1. Meeting called to order – 3:27 p.m.

2. Attendance:
   Committee Members – Collen Knerr, Marilyn Gallup, Joe Safier, Terry White
   Staff Members – La Tanya Kirk-Carter, Dr. Michael Bregy, Shemia Moore
   Board – President, Mel Spitz, Howard Goldstein

3. PLEDGE OF ALLEGIANCE – Led by Dr. Michael Bregy

4. APPROVAL OF AGENDA - Approved

5. APPROVAL OF MEETING MINUTES – February 2, 2017 - Approved

6. SUPERINTENDENT’S REPORT
   The Superintendent’s Report that was presented to the Board of Education on February 28, 2017 was reviewed with the committee. One consistent fact was that the District needed more than four weeks to shave five million dollars from the budget. Administrative staff has spent a lot of time working to try and cut more, but once we went beyond $2.5 million it was changing and reducing some of the programs at the high school. Recommendations have been made to maintain our current programming and class sizes. There will be some reductions due to declining enrollment which are things that usually happen annually.

   Teachers have to be educated on district finance. The Superintendent’s Cabinet, plans to go into the schools to speak with teachers directly. The ten million in reserves sounds like a lot but it is not.

7. BUDGET UPDATE
   The committee reviewed the multi-year projections. The committee is very concerned about the deficit shown on the original budget vs. the deficit shown on the current budget. There is concern regarding hiring practices outside of the approved budget. The committee expressed concern that there is a lack of internal controls with regard to employee hiring. The Fiscal Office should send out written directives advising that spending outside of the budget with regard to hiring is against rules and regulations. The Fiscal Office should be verifying that when new employees are hired that this position has been authorized in the budget.
   Currently the 2017/2018 budget includes the $2.2 million certificated reduction. That will equal 24 FTE’s. It is believed that the reduction can be taken up to $2.5 million with
the inclusion of classified reductions. There is a projection of an increase in property taxes by 5%. Other sources of revenue which totals close to $20 million are going to down by $3.3 million which is over 20%.

Staff would like to bring to the Board, within the next month, a Budget Reserve Policy. BHUSD currently does not have a policy in place. Other school districts set their reserve at 17% which is recommended by School Services of California. The committee reviewed a presentation from School Services of California, which shows a recommendation that school districts should have reserves of 25%. Staff would like to go to the Board with a reserve number that the District would need to maintain. A minimum of 17% with the goal of not less than 25% would be the recommendation. The Los Angeles County Office of Education has stated that when the AB1200 for the salary increase is submitted next year, if the reserve is below the reserve policy that the Board has set LACOE will not approve that salary increase.

The committee recommends that if 17% is what School Services of California recommends this should be brought forward to the Board for recommendation and approval. Once the policy is complete a copy will be sent to committee members for review.

8. AUDIT REPORT
   Not Discussed

9. DISTRICT RESERVE POLICY
   Please see above under Budget heading.

10. BOARD REQUEST ITEM/ISSUES TO DISCUSS WITH COMMITTEE

11. PUBLIC COMMENT

12. OTHER ITEMS

13. FUTURE ITEMS FOR DISCUSSION
   Budget Update
   Special Education – John Hess
   Property Tax Update
   PARS – Portfolio Manager
   Audit Report

14. ADJOURNMENT – 5:34 p.m.