from the District, and Aetna is including a first year administrative fee waiver credit of approximately \$159,786, and a second and third year credit of approximately \$79,870 per year.

WHEREAS, CBIZ has further reported that in the Aetna/Meritain three-year proposal there exists a performance guarantee to the District which places 40% of Aetna/Meritain's administrative fees at risk (such that if the guarantee is not met, then Aetna/Meritain's fees are reduced pursuant to a formula); and, in addition, the proposal places an additional \$100,000 of its compensation at risk if implementation does not meet the District's expectations, and further, the proposal contains an early termination provision which allows the District to terminate during the three-year period (giving back a maximum of the amount of unearned fee waiver credit in order to do so).

WHEREAS, CBIZ has evaluated the Aetna network, plan design and administrative services and found them to be comparable to Horizon, and has predicted that the services of a materially larger proportion of providers and materially larger proportion of the claims of the members will be processed within the Aetna/Meritain network, and with funding for services of out-of-network providers matching the formula basis for such funding under Horizon's proposal.

WHEREAS, N.J.S.A. 18A:18A-5 provides that a contract may be awarded by resolution at a public meeting and without public advertising for bids if "the subject matter consists of ... [i]nsurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services" and N.J.S.A. 18A:18A-42 permits the contract term to be three years.

NOW, THEREFORE BE IT RESOLVED, that the District purchasing agent, upon approval of Aetna/Meritain's forms and agreement by special counsel, is authorized to accept the three year Aetna agreement effective July 1, 2022 through June 30, 2025.

It was moved by Comm. Capers, seconded by Comm. Castillo-Cruz that Resolution No. 1 be adopted. On roll call all members voted as follows:

Comm. Arrington: No.

Comm. Capers: No.

Comm. Castillo-Cruz: Pass.

Comm. Hodges: Yes.

Comm. D. Martinez: No.

Comm. M. Martinez: I've heard both sides here today. I'm going to make my comment very brief. I think somewhere in the middle lies the actual reality of the situation. I don't think it's as necessarily as good as it is proposed to be, and not necessarily as bad as it is proposed to be. The one thing that really puts me in a spot is that I don't appreciate the way this was handled in the sense that it was assumed that this was going to pass. It was assumed that this vote was taken for granted, that the budget was built on something that wasn't approved or discussed. That does not sit well with me at all. I have to be honest with that. I don't want to throw the baby out with the bathwater as it pertains to this vote. But I do want to overstate that I think it was irresponsible and reckless to build a budget on something that doesn't exist. How do you build a budget on the constraints of something that hasn't been approved or voted on? That doesn't make sense to me. I'm going to pass on my vote for now.

Comm. Redmon: Yes.

Comm. Teague: No.

Comm. Castillo-Cruz: Yes.

Comm. M. Martinez: Because I feel that this is in the best interest of the greater, I'm going to vote yes. But I cannot understate enough how irresponsible this action was to go ahead and build a budget on something that wasn't voted on, approved, discussed, or anything. I think this is unbelievably irresponsible, but I'm not going to let that action dictate or sway what I think is in the best interest of the overall district. My vote will be yes.

Comm. Simmons: No.

The motion did not carry.

Paterson Board of Education Standing Abstentions

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4th 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

Comm. Teague: Are they coming back for a vote next Wednesday again? That's what I was asking Counsel. Is this going to be an every-week thing? There are a lot of other things we can be worried about right now. I'm going to be honest.

Comm. Redmon: No. This will not be brought before the Board next week.

DISCUSSION ON THE 2022-2023 SCHOOL DISTRICT BUDGET

Ms. Shafer: Before Mr. Matthews begins his presentation, I do want to thank him and his budget team. This budget was built on the state aid that we received. We took into consideration whether we were going to switch with Aetna or keep Horizon. You'll hear from Mr. Matthews how the budget was built, and we certainly do not want to make any cuts to personnel. We have learned throughout the years with all the underfunding we have received that the more you RIF teachers and staff, the worse our reputation is and no one wants to come to Paterson. Over the past three years, we have not had to do that. As we look at the budget this year, you'll see in Mr. Matthew's presentation he took that into consideration as well. We have communicated to the Assembly regarding the \$18 million in state aid. I will be speaking at the budget hearing on Wednesday with regards to the \$18 million that we received. Again, we're doing everything we can so that we do not have to eliminate staff. It doesn't help the district at all. It doesn't help our students. It doesn't help our current staff. Again, I want to thank Mr. Matthews and his team. I want to ask Mr. Matthews to please go over how the budget was developed once you received the state aid.

Mr. Richard Matthews: Thank you, Superintendent Shafer and Board Commissioners. I do have to clear some things up regarding how the budget was built. First of all, we did receive our state aid on March 10. Before we can actually do the budget, we had conversations on what numbers to enter into health benefits. We were given a direction to use the Aetna number. We had to put a budget in. We can't wait until the last minute. Our budget was due on March 28. I didn't present the budget last week because I was only allowed to do the fund balance report last week and not the budget, which is what I'm doing tonight. Even with what has happened, we are prepared to have a balanced budget having Horizon included in the 2022-2023 budget. I'll explain that to you. Typically, in years past, there were ways that we balanced the budget. It's very easy to go and cut staff and programs to balance out a budget. We've done some of that in the past. Years ago, we would just cut staff and programs. But it wasn't an effective budget because you're still trying to find money all during the following year. We had to make a decision because Nick had to give us numbers from Aetna or Horizon. It was decided that we would take the Aetna numbers. Even with that, the budget that I'm going to show you tonight we understood that this could fail. Even last week when the Aetna thing failed, I called Ms. Shafer Thursday morning and told her that we still have it under control whether it went with Horizon or Aetna. We were prepared for what happened tonight and I'll go through how we were prepared for what

happened tonight and how we're going to still have a more effective budget in 2022-2023 without making those draconian cuts that we have done in years past. One of the things that I've heard a lot tonight was we have to figure it out, but we had it figured out well before tonight. When you look at a district's financial report, you don't look at human capital as an asset. You don't see how we came to do this without cutting staff. The past culture in Paterson was always RIF'g. That never came from me. I called Ms. Shafer and Nick early Thursday morning and said we're not going to have to cut staff to balance out this budget. We were prepared either way. It is what it is right now and we're prepared to show you how we balanced the budget in terms of not cutting any programs, staff. When we had meetings on Thursday to get to a balanced budget, we didn't change the budget one piece because this budget allows us to go in either direction. I didn't need to have two budgets and this budget has not changed. I'm going to get into the presentation that I was asked to deliver. It's not a full budget presentation. It's more of a closing the gap presentation and some of the things that happened regarding our state aid. I will continue with that from here. The state aid comparison is in front of us right now. Newark received \$120 million in state aid. We got \$18 million, an additional 3.9%. Elizabeth got \$37 million. Elizabeth is a little bit smaller than Paterson. Trenton got \$22 million. Plainfield got \$36 million. Hackensack got \$7 million. The Commissioners wanted me to do some comparisons, so this is the comparison that I did. Obviously, Jersey City lost \$65 to \$68 million. I'm not exactly sure. I took some similar districts that we normally compare against, and these are the numbers that they got for this past year. When I got \$18 million, I did reach out and spoke to Ms. Shafer. I was going to reach out to the state, but she had asked that I reach out to Mr. Wimberly. He and I have had conversations and we exchanged some information. We will see how that goes. This is what we got in terms of state aid for the 2022-2023 school year. These are some similar districts. This is the same slide, just in a bar chart in terms of what the actual number is by each district for state aid over the past two years. Newark is now receiving \$1 billion. We're getting \$494 million. Elizabeth is getting \$486 million. Trenton is getting \$310 million. Plainfield is \$212 million. Hackensack is \$36 million. I put in some similar districts in terms of aggregate numbers and percentages. Under the Murphy administration, this is what has been received. Newark got \$285 million. Elizabeth got \$113 million. Paterson got \$89 million. Plainfield got \$86 million. Trenton and Hackensack, these are the actual numbers under the Murphy administration. What you see before you is fiscal year 2023 projected. The net of it all is our budget is \$604,720,423 in terms of our revenue line. This is the actual revenue number for the year. Here is the appropriation. The tax levy is \$68 million. The change is going to be \$7 million, an increase of 12%. Our tuition line is at \$500,000. The revenue line for miscellaneous is at \$3.6 million. Extraordinary aid is at \$5 million. Our new state aid number is now \$494 million. Medicaid reimbursement is at \$1.5 million. You see here budgeted fund balance. That's \$5,893,551. That's money that we took from our fund balance. If you remember the report I had last year, we're allowed to go to 4%, so I took \$5.8 million. This is a sacrifice that the district is making to have an effective budget. We will talk about some of that later on. If you remember last week also with the fund balance, we had \$9 million of excess surplus. Ideally, we don't want to use it for this purpose, but we have it to use and we're using it. We took this \$5.8 million of unassigned fund balance. We took the \$9 million of excess surplus. Our contribution from whole school reform is still \$15 million. That got us to \$604 million. Are you guys with me right now? The charter school number went from \$87 million to \$104 million. That number went up \$17 million. Keep in mind, we only received \$18 million. Non-salary went up to \$16 million. Getting into non-salary, that's transportation, security, academic programming, facilities, and central office services. That number went up \$16 million. Transportation's numbers are much higher than last year. We've met with every department multiple times and we've made no cuts to those budgets. Based on the meetings we've had and supporting

documentation; those are truly real numbers that people need. To make cuts into those budgets means that we're going to be finding money later on. I say the budget this year is more effective because we didn't make some of these cuts. A lot of times a balanced budget doesn't mean that it's effective. If there are cuts in those budgets and next year you have to start finding money to support what they need, then it's not an effective budget. We feel that this budget is a more effective budget because we did not cut anybody in non-salary. The gains were made through the excess surplus, the budgeted fund balance, the \$18 million in state aid, and the \$7 million in tax levy. The salaries are \$254 million. The benefits number is \$81 million. I'm going to say to you a couple of things about the benefit number. Part of our plan was if the Aetna number were to go, this is where we would be. With the Horizon number, this is where we're going to be. If you recall, at my fund balance meeting last week I said I'd be coming before the Board with resolutions to put money into different reserves to pay for capital expenses and any other type of emergency reserves that we feel are warranted based on the budget. One of those reserves is emergency reserve, which allows you to withdraw money from the health benefits line. Under the state plan, if we budgeted \$105 million and the plan costs us \$95 million, we didn't get the \$10 million. Under the self-insured plan, if we budget \$100 million and the plan costs us \$90 million, that money stays with Paterson. Last week I called Nick Bobek from CBIZ and asked him how we're performing year-to-date. I got the numbers and I made sure we're current with the bills. With the current plan performing better than budget, and if the plan keeps going the way it does, that money stays with us. We're going to have money left over in this year's budget regarding health benefits. I gave you a fund balance report last week and I was giving you numbers of \$17 million in excess surplus and still being at 4%. We also have the ability to prefund health benefits. This budget before you was with or without Aetna. The only major difference is we're going to come before you with a resolution to be able to offset the healthcare increase in emergency reserve, which is allowable under that reserve fund. It's for health benefits or security. We're going to be able to do some minor prefunding of health benefits this year. We will come before the Board with a resolution in June to fund any additional budgeted healthcare benefits that we feel we need to cover in that emergency reserve account. That's the net of it all. The budget is \$604 million in terms of our revenues and appropriations. This is probably the most effective budget that we've had since I've been here. Ms. Shafer says the one thing that we have never done is cut staff. We're not cutting any programs. We've presented to the Board our budget priorities throughout the meetings that we've had. I've also done sidebar and budget meetings with the community. One of the things I found in my research was that Paterson doesn't retain staff at a high rate for those employed under three years. One of the things I'm very happy to say is they want to keep their benefits, but we also want to strive to hire and retain our people. For 90% of the BAs out there, the first thing they're going to do in this situation is cut staff. That was the last thing we thought about. We knew we had options, but it's not like we didn't plan for this. This number was out there last week, and I gave it to the Board members. We knew that this was a possibility, and we were prepared to deal with it. That's why this number has not changed, because we have that ability to put that money into that reserve for additional health benefits. I was anxious to go before the meeting so that I could address it. I was asking to go before everybody said what they said. A lot that was said wasn't true. This was put out there last Tuesday and the number hasn't changed. That's what it is. I'll go on to the tax increase. I want to say to you that this is lined up with how the city numbers work. In the past you saw we were at 190. The city is at 197. Let me confuse you with what I'm going to say. When you see \$68 million as a tax levy, actually in 2022 they're going to pay \$64,696,756 because they're on a calendar year. This is our budget number because we work on a fiscal year of July 1 to June 30. We will take in \$68 million. For the City of Paterson, their actual hit is going to be \$64,696,756. What am I saying? The City of Paterson, for 2021-2022, will be paying

the \$61 million rate from January to June. If the Board were to accept the increase, they will be paying the new increase rate for six months from July 1 through December. They're not actually going to pay \$68 million in the calendar year 2022. I know it's a little confusing, but that's what it really is. If you saw some of those reports last year by Paterson, they were reporting a lower number regarding what their tax impact was. That's because they're on a calendar year and we're on a fiscal year. This number only hits them for one half of the year. They get the old number at one half and the new number at one half. We're in line with the city's calendar and our fiscal year in terms of what their impact is. When we do the budget, we have to follow forms called the A4F and that's the tax levy certification. That number is the real impact to the City of Paterson. The impact in this investment would be on a daily rate 61 cents per day, monthly \$18.59, and annually \$223. It was very compassionate about our tax levy. Keep in mind that we did take \$5.8 million out of fund balance, and we took \$9 million out of excess surplus. We were very creative in terms of being able to balance out this budget. I'm not going to let people think that we didn't consider all options on the table. I just can't let that go because it was not true. That's what people think, but that's not the truth. This is the budget update. Are there any question or comments?

Comm. Capers: Without the tax levy, where would that put us? Is that something we have to do to balance this budget?

Mr. Matthews: I apologize, but we have done tax analysis and the Paterson Public Schools is underfunding and under-taxing. This is an investment these kids need. We want good schools, and we don't want inferior stuff for our kids. We're still well below our local tax share and this is a very fair thing based on receiving \$18 million in state aid. The cost to the taxpayer is 61 cents per day. I think that's a very fair investment for our kids. Just to be totally transparent, when we came before you back in the November/December timeframe, we had it at \$9.75 million. We did make some assumptions that we would get a fair amount of state aid, but \$18 million for our district is just totally insufficient. We went up an additional \$1.3 million. The tax impact is 61 cents per day.

Comm. Capers: What's the percentage?

Mr. Matthews: 12%.

Comm. Capers: Are we trending down or up?

Mr. Matthews: We're flat.

Comm. Capers: In terms of raising taxes year to year.

Mr. Matthews: We're flat.

Comm. Capers: Flat meaning...

Mr. Matthews: We were at 12% last year.

Ms. Shafer: Over the past couple of years, we started at 16% and we have been on a downward trend. It's just that because of the state aid, for this one year we're going to have to remain flat, but we have been on a downward trend.

Comm. Capers: I get that we're on a downward trend. That's why I wanted you to say it on the record so the public can understand the fact that we have to raise taxes. I know

Dr. Hodges always says the state never raised taxes. Now that we have local control, they put it in our hands that we have to raise taxes, but they're still underfunding us. Do I like the thought of raising taxes? Not at all, but I think this is something we have to consider so we can stay afloat and make sure all our kids get a quality education.

Comm. Hodges: It is exactly the case. The state did not raise taxes for 20 years that they were in place. The concern the people in Paterson have is about the quality of the education that they're getting for the increase in taxes. Will there be a 12% increase in the performance levels of our children? That's what they're looking for. They did not get that 12% increase last year. When we go to them with tax increases, those are some of the things that we have to tell them we're going to provide. Was there a discussion with the City Council and/or the Mayor to talk about the amount of funding that we received? I know we spoke to one of the legislators, but what about the City Council? When they sit there and talk about our increase, they won't necessarily know why we've increased it.

Comm. Redmon: To answer your question, the Board President reached out to the City Council two months ago to try to get a meeting with them. We were already meeting on the dates they gave us, and we never got anything back from them. We wanted a joint meeting to discuss our budget so the public can hear what the proposed tax increase was going to be and also to show the comparisons to other districts and how we came to the point of a 12% increase. We don't have a date from the City Council yet.

Comm. Hodges: I wish that we would pursue that. I think it's important, particularly given the fact of where we are financially. I think it would be important for the community to understand our position and why we're doing this and also understand what has been transpiring over the last several years and why. I think it's extremely important to make it very clear to the City Council and the Mayor's office that we need to be reaching out to the state to get those numbers adjusted.

Comm. Castillo-Cruz: I agree with Dr. Hodges. Mr. Matthews, have we reached an agreement with the city or the county for any shared services agreements that could potentially save us dollars?

Mr. Matthews: About a meeting and a half ago we had said we would get together. I do have you on my list to call because you said you wanted to meet with me to talk about that. At our old meetings we have a list of things that we voted and Boris is working on. We just have to dust those things off and see what we can do regarding savings. Even within the current proposed, there are some things that we're still working through where we can try to save money.

Comm. Castillo-Cruz: I'm bringing it back to even Comm. Redmon in finance. This is a conversation that's been going on seven years. I know the previous business administrator for the city left. Those conversations have not picked up, which to me is a concern because that could potentially have been a savings of sorts for the district. I understand why we're increasing taxes. I understand how in many other municipalities taxpayers pay a higher increase into education. I understand all of that. My concern is, are we going through every avenue that we can to save money before we just say internal departments can't give us any more savings because our students need services, so we just have it increase taxes? Have we gone through every avenue like pursuing shared services with the city and/or county? I know at some point we talked about energy savings. There are a few things that might be \$1 million here and \$2 million there that really do add up at the end. Have we pursued any of those avenues? Is that something that's still on the list to look through?

Mr. Matthews: We're constantly in pursuit of savings. Some things are not in the same budget timeline as our budget calendar, but opportunities to save money never come off the table. We're looking at some warehousing situations right now. We're looking at some distribution savings regarding textbooks. Some of these things haven't come to fruition yet because they're still a work in progress. We're not just trying to find savings during this time of the year. It is always a pursuit of trying to save money. In our conversations with all these department leaders, these are the things that we were looking at doing. We didn't go through everything because this is more of an overall gap review, but we meet with all the departments and we're all looking at savings.

Comm. Castillo-Cruz: I understand that you're looking through the departments. If you can just send me and the Board a list of potential savings that you're pursuing. It's easy to say we had a 12% increase last year and this year and next year it's going to be less than that. It's not something that we can confirm. I understand the tax increases, but I need to be confident in knowing that we're going through every last avenue and channel to save money. I'm not sure I'm confident in that. I know that internally you're having those conversations with the various departments. Outside of that, what else are we doing? Whether it's savings on buildings that we're not going to be paying leases on, whether it's energy savings, or whether it's shared services, all of those avenues need to be pursued. If they have been, that's great. I just need a list of what those avenues are and what potential savings can be brought to next year's budget.

Mr. Matthews: Got you.

Comm. Arrington: Can you do the last slide again? The 12% is going to bring in \$1.3 million? Am I reading that correctly?

Mr. Matthews: No. That's going to bring us from \$61 million to \$68 million. That incremental increase was \$1.3 million over the \$9.7 million that we had originally submitted to you.

Comm. Arrington: The 12% brings in about \$6 million.

Mr. Matthews: \$7,324,161. The 2022 number is \$61,034,676. The 2022-2023 number is \$68,358,837.

Comm. Arrington: Just to echo what Oshin was saying, any opportunities for our economies to scale with the charters? Oshin was talking about cost savings. If we're buying 100 textbooks and the charter schools are buying 100, if you buy 200 altogether you get more discounts. I know we talked about that at one time. We can have some synergy with purchasing between us and different entities.

Mr. Matthews: We did meet with Paterson a couple of times regarding purchasing copy paper and all types of supplies. We've met with them regarding your trades. We're trying to get painters and they have one contracted painter. We did explore trades and purchasing with them. We had Mr. Gaines, our quality purchasing agent, at those meetings. We've had our athletic people there as well. I think Ms. Shabazz-Charles was at some of those meetings as well. We did explore a lot of options regarding different aspects to savings, even paving and snow removal.

Comm. Arrington: With the city or the different school entities?

Mr. Matthews: We talked to the city. I've talked to other districts. I've talked to our payroll department about taking over payroll services. I've talked about taking over food service from other districts. Those are the kinds of things that I've had conversations with our payroll department and other districts.

Comm. Arrington: Thank you. I guess any opportunities where we can save money.

Comm. Castillo-Cruz: I know you've had plenty of conversations. When are any of these going to come to fruition or be presented to the Board as an actual proposal? Some of these conversations have been happening for at least five years. When do we foresee anything, concrete being brought to the Board to make a decision? In finance we have asked for minutes of those meetings that we didn't receive just to see where things were going and where the struggle was. Did the administration or the Board need to get involved by calling another joint meeting? What else can we do? It's been about five years now and we're still having the same conversation.

Comm. Hodges: Rather than wait for the City Council to get back to us, I would like another effort to reach out to them on the part of this Board President, the Superintendent, and the business administrator. I think this is a serious situation that we should be addressing as a city and not just as a school district. I think the community would benefit from a more thorough conversation of what the district is doing and has been doing.

Comm. Redmon: To give you a timeline, we have a meeting on Wednesday with the regular Board. I just want to make sure that I'm correct. Is that the final adoption of the budget?

Ms. Shafer: Yes, it is.

Comm. Redmon: It might be too late to actually have a sit-down with the city before the final adoption of the budget is passed or voted down on Wednesday.

Comm. Hodges: That's unfortunate. Thank you. It doesn't mean that we still can't reach out to them to have that conversation. It will benefit the community whether we pass the budget or not.

Comm. Redmon: I will make sure we pass the information to the Board President so we can have a letter sent to the City Council regarding the joint education committee meeting with the City Council and the Board of Education.

Comm. Hodges: It would also be helpful if someone made a call to the Council President to find out why there has been no response to our conversations about the budget.

Comm. Redmon: I would task that with the Board President.

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

It was moved by Comm. Castillo-Cruz, seconded by Comm. D. Martinez 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 9:30 p.m.

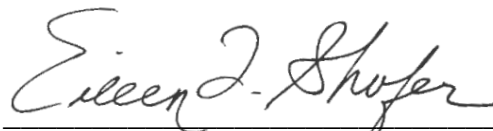
It was moved by Comm. Teague, seconded by Comm. D. Martinez that the Board reconvenes the meeting. On roll call all members voted in the affirmative. The motion carried.

The Board reconvened the meeting at 9:55 p.m.

ADJOURNMENT

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

The meeting was adjourned at 9:56 p.m.

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

Ms. Eileen F. Shafer, M.Ed.
Superintendent of Schools