

MINUTES OF THE PATERSON BOARD OF EDUCATION WORKSHOP MEETING

March 13, 2019 – 6:45 p.m.
Administrative Offices

Presiding: Comm. Oshin Castillo, President

Present:

Ms. Eileen Shafer, Superintendent of Schools
Robert Murray, Esq., General Counsel

Comm. Emanuel Capers
*Comm. Jonathan Hodges
Comm. Manuel Martinez
Comm. Eddy Olivares

Comm. Joel Ramirez
Comm. Nakima Redmon, Vice President
Comm. Robinson Rondon
Comm. Kenneth Simmons

The Salute to the Flag was led by Comm. Castillo.

Comm. Martinez 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 notice of this meeting:

**Workshop Meeting
March 13, 2019 at 6:30 p.m.
Administrative Offices
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.

Comm. Castillo: With great sadness, I want to inform you that we had the passing of Ms. Davis who taught 4th grade at School 9. It was a sudden death. We want to dedicate a few moments for her as well as our autism supervisor, Tracy Acosta, her sister passed away in a horrible accident this past weekend on Route 80. Please take a moment of silence. **(Moment of Silence)**

PRESENTATIONS AND COMMUNICATIONS

Comm. Castillo: Good evening everyone. I would like to officially welcome you to our workshop. I am going to quickly turn it over to Madam Superintendent because we have a long night ahead of us.

Update on the Comprehensive Annual Financial Report (CAFR)

Ms. Shafer: I would like to call our auditors up to give an update on the Comprehensive Annual Financial Report.

Mr. Steve Weilkotz: Good evening. You have on your agenda tonight the resolution for the receipt and acceptance of the June 2018 Comprehensive Annual Financial Report and the Auditor's Management Report. This was on your agenda two weeks ago, but had to be pulled because it was discovered that there were two errors within the CAFR. One had to do with the food service fund and the general fund. There were some adjustments that were made after we did the field work and somehow they never made it into the final report. The second issue had to do with the special revenue schedules. They were shown net and the budget schedules need to be shown gross, accounts receivable deferred revenue. This was our fault. We take full responsibility for it. This report you have tonight is correct. It has been filed with the state. It will be on the state website. All the other documents have been filed and are correct. I would be happy to answer any questions.

Comm. Castillo: Any questions? That was easy enough. Thank you.

2019-2020 Budget Discussion

Ms. Shafer: Before Mr. Matthews starts, I just want to advise the community as to why we are where we are. If you recall, during the Christie Administration we were underfunded \$280 million. During that period of time, we RIF'd 526 staff members. Last year we received an additional \$20 million and with that we funded some programs like our new reading program, the one-to-one devices for our high school students, as well as 44 new positions, specifically in the areas of art, music, and some other positions that we needed. There was one central office position which was a Director of Special Education. Everything else went into the classroom. Our cost drivers went up this year to \$43 million and we received \$13 million from the State, which left us with a \$30 million deficit. But if you look at the \$20 million we received last year and you take the \$13 million off that, we're \$7 million short there as well because we put people in place and now we cannot continue them. We put programs in place and now we cannot have part two, like our reading program. That's where we got right now to a \$38 million shortfall. I just wanted to make sure that everyone understood some of the history as to where we were and how we got to where we are now.

Mr. Richard Matthews: Thank you, Madam Superintendent. I'm going to go through the presentation. If you could hold off to the end for your questions, I'd really appreciate it. Today is March 13. We're doing another budget workshop. We have another workshop on Monday and Tuesday of next week. As mentioned to you earlier on Monday, our budget has to be at the County Superintendent by Wednesday, March 20 at 12:00 o'clock. We really need to have this budget done by Thursday so we can continue entering the massive amount of data that it takes to put together this budget. Some of the cost drivers that Ms. Shafer had mentioned earlier, I'm just going to take it to the first chart here. On Passaic County Tech in 2018 we spent \$19,288,700. Our 2019-2020 budget is \$20 million. It's an increase of \$1 million. This is on top of last year's costs. Charter schools for 2018-2019 are \$54 million. Our 2019-2020 costs are \$63,809,306. That's an increase of \$9 million for 2020. Total increases between the charter school and Passaic County Tech is \$10 million. I remind you we got \$13 million. We've almost already spent the \$13 million. As Ms. Shafer had mentioned to you earlier regarding the cost drivers, salaries and benefits went up \$10 million. If you go back to the slide right

there, that's another \$10 million. We're at \$21 million right there. There's the charter school cost I mentioned to you earlier. We have transportation, special education, legal services, security, and substitutes. Last year to help balance our budget besides the \$20 million we had a one-time revenue of \$12 million on the sale and leaseback of textbooks, which is in our appropriations for 2019-2020 to be paid back over the next five years. This is how we arrived at the \$43 million on Friday. This right here is historical data. On March 5 of last year we thought we were going to have a gap of \$29 million. We had made a projection that we would at least maintain \$20 million in state aid. We didn't. On March 8 after we got our \$13 million we started plugging in the new numbers. The stuff you see in yellow is revenue. Our revenues went to \$519 million. We originally had them at \$521 million. We have an additional increase year over year of \$8 million. Remember, we lost the \$12 million from last year. That \$12 million from sale of textbooks we don't have in 2019-2020. Our appropriations went to \$558 million. As of Friday of last week, March 8, our gap was \$38 million. We worked over the weekend on Saturday, Sunday, Monday, Tuesday, today, and we made some changes. You see most of the changes are in non-salary. Ms. Shafer had budget priorities that were reduced. In the earlier slide we had \$6 million. That number got reduced from \$6 million down to \$4 million. We tacked on budgeted vacancies. Our appropriations went to \$542 million. Today, March 13, our new budget gap now is \$22 million. This is just the sources of revenues that we have. 80% of our revenue comes from the State. 11% comes from our tax levy. Then you have miscellaneous revenues like excess surplus, budgeted fund balance, testing fees, and tuitions. That's all in the other slides. These are the appropriations breakdown. This is a pie chart of the stuff that you've already seen. These are some the strategies that we had. We were at \$30 million. I just want to get you to the most recent one. This is the one that we're at now, \$22 million. We're running out of options to close this gap. There's still some money in there for bus tickets. We can still make some cuts in central office. There is some opportunity with substitutes. There are some personnel decisions that have to be made. We don't know what that number is going to be yet because we're still trying to make cuts and gain some efficiencies and renegotiate some contracts. We're actually going through line by line. You guys should have received these budgets line by line as to what's in those budgets. You see on this slide here that the tax levy for 2018-2019 was \$41,455,956. We've already baked in a 2% tax increase of \$829,119. That's a 2% increase. We've also baked in the bank cap that's available to us for this budget of 2019-2020 of \$5,160,682. That's helping to close the gap. I'll go back to the bank cap slide which we went through the other day which breaks out the cost to the taxpayer. If we were to assume the \$5.1 million in bank cap with a 2% tax increase, this slide gives you a little bit more detail about the actual percentage of increase you're going to receive. In terms of just a raw number from the \$41 million to \$47 million, it's 15% of an increase. But when you factor in the home values and the tax rate, the actual true increase is 10% not 15%. Debt service is really an expense of the City of Paterson. It's not really something that we can expect to get a bang for the buck in terms of relief to the taxpayer. That's something that's going to come off the books in 2020-2021. That's more for the city to make those calls, not the Board of Education. These are the non-salary cuts. I'll leave it up here. If you guys have any particular questions about any line item, you guys had a chance to review this.

Comm. Simmons: I have two questions. Our appropriations to charter schools are going to be \$63 million?

Mr. Matthews: Yes.

Comm. Simmons: Can you explain the debt services? You said that debt is coming off the books.

*Comm. Hodges enters the meeting at 6:58 p.m.

Mr. Matthews: There's no major relief to the taxpayer right now. Again, we reached out to the City of Paterson on that number. It's a very small number. I don't want to give you a number, but it's something that the City of Paterson is going to have to determine because that is on their books.

Comm. Simmons: I'm trying to formulate the right question. Can you explain how it works?

Mr. Matthews: Debt service is coming off the books in 2021. That debt service was paid by the State of New Jersey at 61%. The City of Paterson had 39%. The State portion goes away and the 39% of the city is their call as to how they want to use that money.

Comm. Redmon: Just to make sure that I'm clear, you're saying once the debt has come off the books, it's no longer our problem. It now remains in the hands of the city?

Mr. Matthews: Yes.

Comm. Redmon: Just to let the public know about the tax portion of our revenue that we're supposed to get yearly, elaborate on how we're not really getting the money upfront now.

Ms. June Gray: Previously part of your 2% tax levy had a piece that was incorporated for the debt service, which was about half a million dollars. That debt is coming off our books because it no longer exists. We were actually a pass-through. We didn't have the debt. It was bonded debt that was issued through the city. The State was paying a percentage of it and the city was paying a percentage of it. That debt now goes away. Serial bonds are now paid for. The lease purchase from the refunding of the bonds is now paid for as well. That leaves about a half million dollars that may remain on the city's books. However, it may be reallocated to some other purpose. However, when I looked and calculated our percentage it was very small, like under a percent. It came to about \$16.55 for the year, which came to about \$1.35 a month of impact to the taxpayers.

Comm. Redmon: You answered my question. When we heard this sum of money, taxpayers think that we're hitting them in the pocket. We want to make sure that they know that the share from the Board of Education was only \$1 and some change per month. That's the reason I asked you to elaborate on it and to make sure they understand. Now this money doesn't belong to the Board of Education. It belongs to the city. It might not even come back to education.

Ms. Gray: No, it may not. It doesn't have to.

Comm. Redmon: That's the reason why I'm asking, because the general public when you hear about a tax increase, you're thinking that overall the taxes are coming straight from your pocket to a percentage of our debts here at the Board of Education and that's not true. That's the reason I wanted to make sure we elaborate that to the public. When you hear a 15% tax increase, it is not just here at the Board of Education. It's a general fund that goes to the city and to make sure that we have our equal share.

Ms. Gray: Correct.

Comm. Redmon: Thank you.

Mr. Matthews: Any questions or recommendations?

Comm. Castillo: We got \$13 million from the State. Out of that, \$10 million of it is going into the increases from charter schools and Passaic County Tech.

Mr. Matthews: Yes.

Comm. Castillo: That's the problem because right off the bat it's costing us \$64 million that is going off to charter schools and another \$21 million that's going into PCTI. I think that's also a further conversation that we need to have after the budget. Just half of what is going to charter schools is what we would need to have a balanced budget.

Mr. Matthews: Right.

Comm. Martinez: It was a confluence of factors that are coming into this. The fact that last year our State aid was \$20 million and this year it was \$13 million, right there that's \$7 million right off the bat that we don't have access to. There are so many factors that play into where we are right now that can't be withheld. Those are just numbers.

Comm. Ramirez: In the budget that was sent to our homes under central business services there's a cost of \$440,000 for parking tickets for downtown schools. How many schools and how many people get these parking tickets?

Mr. Matthews: These are tickets that go to all the principals and teachers who park downtown throughout the year. Employees who drive downtown for parking have to go to meetings downtown, like Silk City Academy and HARP Academy. This is the cost to the entire district for the year.

Comm. Ramirez: We buy these books ahead of time. Are we sure they're all being used and distributed?

Mr. Matthews: We're looking at reducing that number as well. We've cut that number by \$100,000. One of the strategies that we have is to cut it by half a million dollars. Part of the problem is if you take away the books and the passes for some of these kids it may impact attendance.

Comm. Ramirez: The kids I understand. If I'm reading through this, I'm assuming it's for teachers and staff members who maybe we should have them put in for reimbursement when they need it, as opposed to just dishing out \$440,000 for parking tickets.

Mr. Matthews: That number has been cut down over the past couple of years because we brought it back over to central office to manage it. My secretary, Gloria Rodriguez, does manage that and she keeps pretty good reporting on who's using it and how often they're using it. If Johnny Appleseed is getting a book, she's matching it with the person's attendance and going to the school if somebody is carpooling. It's being tracked and monitored on a monthly basis.

Comm. Simmons: In terms of the tax levy from the city, is the city up to date?

Mr. Matthews: No.

Comm. Simmons: How far?

Mr. Matthews: They're six months in arrears right now.

Comm. Simmons: What does that equate to?

Mr. Matthews: It's like \$23 million.

Comm. Redmon: Just to piggyback off what Comm. Simmons said, this is why I alluded back to the city with the tax levy. We're not getting our fair share here at the Board of Education. They're six months behind and we still have to pay our bills. We still have to put things out. I understand the city is having some issues and can't allocate the money, but it's not fair to us because we still have to operate as a business to pay our bills on time. We're suffering because we're robbing Peter to pay Paul to make sure that we stay afloat. I'm going to go back to the issue of PCTI and the charter schools. What we're asking in our charter schools can alleviate some of the problems that we're having here in our special education programs. I looked at a line item that you have here for special education. We're trying to cut a budget to one-to-one for \$300,000. We're already having some issues with special education. That right now is taking us onto a slippery slope. We're trying to alleviate some problems that we had from past years and we're going back to the same trend of cutting these programs that we know we can't afford. This is a major lawsuit. We're operating at a dangerous level right now. We're not only putting our staff members in danger, but we're also putting our students in danger. They're not getting the quality of services that they definitely need.

Mr. Matthews: I agree.

Comm. Redmon: I understand that we do have to cut back to the bare bones, but I would rather cut somewhere else than to cut something that's more important that we're doing now.

Mr. Matthews: I agree with you.

Comm. Redmon: Right now I have to take ownership of the City of Paterson. If we weren't paying them they would park down our throat. We need to make it quite clear that we need our money. Right now we're operating in the red.

Mr. Matthews: Our cash flow is definitely impacted when our tax levy is six months in arrears. We do meet with them. We meet with Mr. McCoy, Ms. Cherone and the powers that be. We met on February 28 and we have another meeting on March 22. They gave us a six-month payment plan. We should get three months this month. We got one month of the three, so we'll see what happens. We have another meeting with them on March 22. I totally agree. We have to take care of our own kids first.

Comm. Redmon: It's frustrating sitting here. I can't speak for all Board members, but I'm speaking for myself. It is really frustrating sitting here thinking that last year we had an additional \$20 million and we added programs here and money for the schools just to have a basic education that these kids deserve. Now you're asking us a year later to go back and cut the basic needs again. That's just unfair. I know we have been flat-funded for eight years, but the State is not looking at what we have been doing for those past eight years plus now. It's disheartening when you sit here at the table and you tell the public that you really want to educate kids at a better level. When we come back here and we have to make the hard decisions, it's terrible. We read in the newspaper

we're hitting the taxpayers 15%, but you're not looking at why we have to do what we have to do.

Comm. Martinez: Just to be clear, the residents of the City of Paterson are paying their taxes and the city is collecting. The city is thereby going to cut us a check that folks pay their taxes for. That money comes to us.

Mr. Matthews: They collect taxes on our behalf and each month they're supposed to give us our monthly tax levy. Right now, they're six months in arrears. We met with them at the end of February. They promised to make three payments in March, another two in April, and they're making an effort to be current by the beginning of May.

Comm. Martinez: You can't understate for whatever reason, that's just straight irresponsible to be six months behind on payments, \$24 million in the red that's owed to us. It's irresponsible and frankly unacceptable.

Comm. Ramirez: Six months behind. Can we charge them interest on that money that they owe us? If I were behind on paying my sewer bill, they're going to charge me interest on that.

Mr. Matthews: We can charge them interest. We haven't charged them interest, but we can charge them interest.

Comm. Ramirez: Okay. They have to become responsible. Sometimes you have to do things that are tough so that people wake up and start doing things the right way. Since I came on this Board, I've been hearing the same story that the city doesn't pay us on time. Something needs to happen. We need to do something to make them respect us and make sure that they're paying us our bills so we can service our children.

Comm. Simmons: This is a question for Mr. Murray. We have an increase in charter school payments. What would happen if we decided not to pay the increase?

Mr. Murray: If the monies were not paid it would be a violation of the statute. The Board is required to make payments very specific. A failure to make those payments you can reasonably anticipate prompt legal action to secure payment. There would be no facts in dispute. Therefore, the action would proceed in an expeditious way and a prevailing party would most likely seek prejudgment interest for the payment and would likely get it. There would also be the possibility of requesting some sort of punitive judgment, although I doubt that would be granted. There would also be the likelihood of a permanent order being placed so that any future failure to pay timely would in fact trigger more significant payments. Looking at it from the point of view of budget year to budget year it would not be feasible tactically for payments to be paid in the following year from a following budget. That would not likely be possible. It reminds me of how speedy the litigation went many years ago when then Governor Brendan Byrne imposed the income tax. On behalf of the Elizabeth Board of Education I did contest the action that closed the public schools. We went to the appellate division of the NJ Supreme Court and the United States Supreme Court and that was done in two months' time. It may not be two months, but it will be pretty quick. Once the first decision is done, that will be the rest for the year.

Comm. Simmons: Based on that, is there also the possibility that the state could withhold payments to us as well?

Mr. Murray: Excellent point. In addition to the legal, the State could also decide to take fiduciary control of all your matters. It's not a matter of where there could be a dispute. It's just that clear by statute. You could lose control of your fiscal. If you do it successfully, other districts that have fewer, because Paterson has perhaps the more significant number, it could occur elsewhere and the State would not likely sit by.

Comm. Simmons: Is there a similar remedy for us to pursue in terms of what the city owes us?

Mr. Murray: In terms of change it would really be a legislative change. That would be the methodology. Where you would change is in the payment calculation. Otherwise, you really would not be able to have a delayed payment like the city has been somewhat delayed in paying us. The same principle would apply, except that as a general proposition boards of education work closely with city governments because it's a long-time relationship. It's not at all adversarial. I'm not suggesting it would be adversarial with charter schools, but that's different than city. There have been times when local boards have sued for payment, but generally speaking folks work together.

Comm. Olivares: I want to talk about two specific things. Both of these things have been brought up by Comm. Capers. In the January 3 meeting, the very first meeting I attended, Comm. Capers brought to the attention of the Board that there had been discussion prior to that day about cutting the legal services, the number of firms that we have. I don't see anything here to indicate that was taken into account. It's in there?

Mr. Matthews: What page are you on?

Comm. Olivares: This is Exhibit A for both of them. He was suggesting that we reduce the number of attorneys that we have on the Board. I see here that it was reduced by \$381,000, but it's still a \$6,000,919. Can we still do better? This is on Exhibit A, page 1.

Mr. Matthews: To answer your question, the business office sits down with all the department heads and try to find opportunities to make cuts. We don't sit in the business office and just make cuts. This is a very collaborative and team effort in terms of how we decide to get to those cuts. We have spoken today about how we can get that number to be a little bit better and reorganize legal. He has some ideas that maybe he wants to share with you.

Mr. Murray: The figure that is raised by the Commissioner is not the figure of what your legal fees are for the Paterson Board of Education. The figure that you have referred to is the figure that covers many of the expenditures. For example, there is a worker's compensation fund that comes through the legal department and then is utilized to pay worker's compensation claims. There are a number of other items that also go through in the same manner. When we turn to the issue of the attorney expense, the actual law firms expense, about four years ago the district determined and it's been in place for three full years to move from a model of full-time in-house and outside law firms to all outside. At that time, most of the firms that you see on the list were retained. At the end of the first year, the amount of money that was expended was several hundred thousand dollars less than the previous year. At the conclusion of last year, that year was less than the previous year. As we head into this year, we don't know the end amount until we get there because of litigation costs. We have been able to maintain for these past three years a very cost-effective result for the district. The Board always selects who you wish as lawyers and whatever the firms are and whoever you retain in terms of expertise. That's been the track record on costs and in the same time period

the record, particularly with litigation, has been pretty exceptional. Mark Blunda's firm has been very effective. Glen Scotland's firm has been first rate on the bonding issues. We've continued with two firms on the worker's comp. We actually consolidated that one firm and that has saved some money because those cases go to court seven cases at a time. We haven't lost an arbitration case in 20 years, which is something that I do for the Board and have for some time. Again, on the costs that where we are.

Comm. Olivares: I wanted clarification because I understood that we were going to cut the number of firms that we have on the payroll. I just wanted to clarify that. The amount of attorneys that we have is still the same.

Mr. Murray: It's been reduced. I would respectfully suggest the key isn't the number of lawyers. It's the amount of calls for legal services. The governance committee has asked and I have provided some ideas of alternatives for the future on saving even more money. It really is a question of how much litigation we have. We can have two law firms and have an enormous amount of litigation and the fees are going to be high. By the way, let me speak to the fees. We have maintained \$160 an hour for at least the last 15 years. Prevailing today for government lawyers doing this kind of work is about \$175 an hour. That's 10% more. We've maintained it and even those are going up. When we get into litigation where we have to pay the prevailing lawyer and the special education and the discrimination cases, the going rate is \$400 to \$500 an hour. We maintain \$160. When the Board put out in December any of the firms asked if we could consider and I told them that was up to the firms whatever rate they wanted. I doubt that the Board would be interested in increasing rates.

Comm. Olivares: The other thing I wanted to bring up was brought up initially by Comm. Capers. It's security. I don't know out of that total how much goes towards off duty police officers and what goes to the internal security. In any event, I personally feel that we don't need the services of off-duty police officers in our schools. This is my opinion. I would like to know what portion of that total is allocated towards paying off-duty police officers.

Mr. Matthews: I'm going to have to defer to Tony. It's \$900,000.

Comm. Olivares: That's towards armed police.

Mr. Matthews: Off-duty, yes.

Comm. Olivares: Again, this is an issue that I think the Board should consider coming off our books. Everything that I've read so far, and as a sociologist I do research that deals with these issues, indicates that you're better serving the community by hiring social workers and such professionals instead of armed police officers. I just wanted to bring that to your attention.

Mr. Matthews: I appreciate that. I know that's something that we're looking at right now.

Comm. Hodges: We've moved too far afoot from where I wanted to interject. Are we paying all our bills on time?

Mr. Matthews: Yes. By law we have to pay within 60 days.

Comm. Hodges: You've had some problems in the past.

Mr. Matthews: We're good.

Comm. Hodges: The reason I raise that issue is because you need to be very circumspect when you go after the city for a number of reasons. We're in the same boat that they are in. In fact, when I'm screaming at the legislature, I use them as an example. We are a distressed city and money to help close their budget comes from the state and they don't get their money on time. Going after them is problematic, particularly in the past when we've had some struggles with paying our bills. I would tread lightly there. I think the money that they owe us is not factoring into this balance.

Mr. Matthews: Yes. We're budgeting \$42 million next year from the City of Paterson, plus the bank cap of \$5.1 million.

Comm. Hodges: I guess we can reach out to them and speak to them about expediting their responsibilities. They love collecting taxes on our behalf. They have to collect the taxes. They get blamed for collecting the taxes. We don't. Not like they do. You don't see the place filled with people screaming about taxes here. They don't do that. They're on the front lines. Not that I feel sorry for these people, but the fact of the matter is they do get paid but they have to do the work of collecting the taxes, which is problematic in a number of areas. Their budget is tied to what the state gives them, which they don't give to them until later in the year. I'm not condoning it, but I kind of understand where they are because it happens to us too. The State will say arbitrarily they're not going to pay the last month, make them borrow money and pay their creditors however they want to, and then catch up in the next fiscal year. They've done that more than once. These are things to consider as we manage our relationship with the city. That's one thing. I do believe that during that meeting in January the primary request was to have a process for hiring the lawyers. I don't think we've gotten to that yet.

Mr. Murray: The policy committee is working on that.

Comm. Hodges: I'm on the policy committee, sir.

Mr. Murray: It will be ready at the next policy meeting.

Comm. Hodges: Okay. That's what we primary asked for. We have a lot of things we can take money away from. I want to know what's going to be the least damaging educationally. What kinds of things can we initially reduce in terms of expenditures that will have minimal impact on students? I'm very worried about the loss of teachers because we struggle with programming. We've hollowed out our system because of the \$280 million shortfall over the eight years. We're nowhere near where we're supposed to be. I'm loathed to lose teachers who are very hard to replace, particularly in key areas. Obviously, there are responsibilities in terms of non-tenured. But some of these teachers are coming in with different skills that are very valuable to us. Then we lose them after we've put millions of dollars in training them. Professional development costs millions, which drives me absolutely crazy, and then they go someplace else and deliver that educational skill to somebody else's children after we've paid for that. Those are some of the issues that we need to get firm in my head. I understand bus tickets, but I need a clear understanding of what the impact would be and how do we do things that approach closing that budget without really hurting our educational agenda. Not just what we have now, but what we plan to do in the future.

Ms. Shafer: In the PowerPoint presentation there is the reductions as of 3/11, which comes to \$9 million. This is a stretch of the things that we're not going to be able to do.

They impact the classroom. In addition to that, I had \$52 million in priorities like a textbook plan that we will not be able to do. We never recovered. I had said earlier 526 staff members were RIF'd over the last nine years, with the exception of last year. You don't recover and now we're looking at a \$22 million gap. However you do the math, even if it was \$100,000 a person, you're looking at a minimum of 222 more people, which puts your number to about 800 over the past 10 years.

Comm. Hodges: Would that be teachers?

Ms. Shafer: We're not there yet. I'm just saying take staff, period. I'm just doing simple math. Use the number of 100 a person with benefits. That could be \$75,000 for salary plus your benefits. Easy math and you're looking at 220 additional staff members. Let me just go back that we made some inroads last year. We finally did some things for kids. That \$20 million, expect for one position, which was Director of Special Education, all went into the classroom. We can't continue that because we only received \$13 million. You're already down \$7 million. In addition to that, we still have the cost drivers going up. You can't continue to do some of the things that we did. I'll give you a quick example. You know we put back art and music. Our kids have not had art and music in 25 years. Those are all non-tenured because they just got here last year. We had grants that we got instruments. We've had donations. We've had people want to donate and are continuing to donate. We just found out yesterday or last week that we're getting electric guitars and keyboards at School No. 20. They never had music or instruments there and now School No. 20 can have a band. Are we going to have that music teacher to have the band? We set our kids up. Nobody thinks of the kids. We set our kids up to have art and music, join the band, have instruments for a year, and then we're going to take it away? I've seen all of this for years. This is the worst I have ever seen it because we never regrouped from eight years of constant cutting, whether it was programs or people or both. We never recouped. 280 got 20. Class sizes through the roof and now we're looking at having to force our hand and do more. What do you do? Do you do folks not in the classroom like guidance counselors, special education, and child study team? What do you do? With \$22 million we're still looking at it, but it's going to have to be across the board from top to bottom. It cannot be all teachers. I won't do that. If the Board or someone else wants, I will not do that with over 260 teachers. You can't do it. Forget a thorough and efficient education. It's non-existent. It's not even close. We have intervention periods. We have a great math intervention program. Forget the folks who do the intervention. We're not going to be able to do that. It's so unfair to those kids. Just think about this. If you had a child who wanted to play an instrument and now the school has music and your child started playing an instrument and might even be in a band this year. A lot of our schools have bands. In June the music teacher is going to say goodbye on the last day of school for good. What do they do? Do they take the instrument home? Do they lock it in the closet? What are they going to do? Not fair. It's so unfair. I'm going to say it. You can do whatever you want with it. When you're spending \$84 million between Tech and charter schools, give me half of that and we could do great things for kids.

Comm. Hodges: We shouldn't be clapping. We need to act. That was the point of my question because we get penalized for not producing educationally. We get sanctioned. We get harassed. We get denigrated throughout the state. Right now, they want their money back because of the Abbott decision. They're asking for it because of what they're now beginning to experience, some of the things that we did in the past. Clifton last year held back on the money for charters. They did not put it into their budget. The County forced them to do it. They refused to do it so the County had to do it instead of them. That was their attempt at addressing the same kind of situation. We had tried to get a moratorium in the past where they at least did not start new charter schools for a

period of time. The increase in costs, particularly when you take away \$7 million and then you add \$9 million for charter schools and whatever else they're doing at Tech, that's a big problem. I think given what's happened in the past, there's going to be a need for advocacy at the legislature level, to go down and explain to them you crushed us under Christie. You sat there and let it happen. You took \$280 million from a district that was already struggling and now you're coming back and giving us a little taste of the ability to move forward. There were some results. They were incremental, but they were results. Now you're coming back and putting us behind the eight-ball again. Somebody has to say that to them. Somebody has to push back on what's happening. Quite frankly, it's not just the people around this table. This community has to stand up and be responsible because those are your children. They're our children. If we don't, this is just going to continue to happen. Jersey City lost \$27 million. They have other issues with their reevaluation and property taxes. But part of the problem is the federal tax cut and the reform package which is yielding a decreased return of funding to the State. We can go down there and scream and pound our fists on their desk, but there are other districts out there that are going through the same situation. We are going to have to sit around this table and find ways to minimize as best we can the impact on direct student services in terms of education. Comm. Capers and Comm. Olivares have been looking at the police – at least that's what I hear – and there are some other areas that we have to take a look at.

Comm. Olivares: Guilty.

Comm. Hodges: I think that those are the first places. I would join you, Ms. Shafer, in fighting the cuts to the teachers because we can't get them back. You can't get back the training that you put into them. That's what hurts you more than anything else. You can't get back the training. They go out and do a wonderful job in other places with our training and that money to us is lost. It's thrown down the drain. We have to do something to somehow safeguard that, particularly in key areas. When I mentioned earlier in the year the idea of cornering the market in terms of special services, I was not joking. People here thought I was joking. I was not joking. It's a revenue stream and a way of guaranteeing that your children get first shot at special education services. You were uniquely set up to do that. You can do it. This district can do that and at the same time safeguard a key need which we're in court for all the time. That was not a joke. That was not a game. I was quite serious. I think that's something we need to look at seriously, finding a way to do that.

Comm. Castillo: I know the money from the city has been an issue and has been affecting cash flow as some other things have. Are we going to close this year with a balanced budget come June 30? Are we going to be balanced?

Mr. Matthews: We're looking at about a \$2 or \$3 million fund balance at the end of the year. We always get our money. Every year it's late it impacts cash flow, but at the end of the year they do pay their money. The revenues that we have budgeted for the year from the City of Paterson we do get our money by the end of June.

Comm. Castillo: Is this the only thing that we are waiting for? We have \$31,134,180 that we're missing from the city until June. Is that the only thing that we're waiting for to make sure that we are at zero, in the black?

Mr. Matthews: As discussed yesterday, we have some issues regarding some rebates, prescriptions, and stop loss. Those rebates are in our budget. Those are revenues that we're counting on for the 2018-2019 budget. The City of Paterson does catch up.

Comm. Castillo: I know we're having one of those conversations in executive session. One of the line items that I have in here was bedside for special education.

Mr. Matthews: \$300,000?

Comm. Castillo: \$1.5 million for one-to-one nursing services for special education. There's no way.

Mr. Matthews: Can I talk to it?

Comm. Castillo: In my opinion, we can't bear to touch anything in special education. That is my opinion. If you want to talk about it for the rest of the Board, I wouldn't want to touch special education. Period! Anywhere! At all! Don't even look in that direction. That's my opinion.

Comm. Capers: Thank you, Madam Superintendent, for your kind words. That was great and I would love to join you in the fight. I think Comm. Simmons asked about the bank cap. I just had other questions just to understand how it works. I want to thank my colleague for joining me on the fight of the lawyers, cops, and police. Just to clear it up, I think Dr. Hodges said in his comments that I want to understand the process on hiring lawyers coming into the district. Mr. Murray said it would be in the next policy meeting. I can't wait to hear that and see that new policy. On the cops issue, I've been in conversation with our Security Director about this situation. It's not that I want to cancel all cops. It's just a heavy cost. Some schools definitely need them in there, but not all of our schools. We're looking at where we can save money. The cost for a police officer in one of our schools is just outrageous. We have to look at which schools desperately need them and which schools really don't. That's what we're looking at. I have a couple of questions and recommendations on these line items. I'm going to start with the recommendations first just to help close the gap. One is our cleaning company. We're currently paying \$8 million to this company. My suggestion to help close the gap is getting rid of the company, bring it in-house, but hire them only part-time. I guess the company is Pritchard? Get rid of that cost and hire locals at part-time hours in the afternoon to clean our buildings. I don't know how that would look and how each school is broken down. How much does it cost to clean Eastside? How to clean School No. 15? What's the difference in cost? We bring that in-house to cut that contract down so we can save some money here.

Mr. Matthews: To answer your question, Comm. Capers, 2019-2020 would be the third year of a three-year contract. If you remember last year around the September-November timeframe, we had a lot of complaints about the schools not being clean. We had a lot of complaints about the lack of supplies. We took the supply piece of that contract and brought it back in-house to Pritchard. I've had no issues regarding lack of supplies. I have really heard nothing regarding the schools not being clean, but I don't think we can get rid of that contract until 2019-2020.

Comm. Capers: It's up next year.

Mr. Matthews: Right.

Comm. Capers: I guess this is another recommendation. I know the Superintendent was very adamant about this. On the line items is the Newcomers high school. My recommendation to help close the gap is to possibly hold off on that this year and do it next school year.

Comm. Redmon: Comm. Capers, I totally agree. I'm sorry. I had to say this.

Comm. Capers: I appreciate that. Hold off on this program. What is the immediate need right now for this school? What have we been doing in the past for newcomers? We can almost save a couple of million dollars here.

Ms. Shafer: What happens now is those students are placed in bilingual and ESL classes. Some of the students that are coming to us do not speak any English at all. Even though they're in the bilingual and ESL classes, they still are at a very big disadvantage and not performing well at all because they don't have the resources and exactly what it is they need. Now the population is getting larger and larger. It's Bengali, Arabic, and Spanish. It's increasing.

Comm. Capers: Can we do anything different because this cost driver is high right now. We're trying to close the gap. I don't want to cut teachers as well and other initiatives that you've brought up in this school year that our kids got deprived of for years. Is there something else we can do so those kids can receive resources at a lower price?

Ms. Shafer: That's why we brought this to you. Ultimately, we want recommendations from the Board. We will take them back. We don't have a whole lot of time. We will take them back and see if there's something else we can do. The need is there.

Comm. Capers: Thank you for that. It says implementation of the out-of-school-suspension center at almost \$500,000.

Ms. Shafer: We're not doing that.

Comm. Capers: It's up here. It says one site.

Mr. Matthews: What page is that on?

Comm. Capers: Page 1, right in front. It says implementation. These are not cuts. I'm using the one that was mailed to us. It's part of your packet.

Mr. Matthews: Are those initiatives? It's non-budgeted.

Ms. Shafer: All of these are the \$52 million of the budget initiatives. Only \$4 million of the \$52 million is in the budget. That is not.

Comm. Capers: Off Exhibit F, what's in the actual budget? That's my question.

Ms. Shafer: If you look at Exhibit E, versus the five pages, that's what got in. From the \$52 million, this is what's in at a cost of \$4.1 million.

Comm. Capers: Madam President, can I yield my time until I look at this new data?

Ms. Shafer: If you look at Exhibit F, that's the full list of what is needed in the district, \$52 million. If you look at Exhibit E, that is what was able to get into the budget, \$4 million.

Comm. Ramirez: On page 6, there's a three-year contract with Grant Writers. It's \$100,000. Is there any way we can eliminate that and just have those grant writer responsibilities distributed to some of our talented people who I'm sure can write grants in the district, for which we don't need an outside grant writer? It's \$100,000.

Mr. Matthews: I believe that was already taken out.

Comm. Ramirez: It's a three-year contract.

Mr. Matthews: I see that.

Comm. Ramirez: This is the last year?

Mr. Matthews: This is the third year of a three-year contract, \$100,000 a clip.

Comm. Ramirez: It won't impact us this year, but if we can look to eliminate next year. Thank you.

Comm. Rondon: Mr. Matthews, the parking spots downtown for \$440,000. Can we take that out of what the city owes us to clean it up?

Mr. Matthews: If we decide that we're going to do away with it, the city is going to pay us their full share. They always pay the full tax levy. We're just not getting it with the interest. We're going to meet with them on the 22nd and tell them going forward we're going to charge interest. This \$440,000 can't be reduced, but if we feel as a Board we want to go ahead and eliminate that service, by all means it's your decision.

Comm. Rondon: They said they're going to promise you by a certain date.

Mr. Matthews: Two more months this month and another two months in April.

Comm. Rondon: Is that in writing or verbal?

Mr. Matthews: It's just verbal. Whenever we've met with them and they're behind and said they were going to commit to make payments, they usually come through.

Comm. Ramirez: Mr. Matthews, correct me if I'm wrong just to clarify for Comm. Rondon. The parking tickets downtown is to the Parking Authority, not to the City of Paterson.

Mr. Matthews: Yes, it is.

Comm. Ramirez: It's not the city. It's a different entity. Thank you.

Comm. Olivares: I apologize. I realize that we're asking a lot of questions. I wanted to point to small ticket items, but still I want to make sure that we do a thorough close look at this and write off whatever we can. If you look at page 3, it says one computer update needed for office supplies. It's on page 6. It's for \$3,200. I'm just wondering is there a computer anywhere else within the district that we can use instead of...

Mr. Matthews: It's on page 3. It's under 619.

Comm. Olivares: Payroll department. I'm just wondering if we've looked at whether we have a computer someplace that we can replace that with.

Mr. Matthews: That is not just the one computer. It's office supplies for that particular department. It's not just the computer alone by itself.

Comm. Olivares: At least the computer seems to be the most expensive item on that. Also, if you look at Exhibit A again on page 6, it says repairs for fine arts instruments. This was written off. In other words, it's not going to be funded as it appears. If you go back to page 3, the last item says vehicles repair and car wash service, that's almost \$60,000. I'd much rather you take the \$1,200 from the \$60,000 and have dirty cars and we can still fix those instruments for those kids. I share the concern with the educational value of what it is that we're trying to do. We can have clean cars, but if we don't fix those instruments, to me that's an issue. I'm just saying that I know we're going to look at this again and these are the issues that I want you to look at. These are only two examples of small ticket items. But if you find 10 of them, now we're talking \$40,000.

Mr. Matthews: Everything counts.

Comm. Olivares: I would like you to take a look at that please.

Mr. Matthews: Sure.

Comm. Castillo: I'm sorry. I was just a little confused. I was trying to come back a little bit.

Comm. Redmon: To clarify what you're talking about, Comm. Olivares, we have a fleet of cars. This is out of our transportation fleet services that we have. We can't mix those budgeted items that you're talking about because they're budgeted in different departments. You can't start switching from one item to take it for another. When you look at a budget service, it's only allocated for certain things. You cannot switch things over to meet that.

Comm. Olivares: I would like to give you an answer. I understand what you're saying. These monies are allocated, but if you look at \$60,000 for all these things that we're talking about, this item is of much more value to me personally. The educational value that the kids are going to receive from those instruments, if they're broken I just don't see why we can't take it from some other place, whatever it is. By the way, I just used that as an example. It's just finding it anywhere else. Part of the things that we have is \$1,200 allocated to repair instruments for these kids. I don't see why we can't take it from anywhere else and still have that money allocated to fixing those instruments. To me, at the end of the day the kids are the most important thing. That's what we're here for. As soon as I see that you're taking \$1,200 to fix those instruments, I have a problem with that.

Mr. Matthews: Comm. Olivares, just to be clear, these decisions are made by the department people for those particular location numbers. We collaborate together. I take their recommendations and we plug in the numbers. We're not sitting in the business office making decisions for payroll, purchasing, or security. We trust those departments to make those decisions and we collaborate. They bring those recommendations to us for those decisions.

Comm. Olivares: I just wanted to point that out. We shouldn't look at anything that takes away from the education of these children. That's what I'm saying.

Mr. Matthews: Totally agree.

Comm. Simmons: Comm. Capers mentioned the recommendation with regards to the Newcomers program. I do have a thought around that, to roll the program out but in a

different location. It's cheaper in a different location. I think it saves us about \$1 million. If you don't roll it out at Eastside and instead roll it out at John F. Kennedy, it's actually cheaper. At John F. Kennedy you have Bengali and Arabic. You would roll out the Newcomers program in the John F. Kennedy location, which is where that population is, instead of this year rolling it out in the Eastside location. It's more expensive to roll it out at Eastside.

Comm. Capers: If somebody is coming from Russia or a Hispanic country and they need this service and they go to John F. Kennedy, your cost is still going to go up because those kids are going to need those services. We're going to be back where we're at. We're going to have another emergency meeting about us needing more services.

Comm. Simmons: It doesn't work that way.

Comm. Capers: I'm not clear. How many students are we looking at?

Comm. Simmons: I'm not sure what the number is. If I remember correctly, it's about 400 students between the two.

Comm. Capers: It's a 400 student difference?

Comm. Simmons: No. There are about 400 students in the John F. Kennedy program.

Comm. Castillo: It sounds very confusing the way you guys are going back and forth. We had agreed on a program at Eastside High School for newcomers for our Hispanic-speaking population. We were going to make it live at Eastside because that's where the majority of the population was for 2019-2020. Then the idea was to roll out a Newcomers program at John F. Kennedy for our Bengali and Arabic population in 2020-2021. That was the idea because of the need in those languages. We have a lot of students that are coming from Spanish-speaking countries. We also have a lot of students come from Bangladesh. Hence, we're trying to open those programs because the district has found a need for those services. We had this conversation a while back when it was questioned about the amounts of money allocated to each program. In the Spanish population at Eastside we were going to do it first because the population was bigger and there was a bigger need to add on to the ESL we had. We had some students who not only don't speak the language, but also are behind in their native language in academics. In Kennedy we didn't have any programs at all for Bengali and Arabic.

Comm. Capers: I understand. Thank you for clearing that up. We're still facing a \$43 million shortfall. I'm just trying to save every buck possible to close the gap. I'm thinking let's roll this out next year until we get some more funds and figure this whole thing out.

Comm. Redmon: This is where I'm falling on the Newcomers program. At this particular time, it's unfair. I'm looking at something we did a couple of years ago. We had a Young Men's Academy that was rolled out. We're still feeling the effects of it not being rolled out properly. It became a dumping ground. This is the first year that we're actually taking initiatives and steps to change that school and make sure that those kids get the best education they can possibly get. It's going to take almost \$4 million to roll out a program, be it Bengali, Arabic, or Hispanic. It doesn't matter to me. I think those kids right now won't get a fair opportunity because we don't have the money to fund that program. We would like to have a chance to roll it out properly so that we can have

statistics that we can look at it to make sure this program is useful for us. Second of all, we have another program that we're trying to keep afloat. I'm not being funny because now we have to look at another item for Young Men's Academy. Their lease is up next year. We may have to shuffle and move these young men again. We have to be realistic of what we're trying to do. It's not a racial issue. I have no problems with that. It is about quality of education. If we're going to roll our Newcomers program out, I think we should do it the best justice we can and not roll it out just to say we have this program. We do have a program that's existing now in the elementary schools. I would like to see some of the statistics. I understand we're not servicing some of those kids at the high school level. I do get that. But at this particular point I just don't feel that we should be putting a whole program or high school out to help these kids when we can't really afford it. I want a planning year. It was part of the Superintendent's initiative.

Comm. Castillo: This was the planning year.

Comm. Hodges: For several years now I've been requesting data on students who don't get these unique programs and I've never gotten them. I've gotten promises, but I've never gotten that data on how those students who don't have these services fare in the school, and/or what they do to compensate for the lack of these programs. We're up against new federal regulations called the Equity. Those students who don't have these services, the money is going to be forced to be channeled to them. That's a federal law. You need to understand the context here. It's not simply that we want these kids to have these things. The law says you're going to have to give to kids who don't have anything to make sure they're on par with everybody else, equity. That's the reality of it. You have to do these things with that context and understand that some people are going to lose out because they've had things in the past that other people haven't had. There are a lot of groups like Turkish and Russian who haven't had anything. Unless they have a certain number of students in a population, they don't even get bilingual teachers. They somehow have to struggle through school. What I have asked in the past is what are they doing? How well are they faring? Are they being held back? What are they doing to get through this? We need to know. We're responsible for those kids too, every last one of them. Now the law says print what you're spending on them. Am I wrong? Print it so that the whole community will know. If I'm a parent of a Turkish or Russian child and I look and see there are all these programs but my child isn't getting anything, I'll be down here the next day. These decisions have to be taken seriously because the law has changed. By the end of this year you have to print all that data up. We have to act accordingly. This is an opportunity to get these things right because we have no other choice. You're going to tear this community apart if the data... The problem is it will just be data without explanation. We'll be spending a lot of time trying to figure out how to explain to people why the data looks the way it does in stark reality. That's where we are. If we don't have the money and we understand that equity is going to be the new ESSA law, we better figure it out. Those are some things that we're going to have to take a look at. If we have to go to a planning year in order to see what we can do and then advocate for more money given what we're facing, then let's do some of those things. It's already going to be ugly at the end of the year. They've already promised that. In a lot of places you are responsible for the amount of money that you spend on kids regardless of who they are - whether it's males versus females. Whether it's whatever demographic, the equity is the catchword of the day and we have to figure out how to handle that. That's the law.

Comm. Ramirez: Madam Superintendent, you are the Chief School Administrator and you're submitting this list Exhibit E as your recommendations of what you think must go in the budget. Obviously, the Newcomers high school is important because your

cabinet and your directors using the data concluded that this is needed to support this population. Am I correct?

Ms. Shafer: Yes. This was a planning year. We had decided this at the end of last year. This was a planning year in order to have this program come September. There is a need. I'm going to say again that there are a lot of needs. This is going to be extremely difficult to pick and choose what are the priorities. I said earlier teachers are a priority and kids. Again, as we move into local control I'm just making a recommendation and the Board needs to decide what it is they want in the budget. The need is there. The kids are there. We did the planning year. Here we are.

Comm. Castillo: As we were saying, this is for the kids. This is something that was already planned and put out. People were hired. All of those curriculum and materials were bought and obtained. What happens to all of that? If we're educating the students who at both schools have a huge need, I think it's unfair to say that the needs of these students would have to be put on hold another year, especially where arrangements already have been made. The district has decided that these students do need something because they're the ones sitting in the back of the classroom not knowing what in the world is going on and the population is alarming. There is a large number of students and the population continues to grow. We had an example this year of an influx of students that have come in who not only don't know the language because we have the ESL, but are also behind academically in their native language. Now we are talking about these students that we're literally losing. We've been losing for a very long time and there are many opportunities for a lot of students throughout the district. But the district has spent time and effort to accommodate these students who need it at this specific time. I wouldn't want to cut any programs for any students as well as teachers. We're also doing this large population a disservice by not giving them any of the needs that they require in order to be successful. If we're here to educate students, we're trying to do everything so all of our students can be successful. Though I do understand the constraints we're in, I think it can't be the first thing off the table. We have to talk about a few other cuts and things that we can do in order for all of our students to receive a proper education. We're trying to educate them all.

Comm. Olivares: I do want to weigh in on this issue. Indeed we're going to have to make decisions that are going to affect different segments of the student population. There's just no getting around it. How soon can we get the data that Dr. Hodges was asking for so that we can see how these students who have done without those services are faring before we make a decision? Is it possible to get it before we make a decision? If we can hold it for another year, it's that what I want? No. That's not what anybody wants, but we have to make these cuts. We have to balance the budget. At the end of the day, somebody is going to have to pay the price. I would like to see that data, if it's possible, before we make a decision on that.

Comm. Hodges: The reason I've asked for that, particularly now, is because of ESSA. Those students who haven't received these kinds of additional services are going to be the ones that are supposed to receive those services ahead of anybody else. As you know, that's the law. I don't know whether it's Bengali or Arabic students. I'm not trying to delay the programs for these children, but the law is there too. Did we hire teachers already?

Ms. Shafer: Right now we're recruiting. I checked in yesterday and they have 16 contingency contracts.

Comm. Hodges: Let's just figure out how we balance this in the context of ESSA, which is the law. This was discussed last year because that's when it became prominent. I don't want to shortchange Bengali or Arabic students, but I also don't want to shortchange Turkish, Russian, and all the other groups that are out there. That's who are going to get the balance of the funding because they've been underserved longer than anybody else.

Ms. Shafer: Let me make a suggestion based on the conversation. Let us get you the data. I will say you'll get that data before the end of next week. Let's put in our preliminary budget. You can put it in and submit it, or you cannot put it in and submit the budget. Then we have about six weeks to make changes to then submit the final budget.

Comm. Hodges: Aren't we constrained to only a 10% increase in the changes that we can make?

Mr. Matthews: Right.

Comm. Hodges: That can be a straightjacket.

Mr. Matthews: 10% is kind of hard to change in our budget.

Comm. Hodges: That's right. It's only 10%. We don't have a lot of leeway. We're going to have to make some very tough decisions in the short-term. Once that goes in, it's only 10%.

Comm. Capers: I just have two comments on this. I've been waiting to hear the data. I know this was a planning year, but the Board has never seen the data, especially in curriculum. I sit on curriculum and I didn't see the data in terms of what we're doing. We said that you have 16 contingency contracts. There was another plan, so if the Board goes another way, like what Comm. Simmons had suggested, are they able to bring it to JFK and roll it out that? Are these 16 contracts able to teach in that Newcomers school? It's a language barrier. We just wasted some money there. We can't roll it out in John F. Kennedy because we just spent \$14,000 to send staff to recruit and we have 16 contingency contracts.

Comm. Martinez: The contingency contracts are for Spanish-speaking teachers. If we were to consider doing that at John F. Kennedy that would be for Bengali-speaking teachers. If we wanted to make the switch to John F. Kennedy, we would lose that.

Comm. Capers: We would lose our money. Mr. Matthews, if the city pays their share, what would be the gap cost there?

Mr. Matthews: The number is \$41.4 million for the year.

Comm. Capers: What would be our gap?

Mr. Matthews: That's in the 2018-2019 budget.

Comm. Hodges: So you've already figured that as part...

Mr. Matthews: Yes.

Comm. Hodges: But there's a delay in the cash flow.

Mr. Matthews: Yes, it's a cash flow issue.

Comm. Hodges: It's not the number.

Comm. Martinez: In speaking to the notion of the Newcomers, while I'm very sensitive to the notion of the difficult cuts having to be made anywhere, I would caution that if we find this number to be expensive now, kicking the can down the road can only cost us more down the line. If these scholars are not getting the attention and the services they need now, on the back end this could end up costing us a lot more. We have to be very well aware of that. Just postponing this by a year means this is another year that this growing population is not receiving services, which means this can cost us in so many different ways a lot more money. I just say that to be very frank about that. This can cost us a lot more. While any cuts are going to be painful, we have to be very careful about this. This is something that we discussed. We wanted to roll it out. We've already invested. The wheels are turning. To stop this now we would have squandered all the investment that was made into this and it can cost us significantly more dollars down the line by stopping this. These scholars are going to need this attention. They're going to need these services, be it now or the year after. By us putting it off, it's not going to make the problem go away. It's only going to drive the cost up all the more. I just need to put that out there. We have to keep that into consideration.

Comm. Hodges: I agree with you, but that goes for everything. I wish that argument was heard by the State legislator. That's where the issue is. Obviously, there are a number of problems that they're facing too. I don't know how else to address this, except to look at overall academic harm that's going to be caused. That's why I want to that data, to see what we're doing for those students and how they're able to compensate. We can learn something from them. We can find out that they're in deep trouble that we've ignored for the longest time. They don't get any elementary school aid either. They don't get high school or elementary school aid and they still come in our system. We've asked for this for years. I'm very concerned about that, particularly now that ESSA says you're going to have to publish that data, what you are or aren't doing for those kids. That's going to be a big hit. Do we have a running tally of how much money we're saving by peeling this back, on just our suggestions here?

Mr. Matthews: We're keeping track here of all the recommendations and suggestions. Do we have a number? It's about \$1.8 million.

Comm. Hodges: This is nickel and diming. We need some big... There was a discussion in facilities about the possibility of separating the contract with Pritchard and taking out the landscaping from them and just reducing that other contract. I don't know if we can do that now. I don't know what those projected costs were, but I think they're obligated to do landscaping. They have to figure it out. We just can't do it for them. I don't think we can move forward with that kind of money given our financial situation.

Mr. Matthews: The request was more for a separate company to do the landscaping for the high schools.

Comm. Hodges: Exactly. I don't think we can do that. I think we have to hold them accountable for the landscaping.

Comm. Castillo: I'm going to have Comm. Simmons give this last comment and then we're going to go into public portion. We also have a few other presentations and a long conversation in executive session.

Comm. Simmons: Just a point about the data that has been asked for. There is a time constraint. We actually need to vote on the 18th because this has to be in on the 19th next Tuesday.

Mr. Matthews: We have to move forward with it. We're putting together the budget pretty much without it being fully accepted and we will present it on the 18th and the 19th. We have to input a lot of data so we can't really wait until after Tuesday to start to do it on Wednesday. We're going to move forward and when you guys see us next Monday and Tuesday we will make sure you guys have binders of what's in the budget. You're not going to get that big packet with 700 pages. We're going to make sure we give you something similar to what you have right now so you'll know exactly what's in it and what's being cut. Like Ms. Shafer said, we'll have a period of time where we can make adjustments to the budget.

Comm. Castillo: Thank you, Mr. Matthews. I'm sure we'll call you back.

PUBLIC COMMENTS

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

Comm. Castillo: For all of you visiting this evening, we usually allow three minutes just to be respectful of everyone else's time. Before the first three speakers, Madam Superintendent, do you have comments?

Ms. Shafer: Good evening. It's important that you joined us at our Board meeting to express your concerns to us. We're here to listen and act upon your issues. Your voices are important as we transition to local control. I want our meetings to be productive and dignified as we move the district forward. To that end, I'm asking you to communicate your concerns in a respectful manner. You can get your point across without demeaning others. All of us up here have a high level of respect for everyone that speaks and I would ask the same of our speakers. I would also appreciate it if the audience would refrain from yelling out during the public portion. Thank you.

Ms. Rosie Grant: Good evening. Thank you. I'm having difficulty speaking today, so bear with me. The State increase is \$13 million and the charter school increase is \$10 million. So in effect what we're getting this year from the State is \$3 million than what we got last year. There are fixed costs of \$30 million that have gone up, hence the problem that we're in. However, we do have a structural deficit problem and I want to ask the BA to address that at some point before the budget is approved because this is not something that will go away over time unless we do something differently. I have concerns about the bank tax. I just want to raise that that is not money in the bank. That is taxing capacity. As you move forward, consider that in your discussions. I'm concerned about the open positions and the cuts. Positions are open because they're not filled, not because they're not necessary. I have some serious concerns, especially when it comes to teachers and I have a problem around letting go of our substitutes because we need them. Teachers have paid time off that they're entitled to. We already have overcrowded classrooms. We can't just put two classes together because a teacher is missing. We have to make sure that we have substitutes as well. I have many questions. I've asked the BA if we could talk because I can't ask them in three minutes. But I do want to alert you that the Senate and Assembly have announced their hearing dates. It's up on the NJ State website. I encourage you to go. There has to be

a way for us to get more revenues in order to address the deficit because we cannot cut programs. We're on an upward track as far as student outcomes. You start cutting and that's going to go away. The one other thing I want to say was some conversation that I heard about the BA asking you to make these cuts. The BA isn't asking you to make these cuts. He works for you. You're asking him to make these cuts. Please go back to your discussion on priorities. Ms. Shafer has shared hers, but over all this time I haven't really heard the Board's, even though you had several priority setting meetings. Please go back to that discussion and make sure that the cuts – because we have to make them – are protecting our kids as much as possible and that you're advocating for more dollars. Thank you.

Mr. John McEntee: Good evening everyone. John McEntee, Paterson Education Association. I started the day off in a really great mood until I came here tonight and now it sounds like the world is coming to an end, as it usually does during budget season in most school districts. It sounds like we're in deep trouble with this budget. It's one of the topics I want to talk about. First, I want to thank the school district, especially our Superintendent, for coming out on Read Across America. The Paterson Education Association sponsored the Cat to come out and we hit 15 different schools. Our children all were able to have that great experience. I actually learned myself that the Cat's hat couldn't come off otherwise...it's a long story. It was a fun time and I thank the Board for being part of that. Ms. Shafer talked about teachers not being hurt and kids. I'd like to also add that our ESPs, our teacher aides, secretaries, custodial staff, and personal aides are just as important as our teachers. In many cases they do just as much, if not more, and take on a much larger role in the school system than they're used to doing in other towns. They're very important to us. Normally around the state when you hear cuts, you think the first people or employees that are going to go are these ESPs. When the newspaper reports that there are cuts coming, the first group of employees to start calling our offices are the ESPs. I would implore this Board of Education to keep in mind our ESPs and the work that they do on a daily basis. They're doing a lot of the jobs that the teacher can't do because they're overwhelmed. They're very important to the school system so I implore you to keep them in mind. With all that's going on I don't think it's a good time to talk about the problems that are still existing with our benefits program. But I do want to bring up to you one particular case that I've been working on. I implore you to consider this. If, god forbid, any of our children were suffering from something that's out of our hands, would you want to be told that your child could not have any services? They're not covering you out-of-network or in-network. I won't get into the gentleman's situation. The Board members know because I've been hounding them with what's going on, but I'm not happy with the response. I don't have to go digging for documents through the summary plan description. That is this broker's job. Where is he tonight? I wish he was here to look this guy in the eye and say we have someone suffering from autism that can't get services. This has to stop. It has to stop. I'm sick of his attitude. He needs to go yesterday. I'm not digging for documents. If this gentleman doesn't get the services that he needs, we're going to take legal action. That leads me to my final two points. Please bear with me. I was discouraged to see what was provided to me about a situation on a radio station. I'm a father too. If I knew that there were soft spots in my daughter's school, and these soft spots were reported, I'd be really pissed off as a father. I'm the son of a Newark policeman, so I'm not going to come up here and say anything negative about police and I never will. Policemen are not in the schools to correct behavior. Let's get that straight. Police are in our schools because places like Columbine wish they had more. That's something that touches my heart. If I ever got the call that something was going on in Columbine, you can't even put into words how you'd feel. The fact that the number of cameras was discussed really pisses me off. I hope that this School Board never does anything like that again. We can't have enough

security. We can't have enough police officers in our schools. For all the negative press that they get, they do a lot of good for this community. Every morning that I drop my daughter off there's a school resource officer that takes her out of the car. It's the first person I see in the morning and I thank god for it every day. Thank you very much.

Mr. Abdul Ali: Good evening. I heard that in the policy there's a gay quality of life being included in the curriculum. But when it comes to the Amistad, it's never in there. I hear you talk about special needs. African Americans have been here 460 years and we never got the true history of who we were. We got a European perspective. In order for African Americans to grow in this country, we need to get our history. Here's a book I read, "Know Thyself." I remember the last time I was here I think it was October. I talked about two words – education and educare. I'm going to ask any of you scholars here if you know the definition of that, either one. Educare is when you give a child some knowledge and it brings out the best in them. Education conditions the mindset to work along with the program. What program? The program that the western world promotes! We need to get with this. African American children are starving. What happened to the Amistad committee? Did we die? I was gone for four months. I was sick. Nobody called me for a meeting. Who has to make the approval? Ms. Shafer, do you want to the Amistad to be part of the curriculum? I need to ask that question.

Ms. Shafer: It is part and that committee was operating. I blessed it and you don't need my permission.

Mr. Ali: Am I still on the committee? Or did you kick me out? I'm trying to figure out what's going on. You don't give me a text or anything. This Amistad is more important than the Arabs and the Bangladesh. Do you know why? They came here and they know who they are. They have their history. We don't know who we are and we're still searching for our history. Then we stand in front of the flag and say freedom, justice and equality. We didn't get equality in 400 years and still aren't getting it. Nobody is putting forth the effort to give it to us. Once we get the equality and the justice, the freedom comes. Freedom comes here. Freedom to be who we are! We'll never get to the point of being who we are with somebody else's knowledge. You can't take European knowledge and put it in an African. It isn't going to work, but you have been doing it for years. I just hope that somewhere down the line we come together and say since we're going to work for all the children, I don't look at our children as kids. That's a baby goat. I look at them as children growing up to be mature individuals. If we're going to work with one group, we need to work with all groups. Just remember, African Americans are very special because we opened the door for all the rest of you all to come here.

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

Comm. Capers: Brother Abdul, Ms. Shafer did bless the committee. We're still operating, but we just haven't met in a while. As you know, my wife works with me on it. She's been on maternity leave. We just had a baby and we had a lot of other things going on. That's why we haven't met in weeks. Ms. Payne has been working with us and actually Congressman Payne who headed up the Amistad wants to meet with us. We're getting there. Thank you. It's very important to us. It's very important to me still. We're still fighting the fight. Thank you.

Comm. Hodges: As we get back to the budget...

Comm. Castillo: Dr. Hodges, can we get through the other presentations and come back to the budget? That will lead us right into executive session where we have more budget discussions.

Comm. Hodges: I just want to have one quick statement.

Comm. Castillo: Is this a Capers question?

Comm. Hodges: I have nothing to do with Mr. Capers and his issues against the police. I have nothing to do with that. I was just wondering why we have 75 cars. What percentage of those cars is in use every day? Could we reduce the number of cars and put those savings someplace else? Before I forget it again, I wanted to get it out on the table.

Ms. Shafer: I thought the fleet report went to operations. I did ask the Business Administrator and his budget team to look into what cars are being used and what are not. There are some that are not used.

Comm. Castillo: I do remember Comm. Ramirez asking for the Board to receive the information, so if you could just forward it to all of us.

PRESENTATIONS AND COMMUNICATIONS

Discussion of Internal Audit Unit Review Report Insight Workforce Solutions

Mr. Luis Rojas: Good evening. Has the Board received the actual audit that was conducted? I'm just going to reference it from time to time. Back in December of 2018 the State Department of New Jersey Office of Fiscal Accountability did an audit on Insight, our substitute contractor. They had four findings over the contract. All of them have been corrected so far. We had to develop a corrective action plan. I present you the corrective action plan. Do you have a copy of the corrective action plan itself? I have that. There were four items that the auditor found when he was doing the audit. The first finding was that the bills for services executed purchase orders were confirming orders. The bill would come in, we would then do a requisition, allocate the money, and then pay for it. There were services that were being conducted first and then paid afterwards, instead of allocating all the money and eating away from time to time. You allot the whole budget and then as you pay the bills you start reducing from the original requisition. That was corrected. It was year one of Insight. The bills were being processed incorrectly. We understood that right off the bat. For year two, it was corrected. This item was corrected last year. This was an audit finding for 2017-2018. For 2018-2019, everything has been established and has been paid correctly. The bills were paid, but operationally for accounting purposes it was just being done improperly. That was corrected moving forward. The second violation was that there is a statute that claims that substitutes can't teach more than 19 consecutive days. In some instances, the auditors found that substitutes were in a classroom for over 40 days at a time. In some instances, for a leave of absence they were there for almost six months. This is state statute. When we had it, we kept track of that. We assumed that they were keeping track of it as well. We put measures in place where we now request on a monthly basis audit reports from Insight so we can verify and double-check. We put some barricades in place. After 19 days a substitute can no longer even apply for that job that's vacant after they've been paid. It's pretty easy by the codes that are used. They can't even view the position anymore. They can't even apply. Behind the scenes they can't even apply for a position. Now we've put this code in place where it blocks

them after the 19th day and we have verified that procedure with Insight to ensure that's been happening.

Comm. Hodges: I understand the purpose of that approach. I'm a little concerned about the effect of its implementation. If that teacher, substitute or whatever, who has been in place for 19 days has been effective, then what we're doing is asking someone to come in and bring less expertise to the table than the person who's already there. I understand the 19 days and they shouldn't be there because we shouldn't have those long gaps. But I would prefer to have someone go for at least a day and put that person there who can really act as an informed individual of the class and still work and do a more comprehensive job than someone who's brand new off the street and meeting these kids for the first time. As we know, being a substitute is a very difficult job, particularly in the beginning. Over time, the students begin to accept you and be more responsive to you the longer you're there. In those first few days you're losing that time trying to get the students acclimated to you and vice versa.

Mr. Rojas: I would tell you, Dr. Hodges, that you're preaching to the choir and I absolutely agree with you. That's why in the past we've turned a blind eye and have allowed that in some of these classes, especially in some of these autism classes where you need that continuity of instruction. I agree with you. Educationally, it's the best thing to do. Unfortunately, it does contradict State statute. It's very clear it's 19 days. It used to be 19 consecutive days. The word "consecutive" was in there. They removed that out of the statute about four years ago and now it says 19 days. It doesn't mean consecutively or consistently. I can do three days, one day, or five days, and so forth. Once I get to 19, I can no longer go back in that classroom.

Comm. Capers: For one year?

Mr. Rojas: Within the school year. Whether it's 19 consecutive days or five days, the word "consecutive" was removed out of the State statute.

Comm. Capers: There are no more long-term substitutes?

Mr. Rojas: Long-term substitutes are a different ball game. You would need to be certified. I can put you in long-term as a leave replacement. We're talking per-diem substitutes in this case.

Comm. Capers: If somebody is going to be out 19 days...

Mr. Rojas: If you have a substitute certificate and that's all you hold, 19 days. Again, we've put some measures in place. We are now ensuring that Insight follows the State statute and we pull reports on a consistent basis. The third finding, which should be no surprise to the Board, is we went over budget last year. We came back and asked the Board to approve extending the Insight contract so that we can pay our bills for Insight towards the end of the year. They've noted that as a finding and that we went over 20%. Again, that was approved by the Board and I requested it to the Board back last year. They made note of it and there's a little caption where we've increased our limits this year. So far, we're close to our budget. Hopefully it doesn't get busted towards the end of the year, but it may be more towards the end of the year, depending on how substitutes go. We are increasing substitutes towards the end of the year as absences start to rise in the summer months and with some of the other things we have going on in the district. It's a moving target and it's kind of difficult to budget substitutes and to try to predict absences towards the end of the year.

Comm. Redmon: What are some of the mechanisms that we can put in place as we get closer to our budget mark so that we'll know if we're getting ready to exceed our amount of money that we've allocated for Insight?

Mr. Rojas: Right now we are probably spending somewhere in the neighborhood of about \$800,000 a month on our substitutes. Our Board resolution for this year was somewhere around \$7.1 million. We are projected to go over a bit, not as much as last year. We've increased our budget line from this year. If you remember last year, the request was a lot higher than where we actually got. The Board resolution ended being somewhere around \$6 million, which is way short. We knew that number going in was going to be short. We obviously exceeded our 20% allotment. This year we're on pace to not get there. We may go over budget quite a bit, I'll be totally honest.

Comm. Redmon: I'm hearing you say we had a finding based on the percentage that we went over.

Mr. Rojas: 20%.

Comm. Redmon: Is 20% the error of margin that we won't get cited for a finding in the audit?

Mr. Rojas: Correct.

Comm. Redmon: So anything under...

Mr. Rojas: Anything under is not a finding.

Comm. Hodges: I have two questions. I don't recall there being an audit finding that we were issuing confirming orders in this area.

Mr. Rojas: I'm sorry?

Comm. Hodges: I don't recall in the audit a discussion about us...the audit was supposed to be clean. There were no findings. He was there for three minutes. Why wasn't that mentioned as part of a finding? That's not your question. That's a general question for the Superintendent. If there was a finding of confirming orders that should have been listed under our auditors and there was no discussion about that. That's number one. Number two, what are some of the reasons why we're going over? Is it we're not scheduling? Did we not predict it?

Mr. Rojas: There are many reasons. I'll give you a couple of examples. The Board has been informed we are using our Insight substitute pool to fill some of our needs as far as aides and that's growing. The increase in professional development, state testing, and things of that nature are increased drivers for the reason to use Insight more. If I stood before you and I told you that all I had to do is fill daily vacancies, I'd be at about \$5 million. The cost drivers are everything else. The final finding was the auditor asked for paperwork from the vendor as far as hiring packets and ensuring that they had fingerprints, TB tests, and things of that nature. There were some documents that were slow in coming. Some were not necessarily missing, but just weren't to the liking of the auditor. At the end of the day, we cleaned it all up. We got the auditor everything he needed. Everyone had everything, with the exception of one individual who was missing a TB test. We cleaned it all up and now when the contractor comes in, we pull his file from time to time to ensure and we're doing audits on our vendors ourselves. They're located right in my office. It's very easy for us to say we needed five individuals.

We pull the folders. We don't ask for them to pull the folders for us. We tell them to give us a list of individuals that they have just brought on to Insight. We pull the folders and verify and do spot checks to ensure that everything is being followed. Everything was being followed. I don't want to sit up here and think that they weren't doing their job. It was just the paperwork was slow in coming. Their offices are down in Cherry Hill, so some of the time to get things up here were not as quick as he would have liked. At the end of the day, we got him everything he needed. It was just the finding for the delay and one of the missing documents. We put in place some spot checks where we can randomly search and take a look at the personnel files. Those were the four audit findings. All four have been corrected. Two were corrected last year. Actually, they were all corrected last year. As soon as we got these, these were the mechanisms we put in place.

Comm. Capers: Thank you for that. I have an off-topic question about Insight. Is it required for every substitute that comes in to take some type of test?

Mr. Rojas: Yes.

Comm. Capers: I know they service other districts. Is there any way in our district we can waive that? Is that a requirement?

Mr. Rojas: They work for us.

Comm. Capers: Here's the deal. There were a couple of elderly guys who retired and wanted to become substitutes in the district. But they haven't been to school in so long that they have forgotten a lot of the stuff that's on the test. I guess they failed. I don't know what it was.

Mr. Rojas: Can we modify it?

Comm. Capers: If they fail, does that mean they can't work?

Mr. Rojas: If they don't pass the test, yes. We probably wouldn't hire them in Paterson. Do we want someone teaching who can't pass a basic test? That's all it is. I've seen it. Can we modify it? I'm sure we could. But does the Board want to? I think that's up to you guys to decide. As our contractor, they go to other school districts, but for Paterson whether they fail a test or not, I don't think they even hire the individuals. Remember, it's not only Paterson that they service. It's really up to the contractor. I would have to have that conversation if the Board really wants me to have it.

Comm. Capers: Got it. It's just a recommendation.

Comm. Hodges: I have a statement for the Superintendent, but not for Mr. Rojas. In looking at this process I'm increasingly alarmed. I was disturbed on Monday night, but now I'm really frightened about what's going to happen here. I don't think we've gotten more than \$2 million in savings this evening, if that. The count was \$1.9 million. That's just not going to cut it. I think some of these cost drivers have to be brought to the attention of the State in a very significant manner. Certainly, the issue of charter schools and the increase. Something has to be said because I don't think we can sustain the kind of financial hit that this suggests is coming, not in view of what we've lost already. As I mentioned earlier, I'm afraid to cut back on educational programs and personnel. I don't know where else you're going to go. They're just not enough of these little small items to take off. You're going to be here forever. You're not going to get there. I don't know how to do that, but something has to be packaged in terms of

looking at these cost drivers. You gave us \$13 million and clearly you're asking us to advance. Are we seeing a significant increase in class sizes? These are the issues that cause us to go into the Abbott legal arena. If you're going to take \$63 million away from us for charter schools, we can't sustain this, given what we have now. We simply can't do it. There's just no way and maintain a reasonable educational system for our kids. We just can't do it. I don't see how you can just cobble. If you took 10% across the board, you're still going to be behind the eight-ball and that will hurt you. We're not going to sit there and go through every single item in the list and take 10%. We're just not going to do that and get anywhere between now and the 18th or whenever it is. You're not going to get there. You have to make some sweeping cuts or push back in some very significant areas. You can't necessarily do that, but the Board can. The Board can catch some attention by doing certain things along the lines that Clifton did. Refuse to pay certain things and make them respond to you. Put it out of the budget and make the State respond how they want us to do that. You cut this and then tell us we failed to improve educationally. Yes, because look at what you did. We've been here for two and a half hours and you've cut \$2 million. You need \$40 million. How are we going to do this? You can't do it in a haphazard manner because these are the educational lives of kids who have already suffered. There has to be at least a two-tiered approach. One is to complain and push back against this in a substantive manner and talk about the cost drivers with the legislators or the Commissioner of Education. Ask him to come here and explain how we do this. I know we're not the only community that's going through this, but we're one of the few who are this far behind because of what we've been asked to put up with over the years, particularly the last eight or nine. We can go through this process, but I think we're going to come up short and I think we have to do something else over and above this to get this addressed. I don't want to see kids do without books, teachers, and music. Art and music help academically, as does coding. If we're forced to pull back on some of these things, our kids are going to regress educationally as well. I think that notion has to be made loud and clear. We have been suffering at the hands of the State. Not once, but twice - first, under the original conditions of Abbott; and then under the conditions of Christie. That has to be pursued in a very significant way. A letter from the Board and the Superintendent has to pursue her own course of pushback, but I think some action on the part of the Board. If it were me, I would take out the \$63 million for the charter schools and make them make us pay it. Make them do it. We can't stop it, but it will at least draw attention to our plight statewide. If you just give in, they don't care. I'll point you to several years ago when we refused to balance the budget and the Commissioner of Education called saying, "You didn't do this." We had an opportunity to bargain with him, which we did not take advantage of. We could have pushed back and said we'll do half. What would she have said? The worst would have been no. But if you do nothing, then you've accepted it and agreed that it's okay for your children. I wouldn't be in that position. I will be forced to vote down this budget under these circumstances because it does not provide a thorough and efficient education for our children. Given what we've gone through in the past, I can't accept this as being reasonable. I simply can't, not being an Abbott district.

Comm. Redmon: I definitely understand where you're coming from, Dr. Hodges. My concern is the same. Each year we're asked to do a difficult task and last year we tried to implement more things into our district. Just to come back to the table less than a year later to put us in dire straits to lose what we put in is the sad thing. We actually implemented stuff, we see things rolling, and now to stop course and to roll back some of those things that we implemented is just a sad place to be. I do agree with you on the notion of the charter schools. I'm just looking into the legal ramifications to make sure that we're within legal bounds to do it. I want to make sure before we move to that step. I think Clifton was a precedent when they were the first to do it. They will start a

movement in Passaic County and I think we will have other district towns that will follow along with us to try to see. The charter schools in Paterson are not stopping. They're growing, if anything. Then you're telling us on one hand that some of the buildings that you're approving these charter schools to go to we couldn't use them for our own children. These are all our children in the city. We need to find out some legal ways we can get on course on that action. I do totally agree with you on that.

Comm. Hodges: The problem is it's not legal. That's the whole point. It's civil disobedience. That's the whole point of the matter. It's not legal. It's civil disobedience. It's by virtue of civil disobedience that you raise the issue and force people to respond. They'll ultimately make you pay it, but the attention brought to the issue is what you're looking for. You might get some additional funds or put yourself in the position to be eligible for additional funds because people recognize what you're going through. Now they're saying, "They managed to do it." We can't manage to do this. We just can't.

Comm. Castillo: Madam Superintendent, I just want to make sure that we go into the next presentations before we go back into our budget conversation.

Discussion of Internal Audit Unit Review of Early Childhood Provider Omega Child Development Center

Mr. Nicholas Flattery: The Paterson Internal Audit Unit conducted an audit of the Omega Child Development Center, a provider participating in the New Jersey Department of Education Preschool Program for compliance with the terms of the contract for the 2017-2018 school year. Omega Child Development Center is a preschool providing services to the children of Paterson. It is part of Omega Child Development LLC., which is a private for-profit organization and is located at 277 6th Avenue in Paterson, New Jersey. During the 2017-2018 school year, the center was budgeted for 90 Paterson preschoolers with an approved budget amount totaling \$1,206,541. As a result of the audit, three deficiencies were noted which I will identify and provide our corrective action plan and method of implementation. Finding number one – the provider underspent the budget by \$84,092,078. The corrective action we took is that we reduced their monthly tuition payments starting in December 2018 and ending in June 2019, at which point all funds will be recovered. Finding number two – the auditors noted unallowable expenditures totaling \$3,782. As a corrective action, the Department of Early Childhood provided a copy of the Private Provider Expenditure Guidance from the New Jersey Department of Education outlining how to properly report expenditures and what's allowable and unallowable. Finding number three – the auditors noted minor accounting irregularities. Again, the Department of Early Childhood provided a copy of the Private Provider Expenditure Guidance outlining how to properly report expenditures, including proration and entitled expenditures. Are there any questions? Thank you very much. Have a good night.

School Safety Data System (SSDS) Report

Ms. Kathy Lepore: Good evening Board Commissioners and Superintendent. My name is Kathy Lepore. I supervise the Substance Awareness Programs for the district. Teneish is passing out the PowerPoint and attached are district statistics for report period one, which is from September to December. The Student Assistance Department has 13 certified SACs, Student Assistance Counselors, which service 33 schools. They provide prevention, education, early intervention, and support services which address mental health, crisis, and substance abuse within the schools. Just a very quick process so you understand what SACs go through, a behavioral checklist is submitted to the building administrator. This is a very brief summary here. A student is

identified to be currently under the influence, in possession, distribution, or refusal. A nurse checks vitals. A parent is notified. A medical evaluation drug screening is conducted. If the student is negative, the process stops there. If a student is found to be positive, under the influence, possession, distribution, or refusal a student must have an assessment evaluation with the parent present with a bilingual licensed clinician. The student returns to school and receives counseling by SAC. Further referrals could be made to outpatient or inpatient treatment. SAC follows up with treatment outcome and, if necessary, provides aftercare. School-sponsored activities that the SACs conducted in the first report period – some speakers to address many topics. One was Breaking the Cycle. The organization came in and conducted conflict resolution. Horizon New Jersey Health came in and did one on bullying. Mental Health Players did topics of mental health. Paterson Board of Health came in and did bullying, substance abuse, and vaping. Passaic County Sheriff is bullying, gang awareness, and drugs with community policing. Youth Consultation Services is sexual assault awareness and prevention. Some prevention activities which are highlighted in red – infusion of classroom lessons into the academic curriculum on topics such as alcohol, tobacco, and other drugs (ATOED), marijuana, mental health, teenage depression, tobacco smoking, hookah pens, e-cigarettes, vape pens, vaping, and violence. Some prevention initiatives to reduce violence and vandalism would be to have collaborative partners. We collaborate with many in the community. Some of them are Montclair State University, Paterson Coalition against Substance Abuse (PCASA), Passaic County Juvenile Probation, Passaic County Sheriff's Department, Perform Care, which is in-home therapy, and United for Prevention in Passaic County. Some related interventions conducted are crisis intervention and grief counselling, the Immedicenter, which conducts the medical evaluations and drug screenings, assessments and treatment referrals, individual and group counseling by the SAC, Perform Care, and referrals to outside agencies. Parent outreach – dissemination of parent information materials in English and Spanish, as well as information tables at back-to-school night and report card night. SACs link family needs and community services, and they also conduct parent conferences and meetings. They also work in conjunction with the school parent liaison. Regarding drug and alcohol cases in the district, students have been positive for marijuana, oxymorphone, alcohol, heroin possession, unauthorized prescription drugs, and drug paraphernalia. Students can be found positive in these offenses – under the influence or use, possession, refusal, sale, and distribution. Some findings from September 2018 to December 2018 – we had more positives than negatives. We have students in possession of alcohol, marijuana, heroin, unauthorized prescription drugs, and drug paraphernalia, engineering-cigarettes, juuls, and vape pens. Students were found in possession with an excessive number of heroin packets. We had more males than females reported cases. We have 23 students refuse to test and two students were sent to the hospital. The next chart is the 18-year comparison. For the past year on the bottom you'll see in red the number of students tested positive, negative, and the percent tested. The bar graph here is an 18-year comparison starting from 2000 to July and December 2018. I'm completed with my presentation. Are there any questions at this time?

Ms. Shafer: In the past there were some concerns and questions from the Board that there was a number of serious incident reports coming into the district from the administrators. Then there was a very small number that was being reported to the State. I asked Tony to just give us a snapshot of two months and that's what he did. What you have in front of you is a list by school of all the serious incident reports that have been sent in to him so far. He specified the incident, comments, and then SSDS are the ones that have to be submitted to the State. If you look at some of the ones that are on here, you'll understand why they don't have to be submitted. I'll just give you a quick example. If a child gets sick and needs to go in an ambulance to the hospital, the

school does a serious incident report. That does not have to be sent to the State. There are guidelines as to what needs to go to the State. Tony wanted to be transparent to show that here's exactly what happened and how many are going to the State.

Mr. Anthony Traina: I just did a snapshot, like she said, of all the serious incident reports, or school security incident reports, we get daily. So far, the ones I've gotten in January and February I've put a little synopsis of what you guys might be interested in seeing. In fact, I had recommended that we could do this daily or weekly and provide some type of an incident report system so it's basically logged. When I was in the police department years ago, all the crime incidents went to the detective bureau. There were secretaries there that logged them in what they called a crime book. At your fingertips you could just see what went on this week compared to a week ago or a year ago. I know you don't get the actual serious incident report. This goes to the county. This has to be done in a timely manner. Sometimes you'll see the SSDS or the old EVVR reports go on the State computer and they don't have to be done in a timely manner. They can take within the year. Sometimes you'll see a disconnect. You'll see more serious incident reports like a fight in a school and yet there's no SSDS report. Why is that? It wasn't done in a timely manner because it doesn't have to be, as long as it's done within the year, and then that goes into the State computer. Sometimes they're a little hesitant to do these because if you get too many of them in a school year it kind of puts a negative emphasis on the school. Whatever you want, whatever you need as far as these serious incident reports daily, I'm prepared to do whatever you guys want. If you have any questions or any advice, I'm always available.

Ms. Shafer: Madam President, before we move on, I have two announcements. It's Arts Education Month and we have a celebratory event coming up on the 20th at 6:00 o'clock at our Board meeting at John F. Kennedy High School. There will be student performances, exhibited artwork, and presentations. It should be a great event. I'm so glad that I got some good news today and got a break from the budget. We've been notified that College Board has awarded the IB program at International High School the 2018 AP Computer Science Female Diversity Award. It means that among more than 18,000 secondary schools worldwide that offer AP courses, our IB program is one of only 685 that have achieved this important result. It's really preparing our female students with the opportunity for high-paying in-demand jobs of the future. They're doing a great job there. Thank you.

Comm. Castillo: We're going to move on to resolutions for a vote, but I just got an article about another school district, Lakewood, getting about an extra 63% increase in their budget to go to a school that's considered a private school. We'll look into that.

RESOLUTIONS FOR A VOTE AT THE WORKSHOP MEETING

Resolution No. 1

Whereas, the Paterson Public School District approves the payment of bills and claims dated March 13, 2019, beginning with check number 215763 and ending with check number 215887, and direct deposit numbers 314 and ending with 327, in the amount of \$15,746,999.57;

Be It Resolved, that each claim or demand has been fully itemized, verified and has been duly audited as required by law in accordance with N.J.S.A. 18A:19-2.

It was moved by Comm. Ramirez, seconded by Comm. Martinez that Resolution No. 1 be adopted. On roll call all members voted in the affirmative. The motion carried.

**Paterson Board of Education
Standing Abstentions**

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 2

WHEREAS, on March 15, 2007, the State of New Jersey adopted P.L.2007, c.53, *An Act Concerning School District Accountability*, also known as Assembly Bill 5 (A5), and

WHEREAS, Bill A5, N.J.S.A. 18A:11-12(3)f, requires that conferences/workshops have prior approval by a majority of the full voting membership of the board of education, and

WHEREAS, pursuant to N.J.S.A. 18A:11-12(2)s, an employee or member of the board of education who travels in violation of the school district's policy or this section shall be required to reimburse the school district in an amount equal to three times the cost associated with attending the event, now therefore

BE IT RESOLVED, that the Board of Education approves attendance of conferences/workshops for the dates and amounts listed for staff members and/or Board members on the attached and

BE IT FURTHER RESOLVED, that final authorization for attendance at conferences/workshops will be confirmed at the time a purchase order is issued.

CONFERENCE/WORKSHOP REQUESTS

STAFF MEMBER	CONFERENCE	DATE	AMOUNT
Denise Abdelmalek	NJDOE Structured Learning Experience Training	March-June 2019 (3 dates – TBD)	\$932.00 (registration)
Teacher/ACT @ JFK	Various Locations		
Will Graulich	NJDOE Structured Learning Experience Training	March-June 2019 (3 dates – TBD)	\$932.00 (registration)
Supervisor/College & Career Readiness	Various Locations		
Aziza Munem	NJDOE Structured Learning Experience Training	March-June 2019 (3 dates – TBD)	\$932.00 (registration)
Teacher/ACT @ JFK	Various Locations		
Lories Slockbower	NJDOE Structured Learning Experience Training	March-June 2019 (3 dates – TBD)	\$932.00 (registration)
Teacher/SET @ JFK	Various Locations		
Tiffany Wilson	NJDOE Structured Learning Experience Training	March-June 2019 (3 dates – TBD)	\$932.00 (registration)
Teacher/Rosa L. Parks High School	Various Locations		
Jenna Goodreau	Full STEAM Ahead (STEAM in After-School Programs) NJSACC	March 14, 2019	\$95.98 (registration, transportation)
Director/FSCS	Union, NJ		
Sakeena Thompson	Full STEAM Ahead (STEAM in After-School Programs) NJSACC	March 14, 2019	\$85.15 (registration, transportation)
Manager/21 st Century Community Learning Centers	Union, NJ		

Kristy Wellins	Full STEAM Ahead (STEAM in After-School Programs) NJSACC	March 14, 2019	\$82.86 (registration, transportation)
Supervisor/School Improvement	Union, NJ		
Arthur Carpenter	Infinite Campus Interchange NYC 2019	March 19-20, 2019	\$549.00 (registration)
Teacher Coordinator/Academic Services	New York, NY		
Mary Fierro	Infinite Campus Interchange NYC 2019	March 19-20, 2019	\$549.00 (registration)
Teacher Coordinator/Academic Services	New York, NY		
Tamisha McKoy	Infinite Campus Interchange NYC 2019	March 19-20, 2019	\$549.00 (registration)
Director of Guidance & Counseling	New York, NY		
Cicely Warren	28 th Annual NJAGC Conference – Ignite Passion with Purpose	March 22, 2019	\$219.00 (registration)
Assistant Superintendent	West Windsor, NJ		
Kelli White	Foundation for Educational Administration/ Principal/AP/VP Survival Guide	March 28, 2019	\$150.00 (registration)
Principal/HARP Academy	Monroe Township, NJ		
Andrea Sierra	Business Forecasting	March 29, 2019	\$200.00 (registration)
Food Service Office Manager	Randolph, NJ		
Nora Hoover	Coalition of Adult Basic Education	March 31 – April 3, 2019	\$1,627.00 (registration, transportation, lodging)
Principal/Adult School	New Orleans, LA		
Susan Ronga	Coalition of Adult Basic Education	March 31 – April 3, 2019	\$1,627.00 (registration, transportation, lodging)
Principal/Adult School	New Orleans, LA		
Colleen M. Breen-Lopez	National Sex Education Conference 2019	April 3-6, 2019	\$545.00 (registration)
Health/PE Teacher/SET @ JFK	Newark, NJ		
Kristy Wellins	NJDOE 21 st CCLC Project Director Workshop	April 10, 2019	\$51.42 (transportation)
Supervisor/School Improvement	Hamilton Township, NJ		

Maria Choy	CE Union Organization	May 3, 2019	\$95.00 (registration)
Purchasing Coordinator	Saddle Brook, NJ		
Kim Johnson	CE Union Organization	May 3, 2019	\$95.00 (registration)
Purchasing Coordinator	Saddle Brook, NJ		
Caterina Hunter	New Jersey Teachers of English to Speakers of Other Languages/NJ Bilingual Educators	May 10, 2019	\$30.72 (transportation)
ESL Instructor/Adult School	Lincroft, NJ		
Martine Grant	DECA Amped Advisor Professional Development 2019 Conference	June 24-27, 2019	\$1,175.00 (registration, transportation)
Teacher & DECA Advisor/JFK	Miami, FL		

TOTAL CONFERENCES: 22
TOTAL AMOUNT: \$12,386.13

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

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 3

WHEREAS, the District's first priority under the 2014-2019 Strategic Plan is effective academic programs; and

WHEREAS, the Department of Special Education has aligned its education goals and efforts to accomplish and promote high standards of academic achievement for all students; and

WHEREAS, the District is required under N.J.A.C. 6A:14 to ensure that the program and services needed by each student with a disability in order to receive a free, appropriate public education are based on the student's unique needs; and

WHEREAS, the district is required under NJAC 6A:26, Educational Facilities, to ensure that educational facilities are educationally adequate to support the delivery of thorough and efficient education to which all students are entitled; and

WHEREAS, the State District Superintendent has determined that the District is in need of one (1) additional preschool disabilities classrooms at School 21 to meet the needs of students eligible for special education programs and services; and

NOW, THEREFORE, BE IT RESOLVED, that the District establish; one (1) preschool disabilities classrooms at School 21.

It was moved by Comm. Simmons, seconded by Comm. Rondon that Resolution No. 3 be adopted. On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County

- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 4

Whereas, increasing student achievement through effective academic programs is Goal 1 of Priority 1 of the Strategic Plan for Paterson Public Schools and creating and sustaining partnerships with community organizations, agencies and institutions is Goal 3 of Priority 3; and

Whereas, the National park Service (NPS) will teach Paterson 4th Graders about the significance of the Great Falls National Historical Park (PAGR) in their backyard and introduce them to the park rangers who live/work in the community.

Whereas, National Park Service staff will work with the school district to arrange visits for approximately 200 fourth grade students to introduce them to the NPS, the agency's Centennial and the Every Kid in a Park initiative.

Whereas, Schools 9, 12 and Roberto Clemente will have fourth graders take a free bus trip to Thomas Edison National Historical Park (EDIS) in Morristown National Historical Park (MORR) for experiential activities designed to expose students to other National Park sites, and more importantly, the thematic connections that exist between PAGR, MORR, and EDIS.

Therefore Be It Resolved, that the Paterson Board of Education approved the participation in the Every Kid in a Park Initiative at no cost to the district.

It was moved by Comm. Ramirez, seconded by Comm. Martinez that Resolution No. 4 be adopted. On roll call all members voted in the affirmative. The motion carried.

**Paterson Board of Education
Standing Abstentions**

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 5

WHEREAS, The Paterson Public School District is committed to providing engaging learning activities for our students.

WHEREAS, The Clean Communities Environmental Student Exchange is convening a “think tank” of students committed to researching and solving environmental problems; encourage students from diverse backgrounds to find common denominators in solving

problems; and promote an awareness of the natural environment and the cleanliness ethic. Students must research topics of concern, participate in documented roundtable discussions, and produce viable solutions to environmental problems.

WHEREAS, the program will satisfy the following objectives: HS-ESS3.C Human Impacts on Earth Systems, HS-LS2.C Ecosystem dynamics, functioning, and resilience, HS-LS2-7 Design, evaluate, and refine a solution for reducing the impacts of human activities on the environment and biodiversity, HS-ETS1.C Optimizing the design solution, HS-ETS1-1 Analyze a major global challenge to specify qualitative and quantitative criteria and constraints for solutions that account for societal needs and wants..

BE IT RESOLVED, that the Paterson Public School district will approve the attendance of 12 JFK students from STEM and two STEM teachers at the Clean Communities Environmental Student Exchange. This will be held March 21, 2019 to March 22, 2019 at the Legacy Vacation Resorts, 1400-1500 Ocean Ave., Brigantine, NJ 08203. This is an overnight trip that is of no cost to the district. All expenses are being provided for by the organizers of the event.

ACCOUNT	ACCOUNT NUMBER	AMOUNT
TOTAL	N/A	\$ 0.00

It was moved by Comm. Simmons, seconded by Comm. Martinez that Resolution No. 5 be adopted. On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 6

WHEREAS, Sustainability means using resources wisely, saving money and reducing our impact on the environment, all of which will ensure the future health, safety, and prosperity of our children; and;

WHEREAS, The Paterson Board of Education seeks to support and work with school staff and administrators, students and parents to ensure a safe and healthy environment for students by encouraging our school community to implement sustainable, energy-smart, eco-friendly and cost-effective solutions.

WHEREAS, The Paterson Board of Education is participating in the Sustainable Jersey for Schools Program; and

WHEREAS, one of the purposes of the Sustainable Jersey for Schools Program is to provide resources to school districts to make progress on sustainability issues, and they have created a grant program called the Sustainable Jersey for Schools Small Grants Program;

THEREFORE, the Paterson Board of Education has determined that Paterson should apply for the aforementioned grant program. The Grant will assist the STEM Academy to begin its efforts to revitalize the STEM Greenhouse at the John F. Kennedy Educational Complex

THEREFORE, BE IT RESOLVED, that of the Paterson Board of Education, State of New Jersey, authorize the submission of the aforementioned Sustainable Jersey for Schools Grant.

It was moved by Comm. Simmons, seconded by Comm. Martinez that Resolution No. 6 be adopted.

Comm. Hodges: There's grant money available and it's not quite through Sustainable New Jersey, which is another one, for future schools. There's a lot of money out there that we need to begin to take a look at. It's along the same lines as Sustainable New Jersey for a variety of different programs. If you go through the School Boards Association, they will help you with the process. I just came back from that conference and this was a major discussion. I think we are doing ourselves a disservice by not pursuing some of this capital, particularly in today's environment.

On roll call all members voted in the affirmative. The motion carried.

**Paterson Board of Education
Standing Abstentions**

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 7

WHEREAS, The Paterson Public Schools District caused an annual audit of the district's accounts and financial transactions to be conducted by a public school accountant for the 2017-2018 fiscal year pursuant to NJSA18A: 23; and,

WHEREAS, said "Comprehensive Annual Financial Report" and "Auditor's Management Report" for the fiscal year ended June 30, 2018, were filed in duplicate

with the Office of the Commissioner on January 28, 2019, pursuant to NJSA 18A: 23-3: and

WHEREAS, a presentation of the audit with discussion of the district's fiscal status, audit findings and recommendations was made to the Board and public by members of the audit firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., at the board meeting of February 6, 2019, and

WHEREAS, the presentation included a public discussion of the audit results including the district's overall financial position, reserved, unreserved and excess surplus fund balances, funding of worker's compensation and compensated absences, food services' operations and the six (6) audit findings and six (6) recommendations, that are addressed in the Corrective Action Plan; and

WHEREAS, that the annual audit and CAP for the year ended 2018 be accepted and placed on file. The audit report is included in the financial section, of the Comprehensive Annual Financial Report, and that the following corrective action plan be implemented:

AUDIT FINDINGS AND RECOMMENDATION	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
<p>Finding 2018-001:</p> <p>Expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Required Maintenance. AP-20-53 Required Maintenance</p> <p>Recommendation:</p> <p>The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2018 Edition and other available reference /materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).</p>	<p>The district will reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools to comply with the proper classification of appropriations to be in compliance with N.J.A.C. 6A:23-2.3(f)</p>	<p>The Business Office will review account codes utilized for salaries and vendor expenses during the budget process to ensure that we are adhering to the Uniform Minimum Chart of Accounts for New Jersey Public Schools.</p> <p>Salary accounts will be verified by Position Control Coordinator before processing PTF</p> <p>Vendor account codes will be verified by Facilities to ensure that required maintenance account codes are used in accordance to AP-20-53 Required Maintenance guidelines.</p>	<p>Michelle Fiorillo -HR Stephanie Gales-Varlack – Facilities Linda Herald – Budget</p>	<p>January 2019 January 2019 January 2019</p>

		Business office will ensure that that the correct accounts are entered during the budget process.		
<p>Finding 2018-002 (CAFR Finding 2018-001):</p> <p>A limited number of individual EXAID applications had services provided to students which were not required by their IEP. Furthermore, a limited number of EXAID applications had direct instructional costs which could not be supported by verifiable cost documentation.</p> <p>Recommendation:</p> <p>The Special Services department should ensure that all information being reported on each students EXAID application is accurate and supported by the necessary documentation.</p>	<p>Throughout the school year, the department will review student IEPs, for related services, for accuracy in services.</p> <p>Prior to EXAID submission, the department will collaborate with HR and Schools to gather adequate documentation to validate the direct instructional costs.</p>	<p>The department has assigned personnel to review related services, on a weekly basis, to monitor accuracy of caseloads and related services as prescribed in student IEPs.</p> <p>The department will request staffing schedules, salary, and benefits costs from Schools and HR to ensure the accuracy of direct instructional costs, prior to the EXAID submission.</p>	<p>Cheryl D. Coy / Alicia Pavone / Kiai Jones</p> <p>Cheryl D. Coy</p>	<p>Continuous throughout the school year.</p> <p>Prior to application due date / submission.</p>
<p>Finding 2018-003:</p> <p>Not all cash receipts were deposited into the JFK High School Athletic account in a time</p> <p>Recommendation:</p> <p>All cash receipts should be promptly deposited when received.</p>	<p>All cash receipts will be promptly deposited after athletic events.</p>	<p>To ensure that deposits will be made within a 24 hours time period. The JFK Athletic Department will utilize the Athletic Director and the Principal of Operations as individuals who will also make cash deposits following athletic events.</p>	<p>Athletic Director and the Principal of Operations</p>	<p>Immediately</p>

<p>Finding 2018-004:</p> <p>The District's supporting work papers for the ASSA-Private Schools Handicapped classification included more students than were actually listed on the submitted ASSA on roll report. The 22 handicapped student excluded from the ASSA submission were identified and began receiving services prior to October 15th. Students identified prior to October 15th must be reported in the current year by the October 5th reporting deadline.</p> <p>Recommendation:</p> <p>The private school must establish and implement procedures to ensure reporting of Special Education Categorical Aid for all students who are identified and receiving related services prior to the October 15th ASSA reporting deadline.</p>	<p>Prior to submission of the ASSA, October 15th submission, the department will review enrollment of the Private School students to verify active enrollment between the Student Information System and Easy IEP.</p>	<p>The department will review and cross reference enrollment from the Student Information System, Easy IEP, and Tuition Contracts report to verify active enrollment for students in Private Schools. Students identified will reflect an active status in the Student Information System for submission on the ASSA, October 15th report.</p>	<p>Cheryl D. Coy / Jannilka DeLeon</p>	<p>Prior to application due date / submission.</p>
<p>Finding 2018 – 005:</p> <p>The school register did not display similar student information that was shown on the ASSA supporting work papers.</p> <p>Recommendation:</p> <p>The District should update information to display correspondingly on both reports.</p>	<p>The District is aware of this deficiency in the student information system and has switched to a system that will provide the school register in the required format.</p>	<p>Replaced the deficient information system with a system that meets State requirements.</p>	<p>Pamela Powell</p>	<p>April, 2018</p>

<p>Finding 2018-006:</p> <p>There were multiple instances in which students on the DRTRS Summary were listed as attending a different school than what the students were listed as on the ASSA work papers and school registers. 2017-2018 DRTRS ASSA.</p> <p>Recommendation:</p> <p>Be aware of information and update accordingly to display records correctly on all reports.</p>	<p>The Transportation department will update all information yearly and check again before submission of the DRTRS report to the state.</p>	<p>All data in the Transfinder system will be checked immediately to ensure all school codes and other data are input correctly.</p>	<p>Lisa Vainieri-Marshall</p>	<p>Immediately and every year</p>
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NOW, THEREFORE, BE IT RESOLVED, that the Paterson Public Schools Board of Education accepts and approved the “Corrective Action Plan” for the fiscal year ended June 30, 2018, and,

BE IT FURTHER RESOLVED, that the School Business Administrator be directed to forward to the County Superintendent the minutes together with two copies of the CAFR Synopsis, two copies of the Corrective Action Plan and certified board minutes adopting the above items; and,

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

It was moved by Comm. Simmons, seconded by Comm. Ramirez that Resolution No. 7 be adopted. On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart

- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

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

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

Resolution No. 8

WHEREAS, the Paterson Board of Education Policy Manual receives periodic revisions and additions, and

WHEREAS, the Policy Committee has reviewed policies for submission to the Board for first reading, and

WHEREAS, a special public comment session will be held at the March 20, 2019, board meeting on said policies, now therefore

BE IT RESOLVED, that the Board of Education approves the following policies and regulations for first reading:

P2415.06	Unsafe School Choice Option (M)
P2422	Health and Physical Education (M)
P2431.3	Practice and Pre-Season Heat-Acclimation for School-Sponsored Athletics and Extra-Curricular Activities
R2460.8	Special Education – Free and Appropriate Public Education (M)
P2610	Educational Program Evaluation (M)
P4219	Commercial Driver's License Controlled Substance and Alcohol Use Testing (M)
P5111	Eligibility of Resident/Nonresident Students (M)
R5111	Eligibility of Resident/Nonresident Students (M)
P5330.04	Administering an Opioid Antidote (M)
P5337	Service Animals
P5600	Student Discipline/Code of Conduct (M)
R5600	Student Discipline/Code of Conduct (M)
P5611	Removal of Students for Firearms Offenses (M)

R5611	Removal of Students for Firearms Offenses (M)
P5612	Assaults on District Board of Education Members or Employees (M)
R5612	Assaults on District Board of Education Members or Employees (M)
P5613	Removal of Students for Assaults with Weapons Offenses (M)
R5613	Removal of Students for Assaults with Weapons Offenses (M)
P5756	Transgender Students (M)
P6471	School District Travel (M)
P7440	School District Security (M)
P7650	School Vehicle Assignment, Use, Tracking, Maintenance, and Accounting (M)
R7650	School Vehicle Assignment, Use, Tracking, Maintenance, and Accounting (M)
P8461	Reporting Violence, Vandalism, Harassment, Intimidation, Bullying, Alcohol, and Other Drug Offenses (M)
P8561	Procurement Procedures for School Nutrition Programs (M)
P8860	Memorials

BE IT FURTHER RESOLVED, that the following policy is being abolished at the recommendation of the Policy Committee:

5535 Passive Breath Alcohol Sensor Device

FINALLY RESOLVED, that in the event any policy, part of a policy or section of the bylaws is judged to be inconsistent with law or inoperative by a court of competent jurisdiction or is invalidated by a policy or contract duly adopted by the State District Superintendent or Board of Education, the remaining bylaws, policies, and parts of policies shall remain in full effect.

It was moved by Comm. Ramirez, seconded by Comm. Redmon that Resolution No. 8 be adopted. On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares
• Self

Comm. Ramirez
• Self
• Berkeley College

Comm. Redmon
• Self
• Historic Preservation of the City of Paterson
• County of Passaic

Comm. Rondon
• Self

Comm. Simmons
• Self
• Family

Resolution No. 9

WHEREAS, Paterson Public Schools is committed to providing engaging learning experiences for our students both in and out of the classroom.

WHEREAS, The Ramapo College Upward Bound Math Science Program (RC-UBMS) has been servicing Paterson Public Schools since 1995 with the goal to prepare low-income, first generation students for success in post-secondary education and in pursuing STEM related careers. The services and activities of the RC-UBMS are provided throughout the year to selected students who may participate for as long as 3 academic years (Sophomore to Senior year of high School). The program collaborates with schools in Paterson and may accept students that reside anywhere in the city of Paterson.

WHEREAS, Ramapo College may provide the following services through the RC-UBMS program: An annual 6-week residential program on the RCNJ campus including supplemental instruction in a variety of subjects, tutoring, SAT prep, extracurricular recreational activities, cultural events, field trips, STEM research opportunities with faculty, for-credit college courses; a 3-day overnight trip to tour college campuses in and out of state every November during the NJ teacher's convention; After-school academic tutoring in math and English taught by Paterson high school teachers; 6 academic year Saturday Sessions on the RCNJ campus including STEM laboratories, SAT prep, seminars, invited speakers; independent research opportunities with RCNJ faculty in STEM during the summer or during the academic year; other opportunities as they arise including travel to research symposiums, overseas travel experiences, community service opportunities, and field trips; and transportation to and from activities associated with participation in the RC-UBMS

WHEREAS, Ramapo College provide these services through NJDOE and various other grants (except for transportation to and from Ramapo College for the 6 academic Saturday sessions) to our students at no cost to the district.

WHEREAS, the program will address a variety of standards set forth by the New Jersey Department of Education; specifly those in standard 9.2 Career Awareness, Exploration, and Preparation. These include 9.2.12.C.3 Identify transferable career

skills and design alternate career plans; 9.2.12.C.4 Analyze how economic conditions and societal changes influence employment trends and future education; and 9.2.12.C.5 Research career opportunities in the United States and abroad that require knowledge of world languages and diverse cultures. The program also addresses a host of other standards from the areas of science and mathematics.

BE IT RESOLVED, that the Paterson Public School district will approve the participation of students from the Paterson Public Schools in the Ramapo College Upward Bound Program (RC-UBMS) at no cost to the district. The sole except is the transportation to and from Ramapo College for the 6 academic year Saturday sessions, which are provided by Paterson Public Schools.

ACCOUNT	ACCOUNT NUMBER	AMOUNT
Transportation	11-000-270-514-685-946-00000-000	\$2,000.00
TOTAL		\$2,000.00

It was moved by Comm. Redmon, seconded by Comm. Ramirez that Resolution No. 9 be adopted. On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Florio Management Company (ACES Program receives donations)

Comm. Castillo

- Self
- Passaic County
- Scholastic/Jordan (Transportation)

Comm. Hodges

- Self
- Jumpstart
- City of Paterson

Comm. Martinez

- Self
- New Jersey Community Development Corporation (NJCDC)

Comm. Olivares

- Self

Comm. Ramirez

- Self
- Berkeley College

Comm. Redmon

- Self
- Historic Preservation of the City of Paterson

- County of Passaic

Comm. Rondon

- Self

Comm. Simmons

- Self
- Family

GENERAL BUSINESS

Comm. Castillo: It's already 9:40. I'm suggesting that we forego the committee reports. I will make sure that we all have one. If it's okay with everyone, we will do it during our next meeting next Wednesday since we have a very long executive session upon us. Is everyone okay with that?

OTHER BUSINESS

It was moved by Comm. Ramirez, seconded by Comm. Capers that the Board goes into executive session to discuss:

1. **A-1 vs. Paterson and Essex County**
2. **Attorney Client Privilege**
3. **Contracts**

Comm. Hodges: Before you conclude there, I think you need to put litigation in general because there may be some other legal actions that we may want to discuss.

On roll call all members voted in the affirmative. The motion carried.

The Board went into executive session at 9:41 p.m.

The Board reconvened the meeting at 10:10 p.m.

Ms. Shafer: Discusses what it means to reduce the charter by 1/3 and have no layoff, but we need to be ready if we have to live with the full cut—the issue is paying out all of “our money.”

Comm. Hodges: It's the loss of educational capacity, not loss of teacher number.

Commissioner Ramirez: Agrees.

Comm. Simmons: Wants a narrative done for what we are doing. Ms Shafer will put narrative together and get out to all. Mr. Matthews will look into insight.

Board Member Issue of Security Disclosure

Comm. Hodges: Concerned about board members releasing data of security but does not want to have board prerogatives hurt used to get stacks of resolutions with no workshop and no committee—appreciates why superintendent did this.

Comm. Ramirez: Can there be a sign off with penalties?

Comm. Hodges: Does not want to agree what he will limit himself to.

Comm. Capers: Told commissioners other issues and it was not right—he would support what Comm. Hodges proposed.

Comm. Redmond: This cannot happen again. This was not done out of evil. We all make mistakes. The ethics classes are important, and we must do what is required. Agrees with Comm. Hodges. Would like the two commissioners to appreciate the seriousness of this.

Comm. Ramirez: We need to do something now that we have local control—send letter public admonishment and public apology, but not go as far as ethics charges.

Comm. Simmons: All agree with Comm. Hodges. Feels we must take action handle it in house. Would not do in public for both admonishment and public apology.

Comm. Hodges: Asks for addendum to board policy for more training; make sure it doesn't happen again.

Comm. Hodges: Board policy should include language for extra training.

Comm. Simmons: A lot to learn as new board members.

Comm. Castillo: Give new members a copy of board policy and this could have happened on a day of school shooting. Not bad intent, not to judge the two board members, but only move forward and make schools safe. In favor of a letter to confirm we had this conversation.

Comm. Olivares: Refers to “155 Market”.

Comm. Castillo: Interrupts and states this has nothing to do with “155”.

Comm. Hodges: Agrees.

Comm. Olivares: The Hispanic community has issues and the language spoke to Comm. Rondon wanted to make issue and responsible for not stopping but online the same exact list was online 2013 but he was already “wrong”.

Ms. Shafer: Gave information in the past about security. So did Dr. Evans, and it was not shared.

Comm. Olivares: Articles that cameras removed due to funding—issue of guards and lack of money had to remove guards—it should not have been said anyway.

Comm. Rondon: He is sorry. Not his intention to create problem. Had questions to reassure community. They gave information to community. Not his intention and is sorry and told Superintendent. Superintendent given apology.

All agree this is Board of Education, not “155 Market St”.

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

The meeting was adjourned at 11:45 p.m.