

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

March 13, 2014 – 6:42 p.m.  
Administrative Offices

Presiding: Comm. Christopher Irving, President

Present:

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

Comm. Chrystal Cleaves, Vice President  
\*Comm. Wendy Guzman  
Comm. Jonathan Hodges  
Comm. Errol Kerr

Comm. Manuel Martinez  
Comm. Alex Mendez  
Comm. Corey Teague

Absent:

Comm. Kenneth Simmons

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

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:

**Special Meeting  
March 13, 2014 at 6:30 p.m.  
Administrative Offices  
90 Delaware Avenue  
Paterson, New Jersey**

to be published by having the date, time and place posted in the office of the City Clerk of the City of Paterson, at the entrance of the Paterson Public School offices, on the district's website, and by sending notice of the meeting to the Arab Voice, El Diario, the Italian Voice, the North Jersey Herald & News, and The Record.

Comm. Irving: I want to welcome everyone this evening. We have a great deal to discuss with regard to the budget. This is a special meeting to discuss several items and actions that were mentioned last week. So we inserted this meeting to have even more robust conversation about the school district budget and its preparation.

## PRESENTATION OF THE 2014-2015 SCHOOL DISTRICT BUDGET

### Cliff Planning Update

Dr. Evans: First of all, let me ask that a packet that I think is sitting in front of Lucy be distributed among Board members. My comments are going to focus on the material included in that packet. Before we get into the real substance of tonight's discussion, and that is the presentation of the budget which Mr. Kilpatrick will do shortly, I wanted to establish context or provide the backdrop for the conversation and share information reflecting activity in some ways that's already underway as it relates to providing a structure for what's to come. Particularly, we want to talk about the need for us to reexamine our annual budget and make adjustments moving forward for ensuring that we have a balanced budget every year, meaning that we're living within our means and the funds that we're generating from the various sources from which they come, whether it's federal, state, local or private funding that we do benefit from on occasion. The packet you have communicates several messages. I don't need to repeat to everyone the fact that we are in need of and are participating in an exercise that will allow us to avoid a cliff or at least soften the impact of that cliff one to two years from now. If we start taking some actions now then obviously we'll be better prepared and we can do it in a way that does not result in massive layoffs, which has been the case in the past and which is the case in some other school districts. That's what we want to avoid. We really want to avoid that. The memorandums that you have that are represented in that packet establish context for those activities, some of which are already underway. The cover memo actually describes what's attached to it, which includes several other memorandums. It includes information that describes some communications that I've already prepared and distributed among staff as late as today. One which you have in that packet is one that went out today to principals in particular as it relates to activity that's underway to better manage the budget even at that level. Those memorandums speak to several different things. They speak to the creation of a structure in the form of a transformation planning committee to advise us ongoing as it relates to budget priorities and helping us to determine areas that may be fertile ground for reductions as we move forward. You all recall the discussions we've had about that. Their charge was to look at our expenditures and initiatives and make recommendations to the Board and to me with regards to priority items that we shouldn't touch, but at the same time items that if indeed we had to make some adjustments these would be likely initiatives or other components of our budget that we may want to reduce. You have additional information in the packet about the committee and I've given you information in the past that describes it in greater detail. I thought I saw Irene Sterling back there. There she is. Irene is chairing the steering committee and I appreciate her doing that for us. In fact, one of the memos you have included says a little more about the committee and reminds you of the numbers of that committee, which includes key stakeholders in our community. We've implemented three levels of freezes literally across the district incrementally. You've received correspondence and communications as those have been imposed and the memorandum associated with those freezes are included. The first involved the freeze of district office staff. You recall actually a year and a half ago when I committed to reducing district office staff by 25% over the next two years. Those two years end on June 30, 2014 and by that time we would have accomplished that goal. We are identifying targets or positions that obviously are going to be reduced as a result. We're making some final decisions as we move forward and then communicating them to all involved. Freeze is not the appropriate reference for the second tier, but every spring there is a point with which we close out or discontinue making financial commitments from that year's budget. Usually it's during mid-March, late March or early April, depending on the year and activity in the district. We've

decided to close out this year, meaning no new purchases, expenditures, or commitments can be made.

\*Comm. Guzman enters the meeting at 6:50 p.m.

Dr. Evans: If a commitment has already been made, purchase orders have already been committed, or we have things like graduations coming up that require expenditures, those things obviously we are prepared for. But generally speaking we have closed out and the second memorandum communicates that. The third communiqué is one that involves the schools. That is attached and it went out this week among our principals. Actually, it went out today among our principals and our staff. I would refer to it as a soft freeze. As we move towards the end of the year, except for some key areas, particularly areas where we're experiencing critical shortages of teachers, such as special education, English language learner teachers, and some key level math and science people, and one or two other areas, if individuals vacate those positions at this point obviously we want to continue to have a certificated teacher in that classroom, but we will be hiring individuals in a temporary mode to finish out the year. That gets at a strategy that we engage in every year and we've been more or less successful in right-sizing our schools as we prepare for the next year so that we don't hire many more teachers than we need based on preliminary numbers that may or may not be 100% accurate, but in a position to make adjustments later if we need to. That memo I think speaks very clearly on how we go about doing it. We don't want a classroom to go without a certificated teacher. I want to be clear about that. But in an area that's not critically short then hiring a permanent person, meaning beyond the end of this year until we know we're going to have students next year to support that position, is really what that's about. That also applies to administrative staff in our schools. Those are the freezes that are referenced in Item B, closeouts we alluded to in Item C, and then I just alluded to the 25% reduction. In addition to that, we asked our senior staff, the folks sitting at those tables over there, to look at their non-salary budgets and begin to identify up to 25% of those budgets that we could cut from the budget but not harm our instructional program. That's a difficult exercise because everything we do contributes to what we do in our classrooms. But some things have greater impact than others and so the exercise literally is what's going to have less of an impact as compared to those things that have greater impact. Part of what I'm going to get to in a moment is some evaluation information that the Board has asked for that helps to inform that exercise. Number two in that packet is a representation of Board priorities and goals that you identified and that's actually an item for discussion under Item 5-A. I'll say more about that when we get to that point. You have also included executive summaries, abstracts, or program evaluations that have been completed for district programs and initiatives, including the University of Pittsburgh Institute For Learning. We had an independent evaluator to go in and take a look. The IFL also does their own evaluation of their work. The Effective Schools Model or the vehicle through which we are establishing school culture, an abstract of that information is in that packet. Full Service Community Schools, an evaluation of it is there. An evaluation of our English language learner programs, an evaluation of our special education programs, guidance programs, and then the work that the APQC did is all represented in the packets that you have. You have the abstracts. I have the complete reports here in front of me. If after you look at the abstracts you'd like to see the complete reports, if you will let me or Mrs. Jones know, we'd be happy to get you a copy of the complete report for any of these evaluations for you to review. The last item on that list in the memo is a list of district-driven transformation initiatives. One of the things that you requested some time ago, I believe maybe two months ago, was a costing out of the major initiatives that we're implementing. That's also included in the packet. It's in the form of the transformation document that we've given to you in the past, the colorful

one, which includes the seven major drivers of our work. Then I added an 'other' column because there are some initiatives that we were already implementing that didn't necessarily align perfectly with some of the seven objectives so that we can give you a more complete picture. This does not include things that schools are paying for out of their budgets. These are initiatives that are being paid for out of our district level budgets.

### **Cliff Avoidance Strategies Development**

Dr. Evans: My last comment has to do with cliff avoidance strategies. We've talked a lot about this already so it doesn't really require a lot of additional conversation that would be repetitious for you. You and I have been involved at various levels, either individually or as a group, around first the need, but then the kinds of things that are being talked about as possibilities. I say it that way purposefully because final decisions regarding what will be reduced is going to be informed by the steering committee and the cliff planning work group that we have identified. They are generating within the group some suggestions. They are looking at possibilities and very soon some will come to you. I want to say to you, though, that is information that will be more informing of the long-term cliff planning exercise rather than the short-term cliff planning exercise. As we move into the 2014-15 school year we are in better shape than we thought we would be, but we are going to begin reducing some things now, like the 25% I just alluded to of non-salary items and then reducing the district office staff. We're going to reduce those things because we have to start now. We don't want to wait and then have to cut huge amounts of money from our budget at one point. We'd rather do it incrementally in small amounts as we go and then ultimately a couple of years from now we'll have accomplished our goal. But the work of the steering committee and the work group is ongoing. We're not expecting that they will provide substantive information that will inform decisions for the 2014-15 budget, the budget that we're required to submit by the end of this month. I want to be clear about that. Near the end of this year, into the summer, and into the fall I do expect substantive recommendations from them that will come before you and me and ultimately we can begin to make some credible decisions for the long-run. That's an orientation. That's context in terms of where we are, what's happening, and the kinds of considerations that we have to give, but let me just take a moment and refer to one other item. I believe it's in the third memo in of what you have. It's the March 3 memorandum. In that memorandum, I was very careful to make clear, because of who I was writing it to, that it is important that as we approach this cliff-planning exercise as we look at items to reduce the budget that the fundamental challenge for us relative to cliff planning is continuing to improve student outcomes across the district. We can't cut to the point that it's going to have a negative impact on the improvements that are in place, but also doing that in a way obviously that will help us to have a better alignment of expenses with revenues. That's a very important point. The second point is we are currently negotiating our contract with the Paterson Education Association and obviously the outcome of that will impact our budget. There's no question about it. We think that we are prepared for the eventual resolution and hopefully the resolution will come sooner rather than later. Of course, I said that the last time we talked about it and I'm still optimistic that soon we're going to bring closure. But that too is going to have an impact on the budget, the resolution of the contract because it does include salary items. The last item I've already mentioned and that's the steering committee. It is important to me and I think it's important to the Board as well to hear from the cliff planning work group and the steering committee about the kinds of things that are important to this community as we move forward. That's why we put it together. We wanted to hear from the community. Ultimately the Board and I will be the decision makers, but I think the community needs to play an important role in helping us to establish those priorities. Thank you, Mr. President.

Comm. Hodges: I have a couple of questions and a statement. If you're not going to hire a teacher toward the end of the year, can the replacement give a grade?

Dr. Evans: Remember, I said hire a temporary certificated teacher. Yes, they can give grades.

Comm. Hodges: But they're substitutes.

Dr. Evans: They won't be hired as substitutes.

Comm. Hodges: They'll be hired as what?

Dr. Evans: As a teacher.

Ms. Shafer: They'll be hired as a certified teacher, but as a leave replacement. If the leave is from let's say April to June they'll be certified in whatever the subject area is as a leave replacement from that time until June. Then hopefully the teacher will come back from leave. If not, then we would have to look into September how we're going to be able to fill that particular class, but they would be certified so they would be able to give grades.

Comm. Hodges: Okay. While the Board has had the conversation around the fiscal cliff some of our community members have not and it might be instructive to at least touch on some of the issues. You might not feel comfortable discussing part of that only because part of the funding cliff problem stems from the fact that the State of New Jersey is not funding us in accordance with what the state law says.

Comm. Mendez: Dr. Evans, I have a quick question in terms of the negotiations with the teachers. It was my understanding that the balance of the negotiation was in escrow. Is that correct?

Dr. Evans: I really can't talk about anything that will be impacted by the negotiations.

Comm. Irving: We can have an executive session.

Dr. Evans: We can talk about it in executive session.

Comm. Mendez: Okay, I'll wait.

Comm. Irving: You know better than that.

Comm. Mendez: I just want to make sure.

Comm. Irving: We can do it in executive session, to discuss those types of legal matters. Are there any other questions with regard to the presentation the Superintendent just made? Dr. Evans, I'll be honest with you. I really don't have any questions because the truth of the matter is, at least from my perspective, until we get really specific, and I'm just speaking frankly here, this is good information for the community, but a lot of this we've heard and the true tale will be what we decide to become priorities or what's missing as we move forward. I'm looking more for a conversation once we start to establish what exactly the cuts are that we're going to take to be able to prepare for this cliff. I think at that point in time there's much more for the Board to cut their teeth on, but I will ask when that conversation comes we get the

documents much sooner than the night of the meeting. I think that will require a much longer study, understanding, sitting down, and breaking down, trying to understand the budget, or understand the methodology for making whatever cuts we need to do. I appreciate the information, but I'm personally looking forward to more specifics. The budget adoption meeting is when, Cheryl?

Ms. Williams: The 27<sup>th</sup>.

Comm. Irving: Today is the 13<sup>th</sup>. I don't want to be sandbagged with four or five days for us to be able to have that conversation. I think this Board made a commitment two weeks ago that if it takes a meeting every single week until we get to the 27<sup>th</sup> we're committed to get here and do this. But on some level the reflection of the fiscal cliff in this year's budget needs to be explained to this Board.

Dr. Evans: The two major items I mentioned are represented in this material and we've talked about them before. One is the 25% reduction in district office staff and there's no secret about that. I've been talking about it for a year and a half and by June 30 of this year it will be done. That will be one major contribution to this year's activity or strategies for cliff planning. The second one is embedded in the 35% of district level budgets that were cut that actually generated approximately \$25 million. We've had that discussion and it was a part of what we focused on at the workshop that we did at Seton Hall.

\*Comm. Cleaves leaves the meeting at 7:05 p.m.

Comm. Irving: So here's my concern with that. You say 35% across the board, but I think for us it's easy to say that. We had a facilities committee meeting three weeks ago and I think there are certain functions in this district that can withstand or deal with the fact of cutting. I think facilities are probably the last of all the areas that can withstand a 35% reduction. So the Board needs to see those numbers and the impact and it needs to see them much sooner than later so that we can have a discussion about what that impact means for us. The other piece is, think about security. You had this long conversation with Captain Smith last week about whether or not we were fully equipped to handle and keep our kids safe. This Board needs to know what a 35% reduction in special education means. We have to be able to quantify this much sooner than later, which is why I'm hoping those documents with regard to the various departments get to the Board much sooner than later. That's the discussions that I think needs to be had.

Comm. Hodges: The concern that I have, particularly around this process, is that there has to be a firm understanding of how the school funding formula is supposed to be implemented. The reason why that's important is because security has a line, transportation has a line, special education has a line, and the concentration of poverty of our students has a line. None of that is being addressed in this budget. They did not use the appropriate formula so they can't even give you a percentage of what we're supposed to receive. They're not even doing that. They're just giving you a figure which we can't explain as this should go towards this. It's all being negated in this process and that's part of our problem. They have to reassign based on other priorities as opposed to the way we're supposed to do it according to the school funding formula and that's the issue that our community really needs to understand. The Governor is not allocating the appropriate funding the way it's supposed to be done legally. This is actually in violation of the law. The result of that is we're facing this situation that we're in today. As a matter of fact, this year 80% of the state's districts are receiving less money than they did in 2009. The law was made in 2010 and the Supreme Court said that the Governor could not do that, primarily for the poorest districts, which Paterson is

one. So this whole process is troubling because we're being asked to cut funding for students who are just now beginning to see a rise in performance, which is going to cause a major problem in continuing that improvement down the line.

Comm. Mendez: Just to follow it up with facilities, keep in mind that we're one of the districts that have some of the worst facilities in the state. I would say that with buildings over 100 years old that 35% is going to really affect us and put us really behind in terms of facilities. I know at the next meeting I will go deep on the cut that we're facing on facilities.

Comm. Irving: Dr. Evans, the point I'm trying to make is that I'm taking my perspective from what we have in front of us. I'm saying that on some level this Board has to be able to take a gauge and look at it. If we say 35% maybe that might mean 37% in some areas for a department to only have a 15% or a 20% reduction. Once that information comes to the BA and to you that needs to be shared with this Board collectively and that conversation needs to be had. I think we need to benchmark that as best as we can with the last two years' operating budgets for each department. The truth of the matter is everyone is being asked to do more with less. We're then turning that onto our staff and our kids and asking them to do it. It's certainly not fair, but that's the reality of where we are. We have to make the best decisions we can to give them the resources we have to ensure that the quality of education is not affected, but that quality of education is not just what they learn in school. It's also their safety, security, and the facilities we put them in. I said this a month ago. This is not going to be an easy conversation to have, but the truth of the matter is the sooner we get those numbers the more we can actually have a fruitful debate and conversation with each other about budget priorities moving forward.

Comm. Kerr: I think those numbers, the 25% cut that Dr. Evans mentioned, is meaningless outside of the context of a real discussion as to whether or not we are truly getting the right funding. I know we have to make adjustments, but that has to be part of the discussion. We cannot go ahead and unilaterally cut the district's budget 10%, 15%, or 20% without a clear discussion as to whether or not the school funding formula that they have established to tell us what is due us and what isn't is not part of that calculus. We have to adjust, but we still need that discussion before we can do anything.

Comm. Hodges: I just want to say that in point of fact the money that's being taken from this district is being put back into the pot and actually being diverted to the more affluent districts that are performing better. That needs to be stated very clearly. I don't want people to think that everybody is losing. No. It's being redirected from the poorest performing districts that actually need those resources to the more affluent districts that just happen to have supported Governor Christie.

Comm. Martinez: I agree wholeheartedly with the two of you on everything that you're stating. But to the President's point, we have to continue to fight that battle. We just can't allow that to go under the radar and not work for that. We do have to work with what we have in front of us. We have to make those adjustments. We have to work with what we have in front of us. You alluded to facilities earlier and I asked for an audit of all the programs and you provided these abstracts. The abstracts are helpful, but getting them a little bit before the meeting doesn't give us an opportunity to really work through them and connect the dots to see where we are being redundant, if we're being redundant, if we're providing people good services in certain areas, and if we're getting returns. We're investing a lot of money in certain programs and we're not quite sure if we're getting a return on the investment. So the abstracts are helpful, but I'd like to see

the full reports so I can be able as best as I can to share that information with everyone how we can tie some of these things together. You alluded to it perfectly. Instead of taking the hatchet out and cutting major chunks we need to take the scalpel out and be very meticulous about where we're making these cuts. Curriculum drives a lot or everything we do in the district. So we need to be very cognizant of where we're spending the money with these programs and be very meticulous about where we're making these cuts. The abstracts are great, but I'd like to see the full reports.

Comm. Irving: It's easy to say 35%. It's a round figure. It sounds good. I think for the folks who you answer to that probably sounds like a good number. But to me if we're going to be skilled and really thoughtful in this process we can start there, but then we have to dial back and really say which departments are affected. You alluded to a good point about curriculum, which is why I want to emphasize it again. Dr. Evans, we do need to see the list of programs that are currently happening – most of them are coming from the curriculum side of this house – and the fiscal numbers attached to them. You're right. Maybe through that conversation there might be a redundancy in costs and services. Comm. Martinez has asked for that for the last two weeks and we have yet to receive that. We need to be more clear because I think that is one piece of it, but this Board I thought made very clear that every single month there are action items given to us in curriculum that have price tags to them and getting an assessment of those initiatives and programs we have now and what they cost is important. Maybe that just wasn't clear. I thought it was. I think that's what you've been asking for over the last two weeks and what we've been alluding to. In addition to the district-wide initiatives that we have there are also initiatives that flow in front of the curriculum that have a price tag on them.

Dr. Evans: The ones that flow through the curriculum department at the district level are embedded here. What you need is the detail behind some of these numbers because that's where it came from. We need to get you that.

Comm. Irving: Yes.

Comm. Teague: What I'm hearing is that we're being asked to look at cuts that need to be made when the state hasn't even really done their share to fully fund the formula. In fact, the Governor is adamant about cutting money from it each and every year. I've been in this battle since 2010 or earlier than that watching and looking at the numbers, working with the PEF and other organizations, and seeing that this Governor doesn't care about our children. He doesn't care about public education. He wants to privatize everything and if he can bleed every dime out of our system he will. I understand Dr. Evans works for him. I truly understand that, but my thing is that we have to make sure we do everything we can to make sure every single program is fully funded and not just bits and pieces and let's select which ones we want to keep and which ones we don't. I think we need to make sure that all of the vital services for our kids are kept in place.

Comm. Hodges: The critical issue to me is what we do to maintain this progress. That's what I'm concerned about. Making cuts is a process, but it doesn't get to the issue of does cutting so-and-so program affect our ability to move forward, to get our kids to the level where they are at least receiving a thorough and efficient education. If you're telling me that we don't need these programs, then they shouldn't be here in the first place. But if we do need these programs then the law says that we're supposed to have them and the state also holds us accountable through QSAC to get better, to make this a more efficient educational system for our students. What I'm having trouble understanding... Unless you're presenting a comprehensive approach given the state's requirement for us to have less money, but do the things they wanted us to do in terms



of raising test scores and graduation rates, I need to know is there a new plan in the face of these cuts with these new lower funding levels. Even though you're cutting or are being flat-funded health goes up, medical insurance goes up, energy goes up. So you're in effect cutting your budget even though it's flat-funded. So in the face of that, can you say that we're going to be able to maintain our targets at this new funding level? That's what I'm concerned about and that's the discussion I want to have. But what Mr. Kerr said was this Board has to somehow do more than just cut. This Board has to send a message to the state that we find this unacceptable because next year is coming too and the plan is to do the same thing. So we're going to have to have some demonstration of a pushback which says this is illegal and even though we're forced to do this it's illegal and may be detrimental. In fact, it's going to be detrimental to the educational needs of our kids.

Comm. Irving: Fair enough. Let's move on to the Budget Presentation. Mr. Kilpatrick?

### **Budget Presentation**

Mr. Richard Kilpatrick: This is kind of hard for me because I feel very strongly that we are short-funded. I want everyone to understand that. I do feel that we are not funded according to the formula. There are obviously reductions in the formula based upon our attendance rate. It's interesting that this year in the documentation that we received we did not receive the detail of documentation like we have in the past that actually illustrated those points. I am still trying to get that documentation so we can look at what the impact is for our attendance rate. I just want everyone to understand that. However, as a Business Administrator certified in the State of New Jersey, I have a responsibility and that responsibility is to create a budget to move it forward to the state that's balanced. We did that last Monday. We pressed a button after we inputted the budget. We have to have a public hearing, advertise the budget four days before the 27<sup>th</sup>, we'll have a public hearing on the 27<sup>th</sup> and shortly thereafter we have to submit the budget. We can make changes from this point of submission on Monday. All the way through the public hearing we can make changes to this budget. We can make updates. We can change basically any line in the budget and update it, change it within the budget, increase it, or whatever our choice is. It just has to be balanced and it has to be reasonable. If we want to meet more and talk more about the details we can. If we choose to do that we will certainly be here to support that effort. My presentation tonight talks at a macro-level about what the budget is. What you received yesterday is the detailed line items in most of the budget. You'll notice on the page numbering it says "page number 1 of 455." There are 455 pages that ultimately are sent electronically to the state for this budget. The pieces that were not very additional in information are pages that I chose not to send to you basically to save the trees. For example, for every employee who earns over \$75,000 and is not in a union we are responsible for reporting that. In addition to that, we have to report all their medical benefits and all their payouts. It's like three pages per person. We have over 100 people that that applied to. We sent you the summary pages of that, which are about four pages. That's why you didn't get 455 pages and I hope you are happy about that. We also did not send you the detail of the school-based budgets, which is two pages per school, another 100 pages. You did get the summary page that rolls them all up into one, just to give you a little background and maybe some questions that might have come up about what was given to you. The other thing that I wanted to present to you is the last page on my PowerPoint. There was the interest by the Board to have a tax discussion. What I did is I put together an analysis of the impact of the tax, what it is at 0%, and what we can tax at the level really to educate the Board as to what they are able to do in reference to their responsibility. We'll talk about that as well so let me move on. This slide should look a little familiar to you because we talked about it as we

were talking about the budget development process. It is fiscal years 2010-11, 2011-12, and 2012-13 actual numbers that we had put in our budget and actually realized, fiscal year 2013-14 budgeted column for the current year that we're in, not the actual column because we haven't finished the year yet, and then fiscal year 2104. If you remember, when I presented this the last time we talked about what we would need to do to try to come in at a flat revenue stream. As it turned out we were right. We got a flat revenue stream from the State of New Jersey. That number of state aid, the \$405 million, is made up of five major pieces of it. I want to point out very clearly that it looks like an increase but it's not an increase because extraordinary aid is something we have to file for and we have to work hard to get extra money from the state based upon the extra expenditures that we pay in reference to special education children's needs. We do a very good job. Suzie's area does a very good job in reference to that and we earned last year, if you remember from the CAFR, they reported out \$5.5 million in added extraordinary aid from the state based upon the added costs above and beyond certain thresholds that the state allows us to file for. That's very important because that's in addition to what our regular state aid is and we are projecting that we will be at that same level this year based upon discussions and analyses of what we're dealing with this year. So I want to emphasize that that \$405 million is made up of four figures that are really traditional state aid numbers. That's the categorical transportation aid. That's one page 1 of 455 in your handout that you received. It's line #420. It's categorical transportation aid of \$3,126,191. It's line #440, \$15,680,979. It's the next line #460, equalization aid of \$369,020,610. The last line there is categorical security aid, line #470, \$11,460,079. Each one of those lines is the same amount of commitment that we received from the state last year or in the current year. That's the same amount that the state is committing to us for next year. That number of \$401,827,728 is the same number we received in the current year that we will receive next year. The addition is in reference to the extra work we do for extraordinary aid and getting that.

Comm. Irving: That \$405 million is reflected in that extraordinary aid?

Mr. Kilpatrick: Correct. When we do the public hearing we have a slide that details the individual aid numbers so we'll see how it stays the same moving forward.

Comm. Irving: Cheryl, when is the public hearing scheduled for?

Ms. Williams: The 27<sup>th</sup>.

Mr. Kilpatrick: If you look down at this number you'll see basically the numbers are the same. We are in a flat mode. There's a slight increase of about \$14 million, part of which is that extraordinary aid and part of it miscellaneous revenue increases.

Comm. Irving: Rich, do you have a laser pointer? Folks there can probably see it, but it's harder for us to look down and try to see where you're going. If you have the slide projector there's a laser right on the tip.

Mr. Kilpatrick: In order for us to keep flat we did have to increase our revenue stream a little bit, which we are doing basically through our fund balance. You should recognize this slide as well where we had presented in the past Fund 15, Fund 11, Fund 12, and Fund 13 - the salaries, the benefits, and the non-salary expenditures. You can see across the board there where the changes are. I think the important thing here is the majority of the increase is in Fund 15. Fund 11 is where the majority of the increase is. Fund 15 is our schools. What increases we do have are reflected in the schools. It's a total of about \$12 million for all salaries, benefits, and non-salaries. If you look at our

total for Funds 11 and 12 it's about \$1.6 million and Fund 13 is approximately \$750,000. It's not a big increase. There are not big dollars here, not big changes. What we did in the next slide was identify some of where the changes are. These are our non-discretionary appropriation accounts. They're the bigger ticket items. These are the items that generally we don't have a lot of control over making changes in. If we want to cut them it's going to cut things that are very important to us. For example, leases. We have set leases. We have buildings we're in. We're not leaving these buildings because we have needs for them and that's why I consider this sort of a non-discretionary. Tuitions, mostly out-of-district tuitions, while we are reducing that account a little bit because of our experience that we've seen, whether we reduce it or increase it we have to pay what's going out the door. If a student comes to us and the child study team says it would be better for them to go out-of-district to another school to get educated, we are obligated to pay that and we will find the money in our budget somewhere to pay for it. We have to. Charter schools – I feel somewhat blessed this year for the charter schools. We were anticipating that there were going to be multiple charter schools opening up. Apparently the one that was approved decided to take off a planning year for this year. Instead of opening this year they will open probably next year, meaning 2016. We will have a new school in 2016, unless they decide not to open up. They're planning in 2015, but they will open up. The increases here basically are just increased numbers for the schools that are in existence currently. We were planning a multi-million dollar increase in this area because of the new schools. In some ways we were a little blessed. Then there are the different areas. People talk about facilities and I want to touch on that a little bit - cleaning, repair, maintenance, and operational supplies. I'm not sure where people are getting this information about cutting facilities. Facilities are being budgeted this year at the same level that it was budgeted in the current year. We have cut from what the proposal was, yes. But based upon history and what is expended from the normal budget and what they spend every year it was determined that this is an okay budget to move forward with next year. There's a lot of work to be done in facilities and we have to in some way live within the means. I will tell you based upon the projections right now we're not going to spend all the money that's in the budget this year in that area. That's the reality. An area we did cut quite a bit is actually pupil transportation. We had originally anticipated having the full implementation of the Choice School program at the lower grades. We're doing that on a little lesser scale now that's going to help us on the transportation side, so we were able to cut back some of those funds that we were planning on spending in transportation. In benefits I want to explain that number and why it went up so much. We have two items in there in reference to social security taxes which have not gone up that much. We need to make sure that we're covered for unemployment insurance. We completely underfunded that this year. Based upon the issues that we're dealing with in reference to staffing and planned retention of staff we need to make sure we're covered and have enough money there. Also we totally underfunded workmen's comp in this year's budget and we want to make sure we don't do that again next year. In employee benefits those are the two big ticket items there. Are there any questions?

Comm. Irving: What about security?

Mr. Kilpatrick: I think the good thing about security is we've increased it in the schools. It's not by a whole bunch, but we did increase it in the schools. We are looking at doing some things differently in security that we have to address and that's really reflected in reference to what we're doing on the administrative side then at the schools.

Comm. Irving: You said we increased it in schools?

Mr. Kilpatrick: In the middle column you see Fund 15. On the left-hand side that's the current year we're in and Fund 14/15 is the projected year. So it went from \$1.99 million to \$2.12 million.

Comm. Irving: Fund 11 is what again?

Mr. Kilpatrick: Central administration offices, the things that we run out of this building and centralized functions.

Comm. Hodges: Would you go back to the beginning?

Mr. Kilpatrick: The revenues?

Comm. Hodges: Yes. My eyes are bad. Could you read the state aid for 2010?

Mr. Kilpatrick: \$368,171,251. That's fiscal year 2011.

Comm. Hodges: And 2011?

Mr. Kilpatrick: 2011-12 is \$400,800,005.

Comm. Hodges: Then for 2012?

Mr. Kilpatrick: Fiscal year 2013 is \$401,343,761. Fiscal year 14-15 is the same at \$401,827,728.

Comm. Hodges: Since fiscal year 2012 it's gone up...

Mr. Kilpatrick: Before you go on, I think the important thing to understand between 10-11 and 11-12 is that's the year we got a big jump/increase. That is a lot of the fund balance that we have been living with over the last several years.

Comm. Hodges: Would you look to page two, the expenditures? Under benefits, could you read those, Fund 15?

Mr. Kilpatrick: \$38,792,187 for fiscal year 2011. Fiscal year 2012 was \$42,763,291. Fiscal year 2013 is \$45,910,873. Fiscal year 2014 is \$51,189,529. We're proposing fiscal year 2015's budget at \$55,832,846.

Comm. Hodges: So just in those expenditures, the benefits alone, we dwarf the increase in aid for every single year, in that one category, not including all the rest of them. The increase in the expenditures or what's going out the door every year dwarfs what we're receiving in increase from the state. You need to understand what happens is we're cutting every year. Every single year we're cutting and to a higher degree than we're receiving. That's what I wanted to point out.

Comm. Mendez: Talking about the cuts we're making in facilities, this is an existing project. There was a line for \$150,000 and we cut it. Also, if we continue with the cutting that will affect the safety plan and security alarm services we budgeted \$100,000 and we cut \$100,000. Those are two items there on the facilities side that we have to review. Also, I truly believe that those two items shouldn't be under facilities. They should be under security. I don't know if they're going to have that money in their budget to fund this, but it's very clear that this is going to affect the safety plan that we

have in place in the school district and we're moving forward very well with that. I'm definitely worried about that.

Mr. Kilpatrick: Can I touch on that? I think it's important to understand what you're looking at I think is the capital project list. Those items were submitted. They have not been cut. If the manager chooses to cut them now before the end of the process, that's a different story. But they were submitted as projects to move forward.

Comm. Mendez: I guess we're going to have to have that discussion in facilities, but this is the actual cutting. That's what he presented. Also, moving forward with the science labs we've been having issues with that and that's a new project. We put in the line \$200,000 and we cut \$200,000. So I do believe that based on this information, facilities will be affected, not taking into consideration the renovation that we have to do. I have another question about the tax levy and I know the community is very concerned about that.

Comm. Irving: Let's let the BA introduce it because he may answer it during the course of his explanation and/or give you more information to be able to ask. I know you have two more slides going into the tax levy piece. I just wanted to mention for the reason you just described about facilities is why the Board needs to be presented with the line item budgets as soon as possible to be able to evaluate and understand exactly what priorities each respective cabinet member or staff member has put into their respective budgets. The school-based budgets I'm not as inclined to bear in on, but looking at the respective departments I think that conversation needs to be a fruitful one. That's just my two cents.

Mr. Kilpatrick: I don't want you to think that I really skipped over it, but this is the employee benefits line and what made up the total. We already talked about it so I'm going to move into this lovely topic. What I did and had my staff help with was to look at what is available...

Comm. Irving: I don't know how you guys read this stuff. This is hard on me.

Mr. Kilpatrick: What's important to understand is the Board has in the right-hand column something called bank cap available. Every year the Board has an opportunity within certain limits to raise taxes. The normal threshold you hear about is the 2% tax levy cap. You're also allowed to raise it above that 2% if you have certain expenditures that are above the consumer price index, CPI, for things like healthcare costs. There are just a few items that they allow you to increase above the 2% if you have additional costs in those types of areas. Over the past 10 years, as we talked about and discussed at the last meeting, we have not increased our taxes. What the state allows you to do is if you have not used all of your tax levy available, the 2% and the added items above that, you're allowed to do something called banking it. What that means is basically you can hold off the ability to tax for a number of years and there's a limit of three years. Right now were at the outset of the ability to add bank cap for a number of years. If we choose not to use that bank cap at the end of this year it can never be used moving forward for the years in the future. Then next year we have a bank cap level that if we don't use for fiscal year 2016 it will then fall off and you can never do it. In the same token, this year if we do not tax at the 2% level and we don't tax above the CPI limit for things like medical expenses, that will also then be bank cap for us moving forward if we so choose. In three years if we don't use it, it goes off the table. I wanted to bring that to the forefront for your understanding so that you can understand that. Just because you don't tax this year doesn't mean you lose the ability to tax in the future for the current year. You can still do it for up to three years. What this chart shows is

on the top line the 2013 net taxable valuation. What I think you should all be aware of is that the city has gone through a reduction in its net taxable valuation. The impact of that is whether you change rates or not it impacts every homeowner. Because there's a lower taxable valuation base to work from taxes will go up just based upon that fact. We haven't increased our taxes, but the valuation level going down now makes your level of taxes more than what it was last year and you will have to pay more taxes as residents. It's not a lot. I know the city talked about that. There were articles about that. It's a tough apple to swallow, but it is the reality. What this chart does is it shows what the impact is in that first column. The first column is basically what the 2013 impact or tax levies were. The next column talks about what 2014 would have been with the change in valuation and no change in current expense component. The next column talks about a 2% increase, which is the initial threshold that we're allowed to tax. The fourth column talks about a fixed dollar amount of increase in taxes of \$2 million. That's a roundabout number. It's not chosen for any particular reason. The next column talks about the change in the current expense component if we went to the current cap level that we can go to. Then the next one talks about if we took all the cap level what we could increase our taxes by. That's what all those columns are for and what they represent. The third line up from the bottom is the annual change for each one of those columns in those scenarios. That's the dollar limit that would change for a resident based upon a basic \$100,000 valued house. So \$64.89 is going to be basically your increase this year even without a tax increase because your taxes are going up because of the evaluation differential. They're expecting the people that have values on their houses to pay more because the valuations went down. The next column is for the 2% threshold the taxes would be going up \$98.23. So the 2% levy really means about \$24 to a homeowner. Then you go on to the \$2 million, the current cap of \$2.8 million, and the \$11.3 million. Are there any questions about that?

Comm. Mendez: Excuse me, Mr. Kilpatrick. I was trying to follow you but those numbers are too small for me. You're talking about the bank cap. What kind of a percentage are we going to have on tax increase? I want you to go back to that. I know that between 2014 and 2015 we see the same \$38,955,956.

Mr. Kilpatrick: The budget was prepared with a zero percent tax increase.

Comm. Mendez: On 2014-15?

Mr. Kilpatrick: Correct.

Comm. Mendez: But moving forward after the next school year...

Mr. Kilpatrick: At the last meeting it was asked to have a discussion about the impact of taxes. So what I did was prepare an analysis for what that would be and what you can and can't do.

Comm. Irving: So these are scenarios.

Mr. Kilpatrick: These are scenarios for what we can do. The budget was prepared already. It's been submitted. That can be changed. It can be altered. We can change the tax scenario which right now has a zero percent increase built into it. If the Board chooses to put a tax increase of 2%, or to go up to the threshold, or go up to a fixed limit, or go up total to the whole bank cap, whatever they wish to do, this is the data that you'll need to make that decision.

Comm. Kerr: Mr. Kilpatrick, why would we as a district recommend to the city that the school's tax levy be raised not this year, but next year or further down the road? Why would we make that recommendation?

Mr. Kilpatrick: Because you would want to do more things in your budget.

Comm. Kerr: Yes, I do understand that. But when you look at our budget, you look at how adversely we are inadequately funded in terms of our programs and structures and all that stuff. Why would we need ever to say to the state to raise our taxes when we are not getting funded at the levels at which we're supposed to be funded? The second thing is \$13 million out of this budget is taken out for charter schools. When you take that \$30 million out for charter schools every school that we operate we have to pay the same insurance for teachers, utilities remain the same, workman's compensation, and everything that goes with that remains the same. But they take out \$30 million and give it to friends and families to do their thing and it's just not benefitting one single child in our district because they get the same treatment. They don't get improved facilities in any way. They don't get improved service in any way. They are getting the same old hundred-year facilities. They are getting the same burnt up summers and same frozen winters. And we need to tell them to raise our taxes? I have a problem with that. When would it be appropriate to tell them to raise our taxes? I don't think you want to tell them.

Comm. Hodges: The problem obviously that I have, and Mr. Kerr has already touched upon it, is with the charter school issue. Yes, the students that are in charter schools are Patersonians and they deserve an education. But having said that, when a charter school opens and that allotment of students go to the charter school we can't fire a teacher because the enrollment of the charter school is spread all throughout the district. So you can't close down a school. You can't have fewer lights going on. You can't have fewer books. You may have two or three students per school taken away from you or ten or twenty spread around all 12 grades. That's why you end up absorbing the brunt of the loss. That's the point he was trying to make. They are Patersonians and I respect that fact, but their moving them into a separate system causes intensified hardship on the school district because the per-pupil cost then rises for the district. That's the point he was trying to make. The other concern that we have here over and above the fact that we're not being funded appropriately is this city receives transitional aid at the whim of the Governor. Currently it's \$22-23 million that the state has to come in and give to the city as distress aid. So you already have the state government subsidizing our tax base because it is saying this is a distressed community. So when they're funding us and funding us in a shortfall, how can they then turn to us as a school district and say, "Make up for what we're not doing illegally and put that on the burden of people that we have already identified can't handle it?" That's the question. That's the real issue here. To ask this Board to turn to our community which the state sends distress aid in the face of the fact that the Governor is illegally shortchanging the School Board and say to them, "You make it up on the backs of people who we have told you can't do it." That's the issue in a nutshell. This conversation to me is specious. For us to do that would be extraordinarily foolish. Even having this discussion, raising the potential for doing this in the future, is beyond the pale and as a citizen I can't countenance it. That's all I want to say.

Comm. Irving: Let me jump in because I want to take a different angle on that and I want to pick up where you left off with regard to the distress aid. The city is forced to raise taxes on taxpayers. It puts this Board and this district in an awful situation to even engage in the conversation altogether even when the city continues to raise taxes on taxpayers. I think not this year but in the future there needs to be a real conversation

with the City Council and the Mayor. The truth of the matter is our tax appropriation, when you're in a distress category or fully funded, reflects our community's commitment to putting in our share to supporting our kids. We don't have the ability to do that presently given where we are. But it's unfair for the city to continue to do it and then to look at us and go we can't touch it at all in order to help our children. I think on some level something has got to give. The City Council and the Mayor's office can't continue to raise taxes on taxpayers every single year and then look back at the Board and go, "But you guys better not either." There's a cost of living that's associated to how we educate our children and we can't even engage in that conversation. It's the truth. It makes no sense to even engage in that conversation because we're deadlocked to even make it. Our city doesn't have the ability to even engage in a conversation. Imagine if we assess folks in this town. Two different tax levies would be ridiculous. I don't know about you guys, but many of us wouldn't be sitting here but our colleagues who sit in City Hall continue to sit there as well. I think this is a conversation that's not just about us. It's about this town. It's about how we assess folks and how we commit to the future of this city. It's not just a School Board issue and a state and transitional aid issue. This is a city issue that needs to be discussed between the City Council and the School Board. I said it last week and I'll say it again. I certainly appreciated the last two Council members who came to the last joint meeting. One of them is actually here. These are the topics worth discussing when we come in joint session because these are the realities and decisions that we make indiscriminate of each other. When we make decisions without taking into account the effect it will have on our school district or the effect we have on taxpayers and on our city as a whole it's a very serious conversation and it's not one that I think we should take lightly moving forward. So this conversation forces us to sit down with our colleagues in the City Council and the Mayor's office and say we have to come up with a much better strategy for how we support our children, but also the quality of life of our people in this town because it's real. So we add more opportunities to bring police and fire in our city, but we also take away the opportunity to give our kids more opportunities to explore, learn, and have books.

Comm. Teague: This whole topic of even trying to bring up the discussion puts me in a very precarious position. Let me tell you why. My belief for voting to change the election was based on the premise that we would be saving the taxpayers money. Now we're discussing raising taxes or the possibility of having that discussion. That means changing the election didn't have anything to do with saving the taxpayers money. I kind of think right now that I've been had, bamboozled, ran amuck, and led astray. I'm really in a very tight position right now. I don't like to be taken because we shouldn't even be having this conversation if that move was designed to save taxpayers money. I don't know what the deal is at this point, but I think if we're going to have that discussion I don't even think that discussion should even be had right now, especially in light of the fact that the state has failed to do its part in funding the formula for our children. They shortchange us year after year and now they're coming to us. We were at a retreat last year and there was a gentleman there who said, "The state says that you guys can raise the taxes millions of dollars. They're looking for us to do it." Right there in the meeting Comm. Kerr and Comm. Hodges said absolutely not. We can't even bring up that discussion to the people. It may not be popular, but I'm saying it tonight. That's a discussion that we cannot have right now. You have people who will literally be homeless. You have people who are renting. Do you think that a landlord is going to take on another tax increase and not pass it on to their renter or their tenant? So even for the people who are renting and people who own businesses, their taxes are going to go up across the board. Paterson, New Jersey cannot shoulder another tax increase under any circumstances, especially when the state is not doing their job and properly funding the school formula.



Comm. Martinez: I just think that we're getting really way ahead of ourselves. There is no intent for us to raise the taxes. We're simply stating that in the position that we are in we have to be willing to explore every option. Again, let me be clear. We're not saying we want to do this. No one is saying that. But we cannot be so extreme as to say these things are completely off the table. I agree with you guys. No one can afford another tax hit. I can't. Like the Commissioner said, I wouldn't be able to sustain living in this city. I was born and raised here. If these taxes continue to go up, I won't be able to do this. We're not saying we want to do this.

Comm. Irving: You're going to need more dead people. It's a joke. Lighten up. Come on. You guys have been too serious all night. He owns a funeral home.

Comm. Martinez: The intent is not wanting to raise the taxes, but we have to be willing to explore options. Unfortunately, this is an option. We cannot be so extreme as to say that things are completely off the table and untouchable. It's worth a conversation. Again, no one is saying we want to do this. I don't want to do this, but what Mr. President spoke about is very true. This speaks exactly to the reasons why the City Council and the Board of Education need to be having these conversations together. The things that the City Council decides affect the people which in turn affect our children. The things that we decide affect our children, which affect the families. It's all interconnected. They cannot be separated. So for us to say that everything is off the table, that we cannot touch this topic is shortsighted. We have to be able to at least explore them. Again, it's not to say we want to do this, but we can't say that everything is off the table. Again, the intent is simply to explore not to raise taxes. I can't afford it. You can't afford it. No one can afford it. But this is the reality of the situation we live in. We have to be able to have the discussion. That's all it is.

Comm. Mendez: On the same direction we have a meeting scheduled with the City Council and I think this has to be the first topic in that conversation. I think we also have to talk about the situation and the condition of this community and we have to be clear with that. We have over 3,000 properties in foreclosure in that process in Paterson. Every day we have homeowners losing their property and leaving the town because they cannot afford it. Paterson is gang-infected. There's violence all over the place. There's shooting. The streets are destroyed. We have to face the reality of this city. We're paying more taxes than people that live in Wayne, Clifton, and Totowa. Let's be clear. The community is paying for this broken system that is not working. The negotiation that our elected officials or the administration is doing or whoever is in charge of that, we have to be honest. We need to take this option out of the table just like that. As a homeowner I'm paying more taxes than my friends in Secaucus and Clifton. Our community is facing the same reality. I think that we have to talk about this and this conversation has to be with our colleagues at the City Council. I think that if we continue going in the same direction this is going to be the next Detroit that is bankrupt, gang-infested, and there's no control. This is where we're going. This option has to be out of the table.

Comm. Irving: I think the opportunity that presents us is to face the reality of the situation which we're in. That reality includes having a dialogue with our colleagues in City Hall about the future of this city and the priorities associated with it. The priorities in the future just can't be about public safety and quality of life. Education has to be directly connected to that. I think that any time we have an opportunity to sit down and talk about schools or what people are happy or unhappy with what's affecting every single one of us are taxes. The truth of the matter is we're robbing Peter to pay Paul. That's exactly what's happening in this town. We're taking from one body to ensure

another body stays afloat and vice-versa. It's a horrible situation for us to be in and one that I think from a strategic standpoint we're going to have to come together and figure out.

Comm. Hodges: You just said it, Mr. President. You were being polite, but you know how I am. You just said it, robbing Peter to pay Paul. What I want to bring you back to is the fact that the money that we're being denied is being shifted and redistributed to affluent districts. That's the bottom line here. So when you come to talk about the possibility of raising taxes they want you to have that conversation because that further shifts their responsibility. It's not what I'm saying. This is what the State Supreme Court said. That's what he's ignoring and he then wants to tell this district, "You do what I'm supposed to do. You raise your taxes rather than me comply with the law to give you the funding that the Supreme Court said I'm supposed to give you." He wants us to sit here and say let's consider taking the money that the state has always said we don't have in this community and add that burden to this community. You can't do that. If we were receiving full funding and he were appropriately adhering to the law, then if he said, "We're maxing out, but you need additional funding," then it's time for that discussion. But we're not there yet. You just saw in benefits alone the increase has outstripped what the state has supplied for the last three years. I didn't add the rest of them up, just the benefits. So for us to say to the community we need to talk about having increased taxes, what we should be saying to the community is you need to get on the phone, get on e-mail, write letters to the Governor's office and to our legislators and say, "Fully fund the formula." That's what our role should be. So understand that I like a good discussion, as you know, and I have no problem with having these kinds of conversations. But what I don't want is the state to be under any illusions that we're entertaining the possibility given the current economic condition of the city. I'll also say it used to be called distressed city aid, but the Governor does not want to admit that there are distressed cities or be in the business of maintaining that so he has called it transitional aid. He intends to transition out of giving it. That's why it's called transitional aid. So the idea that we're going to levy an additional School Board tax when we're being shortchanged to me is very problematic. I'll leave it at that.

Comm. Kerr: Mr. President, I want to go back to your argument. I support you with having a discussion with the City Council regarding taxes, security and all that kind of good stuff. However, I must say there's a difference between how the city government is funded and how the district is funded. The difference is the revenue stream for the district comes from people with property paying their taxes. Primarily our funding comes from court-mandated requirements per pupil. It's written in the law. It's an obligation of the state. There are no ifs, ands, or buts about it. We should be given what is due to us in order to educate the children of this district. While I agree with you that there's a 2% cap and it's the law, it might be lawful but it might not be expedient for any one of us to even touch that button because it will totally decimate the quality of life in this city as we know it. People will just move out of this city by droves. So while I understand the dynamics of the whole thing, I don't think it's going to be worth our while in the long run to even countenance that action.

Comm. Martinez: One last thing. I agree with the both of you wholeheartedly. I do. If there's anything good that can come out of even the discussions of the possible discussion is that we now have because of these figures not just a theory. Everyone in theory knows we can't afford this. But if anything good can come out of this – if you even want to call it good – we now have numbers that we can say if these taxes go up this is what it's going to cost. It just emphasizes and highlights all the more the reason why we cannot afford it. It's a slippery slope. We don't want to talk about this. Again, I'm not supporting it. I don't want it. But at least in having this discussion we have a

monetary value that we can tie to this scenario and say this is all the more reason why we can't afford it. We cannot put an additional \$1,000 on the backs of each person. That's why in my opinion these conversations are at least worth having because now we can get information like this to say we can't put this number on the back of these people. I agree with you. I don't want this to happen. The discussion sometimes is tough, but we need to have these tough discussions so we can say this is why we can't afford to do this.

Comm. Irving: Point well taken. I want to transition. Mr. Kilpatrick, I'm going to ask you to just stay close because I know some of what Dr. Evans is about to discuss reflects what you are. Dr. Evans, do you want to get to the Board priorities and goals?

## **DISCUSSION OF BOARD PRIORITIES FOR THE 2014-2015 SCHOOL YEAR BUDGET**

### **Board Goals & Priorities**

Dr. Evans: Included in your packets is a listing of the goals that were shared by individual Board members. In addition to the goal itself, the department that's implicated as well as the Board member who shared the goal, and then a timeline associated with each one. I added the timeline. Between Ms. Shafer and Cheryl the two lists came together and they really were virtually the same, but we tweaked some wording here and there. We think we've captured everything that was shared in terms of the goals. As I said in the meeting where this list was generated, the suggestions were all worthy of consideration, but there needed to be recognition that we couldn't do everything at once. So I looked ahead into the future. Some things we were already doing and obviously we need to expand and I've noted that. But others I've identified subsequent years beyond this year with which through my lens at least I felt they could be added to the array of initiatives. I will call to your attention that this is a draft. It's not in final form so it begs for more discussion from the Board because the prioritization implicated from the dates that I've put there may be different from your prioritization. If they are, that needs to be known, as long as it's recognized we can't do everything at once.

Comm. Irving: Dr. Evans, I appreciate the emphasis on putting a timeline and even the budget year together. But I just find it from a practical standpoint very difficult for the 2014-15 initiatives to truly happen without some type of plan for how you plan to make it happen. This might make us feel good because there are some timelines here, but the truth of the matter is what I was intending on seeing was what are maybe two or three initiatives that we can hone in and focus in on beginning next year that might be able to move the pendulum of student achievement given all the various priorities we currently have. Case in point, we acknowledge that African American and Latino boys are the lowest performing subgroups. I would venture to say that if we're going to choose out of all of these two or three respective Board initiatives that might be one where we say beginning next year we're going to put our money on. Beginning next year and over the course of maybe two or three years the return on our investment is going to be much better if we invest in trying to focus on that performance subgroup. I appreciate your willingness to want to do it all, or the majority of it, next year. I just don't really see that possible given where we are and without any supporting information for how that's going to happen. With that said, from my perspective I thought you were going to come back with something similar to this, but also saying here are three or four of the recommendations based on what the Board has given us that we think we can implement with fidelity, with true earnest, with true commitment beginning next year and then maybe we can do another three or four. But the truth of the matter is you're never

going to make all nine of us on this Board happy. It's never going to happen. But what you can do is propose to help swing that pendulum of student achievement forward by identifying specific Board initiatives that we mentioned and then having the Board have that discussion. This is cool, but to me to have dates and say when they're going to get done and the departments in charge of them, I appreciate the effort that has been put into it, but this is not what I thought I was going to see.

Dr. Evans: If what you want me to do is prioritize your thinking, I stayed away from that. I simply reflected what I felt was realistic to accomplish.

Comm. Kerr: I share your opinion on what Dr. Evans presented in this draft. However, the initial idea was make your recommendations and see what we could prioritize for this year's budget. With regards to the budget, can I be shown on any one of these budget lines the expenditures for the priorities that you're addressing this year? I need to see how it's reflected. If you're going to address guidance and that's the priority that you choose...

Dr. Evans: And we are going to address guidance.

Comm. Kerr: How will that show up? How can I identify that in this year's budget that something is going to be done dramatically to guidance and it's being reflected in this year's budget?

Comm. Irving: Remember, that's how this conversation started, Dr. Evans. It was around the budget priorities for Board specific goals. I yield to the fact that this is just in draft form, but I just find it hard to believe that we're going to do all of this. There are several items that say 2014-15. We're going to do all of this over the course of the next year. If we are, I think Comm. Kerr is right. The Board is owed your rationale, not just for costs, but for how you think you can accomplish that and how best this Board can measure and judge you on that.

Comm. Hodges: The reason I submitted the number of things that I submitted was because what I was stating was that these things are missing in this district now. The original premise was we were not following through on our budget requests therefore we didn't need the budget. My position was you don't have a pre-engineering program. You don't have the African American and Latino males program. You don't have all these other areas that are listed here. They're not in place now. So for you to tell me that you don't need the money and that you're going to give the money back when these things don't exist and our performance is as low as it is, to me is very questionable. This is why his taking the effort to put it in the budget is fine because if it doesn't all materialize then we can question him and he'll have to say, "I couldn't afford it." But to have him say we want you to do less when these things are not here and he's already admitted that they should be here I think would be cutting our own throats and undermining educationally what these kids need.

Dr. Evans: Remember, you all generated this list.

Comm. Hodges: Yes.

Dr. Evans: And you're asking me to embrace them and make them our priorities.

Comm. Hodges: That's right.

Dr. Evans: Through my lens I looked at them and said much of this is already in the budget. It really is. Mr. Kerr's question was a good question because most of it is already in the budget or there are activities already in place this year to integrate. Let me just be more specific. Rigorous academic after-school programs for homework help in math and language arts elementary. We just introduced an after-school program targeting 3-8 to help them do better on NJASK, but a rigorous program to help accelerate student achievement. That also jumps down to the last one on that list, a more organized approach to curriculum and including rigor. It's the same thing but it's happening during the day. So as I looked at this list it occurred to me we're already either doing some of this and you don't know about it, or we will be doing it next year.

Comm. Irving: My follow-up question to that would be how many after-school programs do we have and how many schools are we working with?

Dr. Evans: Actually, I think it's all of them.

Comm. Irving: Is that true? Every single elementary school has an after-school program that is now mandatory for all kids to go to?

Dr. Anthony Cavanna: We strongly encourage all of our students to attend. It's not mandatory. They don't have to go, but the principals and the teachers work with the students to encourage them to go. They work with the parents and tell them the importance of the students going.

Comm. Irving: So this is only for NJASK or this is the entire year?

Dr. Cavanna: Right now it's for the New Jersey ASK in those grades.

Comm. Irving: But it's a yearlong program.

Dr. Evans: No, it's through the end of this year.

Comm. Irving: So then this is where the conversation about how this get interpreted. This is all interpretation. Sorry, Dr. Evans. That's interpretation. I think what Comm. Mendez was talking about was something more structured during a yearlong format that doesn't just address NJASK but also reinforces what we know kids are deficient at in STAR. All I'm saying is that I appreciate this, but if that's the case then I think we need to get very specific about how that is happening so that the Board can then weigh in on how it needs to happen even better.

Comm. Hodges: I'll support that.

Dr. Evans: Let me suggest an alternative. You're asking me to identify two or three top priorities. Again, you generated this list so I would say you guys need to get together and identify two, three or four top priorities and we will embrace them and make them happen.

Comm. Irving: I have no problem doing that, but some of my colleagues wanted to go this route. But you did agree that you would take them and give them back to us.

Dr. Evans: This is it.

Comm. Irving: I feel you. This is what you've given us. I made the suggestion three weeks ago that I think on some level this Board needs to tell the Superintendent what

we think is important and then charge you to implement and do. That's what I thought the goal-setting piece was going to be. In return we said we'll allow the Superintendent to give that back to us. If Chrystal were here she would probably tell us right now he's given us what we asked for. In some ways yes, but given what's here there has to be a much more strategic way for this Board to steer this Superintendent around the concept for how we move student achievement around specific programs or initiatives that we know we can have him support and do and put in the budget. I agree with you. That's why I have the problem of this here because I think the conversation should come from us.

Dr. Evans: In all fairness, there are things such as the example that Dr. Cavanna just gave that you are not aware of. It might help to start with making you aware of what's on this list that is either already being implemented in some schools, all schools, and what's in the budget and what's implicated for next year. There are some things on here that are already on the drawing board for next year. It would help for you to know that already so that if you want more of something that we had not planned to do but so much of, you can say that. Or if it's something we're not doing, you can identify that. But it would help me if you would identify your top three or four priorities instead of giving me a list of 42. If you would give me your top three or four priorities, that would help.

Comm. Irving: I wish you would had said this two weeks ago when we were doing this list. It would have made my life a lot easier.

Comm. Guzman: I was looking through it and with the way that we explained it, it seems realistic. If you're looking at it with the dates I'm seeing, some of them are for 2016-17. He's projecting three years from now so it seems realistic. It is to the point we did not get specific like when we mentioned after-school programs, for example. I was one of those people that said after-school programs. I know parents who because of the language barrier can't help their children with their homework. That's something that they need all year round, not just from March to June. What happens from September from March when they have homework, projects, and other things that they don't understand? I know that after-school programs are going on now but it is focusing on testing. I got the letter for my daughter to go to the after-school program and I'm thinking about it. But then two days later the form that was sent to me was followed up by a letter from the principal stating where my daughter stands when it comes to math and literacy. I think that's something that all the schools should do because just sending the letter for the parents you're giving them an option on whether or not they want to send their students. But two days later I had just left the paper there still debating on it and when I got the letter I realized my daughter is at 93% in math but she's only at 70% in literacy. I have to do something about it, so that made me sign her up for the after-school program. What I'm hoping is that she's actually getting the help in literacy that she needs. That's where the focus needs to be placed. If there are other parents that will be thinking like me, I'm thinking maybe it's voluntary. It's not really mandatory. But once I got that notification telling me where she stands and that I had to sign it saying I received it, then how am I going to have on my conscience my daughter is only at 70% in literacy, 93% in math, and I'm just not going to do anything about it. I think that was one good initiative. I'm not sure if all the schools do it that way, but I know my daughter's school did. It's also important that it's done all year round because sometimes we as parents don't get to communicate as much with the teachers as we probably should. That's one thing that we need to place focus on. I think everything else is what we asked for. Maybe we just have to be more specific with things that actually need to take place this year. I think you gave us what we asked for on this.

Comm. Kerr: I just want to take the Board back to the genesis of our conversation regarding those items that were submitted. We started out with the budget and we're talking about the inadequacy of the budget. We were talking about the things that we need to have in the district or the things that we need to be doing that the budget in its present form would not be able to facilitate. Dr. Evans said to us we submit the things that we want to see done and he will prioritize those things and see how he can roll them over into this year's budget. Why do you think we went through all of that before the budget rollout? Because we wanted to lay some stuff on the table for consideration and then Dr. Evans tell us A, B, and C. We didn't put any pressure on him to say this is what we want. We gave him the opportunity to choose from that list the things that he wants to address in this year's budget. But his responsibility was to come back to us and say, "Guys, this is what I'm addressing in this year's budget." That wasn't done in a clear concise way and this is why I'm disappointed. We've been through all of that stuff. When Dr. Evans said we'll get this done next year, I agree. But that is not clear and specific enough and that's where the problem comes in.

Comm. Irving: I was under the presumption that we would do that, that we would submit recommendations to the Superintendent and he would cherry pick or help assign our line. The point that he makes though is quite valid. It's difficult to ask him to choose for us what the priorities are that we have. Again, I don't want to get into a tit-for-tat for trying to prove a point to the state and miss an opportunity to put two or three real initiatives in place for our kids that we can help implement. On some level I think if Dr. Evans' request is for the Board to look at this list and say tell us what specifically you guy want to see done over the next year and then come back and assess that over the next year, I think it's worth us having that conversation.

Comm. Kerr: What I think needs to happen is Dr. Evans just needs to tell us the programs that he has addressed in this year's budget and how he has addressed them. That's all. We don't want to tie him to any pole. Just tell us what you've addressed and how you have addressed it in terms of the budget.

Comm. Hodges: I'm flabbergasted here, quite frankly. Dr. Evans has gone beyond that. He gave us many different programs and if you recall his statement was, "I agree that these programs should be here." That's what he said. So he comes back and gives you a list of initiatives that we have said need to be done and he's put on paper that he's committing to do. What we're essentially saying to him is to do less, just cut this, give less to our kids and we'll just pick two or three to do as opposed to this whole page. No. The reason why he said he supports these is because he admitted that these things were not in the district right now and needed to be. Those were his words. They needed to be. The rationale for me was to say if we're giving back money because we're not spending it rather than give it back spend it on things that we don't have that should be here. So the man has come up and said, "I'll go beyond that. I'll try to do as many as I possibly can." If you want to say let's focus on three, I'll agree with that. But don't tell him not to do the rest of them because that means giving our kids fewer educational opportunities than he said they need. We can headman the three. We can monitor the three. We can follow the three of them. But don't say don't do all of them because he's already committed to doing all of them. Why take less?

Dr. Evans: I actually spent a lot of time going through each item on this list and everything that I've noted for the 2014-15 year next year were things that I felt we genuinely needed to do, but were realistic in terms of implementation. The things that I put for the 2015-16 year were things I felt required more time to plan for and prepare for. A lot of thought actually went into the identification of those things. This is only the

beginning, whether it's one item or 42 items, of what's needed to fully plan something for next year or something for two years out, but at least it's identifying them.

Comm. Mendez: Dr. Evans already said that some of these priorities are being addressed in this school year. What we need to do is that we have to take a look and see what things are not implemented, how we're going to do it, and if we have the funding to do that and take the three top priorities that we think. But I also agree that we have to work with the whole list because those are the priorities that we chose. So let's work with the whole list. But on top of that, let's keep in mind that there are things that we already implemented that we're already working on in this school year. Let's see what we're doing right now, how we're doing it, and let's work with what we don't have, how we're going to fund it and how we're going to make that happen.

Comm. Irving: If you guys want to take the list as is, that's fine. I think the mistake we're missing on is the opportunity to really focus on some key problem areas in our district. If everything is going to be done in perpetuity over the course of the next year, that's fine. Let's move on.

### **Evaluation of Academic Programs**

Dr. Evans: The comments I made earlier address them. You have the abstracts for seven items and some of you – I believe it was Comm. Martinez – asked for the complete reports. We'll make sure you get those. I don't know if any of you other than Comm. Martinez would like to have them. Again, if you let me or Mrs. Jones know tonight or after the meeting, tomorrow, or whenever, we'll be happy you get them to you. It includes an evaluation of the IFL. It includes an evaluation of special education, ELL, and the programs that I mentioned and that are listed in the letter that you have. Other than to leave you to read those and determine if you want the full report, I don't know that much else needs to be said about them.

Comm. Irving: Dr. Evans, where's the document?

Dr. Evans: It's in the packet. That's the beginning of it.

Comm. Irving: It's the summaries.

Dr. Evans: Yes. They are abstracts or summaries that we just simply pulled from the reports that provide an overview of what the study was about and what the major findings were.

Comm. Irving: And the table that's at the end of it I guess is the cost.

### **Costs of Transformation Initiatives**

Dr. Evans: Correct. One of you asked for that a month ago and we pulled that together. It includes not only the items that are on previous versions of that transformation initiative chart, but I added an 'other' category for things that weren't represented in that form.

Comm. Irving: Let me just reinforce because I just want to make sure Comm. Martinez saw something I know you asked for. But even more specific there are literacy and math training programs that we've purchased and those aren't reflected in here as far as district transformation initiatives. Many of them are curriculum based initiatives and/or special education. I think what Comm. Martinez was asking for was trying to get that



comprehensive list of all the various educational programs that have a price tag associated with them so that we can gauge and measure exactly what they are and the effectiveness of it.

Comm. Hodges: A compendium is essentially what he's looking for, Dr. Evans. I hesitate to mention that.

Comm. Irving: Is that realistic to try to pull together?

Dr. Evans: If you want to know the detail for a particular array of interventions then spending some time with the appropriate chief or assistant superintendent is the best way to handle that. Dr. Cavanna, for example, would have the list for curriculum related kinds of things, and there is a list. He actually sent it to me and I totaled it to get the figures that are there. But if you ask me to engage in a detailed conversation about some of the items there, I'm not the person to do that. He is.

Comm. Martinez: Fair enough.

Comm. Irving: Any further discussion before we go into public comments?

## **PUBLIC COMMENTS**

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

Comm. Irving: I just want to remind everyone of the three-minute time clock that is kept by Ms. Williams. When you hear the bell we ask you to please wrap up your speech and/or comments in order to make sure that someone else has the opportunity to speak thereafter.

Mr. Charles Ferrer: Good evening, Charles Ferrer. I was listening to the comments about the increases in the taxes and I have to agree with the Board. I was at a meeting where they were talking about any time the state can get us to increase our property tax base that's going to give them another opportunity to pull more money away. If we go back and look, when the Governor first came in here and he dropped us by about \$50 million, if you go back to that point, add that \$50 million back in and then add the increases on top of that that we should have gotten from that point, the state owes us a tremendous amount of money. So, to ask the people to pay more money is ridiculous, especially when it is the state's job by law – not an option or if you feel like it – to fully fund education for the students in Paterson. If they want to do charter schools and all that, then there should be a separate fund to deal with charter schools. Don't take from the public schools. There should be a separate fund to deal with charter schools. They are obligated by law to fund them too, not pull from our budget, but they're getting away with it. You were talking about the medial expense. There's a clear easy way you can probably save a lot of money. Pull out of the state plan. Other school districts have. But we won't do that. What you need to do is look at some of the people that might be connected to the state plan and then you'll understand why we're not pulling out of it. There are some powers that be that are getting money for school districts being in the state plan. Everybody knows that. There are some people that are powers that be that are getting money by us staying in that plan. We could negotiate our own deal and probably get a better deal and a better plan than what we have right now if we dealt directly with Blue Cross/Blue Shield. Then what we also need to do is look at how much money we're losing on the fact that we're paying for both a husband and wife to be

insured because when the legislators decided to do what they did and make us pay more to the plan they didn't say if one of you come off the plan. Let's say the plan was \$17,000. We'll give you \$10,000 and we'll save \$7,000. They didn't do that. If you go off you get nothing. You can negotiate that in the next contract. You didn't let us negotiate what you did to us. So, there's another problem right there. That's what you need to look at. Explore if we can save money that way. Lastly, a couple of articles talked about New Jersey apartheid schools. This was a study done by Rutgers University and the Education Law Center. What's in here spells out what's being done to us. The other one came up a civil rights project. Two new studies show alarming segregation in New Jersey schools which may run afoul of state constitution.

Comm. Irving: Thank you, Mr. Ferrer.

Mr. Ferrer: This is bigger than what's going on here. Look at the Broad Foundation and all those clowns, Bill and Melinda. Money! It has nothing to do with our children. Money! That's why they're here.

Mr. Ramon Irizarry: Good evening, ladies and gentlemen, Dr. Evans, members of the Board, members of the community that are here today. My name is Ramon Irizarry. I'm involved with a non-profit that's dedicated right now to help improve education in Paterson and also spark entrepreneurship so that we can return jobs to people in the city and deal with the poverty. Because of the situation that I heard that not enough people were coming to the Board I did a lot of publicity. There are some school teachers here. There are also some members of the community who we are helping as a result of Comm. Mendez who started a program at Eastside High School. We're actually teaching them English. They're sitting here learning so they can help contribute to the city. Tonight, I heard that there are approximately 35% cutbacks, somewhere around 25% or 35% the district is being asked to reduce. I also heard that the budget is underfunded and it's not receiving what the law says it's supposed to receive. I also heard that there are approximately 35 programs that the Board recommended, some of which have not been implemented to the point that it needs to be implemented. I also heard that we're returning funds back when those funds need to be used to implement and expand the programs that are functioning well. Here's the reality based on the knowledge that I have. This country right now needs to compete worldwide and they're talking about needing the average adult to be 50% college graduates. But the reality is that Paterson is approximately 10% when New Jersey is at 35% and the country is at 35%. So Paterson is 70% below what it should be. The problem with that is Paterson lost 24,000 private sector jobs when manufacturing left the city and those jobs were never replaced because they said that the education level here was not sufficient to bring the high-tech jobs into this city. It replaced the 24,000 jobs with poverty. We have not been able to bring those jobs back unless the education is upgraded. How in the world is Paterson going to be able to shoot to the goal of 50% adult population with a college degree when the funding is being cut? I don't understand how we can do that. It's at 10% right now. Even to reach 35% and be on an even playing field with the rest of the State of New Jersey will take a great deal of effort. But to reach 50% from a 10% level is just not going to happen. If it doesn't move up with the education it's not going to attract the jobs that this city needs so that the few people who are still here paying taxes will not carry the burden totally. That's the reality of what I see. To conclude, for the community to help this Board and the district we need more information. We need to be educated. For example, I need the list of the 35 programs that you recommended. I need more details on the budget. I will conclude my conversation by stating the following. I went back to school. I have two degrees. To get a business degree because of the economic crisis I needed to know how the economy functions. When I hear cutbacks in Corporate America they teach us that cutbacks means you eliminate

what's losing money for the company in order to channel that money in the area that's making a profit. I'm concerned with what Dr. Hodges said when he said that money was being cut in Paterson to put in a general pool to then take it to areas that are more affluent. It tells me that maybe there is a hidden agenda and that the goal is to bankrupt Paterson and make it look like Detroit. If you take money out of Paterson and you channel it to an affluent district what you're doing in effect is you're doing what a corporation does. You eliminate what's losing and you take the money to make a profit.

Ms. Rosie Grant: Good evening. This week the Paterson Education Fund had the opportunity to testify before the state legislative bodies of the senate and the assembly. Our testimony was around the very thing you're discussing tonight, which is the School Funding Reform Act of 2008. The act was passed in 2008 and first implemented in the 2009-10 year. The Governor put out his budget for 2010-11 and it did not include full funding of the formula. We went to court and that is why, Mr. Kilpatrick, there's a bubble in state funding in the 2011-12 year. The court mandated that the formula should be funded for the 31 previously Abbott districts so that they could then do an evaluation to make sure that it met constitutional muster. It has not been fully funded since. Every year we lose \$50 million. Last year we lost \$50 million. The way the formula is set up is that there is a base cost established and then there are weights added to those costs. There's a weight for concentrated poverty. There's a weight for at-risk students per student. There's a weight for limited English proficiency, one for students with disabilities, and so on. When this formula is run that's the amount of money that Paterson is entitled to. This year the Governor has decided he's not even running the formula. He's giving us what he gave us last year, which was already \$50 million short, and that doesn't account for the consumer price index. It doesn't account for inflation. It doesn't account for the changes in all the weights as our student population changed. We're not getting all the money that we're entitled to for at-risk students, for students with disabilities, etc. The \$38 million that we're getting extra this year, which is 1%, is because across the board the Governor has said we're going to give \$10 more per student as an adjustment aid and \$10 more per student for PARCC test implementation, the Common Core Standard. It has nothing to do with the formula. It's been totally abandoned and that has been our testimony this week and everybody else's testimony across the state to the senate, to the State Board of Education, and to the assembly. Make the Governor run the formula. It's the law of the land of New Jersey. It's based on Abbott where Abbott says we need wraparound services and it's in the School Funding Reform Act. We have some great stuff going on. We've got the Full Service Community Schools. That's wraparound service after school and that provides support for our kids because we have concentrated poverty in the City of Paterson. We shouldn't have to fight for extraordinary aid. It's in the law and we cannot increase taxes locally until the state pays its fair share. We're not demanding that the state pays its fair share. The whole fair share thing and the ability to increase taxes is because of the formula. They can't not run the formula and then tell us to pay our fair share in taxes. First they have to pay their fair share. So please consider that as you make your decisions and as you consider the budget. The one last item is Dr. Severance from the state came and looked at our community schools and she was so impressed that she is considering it as a model for the entire State of New Jersey. So please be mindful of that as you consider priorities and what our children need. I do want to make a request please for a full copy of the evaluation of academic programs. Thank you.

Comm. Hodges: Ask her to fund it.

Ms. Waheedah Muhammad: Let me say first of all welcome back to the truth, Comm. Teague. Can I just find out on the 27<sup>th</sup> where and what time will that budget hearing take place? I'm praying that you're going to bring it closer to us so that we don't have to

come all the way out here, but we know what that's about. Also, I want to know if you've ever done a study. We always talk about charter schools and I heard you say that most of those students in those charter schools belong to Paterson. Have you ever done a study to find that out? I do know when I was working for Scholastic there were quite a few students coming into the district from other places because they were able to do that and nobody was minding the store as to whether or not that was done. So I want to know if you've ever considered doing that. Lastly, why are we so afraid to challenge Chris Christie? I don't get it. Are we afraid of him because he's...what? We just sit back and talk about how this man has totally disrespected this whole community and told us, "I don't care. Whatever I want to do I'm going to do it," and we just sit back and play dead. I don't get it. What is wrong with us? Are we that afraid? We sit here and we act like we can't say anything because it is Chris Christie? I know Dr. Evans can't say anything to him, but hell we can. What's the matter with us? We get in our closets and our little stores and our little back meetings or wherever we go and talk about stuff. But when it comes to rolling up our sleeves and showing that we are not afraid we sit back and say there's nothing we can do but put in on the back of the taxpayers because they can say anything. They can't do anything. We have to do better than that. I just don't understand it. Tell me where this meeting is going to be on the 27<sup>th</sup> and what time if you're able. So when we say we're trying to reach out to the community and make them aware, this is the way we do it.

Ms. Irene Sterling: Good evening. On a very cold January in 2008 the Paterson Education Fund community partners took two busloads of people down to the state legislature on the day that the School Funding Formula was being considered. Most of those people had to go home before the vote was taken. Four of us stayed in the senate chambers up above the floor and watched sausage being made. Rosie Grant, Errol Kerr, Jonathan Hodges, and I watched Governor Corzine roll the logs on the senators. The assembly chamber had already rolled over and passed. The vote was stopped for three hours while Governor Corzine pushed for the last vote to pass the SFRA. We were in opposition to the SFRA as a community led by members of this Board. Only two of you are still on it who were there pushed for this to not happen and for the Abbott remedies not to be taken away from us. The paper that I gave you is from the office of legislative services that shows that over the last five years since the SFRA was finally instituted completely in the first year and Governor Christie's actions following we have actually only gotten a 2.8% increase over those five years, which means that we have done the heavy lifting that our scores tell us now and the work that's done the hard way. We've done it against the odds. That is not the recommendation to continue to do it that way. I want to remind you that the way we fund our communities and our schools are fundamentally different. Comm. Kerr was trying to say it. Let me say it differently to you. The State of New Jersey is constitutionally obligated to fund education, not local communities. The state chooses to fund schools through the mechanism of local communities, but it is a constitutional obligation of the state to fund schools. There is no constitutional obligation, ladies and gentlemen, for the state to fund the City of Paterson. So when you go and talk to your colleagues at the City Council and the Mayor please remember you're sitting in very different places. The City Council and the Mayor have no option but to raise taxes to meet the obligations of this community. There is no way that the state must intervene in that. There is no court decision or constitutional obligation to do anything for us. On the other hand, there is an absolute constitutional obligation for the State of New Jersey to fund its schools. That is where you sit, in a very different place. Please Commissioners, please Chris, do not forget this. As a political science major and somebody who studied that you know there's a significant difference in that and do not let it get away from you because we won't. Thank you.

Mr. James Shadi Thomas: In the name of god the most gracious, most merciful, hello to all. I'm a resident of Paterson. I've been here all my life. I didn't mean to sign up for the list. I thought it was a sign-in sheet. But I'm here. I went through the school system at School 8 and Kennedy High School. I've been a businessman all my life by god's permission. I'm a family man and a resident all my life. I deal with men ages 18 through 50. I have a construction company. I hire them and teach them how to do construction. Many of them struggle with measuring and a lot of basic things that are taught in school. So it saddens me to know the school and city that I love and the school system I was brought up into is being underfunded. I'm here. I came as a spectator. I didn't intend on speaking, but what we need to recognize and understand is that it is our duty as adults to fight against any injustice. You are elected officials. We expect you to fight and not cower down. I started my construction company. I go work in Hoboken, Upper Saddle River, here and there. Many of the people in this town don't even support me. But as a man it's my duty to support my family and stay consistent, as too with you. You were hired to do a job and it's not solely your responsibility. I'm not here to beat up or bash anyone. I'm saying that I appreciate Dr. Hodges informing me of different things. I'm here to learn, to assist, and to work with anybody. But as adults it is our duty to fight against injustices. That's what we expect you to do. Again, I'm open. I'm a businessman. I'm a long-term resident. I'm here. Whatever information and whatever I need to know and learn I'm a student of this forum right here. We don't expect you men and women that represent us to just cower down. I just want to make that clear. Thank you very much for your service. We appreciate your service. I'll be here more. I don't mind saying what's on my mind.

Ms. Sylvia Farrar: Good evening to all present. I am Sylvia. I'm looking at the young faces here, but some of us are old enough to remember Paterson being promised 12 brand new schools. We fought and petitioned for that. We rolled up our sleeves up and we were told that we would get 12 brand new schools in the City of Paterson. Now we are faced with this Governor who has no need for us. I've heard many testimonies and the young lady that went to Trenton. Everyone is very much on point as to what is happening to our city and to our children. I'm also a member of Operation Cease Fire. It's a program that's very close and dear to my heart. We're working on programs that are very much more proactive. But we need our children to be educated in an environment that is safe, clean, and where they can breathe the air. We need technology. Children nowadays can work computers better than we ever could. Kindergarteners and preschoolers know how to work a computer and cell phone. We need the tablets on the desks. They're much lighter than those heavy books. All my children are grown. I have no school-age children. My youngest is a marine getting ready to go to Afghanistan. These are the things that we need. There needs to be a balance. Charter schools are fine, but there needs to be a balance. I believe what is happening is they're trying to substitute the 12 new buildings we were supposed to get with these charter schools. Wonderful! We need some all-boys schools. We do need these types of programs if it's going to be on that level where you take all of our young men. Dr. Abraham Abrams wrote a book many years ago about raising our daughters and loving our sons. By the fourth grade our young men and our young women pretty much in the state, they analyzed our young men and girls and what the prison population is going to be already. So we need to throw that back at them. Our children are not going to prison. Our children are going to survive. They're going to thrive just like other communities. I say you need to start impeachment proceedings on this Governor because he is not performing his task as Governor because he's serving communities that he picks and chooses to serve and to heck with the rest of us. That in itself is not fair. It's just not right. He has no concern for the city, no respect for our Mayor, the City Council, the School Board, or our children. They've already calculated what they're going to make on the other end in the prison population. By closing even

North Jersey Developmental Center how are these people going to now pay their taxes and even remain in the City of Paterson? All these things are going into play. We cannot let him make Paterson Detroit. We cannot let him bankrupt our city or destroy our children that are coming up now. We cannot stand by and let that happen. You're going to have to stand up to him. It's going to have to be done. Thank you.

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

## **OTHER BUSINESS**

Dr. Evans: I just want to clarify one point based on a comment that was made. The comment reflected a misunderstanding. There was a reference that we had asked our chiefs and assistant superintendents to cut 35% of their budgets. There is a specific budget that was targeted, not the total district budget. We have multiple units with multiple budgets. We have principals who have budgets for their schools. We have division heads which have budgets for their divisions. It's those division budgets which don't involve salary that we're talking about. That totals about one fifth to one sixth of our total budget. In fact, the Board will remember a discussion that we had some time ago about the non-salary budget and that it was up this year significantly in terms of what was budgeted. Not what was spent, but what was budgeted. So it was closing that gap between what was spent and what was budgeted that we were working with and that totaled about 35%. But that's only one fifth to one sixth of our budget, not 35% of the total district budget. I just wanted to clear that up.

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

The meeting was adjourned at 9:15 p.m.