1. Meeting called to order – 3:39 P.M.

2. Flag Salute

3. Attendance:
   - Committee Members – Collen Knerr, Marilyn Gallup, Joe Safier, Terry White
   - Staff Members – La Tanya Kirk-Carter, Steve Kessler, Shemia Moore, Angeli Villaflor

4. APPROVAL OF AGENDA – Approved

5. APPROVAL OF MEETING MINUTES
   - March 31, 2016 - Approved

6. SUPERINTENDENT’S REPORT
   - Preliminary Budget Study Session will be held on May 24, 2016 in the Board Room beginning at 3:00 p.m.
   - Special Education – I am very pleased to announce that the changes in special Education that we have discussed are being implemented. We will open a Special Day Class (SDC) and will be changing our moderate to severe class for middle school from Horace Mann to Hawthorne. We have also started to gather the instructional minute timeline so that we can work to have our K-5 classes offer math and English at the same time, so that students can leave the class room for personalized instruction.
   - Reduction in Staff – We took a look anywhere in the district where we found a small student to teacher ratio and recommended a reduction in staff in those areas. These reductions coupled along with the SERP, we are looking at $1.6 million dollars in reductions.
   - Negotiations – We made a mistake by going into negotiations and negotiating class size without an attorney. That all being said, the union has known from the get-go the only change the Board made in class size was to drop the 1:20 hard cap. We wanted to alleviate the 20 hard cap to give us the flexibility to go up to a not-to-exceed 23.
7. BUDGET STUDY SESSION DISCUSSION

The committee reviewed the Budget Study presentation.
The 2016 -2017 number expected to go up on the unassigned unappropriated.
We have to eliminate teachers that will not be coming back and alter salaries to reflect retirements and new hires for previous positions.

The committee is concerned that over the last three years the consumer price indexed has gone up 3 ½ yet salaries have gone up two and a half/triple that. It is important that this salary formula be addressed current year negotiations.

Show the Board where all their money went. Our property tax revenues are estimated to go up by two million dollars but none of that is available in the “asks”. If the property taxes go up it will get sucked right into the salaries.

Staff is concerned because there is still no signed JPA agreement with the city. We are still budgeting $9.8 million staff has spoken with the City and Board members to be clear that absent a signed JPA agreement on June 30th there is no basis for putting that $9.8 million into this budget.

The finance committee will go on record to say that we are very concerned about the re-upping the JPA. It is vital to our budget that this is completed by June 30th.

There is also a concern that not enough reduction in force notices were issued. We had the concern in February, and we continue to have this concern. It is not because we are anti-teacher but we have been hearing this now for two superintendents and three years. They have to give the proper notices.

8. OPEB ARC DISCUSSION

The OPEB rate was discounted at 7.4% and we looked at what would happen if we discounted at 6.5%, so we left the report open until we could come back to the group with this discussion.

The committee agrees that 7.4% is an excessive rate.
The recommended motion from the committee is that staff should adopt the 6.5% in lieu of the 7.4%. The committee would also direct staff to discuss this information with Marty Frank or an actuarial consultant to see agrees with this reasonable rate.

The pre-funding statement was reviewed by the committee.
9. PROPERTY TAX MAP UPDATE
The committee reviewed property tax maps.
Critical questions to ask:
1. Which parcels are within the school district and which parcels are in the city?
2. There seems to be four tax rate areas within the city but not within the district. Why?
3. Do we have children within the district living in these areas? Are we educating these children but not receiving the property taxes for their home areas?
4. There are pockets in the City of Beverly Hills but the students property taxes go to LAUSD.
5. Why are there properties in Beverly Hills that the school district is not getting property taxes for? Who ordains this? Who would we talk to if we think that some or all of these parcels should be in the district?

We have identified the parcels where the city gets tax revenue in the city boundaries but not within the boundaries of the school district. The parcels represent a little over 100 million dollars. This could represent $170,000 per year. It may be worth the effort to hire a land use attorney to fight this for the district. The committee believes that this deserves further investigation that the “why” questions should go back to the County Assessor’s Office.

10. BOARD REQUEST ITEM/ISSUES TO DISCUSS WITH COMMITTEE

11. PUBLIC COMMENT

12. OTHER ITEMS
   School Services of California – The committee supports staff efforts of having a study done with regards to a reduction in middle schools.

13. FUTURE ITEMS FOR DISCUSSION
   Property tax discussion to be brought back for July meeting.

14. ADJOURNMENT – 6:12