



STATE OF NEW JERSEY DEPARTMENT OF EDUCATION

New Jersey Department of Education/Paterson Board of Education TRANSITION TO LOCAL CONTROL REPORT I

OVERVIEW

On August 7, 1991, the New Jersey State Board of Education (NJSBOE), in conformity with accountability systems of “thoroughness and effectiveness”, revoked the authority of the Paterson Board of Education (BOE or the “Board”) to control operations over the school district; thus creating a State-operated School District. The New Jersey Legislature revised the accountability system in 2005, and enacted the New Jersey Quality Single Accountability Continuum (NJQSAC). The intent of NJQSAC is to focus the monitoring and evaluation process on district ‘capacity building’. The NJQSAC also “provides guidelines for initiating or withdrawing from partial or full state intervention”. This provision directly impacts Paterson Public Schools (PPS or the “District”) as the District Performance Reviews (DPRs) concluded that PPS had made “significant and sustainable progress” resulting in the return of local authority in the areas of Operations in 2014, Fiscal Management and Personnel in 2016. The final two NJQSAC areas of Governance and Instruction & Program were granted on May 2, 2018 when the NJSBOE voted to restore full local authority to the Paterson BOE after 27 years under State operation.

According to N.J.A.C 6A:30-7.2; the transition to full local control requires the State to work with the District to develop a two year transition plan (Transition Plan, or the “Plan”) to ensure the District continues to improve and sustain the positive work that was already done. To that end, the Commissioner of Education appointed three Highly Skilled Professionals (HSPs) with the authority under N.J.S.A. 18A:7A-14(e)(2) to provide oversight, guidance and technical support to PPS and the BOE in the implementation of the Plan. Although the Plan took effect on September 6, 2018, all three HSPs were not appointed until May 2019, after several important activities and benchmarks were already completed.

Classification of the District:

State law provides that a referendum on the classification of the Board as a Type I (appointed) or Type II (elected) must be held within one year of meeting the performance criteria for Governance. In keeping with the spirit of returning oversight and governance of the local school district to the people of Paterson, on November 6, 2018, 13,138 Paterson residents voted on the type of BOE they wanted moving forward under local control. A total of 2,053 Paterson residents voted in favor of a Type I board (appointed) while 11,085 residents (84.37%) voted for a Type II board (elected). In view of this impressive turnout, residents’ overwhelming preference for an elected school board bespeaks the city’s engagement and stake in seeing Paterson BOE fully restored as a locally operated school district.

Appointment of New District Superintendent:

The Paterson BOE successfully conducted a search for a new District Superintendent culminating in the appointment of Ms. Eileen Shafer on February 14, 2019, without objections from the BOE. Ms. Shafer was



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welcomed with great community support and it is noteworthy that she is the first female Superintendent in the school district's history. Selecting a superintendent is among the BOE's most important functions. The BOE is responsible for collaborating with and evaluating the Superintendent to ensure that Board priorities are effectively and efficiently carried out. The selection of a new District Superintendent is a major part of the Transition and that full process is outlined later in this report (see Search for Successor Superintendent p6).

Throughout her tenure as Acting State District Superintendent and District Superintendent, Ms. Shafer has made the successful return to full local control one of her top priorities. After the Transition Plan was approved, Ms. Shafer conducted town hall meetings in all six wards of Paterson to communicate key details and important milestones to the public. Additionally, Ms. Shafer has met with key stakeholder groups such as the city's clergy, business leaders and elected officials. Formal presentations were also delivered at the Paterson City Council meeting, BOE Regular meeting, Principals' meetings, Central Office staff meeting and Teacher Orientation meetings. Upon receipt of the findings from the Comprehensive Accountability Office (CAO), time will be scheduled to present to the public, the results of the first CAO report.

FUNDAMENTAL CONSIDERATIONS

State Engagement with the District during the Transition:

The HSPs began their work with the District in May 2019. The Superintendent and BOE welcomed the HSPs and quickly established a relationship based on cooperation, transparency, and engagement. The District's comprehensive, supportive approach has not only empowered the HSPs to develop actionable recommendations, but it has also continued to open new pathways to collaboration.

There are three HSPs in Paterson:

1. Mr. Theodore Best, Jr. – Personnel, Operations, Fiscal Management, Governance
2. Dr. Stephen Cowan – Instruction and Program
3. Dr. Alexis Colander – Special Education/Support Services

The District and the HSPs must meet the expectations in the Plan through the indicators in the Accountability Scorecard and the many actions required as referenced throughout the entire plan. All three are invited to and participate in the following meetings:

- Superintendent's meeting with the three Highly Skilled Professionals
April-June weekly and as requested by an individual Highly Skilled Professional
- Superintendent's Cabinet meetings
Weekly
- Superintendent's Leadership meetings
Weekly



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- Principals' Meetings
Once per month
- Board Committee meetings
Once per month – Personnel, Operations, Governance, Instruction and Program, Facilities, Policy
Twice per month – Fiscal
- Board Workshop and Regular meetings
Once per month
- Special Board meetings, as necessary
- The Highly Skilled Professionals attend meetings with staff under their areas of oversight:
 - Instruction and Program Highly Skilled Professional meets with:
 - Superintendent
 - Deputy Superintendent
 - Assistant Superintendent for Academic Services
 - Associate Chief of Academic Services
 - Content Area Supervisors and Directors
 - The administration of the district works collaboratively with all three Highly Skilled Professionals. Assistant Superintendents over schools conduct walkthroughs with the Instruction and Program Highly Skilled Professional and agree on a written report of the walkthrough to be shared with principals.
 - Special Education/Support Services Highly Skilled Professional meets with:
 - Superintendent
 - Deputy Superintendent
 - Chief of Special Education
 - Director of Special Education
 - Director of Counseling Services/504
 - Director of Bilingual/ESL
 - Supervisor of Gifted and Talented
 - The Special Education/Support Services HSP conducts school visits with the Chief of Special Education and meets with building principals and child study teams.
 - The HSP over Fiscal, Personnel, Operations, and Governance meets with:
 - Superintendent
 - Deputy Superintendent
 - Chief of Staff
 - Board President
 - Board VP
 - Board Secretary
 - Business Administrator
 - Assistant Superintendent of Human Relations



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- Attends Board committee meetings for each of the four areas he oversees and has made recommendations to the Superintendent and Board President that have been implemented.
- All three Highly Skilled Professionals attended the following retreats:
 - Cabinet Retreat on July 17, 2019
 - Board Retreats
 - April 8, 2019
 - July 15, 2019
 - July 29, 2019
 - District Administrators' Institute on August 19-22, 2019
- All three Highly Skilled Professionals presented at the Administrators' Institute and are active participants at the Superintendent's Cabinet and Leadership Team meetings.

It should be further noted that all requests from the three Highly Skilled Professionals have been addressed and fulfilled.

Consequences for Not Meeting the Expectations of the Full Transition Plan:

Provision #7 in Part 1 of the Transition Plan outlines specific consequences if the BOE should fail to meet the Plan's goals and benchmarks. The HSP reviewed and discussed this provision with the BOE in detail.

The BOE and HSP discussed potential consequences for failing to pass a balanced budget (see HSP Memo 1). During a special meeting of the BOE to adopt a balanced budget in compliance with State requirements for the 2019-20 fiscal year, the BOE initially voted down the balanced budget. The failure to pass a balanced budget would have "indicated clearly that the District has not developed the capacity necessary to fulfill its responsibility to the children and families of Paterson" and would have "fundamentally changed the progression of the transition and required the immediate reestablishment of State intervention". After conferring with the HSP about the consequences of their vote, the BOE re-voted to pass the budget and no further action from the State was required.

To prevent this from occurring again during the transition process, a Board retreat was held to discuss all ten scenarios in which progress is seen as interrupted through action or inaction by the BOE, including a failure to meet the benchmarks and goals outlined in the Plan. To date, the BOE has not participated in any event of non-compliance that would trigger provisions or consequences for not meeting the expectations of the full transition plan. Furthermore, since the Board Retreat, the BOE has fully embraced the stipulations under the Plan and has used them to become more effective and efficient as a Board demonstrating their readiness for full local control.

NJ law authorizes any individual to file formal ethics charges against a member of the BOE. In 2018, ethics charges were filed against two Board members but both charges were dismissed as unsubstantiated. In



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2019, a former employee filed charges against a Board member and that case is currently pending. (Documents on file in the Superintendent's office)

In attending the Personnel committee meetings of the BOE, HSPs have observed that the BOE maintains appropriate oversight, without inappropriate interference, into personnel decisions. The Department of Human Resources, through its Assistant Superintendent, is committed to continuing its communication with the BOE to ensure transparency and ethical conduct when discussing personnel matters. The Assistant Superintendent provides feedback and keeps the BOE Personnel Committee apprised of relevant personnel matters. At a minimum, the Assistant Superintendent meets with the committee once per month, before the BOE's workshop meeting. Occasionally, multiple committee meetings are held in a single month to discuss complex or emergent personnel matters that require board approval. In addition to monthly meetings, the Assistant Superintendent communicates with the Personnel Committee chairperson by phone as necessary.

GOVERNANCE

Ethics Training for BOE and Senior Officials:

All Board members annually review the Code of Ethics for School Board Members, as mandated by the School Ethics Act, N.J.S.A. 18A:12-24.1. The Code of Ethics is consistently included on the agenda for the BOE's annual Organizational Meeting. Board members are required to sign forms acknowledging receipt of a printed copy of the Code of Ethics every year. The BOE annually re-adopts the Code of Ethics and Bylaws by passing a resolution at its Organizational Meeting. The Superintendent meets annually with newly elected Board members to discuss the roles and responsibilities of school board members. The Code of Ethics is provided at that meeting. (See Metric #4)

Professional Development for the BOE and District Leadership Regarding Governance Best Practices:

Board members are required to attend Governance training in the first, second and third years of their first term, and in the first year of a re-elected or reappointed term. This mandatory training is monitored and scheduled by the Superintendent's Office. Soon after the annual election, the Superintendent's Office contacts the NJSBA to schedule orientation sessions for new Board members. Board members are also registered for Governance I, II, III, or IV training at NJSBA's annual conference and they have opportunities to complete their required training courses online. In consultation with the NJSBA, the Superintendent's Office monitors the training status of all active Board members. Board policy allows members to attend two national conferences, one local conference and all county workshops/trainings every year. The Superintendent's office maintains a yearly Training Schedule for Board members (See Metric #5). The Superintendent meets annually with newly elected board members to discuss the role of school board members. Training information is provided at that meeting.

Board members are expected to continue attending retreats, conferences, and workshops to stay informed about relevant issues and best practices, to build capacity, and to improve decision-making. The



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Superintendent leads an effective collaboration with the Board to consistently schedule retreats and training sessions for the Board and its individual members. The Superintendent's Office maintains comprehensive documentation of all Board meetings and trainings and member attendance and/or participation. In addition to special, workshop and regular meetings where relevant issues are discussed (agendas and minutes are on the district's website), the District held seven Board retreats in the past year, including sessions facilitated by the New Jersey School Boards Association (NJSBA) and by the HSPs. These retreats created space for Board members to build decision-making skills and engage in deliberative discussions on the following topics: Ethics and Donaldson Training, Bilingual Programs & Education, Reading Program Data, Goal Setting, High School Review, Strategic Plan, PTECH State Initiative, Organizational Chart, Roles and Responsibilities, and Board Governance Best Practices. All Board members have fulfilled the requirement to complete their Financial Disclosure Statement. (See Metric #6)

When a member of the community submits a petition to become a candidate for the BOE, the Superintendent schedules a meeting prior to the election to review the governance structure of the district. After the election, the Superintendent convenes a meeting with newly elected Board members to review and discuss the yearly meeting schedule, Board trainings, roles and responsibilities, the policy adoption process, relevant Bylaws/Policies, NJQSAC, and other key information concerning District operations and governance. After the District's annual Organizational Meeting, the Superintendent's Office issues a memorandum to inform the Board of protocols pertaining to information requests, site visits, and legal review of all resolutions before they are considered by the Board.

The HSPs also provided training to Board members on best practices for board governance. The BOE has already begun to implement several of the recommendations from the HSPs to run more effectively and efficiently including reestablishing the in-house legal department, restructuring standing and ad-hoc committees, moving meeting times, streamlining consent agendas and developing an administrative process to approve actions not requiring a board resolution or consideration. The HSPs also facilitated another retreat, in collaboration with NJSBA, to discuss board member roles and responsibilities, goals, annual superintendent and self-evaluation procedures.

Search for Successor Superintendent:

The Paterson BOE began the process of selecting a new superintendent following the unexpected retirement of the former superintendent. The BOE, with the guidance of the New Jersey Commissioner of Education, led the search and developed a search process that the BOE ultimately appointed a thirteen-member committee to serve on the Search Committee and the State appointed two liaisons to oversee the process. The Board advertised, interviewed and selected an executive search firm to identify qualified candidates. The search firm conducted extensive recruiting.

The Search Committee held five meetings and convened focus groups that included individual Board members, local religious leaders, union groups, businesses, non-profit organizations, parent-teacher organizations, elected officials, teachers, students, higher education representatives, and central office



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staff members. As part of the search, the District published an online survey to solicit input from the community at large regarding their priorities for the next superintendent. This survey was offered in English, Spanish and Arabic to maximize community participation. With assistance from the executive search firm and from the Paterson Education Fund, the District also hosted at least seven community forums at various sites throughout the city.

All candidate applications were completed through an online process that was managed directly by the search firm. Interviews were conducted according to the Superintendent Search Process outlined in Provision 7 of Part 2 of the Transition Plan.

The BOE participated in a retreat on July 29, 2017 to begin the superintendent search process. In consultation with the State, the Board developed a timeline for the search process. Members of the Search Committee were appointed at the BOE's regular meeting on August 23, 2017, where the Board also voted to initiate the competitive contracting process for an executive search firm. The District issued a Request for Proposals/Qualifications (RFP/RFQ) for a search firm the next day. Search Committee members were notified of their appointment on August 28, 2017 and were invited to attend a kick-off meeting on September 13, 2017. Three responsive proposals from search firms were opened on September 14, 2017. On October 2, 2017, the Board heard presentations from two search firms and, on October 4, 2017, the Board authorized the District to retain Ray & Associates. The search firm was introduced to the Search Committee on October 11, 2017.

On November 21, 2017, the Board approved advertisements and a recruitment timeline proposed by the search firm. The application deadline was set for January 11, 2018. On January 23, 2018, the Search Committee viewed video presentations (3-5 minute each) that were submitted by the top ten candidates. Members then used a scoring rubric to rank the ten candidates and invited five of the candidates for in-person interviews. In-person interviews were conducted on January 30, 2018, in 1-1½ hour sessions each. At that time, the Committee again used a rubric to score the candidates and then invited three finalists to be interviewed by the full Board. The BOE met in executive session on February 12, 2018 to interview the finalists and, on February 13, 2018, the Board sponsored a community forum to introduce these candidates to local residents, allowing the public to hear from each candidate about their respective vision for the district. On February 14, 2018, after deliberating in executive session, the Board selected the new Superintendent. The votes were as follows: 6 affirmative, 1 abstention (conflicted), 1 absent (conflicted), and 1 recusal. (See metric #8)

Strategic Planning Expectations:

On June 20, 2019, the Paterson BOE formally adopted a new five-year strategic plan, called "A Promising Tomorrow". This satisfied Provision 10 in Part 2 the Transition Plan.



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The newly-adopted strategic plan is consistent with the District's ongoing commitment to preparing students for college and career. It was designed to re-engage Paterson families as core stakeholders whose voices and values will help steer the District as full local control is progressively restored. With assistance from the NJSBA, the District collected community input over three planning sessions, culminating in a final plan included a new Mission Statement, Vision Statement and four new Goal Areas with specific objectives and outcomes to be realized over the next five years. The BOE approved the strategic plan and used it as a roadmap to develop Board Goals and Superintendent Evaluation Criteria for the 2019-20 school year.

INSTRUCTION & PROGRAM

Purpose of the HSP for Instruction and Programs and Academic Services:

HSP assistance for academic services involves close collaboration with the District and its Academic Services Department (ASD), which is overseen by the Deputy Superintendent and the Interim Assistant Superintendent for Academic Services and Special Programs.

The ASD is the hub of all curricular planning, development, and implementation. The ASD aligns curriculum guides with the New Jersey Student Learning Standards (NJSLs), develops student learning objectives and pacing guides, designs formative assessments and instructional practices, and facilitates professional development and interdisciplinary connections.

In the Fall of 2019, upon the recommendation of the ASD in consultation with the HSP, the Superintendent of Schools executed a Standard Operating Procedure(SOP) taking unprecedented steps to expand the ongoing review of curricula throughout the District, and in the Paterson community. The SOP outlines a process for the review of all components of the Standards Based Instructional Priorities, student assessment data, and curriculum implementation.

The SOP also establishes a standard for curriculum feedback through the medium of online surveys located on the District website. The Curriculum Survey District Employee Instrument and the Curriculum Survey Student/Parent/Community Instrument will provide rich information for how curricula can be used to meet the needs of all students by incorporating the values and opinions of stakeholders. The survey results will be analyzed by the ASD, and used to implement systemic changes in how curricula are implemented in schools.

The ASD also oversees the Office of Assessment (OA). The Office of Assessment warehouses previous and current performance data within the Performance Matters assessment and analytics platform. Information is shared with schools and Central office through drives forwarded to those locations by the OA. While data is used to make informed curriculum and instructional decisions at the Cabinet and Supervisory levels, similar processes occur at the building level through the activities of school Professional Learning Communities (PLCs). The PLCs composed of building administrators, teachers and



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specialists collectively develops systems to analyze data and develop instructional plans for the mastery of assessments, standards, and student learning objectives.

The Superintendent and Deputy Superintendent have designed a system of transparency that forwards all student performance and school data to the HSP. The HSP's email is also linked to the ASD which forwards all notifications for Board Curriculum Committee Meetings, I&P meetings, memorandums, and agendas, minutes, and projects related to instruction and program.

The HSP provided assistance to the ASD with the development of a new Five-Year Curriculum Plan. The HSP will also assist in developing the District's new equivalency application.

HSP School Site Visit Protocols:

The HSP worked closely with the District to develop uniform protocols for non-evaluative school and classroom visits and subsequent reporting. The resulting Standard Operation Procedure (SOP) is in effect from June 2019 through September 2020. The goal of this SOP is to make site visits as productive and non-disruptive as possible. To that end, the SOP provides as follows:

- Site visits will not interfere with evaluative observations/walkthroughs.
- Before the visit, the HSP will meet with the Assistant Superintendent to select the school site and content areas for observation. The HSP will then notify the school principal by phone or email.
- During the visit, the HSP will meet in person with the school principal upon entering the building. The HSP will observe no more than four classrooms per site visit.
- After the visit, the HSP will confer with the Assistant Superintendent and then meet with the school principal to discuss overall findings and recommendations.
- The HSP will file a formal written report within five days after each site visit.

The High Skilled Professional for Instruction and Program for the Paterson Public Schools, in compliance with the Transition Plan, is assigned a total of seven metrics described in the Accountability Scorecard. The following responses address those metrics.

Student Performance Data:

The District is committed to transparency and accountability in reporting student achievement data in line with NJQSAC Instruction and Program Indicators. Accordingly, the proficiency and growth of students on statewide assessments is presented and analyzed by subgroups and by comparisons by years and cohorts. The strategies for intervention and remediation of student achievement are communicated accurately and comprehensively throughout the academic community and the community at-large. The District adheres to statute N.J.A.C. 6A:8-4.3 Accountability 26(a), which requires the chief school administrator to report preliminary and final results of annual assessments to the BOE within 60 days of receipt of information from the New Jersey Department of Education. (See Metric #9)



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During the 2016-17 SY the District adopted a resolution supporting an equivalency application that was approved for three years, through the 2018-19 school year. Through that time period the District is expected to continue to calculate its own scores and share data, analysis, and self-scoring with the NJDOE. The equivalency scorecard is to be calculated for each of the three years. The District has prepared a new equivalency application that will be voted on by the BOE and submitted to the State for approval prior to the November 1, 2019 deadline. (See Metric #10)

Expectations for Continued Focus on Academics:

A coherent curriculum guide is essential when preparing students for college and careers. The guides must be inclusive of English Language Learners (ELLs), gifted and talented students, and students with disabilities, by providing content-rich alignment to the New Jersey Student Learning Standards (NJSLS). The District has established a standard operating procedure (SOP) for providing quality instruction through curriculum development and revisions in all core content areas segmented in curriculum guides by content area Supervisors.

Concurrently, pacing guides must be aligned to the curriculum guides, and fundamentally to the Standards, to provide a roadmap for effectively teaching student learning objectives (See Metric #12). This practice of alignment is evidentially supported through the activities of the District's content area supervisors and the SOP.

The Paterson Public Schools provides a system for teachers and principals to access student performance data. The Office of Assessment continuously collects and analyzes data and makes it available to all faculty and administrators through a data warehouse and shared drives. This system includes compendiums of Unit (formative) assessments, NJSLS, and running records data for collaborative meetings. The data is used for remediation, intervention and enrichment purposes while guiding budgetary and resource decision-making. The timely availability of this data will be essential to the development of school improvement strategies, and the collaborative team efforts of school Professional Learning Communities (See Metric #13). Additionally, the District is currently planning to implement a web-based system to support two-way communication among teachers and administrators (See Metric #11).

The impact of casual factors can effect achievement and social health for individuals and groups. The District employs multiple measures for identifying such factors through student assessment data, social-emotional learning curricula, Intervention and Referral Services, teacher referrals and community based services. Collectively, these resources serve as networks of support and interventions for students experiencing difficulties due to casual factors originating within and outside of schools.

The District has created a template for non-negotiable elements to be included in daily/weekly lesson plans including modifications and accommodations as a part of the I&RS process. Extended learning opportunities provide students with an after-school program, a mandatory summer intervention



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program, a summer bridge math program, and an intervention and reading specialist for struggling students. The District has also implemented peer group advisory programs at specific schools.

The District has developed a multi-tiered approach to the early identification and support of students with learning and behavioral needs. Social and emotional competencies and strategies have been incorporated within the Mathematics and ELA curriculums (See Metric #14)

Special Education and Student Support Services:

The District's Special Education Department continues to track monthly IEP compliance. This data is emailed monthly to Special Education Supervisors who in turn share this information with each CST they supervise during their weekly on-site visits. Overall IEP compliance and the number of special education students is tracked for each school and discussed weekly at the Superintendent's Cabinet Meetings.

In September 2018, all district CST members participated in professional development focused specifically on IEP compliance procedures and additional planning tools to ensure compliance is provided. Public Consulting Group (PCG) co-facilitated this professional development utilizing the Department of Education's Procedural Manual to support various compliance modules with EasyIEP. PCG also provided professional development for the CST members on the use of the EasyFax and Paperclip features of EasyIEP to electronically capture and store copies of signed documents. PCG also provided a refresher training on parental consent for both initial evaluations and reevaluations. Throughout the school year, the Special Education Department disseminated various memoranda and guidance documents to school-based CSTs regarding federal and state special education compliance requirements.

Regarding Intervention and Referral Service Plans (I&RS Plans) and Section 504 Plans, the District is actively working to ensure that strategies and accommodations are implemented with fidelity, and that staff members who are responsible for plan implementation are held accountable (See Metric #15).

The Principal of each school is responsible for holding accountable their school's I&RS and 504 teams, overseeing their caseloads, and ensuring the Pre-Referral process is completed before any student is referred for a SPED Evaluation. Areas of focus for school Principals include the following:

- Ensure I&RS and 504 information is readily available for parents and the community at large.
- Develop a continual professional development plan to ensure:
 - Team members understand the purpose of I&RS and all applicable protocols.
 - Instructional staff understands comply with State-mandated requirements for I&RS and 504 Plans.
 - Guidance counsellors share each student's I&RS and/or 504 Plan with all staff responsible for implementation.
 - School-based I&RS and 504 teams receive adequate training and meeting time.



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Professional Development for the BOE and Senior Staff Regarding Instruction and Program Best Practices:

The District has provided training for Board Members to develop comprehensive knowledge of content, principles, and practices in Instruction and Program. The Board will be trained in revisions to the equivalency, updates in the NJSLS, and the effectiveness of PLCs in schools. Various training options will be offered to the Board throughout the year. (See Metric #16)

FISCAL MANAGEMENT AND OPERATIONS

Overview:

The Plan calls for the HSP to annually review evidence to substantiate the provisions of the NJQSAC Fiscal Management and Operations areas in the District's annual Statement of Assurance and report to the Board, Superintendent, Commissioner of Education, and CAO any deviation from the required standard. In this review process, the HSP can attest to the District meeting all expectations and requirements around practices and decision-making that will best position the District to marshal its strategy, resources, and attention towards continued improvement in student outcomes. Although, the Board and District have developed and improved upon their process, actions and commitments to ensure responsible oversight of District resources are still in progress. Therefore, the Plan requires the HSP to assist the District and Board with planning for long-term financial stability, financial reporting; and expectations regarding additional initiatives. This work is ongoing and will result in positive outcomes over time through process.

To meet State, Federal law and the NJQSAC fiscal indicators, the HSP has assisted with the implementation of its financial system including ongoing review of Fiscal Policies, the Preparation of a Balanced Budget, Monitoring of Budget to Actuals, Fiscal Forecasting, Position control Year-End Balances, Audit, Grants, Capital and Equipment, Facilities, Procurement, Health and Safety and Auditing of School Accounts. While not every area is performing at peak capacity, it is the observation of the HSP through the review of financial reports, attendance at District Budget Committee meetings, Board Fiscal Committee meetings and one-on-one's with the Superintendent, BA and Board President that the capacity to improve upon each practice is sustainable and currently at a satisfactory level.

Basic Fiscal Obligations; Budget Requirements and Best Practices:

The District adopted a balanced 2019-20 original budget certified for taxes based on the March 7, 2019 state aid notice, and state aid was not altered by the FY20 Appropriations Act, P.L. 2019, c. 150. The District received an increase of approximately \$13 million in state aid and increased municipal taxes by 14.45% generating an approximate additional \$6 million in revenue to close a structural deficit created by years of underfunding and under-taxing. Semi-monthly meetings with the Board Fiscal Committee were held to discuss budget projections and budget priorities. A budget calendar was reviewed with Cabinet and the Board Fiscal Committee and then distributed to the full Board. The community was engaged during the budget process with forums held at easily-accessible locations to capture as much community input as possible. The Budget Team met no less than twice a month with different departments, schools and



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stakeholder groups to further collaborate on budget issues and concerns. The minutes from the Fiscal Committee meetings and Board meetings demonstrate the full extent of community engagement throughout the budget process. (See Metric #17)

The District Budget Team consisting of central office staff members meets jointly with all school principals in rolling out the annual budget. Schools individually request budget priorities with school allocations based on projected enrollment by grade and student type; General Ed, SPED, and new for 2020-21 Bilingual to distribute funding equitably to the schools with transparency based on the non-salary needs of their student population. The Budget Team implements a weighted student funding formula with increased allocations to support the needs of schools with greater numbers of students who comprise special populations. For the remaining population, a per-pupil allocation was developed based on enrollment count by grade level as of the Oct. 15th ASSA report. The allocated amounts determined, separated by grade levels K-8 and 9-12, and categorically allows for more equity with an increased amount provided at the high school level. (See Metric #18)

The monthly Board Secretary's Report / Treasurer's Report/ Transfer Report is completed, reconciled and submitted to the Board with appropriate certification of adequate funds. This is done without exceptions and as required. The School Business Administrator and Superintendent meet monthly to review projections. The Fund Balance Review is performed in front of the full Board during the months of November, February, and May. The November 2019 fund balance trend projects the District of operating at a slight defect (\$6 million) in relation to the overall appropriations (\$520 Million). With \$11.4 million in the budgeted fund balance we are confident that this delta will be closed through recently implemented cost saving measures including a spending freeze and staff breakage not available until the end of the year without having to tap into the Fund Balance. (See Metric #19) Additionally, the District was recently awarded \$5.1 million from the NJDOE in Emergency Aid all but closing the current conservative projected deficit.

The District prepares a monthly cash flow analysis to monitor cash versus payment obligations. The main source of district revenues (85%) comes from State Aid. The Business Services Team meets monthly with the Federal Grants team to review reimbursement and actual spending. Grant requirements and available balances are discussed during these meetings as well. A monthly report is emailed to the State as evidence of all reimbursement requests and their timeliness. Requests are made monthly and the report is due on the 15th of each month. (See Metric #20)

The District monitors the Board Secretary's Report, which reflects the current budget status of each line item, including the original budget, transfers, adjusted budget, expenditures, and available balance. Monthly transfer reports are provided as evidence of appropriated expenditures. As required by law, the District requests County approval for any transfer that exceeds 10% of the original budget. (See Metric #21)



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Professional Development for the BOE and Senior Staff regarding Fiscal Management Best Practices:

New Jersey state law requires school board members to attend training in the first, second and third years of a first term, and in the first year of re-elected or reappointed term. Please see year to date status of current Board Member, (Metric #22).

PERSONNEL

Expectations Regarding Additional Personnel Initiatives:

The Department of Human Resources is committed to continuing its support of building and central office administrators when it comes to ensuring administrators fairly evaluate teachers in accordance with AchieveNJ. The Assistant Superintendent for Human Resources, Labor Relations and Affirmative Action provides numerous presentations throughout the year to Principals and Central Office Administrators on the topic of non-renewals and withholding of increments. For the first time in 27 years, the BOE conducted Donaldson Hearings in Executive Session with staff and union representatives. BOE members asked appropriate questions during the hearings, consistent with their oversight authority. (See Metric #23)

CONCLUSION

Half way through the Transition process both the District Leadership and BOE have demonstrated their willingness to improve in every area for the purpose of increasing student outcomes and operational effectiveness. Moving forward throughout the Transition, the HSPs will continue to work with the District and BOE to ensure all gains are maintained through establishing policies and systems that outlive practices and personnel. With yet another projected budgetary shortfall in district funding and increased demand for specialized services in several aging and inadequate buildings; the District must find unique and innovative approaches in addressing these many issues. To that end the HSP scheduled a joint budget planning meeting with State and District officials on "bridging the gap" where short and long-term strategies were discussed. The meeting demonstrated the growth of the District's ability to properly manage and plan around their \$600+ million budget. We believe that PPS is adequately developing the capacity and skill set to respond to what lies ahead.

Report Collectively Submitted by:

Mr. Theodore Best, Jr. – Personnel, Operations, Fiscal Management, Governance

Dr. Stephen Cowan – Instruction and Program

Dr. Alexis Colander – Special Education/Support Services