

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

March 19, 2018 – 6:25 p.m.
Administrative Offices

Presiding: Comm. Oshin Castillo, President

Present:

Ms. Eileen Shafer, State District Superintendent
Ms. Susana Peron, Deputy Superintendent
Robert Murray, Esq., General Counsel

Comm. Vincent Arrington
Comm. Emanuel Capers
Comm. Jonathan Hodges
Comm. Manuel Martinez

Comm. Joel Ramirez
Comm. Nakima Redmon, Vice President
*Comm. Kenneth Simmons

Absent:

Comm. Flavio Rivera

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

Comm. Redmon read the Open Public Meetings Act:

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

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

**Special Meeting
March 19, 2018 at 6:00 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: I officially want to welcome everyone to tonight's meeting on this beautiful Monday afternoon. Cheryl, welcome back. She hasn't been around for the last few weeks after surgery, but we're definitely glad to see you. Teneish did a great job.

DISCUSSION ON THE 2018-2019 SCHOOL DISTRICT BUDGET

Ms. Shafer: We have been working since the fall to ensure that the budget process has been all-inclusive with the community, the Board, and all the stakeholders. Tonight, our Business Administrator with his team will present to you a balanced budget and also provide you with the line-by-line budget. At this time, I'm going to ask Mr. Richard Matthews to please come forward. If you would, introduce your team who has been working tirelessly to put this together.

Mr. Richard Matthews: Thank you, Madam Superintendent and Commissioners. Like Ms. Shafer said, the team has been working really hard throughout the whole budget process. Without this team, we wouldn't be standing here today presenting a balanced budget. I just want to introduce each person individually. The person that really assists me and drives a lot of stuff in the district for our business services is Assistant Business Administrator and Comptroller, June Gray. I guess I can say she does a lot of analyzing of data for us and pushed me aside as far as my budget presentation with my PowerPoint. I love doing PowerPoints, but I got edged out of the way with that. That's Katori Walton. Another person very talented and just got her MBA and got promoted to Accounting Supervisor, a strong accountant type person with a good mind is Kenia Fulgencio. The person who really understands the gap account codes better than anybody that I know and is fierce in terms of getting things done is Linda Herald. I know my assignment today is to talk about how we got to a balanced budget. I stand here and get some of the credit but without them this doesn't happen. They're a real strong team and they really make it happen. As I mentioned, my assignment is to go through this budget presentation. This is a mini version of what we're going to do in April at the public hearing. I'm just going to go slide by slide. Here is our initial page here. Obviously, our goal is to fund student achievement and make sure kids have a thorough and efficient education. We want to include professional development, a safe and healthy school environment for the 21st century learner. Throughout the year you heard some of the things that we're looking to do. One of the big things that Ms. Shafer said from the very outset was she didn't want to lay people off. That was the vision she gave to this team. People thought that you couldn't do this, but she gave us that vision to try to find a way to make this budget happen and avoid reductions. As I said in some meetings, we have been balancing the budget on the backs of the people. When you cut the people and cut programs, you increase class sizes. Also, when you cut people, you indirectly raise taxes. We'll talk about that later on. Obviously, we want to have academic programs increase. We want to have school security. We want to infuse some more technology, different programs, PD, and we want to have equitable funding for all our kids. We want to improve our data integrity. We want to improve the quality of our instruction through our PD. We want to standardize our grading policy. We want to take our grades from 60 to 63 over a three-year period. We want to standardize our grading policy and make summer school really important. As you guys heard in some other presentations, we want to decrease chronic absenteeism. We've done a good job in that area. These are her top priorities for 2018-19. This budget that we did isn't a budget of all cuts. We've added a lot of stuff to the budget. We're putting in reading programs and textbooks by \$1.4 million. We're increasing our supply line. We're adding professional development. We're also putting in a one-to-one device for kids grades 7-12 over a three-year period. Obviously, textbooks again, math, language, and summer PD. That's the cost of those priorities. As I get into the sale/leaseback, the sale/leaseback money is geared to pay for those items right there. Here are some more priorities. Again, it's not a budget of cuts. We're adding new programs to the budget. Director of Special Education – we've heard the community talk about special education. Truant officers. Ms. Shafer has been talking about adding music teachers and bringing back the Marching 100. We have art, media specialists, bilingual teachers,

world languages, and physical education. This slide here is the 2018 projected revenues. Here are our revenues for this year. I will go line by line. The tax levy is a 2% increase. You see miscellaneous revenue. That number is \$2,267,000 million for 2018-19. \$6 million you have in worker's comp prescription rebates. We're using a budget of fund balance of \$7.9 million. You have the sale/leaseback of textbooks, \$12 million. The bottom line is our revenues for the year of \$511,503,537. This is breakdown of the revenues. Tax levy is 8% of the budget. Your miscellaneous revenue is there. Budgeted fund balance. Obviously, our big number is from the state. 83% of our budget comes from state aid. You see here state aid went from \$405 million to \$426 million. We picked up \$20,158,167 for state aid. That number went up 4.9%. Just to get back to that number, that doesn't mean that we're out of the woods. I'm going to talk about structural deficit later on. That's just really a correction of what has not been happening over the last eight or nine years. It's like someone owes you \$100 and they just gave you back \$20. They still owe you \$80 more. We still need to get additional revenues to get out of this deficit. This is a breakdown of the revenues in the pie chart. Under appropriations the first line you see there is health benefits, medical, and other employee benefits. That includes all your medical benefits, prescriptions, FICA, and tuition reimbursement, etc. All your health and employee benefits combined.

*Comm. Simmons enters the meeting at 6:35 p.m.

Mr. Matthews: The instruction line went up 18%. We've been going down every year in that category or staying flat. Special education is up. This is a breakdown of all your different categories for your appropriations. The next is \$511,503,537 and that's our general budget for 2018-2019. This is a breakdown of the appropriations. In terms of percentages, health benefits are 19%. That number has always been about 20% of the budget. Instruction is 39%, special education, so on and so forth. Here's the slide about the tax levy. This is a breakdown of what we've done in taxes for the last couple of years. The annual increase to the taxpayer for 2018-19 with a 2% tax increase is going to be \$17.10. That's the increase that we will impose on the taxpayer in 2018-19. This is what's happened in the past eight to ten years. Like I said before in the last meeting, Newark has raised their taxes over \$40 million in the last ten years. We've raised our taxes \$4 million. We say that we can't raise taxes. We're asking the taxpayer to give is \$17 more dollars in 2018-19 for us to take in another \$1 million of revenue. In terms of putting together the budget, these are the main cost drivers. Collective bargaining is something that is ongoing right now. Health benefits are a big cost driver, as well as worker's compensation. These are the same things we've been talking about over and over again. Legal costs have been reduced in the 2018-19 school budget. Infrastructure to the ESIP program - one of the things that I could say about how we got to our number was as we talk about the ESIP program and as I start giving you the statement of cash flows and what you're going to save over the next couple of years, one of the items in that whole plan is we can reduce our energy costs in 2018-19. We took the energy costs reduction as part of the ESIP program as a way to reduce our costs. That ESIP program is a win/win for the district. As we improve our technology, HVAC, lighting, become more efficient, and reduce our carbon footprint we also are taking those savings as part of that program. That's a real big win for the district, for Steve in facilities, and for Ms. Shafer giving us the vision to have that thing put in place. This is a chart we've all seen before. For 2018-19 our number is \$54 million to the charter schools. PCTI is \$19.2 million. We talk about that deficit being structural. The district's revenue is limited to taxes 2%. There are not a lot of avenues to increase your revenues. Health benefits are already out for 2018-19. They're going to go up 17%. If you look at school boards over the last two or three years now salaries are starting to trend towards 3%. We were in a 2% world about four or five years ago. Now we're hitting 3%. That's going to impact your budget. As we move forward,

expenses are going to continue to exceed revenues, but we have to continue to find ways to be more strategic to get out of this structural deficit that we're in right now. This is an explanation of what we're in. These deficits don't go away overnight. We still have to continue to get our revenues. We have to find real ways to make cuts, but not just one-time cuts, but cuts that are sustainable. We're going to talk about some of that stuff in executive session. One-time cuts are temporary Band-Aids to your overall budget. We have to build a budget that's sustainable. That's how we're looking at the whole picture. The thing we have to keep in mind is we didn't get here overnight. It took time to get to this point. We had a new change in Governor so now there's a shift in terms of how they want to fund public education. Just like we had this shift this way, in four years it could shift another way. We have to build our fund balance for the long-term because you never know what's going to happen in the next two or three years as far as the Governor is concerned. We're looking down the road, managing today's budget, and planning for the future. These are some of the fiscal challenges that we've had over the last couple years. This chart shows under the formula what we should have gotten. You see in fiscal year 2015 the dark blue chart is what we actually got under the Governor's address. The middle chart is what we should have been getting under the formula, \$471 million. The little chart is the difference between what we should have gotten and what we actually got. During this period of time we have been underfunded \$273 million. Our most important work is educating our children, making sure they are safe, that they have a good time, and also as a district we have to work together to make it happen. I must say that as part of us putting together this budget we've worked very close with a lot of the departments like Luis Rojas' group, assistant superintendents, Ms. Shafer's vision, transportation, security, and facilities. Everybody came together to make this happen this year. I think it's a big win that we have an opportunity to have a balanced budget and we're not laying people off. If you lay people off, we are raising taxes because those people can't take care of their homes. A layoff is a tax increase. That's what it is. This is a win for our district. I'll entertain any questions.

Comm. Castillo: Before we even go into questions, I just want to let you know I did ask members of your team if they can make us copies of the PowerPoint. I have my glasses on, but it was a little complicated for me to see from here. Just so we can follow along what was going on I think that was a major part. They are working on it. I don't know if Commissioners have any questions prior to them bringing us the copies.

Mr. Matthews: We tried to change it so you could see it.

Comm. Castillo: It's better, but that slide with all the numbers on it...

Mr. Matthews: That's a tough one.

Comm. Castillo: I tried.

Comm. Hodges: As a general practice, it would be helpful if you have a PowerPoint presentation to give it to us so that we can follow along, or preferentially, we see it ahead of time so we know what the questions are when we get them.

Comm. Castillo: I completely agree. We always have the PowerPoints. Today we don't.

Mr. Matthews: We're just pressed for time. I'm not making any excuses. We were just under the gun.

Comm. Castillo: But I do want to make sure that all the Commissioners got it just so we can see the numbers, which do look better.

Comm. Capers: You said we were moving to one-to-one in a three-year period. How many students per year are we trying to...?

Mr. Matthews: It's grades 7-12. We don't really have an exact number.

Comm. Capers: Are we going to look at the middle school or the high school first? What's the priority in the three-year period for 7-12?

Ms. Shafer: We haven't made that decision yet. Right now, I had \$3.2 million in the budget and found out that I'm not able to have \$3.2 million. I think we have about \$1.1 million for the next year's budget. We will phase it in over three years, but we want to get a group together to talk about where we're going to start. It will be difficult to start at the middle school. We have to look at the numbers before we decide where we're going to start.

Comm. Capers: Got it. Thank you.

Comm. Martinez: Just for clarification because I know folks are going to hear about the tax increase. That \$17.10 is for the year, which means \$4 and change on the quarter.

Mr. Matthews: That's for the year.

Comm. Martinez: Take note of that because everyone is going to rant and rave they're raising taxes. I think that's a very realistic ask, \$4 and change a quarter, \$17 on the year.

Mr. Matthews: That's the number.

Comm. Hodges: I thank you and I know this represents a great deal of effort and time. I do have one little concern. I attended the New Jersey School Boards Association Board of Director's meeting on Friday and they were issuing cautionary remarks regarding the budget numbers. Unless the legislature passes an increase in tax, and they seem to be at loggerheads, then our numbers will not materialize. One of the questions is, do we have a contingency plan if we lose that \$20 million? I was extremely surprised that that was still a possibility given what's happening down there.

Mr. Matthews: We don't have a contingency plan. Remember back in the closing the gap presentations as we were closing the gap we were also building a fund balance. That number is not going to be \$20 million obviously, but there is money in the budget so that we will have a balance coming out of the 2018-19 school year. I wasn't aware of this possibility, but...

Comm. Hodges: They're fighting.

Comm. Capers: So you're saying we're still going to have a balanced budget if say the Senate voted down Governor Murphy's budget plan?

Mr. Matthews: No, I didn't say that.

Comm. Capers: What are you saying? I'm just trying to figure out what you're saying.

Mr. Matthews: I said the budget is built on not just balancing the budget, but also having money come out of the budget at the end of the year to have a rainy day fund.

Comm. Capers: Is that \$20 million?

Mr. Matthews: It's not \$20 million. This year's fund balance is like \$4 or \$5 million. We're looking to try to build the fund balance like we built this budget so that we can have money falling out so we can use that for whatever comes up down the road, whether it's capital reserves, emergency, maintenance, and things you're going to have to have money for. That fund balance is used for those types of things. But it's not \$20 million. We spent \$30 million of our fund balance in 2015. We have to get back to having tighter controls on our budget so we can build the fund balance.

Comm. Redmon: What is the percentage of the budget that's going back to the fund balance? That would be the better question so we can get a better figure on how much money is going back into the fund balance.

Mr. Matthews: For 2018-19?

Comm. Redmon: Yes.

Mr. Matthews: It's really tough to say, but we're looking at about \$3 to \$4 million off the bat. We're hoping that other things fall out that will make the number bigger. That's what we're looking for right now.

Comm. Redmon: So, on the average you're saying \$3 to \$4 million is what you're anticipating for 2018-19.

Mr. Matthews: No, I'm anticipating more.

Comm. Redmon: But the realistic number would be \$3 to \$4 million.

Mr. Matthews: Yes, but I'm expecting more.

Comm. Castillo: I think we had this conversation prior to as well. Worst comes to worst, like Dr. Hodges said, and the budget doesn't pass and we don't have this \$20 million, I think it's a list that I asked for on what would that affect. What would be the consequences of taking this \$20 million after having this balanced budget? Who is it affecting? Is it staff? Is it children? Is it Ms. Shafer's vision?

Mr. Matthews: We can take this all out right here. We can pick and choose how we want to take \$20 million out of the budget. We didn't plan for it because we didn't know about it. I don't think like that. They gave us \$20 million and so we're doing the budget based on the funding that was told to us. This is the first I've heard of this. There was no reason to plan for this if we didn't hear about it before today.

Ms. Shafer: We prepared for flat-funding. We prepared for 2%. Then we prepared for 5%. Let's just say we don't get the 5%, which is the \$20 million, we will go back to the flat-funded budget. Just keep in mind that it would be flat-funded, but charter and salaries went up, so it's really not flat. That's our deficit and we would have to make the cuts accordingly.

Comm. Hodges: It would be irresponsible for the democratic legislature to sandbag the democratic Governor because they have their little... However, they may cut the

budget. That's what I'm really concerned about. We had talked about laying off 120 staff members. Given the \$10 million that we were short, that's what I was alarmed about and where that would come from. How would we do that given the number of classrooms that are already over 30 students? That's the kind of planning that I'm trying to get a sense if we're doing.

Comm. Castillo: The task that I gave the administration is to plan accordingly and be transparent with whatever we are facing politically, which is the unknown as of yet. I don't agree to anything until I see the vote, it's passed, and we're done. That's the only time I'm sure that we will get it. We do have to plan on who would be affected and what programs would be affected. I think we need to see that as well going in to vote for the budget. If this doesn't go through, what's plan B and what does that look like? We do have to get this community and these students prepared to what September will look like if we don't have those funds. I do want to comment Ms. Shafer for adding things that the district needs. It's up to us to revise it and look through it. The BA has done an absolutely amazing job because I think this is the first time in a while that we've seen a budget where we are inputting things that our students need. We've been cutting, but no one has been adding. It's our job to find this money. It's our job to advocate for these funds. But at least now we have students that will have computers or will have a reading program. It's contingent on what happens of course, but at least there's a work to move forward and I think we haven't seen that in a long time. Our students are the ones that are always affected. To see this team that has worked in order to see a change in our students because we asked so much of the administration and so much of our students but we're not there providing the tools that they need. This is the first time I see it. As an administration and a governing body now we have to figure out how to make sure that we continue to get these funds for our students. This is just the beginning.

Comm. Capers: On the tax increase, what does that look like overall?

Mr. Matthews: \$42 million. That's what the city collects on our behalf.

Comm. Capers: If we raise the taxes we're going to get \$42 million?

Mr. Matthews: Our 2017-18 budget number is \$41,455,000. In the 2018-19 budget the number goes to \$42,285,000 million. It's \$855,000 in addition to last year's number.

Ms. Shafer: Let me just be clear. It's not \$42 million because we raised it this year. It's \$885,000. That's what we're getting by raising the taxes.

Comm. Capers: That's the number. Thank you.

Comm. Castillo: Are there any other questions?

Comm. Hodges: On facilities, I don't know what's anticipated in terms of changes in budget in that area.

Mr. Matthews: The facilities number went up. Again, it's part of the community forums we've had. People complained about the schools not being clean and not having the proper manpower. We've added to the facilities budget. We've added manpower to Eastside, Kennedy, Dale Avenue, and School No. 18. We took the supplies last year out of the contract and put that back into the contract because we didn't really manage it as well as Pritchard could manage it. That's back into the contract. The contract went up. I submitted the new contract to Mr. Murray this morning.

Comm. Hodges: I'm sorry. We had a discussion at some Board meeting where we talked about we didn't include maintenance as part of the contract. You're saying now it's back.

Mr. Matthews: No. I'm sorry. Maybe I wasn't clear. The maintenance is there, but the staffing wasn't there. We added staffing to the contract. We reached out to the state. You're giving me this look like...

Comm. Hodges: I'm trying to remember what took place. Go ahead.

Mr. Matthews: We had a three-year contract. Before the first year was over it wasn't working. We've meeting and it's not working. We sat down with Pritchard and our own staff and between principals, myself, Steve, and Pritchard we came up with a game plan to make the contract better than what it is. We've added head count and some of the hours, supplies, and some other maintenance items to the contract. The contract is beefed up and right now it's been fine. We're sitting at a level right now where there have been a couple of issues here and there, but people are happy right now. We're adding that to the contract and that contract is with our Board attorney for review. We've added to their budget.

Comm. Capers: Are there any facility upgrades that we're doing in this budget?

Mr. Matthews: ESIP is a huge upgrade. ESIP is the Energy Savings Plan. That's almost \$15 million.

Comm. Capers: I'm talking about any upgrades to bathrooms, cafeterias, and stuff like that.

Mr. Matthews: In our long-range facilities plan there's a bucket of items. I can't get into exactly what it is. I would have to sit down with Steve to go through the details of that.

Comm. Capers: I get the long-range, but how about next year?

Mr. Matthews: It's all in the same plan. It's the long-range facilities plan. It's all in there.

Comm. Castillo: I do want to interject with that. We just had a facilities meeting. We're not voting on the budget today. Prior to Wednesday, between tonight and tomorrow night, you will be receiving a packet with all the information on what it is that they're looking forward to utilizing the funds on. Whether it's the roofing, floors, bathrooms, or whatever it is, you'll get that information.

Mr. Matthews: Auditoriums.

Comm. Castillo: Plus you'll get where we stand on the SDA with Don Bosco and Paterson Catholic. It will be a full report that you will receive before Wednesday so we can take the final decision. They're using the funds that they see will be available through this budget and they have already said where they want it to begin.

Comm. Hodges: Thank you. I was beating up poor Mr. Murray over that very lack of information.

Comm. Castillo: I do pay attention, Dr. Hodges. I really do.

Comm. Capers: Just to confirm what you said, you're saying that in this upcoming budget there are facility upgrades that will be happening in our different schools to fix our infrastructure.

Comm. Castillo: You have to understand as well to be completely transparent that the facilities budget has been cut for a very long time. Now, instead of cutting we've added. They have allocated exactly how far our schools are not in the best conditions, as we all know. There will be upgrades and we will see to what magnitude and what are priorities.

Comm. Capers: I'm just saying as long as we're starting the process. I'm not saying all of our schools are getting a makeover.

Comm. Castillo: I have to commend Mr. Morlino who has been looking for ways to do a lot of the projects in-house. You'll see that in the PowerPoint presentation you will be receiving from his department as well, measures they have taken to do things in house.

Mr. Matthews: The guardhouses are being done in-house.

Comm. Hodges: We have School No. 14, School No. 19, School No. 17, School No. 3, and School No. 8. The concerns are, particularly about School No. 14, School No. 17, and School No. 19, that you can't invest a lot of money into those because they were supposed to be torn down. You have the electricity problem where you're trying to provide power and they can't put air conditioning or computer services in there because the grid won't handle it. How do you balance that? Those are some of the questions I want to pursue as we're looking into this budget. It does get to 108 degrees in School No. 14. We know that because it's happened. It's the same thing at School No. 17. Those are some of the things I had hoped to discuss in order to advocate for this budget. I guess I will wait until...

Comm. Castillo: We will wait until we get the report and then Ms. Shafer can make sure Mr. Morlino is here on Wednesday to answer any questions to follow up on the report.

Comm. Capers: In this budget did we get the new contract for the All Boys School?

Mr. Matthews: It's in review right now. It's in review for a one-year contract. We've reached out to Deacon Ayars. We're trying to get them to agree for a one-year deal as opposed to a five-year deal.

Comm. Capers: How's that negotiation going?

Mr. Matthews: We haven't heard back. We have asked them for the one year and we haven't heard back.

Comm. Castillo: Comm. Redmon, and then I will make a clarification on that.

Comm. Redmon: Go ahead and make your clarification because I was going to add to your clarification.

Comm. Castillo: I'm sorry. We had a very long finance meeting and something is going to slip. We did talk about that facilities contract with whomever. We did ask for a report on how the All Boys School was doing and we haven't received it. It will be in the minutes as well. We didn't feel comfortable voting on a lease for five years. It's not

saying that we're going to dissolve the program, but we need to have a report before we continue to bind ourselves to a five-year contract not knowing if the administration is thinking of moving or expanding. We're seeing if the diocese would give us a one-year contract for us to make the proper determination and see the proper reports before we continue forward, instead of binding us for five years of the unknown.

Comm. Capers: They're going to rack up the price on us.

Comm. Castillo: No.

Comm. Redmon: It was brought through governance and we brought it back to the entire Board. It should have been kicked back to governance if you guys discussed it in finance so we all know what we're looking at compared to the leases that we saw.

Comm. Castillo: The task was for our BA to reach out before it went back to governance because it's not sure thing. We have a leeway of a few weeks or days. Our BA was supposed to reach out, see if it's a possibility, or how we can go about it. Then it would be kicked back to governance and the proper arrangements would be made. We want to make sure...

Comm. Redmon: Hold on one second, Comm. Capers. The reason I'm asking this is because even though the BA kicked it back, it should still go back to our legal so we can have enough time to review the new contract.

Comm. Castillo: We don't have a contract.

Comm. Redmon: I know we don't have a contract, but when we voted on the five-year lease that was part of the contract.

Comm. Castillo: We didn't vote for five years.

Mr. Matthews: Five and five.

Comm. Redmon: That's the reason I said it should have been kicked back. Even if it was directed to the BA, make sure that legal gets it also.

Comm. Castillo: As soon as we get it, it would definitely go to legal. If not, it wouldn't even come back to our table. We need to have a conversation and it has to go to legal. Then he can redo the resolution, make sure it's done adequately, and then it comes back to us.

Comm. Capers: What's the direction of this school? Are we going to keep doing a year or two years? I know the report is going to be the details of the lease. Are we keeping the school? What's the direction of this?

Ms. Shafer: At the next I&P meeting you will get a report about the Young Men's Academy and that report will be filtered to all Board members and then for the Board to have a discussion in what direction they want to go. That's why we pulled back on a five-year lease, so that we don't make a commitment for five years if the Board decides they want to do something different.

Comm. Hodges: Which brings me to the question... We've seen all the wonderful things that we're adding to the budget. My concern is, what are we taking out? What are we losing? Where are the cuts coming from? What are going to be the impacts of

these cuts? Obviously, in the area of curriculum I'm very concerned. I need to have a sense of where the money is coming from to help close the budget and what kinds of deficits are being exacted upon us.

Mr. Matthews: I go back to the closing of the gap. A lot of the stuff that's in closing of the gap is negotiations that we can't really speak to. It's been there. There was a revenue piece. There are expenditures and reductions. The sale/leaseback is a big part of us closing the gap, which wasn't included as part of our number. We've had some other things regarding negotiations. I'm just going to use that word. That's in there and we can talk about it in closed session.

Comm. Hodges: Here's my rising concern. Mr. Rivera used to lecture us about putting the sale of property in a budget before that sale had actually occurred. Then if it doesn't occur or with the numbers that are proposed or projected, then you incur a potential problem. How are we doing that now?

Mr. Matthews: How are we doing what?

Comm. Hodges: Are those numbers part of the projection?

Mr. Matthews: It's in there.

Comm. Hodges: If it's not realized, what happens?

Mr. Matthews: Then we have to make some decisions. It's going to come out of the budget. We have to take out reading programs, one-to-one, textbooks, music teachers, art, or whatever. When we were asked to show a need for this money, we showed the need for the money. We were asked to show how we were going to pay for the money. We have a plan to pay for the money. As far as I'm concerned, we provided you with what you've asked for as far as why we need the money. We have a plan to pay for the money. We will talk about that in executive session. If that money is not realized, then we'll have to look at some of these priorities and shift some of the stuff out of the budget.

Comm. Hodges: So most of the approaches to closing the budget comes from big ticket items, as opposed to...

Mr. Matthews: That's how you get around a structural deficit. You have to make big decisions, cut big items, and take some risks. We also have a plan to pay the money back, and we have a plan for that. We can keep spinning our wheels and do this all over again. We have to make decisions to those priorities if we don't take that money in this year.

Comm. Hodges: My concern is I want to see the reality. It can't just be on paper. It has to be a reality. It doesn't help me in October...

Mr. Matthews: We have to make projections. Reality comes over time. It can't come today.

Comm. Hodges: It doesn't help me in October if the money is not there.

Mr. Matthews: You say have a plan. We have a plan to pay.

Comm. Hodges: I'm only asking what the concerns are going to be because in October we start the whole process all over again and I need to know where we are if these things aren't there. That's all I'm saying.

Ms. Shafer: He will be able to go into greater detail in executive session.

Comm. Hodges: That's fine.

Mr. Matthews: This has been stated for the last six weeks what the plan is.

Comm. Hodges: I'm not going to respond to that. Okay. Professional development, Madam Chair, we have been screaming about. I can't go through this now. How are we set for that?

Ms. Shafer: Professional development is 500.

Comm. Hodges: That won't cover everything.

Ms. Shafer: We also have professional development more in for the new reading program. Then we're going to do a summer institute like we used to do. With that, you pay the teachers, they come, and they can have an a.m. or a p.m. session. It could be one day. It could be three days. You could be coming for a week. The teachers will be able to select based on the content, their certification, and what it is that we're offering. We're putting all that together right now. We're trying to get back to the way we did it in the summer because with the three or four half-days that we get during the school year you can't get a whole lot done.

Comm. Hodges: I'm sure you looked at this, but is there any way that distance learning could be used to supplement this in a matter that can be cost-efficient? Is that being looked at?

Ms. Shafer: In fact, we did a lot of it this year. It was more of an online training when it came to all of our mandated professional development that teachers had to take, such as bullying, suicide prevention, and harassment and intimidation. There's a lot like chemical hygiene and blood-borne pathogens. All of that can be done online now.

Comm. Hodges: Do we have a number for how much we've saved doing it that way? Is there an approximately figure? It would be nice to have that.

Comm. Castillo: Are there any other questions? Before we end this part, I do leave you with that task of...

Mr. Matthews: If that money is not realized.

Comm. Castillo: Yes. What would that look like? Where would we stand? Where would we go? I'm very hopeful, but just in case, whether it's for the \$20 or the \$10 million, I did ask before just so we know where we stand.

Ms. Shafer: Let me just thank again Mr. Matthews and his team. This is the first time you're seeing a budget that I call all-inclusive. Many of the things that are priorities going forward came from community forums that he had. It came from my meetings starting last August. It came from roundtables with teachers, nurses, and principals. It came from the Board. If you look at those priorities, some of the Board members can see themselves right up there. It would be devastating if the \$20 million was not a

reality, but we certainly will prepare for it. In addition to this presentation, Mr. Matthews and his team will be available Tuesday and Wednesday from 11:00 to 6:00. If you want to come in, give him a call. They will schedule a time so we don't have five Board members coming at the same time. If you have any questions, he's available Tuesday and Wednesday from 11:00 to 6:00.

PUBLIC COMMENTS

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

Comm. Castillo: I just want to remind the public for all those that are visiting for the first time if you could just allot three minutes for your comments so that we can be courteous of everyone else's time.

Ms. Marcella Simadiris: Praise the lord everybody. I know we're talking about the budget, but I really want to stay focused on the culture and climate because I think that's a big piece in building capacity. There are a lot of parts in budgeting and one of them is building capacity. I'm requesting responses to inquiries I've already come forward with. One of them is field trips. Is there a possibility that the district can look at which students in the Paterson Public Schools have access to field trips and which students don't? Can we possibly explore why?

Comm. Castillo: I'm sorry. I don't mean to interrupt you. We can barely hear.

Ms. Simadiris: I was asking about field trips. What students are getting them that are enrolled in Paterson Public Schools? Which students aren't really getting them? Why is that? I also would like to know what type of PD/training the leaders over culture and climate get. Has the district discussed restorative practice training for the entire staff, not just for your principals, but for all teachers? What exactly does the evaluation of some of the directors look like? There's a lot of disconnect. In building capacity sometimes I think we really need to explore what is getting done and what isn't getting done. I know one time at my school district that my children attend they did do a whole presentation on the principal and teacher evaluations. I'm wondering if we can do that with the directors and be informed who is evaluating and how that process is. Still there's this dilemma with this district in not implementing grants that are acquired. That's happened to me about three times. You get a grant, but then you're unable to implement it because you don't get the support you need for whatever reason. I know that's happened with a lot of people. I know that's happened multiple times. I've brought that forward before. I'm just wondering if you all are having those discussions regarding them. I apologize if I was coming in with a whole bunch of topics, but there's a lot to talk about. There's a lot to bring forward. I just want to make you aware I used to spend a lot of time talking about the comprehensive equity plan that every district is required to have. I don't know if you all ever looked into it or spent time on it. I also brought it forward at a Newark Board of Education meeting and they actually had a retreat and discussed it. I'm wondering if you all are ever open to putting that on your agenda for a retreat, really looking into the comprehensive equity plan. People need to be held responsible if there's legislation that tells us how we should go about providing equity. We need to follow it. There are a lot of things that we do in Paterson Public Schools that are not reflected in our equity plan. Thank you.

Ms. Rosie Grant: Good evening Madam Chair, Board members, Madam Superintendent, and staff. Thank you, Mr. Matthews, for the budget presentation and thank you again for the very engaging...

Comm. Castillo: Ms. Grant, I don't want to interrupt you. Do you think it might be the camera that's way too close to the microphone?

Ms. Grant: I moved it back.

Comm. Castillo: I'm not trying to get into her time.

Ms. Grant: That's okay. I don't need the whole three minutes. I want to say thank you for the transparent budget process. I've said it again and again. I really do appreciate it. I heard the number today of what we've been short over time from not being fully funded, \$273 million. That's a big number. There's a lot that we can do with that much. There isn't any hope of ever getting the whole thing back, but I'm still saying go to Trenton and advocate for more money. Under the formula we're entitled to more. I don't understand the conversation about not getting the \$20 million. I haven't heard any talk in the advocacy arena about the state aid numbers changing. Generally, they don't once we get them unless they go up a little bit. I think we can be confident in that \$20 million unless something radical happens. Let's plan on it, but let's also go out and advocate for more. The legislature has announced their hearings. I'm going twice, once before the Senate and once before the Assembly. I've shared it the Parent and Community Engagement Department and they're planning to go. It's important that you go as Board members. Go to Trenton and let them hear from you about the things that our kids are lacking. Ms. Simadiris brought her daughter to you last week and I thought it was interesting all the things that Montclair kids can participate in that Paterson kids can't. It's not just Montclair. They have the wealth that we don't and the state says we're entitled to those dollars and our kids are entitled to equity. So please do take opportunity to go out and testify and ask for more money. I hope to see you there. Thank you.

Comm. Castillo: Ms. Grant and Kemper, can you guys just make sure that we get the information in advance? When we get it last minute it's difficult to arrange with our jobs. Make sure that we get ample notice so we can make sure to be there as well.

Ms. Grant: I'll share it tomorrow.

Mr. Michael Johnson: Good evening. I'm not used to this. This is new to me. I don't like being in front of cameras. I'm here out of concern for my son, Yousef Johnson. He's at PANTHER Academy. He's a freshman. Unfortunately, he's been having a rough go at his freshman year. It's been devastating for him. There is a lot of peer pressure and other tangibles with that. He's been at a manifestation meeting twice in one year within three months. They found some issues that he has. In the last one they said that it's not based on his IEP, which is not true. His IEP states that Yousef has ADHD and impulse behaviors. He got another letter from his doctor reaffirming that. We just had the meeting on Friday. Their findings were that this doesn't have anything to do with his disability. He's been home this year over 20 days. Altogether he has missed about 25 days of school. I don't know how he can acquire any grades if he missed all that time and based on his IEP to be able to make up such a sum of work. Does he have some of the issues that they said? Yes, but not to the magnitude where he has to have two manifestation meetings and then be home. He's home uninstructed because I have to work. There's no one monitoring him at home while he's going through this particular process. In the first manifestation meeting we came to an

agreement and he was doing well in the classroom. Then this one day he had an episode in the afternoon and then all of a sudden that's when they gave him another 10 days. I don't understand that. It doesn't make any sense to me that this is happening to Yousef. If you look in his record you don't see anything about aggressive behavior. He had to be fingerprinted and now we have to go to court for this particular issue with this teacher. He went back to the classroom in the setting and everything was fine until that one incident happened. 10 more days and then another five days because now they said he has to wait until they decide what school he's going to go to. I'm saying that they are incorrect in their findings that it doesn't have anything to do with his IEP. I have the proof right here in front of me. I don't know how they can just exclude that and put Yousef in a different school. This school just got a team there. They didn't have any child study team there in the beginning of the year. They just have a couple of people there right now and they didn't even really touch base to really get some real time with Yousef. When this meeting took place from the first one, they didn't even give time for the process to work before they just put the gavel down on Yousef again. They didn't give him any time to adapt to this new person. First, they told me they were going to have a lady named Ms. White who was supposed to be the psychiatrist to help Yousef deal with the issues he's going through. All of a sudden that didn't transpire and another young lady took over. I didn't even know that she was working in that capacity. I didn't find out until the eleventh hour. What happened to Ms. White? Why didn't they contact me and stay in communication with me? What going on? This is a serious thing. If we're trying to help Yousef we should be on the same page of trying to help Yousef fit in the environment.

Ms. Shafer: I'm going to ask if you would speak with Cheryl Coy. She's on the side over there. Thank you.

Mr. Errol Kerr: Good evening everybody. Good evening, Madam President.

Comm. Castillo: Good evening.

Mr. Kerr: Long time no see.

Comm. Castillo: You left us.

Mr. Kerr: Let me congratulate the Board and Mr. Matthews for his hard work in putting this budget together. Budget preparation is always a difficult matter and it always involves certain sacrifices. However, tonight I want to congratulate you, Madam Superintendent, for some of the things that I see that you want to add to this budget. However, there is a practical side that we must address. First, let me address the 2% tax increase that will be levied on the people of Paterson. I know Comm. Martinez says 2% is \$17 and \$4 per quarter. But it's important in this way. Consecutively for about four years now the levy on education to the taxpayer here has been going up and up. This is not only going to be a 2% increase on the people of Paterson because the county taxes will be levied also. We may even get a municipal tax. When you add all of those together, it will amount to much on the people of Paterson. We'd better be careful in terms of just \$17. I was at a forum that Mr. Matthews and the Superintendent were at. I did question Mr. Matthews about the sale and lease. I ask you if the projected sale would be a part of your budget. You looked at me from that podium and you said no. I was really floored tonight to come inside this meeting to realize that part of closing the budget gap is built around the possibility of sale of buildings. It's not? I heard sales. What are we selling?

Comm. Castillo: I guess we're on the same page. Can you just ask me that question one more time? We want you to finish and then for him to come after the speakers. We don't want to change protocol. Repeat the question.

Mr. Kerr: What is meant here by sale and leaseback? You can answer that simply.

Comm. Castillo: As soon as everyone is done, then we will come back. I just want to make sure that we are respectful of everyone else's time. Then we will come back with that question.

Mr. Kerr: That's fine.

Ms. Natalie Jordan: Good evening members of the Board and Madam President. Pleased to meet you for the first time. Good evening Superintendent Shafer. I'm glad to be here. First, I just want to say that my takeaway from this meeting today is that it is very important for us to support Superintendent Shafer's vision and Mr. Matthew's plan. I don't know much about numbers, but he mentioned the fact that this was a budget that wasn't all about cuts, but about adding. He caught my attention. I wouldn't be able to sit here and elaborate on those numbers, but what I'm saying is that when Dr. Hodges asked about the contingency plan, that caught my attention as well. I had to stay focused on the fact that we had somebody up here giving us an actual plan. I'm just asking the Board to take into consideration that somebody in a group took time to come here and give us a plan and for you to be open-minded about the plan. Go behind doors and do whatever you do as a Board and consider and try to be open-minded about some of the things that he mentioned. I'm speaking in terms of my mother who's a taxpayer here because that's her house. I don't think \$17 is a lot when it comes to education. I just think at some point in our lives as adults – and we can't consider the stakeholders anymore – we have to consider our students. I'm sure he will come up with a contingency plan and I'll be there to hear that. I'm saying at this point let's just consider the plan. Let's take a look at the plan. If we take a look at the plan and we're open-minded, some good things came out of that. I heard us going back to the summer programs and the textbooks. I can go in and talk hours about some of the things that were added to the plan that are good. I'm saying to you guys that it was a very good plan. The vision is there and at some point we just have to come together as a Board, community leaders, teachers, and consider the most important piece in this puzzle, that's our children. That's all I want to say. I thank you, Mr. Matthews, for your plan. I don't understand a lot of numbers, but I understood exactly what you were saying when you said this was not a budget of cuts. I understood that.

Ms. Tonya Jordan: I just want to thank Mr. Matthews. From my 29 years, I've never seen a budget put in place that was so thorough. Madam Superintendent and Madam President, I just want to say that part where he went on and talked about the integrity, the instruction, the policy, the school, and the absenteeism, all of that, with a good budget, then we know it's about children. At the end of the day, it's not about me. It's about the kids I serve. With that being said, thank you, Mr. Matthews. Continue to do what you do for children.

Ms. Kierra McArthur: Good evening Board. I'm Kierra McArthur. I'm here on behalf of my son, Jayden Turner, who attends School No. 13. I am for the business plan presented by Mr. Matthews and Superintendent Shafer. As a parent and taxpayer what caught my attention was the fact that the plan was not a budget of all cuts. As we know, when they do start cutting its normally starting from the bottom, which is the teachers that get cut. As a parent, I went to the schools in the Paterson School District and I know that a lot of the good teachers get cut. Contingent upon this plan failing to being

accepted I want to know who is going to be cut first. Does it have to start with the teachers? Could it be other programs? It's a lot of programs. For instance, my aunt was just telling me about the career development programs. I know there's a lot of career development. Shouldn't the teachers be already developed enough to be teaching the students? I know there are certain programs that you guys implement and have. Ultimately, my concern is if this plan is not accepted, will it start with the teachers being cut? Who's going to be cut first? We have a lot of the teacher assistants being cut. We need a lot of assistants in the schools. I know at School No. 13 they only have student teachers for the kindergarten classes. I know he's in second grade and it's like 30 kids in the class. The teachers and my son need more assistance and more help. I just want to say I'm for the budget plan so if you can just take a look at that and root for the plan.

Comm. Castillo: Just stick around and Ms. Shafer will answer all of your questions. Just give her a minute.

Ms. Shree Martin: Hello. I'm here today because I sat down with Eileen Shafer. I had a meeting with her for accommodations that I need for my children in School No. 6. I want to thank you for that. After our meeting, the school still hasn't met the accommodations. Right after our meeting all three of my children got into trouble. My oldest got suspended. One of my other ones got punched in his stomach with a medical condition. The other one is still having behavioral problems. Actually, today I went to the school because my son with the behavioral problems that he's been having in the school since September gored a little girl so hard that it bruised her face. Now I have a meeting with the parent on Thursday. I've been seeking help for his behavior at the school. They told me I couldn't do it and I don't give him enough time to call the parent and let them know what the child is doing in school. I want to thank Ms. Coy for that because she really helped me out today just by coming today and hearing what I had to say about my child's behavior. I was asking him to get home-schooled until his psychologist's appointment which is on the 13th. Prior to me coming here, I told Jeanette the same thing I'm telling you guys tonight. She told me that I wasn't going to get the home schooling because it's not a medical need. Once I told Coy about the situation in the school, she gave it to me today. I want to thank you for that. I just wanted to come up here and tell you the story. Thank you again, Ms. Shafer.

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.

Ms. Shafer: If Mr. Matthews would come forward, I just want to answer Mr. Kerr's question with regards to the buildings that we have for sale and whether they're in the budget or not.

Mr. Matthews: Thank you, Ms. Shafer. The sale of properties was in my plan on 2/2. I spoke to the auditor and he said that we could not include it as part of our plan. On my plan subsequent to 2/2, 2/7, 2/14, 2/17, and 2/24 there was no sale of properties. It was taken out after 2/2.

Ms. Shafer: I know that you did mention something about a sale, so if you could just explain that.

Mr. Matthews: The sale and leaseback of the textbooks is a valuation of all our textbooks that's done through our ASSA reports over a period of time in terms of what we have in our inventory. We would go out there and contract with a company that

would hire people to do an evaluation. They would go out there and get financing based on the valuation to pay for this back over a five-year period. The sale of properties is not in the plan. It's not in the budget. It was taken out after 2/2 after I spoke to the auditor. At that community forum it was not part of the plan.

Comm. Hodges: I may have been part of the confusion because my question where I referenced Mr. Rivera was about the properties. The answer was yes, it's in the plan. That's what he heard. That was the question. I said that he brings up all the time you can't put it in. When he said yes, I was concerned too. That was the problem. I wasn't talking about the textbooks. I talked about the properties for that very reason. That's the cause of the confusion. You replied yes to that and you may have thought I was talking about the textbooks, but I wasn't.

Mr. Matthews: I thought you were talking about the city.

Comm. Hodges: It was about the properties.

Comm. Castillo: Just to clarify, the sale of properties is not included in the budget because if we don't sell then we don't have the money.

Mr. Matthews: It was taken out after 2/2 and it's reflected in this closing of the gap you guys are tired of seeing.

Comm. Castillo: I saw where the confusion was halfway in the middle. I just wanted to clarify and make sure that we're all on the same page. Thank you, Mr. Matthews.

Ms. Shafer: Let me just comment on the question if we don't get the \$20 million, then where the cuts would come from. Personally, I think if we don't get, as well as the other 600 districts in the State of New Jersey, the aid that they were given to create their budget there is going to be problems throughout the state. We will prepare just in case we don't get the \$20 million. Where that money will come from, unfortunately, it would have to be personnel as well as many of the new initiatives that we have in the budget. We have over \$12 million in the budget of new initiatives and then we would have to take a look at staffing because the majority of our budget is personnel. What I had talked to the business administrator, the Board, and the community about was to stop laying off personnel. We're at the bone. We don't have it here in central office and we don't have it in the schools to continue to keep cutting and increasing class sizes. I'm hoping the \$20 million will come to fruition.

Comm. Hodges: The reason I go to the School Boards Association meetings is because they have these insights which they present to the membership. The fight is over the millionaires' tax versus the sales tax. South Jersey doesn't want the millionaires' tax. Murphy's budget is predicated on that money being there. They want the sales tax. There's a push and pull. Until they resolve that, Murphy's budget is predicated on whatever that amount is, the \$500 million. He's already spent it, so something has to happen.

Comm. Castillo: We are going to have a big issue. I'm very confident in the \$20 million. I think that once it's there we won't get it taken away. I think I can speak for all of us when we say we're all going down there if he takes \$20 million away from us. We're not in the position to lay off teachers or to get rid of any personnel, especially in our classrooms. It's definitely something we're going to keep a look on, but I can say you will see a lot of Patersonian down there if you take back the money you've already given us. The resolution that is on for a vote is being moved to Wednesday because we're

going to get a full report. We're not going to vote before we get the report and that report is going to be given to us in executive session. Once we get into executive session they will give us more information on this. Then we can come back and put it on for a vote.

**MOTION TO GO INTO EXECUTIVE SESSION TO DISCUSS
NEGOTIATIONS AND PERSONNEL**

It was moved by Comm. Capers, seconded by Comm. Ramirez that the Board goes into executive session to discuss negotiations and personnel. On roll call all members voted in the affirmative. The motion carried.

The Board went into executive session at 7:44 p.m.

The Board reconvened the meeting at 9:00 p.m.

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

The meeting was adjourned at 9:02 p.m.