

**MINUTES OF THE PATERSON BOARD OF EDUCATION
PUBLIC HEARING ON THE 2025-2026 DISTRICT BUDGET**

May 6, 2025 – 6:16 p.m.
Central Office (First Floor)

Presiding: Comm. Joel Ramirez, Vice President

Present:

Dr. Laurie W. Newell, Superintendent of Schools
Dr. Rodney Henderson, Deputy Superintendent
Khalifah Shabazz-Charles, Esq., General Counsel

Comm. Valerie Freeman
Comm. Eddie Gonzalez, President (Remote)
*Comm. Della McCall
Comm. Hector Nieves (Remote)

Comm. Mohammed Rashid
Comm. Kenneth Rosado
Comm. Kenneth Simmons
Comm. Corey Teague (Remote)

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

Comm. Ramirez read the Open Public Meetings Act:

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

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

**Budget Hearing
May 6, 2025 at 6:00 p.m.
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.

Dr. Newell: Good evening, everyone. At this time, we will have the Business Administrator, Ms. June Gray, present the 2025-2026 school district budget.

PRESENTATION OF THE 2025-2026 SCHOOL DISTRICT BUDGET

*Comm. McCall enters the meeting at 6:19 p.m.

Ms. June Gray: Welcome, everyone, to the public hearing for the 2025-2026 School District Budget for Paterson Public Schools. This will be brief as the other presentations were a little longer. This is just a reiteration of what has been presented so that the public can voice their concerns. I just want to thank my colleagues for all the hard work

that they do in allowing me to call them on their valuable insight in their areas of expertise to get the budget completed. I appreciate the Cabinet for all the things that they do for me. I would like to also thank my immediate team, Katori Walton, Cecilia Daly, Lance Gaines and Kennia Fulgencio. That's my budget team and we spend countless hours together. I want to go over the budget process, what we do, just to remind everybody. This is a long process. It starts as early as October. We begin planning and discussing the budget process. We follow a mandated schedule that's issued by the State of New Jersey, which has key compliance dates we have to comply with. Departmental and school meetings are held where we discuss what's needed based on assessing their needs and operational based on the priorities and goals of the district. We did budget presentations for the preliminary and we also held community forums. By mid-March, we have to submit a preliminary approved budget to the County, which has been done. At that time, we have to present to the public an opportunity to review the budget in central office. You can come and see what is included before the public hearing. Finally, the budget will be presented on our website 48 hours after the public hearing tonight. We started off with our revenues for 2025-2026. We have our state sources, federal sources, tax levy and local sources. We also have, which wasn't included in the preliminary budget, the transfer from preschool carryover of \$6 million. We had verbal approval for it. However, we didn't receive the written approval until after the preliminary was accepted. We removed it and we're putting it back now. The budget will remain the same. However, it's a preschool carryover transfer from Fund 20 to Fund 10, which will help support our pre-k program. The district has the withdrawal of capital reserve and our budgeted fund balance, which the district is contributing \$8.6 million and \$23.6 million of our own money. This is just a depiction of our revenues by percentage. You can see that 81% of our revenue comes from state sources. When the state decreases our revenue, you can see that is a big hindrance for the district. As we move from one year to the other, there was a decrease in our revenue from the state of \$19.2 million. The bulk of our revenue comes from state sources. Federal sources are 2%. Tax levy overall compared to the budget is 10%. Local source is 1%. Transfer from preschool is 1%. Withdrawal from capital reserve and the budgeted fund balance, when you add them all up, that's where we get our total budget. The next screen is a depiction of the state aid over the last six years. You can see we were on the climb up and we came down in 2022-2023. We were on the increase from 2022-2023 to 2024-2025. We received \$54 million in 2024-2025 and now we're in a decline back at \$35 million, which is comparable to where we were in 2023-2024. However, our expenses continue to increase and that's where we start to get into the structural deficit where our expenses are increasing and our revenues are decreasing. We're going in the wrong direction, so we have to monitor our expenses. We have to be mindful and conscientious of our spending. However, we do require more revenue. We have to withdraw from our capital reserves just to support our emergent capital projects and upgrades. We have a resolution for you today listing all the projects that we will be doing and the upgrades we are planning for 2024-2025. Then we have a withdrawal from our unreserved fund balance of \$3.6 million and that's to address the budget deficit and our operating shortfall. We prevent it from decreasing any more essential programs for our academics. We are also allowed to have 2% fund balance, which may put us below and decrease our ability to contribute to future budgets as much as we have. This is the historical data for the tax levy since 2014-2015. It's been on a decline since 2020-2021. We're coming down. We started at 14.86% and we're down to 4%. Again, revenues are decreasing, and expenses are going up. This is a depiction of our budgeted tax levy historically. Just to reiterate the homeowner's investment at 4%, the monthly increase we're projecting is at \$8.21 and .27 cents daily. Salaries and benefits is our largest expenditure in the budget and charter schools. Then we have our non-salary, which is our school based. The largest central office non-salary, which includes all our operations that happen here at central office - facilities, special education,

transportation, academic services, security, technology and legal. That's all included and that's where we come up with the \$768 million. Our budget is in balance with our revenues. This is a depiction of the salaries and benefits, 49% of the budget, and then we have charter schools, school-based and central office. These are some of the budget highlights. I just wanted to show that this budget was designed to provide a thorough and efficient education. To support literacy, we have included funds for textbook adoption for English language arts for grades k-5. We also have a high school math textbook adoption. An example of professional development for staff, we want to train new elementary teachers to focus on the science of reading. We want to expand certification programs for high school and dual enrollment where more students can earn college credits. We actually had some students who were able to obtain their associate's degree before graduating. We want to do an introduction of AI resources for teachers. For our capital projects, we have the Eastside High School science lab, bathroom renovations, elevator upgrades and much more to our aging infrastructure. We're moving forward with technology initiatives. Mr. Saleh is doing a great job leading us forward. We're maintaining our fine and performing arts by keeping arts and music in the schools. In closing, we are committed to providing a thorough and efficient education which allows our students to compete at the highest level, despite our fiscal constraints. Through innovation and strategic resource management we aim to maximize every opportunity to empower learning. We move forward with our collaborations. We prioritize our investments by retaining highly qualified educators, curriculum enhancements, special education services, bilingual programs, intervention supports, technology upgrades and digital resources. Despite our fiscal constraints, we are dedicated to maximizing our resources by advocating to adequately fund to fulfill our responsibility to the Paterson students and families.

Dr. Newell: I have no additional comments other than thanks to the team for all the work that they've put in since the fall to get us to this point.

Comm. Ramirez: I must echo your sentiments. Thank you, Ms. Gray and the entire team. We greatly appreciate all your work.

PUBLIC COMMENTS AND HEARING ON THE 2025-2026 SCHOOL DISTRICT BUDGET

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

Ms. Rosie Grant: **Good** evening, Commissioners, Madam Superintendent, Dr. Henderson, staff and community. I wanted to share with you that we have put together the Paterson Education Fund's school budget report, which is over there. I'm sure there are enough copies for you to have as well. It's a really simplified version that tells us what the totals are. In reviewing the totals, there are some things that stand out. Total revenues from federal sources are down \$20 million. That's a big drop for us. It increases my call to you for increased advocacy for federal budget changes that are affecting our children negatively. Even with that, our total revenues are expected to rise over last year, but we know that inflation is outpacing the rise in the budget. As I look at the expenditure side, although the district is doing its best, there are some programs that are significantly reduced, one of which is total regular program instructions. That's going down by \$4 million. Before and after school programs is going down. Instruction and tuition is going down by \$3 million. Transfer of funds to charter school is going up by \$17 million, which is outpacing the other things. Of course, the total federal projects have gone down to match the income that we're not going to get from the federal

government this year. While it is providing a thorough and efficient education, it is really bare bones. It is really streamlined. People look at the number and think it's a big number but look at how much we've lost over time. 19% of the budget is for charter schools and the only way to fix that is to find ways to attract parents and children to stay in the Paterson Public Schools. While 19% is going to the charters, of which we have seven of them, 36% is going to all of Paterson Public School buildings. 50 buildings, 36%. Seven or eight buildings, 19%. There's certainly an inequity there that we must address. I encourage people to get our simplified guide to the school budget. We will be doing a school-by-school one as well that should come out in the next few days. Anyone interested in a workshop to more fully understand the budget, please reach out to the Paterson Education Fund. Thank you.

Ms. Zakiyyah Mack: Good evening, everyone. I'm a little disappointed because there should be way more parents than what is here tonight. I'm a little confused as to how we're now trying to rectify the outrage of spending. You have a building that was used for the Board of Education in downtown Paterson, but you're renting this building. That's money that could be put somewhere else. Instead of fixing that building and getting back into that building, you're paying to rent a building. You own a building already. I'm really trying to understand how you expect Paterson residents to pay this tax increase. Now, the city wants to tax us so that's going to be double what we already have. The pay is not going up. The cost of living is going up. If I'm paying my high Paterson taxes already plus my rent, food and clothes, I have to still keep all these necessities. How do we fix helping the people to get this problem under control? It's frivolous spending. We're spending money on nonsense and things that shouldn't even be here, such as expensive furniture and high salaries. What's going on? There are no books. Schools still look a mess. School lunches are terrible. We're still sitting here talking about raising taxes. The taxes we're already paying are not showing for anything. Help me understand where do you expect a person whose salary is \$34,000 and works for the city, where is that money going to come from? I don't see anybody giving handouts to pay my \$2,000 rent. Rent is \$2,000 in the City of Paterson. You can't even walk down the street without watching a person inject something in their arm. I'm paying \$2,000 for rent. At the corner store you have to go around cats and bugs. I'm paying \$2,000 for rent. The state took over the Board of Education back in 1991. No tax increase. No problems. You get back control in 2021 and now everything is going down. Why? What happened to the money? Everybody gets quiet when we ask where the money is. Where am I going to pull it out of? You have Chromebooks and half work and half don't. I have to pay to keep the wi-fi on for them to use the Chromebooks. Where is the money going to come from if we cannot do it? If we're already struggling to try to make ends meet in our own homes, how are we going to help your home?

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

RESOLUTIONS FOR A VOTE:

Resolution No. 1

WHEREAS, the Superintendent of Schools forwarded Paterson Public Schools' FY2025-2026, Preliminary budget to the Passaic County Executive County Superintendent of Schools for review and approval on March 21, 2025; and the

FY2025-2026 budget was approved by the Executive County Superintendent of Schools on April 17, 2025; and

WHEREAS, the final budget was advertised in the legal section of the Herald News on April 30, 2025, and presented to the public during a public hearing held at 90 Delaware Avenue, Paterson, NJ, on May 6, 2025, at 6pm.

NOW THEREFORE BE IT RESOLVED, that the Board of Education adopt the FY2025-2026 final budget submitted by Dr. Laurie Newell, Superintendent of Schools; which reflects an increase in the local tax levy that includes the use of the eligible enrollment adjustment of \$536,012, for instructional supplies and materials, and the use the Banked Cap SDA adjustment of \$1,000,753, available for FY2025-2026 to support the general fund as reflected herein;

	2023- 2024	1-Feb YTD Actuals	2025- 2026 Budget
	<u>Pre-Budget</u>	<u>Actuals</u>	<u>Budget</u>
Maximum Travel	\$248,594	\$34,715	\$295,386
	<u>Budget</u>	<u>Local Tax Levy included</u>	
<u>General Fund Revenue</u>			
Local Sources	\$ 87,294,985	\$ 79,294,985	
State Sources	\$ 624,588,888		
Federal Sources	\$ 215,951		
Budgeted Fund Balance	\$ 23,680,196		
Withdrawal from Cap Reserve	\$ 8,608,670		
Total General Fund	<u>\$ 712,999,784</u>		<u>\$ 79,294,985</u>
<u>Special Revenue Fund (net of operating budget transfers)</u>			<u>Local Tax Levy included</u>
Local Sources	\$ 783,751	\$ -	
State Sources	\$ 68,199,101		
Federal Aid	\$ 30,443,170		
Transfer from Operation Fund:			
Pre-K Special Education	\$ 3,964,304		
Total Special Revenue Fund	<u>\$ 103,390,326</u>		<u>\$ -</u>
<u>Debt Service -Fund 40</u>			<u>Local Tax Levy included</u>
Local sources	<u>\$ 604,875</u>	<u>\$ 604,875</u>	
Grand Total Revenues	<u>\$ 848,383,891</u>		<u>\$ 79,899,860</u>

AND BE IT FURTHER RESOLVED that the Superintendent of Schools hereby fixes and determines that the amount of money necessary to be appropriated for use in the public schools for the 2025-2026 School Year is \$848,383,891 of which \$79,899,860 is the local tax levy; and

BE IT FURTHER RESOLVED, that the Superintendent of Schools will authorize the reallocations and modifications needed to present a balanced FY2025-2026 budget with an adequate amount of funds to provide for a thorough and efficient education; and

BE IT FURTHER RESOLVED, that the Superintendent of Schools shall hereby forward to the Commissioner of Education of the State of New Jersey the budget statement certification, form A4F (Certification and Report of School Taxes, 2025-2026 School Year) and supporting documentation as required by statute and code; and

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

Resolution No. 2

WHEREAS, the 2025-2026 Final Budget for the Paterson Public School District includes Budgeted Withdrawal from the General Fund Capital Reserve Account for Excess Cost/Other Capital Projects; and requires a separate statement of purpose in the advertised budget, and

WHEREAS, a withdrawal from the Capital Reserve has been budgeted in the Recap of Balances, and

WHEREAS, a copy of the board resolution must be submitted to the County Office with the budget. Districts should refer to N.J.A.C. 6A:23A-14.1 subsection (h) for specific requirements for capital reserve withdrawals, and

WHEREAS, included in the general fund appropriations, budget line 620 is a withdrawal from Capital Reserve – Other Capital Projects in the amount of \$8,608,670 for Other Capital Projects which represents expenditures for construction elements or projects that are in addition to the facilities efficiency standards determined by the Commissioner as necessary to achieve the New Jersey Student Learning Standards, and

WHEREAS, Capital Reserve Withdrawal – Other Capital Projects – Statement of Purpose 2025-2026 included in budget line 620, Budgeted Withdrawal from Capital Reserve – Excess Costs & Other Capital Projects is \$8,608,670 that is for other capital projects bathroom renovations EHS (\$1,000,000), EHS ADA Compliant Elevator (\$700,000), auditorium seating (\$300,000), Blacktop and paving (\$1,000,000), PS 5 Boiler Replacement (\$600,000), HVAC (\$1,908,670), fencing (\$700,000), flooring (\$500,000), and building envelope (\$800,000). PS 19 full roof replacement and building envelope (\$1,100,000).

THEREFORE, BE IT RESOLVED, the Board of Education approves the withdrawal from Capital Reserve for Other Capital Projects which represents expenditures for construction elements or projects that are in addition to the facilities efficiency standards determined by the Commissioner as necessary to achieve the New Jersey Student Learning Standards, in the amount of \$8,608,670 for the 2025-2026 school year.

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

It was moved by Comm. Nieves, seconded by Comm. Rosado that Resolution Nos. 1 and 2 be adopted. On roll call all members voted as follows:

Comm. Freeman: No.

Comm. McCall: Pass.

Comm. Nieves: Yes.

Comm. Rashid: Yes.

Comm. Rosado: Yes.

Comm. Simmons: Pass.

Comm. Teague: Let me address the elephant in the room. You can't say this budget doesn't include teacher layoffs when many of them have to work three jobs just to make ends meet. When we fail to provide raises we're not just freezing salaries, we're pushing dedicated educators to the brink and forcing them to make impossible choices. Our teachers deserve more than just job security. They deserve fair compensation for the vital work they do every day. If we want to attract and retain the best educators for our students, we must invest in them. This budget as proposed does not do that so I cannot support it. No.

Comm. McCall: Pass.

Comm. Simmons: No.

Comm. McCall: No.

Comm. Gonzalez: Yes.

Comm. Ramirez: Yes.

The motion carried.

Paterson Board of Education Standing Abstentions

Commissioner Valerie Freeman

- Self
- Family
- Paterson Cares, Inc.
- Paterson Community Health Center

Commissioner Eddie Gonzalez

- Self
- Family
- New Jersey Community Development Corporation (NJCDC)
- Community Charter School of Paterson

Commissioner Della McCall

- Self

- City of Paterson

Commissioner Hector L. Nieves, Jr.

- Self
- City of Paterson

Commissioner Joel D. Ramirez

- Self
- City of Paterson
- Passaic County Community College
- State of New Jersey

Commissioner Mohammed H. Rashid

- Self
- City of Paterson

Commissioner Kenneth Rosado

- Self
- City Housing Authority
- City of Paterson
- Paterson Restoration Corp.

Commissioner Kenneth L. Simmons

- Self
- Family

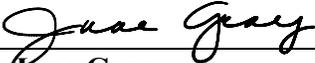
Commissioner Corey L. Teague

- Self
- Paterson Police Department
- Paterson Policing

ADJOURNMENT

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

The meeting was adjourned at 6:41 p.m.



Ms. June Gray
Business Administrator