

Monday, October 16, 2017

MINUTES OF GOVERNANCE COMMITTEE OF THE  
BRIDGEPORT BOARD OF EDUCATION, held October 16, 2017, at  
Bridgeport City Hall, 45 Lyon Terrace, Bridgeport, Connecticut

The meeting was called to order at 6:00 p.m. Present were committee members Chair Dennis Bradley and Sauda Baraka. Board member Maria Pereira was in attendance.

Superintendent Dr. Aresta Johnson was present.

Ms. Baraka moved approval of the minutes of June 19, 2017. The motion was seconded by Mr. Bradley and unanimously approved.

The next item on the agenda was Mr. Bradley's 529 proposal. He said 529 accounts are CHET accounts for money for college. He said he was proposing the board allocate funds to the CHET accounts so that every student who graduates will have money towards college. He said it would not be a large amount of money for the first group of recipients, but the fund would continue to grow.

Mr. Bradley said this is not being done anywhere else in the nation. There would be an approach to the Gold Coast and people of affluence, such as hedge funds, for donations to match the funds put in by the board. He said the added incentive to financial firms would be the profits to be earned by investing the money as well as a tax write-off.

Mr. Bradley said the perception of the district would be greatly enhanced by using affluent suburban communities as partners. He said there could be an I Have a Dream week where different professionals would talk to children about how they can use this money to their advantage.

Mr. Bradley said was told by Marlene Siegel, chief financial officer, that she believes it would be illegal. He said as an attorney he knows the law can be whatever we want it to be because people of color were designated as chattel by law. He said he would like to know why

it is illegal. He added he presented it to people in the financial industry.

Mr. Bradley said a yearly investment in this program would become the new normal for the district.

Ms. Baraka said the money we get from the city, state and federal government are for educational purposes. Some of the grant money can only be used for very specific programmatic needs. She said the district has a 501c(3) where people can donate to the district for specific purposes.

Ms. Baraka said New Haven created a program called the New Haven Promise, which is an effort by the administration and private industry to fund scholarship money for students who graduate from public schools and meet GPA and behavior standards. She said the district is working with the Ron Brown Scholarship Fund, which is another way district students can access money for college.

Ms. Baraka said it wasn't people of color, but people from Africa, who were stolen and enslaved here for 200 years.

Ms. Baraka suggested Mr. Bradley bring an action plan to the committee that oversees the 501(3)(c), Foundation for Excellence.

Ms. Baraka said the district's funds would be better spent wisely on programs required by law than by trying to change a law that cannot be changed in a short period of time or at all.

Ms. Pereira estimated the district graduates between 1100 and 1200 students per year. She said this year we asked the city for \$3.4 million extra and the state for \$8 million extra. She said the city only appropriated \$357,000 extra and the district is looking at an \$11 million shortfall. She said both the Democrat and Republican budget proposals call for Bridgeport to lose more funding.

Ms. Pereira said guidance counselors and paraprofessionals are being cut by the district. She said we can't have the icing on the cake before we have the cake. She said she was opposed to taking money from the district's limited resources for this program. She said there

could be church and state separation issues if a child went to a religious college.

Mr. Bradley said the idea came from a former Goldman Sachs vice president who talked to him about how money works. He said investments of millions of dollars would lead to interest payments. He said as opposed to taking state and federal funding and spending it right away, the money would be put into an investment vehicle. He said this was a viable strategy to people who understand how the American economy works.

Mr. Bradley said the likes of Goldman Sachs or J.P. Morgan will not open the door to you unless you come with money. He said this would be a way of changing the pitch to companies like this. Instead of asking for donations, the board would bring resources to the table as a way of partnering with the investment company.

Ms. Pereira said there is a state law that unspent money by June 30th goes back to the municipality. She said in 2008 Mayor Finch asked the board for \$7 million to help the city; the board did offer close to \$3 million in cuts. She said as the board was trying to spend its money the city was controlling MUNIS and trying to block the board's purchase orders. She said in the end there was \$7 million unspent, which reverted back to the city instead of going for our children.

Ms. Pereira said this is no longer an issue because Ms. Siegel never leaves a dollar on the table.

Ms. Baraka said she was very leery when an investment banker or a hedge fund specialist is looking for money from our district. She said they would be better off looking for such resources in Greenwich. She said we learned from the Bernie Madoff situation and other scandals that everybody is not legitimate or honorable. She added stock markets go up and down.

Ms. Baraka suggested Mr. Bradley tell the potential partners about the New Haven Promise and how that works.

Mr. Bradley said his idea was to use money differently than the way

school boards have historically. He said we were all leery of finance and bankers, but it is the way America works. He said we should find a way to reinvigorate funds to the district.

Mr. Bradley said he was familiar with the New Haven Promise, but said he was looking for a program that was not just for students of excellence, but all students.

Assistant Superintendent Dr. Deborah Santacapita said 529 accounts can be used for education for anyone in a household, including parents as well. Mr. Bradley said he was familiar with CHET accounts and there is a designated beneficiary who would be the student similar to the beneficiary of a will.

Mr. Bradley said the program could lead to an awakening in the community about the importance of contributing money to education.

Supt. Johnson said she supported 529 plans and had one for her son when he went to college. She said the IRS guidelines indicate LEAs (Local Education Association) cannot bring forward 529 plans.

Ms. Baraka said Shipman & Goodwin could probably give the answer to the question so we don't keep going around in a circle. She noted the district's foundation is a vehicle where people can contribute. She said she did not believe Congress would change the laws in this area given what they are dealing with.

Ms. Pereira said Mr. Bradley had good intentions, but the district does not have basic things that need to be funded in schools for kids. She said the board was looking at \$11 million to \$18 million in cuts this year.

Mr. Bradley said to have the board lawyers looking into the issue would require a majority of the board. He asked if someone on the superintendent's staff could provide an answer. He said he did not believe it required Congressional or state legislative maneuverings.

Supt. Johnson said Ms. Siegel had provided a link to the IRS website on 529 plans, which indicates LEAs are excluded. She said she would reach out to Ms. Siegel and Nadira Clarke for further

information. Mr. Bradley said he would like to hear specifically what prevents this type of thing because something in his gut tells him there has to be a way to do it.

Mr. Bradley said his specific request is that we find out whether or not we are legally allowed to use our funding towards a financial institution to be utilized for college savings, specifically the 529 plan. If that is not possible, can we partner with any organization, profit or nonprofit, that would be the lead and utilize the funds donated by the district for the purpose of investment in a 529 program. He said he would like to hear the specific language in state or federal regulations that bars such things.

Mr. Bradley said we have tried the traditional way of improving student performance and oftentimes we have seen the standardized testing results are abysmal while kids are going to college and excelling. He said the plan would tell students we genuinely believe in them. He said when you're motivated, you're going the extra mile for yourself. He said the play *Hamilton* was an example of this, where a young man, born and raised in the Bronx and who went to Wesleyan, had the motivation to write and learn and read.

Ms. Pereira said when she hears our students have abysmal test scores she responds our students work 180 days a year and there are many things that are not measured on standardized tests. She said doctors and attorneys are not judged this way; people are judged on the breadth of their work. She said many people believe standardized tests are racist because they are geared towards a particular race. She said it was not good to say our children perform abysmally on tests.

Mr. Bradley said he was trying to make the same point Ms. Pereira did. He said the reason we see abysmal test scores is because children are not inspired to do well on the tests, not that they are not able to do well. He said he agreed that the tests were inaccurate.

Ms. Baraka said the number one reason a child will do well is they connect with an adult that finds them to be important. She said finding those people to help children is what's going to be make the difference, not the dream of a CHET check in the year they are

graduating.

Ms. Pereira said Jeremy had his food drive this Saturday and there was a picture of Dr. Johnson delivering a contribution. She said Jeremy's mother said he thought it was the coolest thing because no other superintendent had ever come, which was a big connection for him. She said if it wasn't for her theater teacher she would have been a dropout in high school because she was bored out of her mind and was not engaged.

Ma. Pereira said to put a \$400 into a CHET account for all next year's graduates would be about \$480,000. Mr. Bradley said he was thinking of more money than that; a million dollars would make us a serious player in the financial world, which would create significant interest, and the partner would at the minimum double our contribution.

Mr. Bradley said if the concept was illegal, let's find a way to work around that because it's a fight for justice.

Dr. Johnson said we could at least start by engaging parents by having conversations about a 529 plan and its impact. She said she was familiar with a vice president at People's Bank who was from Bridgeport who could present on a topic such as this.

The next agenda item was on policy regarding school searches. Ms. Pereira noted the item was referred by Mr. Weldon to Ms. Baraka's Facilities Committee. Mr. Bradley said no action was needed tonight.

The next agenda item was on board Policy 9270 on conflict of interest. Ms. Pereira said the committee members had a copy of the policy and an edited version with new language and deletions. She said this was referred to the committee because Mr. Walker had objected to the last sentence of the first bullet indicating that a board member, administrator or staff member must disclose their association with the entity and shall recuse themselves from all discussion and voting. She said there was discussion of inserting language from the city's Code of Ethics instead.

Mr. Bradley said he recalled the board's attorney answered that as

long as a salary negotiation benefits all teachers or all employees there is no conflict of interest for a board member who has a family member benefitting from the contract. Ms. Pereira said Atty. Brochu indicated he recused himself as a board member when the teacher's contract that covered his daughter as a teacher was considered.

Mr. Bradley said he didn't know if he wanted to take it away from the board member's discretion. Ms. Pereira noted the Code of Ethics only applied to immediate family members, not cousins or nieces and nephews. She said this policy was important because it goes along with the other policies passed by the board.

Mr. Bradley said when a contract is negotiated it is done in the collective and in public's interest. He said if it was a smaller group of teachers maybe it would then violate the public interest.

Ms. Baraka suggested incorporating the language of 2.38.030 of the city ordinance into our policy. She said there are people who would vote for a raise if it benefitted their household and we never know who will be seated at these negotiating tables. She said we don't want the appearance of any impropriety because it taints everything else you do.

Ms. Pereira noted that Ms. Baraka abstained when a family member was hired on a consent agenda.

Ms. Pereira said we have to follow the ethics ordinance; it's not an option. Ms. Baraka suggested a reference the ordinance 2.38.030 and then it's up to the board member. Ms. Pereira said Statutes 10-156e and 10-232 cover it as well.

In response to a question, Ms. Pereira said she was trying to tighten up the practices around bidding and contracts. She said both board employees and board members should not be participating in contracts that are going to their family members. She said she added language about MOUs because when she challenged a particular contract somebody told her it was an MOU, not a contract.

In response to a question, Ms. Pereira said Mr. Walker believed a

board members should not have to disclose such a conflict and the decision to recuse would be up to the board member.

It was noted Mr. Walker's wife works at Beardsley School and Mr. Gardner's wife works at Fairchild Wheeler.

Ms. Pereira said she had a heated debate privately with Mr. Gardner and Mr. Gardner. She said she believed that the board members would not vote on the contract and could not be part of the discussions because their spouse was benefitting from the contract. She said Mr. Gardner and Mr. Walker did agree to recuse themselves.

Mr. Bradley noted the rules address things that occur in a public forum, but the board discusses negotiations and tactics with attorneys and the board members receive sensitive information.

Ms. Pereira said the policy would cover any transaction or activity, which would cover the area Mr. Bradley referenced.

Mr. Bradley suggested more clear, detailed language, especially in contract negotiations, that board members should not have access to sensitive information right from the onset.

Ms. Baraka said the disclosure part of the policy may be the most important because it isn't always general knowledge who is related to whom if the information is not shared. She added that training for board members should include the importance of the ethics provisions.

Mr. Bradley said cases come before the board about teacher conduct or abuses or things of that nature. Ms. Pereira said the policies under discussion only cover contacts, agreements and MOUs.

Mr. Bradley said in a hypothetical case where a family member abused a minor a board member might not want to disclose it was a family member, and recuse themselves without explanation. Ms. Baraka that would be fine.

Ms. Pereira said section 9270 covers policy; 9270.1 is definitions;



9270.2 is definitions, 9270.3 contains standards of conduct with bullet points; 9270.4 is the top of page 95.

Ms. Baraka suggested using hyperlinks to the Code of Ethics.

Ms. Pereira urged the provision disclosing conflicts be retained. She said she disclosed a lengthy phone conversation with Carmen Perez-Dickson and then recused herself from the matter in question. She said this led Rev. Moales to disclose a conversation with her as well.

Ms. Baraka said she believed Mr. Bradley was right that there may be reasons why a board member might not want to disclose the reasons for the recusal

Ms. Pereira suggested this language: "The board member, administrator or staff member must disclose their association with the entity prior to any discussions on the matter in question and shall recuse themselves for all discussion and voting." The other board members agreed.

There was a discussion of the definition of immediate family member including significant other.

Mr. Bradley suggested a sentence be added that non-financial matters will not require a reason for disclosure.

Ms Baraka moved to approve the language changes for Policy 9270 to be referred to the Regular Board of Education meeting of October 23, 2017. The motion was seconded by Mr. Bradley and unanimously approved

The next agenda item was Policy 3310 on contracts.

Ms. Pereira is this goes hand in hand with Policy 9270 and deals with business and non-instructional operations, contracts, memorandums of understanding. She said she wanted to delete the reference to grants because Ms. Clarke reported that oftentimes there are deadlines on competitive grants that would not leave time for board approval.

Supt. Johnson said she absolutely agreed about grants, which she spoke to Ms. Clarke about, and sometimes the deadlines are under seven days. Ms. Baraka said she had written grants and found this to be the case as well.

Ms. Pereira said her intent was to tighten up the policy because there have been many issues around bids and contracts.

Ms. Pereira said she was eliminating all references to grants so the board would not lose any opportunities for funds.

Supt. Johnson said in August it was addressed with administrators that all grants should funnel through the grants office because in the past that did always did not happen. She said principals are doing better in breaking old habits.

Ms. Pereira suggested all grant applications must be submitted to the grants office.

Ms. Pereira said the superintendent has the right to come up with administrative policies and the board has the right to approve it or not approve it.

Supt. Johnson said Ms. Pereira could contact Ms. Clarke for appropriate language.

Ms. Pereira said she was a firm believer in going out to bid for everything.

Ms. Pereira said any contract of \$25,000 or more had to go to the board's counsel for legal review, because of the contracts with Delta T and Source 4 Teachers that both said they were exclusive providers.

Ms. Pereira said a reference to Bridgeport-based business was not needed here because it was contained in another policy and Ms. Siegel should understand we expect local providers for contracts under \$25,000 to be given the first shot.

Ms. Pereira noted the policy only covers items from \$1,000 to

\$24,999.

Ms. Pereira said a reference to sexual orientation was added to the policy.

Ms. Baraka moved to approve Policy 3310, business and non-instructional operations, contracts, memorandums of understanding and agreements to be placed on the Regular Board of Education meeting, October 23rd, 2017, with language provided by Dr. Johnson and Ms. Clarke specific to grants. The motion was seconded by Mr. Bradley and unanimously approved.

Ms. Baraka moved to adjourn the meeting. The motion was seconded by Mr. Bradley and unanimously approved.

The meeting was adjourned at 7:51 p.m.

Respectfully submitted,

John McLeod

*Approved by the committee on January 17, 2018*