

**MINUTES OF THE PATERSON BOARD OF EDUCATION
BUDGET HEARING**

March 31, 2014 – 6:36 p.m.
John F. Kennedy High School

Presiding: Comm. Chrystal Cleaves, Vice President

Present:

Dr. Donnie Evans, State District Superintendent
Ms. Eileen Shafer, Deputy Superintendent
Lisa Pollak, Esq., General Counsel

*Comm. Wendy Guzman
*Comm. Jonathan Hodges
Comm. Errol Kerr

Comm. Manuel Martinez
Comm. Kenneth Simmons
Comm. Corey Teague

Absent:

Comm. Christopher Irving, President
Comm. Alex Mendez

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

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:

**Budget Hearing
March 31, 2014 at 6:30 p.m.
John F. Kennedy High School
61-127 Preakness 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. Hodges enters the meeting at 6:40 p.m.

PRESENTATION OF THE 2014-2015 SCHOOL DISTRICT BUDGET

Mr. Richard Kilpatrick: Just to start, I guess we should talk a little bit about the process. This is not an overnight operation, creating a budget. I want to thank Dr. Evans, Deputy Superintendent Eileen Shafer, my fellow people and coworkers here who work diligently at this process, as diligently as I do, and I want to thank the Board, especially the fiscal committee, for their patience in dealing with this process which can be very tedious at times. I want to thank them for their dedication because if it wasn't for that dedication I wouldn't be able to put the budget together. This is everyone's budget. It's not just my budget. I don't create the numbers. I am responsible and I create a process for helping everyone understand the numbers. I think that's what I'm going to help everyone do a little bit tonight. So here's our budget presentation. The budget presentation starts with the district's vision and mission. If our budget isn't aligning with that mission and vision, then we're wasting our taxpayer dollars and that's not what we want to do. We want to accomplish what we set out to do and that's to be the leader in educating New Jersey's urban youth. It's very simple. That's our goal and we want to do that with our staff, with our people, and with all the resources that we have available. The budget is the process that we try to align those resources in order to accomplish it. Development priorities – everything that I look at in the budget when someone hands me a request or a budget preparation, I think of these things in reference to whether we should be funding them or not. Are they part of creating an effective academic program? Is it aiding to our safe, caring, and orderly schools? Is it part of our commitment to family and community engagement? Is it creating more efficient and responsive operations so that we can accomplish our mission? We can't see this out here too much past the first or second row, but the budget goals under each one of those headings are different and individual things that I look at and I think about when someone hands me a request for a dollar of the district. I think about how it aligns into one of these goals. If I have a question about that, I will ask someone or I will put it aside and let them come to me to try to answer that question. Some accomplishments and facts in relationship to our budget this year, there is no increase in local taxes. Again, there are no increases in local taxes. We have not increased the rate. We have not increased a dollar or penny to the taxpayer for this budget. There's no planned reduction in school-based workforce. We have a slight increase in state aid. If you've heard the Governor talk about his great accomplishment again of creating a record-breaking year for education funding he did that only by taking last year's budget and adding a per-pupil cost and some multiplier that he came up with for determining a PARCC supplement. That for us in our district was a total of \$546,000. That was the increase that we got in state aid. We are using more fund balance than we have in the past, but we feel we can support that at a total of \$46,297,614. We will again, presuming that we need to at the end of next year, withdraw from maintenance reserve. If we withdraw from the maintenance reserve as planned for this year and we withdraw from the maintenance reserve as we planned for next year in 2014-15, that would deplete what was put aside in maintenance reserve about four years ago. So that would no longer be available to us. Here are the different revenue streams of the budget. There are local sources which includes the tax

base and some miscellaneous revenue that gets created or identified in local operations. A big dollar in relative terms because it's new for us, there's over \$1 million in this budget that we will recognize from McKinley-Vento and that's when homeless children are displaced and their education is going to be in essence funded through state resources directly. We will be getting charged by other districts for that because they were Paterson people who used to be in an abode and now no longer have one and may be going to a different school. We'll get charged for those tuitions, but also students who are coming to us into our district that are housed here that were housed in another district or internationally and are coming here new will become our students. There's documented evidence of over 80 students like that already in the district, which is calling for over \$1 million to our coffers into fiscal year 2014-15. As you can see, we have SEMI Medicaid aid that we have to work hard to get. In some cases it seems to be getting harder sometimes because of the requirements that they put on us to get that. But we think we will again reach our level of \$1.4 million, which is over 50% higher than what the state expects us to get from SEMI Medicaid. We worked very hard. I say we, but that's Assistant Superintendent Peron's area and her people and her staff who worked very hard to make sure that we recognize those revenues. You see the budgeted fund balance, maintenance reserve, and tuition reserve. We do not have tuition reserve available to us moving forward in 2014-15. We have to use it based upon the way the law is written. We put tuition reserve back in 2011-12 and that has to be used by the end of 2013-14. So that's why there's no tuition reserve money away or able to be put away because we don't have available funds there. This brings us down to the total operating fund revenue stream of over half a million dollars. Included in different grant categories we have state sources from preschool, which is over \$51 million at this time. We do have to transfer money for our regular education aid for our pre-k students and that's approaching \$3 million. That comes off of our regular budget. We have federal sources that are over \$34 million, an increase of about 12.4%. It's a little deceiving because for the 2013-14 what we actually are receiving is higher than what that revised says right there. So whatever we got for No Child Left Behind and IDA grant money we just duplicated that moving forward to the next year. Our debt service is slightly increased by about \$1,500, which is represented there. That show you our revenue stream and as you can see that's nearly \$600 million, \$594,716,254. It's a big budget. Here's a little pictorial of the budget, the different slices of the budget and where the money comes from. I like putting pictures in place because I think it shows you different things. If you look there at our fund balance and our local sources they're basically even now. I would call that a little unusual. We're very dependent. We're as dependent now on our fund balance as we are on our local sources. Of course, our local sources are mostly made up of our local tax levy. Here's a picture of our enrollment trend. If you were able to put a line through the middle of the first six years you'd see pretty steady progress. The 2014 estimate looks a little askew, but there are two pieces in there that are driving that process up a little bit. One is that we do have an expectation of higher enrollment for our regular education students. But also included in that number is a drive for us to go and increase our participation of pre-k students. We wish to get as many pre-k students in programs throughout the city. So that kind of increases the number a little more than you probably would have seen in the past. Those numbers are over 800 students each so that brings the number over 1,600

to the 30,532 total. The appropriations are where the money is spent. Each individual category is not really self-explanatory. A lot of people think that support service means administrative support service, but it's not only the administrative support. I'll go into a slide that shows the detail of it, but I wanted to go and show you the individual differences in the budget from 2013-14 to 2014-15. The two big categories there that I'll call negative numbers are our capital outlay. That's a choice. We were going to do a little less capital programs and I think that's not only the capital programs like facilities does, but also the capital purchases that are made throughout the district maybe for a bigger type of printer or a bigger type of equipment that a school might need. But the instruction line looks like it's gone down too. I want to be a little careful of that because you would think we were spending the same on instruction that we are. We are going up, but there were some anomalies in last year's budget in reference to what we had in that line in the past. We've had to move it to be more appropriately recorded in the place that it should be and it shouldn't have been in instruction. It should have been in some other areas and that's why there's a bit of the anomaly there and there's a pictorial on that. I think one important piece there for everyone to understand is that big purple piece, the contribution to SBB. That's the school-based budget. That's the portion of our budget that we contribute out to Fund 15 from Fund 11. One thing I probably didn't make clear is that we're really talking about Fund 11 at this point and the Fund 15 portion is that contribution there. It's not the individual school's budgets. It's what we contribute to school budgets overall. A piece that we have been watching very closely, a piece that concerns us immensely is in the bottom right corner there, transfer charter schools. It's at 5% now. We were expecting or anticipating several new charter schools to open this year. I would say luckily, not for any other reason other than that it is good for us from a financial perspective, the new charter schools that had applied are not opening in 2014-15. There were possibly three that were going to open. I know one of them has been approved and definitely is on a planning schedule. They've chosen to do that. The other two I'm not exactly sure if they've been approved, but they certainly are not going to be opening in 2014-15. It doesn't close the door for them and they could be available for opening in the 2015-16 year and we'll be keeping a close eye on that. The district's contribution to school-based budgets is the bigger aqua color and we also contribute from the No Child Left Behind funds to our school-based budgets. What that allows us to do is really get away from specific allocations for what we're purchasing in the No Child Left Behind budget. It's a clustering of the funds in total, the district funds plus the No Child Left Behind funds that support the schools individually. They do that to help make things easier for the schools and the districts so that they don't have to be so menial in tasks for documenting what funds are being spent for No Child Left Behind because you have to worry about a lot of regulations and what you're spending the money for. The funds that aren't contributed we do have to very carefully determine what we want to purchase and what positions we want to support so that we are not spending them in a way that's contrary to what the regulations allow us to. It's been consistent at the 6.5 since 2010 and I think there are some important discussions we should move forward with on whether that's something we should change a little bit and maybe alter. We cannot spend less. We have to continue the funding at least at that level. But I think it's a point in time now we should think about whether we want to contribute a little bit more for the school-based budget from our No Child Left Behind

budget to help us out a little bit out there in the schools. That's a discussion that we'll move forward having in the next year in reference to our 2015-16 budget. Here's a comparison for the support services appropriations that I had promised you earlier. There are multiple lines in here and I think the big ticket items, the second line there, is our attendance in social work that has gone up. It's gone up a lot, but it's not a lot of dollars. It's a percentage increase that's pretty large. A couple of lines down from that is guidance and I think that's the commitment that we've moved forward with in reference to guidance. Again, it's not a big dollar increase, but the percentage is somewhat higher. Improvement of instruction looks like we've lost money in that line, but I will tell you over half of that is the movement of one of the consultant agreements from the line that falls into there to a different category into professional development. That's why that line appears like it's come down a lot. We're still supporting improving instruction, but it's just being accounted for a little differently. I'm going to go back to the top. The tuition line is a very important line. We spend a lot of money on tuition for students that are not attending our schools. The number is over \$39 million. We are hoping that we can keep that number basically flat. It's only going up by \$140,000. That's a tall task and we will be working hard to accomplish that and hopefully we'll be able to do that. Tuition is a difficult management and we're doing some things in reference to special education and reorganizing special education that hopefully over time that investment will pay off for us in these particular categories. Instructional staff training is the area that part of the money moved down to and you'll see that as a big increase of \$1.7 million or 65%. Almost all of that \$1.7 million is because of the contract that we have with IFL. General administration has come down in this category. That's all types of general administration, not just salaries. It's all different types and that's over 19%. School administration you'll see has come up. Again, it's not a big dollar increase, but it's a big percentage increase. Our information technology, which I think everyone is probably very interested in, has gone up by nearly \$700,000 at a 28% clip. We have been investing in technology over several years. We've invested a lot this year. We're accomplishing a lot through our grant money and through some of our initiatives that we're doing. You hear about the PARCC initiative and what's being done. It's not something that we're doing overnight. We've been doing it. We've been working on our infrastructure to make sure the systems that we have can handle the capacity of the number of participants taking a test all at once. It's not easy. We are going even now through the testing for that and it's revealing a lot of things that we hope will be feedback that the state takes back and capitalizes on and makes some adjustments for. Operations and maintenance of plant – we're basically keeping pretty flat. I will tell you that that number is a \$2.7 million increase. The fact is we're actually keeping it flat in this year and that's one of the adjustments that you have at the table for tonight in reference to changing the budget. We plan to keep the operations and maintenance of facilities at a flat level and not increasing it. We're hoping we can cut the student transportation budget a bit. There was some analysis done on the accounts and over time we feel that the accounts have been a little overfunded. We're hoping that we've targeted that number pretty good at over \$15 million. Hopefully there are no things that can occur in the next year that will alter that and hopefully some changing in operations we can also satisfy the need there. The last item is the employee benefits. It appears to be a tremendous increase and it is. However, I want to caution you on that. That

does not just represent the benefits that we pay our employees in reference to sick, vision, health, and dental care. A big portion of that are the employee benefits, such as unemployment benefits. We have to incur unemployment benefits for employees who may leave the district, whether they're dismissed or whether they leave on their own and they file for unemployment. We have to fund that. That's not something that the state hands out. We're actually a self-funded plan. So if someone goes out on unemployment we actually have to make the payments and we pay it to the state and the state makes the payment to the employee. We get billed from that every quarter. That's important as we move forward because last year we did not fund that to a level that we normally fund it and so we're a little short in that area and we want to make sure we don't continue to be short realizing the landscape of where we are. The other big piece of that are our disability benefits. Again, another self-funded insurance fund that we have to fund each year and if we don't fund it at enough level we're going to cause ourselves a big hole moving down the years. Those two insurance plans make up more than half of that 8.9 increase, just so you know. We have a pictorial on the support services and the percentage of the general fund that those services take up. You can see the big ones such as tuition, employee benefits, student transportation, and operations and maintenance of plant. That's nearly 75% of our entire general fund budget. I just want to make a note on that. A lot of those are things that we don't necessarily have a lot of control over. In employee benefits contractually we go to fair terms with our employees and we come up with benefits that they expect to get and we have to pay. In student transportation we have our policies in place for what we do and you can't really alter those that much. So if a student comes into the district and needs out-of-district transportation services you're going to provide it. We all know about our facilities being very old. They're not getting cheaper to maintain and we have to maintain them throughout the year. When you have more difficult seasons like a very wet spring maybe or like we had a tough winter it becomes even more difficult and more demanding on those services to provide them in the immediate nature and actually hurts the planning process a little bit. Of course, we have tuitions where we can control a little bit and try to say to parents and discussing with them the needs for the students. Maybe we can keep them in-district versus going out of district. But the point is that all those types of things leave very little flexibility in what we can say we want and do versus some of the other areas that we can control a little more. Again, that makes nearly three-quarters of the pie of our budget on these areas. We basically talked about these major cost drivers, comparing the 2014 budget to 2015 budget tuitions. We talked about charter schools. In communications and telephones actually we decreased a little bit. Administration and information technology we talked about. Leases I think are a good item. In the current budget it could change a little bit. Facilities may want to take some of this money and transfer it differently. But right now we're projecting that we're going to have a million dollars in leases more than we had the year prior and that's from maybe some opportunities that come up but also from the leases that we are in there are going to be added costs. The insurances here we're talking about our liability insurances and our property and protection policies going up nearly \$900,000. Again, there's employee benefits analysis which we already talked about at length. I think we have here in detail what makes up the employee benefits. We have allocated employee benefits that were allocated to different account lines. We have our group

insurances, our social security contributions, and FICA obviously pretty much dictated what we have to do. We have retirement contributions, which you can see a pretty significant increase there of nearly \$2 million. We're calculating that based upon the state guidelines and what they tell us. At the end of the year – we're in the midst of getting there now for the current year – those calculations changed based upon the number of employees we have. But they based it on some historical data for us. That number is projected to go up. We have retirement contributions for regular retirements. There's unemployment compensation and workmen's comp that we talked about already. Plain old regular health benefits you can see are increasing by over \$3 million. That's based upon negotiations that we've had with our insurance broker and then other employee benefits to come up with the total. We've talked about fund balance quite a bit. Here's a comparisons from the incorrect. As you can see there it should 2013-14 and 2014-15. Our projected 2014-15 \$50 million beginning balance is based upon projections we've made for where we are in the current school year. We projected last year and we were pretty on target. But I will tell you that our projections that we made that were really on target come much later in the year. We're not worried about what those projections are going to be now, but we do make better projections as we get closer to year end come May 1 and into May for sure. The bottom line there, the general fund balance used for next year, is going to be over \$46 million. If you took out the \$4 million for tuition which we had in fiscal year 2013-14 in our current year that would bring that number down to \$42 million. So to be comparable we're probably about \$9 to \$10 million more in expected fund balance use this year than we were last year. That's a lot of money, but we're pretty confident that we're going to have it. Last year we ended this presentation about a reality check of our financial situation and we talked about limited growth in state aid and what happened. Our state aid this year grew by a little over half a million dollars. We have a resistance to growing local tax levy. We have more than 10 years with zero percent tax levy increase. We talked about an unsustainable financial model. We talked about a structural deficit, dependence on use of fund balance and reserves, protecting assets necessary for program delivery, desire for stability of operations and operational changes as necessary. That's what we talked about last year. Here's what we're doing to address our financial situation now. In the current year and moving forward we're always looking to protect our assets necessary for program delivery. If we can't deliver the programs that we are seeing improvements for in the classroom then we're not going to be able to accomplish our goal from the very beginning. We had a very thorough discussion about the impact of the tax levy on the budget. I think that's a discussion that's going to continue moving forward and this Board has talked about having a discussion with the City Council as well. We're implementing operational changes to reduce administrative staff by \$5 million. This budget does have a reduction in salary costs of \$5 million on the administration side. That's what was promised by Dr. Evans and he has delivered on that promise. We're developing a sustainable financial model. What do I mean by that? Basically, I feel that we can create a budget that is more sustainable moving forward in the long-term. I talk about how we budget to budget rather than budget to what we spend. I think I've been opening some people's eyes to understanding that concept a little more and I really want to thank my coworkers because there are several coworkers who are working diligently with that in mind, handing in budgets that were

within the goal of what we had projected as an administration. I really want to thank them for that because they make it easier. I think there are obviously some areas in the administration that we can't do that because there's so much that we want to do moving forward, but we need to get the right balance and I think we're working towards that. The last thing I want to talk about was the transformation planning steering committee's subgroup on fiscal cliff planning. This is the group that Dr. Evans put together that I am leading to talk about what can we do to address the fiscal cliff. We are working on many different things. We are talking about staffing. We're talking about purchases and purchasing. We're talking about operations and functions and what they do. We're moving forward with different action plans that we're going to hand off to the administration and work with the administration to help implement. We're very excited about that because a lot of the people that are on this little working group are very excited because they're feeling a part of doing something that they know is very important and that's dealing with a fiscal cliff situation that we hope we never have to live through. If you've been reading the news or keeping on top of things the city of Camden and their Board of Education has not submitted a budget to the best of my knowledge at this point. They're having problems with it and they are trying very desperately with their new Superintendent to try to right that ship down there and it's not an easy task. We don't have to right the ship. I think we've been righting the ship for a number of years now and what we need to do is just steer it in a way that avoids this fiscal cliff which might be maybe a little iceberg in the water that's a little bigger if we don't steer away from it. Another city that's having problems, as I'm sure you've heard because Newark is not that far away us, but they're having very different times with their budget and moving forward. They're probably in their fiscal cliff right now. They're talking about tens, if not hundreds, of millions of dollars of shortfall in their budget right now and they have to deal with it now. It's not like Zuckerman is going to come around and give them even more money. So we have a chance and an opportunity to move forward and address those issues moving forward. That's as far as I need to go. If anyone has any questions, and I hope the Board does – I'm sure they will – I'll be glad to answer them.

Comm. Cleaves: Thank you, Mr. Kilpatrick, for that presentation.

PUBLIC HEARING ON THE 2014-2015 SCHOOL DISTRICT BUDGET

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

Comm. Cleaves: Good evening everyone. We will now go into public comments. Please note that you have two minutes to speak. I'm just asking everyone to be courteous of the time because we would like to hear all of the comments from everyone that's assembled here this evening. Everything that all of you have to say is important.

Ms. Rosie Grant: Good evening Commissioners, Dr. Evans, staff, and members of the public. As has been PEF's practice we brought you today our school budget report.

The school budget report pulls numbers from the published budget and puts them in a format that's easy for parents and community members who don't hold advanced degrees in finance and accounting to understand. We brought copies that we have shared with the members of the audience and it will also be available on our website. Our primary question having seen the budget and the presentation is does this budget ensure that every child gets a thorough and efficient education as is outlined in the New Jersey Constitution and is provided for in the School Funding Reform Act? We want to make sure that it does provide for our kids because it is the state's responsibility which they have given to you as a local education agency. To that end, we have some specific questions. These came up as we prepared the report and I'm pleased to say some were answered in Mr. Kilpatrick's presentation. The first is how do these changes in the local school budgets affect class size? I heard Mr. Kilpatrick say that there's no reduction in the actual teaching staff and that people were moved to more appropriate classifications. So I did still want to put that on the table because we're concerned about overcrowded classrooms. The second question is what accounts for the 50% increase in the school based operations and maintenance account, which is account No. 51120? There's an additional \$6.6 million added to the \$47.5 million that is in the central office budget. I heard Mr. Kilpatrick here say that we're keeping that operations and maintenance line flat, but that is not what we saw so we'd like to find out what that is. My third and final point is that schools have been cut more than 9% of their educational supplies budget. There are several schools on that list, School 3, School 5, School 7, School 20, School 24, School 27, School 28, New Roberto Clemente, Norman S. Weir, and Urban Leadership Academy. We'd like to find out how schools will function when their supplies budget have been cut so drastically. We're available for any questions or more information on the report that we've published and look forward to hearing from you. We will continue to fight for full funding of the School Funding Reform Act. Thank you.

Mr. Charles Ferrer: Good evening, Charles Ferrer. I'd just like to start out and my first question is to the business administrator. Maybe he can address that. I'd like to know where in this budget is the line item of the money that has been set aside over the past three years to settle the teachers' contract. That's an obligation that this district has to put money aside. They know at some point this contract has to get settled. That's my first point. The next point is to Dr. Evans. Dr. Evans, I'd like you to tell this community why we're afraid to ask the state or demand that the state fully fund the educational budget of this district as was just stated before me according to the Constitution. Not according to Charles Ferrer or anybody here. Not according to the City of Paterson, but according to State Constitution. It's not the job of the City of Paterson in their municipal property taxes to fund this school's budget. It's the state's obligation to do that by law. I have a problem with the fact that we won't ask them to do their job. Maybe you can tell the community, since you're the educational leader of this district, why you won't do that. My next question is have we fully met the requirements to fully fund our special education and bilingual programs to meet the needs of our children according to IEPs and state guidelines? If we're not, does the state not understand the position that they're putting this district in? When the people realize that my child's IEP is being violated or my child is not getting the bilingual requirements that they're entitled to, I can

file a lawsuit. Where's that money going to come from? Wouldn't it make sense to do their job now and not put us out on the limb? I'm just saying.

Ms. Theresa Delano: I teach at School 9 and our school is 400+ students over max capacity because of a new school that hasn't been built. I'd like to know when all our air conditioning and heating systems are going to be fixed or updated. When are we going to be able to purchase new desks and chairs to replace the ones that are broken and to make sure that every student has one? I'd like to know when are you going to purchase technology for the classroom like Eno Boards and Smart Boards and replace the 10-year-old desktops that will be dedicated to educating and engaging our 21st Century learners instead of disengaging them by administering as many as 20+ assessments a year mandated by the district and state. We have the STAR assessments, SGO assessments, unit assessments, benchmark assessments, IFL assessments, NJASK, just to name a couple of the big ones. I'd also like to know when you're going to build a real testing center so we can once again have unfettered access to our computer room and library. Lastly, just the normal things, we need paper, toner, laser jet cartridges, Whiteboards, markers, erasers, staplers, staples, tape, chalk - just the normal functional things. Thank you.

Ms. Lynn Tarant: Good evening. I'm sorry. My name is Lynn Tarant and I also teach at School 9 for 28 years now. I want to know two things, some of which Theresa already said. Is this budget going to support enough money for the huge posters, markers, and things that are required to institute the IFL program? We need them constantly, and that's for all schools, not just at School 9. A lot of posters are required for this and we have no supply budgets. My greatest fear is that we're not getting equal access to technology at our school. I know that in the past the district had supplied many of the schools that were involved in the programs that got Eno Boards, Smart Boards, Whiteboards, and Bright Link. My school has about 45 classrooms and we have exactly seven Eno Boards that seven of us wrote a grant for about three and a half years ago through Dennis Vroegindewey. We have one Smart Board that I personally won at a conference in New York that I had put in an eighth grade classroom. We have two antiquated Smart Boards on wheels that can be dragged around the building. We have no laptops that are working. We have one cart that had four or five laptops that don't even connect to the internet half the time. Now we're one of the schools that were selected to do the Math 180 program. Those teachers need laptops, projectors, and Whiteboards. We are a great school but we're not failing so we have no technology and that's not fair. I have a bilingual teacher over there. I have a beautiful science lab. I can't grow any plants in my greenhouse because it's a bilingual classroom. I have another bilingual teacher whose classroom is one of my lab tables. She has a Whiteboard behind her, but no markers. We have no dry erase markers. Everybody wants you to do different kinds of checks for the students with little Whiteboards. We don't have any dry erase markers. We just don't even have enough of anything and now the teachers get no deductions. I've laid out \$500-\$700 from my pocket for the last 28 years. I'm not laying out a dime because my mortgage has gone up and my payout has gotten lower and lower and I don't want to retire.

*Comm. Guzman enters the meeting at 7:23 p.m.

Ms. Deirdre Karcher: Good evening. I'm just going to look over there and say ditto, except my classroom is not overcrowded, which is lovely. But I need Whiteboard markers and I don't have enough paper. I'm going on my third case of paper. Luckily, I got donations from parents and friends who have offices. But as a professional I shouldn't be counting on donations from outside people. This is my responsibility. It's not really my responsibility. It's the district's responsibility. I do not buy supplies for my classrooms. I don't even buy tissues. I let the children take care of it and I expect the district to take care of the rest. So I hope you can do that. But at \$210 per student I'm kind of wondering if it's really enough money. Thank you.

Mr. Peter Tirri: Good evening. As we go through this budget we're all asking the same questions. Will you assure that this budget will provide sufficient funds, not only for the staff, but for our students and our classrooms? We want to know if this budget will provide funds to make all necessary repairs for our schools, to provide all supplies and materials mandated by the district programs like IFL, Phonics First, Common Core Standards, Math 180, and Writer's Workshop. Will it provide paper and toner for our classroom computers, textbooks for all curricular responsibilities, additional computers for our students, cleaning services in all of our schools, safety and security for all of our students, and effective alternative programs for the students who cannot function in the regular program? We understand that this budget is balanced by \$52 million taken from surplus. To me, that means that this budget, while balanced, has a shortfall that we will not be able to sustain in the future. How can we continue this kind of budgeting? How can the state expect us to do all that is required of us without proper funding? How can we plan to fund the new Marshall Street School with such shortfalls going forward? What about the cookie-cutter School 16 design without concern for our needs, our programs, or our students? How can we be expected to continue the evaluation system when administrative costs must continue to rise with the unreasonable expectations of the system, expectations and requirements that take administrative staff away from their students and student-related activities and force them to sit in classrooms 60% of their time? All of these issues are related to two words – the state. The state mandates that we are required to implement yet we receive virtually nothing in additional state aid. The state has failed us for years and years. The Governor ignores our needs and criticizes our efforts. I urge you tonight to take a stand against all of this. I urge you to stand for improving our schools, the educational programs for our students and staff, and the money needed to do both. I urge you to reject this budget and send a message to the Governor that teacher gate and school gate is just as important as bridge gate. I urge you to tell the Governor that Paterson counts, Paterson matters, and we expect that he will supply funding for us instead of underfunding us and preparing to sell our schools to the highest bidder. Thank you.

Ms. Greta Mills: Greta Mills, Paterson Public Schools. I teach at School 26 and I've been here several times. I've sent you e-mails, Dr. Evans, and still there is no heat in my classroom or in some of the other classrooms. I don't understand why. Why is it no concern of yours or anybody else on that Board? I've said it to everybody in here. Why

do we have no heat? Secondly, nothing is being done about children who are out constantly months on end and nothing is done. Where are the attendance officers to handle this issue when you want to hold me accountable for kids who don't come to school? You have a classroom where it was more important to put that teacher as a supervisor and now the students are sitting there for months with no teacher. We've done this year after year since PARCC has come in and we want to pull our teachers out of a classroom and the kids sit there, but you want to once again hold teachers accountable for test scores going up. Figure that one out. We have a bell to bell on our paperwork for observations but meanwhile there's no travel time. During my class time, which is at 12:45, we have seventh and eighth graders in the hallways cursing and carrying on with book bags swinging around. We have fifth and sixth graders trying to get through and squeeze past them as they play around. We have first graders trying to get through all at the same time, but nobody seems to care. It's all on us. Then you have no bilingual teacher because once again that person was pulled to be a supervisor or whatever position they went to and the students now sit in the classroom not being serviced, but you don't want to pay people for their time. You have IEPs that need to be met for kids who are not being serviced and I fill out my paperwork and my principal doesn't want to sign the paper for it. But I'm servicing the students when there's nobody there. Lastly, when are we getting some books to replace the books that the students lose in the classroom? Parents come and ask me, "Ms. Mills, can I get a book?" I don't have any more books. You don't want to pay for books, somebody better figure something out because it's not coming out of my budget. I can promise you that one.

Mr. Lou Bonora: Good evening everyone. My name is Lou Bonora. I'm currently at Silk City High School. I'm going to repeat something I did in 2002 when the Commissioner of Education was sitting right where you are. I said to the Commissioner of Education at the time that I'm very jealous. I go to my daughter's back-to-school night and she's got 14 computers in the back of the room. The irony is there were only 13 students in her classroom. The other irony was all the computers worked. Then I took my keys and said there were three-dimensional maps in my daughter's school, globes, workbooks, and a resource center in the back of the room. Then I shook my keys at the Commissioner and I said, "My classroom is right up those stairs at Kennedy. Would you like you come up and see what's in my room? I'll save you the trouble. There's nothing in my room. No maps, no globes, no workbooks, no resource center, and no computers." I'm here tonight to tell you that I teach in Room 309 at Silk City. If you'd like to come up and visit I still have no computers in my room 14 years later. So I wonder if the budget is going to take that into account. I wonder if the budget is going to take into account we only have a nurse on duty two days a week, Tuesdays and Thursdays. Don't get sick Monday, Wednesday, or Friday. Yet, Great Falls Academy has a full-time nurse every day of the week. I find that very interesting. I ordered 20 dictionaries last year. I got zero dictionaries. Composition books for the children, white-lined paper is like you need a magnifying glass to find white-lined paper. Teaching has turned into a subversive activity. You have to beg, borrow, and steal paper and different items. Last, but not least, we have a lockdown. Last year we did practice fire drills. Well, we don't have keys. If a shooter comes in the room in our building which I think in this day and age is very important we cannot lock down probably 50% of the rooms at

Silk City. It was going on last year and it's going on again this year. Work orders are in and we don't have keys for our room. Thank you very much.

Comm. Cleaves: Is there anyone that did not speak that would like to speak or anyone who spoke and would like to speak again? We have 10 minutes. We can have five additional speakers. Line up here.

Ms. Kathleen Kelly: My name is Kathleen Kelly and I started working in Paterson in 1976. I wanted to work in Paterson. I only applied to Paterson. I didn't apply to any place else. I wanted to work with the children of Paterson. I've been working since 1976 with the children of Paterson. I was at School 9. I was here at Kennedy High School. I am now a counselor. I've been a counselor a long time. For 28 years I've been a high school counselor. I work dearly with my kids and I love the kids. I feel they need so much. Right now my locations are HARP, I'm half-time there three days a week, and I'm at PANTHER Academy, which actually is the Academy of Earth and Space Science. Or are we listed as School of Earth and Space Science? Or are we academy high school? When our children go onto the SAT they never quite know which one to go and they wonder about that. Are we an academy? Are we a school? Or are we academy high school? I also am at the Academy of Health Science. We were number eight in the county for HSPA. That's how old I am. I used to do HSPT. When I'm over at HARP I must have my umbrella because we have no awnings. My office is with four other classrooms. So in order for me to go to my administration area I have to go outside in the rain, in the snow, or in the sleet and I get wet. But I always have my umbrella. Isabelle Grassi gave us a very good gift one Christmas. She gave us umbrellas that we can all fold up and so as we were all going we were folded up. But I'm also at PANTHER Academy...I'm sorry, Academy of Earth and Space Science and we don't have a cafeteria. We don't have a gymnasium. Neither does the Academy of Health Science. But these are high schools. I've been all over Paterson and many of you know me and I'm a hard-working dog. I'm not just a counselor anymore because our test coordinator retired. So instead of the test coordinator getting replaced I am the test coordinator at Academy of Earth and Space Science. So these two months have been HSPA and AHSA. Let's remember that's what gets them to graduate.

Comm. Cleaves: Excuse me. Your two minutes are up.

Ms. Kelly: I know. Can I just have another second? Our kids want to graduate and we want our kids to graduate. I am not at HARP because I have to be down there for two weeks with testing. Please understand all the people who are here and all the teachers who are not here are here because we do love the children. But I'm not meeting my bills. If you understand, I started in 1976. PSE&G doubled this month. Did you all look at your bills? Verizon or Comcast, or whatever your telephones are, the things we need to survive. Please help us. It's been long enough. Don't embarrass us and not respect us.

Mr. Ferrer: Dr. Evans, numerous times people come to this mike and they raise a lot of questions to you and we never ever get a response. I've been told that the Governor

told you that you don't have to answer anything that we say to you. So I'm here asking you, and I'm sure you're writing things down, why don't you respond? Or if you would prefer, even though we bring it up at the meeting, if you would like a copy and then you can get back to us, we would appreciate it. It seems like what we're saying is just falling on deaf ears because we don't get any kind of response. I heard the business administrator talking about the health benefits. Again, Board members, I'm going to ask you to encourage the business administrator to look outside of the state plan to see if there's a better option out there. I don't understand why we have to be forced to stay in a plan if we can get a better deal somewhere else. Aren't we trying to save money here? We're on a fiscal cliff so if we can get a better deal, why would we stay with the state? Do we have to? Other school districts moved out. We need to remember this. Dr. Evans, I'm going to leave you with this last thing. A good friend of mine called me and told me of at least two people that he knew of who filed bankruptcy and lost their homes. I remember when you came here you asked us to work with you and we did. Everything that you asked us to do we did. You got a bonus off of what the teachers have done. I can't understand why this contract hasn't been settled. Forget the state. Let's do what's right. Sometimes you have to take a stand even when you know what the state is asking you to do is wrong. You're older than I am, sir. I remember the 1960s. I know you can go beyond that. We took stands against what was wrong. What's being done to the teachers and any other bargaining unit in this district is dead wrong and you know it. Take a stand, sir. If you take a stand, I'll have your back. Take a stand. I'm not afraid of Christie. Take a stand, Dr. Evans.

Ms. Mills: I have an electrical heater in my room and another teacher has an electrical heater in her room. Hers started to smoke. Go ahead and start a fire and see how well you get sued. You have wires going through that building because you don't want to pay to get those heaters fixed. I want it publicly known and I want to out there. You've been told several times. Fix the heating system. The money is supposed to be in that so-called budget you have over there. Fix the heating system. It doesn't make any sense. Get some traveling time before somebody gets hurt and this district will have a nice lawsuit.

Mr. Bonora: Good evening again. I'll be very brief. I forgot to mention earlier that there's an air conditioner in my room that doesn't work also. There's a cover that fell off so with the cold temperatures that we've had recently the students in my class were wearing their coats. Finally we got a place to move them to. I did want to also mention again about the lockdown. I can't understand how we cannot during a lockdown drill lock our classrooms. Myself and a couple of other people were pushing desks up against the door. Of course, we know it's only a drill, but if it was a real shooter we're talking a major tragedy here. In light of everything that's happened I would be remiss if I didn't mention it again to everybody. I don't know if ours is the only school with this problem or if there are other schools that still don't have keys to lock down. The last thing is about attendance. They took away the attendance officer at Silk City. In plain English people are not going to...

Comm. Cleaves: Excuse me. Can we not yell out while he's speaking?

Mr. Bonora: Thank you. People don't realize – or maybe they do, but I'm sure Ms. Shafer is aware of this – that at Silk City and the other alternative high schools we get a lot of the children that have special needs and are basically in plain English transferred out of Kennedy and Eastside, or thrown out, who have attendance problems. I've seen the input sheets. They have major attendance problems and we don't have an attendance officer. It seems like a contradiction. We have kids that are out 30, 40, and 50 days. Basically you call home or whatever, but we need an attendance officer to get the kids to school so they can be educated and reach their full potential. Thank you.

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

Dr. Evans: There are some items that were mentioned that I do wish to respond to. A number of individuals who came to address the Board mentioned challenges with supplies and/or materials that they need in their schools. Equipment was implicated, computers, Smart Boards, and those kinds of things. The way our district budgets, and Mr. Kilpatrick illustrated it, is that we provide each school a per-student budget and it's an equal amount across the board. So if one school has something that another school doesn't have it is simply because that particular principal and that faculty led by the principal prioritized what they wanted to spend the money on and that's what they spent it on. But they all get an equal amount per student. It's based on the number of students, but the multiplier is the same. In some cases where there may be some anomalies, particularly as it relates to student population like special education students who have needs that go beyond the norm, then there are federal dollars that come to the district to help offset some of those costs. Obviously we cover that with principals. Principals are taught how to budget, but they establish the priorities for their schools. If indeed there is anyone who disagrees with the priorities that are established within that school, then obviously they can talk to me and the assistant superintendent to whom the principal reports and we'll be happy to look at that school and how it established those priorities. Secondly, there was mention of a number of repairs, the cold, or the lack of heat in some rooms. This was a terrible winter, but I've said to my staff that's not an excuse. The heat should work regardless of the classroom that you're in. Heat was restored in many cases, but I'm still hearing that in too many cases that did not happen. There's no excuse for that and I apologize for that. There's no reason that any student or any adult in this district needs to be subjected to cold classrooms and we expect you to learn. That's unreal. It's a problem and we have made a number of changes recently in our facilities department to help address that problem. We have some staffing issues that we're dealing with and a number of other priorities that we're addressing in facilities to help make sure that this doesn't happen again, even in the worst of winters as was the case this year. Again, I apologize if we didn't get to your classroom, but I know a number of classrooms in a number of schools were addressed once they became known to us and we made the changes that we made in facilities to address them. There was a question about why I don't respond to some of the comments that are made. When a response is necessary it doesn't necessarily need to come from me. It

comes from the individuals who are closest to it, which most often is an assistant superintendent, if there's a complaint about a particular school or an issue at a particular school. If it's one of Mr. Johnson's schools he either will meet with the individuals here before they leave tonight or whenever the complaint is mentioned or the very next day he's in that school addressing that issue. To me that's more effective than anything I can say here if it doesn't result in action. His job and Ms. Santa's job is to do that and they do that quite well. So because you don't hear me say anything doesn't mean that something doesn't get done quickly. As a result, you won't hear me say a lot to prolong the meeting. If you come to our meetings regularly you will notice that when a parent comes up and complains about something in a school, before they return to their seat they're behind them sitting with them addressing that problem. That is the protocol that we have established for addressing that problem. On a rare occasion we find that someone may mention something that's not unique to a school. When we find that out and it comes to our attention and we didn't get back to that person then we do. Unfortunately, that has happened on an occasion or two. That's the protocol and that's why most of the time you don't hear me respond. That's all I wish to say at this particular point in time. I'd be happy to meet with anyone at any time one-on-one or I'll come to your school. I love coming out to the schools and visiting, and will further address any issue that needs to be addressed if anyone desires for me to do that.

Comm. Hodges: Dr. Evans, would it be possible for you to post the responses online? The Board gets some portion of the responses and it would just make sense to post them online.

Dr. Evans: That's actually a great suggestion, Dr. Hodges. We do prepare information and send it to the Board indicating what we've done on a regular basis. The only time we caution ourselves is when it's a student-specific issue around confidential discussions. But yes, absolutely!

It was moved by Comm. Hodges, seconded by Comm. Simmons that the Board takes a 2-minute recess. On roll call all members voted in the affirmative, except Comm. Simmons who voted no. The motion carried.

The Board took recess at 7:54 p.m.

The Board reconvened the meeting at 8:09 p.m.

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

BOARD QUESTIONS AND COMMENTS

Comm. Kerr: I must say I want to congratulate you regarding the amount of work that was put into the formulation process to get this budget to us. I know you were given a very difficult task in giving a suit that truly could not fit and was told that you must fit into

it. In my judgment you did a tremendously exceedingly great job of presenting to us something that has deficiencies in certain areas of its ability to achieve the established goals of the district. Nonetheless, you are working within the guidelines of what was given to you. I have a few questions. I went through the overall district budget and then I kind of drilled down to the school-based budgets. I just want to start out with a few questions regarding the district budget. On your first line on the revenue and appropriation page, line 150, I think you in passing stated what it was for. Can you go over that for me one more time?

Mr. Kilpatrick: You said line 150, but what's the title there?

Comm. Kerr: It is right under local tax levy. I'm working from the draft budget that you handed out. Let me show you my copy right here.

Mr. Kilpatrick: Is the number \$38,955,956?

Comm. Kerr: Yes.

Mr. Kilpatrick: That says local tax levy from other state districts. That's primarily the McKinley-Vento revenue that we anticipate to get from other districts in the state. There are homeless children that are popping up that are not students that were primary residing in Paterson before they became homeless. We've identified a number of them, over 80 already. The district of its last residency, where the child was last resided, becomes the requirement for providing the tuition to us. We have to contract with them and ask them to pay the bill. It's just like we do on the other side. If a student becomes homeless in Paterson and then moves somewhere else and they are going to reside in Clifton, we then become responsible for that tuition.

Comm. Kerr: Okay. On the same page you mentioned that we received \$546,000 for...

Mr. Kilpatrick: Additional state aid.

Comm. Kerr: Right. That is used primarily for PARCC.

Mr. Kilpatrick: We received the aid for PARCC and the other piece was a \$20 per-pupil additional state aid amount. That was an amount that the Governor created to allocate and show that he increased state aid throughout the district. That's how we quantified it to each individual district, for PARCC. In my opinion, he wanted to make sure that he wasn't going to get in trouble for saying he had an unfunded mandate so he gave some money to us.

Comm. Kerr: But is this enough? When you're looking at what is required from PARCC it has the entire Common Core and all of that stuff attached to it.

Mr. Kilpatrick: Do I feel it's enough? We have supported technological needs to help us meet the demands of other technology needs as well as PARCC in excess of \$546,000, absolutely.

Comm. Kerr: So where are those monies coming from to help supplement that program?

Mr. Kilpatrick: There are actually two methods. One is in the school-based budgets. If a principal chooses to take some of the per-pupil costs that they have to help support their technology needs it can come from there. Also, a lot of the infrastructure that the district provides district-wide is provided centrally through our department of technology. They provide a lot of services. It was one of the slides that we showed that we have an increase this year in that function for technology needs.

Comm. Kerr: I have other questions, but I don't want to seem like I'm taking over this entire questioning. I will defer and then you can recycle back here.

Comm. Martinez: My question is quite simple and direct but has an overarching effect on the implications that helped to shape this budget as it is presented. Again, I want to commend you guys for doing the hard work and putting it together. It's by no means an easy task. The question pertains to the School Funding Reform Act. Do we have a pure number or at least a percentage of the shortfall of dollars that we are lacking from not having the formula fully funded? Again, that's a significant aspect in helping to shape and put this budget together. So I think it's only fair that we at least know the percentage or the pure dollar number that we are lacking that we're not receiving.

Mr. Kilpatrick: I totally agree with that and I will tell you that I was told by the head of finance, Mr. Thomas, at a meeting at Passaic County ASBO, that the state did not run the formula this year. Therefore, those numbers that would support that which we have been supplied over the years were not presented to us. By the way, they calculate the formula how much we are shorted from the formula than what we were in the past.

Comm. Martinez: So we do know that we're being shorted. We do know we're not being fully funded. But we don't know exactly by how much. Do we have any measures by which we can ascertain that information?

Mr. Kilpatrick: What I can tell you is that what they chose to do down at the DOE this year was take whatever you received last year, add that PARCC and that per-pupil cost, and that was your funding for this year.

Comm. Martinez: So the additional \$20 per student is what it came down to. That was the additional money.

Mr. Kilpatrick: You're asking the question that a lot of us are asking. We could probably extrapolate the numbers and come up with our own numbers. It's not a guess, but it would be a calculated guess.

Comm. Martinez: I wouldn't want to burden you or your staff with doing that, but that's the state's responsibility. This doesn't sit well, the fact that they're not fully funding us and they can't even give us the pure number or at least the percentage of how much they're shorting us. Again, there's no other avenue that we can travel to try to get this information other than perhaps trying to do it yourself?

Mr. Kilpatrick: We could do it ourselves and we could ask the state for it. We can ask and then they can just sit on it. If I'm not mistaken, I think they filed a suit on that very point.

Comm. Martinez: Thank you.

Comm. Cleaves: Under your appropriation that you presented in your slide presentation, under instruction you said that there was \$4 million that was miscoded or put in the wrong line item.

Mr. Kilpatrick: I think we changed where it was coded from.

Comm. Cleaves: Where did you put it?

Mr. Kilpatrick: Where it was supposed to be.

Comm. Cleaves: Where is that?

Mr. Kilpatrick: Different areas - some administration and some general administration.

Comm. Cleaves: You took it out of the instruction line. What line items did you put it in?

Mr. Kilpatrick: Not any one particular line. There are multiple lines. Remember that these are all grouped up into that general instruction line. So there are multiple lines that make up that instructional line and there are multiple lines that make up the school administration, general administration, central services. It might have been put in those different lines. I couldn't tell you exactly which ones, but I certainly can research and get back to you on that.

Comm. Cleaves: Okay.

Comm. Teague: Last week or the week before I went down to Trenton to testify before the assembly budget committee and I alerted them to the fact that this particular school year the budget that's in place now the Governor completely abandoned the SFRA funding altogether. How does that affect the budget that you presented tonight to us?

Mr. Kilpatrick: If it was abandoned last year and we're basing this year's budget off that one, it puts us pretty much in the same position from that perspective. If there was a

shortfall last year there's going to be a shortfall this year. The thing we have to realize is that costs don't remain the same. Most things are going up, including salaries, benefits, our cost to transport students, and all those costs to run a building. They're all pretty much going up. So it definitely hurts.

Comm. Teague: If I'm not mistaken, aren't we set to lose an additional \$50 million based on how the budget is right now?

Mr. Kilpatrick: Set to lose in what method?

Comm. Teague: Because the funding wasn't put in play. So isn't the district set to lose even more money now if it just continues as is?

Mr. Kilpatrick: I think if you don't get money that you thought you were going to get because of a formula, then it looks as though you're losing money year in and year out. It's a compounding effect because if you didn't get the money the next year it compounds the year after that.

Comm. Hodges: I may have this incorrect, but isn't the Supreme Court's position that the School Funding Reform Act represents the amount of money that these poor districts require in order to deliver a thorough and efficient education? Wasn't that the net effect of that ruling?

Mr. Kilpatrick: That is my understanding of the ruling.

Comm. Hodges: So this in fact represents a budget which falls short of what the Supreme Court has said is required to deliver a thorough and efficient education.

Mr. Kilpatrick: I don't think I'd say that.

Comm. Hodges: It's not the number that they said the formula when it's implemented is supposed to deliver a thorough and efficient education, the money needed to fund that kind of delivery.

Dr. Evans: I think you're asking for a legal interpretation of what the Supreme Court did.

Comm. Hodges: I'm willing to accept that interpretation of my question. We have a lawyer here.

Dr. Evans: Yes, we do have a lawyer here.

Ms. Pollak: The funding formula, which was an agreement between the Governor at the time and the legislature, was a compromise meant to replace a former funding formula. It wasn't directed just at the former Abbott districts. It was directed to all districts and it was meant to provide what was considered a thorough and efficient education. It did, however, re-channel monies. It created a formula which followed children as opposed

to going to districts and it had the effect of channeling more monies to suburban districts, which I think was the intent. But it was meant and it was calculated as this compromise to provide what the legislature and the executive branch agreed was a thorough and efficient education. There isn't any magic to those words. It's just whatever they agreed and they have not funded it in the last two years.

Comm. Hodges: But my understanding was when the Governor cut the money going to the formula and he lost in the Supreme Court, the Supreme Court directed him to replace those monies for those districts that were high poverty districts.

Ms. Pollak: Right. The Supreme Court in the last Abbott ruling, Abbott No. 20, required him to go back and fund the formula.

Comm. Hodges: Exactly. So my question is does this run short of that?

Ms. Pollak: Yes, absolutely.

Comm. Hodges: Okay. Dr. Evans, I'm a little concerned about this discussion about lab tables – as you know, I'm very concerned about that – and supplies. I heard your explanation about how the funding was distributed to the individual schools, but that doesn't seem to get at the real issue here. If they don't have paper and textbooks come September we're going to have parents standing here in front of us telling us that they don't have this and that in their buildings and I don't want to hear that, particularly since we're being asked to vote on a budget that's going to challenge the ability of those schools to do that. So what I need to hear is some method between now or whatever timeline that you want to develop to make sure that all those supplies are in those classrooms. That's what I need to have. I imagine that some sort of report to the Board with an appropriate timeline needs to be developed so that we know that come September we're not going to hear that.

Dr. Evans: We will do that.

Comm. Hodges: Okay. They mentioned textbooks and the other issue is technology. I know that we spent \$8 million to prepare for PARCC. That's what my understanding was. That's the number I was given.

Dr. Evans: That's the first I'm hearing of \$8 million. I'm not saying it's incorrect. It's just the first time I'm hearing that.

Comm. Hodges: What figure did you receive?

Dr. Evans: Much less than that. About a little less than half of that and actually it was a reprioritization of monies we had in one of our federal budgets.

Comm. Hodges: I had \$8 million, but take \$4 million. This \$10 per student doesn't seem to compensate that appropriately and I'm still wondering if we don't have the

computers that we need in place in Silk City and some of these other places, what are these people going to do when that testing is going to be implemented? Again, I'm going to ask for a report on readiness to take the PARCC testing across the board. I need to know that the classrooms are 100% prepared. Or is there going to be some plan which has alternate days or whatever you're going to do? But we need to know ahead of time that we're prepared for that testing to take place with technology, furniture, or whatever it is. We need to know that there is a firm ability for us to do that.

Dr. Evans: We already have the yardstick by which those questions will be answered. When I say yardstick, I mean for measuring our readiness in terms of numbers of computers. DOE and Pierson has already given us enough information to be able to make those decisions. In fact, the outcome of that is being tested as we speak because we are in the midst of a statewide field test of the administration of PARCC which will provide additional answers. But they've given us guidelines in determining how many computers we will need and how we need to configure them. Right now it looks like in the classroom where the kids are with three, four, five, or six computers isn't the way to do it. It's to have a lab and you rotate groups of kids in and out of that over a period of time. That's how I understand it. But once this field test is over we'll be able to give you a very comprehensive report of where we are and what we need to do to close any gaps that might emerge.

Comm. Hodges: I know that you were at Eastside High School and there was a presentation on chronic attendance issues.

Dr. Evans: Yes, Attendance Works.

Comm. Hodges: That auditorium was a lot lighter than this one. That auditorium also didn't have this bank of lights or the spotlights and I know you were distressed about the conditions in that room and the lack of heating. So my question to you, sir, is does this budget contain the monies to fix that problem that so distressed you?

Dr. Evans: It may be in this year's budget, but I did give the directive to get it fixed.

Comm. Hodges: Okay. Was there a timeline that we can look for, sir?

Dr. Evans: ASAP. I can be more specific once I get back with Mr. Sapara-Grant, but he was directed to fix it.

Comm. Hodges: Thank you, Madam Chair. That's most of what I have to say.

Comm. Kerr: Dr. Evans, let me note here that the general supplies is cut by 55%. That's something that we have to look into.

Mr. Kilpatrick: I talked to the PEF representative before and the supply lines may have moved. That's their local decision. They don't have to put all their money into supplies that they get for per-pupil cost. They could choose to use the whole budget to buy

computers if they so choose. If they realign the money and there are less supplies it may be because they realize they don't need as much money in supplies so they'd rather fund something else instead. They have that decision capability locally. We don't require them to fund the supply account at a certain level.

Comm. Kerr: But the problem that I have is what I heard this evening when teachers come up here. I'm sure during the course of the year they're going to parade up here and they're going to talk about they don't have pens, chalk, this and that. I have no way of combating what they're saying because in this budget document it says you cut the supplies by 55%. Regarding School 5 I need to know what's happening there. We cut regular instruction at School 5 by 41%.

Mr. Kilpatrick: I don't have the year-to-year by individual school.

Comm. Kerr: Let me throw this at you then. The school-based budget was adjusted down from \$12 million to \$7 million, which is about a 40% reduction in terms of School 5. What is happening over there?

Mr. Kilpatrick: I don't know the answer to that question at this point. There are multiple things that make up the cost, such as salaries and the per-pupil cost for the non-salaries. I can tell you that based upon the projected enrollment they received the same dollar value that they would have received the year before if they had the same enrollment. That certainly wouldn't make up the nearly \$5 million difference that you're talking about, but I would have to look at the staffing levels and the position control roster for what happened in that school.

Dr. Evans: I would suggest to you that because of the arrangement between School 5 and Don Bosco funds have been shifted because the students who were at School 5 are now at Don Bosco. Funds follow the kids, particularly if they generate that based on previous year's figures and the next fall wherever those kids show up that money is redirected to do where the kids are. We've been routinely making adjustments at School 5 because it's been severely overcrowded and obviously have sent the upper elementary grades to Don Bosco. But without researching it myself I would suggest to you that's probably what's happening.

Comm. Kerr: That's the reason why the J report that reflects the action in the school should have been included so we could look at those reports and tell exactly the staffing level and how many kids we are losing from that school. So it will be a fair question in terms of the reduction in the cost of operations at that building.

Mr. Kilpatrick: When the state went to its newer online processing for budget submission it eliminated the J schedule because it felt it was duplication between the personnel control report, the PCR that you also have to submit, which is another document that's outside that. I think you've identified a big hole that we need to fill in reference to providing the Board with information that they're comfortable with. I think when we move forward we can certainly do that. I think it's especially important for that

type of report because it is a sensitive report being the PCR and all the positions, what the salaries are, and what projections are in there. When you're working in the committee level, I think that information should be provided. I think individually at the personnel committee it's certainly appropriate to provide during the budget cycle. I think it's appropriate for the fiscal committee to provide that information as well and we will move forward with that. We probably could even provide it post the budget process what the budget says in there in reference to the PCR for the number of positions by locations.

Comm. Kerr: A significant line that I noticed that took a lot of beating in this budget was the behavioral disabilities line. Almost in every building there was a reduction in this line.

Mr. Kilpatrick: We have to be careful and I'll tell you why. Because of our negotiations salaries are put in different accounts. It would be good to look at the number of positions we're talking about, but we may have had salary dollars in there for negotiated proposals. If the reality of those proposals is not there anymore moving forward it may have reduced it. So it may have been a placement in the current year versus the actual that we're moving forward with in the future in fiscal year 2015. That's one possibility.

Comm. Kerr: I'll defer to another Commissioner at this time.

Comm. Hodges: Are there any particular programs that took a hit as a result of the budget? Or does that depend on the particular school?

Mr. Kilpatrick: I think there are two places that you're really asking that question. One is the school. I think the schools would be hard-pressed to say that they lost money because we didn't move positions out. There may have been adjustments based upon enrollments and we didn't reduce their per-pupil cost for their non-salary costs. On the administrative side, I think my colleagues may say it a little differently. We tried to be very cost-conscious and targeting the amount of money we historically spent over time. We tend to budget a lot more than we actually need and more than we spend and therefore is that more than we need. So my colleagues I think would have to answer that question. Did they get hit hard? I know there are certainly complaints in some that they didn't get increases, but there were some budgets that were extremely large and had large increases in the previous years that they're not spending.

Comm. Kerr: I also noticed the before and after school programs also took some hits and I'm very concerned about that. Being in this urban area our kids are starved for some after-school activities and here we are victimizing them again in this budget. I'm very concerned about a kind of mindless approach to reducing that program. I would like for you to look at those numbers again and let us know if we can have some further discussion as to how we address the real need that exists.

Dr. Evans: I'm not sure if what you have in front of you, Mr. Kerr, includes the federal budgets. There were some after-school programs – I call them high-impact

interventions – that were being implemented that were paid from state dollars. Some of them we intentionally discontinued because we didn't see necessarily the results that we wanted, but we put in other programs that were funded from the federal budget which wouldn't show up on the same line. So while there may be a reduction in state dollars for that purpose, that doesn't mean there was a reduction in services. Correct me if I'm wrong, Dr. Kazmark, but we put in place in every elementary school a NJASK after school program and that's relatively new. It's been in place now for several weeks. That's an example and that's being paid from federal dollars.

Comm. Kerr: I did not see much in this year's budget regarding family engagement. Can you speak to that?

Mr. Kilpatrick: I can speak to the fact that they submitted their budget and that it wasn't reduced from what they submitted.

Comm. Kerr: Last year or this year?

Mr. Kilpatrick: In the current year. I'm sorry. For fiscal year 2015, like every other operating unit they were asked to submit a budget. The budget that they submitted was not reduced.

Dr. Evans: They also have federal dollars that they receive.

Comm. Kerr: That piece is a very strategic piece in our district goals and for it not to have featured in a more direct way in our budget has me concerned whether or not we are serious about this aspect of our operation or whether or not we are just parading with it out there in terms of putting it out there as a necessary part, but it's not even considered in terms of sourcing it so it can work effectively.

Dr. Evans: I can respond to that if you'd like, Mr. Kerr.

Comm. Kerr: Sure, Dr. Evans.

Dr. Evans: I make no secret of the fact that we could do a lot more and to an extent I'm disappointed that we aren't doing more. Actually, that's an understatement. I'm very disappointed that we aren't doing more. It is my plan to completely redesign that program to get more mileage out of it. I think we can do more with what we have, a lot more. What we have not done effectively is connect with the schools, principals, and teachers. You can't impose the kind of intervention that is necessary. I agree with you that it is absolutely necessary to have a strong family and community engagement program, but that is not something you do from afar, that you impose on schools. You have to do it with principals and teachers. You have to change the culture in the school so that schools are more inviting to parents to come in and participate and be engaged. We're not doing that. We really aren't. We're doing it in some other arenas but not that arena. I've had conversations internally with staff about some ways that we can do that beginning this summer and next fall so that we can fundamentally change the

approaches within each and every school, but then change the unit to develop relationships and work more effectively with principals and teachers and not overlay a treatment on the schools. That doesn't work when you try to overlay a treatment from afar. You have to get inside the school and work with the people there and that's going to require the help of everybody at the district office, not just the family and community engagement staff.

Comm. Hodges: One of the things that concerns me, and I know you may or may not agree with this point, but I've stated before that I think one of the responsibilities of the district is to somehow enhance the parents' understanding of some of the needs of their students.

Dr. Evans: I think educate is the right word.

Comm. Hodges: But that has to happen because even though you may address the oldest child he or she may have siblings that come behind them and we need to spend a lot more time helping parents understand some of the things that these kids demonstrate that they don't know. So a lot more resources – that's one of the issues that Mr. Kerr is concerned about – need to be placed in getting the right people trained to perform that service. Sometimes the principals view the people that we have here now as being adjuncts to their office staff, as opposed to performing that particular function.

Dr. Evans: I agree. That's part of what we have to change.

Comm. Hodges: Then what I'm going to have to ask you for is some sort of timeline and approach that addresses that issue. That is a significant one and it's going to also need some dollars attached to it. I'll just give a quick little aside. When we had our after-school programs to supplement the SES programs the schools that had the worst testing results were the ones that took the least advantage of the after-school programs. That's the kind of issue that you have to somehow reach out to that parental group and make them understand what's not taking place and what they're not doing for their children in terms of having them attend a session that would help improve their performance in the classroom and their brothers' and sisters' performance. A new model has to be developed that will approach that and it's going to need some dollars.

Dr. Evans: I concur. I would also say to you, Dr. Hodges and Mr. Kerr, there are some examples in our district where it's working exceptionally well. I say go to School 5 and pay attention to what's happening there, but we need to make it happen across the district.

Comm. Hodges: Dr. Evans, I will say to you there are certain places where it may be very effective and there are others that it may not. That's the problem.

Dr. Evans: I agree. We're on the same page.

Comm. Cleaves: Do you have another question?

Comm. Kerr: We're just going down some issues that I...

Comm. Cleaves: Is it something that he's already addressed? Or is this new stuff?

Comm. Kerr: It's the budget.

Comm. Cleaves: I know, but some of it you've asked and he addressed.

Comm. Kerr: I'm not going to ask him a question on any one subject and go back to it. There are a lot of issues here.

Comm. Cleaves: I understand that, Mr. Kerr. Some of the questions that you've asked now he's already addressed this evening earlier but you asked them again. I've been taking notes. I just want you to ask your questions...

Comm. Kerr: He presented the numbers. I'm just here to ask him for further clarification.

Comm. Cleaves: I understand that. You don't have to explain to me. I just want you to just get to your questions.

Comm. Kerr: I think we have a very large special education population in our district and with regards to this year's budget, I have not seen anywhere in this budget where we have done anything to shore up that special education department. How are we going to address those issues this year?

Dr. Evans: That's actually a program question not a budget question. Program drives budget. I know Ms. Peron didn't come prepared to answer that tonight and neither did I actually, but your question begs for an answer, it really does. We know that we need to continue to work with special education. A lot of work has been done. Ms. Peron and folk in her division have done a yeoman's job in helping us to begin to transform our special education programs. We've relocated. We're tweaking now. But we still need to do a lot more work with some of the other populations as well as training our teachers. In fact, you may recall I think I gave you a copy of the evaluation that was done on special education and the recommendations for change. That's what we're implementing now and I can give you another copy of that because it answers in part your question. It doesn't answer the entire question, but it answers part of it.

Comm. Hodges: Are there costs associated with those changes?

Dr. Evans: Additional costs, no. It's realigning existing funds. We're not hiring any more teachers. We're redeploying and reconfiguring classes and teachers. We're buying equipment, but it may be different equipment. How many federal dollars do we get, Ms. Peron, to support special education? We get several millions dollars, quite a

bit. So you may not see in the budget you have a lot of what we spend on special education, but it's repurposing what you may see there perhaps as professional development that we need to do that wasn't in previous years and some other kinds of things. But it's reassigning and realigning that's going on.

Comm. Kerr: So from what you've said it means that there is adequacy in terms of the district's ability to address the special education issues that may come up.

Dr. Evans: We are probably better positioned in special education than in any other program because of the combination of state and federal dollars that support it.

Comm. Kerr: But is there adequacy?

Dr. Evans: To fund what our kids need, yes.

Comm. Kerr: Thank you.

Dr. Evans: You're talking a lot of money that comes in for special education.

Comm. Hodges: I am aware that we lose funding for anything over the 10% of your student body in special education. That was the downward pressure that was placed through the formula. You get a diminished rate of increase. These measures that you are implementing, do you anticipate that they will at some point lead to a decreased number or percentage of students being classified as special education or an increased number of students that are declassified? Those are the two areas that we really struggle and have struggled with in this district.

Dr. Evans: The answer to that question requires a lot more time. You want me to present one of my lectures on the over-identification of students into special education. That's the basis of your question. I do believe we are over-identifying kids for special education.

Comm. Hodges: Well then perhaps in the very near future we can have that discussion because the concern is the increasing cost over time. You have stated that we're bringing some of these students back into the district. Obviously, we're nervous about the fact that we can't have students not have IEPs being covered.

Dr. Evans: I agree. That's illegal.

Comm. Hodges: Right. We heard it today. That's what the concern is. Do we have the staffing? Do we have everything that we need in place to address these issues? There's a teacher standing here and telling me that she's not able to do what she's supposed to do and that's a problem for me and for other people I'm certain. So that's why that question needs a more comprehensive answer, particularly in terms of the budget. What I do not want to have happen is some parent coming here in November or December saying, "My child did not get x, y, and z and I'm suing."

Dr. Evans: We'll prepare that presentation.

Mr. Kilpatrick: Dr. Hodges, you talked about a 10% number. I'm not sure exactly what you're saying, but I will tell you that between 14% and 16% is the state average for students that represented special education. I thought we received more funding for a child that gets special education.

Comm. Hodges: There was an attempt to put downward pressure on that. The percentage increase goes down over time to try to get you down to the state average. That was part of the SFRA law. Yes, you get more money per student, but the percentage of increase over above that 13% or whatever the state level is the money gets less.

Dr. Evans: Just know that there is work being done on the settlement of a federal lawsuit to the New Jersey Department of Education because it is strongly felt by them that New Jersey has identified too many kids who with a good teacher could do well without special education and that our special education students across the state are in more restrictive settings than they need. That case is being dealt with right now. It's a huge case and the national prevalence rate, by the way, is 11.5%.

Comm. Kerr: Let me finish here. I also noticed in this budget – and this is something that we talked about for a long time – that in this district the guidance department has a real problem. We don't track our kids. We don't have a system set up where we can adequately address their development through the guidance system. We are talking about a budget that obviously we are saying is adequate. I am saying you did a very good job in fitting into a smaller shirt. The district is placed in a smaller shirt. That's how I see it. You did a good job to make the numbers fit. But in terms of adequacy I look at the guidance department and we talked about their deficiencies, but there is nothing in this budget. I've seen more cuts in this budget regarding guidance than I think is necessary if we're talking about true development.

Mr. Kilpatrick: I can tell you that as a support service in Fund 11 we increased the guidance budget this year by 15%. I don't know what it breaks down in the different schools and what positions we're supporting there. I don't know that number. I do know that it's a very important attribute that our staff and my counterparts are looking at and dealing with and paying very close attention to.

Comm. Cleaves: Any more discussion for Mr. Kilpatrick?

Mr. Kilpatrick: Comm. Cleaves, I'd like to go back to your question about the reduction in the general education. There are multiple adjustments that are being made as part of this evening that you were handed out a little worksheet on. One of that is a restoration of about \$1.5 million in those lines that roll up into the general education for specific things in liberal arts, science, and fine arts program.

Comm. Cleaves: Okay. Thank you.

RESOLUTIONS FOR A VOTE:

Comm. Hodges: I'll put the motion on the table and I'll make an amendment to the motion.

Comm. Cleaves: It's that first resolution.

Comm. Hodges: I will amend the motion to the resolution.

Comm. Cleaves: I'm going to read the motion.

Resolution No. 1

WHEREAS, the State District Superintendent forwarded Paterson Public Schools' preliminary 2014-2015 budget to the Commissioner of Education and the Passaic County Executive County Superintendent of Schools for review and approval on March 10, 2014, and

WHEREAS, the 2014-2015 budget for the state-operated Paterson Public School District was prepared consistent with the New Jersey Quality Single Accountability Continuum (NJQSAC) focusing on quality performance indicators in all five areas of school district effectiveness: Operations Management, Instruction and Program, Fiscal Management, Personnel and Governance; and

WHEREAS, the 2014-2015 budget was prepared consistent with the district's revised Fiscal Policy 6220 addressing budget preparation, with primary consideration given to educational priorities identified by the Board and Dr. Donnie W. Evans, Paterson State District Superintendent, and;

WHEREAS, the 2014-2015 budget was constructed consistent with the School Funding Reform Act of 2008 under which a district could apply for a tax levy cap waiver to cover extraordinary conditions such as opening new schools, increases in special education costs, etc., the result of which would be increased local taxes, and;

WHEREAS, the Paterson Public School District, rather than applying for a waiver elected to incorporate the findings from ongoing district educational and operational reviews into its 2014-2015 budget through realignment and reduction of staffing consistent with the State of New Jersey staffing model for schools of Paterson's size and student composition, as well as consolidation of administration, offices and programs as restructuring and reallocation actions consistent with cost efficiency; and

WHEREAS, the budget submitted by the District and approved for advertising by the Department of Education for the 2014-15 School Year consisted of the following, with revenues and appropriations balanced:

	<u>Budgeted</u>	<u>Local Tax Levy included</u>
General Fund Revenue		
Local Sources	\$ 45,591,956	\$ 38,955,956
State Aid	\$ 405,334,019	\$ 0
Federal Sources	\$ 1,400,000	\$ 0
Budgeted Fund Balance	\$ 46,297,614	\$ 0
Withdraw Maintenance Reserve	\$ 6,490,858	\$ 0
Total General Fund	<u>\$ 505,114,447</u>	<u>\$ 38,955,956</u>
Special Revenue Fund (net of operating budget transfers) <u>included</u>		<u>Local Tax Levy</u>
State Aid	\$ 51,129,487	\$ 0
Federal Aid	\$ 34,265,213	\$ 0
Transfer from Operation Fund		
Pre-K Special Education	\$ 2,904,807	
Total Special Revenue Fund	<u>\$ 88,299,507</u>	<u>\$ 0</u>
Debt Service		
Local Sources	\$ 505,199	\$ 505,199
State Aid	\$ 797,100	\$ 0
Budgeted Fund Balance	\$ 1	\$ 0
Total Debt Service	<u>\$ 1,302,300</u>	<u>\$ 505,199</u>
Grand Total Revenues	<u>\$ 594,716,254</u>	<u>\$ 39,461,155</u>

NOW THEREFORE, BE IT RESOLVED, that the State District Superintendent hereby fixes and determines that the amount of money necessary to be appropriated for the use of the public schools for the 2014-15 School Year is \$594,716,254 of which \$39,461,155 is the General Fund local tax levy; and

BE IT FURTHER RESOLVED, that the State District Superintendent hereby certifies that the reallocations and modifications needed to present a balanced 2014-15 budget with an adequate amount of funds to provide for a thorough and efficient education; and

BE IT FURTHER RESOLVED, that the State District Superintendent shall hereby forward to the Commissioner of Education of the State of New Jersey the budget statement, budget statement certification, form A4F (Certification and Report of School Taxes, 2014-2015 School Year) and supporting documentation as required by statute and code; and

BE IT FURTHER RESOLVED, that the 2014-2015 tentative budget submitted for advertising be amended as follows:

GENERAL CURRECT EXPENSE	Account #	Amount within Advertised Budget	Recommended Revision Reduction/Increase	Recommended Revised Budget
REGULAR PROGRAMS	11.1xx.xxx.xxx	\$ 1,146,021.00	\$ 1,628,890.00	\$ 2,774,911.00

Before/After School Programs	11.421.XXX.XXX	246,862.00	669,312.00	916,174.00
Community Services	11.800.3XX.XXX	754,850.00	391,250.00	1,146,100.00
Child Study Team	11.219.100.XXX	9,071,849.00	(10,000.00)	9,061,849.00
Improvement of Instruction	11.000.221.XXX	328,305.00	(43,000.00)	285,305.00
Instructional Staff Training	11.000.223.XXX	667,972.00	(410,927.00)	257,045.00
Maintenance for School Facilities	11.000.261.XXX	7,135,800.00	(2,400,000.00)	4,735,800.00
Security	11.000.266.300	6,343,400.00	174,475.00	6,517,875.00
Totals		\$ 25,695,059.00	\$ -	\$ 25,695,059.00

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

Comm. Hodges: I'm looking at the resolution that was proffered by the administration and I would like to submit two amendments. The fourth 'whereas' states, "whereas, the 2014-2015 budget was constructed consistent with the School Funding Reform Act of 2008 under which a district could apply for tax levy cap waiver to cover extraordinary conditions such as opening new schools, increases in special education costs, etc., the result of which would increase local taxes." I would like to amend that to, "whereas the Board believes that the 2014-2015 budget was not constructed consistent with," and the remaining information.

Comm. Cleaves: You have a second amendment. Does it go with this?

Comm. Simmons: Point of order. If you're going to do that you still need the motion to make the amendment.

Comm. Hodges: Right.

Comm. Cleaves: That was your motion? I need a second.

It was moved by Comm. Hodges, seconded by Comm. Martinez that the original resolution language be amended.

Dr. Evans: This is the item that I've already signed that you're amending?

Comm. Cleaves: Correct.

Dr. Evans: Then you need to get a blank one and one that I haven't signed and amend it. My signature is there. I signed approval of what's here. If we're changing something I've already approved or signed off on, I need to see it first. We're talking about creating a new document for me to consider.

Comm. Cleaves: So now we need to get a new blank document.

Comm. Kerr: So we can't adopt this?

Comm. Cleaves: So we can't adopt this because we want to make an amendment to it.

Comm. Kerr: We can't adopt it.

Comm. Simmons: Can we mark up the one that he signed?

Dr. Evans: A blank one, yes. There are two options and Ms. Pollak needs to make sure that I'm saying this correctly. One is for you to approve a version that the Board feels comfortable about and attach it to what I've already signed, rather than changing the document that I've already signed. That's one option. A second option is to vote not to approve what's in front of you from me.

Comm. Cleaves: Okay.

Ms. Pollak: I don't know what the amendments are, but you could take what's in the packet, mark it up, which will be a version of what Dr. Evans has already signed. I think that's correct. What I heard in the first amendment is the insertion of the word 'not' in a sentence.

Comm. Hodges: Actually, the changes are 'the Board believes.'

Comm. Cleaves: 'The Board believes' and 'not.'

Comm. Hodges: Right.

Ms. Pollak: Then you might as well make both amendments to the resolution and then you can either choose to approve that one and not the one that's currently before you or the one that's currently before you as amended, which is another way of saying it. I haven't heard the second amendment.

Comm. Cleaves: There's a motion on the floor. So how do I finish this motion? Do I on top of this motion now do the next motion?

Ms. Pollak: The motion on the floor, as I remember hearing it, is to move this resolution.

Comm. Cleaves: With the amendment.

Comm. Kerr: To amend it.

Comm. Hodges: To amend it.

Ms. Pollak: There's a motion to amend it.

Comm. Hodges: That's right.

Comm. Cleaves: ...which supersedes the first motion.

Ms. Pollak: Right. Well, it doesn't necessarily supersede it.

Comm. Cleaves: That's the motion that's on the floor now. The amended motion is the one that's on the floor. So now should we call for the additional motion?

Comm. Hodges: No, we have to address this motion.

Ms. Pollak: Tell me again what you mean by this motion, Dr. Hodges.

Comm. Hodges: I don't know why this was signed prior to the Board actually voting on it. I'm troubled by that. That's number one.

Dr. Evans: That's standard procedure. Every resolution you get from us is signed by me. I approve it in the form that it's coming to you and then you vote to approve or support depending on what it's asking for.

Comm. Hodges: So are you saying that we don't have the ability to amend?

Dr. Evans: I'm saying I reviewed this document and I signed it based on the contents. You are now changing the contents. I need to subject that to further review before I decide whether I'm going to sign off on it.

Comm. Hodges: Okay.

Ms. Pollak: So I think what you're saying is if there's support on the Board for it, enough votes, you are proposing this resolution as amended. You have to mark it up to show what the amendments are and put it before the Board.

Comm. Hodges: Can that be done tonight?

Ms. Pollak: Yes.

Comm. Hodges: Okay. Then the first amendment for a vote is the one I've just stated.

Comm. Cleaves: Dr. Evans is stating we have to submit a blank one without his signature on it.

Ms. Pollak: It's going to be a draft. But I would suggest that you make whatever changes you're going to make so that the Board can consider the 'as amended' resolution together. Do you want to do it in stages?

Comm. Hodges: I'm not opposes to giving you the total. There are two amendments, but protocol gives the Board a chance to vote on each one. So what we were going to

do is simply vote on the first change and then the second change. That's all I was going to do. So we can go through with that?

Comm. Cleaves: Why don't you do it all as one?

Comm. Hodges: Because one might fail, theoretically.

Ms. Pollak: What you are proposing in the first round is the resolution as amended. You can vote on that and then the resolution as further amended.

Comm. Hodges: To save time I suspect that both of them are going to pass. Therefore, we'll just suspend the rules and go ahead and enter them both.

Ms. Pollak: I think that's cleaner.

Comm. Hodges: The second part of the amendment on the very same 'whereas' section states, 'the results of which would be increased local taxes and.' 'Whereas, we the Paterson Board of Education agree that the 2011 New Jersey Supreme Court rulings in the terms of the funding of the state's poorest school districts,' and 'whereas, the Paterson Board of Education understands the current mechanism of funding by the state is in significant conflict and material breach of state law,' and 'whereas, we the Paterson Board of Education recognize that the funding levels reflected in this proposed budget is inadequate to our needs in our efforts and pursuit of providing a thorough and efficient education for our students,' and 'whereas, the projected budget funding levels are inadequate to maintain the progress that we are making educationally in the district,' and 'whereas, we the Paterson Board of Education agreed to submit this budget only under the unusual duress peculiar to state takeover districts which precludes us from taking the more appropriate action of legally pursuing the additional funding that we are entitled to under the law, funding that would permit true educational adequacy,' and it picks up from there on to the other items. That's the amendment.

It was moved by Comm. Hodges, seconded by Comm. Simmons that the above amendments be adopted.

Comm. Hodges: That's simply to state that, as was pointed out by the business administrator, this is not necessarily in compliance with the state law and this just reaffirms that and raises some questions about the adequacy of the funding levels to continue our current level of progress. We're just stating that we have concerns about that and we are saying we are probably going to pass this budget even though we do not believe it meets the needs for our children, only because of the peculiar situation regarding state takeover.

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

Ms. Pollak: I think perhaps Mr. Kilpatrick can respond to this further. You've now created a new resolution that may not be acceptable to the state at all, in which case there has to be a budget resolution acceptable to the state. As an alternative, you could take all the language that you've now added to the resolution and pass it separately as a sense of the Board. So you would have a clean resolution to go to the state that wouldn't require any vetoes, but you would have your sense of the Board that would be untouched.

Dr. Evans: You've re-crafted this and I understand where you're going and what you're doing. I don't know that I would do any more than what you've done. The ball is now in my court to determine how and in what form it's going to go. It will go, but it will go with or without my signature is what it comes down to. That's the decision I need to make. The Board has clearly stated its position and so I now need to act. That's my recommendation that you not act any further. You've gotten into this item what you wanted in it.

Comm. Guzman: What you're telling us is it might go as an amendment but also to be on our safe side to have an additional resolution. In case it doesn't get accepted as the regular resolution we'd still have it for the record. Is that what you're trying to say?

Ms. Pollak: That is essentially what I was saying.

Comm. Hodges: Dr. Evans was saying in his opinion this is all we need to do at this point. This is not the position of legal, but he's saying he has to make a determination as to what he signs.

Comm. Guzman: What she said was that if it gets to them and they don't want to approve it it's just automatically going to basically disappear.

Ms. Pollak: No, the budget won't disappear.

Dr. Evans: We have to submit a budget.

Comm. Guzman: I'm not saying the budget. I'm talking about the actual amendment of the resolution. If they don't approve that you have to go back and give them the wording of the original resolution.

Ms. Pollak: This Board has to decide if there is a majority of the Board that would like to support a budget that wants to be on record as approving a budget for the district, yet wants to also be on record expressing these sentiments. That might be an alternative, to separate these two things so that you have a budget resolution that's clean and will be acceptable to the DOE, and your sentiments are on record. If in fact the DOE cannot accept and will not accept a resolution that has these things, then it's Dr. Evans who has to decide on the resolution that he needs to send on.

Comm. Hodges: Number one, I'm not interested in the DOE's sensibilities.

Ms. Pollak: It's not a question of sensibilities.

Comm. Hodges: The issue for me is getting a sense of the Board. Dr. Evans has stated getting that on the table publicly, not only for them but for this community who's very concerned about these budget cuts. That's number one. And do it in a manner that's consistent with the law so that they can't say to us that we're neglecting our responsibilities. We are outlining what we understand our responsibilities to be and in the face of what we believe is an action which falls short of that we are taking this particular action. My understanding is Dr. Evans is saying he's going to decide what he can and cannot sign regarding this motion, but either way it goes to the DOE.

Dr. Evans: Correct. There is precedent. I think it was three years ago the Board voted not to support the budget and we submitted the budget. So there is precedent for this already.

Comm. Hodges: Absolutely. The question now is in view of that...

Comm. Kerr: Where is the budget? We have not voted on the budget.

Comm. Hodges: That's next.

Ms. Pollak: Somebody moved the resolution and then somebody else moved to amend the resolution which was approved. So now there's a vote on the resolution as amended.

Comm. Hodges: I need a one-minute recess.

It was moved by Comm. Hodges, seconded by Comm. Guzman that the Board takes a 1-minute recess. On roll call all members voted in the affirmative. The motion carried.

The Board took recess at 9:16 p.m.

The Board reconvened the meeting at 9:17 p.m.

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

Comm. Cleaves: Now we need to vote on the original resolution as amended.

Ms. Pollak: Pursuant to the resolution as amended.

Resolution No. 1

WHEREAS, the State District Superintendent forwarded Paterson Public Schools' preliminary 2014-2015 budget to the Commissioner of Education and the Passaic County Executive County Superintendent of Schools for review and approval on March 10, 2014, and

WHEREAS, the 2014-2015 budget for the state-operated Paterson Public School District was prepared consistent with the New Jersey Quality Single Accountability Continuum (NJQSAC) focusing on quality performance indicators in all five areas of school district effectiveness: Operations Management, Instruction and Program, Fiscal Management, Personnel and Governance; and

WHEREAS, the 2014-2015 budget was prepared consistent with the district's revised Fiscal Policy 6220 addressing budget preparation, with primary consideration given to educational priorities identified by the Board and Dr. Donnie W. Evans, Paterson State District Superintendent, and;

WHEREAS, **the Board believes that** the 2014-2015 budget was **not** constructed consistent with the School Funding Reform Act of 2008 under which a district could apply for a tax levy cap waiver to cover extraordinary conditions such as opening new schools, increases in special education costs, etc., the result of which would be increased local taxes, and;

WHEREAS, we the Paterson Board of Education agree that the 2011 New Jersey Supreme Court rulings in the terms of the funding of the states' poorest school districts, and

WHEREAS, the Paterson Board of Education understands the current mechanism of funding by the state is in significant conflict and material breach of state law, and

WHEREAS, we the Paterson Board of Education recognize that the funding levels reflected in this proposed budget is inadequate to our needs in our efforts in pursuit of providing a thorough and efficient education for our students, and

WHEREAS, the projected budget funding levels are inadequate to maintain the progress that we are making educationally in the district, and

WHEREAS, we the Paterson Board of Education agree to submit this budget only under the unusual duress peculiar to state take over districts which precludes us from taking the more appropriate action of legally pursuing the additional funding that we are entitled to under the law, funding that would permit true educational adequacy, and

WHEREAS, the Paterson Public School District, rather than applying for a waiver elected to incorporate the findings from ongoing district educational and operational reviews into its 2014-2015 budget through realignment and reduction of staffing consistent with the State of New Jersey staffing model for schools of Paterson's size and student composition, as well as consolidation of administration, offices and programs as restructuring and reallocation actions consistent with cost efficiency; and

WHEREAS, the budget submitted by the District and approved for advertising by the Department of Education for the 2014-15 School Year consisted of the following, with revenues and appropriations balanced:

	<u>Budgeted</u>	<u>Local Tax Levy included</u>
General Fund Revenue		
Local Sources	\$ 45,591,956	\$ 38,955,956
State Aid	\$ 405,334,019	\$ 0
Federal Sources	\$ 1,400,000	\$ 0
Budgeted Fund Balance	\$ 46,297,614	\$ 0
Withdraw Maintenance Reserve	\$ 6,490,858	\$ 0
Total General Fund	<u>\$ 505,114,447</u>	<u>\$ 38,955,956</u>
Special Revenue Fund (net of operating budget transfers)		
<u>included</u>		<u>Local Tax Levy</u>
State Aid	\$ 51,129,487	\$ 0
Federal Aid	\$ 34,265,213	\$ 0
Transfer from Operation Fund		
Pre-K Special Education	<u>\$ 2,904,807</u>	
Total Special Revenue Fund	<u>\$ 88,299,507</u>	<u>\$ 0</u>
Debt Service		
Local Sources	\$ 505,199	\$ 505,199
State Aid	\$ 797,100	\$ 0
Budgeted Fund Balance	<u>\$ 1</u>	\$ 0
Total Debt Service	<u>\$ 1,302,300</u>	<u>\$ 505,199</u>
Grand Total Revenues	<u>\$ 594,716,254</u>	<u>\$ 39,461,155</u>

NOW THEREFORE, BE IT RESOLVED, that the State District Superintendent hereby fixes and determines that the amount of money necessary to be appropriated for the use of the public schools for the 2014-15 School Year is \$594,716,254 of which \$39,461,155 is the General Fund local tax levy; and

BE IT FURTHER RESOLVED, that the State District Superintendent hereby certifies that the reallocations and modifications needed to present a balanced 2014-15 budget with an adequate amount of funds to provide for a thorough and efficient education; and

BE IT FURTHER RESOLVED, that the State District Superintendent shall hereby forward to the Commissioner of Education of the State of New Jersey the budget statement, budget statement certification, form A4F (Certification and Report of School Taxes, 2014-2015 School Year) and supporting documentation as required by statute and code; and

BE IT FURTHER RESOLVED, that the 2014-2015 tentative budget submitted for advertising be amended as follows:

GENERAL CURRECT EXPENSE	Account #	Amount within Advertised Budget	Recommended Revision Reduction/Increase	Recommended Revised Budget
REGULAR PROGRAMS	11.1xx.xxx.xxx	\$ 1,146,021.00	\$ 1,628,890.00	\$ 2,774,911.00
Before/After School Programs	11.421.XXX.XXX	246,862.00	669,312.00	916,174.00
Community Services	11.800.3XX.XXX	754,850.00	391,250.00	1,146,100.00
Child Study Team	11.219.100.XXX	9,071,849.00	(10,000.00)	9,061,849.00
Improvement of Instruction	11.000.221.XXX	328,305.00	(43,000.00)	285,305.00
Instructional Staff Training	11.000.223.XXX	667,972.00	(410,927.00)	257,045.00
Maintenance for School Facilities	11.000.261.XXX	7,135,800.00	(2,400,000.00)	4,735,800.00
Security	11.000.266.300	6,343,400.00	174,475.00	6,517,875.00
Totals		\$ 25,695,059.00	\$ -	\$ 25,695,059.00

It was moved by Comm. Hodges, seconded by Comm. Kerr that the Board adopts the 2014-2015 School District Budget pursuant to the resolution as amended. On roll call all members voted as follows:

Comm. Guzman: For the record, this is only because of the amended resolution. I'm going to actually vote yes.

Comm. Hodges: Only because of the part that we added as a Board I'm going to vote yes.

Comm. Kerr: My vote is no.

Comm. Martinez: In solidarity with my other colleagues I vote yes.

Comm. Simmons: Yes.

Comm. Teague: As long as it's in accordance with the amendments that we just voted on I vote yes.

Comm. Cleaves: Yes.

The motion carried.

Resolution No. 2

WHEREAS, the Paterson Public Schools recognizes school staff and Board members will incur travel expenses related to and within the scope of their current responsibilities and for travel that promotes the delivery of instruction or furthers the efficient operation of the school district; and

WHEREAS, N.J.A.C. 6A:23B-1.1 et seq. requires Board members to receive approval of these expenses by a majority of the full voting membership of the Board and staff members to receive prior approval of these expenses by the Superintendent of Schools and a majority of the full voting membership of the Board; and

WHEREAS, a Board of Education may establish, for regular district business travel only, an annual school year threshold of \$150 per staff member where prior Board approval shall not be required unless this annual threshold for a staff member is exceeded in a given school year (July 1 through June 30); and

WHEREAS, travel and related expenses not in compliance with N.J.A.C. 6A:23B-1.1 et seq., but deemed by the Board of Education to be necessary and unavoidable as noted on the approved Board of Education Out of District Travel and Reimbursement Forms; now

THEREFORE, BE IT RESOLVED, the Paterson Board of Education approves all travel not in compliance with N.J.A.C. 6A:23B-1.1 et seq. as being necessary and unavoidable as noted on the approved Board of Education Out of District Travel and Reimbursement Forms; and

BE IT FURTHER RESOLVED, the Paterson Board of Education approves travel and related expense reimbursements in accordance with N.J.A.C. 6A:23B-1.2(b), to a maximum expenditure of \$450,000 for all staff and board members for the fiscal year 2014-2015.

It was moved by Comm. Guzman, seconded by Comm. Simmons that Resolution No. 2 be adopted.

Comm. Hodges: I would just advise Board members to abstain from themselves.

Comm. Cleaves: This is not a specific one.

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

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

The meeting was adjourned at 9:20 p.m.