



SMMUSD Financial Oversight Committee Minutes

Date: Thursday, June 16, 2016

Time: 7:00 pm to 9:00 pm

Location: Testing Room, SMMUSD Administrative Offices
1651 16th Street, Santa Monica, CA 90404

I. Call to Order

7:10 pm

Committee Members: Seth Jacobson
Joan Krenik
Debbie Mulvaney
Manel Sweetmore

Jon Kean
Gordon Lee arrived @ 8:05pm
Shelly Slaugh Nahass

Board Liaison: Laurie Lieberman

Staff: Jan Maez Kim Nguyen

Absent: Alex Farivar Craig Foster
Tom Larmore Dean Chien, SAMOHI student rep
Marc Levis-Fitzgerald Sky Petretti, Malibu student rep
Paul Silvern

Public: None

II. Approval of Minutes

7:11pm

A motion was made by Mr. Kean and seconded by Ms. Krenik to approve the May 12, 2016 minutes.

AYES: Six (6) (Jacobson, Kean, Krenik, Mulvaney, Slaugh Nahass, Sweetmore)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Five (5) (Farivar, Larmore, Lee, Levis-Fitzgerald, Silvern)

ABSTAIN: None (0)

III. Staff Report

7:12 pm

A. Budget Update

Ms. Maez informed the committee that the 2016-17 proposed budget will be presented to the Board of Education at the June 22, 2016 Board meeting and provided the committee with an overview of the agenda item. The district budget committee kickoff meeting was postponed to when the school year begins.

Ms. Maez further informed the committee that the AB1200 for SEIU was posted on June 7, 2016 and will be presented to the Board at the June 22, 2016 Board meeting.

The proposed budget may be found at: <http://www.smmusd.org/fiscal/BudgetDocs/AdoptedBudget062216.pdf>

The AB1200 may be found at: <http://www.smmusd.org/hrs/classified/temp/AB1200-060616.pdf>

IV. Discussion/Action Items

8:10 pm A. 2016-17 Meeting Calendar

The committee scheduled meeting dates for 2016-17. Meetings will be from 7:00pm to 9:00pm in the District Office Testing Room, unless otherwise noted. The committee will determine meetings to be held in Malibu at a future date.

- Wednesday, September 7, 2016
- Thursday, October 13, 2016
- Thursday, November 10, 2016
- Thursday, December 8, 2016
- Thursday, January 12, 2017
- Thursday, February 9, 2017
- Wednesday, March 8, 2017
- Thursday, April 27, 2017
- Thursday, May 11, 2017
- Thursday, June 15, 2017
- TBD (July 2017) *Please note: This is a Joint Meeting / Study Session with the Board of Education - *SMMUSD District Office Board Room, 1651 16th Street.*

8:15 pm B. Annual FOC report to the Board of Education

The committee discussed the format of the Board presentation. The subcommittee reports were circulated and discussed.

V. Ad hoc Subcommittee Update

8:26 pm A. Impact of Living Wage and Minimum Wage: *Ms. Mulvaney (Chair), Mr. Kean, Ms. Krenik, Mr. Silvern*

Ms. Mulvaney summarized the subcommittee report to include some minor changes report that will be revised prior to the final draft. Complying with minimum wage is not a contractual issue.

The subcommittee report can be found at the end of these minutes.

8:35 pm B. Maintenance Financing: *Mr. Larmore (Chair), Mr. Lee, Mr. Farivar*

Mr. Lee summarized the subcommittee report. Ms. Maez informed the committee that there is an aggressive plan to use bond money to upgrade facilities and this will put into place a maintenance system of maintaining the buildings.

The subcommittee report can be found at the end of these minutes.

8:40 pm

- C. Potential Cost Savings through Sustainability: *Ms. Slaugh Nahass (Chair), Mr. Jacobson, Mr. Levis-Fitzgerald, Mr. Sweetmore, Mr. Chien, Mr. Petretti*

Ms. Slaugh Nahass summarized the subcommittee report. The focus is the financial benefits of sustainability. The subcommittee is recommending the District to designate funds to have Malibu sites reviewed as it is not paid for by the City of Santa Monica grant.

The subcommittee report can be found at the end of these minutes.

8:55 pm

- D. District Budget: *Ms. Krenik (Chair), Mr. Kean, Mr. Larmore, Ms. Mulvaney*

Ms. Krenik reported that the kick off budget committee meeting was postponed until the beginning of the next school year.

VI. Receive and File (Limited Discussion)

8:56 pm

- A. Press Release from Securities and Exchange Commission
- B. Keygent Fact Sheet

VII. Public / Committee Comments

VIII. Next Meeting: Wednesday, July 20, 2016 – Joint Meeting with Board of Education

IX. Adjournment

The meeting was adjourned at 9:10 p.m.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2016-2017 District Calendar

Approved by the Board of Education: 3/19/15

July 2016					August 2016					September 2016				
M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
				1	1	2	3	4	5				1	2
4	5	6	7	8	8	9	10	11	12	5	6	7	8	9
11	12	13	14	15	15	16	17	18	19	12	13	14	15	16
18	19	20*	21	22	22	23	24	25	26	19	20	21	22	23
25	26	27	28	29	29	30	31			26	27	28	29	30

October 2016					November 2016					December 2016				
M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
3	4	5	6	7	1	2	3	4	5	1	2	3	4	5
10	11	12	13	14	7	8	9	10	11	5	6	7	8	9
17	18	19	20	21	14	15	16	17	18	12	13	14	15	16
24	25	26	27	28	21	22	23	24	25	19	20	21	22	23
31					28	29	30			26	27	28	29	30

January 2017					February 2017					March 2017				
M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
2	3	4	5	6				1	2	6	7	8	9	10
9	10	11	12	13	6	7	8	9	10	13	14	15	16	17
16	17	18	19	20	13	14	15	16	17	20	21	22	23	24
23	24	25	26	27	20	21	22	23	24	27	28	29	30	31
30	31				27	28								

April 2017					May 2017					June 2017				
M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
3	4	5	6	7	1	2	3	4	5	5	6	7	8	9
10	11	12	13	14	8	9	10	11	12	12	13	14	15	16
17	18	19	20	21	15	16	17	18	19	19	20	21	22	23
24	25	26	27	28	22	23	24	25	26	26	27	28	29	30
					29	30	31							

- Legend:**
- = First/Last Day of School
 - = Legal Holiday
 - = Local Holiday (schools/offices closed)
 - = School Recess (classes not in session)
 - = Pupil Free Day (no school for students)
 - = Elem. Pupil Free Day (no school -elem students)
 - = Sec. Pupil Free Day (no school -sec students)
 - = Minimum Day for all students
 - = Certificated Staff Development Days

Employee Work Dates:

Sept. 1, 2016-June 30, 2017:* Classified 11-Month
 *must work 22 days in July/August, 2016
 Aug. 8, 2016-June 21, 2017: Classified 10 +10
 Aug. 15, 2016-June 14, 2017: Classified 10-Month
 Aug. 17, 2016-June 9, 2017: Certificated/184 Days
 Aug. 18, 2016-June 9, 2017: Certif-CDS/183 Days
 Aug. 19, 2016-June 9, 2017: Classified School Year

Teacher Work Days: 184
 Student Days: 180

1st Semester: Aug. 22 - Dec. 23 (84 days)
 2nd Semester: Jan. 10 - June 9 (96 days)

First Day of Instruction:

- Monday, August 22, 2016

Last Day of Instruction:

- Friday, June 9, 2017

Certificated Staff Development Days:

(No Students)

- Wednesday, August 17, 2016

- Thursday, August 18, 2016

HOLIDAYS:

July 4: 4th of July Holiday

Sept. 5: Labor Day Holiday

Oct 3: Local Holiday

Oct 12: Local Holiday

Nov. 11: Veteran's Day Holiday

Nov. 24: Thanksgiving Holiday

Nov. 25: Legal Holiday (Admissions Day obsvrd)

Dec. 26, 27: Winter Holidays

Dec. 30, Jan 2: New Years Holidays

Jan 16: Martin Luther King Jr. Holiday

Feb. 20: Presidents' Day Holiday

Apr. 7: Local Holiday

Apr. 14: Legal Holiday (Lincoln's B'day observed)

May 29: Memorial Day Holiday

SCHOOL RECESSES:

Dec. 26 - Jan 6: Winter Recess

Apr 3 - Apr 14: Spring Recess

PUPIL-FREE DAYS:

Aug. 17: All Students

Aug. 18: All Students

Aug. 19: All Students

Nov. 4: Elementary Students Only

Jan. 9: Secondary Students Only

MINIMUM DAYS:

TK/Kindergarten: Aug. 22, Aug. 23, 30, Nov. 7, 8, 9, 10, 23, Dec. 23, May 25, June 9

Elementary: Aug. 22, 30, Sept. 6, Nov. 7, 8, 9, 10, 23, Dec. 23, May 25, June 9

Santa Monica Middle Schools: Sept. 8, Nov. 23, Dec. 23, Mar. 31, Apr. 27, June 8, June 9, + 1 discretionary

Malibu MS/HS: Sept. 8, 15, Nov. 23, Dec. 21, 22, 23, March 9, June 6, 7, 8 + 1 discretionary

Samohi: Sept. 15, Dec. 20, 21, 22, 23, Mar. 9, June 5, 6, 7, 8

Olympic HS: Sept. 20, Nov. 23, Dec. 23, May 2, June 1, 2, 5, 6, 7, 8, 9

Back to School Nights:

Tues. Aug. 30 - Elem TK-2

Tues. Sept. 6 - Elem 3-5

Thurs. Sept. 8 - Middle School

Thurs. Sept. 15 - High School

Tues. Sept. 20 - Olympic HS

Open House Nights:

Thurs. May 25 - Elementary

Thurs. April 27 - SM Middle Schools

Thurs. March 9 - Malibu MS/HS

and Samohi

Tues. May 2 - Olympic HS

Promotions/Graduations:

Wed. June 7 - Elementary

Fri. June 9 - Middle School

Thurs. June 8 - MHS 2:00 pm

- Samohi 5:30 pm

Wed. May 31 - Olympic HS 5:30 pm

Parent Conference Days (TK-5):

Nov. 4 - Nov. 10, 2016

Testing Dates: *expected, not confirmed*

AP Testing: May 1- May 12, 2017

STAR: April 20 - May 18, 2017

SBAC: April 20 - May 29, 2017

TK/Kindergarten Roundup:

Jan. 30 - Feb. 10, 2017

Final Exams:

Malibu MS/HS: Dec. 21-23, 2016

June 6-8, 2017

Samohi: Dec. 20-23, 2016

June 5-8, 2017

Summer School:

IISS: June 19-July 14, 2017

Credit Recovery: June 19-Jul 21, 2017

ESY: June 19-July 14, 2017

TK-5 Grading Periods:

Conference: Nov. 4, 2016

Winter Grading: Feb. 10, 2017

Spring Grading: June 9, 2017

6-12 Grading Periods

Aug. 22 - Sept. 30, 2016

Oct. 4 - Nov. 10, 2016

Nov. 14 - Dec. 23, 2016

Jan. 9 - Feb. 24, 2017

Feb. 27 - April 28, 2017

May 1 - June 9, 2017



FOC Meeting Dates at District Office
 *Joint Meeting w/ the Board

Board Meeting Dates

MEMORANDUM

TO: Financial Oversight Committee
FROM: Subcommittee on Maintenance Funding
DATE: June 16, 2016

Our subcommittee was charged with looking into the possibility of new dedicated source of funding for developing and executing a real time responsive preventative and deferred maintenance program for school facilities. The subcommittee members are Tom Larmore, Gordon Lee and Alex Farivar. We divided our task into two parts: assessing the extent of the need for additional funds; and evaluating potential sources.

Need: The Committee met with District Staff and outside consultants and reviewed facility inspection reports for each school compiled based on inspections during Summer and Fall, 2015. While most schools were rated as being in "Good" condition (Olympic High School, Webster Elementary and Roosevelt Elementary were rated as "Fair") and no serious defects were found, there were many deficiencies found relating to interior surfaces and overall cleanliness.

The District has a "windows, paint and floor" project in place focusing first on elementary schools with three schools to be serviced each Summer beginning in 2016. This project is being funded through bond funds (between \$2MM and \$4MM per school) and will be limited to interiors (but will no upgrade bathrooms). This level of maintenance is not sufficient to meet the continuing needs or provide rapid response as problems develop.

An adequate program would require between \$3MM - \$4MM annually and would be accomplished through a mix of Staff and service contracts. The District would acquire adequate service contracts and agreements to maintain newly installed complex HVAC systems, building management systems and energy efficiency equipment. A staff training program would be implemented to support these complex systems. The efficient use of staff skills is not being fully maximized as many of our highly trained specialists are executing low level work and facility priorities. This also causes potential union issues. With the right mix of staffing, a routine facility program can be implemented to support equipment, change filters, plumbing, fixtures and all the day to day maintenance occurrences.

With the right mix of contract and Staff, we can address long term deferred maintenance such as interior and exterior paint, roof, infrastructure and parking facilities. That includes implementing water conservation through efficient drought tolerant landscaping and irrigation practices.

All of this is supported through a well-planned and thorough work order system that will not only address immediate issues, but give Staff confidence to report the need for repairs and know they will be completed in a timely fashion. The goal is to change the "lack of quality" perception when it comes to District facilities. We want everyone to think our facilities are commensurate with our excellent education programs.

Sources. We believe the most logical source of new funding is a new transaction and use tax adopted by the voters similar to that of Propositions Y and YY. We are currently working with the City of Santa Monica in connection with its desire to obtain funding for affordable housing through such a tax. The current proposal is a .50% "sales" tax with half of the money being available to the District. This would generate another approximately \$8,000,000 annually at the current level of sales activity in the City – the same amount as is generated by Proposition Y - presumably increasing incrementally annually. Such a proposal is currently being discussed by District and City Staff and is likely to be considered by the City Council later this month. If the Council decides to move forward, the tax, along with a companion measure directing one-half of the tax revenue to the District with a significant portion being available for maintenance, would be on the November, 2016 ballot.

Recommendations

If this proposed tax is placed on the ballot by the Council, volunteers from the school community will be essential in working for its passage in November. If passed, the measure will provide more than is needed for maintenance and our work on this subject will be completed. If the tax is not placed on the ballot this year or is defeated, we recommend that this issue be studied as a part of the FOC's activities next year.

FINANCIAL OVERSIGHT COMMITTEE - SUSTAINABILITY SUBCOMMITTEE

YEARLY REPORT & RECOMMENDATIONS

Subcommittee members: Shelly Nahass, Seth Jacobson, Manel Sweetmore, Marc Levis-Fitzgerald

The sustainability subcommittee has been tasked with understanding and offering solutions to the current methods and policies employed by SMMUSD regarding sustainability. As an initial step, the committee will begin the review and evaluation of all the existing methods to better understand the current strategies being employed by the district. Following our initial review, the sustainability subcommittee will comment on these methods, as well as offer recommendations to the SMMUSD School Board regarding best practices, potential cost savings, and short term and long term strategies regarding sustainability. In parallel to this effort, the subcommittee will do a comprehensive review of sustainability policies and principals being implemented by other school districts and will work towards presenting a draft sustainability policy concept paper focused on the financial benefits of current and long-term sustainability. Such a policy should help drive the short and long-term direction of SMMUSD toward being a cost-effective sustainable school district. The subcommittee views its efforts to identify specific actions that will increase the school district's sustainability index as a multi-year approach concentrating on one of the sustainability areas per FOC year, for three subsequent years. The sustainability policy regarding the cost-benefit of achieving sustainability in each of the three major categories below will be presented to the Board at the end of each of the three years, with an overall policy presented at the end of the third year.

As part of the subcommittee's effort to address specific areas to improve the district's sustainability profile, the subcommittee has identified the following three areas to initially focus on:

- Energy, including utility cost, energy efficiency standards (standards are required to be in place by 2030), efficient lighting, electronics, reviewing peak usage cost, and solar.
- Water, including reduction of use at sights including bathrooms, showers, landscape, review procedures regarding lead free drinking fountains at all sights, storm water run-off capture, landscape with drought tolerant plants only, recycling of green waste.
- Waste, including recycling of paper, electronics, batteries, food, printer cartridges, aluminum, glass, etc.

The end result of the sustainability subcommittee is an overall financial cost-benefit sustainability policy that will drive the development of a "Best Practices Guide" that will offer specific sustainability strategies to be implemented by the SMMUSD School Board at each of the district sites. The best practices guide will focus on the areas identified with a strong emphasis on finding economic savings that will impact the district's operating budget. The best practice's guide will also include student involvement programs that can be implemented at each district site. Additionally, the subcommittee will review building audits, maintenance and equipment replacement standards, and investment policies that focus on items that are energy efficient.

From: The Financial Oversight Committee of the Santa Monica-Malibu Unified School District	
To: The Board of Education of the Santa Monica-Malibu Unified School District	
Prepared by: Debbie Mulvaney, Joan Krenik, Jon Kean, Paul Silvern	
Regarding: Minimum Wage and Living Wage and its financial impact on SMMUSD	

Charge to Subcommittee

The District needs to maintain a salary schedule that is competitive and appropriately aligned with position classifications, but also recognizes that the local labor market has been re-shaped recently by both State and City of Santa Monica actions on minimum wage rates. This sub-committee was charged with looking at the impact these changes, and those associated with living wage issues, might have on District finances.

SMMUSD Minimum Wage Requirements

SMMUSD has bargaining units that negotiate the pay scales for most of the employees of SMMUSD. For those employees that don't belong to either of the bargaining units (exempt employees), SMMUSD follows the higher of federal and state minimum wage guidelines. The current minimum wage in the State of California is \$10.00 per hour, rising to \$10.50 per hour on 7/1/16. The City of Santa Monica has recently implemented a plan to increase the minimum wage to \$15.00 per hour by 2020. The City itself however, follows a living wage structure for its employees. The current minimum for that is \$15.37 per hour rising to \$15.87 per hour on 7/1/6. The City's living wage is adjusted annually each July 1 by an amount corresponding to the previous year's change (January to January) in the Consumer Price Index for Urban Wage Earners and Clerical Workers, not a pre-defined schedule.

City of Santa Monica Minimum Wage increments

7/1/16	\$10.50
7/1/17	\$12.00
7/1/18	\$13.25
7/1/19	\$14.25
7/1/20	\$15.00

Methodology

The committee reviewed the salary structure for those employees who fall into the category of employees affected by any change to the minimum wage. They are almost entirely exempt employees. We researched the various models used by other civic and academic organizations, as well as meeting with SEIU leadership to make sure we considered all options. We arrived at 3 possible models for addressing these issues, compressing the salary scale, adjusting the scale to accommodate higher incoming salaries or increasing the scale across the board. Compressing the salary scale is defined as lessening the 2 ½% differential between ranges. Adjusting the salary scale is defined as repositioning jobs along the range and steps to better match market rates for those jobs. Increasing the salary scale across the board is defined as making the same incremental increase on all steps/columns in order to raise the bottom up to a desired minimum level.

Exempt Employees

There are 3 categories of employees who are not within the membership of SEIU and are therefore not covered by any agreements. They are Student Workers, Noon Aides and Coaches, collectively, exempt employees. Currently Student Workers and Noon Aides are paid \$10.00 per hour and Coaches are paid \$12.40 per hour. The Student Workers and Noon Aides will increase to \$10.50 on 7/1/16 reflecting the impact of the City of Santa Monica's minimum wage structure. Following the minimum wage prescribed increases over the next several years and assuming the same number of employees in these categories, the cost to the District will be \$184,264 over the next 5 years, as the minimum wage grows to \$15.00 per hour. See the chart below for the impact to SMMUSD for those exempt employees who are minimum wage employees (or close to minimum wage) and who are effected by the Minimum Wage changes in the City of Santa Monica.

City of Santa Monica Minimum Wage Changes - Impact to SMMUSD							23-Mar-16	
Object Code	Position		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
2931	Coaches	hourly rate	\$12.40	\$12.40	\$12.40	\$13.25	\$14.25	\$15.00
		total expense	\$280,018	\$280,018	\$280,018	\$299,213	\$321,795	\$338,731
2933	Student Workers/AVID	hourly rate	\$10.00	\$10.50	\$12.00	\$13.25	\$14.25	\$15.00
		total expense	\$38,405	\$40,325	\$46,086	\$50,887	\$54,727	\$57,608
2935	Noon Duty	hourly rate	\$10.00	\$10.50	\$12.00	\$13.25	\$14.25	\$15.00
		total expense	\$212,697	\$223,332	\$255,236	\$281,824	\$303,093	\$319,043
	TOTAL		\$531,120	\$543,675	\$581,340	\$631,923	\$679,615	\$715,384
	Increase from prior year			\$12,555	\$37,665	\$50,583	\$47,692	\$35,769
	Cumulative Impact over 5 years							\$184,264

Issues Raised

There existed in SMMUSD a significant gap between wages paid to some employees vs market rate wages for comparable jobs. A study was conducted in 2015 that detailed these wage gaps (see below). While there is a desire to pay all employees at least a \$15 minimum wage if not a Living Wage, raising the wages of employees at the lowest end of the pay scale would create a compression in the salary steps for employees with higher wages and more seniority. Maintaining this step integrity will be costly for SMMUSD. Lastly, there is an opportunity cost due to below market wages as numerous positions remain unfilled and employee retention in these jobs is increasingly difficult. The next 3 pages show the market differential before the latest contract.

Personnel Commission Study Results

SMMUSD Classification Plan					Distance +/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Facilit	Maintenance	Facilities Technician	Maint Supv	A45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Maintenance	Electrician	BM	A37	-15%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	HVAC Technician	BM	A37	-16%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Maintenance	Metal Worker	Electrician	A37	-15%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Plumber	Electrician	A37	-15%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Maintenance	Carpenter	BM	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Glazier	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Locksmith	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Painter	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Skilled Maint Wrkr	BM	A31	-14%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Operations	Sports Facility Coord	Gardener	A38	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Sprinkler Repair Tech	BM	A33	-11%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Operations	Equip Oper/Sports Facility	Gardener	A29	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Equip Oper/Tree Trim	Gardener	A29	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Equip Operator	Gardener	A27	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Utility Worker	Gardener	A27	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Lead Custodian	BM	A25	-16%	-13%	-12%	-11%	-10%	-9%	-8%
Facilit	Operations	Gardener	BM	A24	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Custodian	BM	A22	-15%	-13%	-12%	-11%	-10%	-9%	-8%
Facilit	Operations	Sports Facility Attendant	Gardener	A22	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Performing Art	Theater Coord (Live/Stage)	BM	A42	-8%	-3%	-2%	-1%	0%	0	0
Facilit	Performing Art	Theater Tech (Live/Stage)	BM	A35	-9%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Performing Art	Media Services Coord	BM	A26	-19%	-15%	-14%	-13%	-12%	-11%	-10%
Facilit	Technology Su	Network Engineer	BM	A51	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Technology Su	Systems Analyst	BM	A51	-6%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Technology Su	Education Data Specialist	Systems	A49	-6%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Technology Su	Senior Tech Supp Asst.	BM	A43	-4%	-3%	-2%	-1%	0%	0	0
Facilit	Technology Su	Tech Supp Asst.	BM	A38	-2%	3%	0	0	0	0	0
Facilit	Technology Su	Audio/Visual Tech.	BM	A36	-35%	-31%	-30%	-29%	-28%	-27%	-26%
Facilit	Technology Su	Computer Operator	BM??	A33			0	0	0	0	0
Fiscal	Accounting	Payroll Specialist		N/A	-25%	-19%	-18%	-17%	-16%	-15%	-14%
Fiscal	Accounting	Accountant	BM	A41	-15%	-13%	-12%	-11%	-10%	-9%	-8%
Fiscal	Accounting	Accounting Tech	BM	A29	-16%	-11%	-10%	-9%	-8%	-7%	-6%
Fiscal	Accounting	Accounting Asst II	Account Tech	A26	-16%	-11%	-10%	-9%	-8%	-7%	-6%
Fiscal	Purchasing	Senior Buyer	BM	A41	-8%	-6%	-5%	-4%	-3%	-2%	-1%
Fiscal	Purchasing	Buyer	BM	A37	2%	4%	0	0	0	0	0
Fiscal	Purchasing	Assistant Buyer	BM??	A33			0	0	0	0	0
Office	Clerical	Special Ed Data Entry Spec.	Data Entry	A27	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Textbook Coordinator	Data Entry	A26	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Data Entry Specialist	BM	A25	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Senior Office Specialist	BM	A25	-10%	-9%	-8%	-7%	-6%	-5%	-4%
Office	Clerical	Reprographics Operator	Office Spec	A23	-8%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Clerical	Office Specialist	BM	A22	-8%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Secretarial	Admin Asst (HS)		N/A	-17%	-14%	-13%	-12%	-11%	-10%	-9%
Office	Secretarial	Admin Asst (K-8)		N/A	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Office	Secretarial	Senior Admin Asst	BM	A34	-16%	-14%	-13%	-12%	-11%	-10%	-9%
Office	Secretarial	Admin Asst (Dept)	BM	A29	-17%	-15%	-14%	-13%	-12%	-11%	-10%
Perso	HR/Personnel	Chief Steward	HR Specialist	A40	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Perso	HR/Personnel	HR Specialist	BM	A36	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Perso	HR/Personnel	Emp Benefit Tech	BM	A34	-7%	-3%	-2%	-1%	0%	0	0
Perso	HR/Personnel	HR Tech	BM	A31	-12%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Athletic	Athletic Trainer	BM	A35	-10%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Athletic	Physical Activities Specialist	BM	A26	-4%	-1%	0	0	0	0	0

SMMUSD Classification Plan					+/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Stude	Athletic	Swimming Instructor/	BM	A21	-16%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Athletic	IA-Physical Education	BM	A20	-4%	-1%	0	0	0	0	0
Stude	Development	Occupational Therapist	BM	A61	3%	4%	0	0	0	0	0
Stude	Development	Physical Therapist	BM	A61	0%	0%	0	0	0	0	0
Stude	Development	Speech Lang Path Asst	COTA	A36	-11%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Development	COTA	BM	A34	-11%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Development	Licensed Voc Nurse (samo)	BM??	A34			0	0	0	0	0
Stude	Development	Health Office Specialist	BM	A25	-5%	-2%	-1%	0%	0	0	0
Stude	Development	Paraeducator-2	BM	A23	-17%	-12%	-11%	-10%	-9%	-8%	-7%
Stude	Food Services	Nutrition Specialist	BM??	A36			0	0	0	0	0
Stude	Food Services	Prod Kitch Coord	BM	A29	-13%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Site Food Services Coord	Prod Kitch	A29	-13%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Cafeteria Cook/Baker	CWII	A18	-4%	-16%	-15%	-14%	-13%	-12%	-11%
Stude	Food Services	Cafeteria Worker/Transp	SPECIAL	A13	0%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Cafeteria Worker II	BM	A13	-4%	-16%	-15%	-14%	-13%	-12%	-11%
Stude	Food Services	Cafeteria Worker I	BM	A11	4%	-12%	-11%	-10%	-9%	-8%	-7%
Stude	Guidance	Student Outreach Spec	BM	A44	12%	15%	0	0	0	0	0
Stude	Guidance	ROP Coordinator		A41			0	0	0	0	0
Stude	Guidance	College & Career Advisor	BM	A30	-3%	-1%	0%	0	0	0	0
Stude	Guidance	Translator (samo)		A28			0	0	0	0	0
Stude	Guidance	Bilingual Comm Liaison	Comm Liaison	A25	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Guidance	Campus Security Officer	BM	A25	-4%	-3%	-2%	-1%	0	0	0
Stude	Guidance	Job Developmnt Placement	BM	A25	-25%	-21%	-20%	-19%	-18%	-17%	-16%
Stude	Guidance	Community Liaison	BM	A23	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Guidance	Braille Transcriber	SPECIAL	A21			0	0	0	0	0
Stude	Instructional	IA-Sign Language Interpr		A37			0	0	0	0	0
Stude	Instructional	Laboratory Technician	IA-Classroom	A26	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	Paraeducator-3	BM	A26	-8%	-3%	-2%	-1%	0%	0	0
Stude	Instructional	IA-Bilingual (Spanish)	IA-Classroom	A20	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	Paraeducator-1	BM	A20	-9%	-5%	-4%	-3%	-2%	-1%	0%
Stude	Instructional	CCA-3	BM	A19	-6%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Instructional	CCA-2	CCA-3	A18	-6%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Instructional	IA-Classroom	BM	A18	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	CCA-1	BM	A17	2%	0%	0	0	0	0	0
Stude	Library Support	Elem Lib Coord	BM	A26	-4%	-4%	-3%	-2%	-1%	0%	0
Stude	Library Support	Library Asst II	BM	A26	-14%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Library Support	Library Asst I	BM	A22	-8%	-4%	-3%	-2%	-1%	0%	0
Stude	Music Support	Accompanist	BM	A31	0%	4%	0	0	0	0	0
Stude	Music Support	IA-Music	BM	A20	-8%	-3%	-2%	-1%	0	0	0
Stude	Transportation	Lead Veh & Equip	Veh & Equip	A39	-14%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Transportation	Vehicle & Equipment	BM	A36	-14%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Transportation	Bus Driver	BM	A28	-22%	-17%	-16%	-15%	-14%	-13%	-12%
Stude	Transportation	Stock & Delivery Clerk	BM	A26	-13%	-10%	-9%	-8%	-7%	-6%	-5%

SMMUSD Classification Plan					+/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Fiscal	Accounting	Dir. Fiscal	BM	M64	-7%	-6%	-5%	-4%	-3%	-2%	-1%
Perso	HR/Personnel	Dir. Classified Personnel	BM	M64	-13%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Maintenance	Director of M&O	BM	M60	-1%	-6%	-5%	-4%	-3%	-2%	-1%
Facilit	Technology Su	Dir. Info Svcs	BM	M60	-17%	-19%	-18%	-17%	-16%	-15%	-14%
Facilit	Performing Ar	Dir. Theater Facilities	BM	M55	-1%	-6%	-5%	-4%	-3%	-2%	-1%
Fiscal	Purchasing	Dir. Purchasing	BM	M55	-17%	-18%	-17%	-16%	-15%	-14%	-13%
Stude	Food Services	Dir. Food Svcs	BM	M55	-14%	-18%	-17%	-16%	-15%	-14%	-13%
Stude	Transportation	Dir. Transportation	BM	M51	-27%	-24%	-23%	-22%	-21%	-20%	-19%
Facilit	Maintenance	Mgr Maint Constr	BM	M50	-10%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Operations	Mgr Buildings Grounds	BM	M50	0%	2%	0	0	0	0	0
Facilit	Technology Su	Asst. Dir Info Svcs	BM	M50	-21%	-28%	-27%	-26%	-25%	-24%	-23%
Fiscal	Accounting	Asst. Dir Fiscal	BM	M50	-16%	-18%	-17%	-16%	-15%	-14%	-13%
Perso	HR/Personnel	Personnel Analyst	BM	M46	-4%	-8%	-7%	-6%	-5%	-4%	-3%
Facilit	Maintenance	Constr Supervisor	Maint Supv	M45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Maintenance	Maint Supervisor	BM	M45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Technology Su	Supervisor, Comp Svcs	BM	M45	-18%	-21%	-20%	-19%	-18%	-17%	-16%
Facilit	Operations	Plant Supervisor	BM	M41	5%	3%	0	0	0	0	0
Facilit	Performing Ar	Facility Permit Supv	BM	M41	-11%	-15%	-14%	-13%	-12%	-11%	-10%
Fiscal	Accounting	Fiscal Services Supervisor	BM	M41	-9%	-14%	-13%	-12%	-11%	-10%	-9%
Perso	HR/Personnel	Credential Analyst	Pers Analyst	M36	-4%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Food Services	Food Svcs Operations	BM	M36	-8%	-11%	-10%	-9%	-8%	-7%	-6%
Office	Secretarial	Asst. to the Supt.	BM	C39	-22%	-17%	-16%	-15%	-14%	-13%	-12%
Perso	HR/Personnel	HR Specialist (Conf)	HR Specialist	C36	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Secretarial	Senior Admin Asst (Conf)	Senior Admin	C34	-16%	-14%	-13%	-12%	-11%	-10%	-9%

Results

The newly adopted collective bargaining agreement addresses many of the issues we were asked to look at, as it adjusts the salary scale to accommodate higher starting salaries as well as many of the market valuation discrepancies that had existed. See the next 2 pages which show the new ranges/steps after the collective bargaining process.

CLASSIFIED EMPLOYEE'S MONTHLY SALARY SCHEDULE A
EFFECTIVE 1/1/2016 - INCLUDES 6% INCREASE

							1/1/2016
RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	Hourly STEP A
1	1,551	1,628	1,710	1,795	1,885	1,979	8.95
2	1,590	1,669	1,753	1,840	1,932	2,029	9.17
3	1,628	1,710	1,795	1,885	1,979	2,078	9.39
4	1,669	1,753	1,840	1,932	2,029	2,130	9.63
5	1,710	1,795	1,885	1,979	2,078	2,182	9.86
6	1,753	1,840	1,932	2,029	2,130	2,237	10.11
7	1,795	1,885	1,979	2,078	2,182	2,291	10.36
8	1,840	1,932	2,029	2,130	2,237	2,349	10.62
9	1,885	1,979	2,078	2,182	2,291	2,406	10.88
10	1,932	2,029	2,130	2,237	2,349	2,465	11.15
11	1,979	2,078	2,182	2,291	2,406	2,526	11.42
12	2,029	2,130	2,237	2,349	2,465	2,590	11.70
13	2,078	2,182	2,291	2,406	2,526	2,652	11.99
14	2,130	2,237	2,349	2,465	2,590	2,719	12.29
15	2,182	2,291	2,406	2,526	2,652	2,785	12.59
16	2,237	2,349	2,465	2,590	2,719	2,855	12.90
17	2,291	2,406	2,526	2,652	2,785	2,925	13.22
18	2,349	2,465	2,590	2,719	2,855	2,997	13.55
19	2,406	2,526	2,652	2,785	2,925	3,071	13.88
20	2,465	2,590	2,719	2,855	2,997	3,147	14.22
21	2,526	2,652	2,785	2,925	3,071	3,224	14.57
22	2,590	2,719	2,855	2,997	3,147	3,304	14.94
23	2,652	2,785	2,925	3,071	3,224	3,384	15.30
24	2,719	2,855	2,997	3,147	3,304	3,469	15.68
25	2,785	2,925	3,071	3,224	3,384	3,555	16.07
26	2,855	2,997	3,147	3,304	3,469	3,644	16.47
27	2,925	3,071	3,224	3,384	3,555	3,732	16.87
28	2,997	3,147	3,304	3,469	3,644	3,825	17.29
29	3,071	3,224	3,384	3,555	3,732	3,919	17.71
30	3,147	3,304	3,469	3,644	3,825	4,016	18.16
31	3,224	3,384	3,555	3,732	3,919	4,115	18.60
32	3,304	3,469	3,644	3,825	4,016	4,218	19.06
33	3,384	3,555	3,732	3,919	4,115	4,321	19.53
34	3,469	3,644	3,825	4,016	4,218	4,428	20.02

<u>RANGE</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>	<u>STEP F</u>	Hourly STEP A
35	3,555	3,732	3,919	4,115	4,321	4,537	20.51
36	3,644	3,825	4,016	4,218	4,428	4,649	21.02
37	3,732	3,919	4,115	4,321	4,537	4,763	21.53
38	3,825	4,016	4,218	4,428	4,649	4,883	22.07
39	3,919	4,115	4,321	4,537	4,763	5,001	22.61
40	4,016	4,218	4,428	4,649	4,883	5,126	23.17
41	4,115	4,321	4,537	4,763	5,001	5,251	23.74
42	4,218	4,428	4,649	4,883	5,126	5,383	24.34
43	4,321	4,537	4,763	5,001	5,251	5,514	24.93
44	4,428	4,649	4,883	5,126	5,383	5,651	25.54
45	4,537	4,763	5,001	5,251	5,514	5,789	26.17
46	4,649	4,883	5,126	5,383	5,651	5,935	26.82
47	4,763	5,001	5,251	5,514	5,789	6,080	27.48
48	4,883	5,126	5,383	5,651	5,935	6,231	28.17
49	5,001	5,251	5,514	5,789	6,080	6,383	28.85
50	5,126	5,383	5,651	5,935	6,231	6,543	29.57
51	5,251	5,514	5,789	6,080	6,383	6,702	30.29
52	5,383	5,651	5,935	6,231	6,543	6,869	31.05
53	5,514	5,789	6,080	6,383	6,702	7,037	31.81
54	5,651	5,935	6,231	6,543	6,869	7,213	32.60
55	5,789	6,080	6,383	6,702	7,037	7,389	33.40
56	5,935	6,231	6,543	6,869	7,213	7,574	34.24
57	6,080	6,383	6,702	7,037	7,389	7,759	35.07
58	6,231	6,543	6,869	7,213	7,574	7,953	35.95
59	6,383	6,702	7,037	7,389	7,759	8,147	36.82
60	6,543	6,869	7,213	7,574	7,953	8,350	37.75
61	6,702	7,037	7,389	7,759	8,147	8,554	38.66
62	6,869	7,213	7,574	7,953	8,350	8,767	39.63
63	7,037	7,389	7,759	8,147	8,554	8,982	40.60
64	7,213	7,574	7,953	8,350	8,767	9,207	41.61
65	7,389	7,759	8,147	8,554	8,982	9,431	42.63
66	7,574	7,953	8,350	8,767	9,207	9,667	43.70
67	7,759	8,147	8,554	8,982	9,431	9,902	44.76
68	7,953	8,350	8,767	9,207	9,667	10,150	45.88

Summary of Analysis:

Much of the research conducted by the sub-committee lead to discoveries that have been addressed, at least to some degree, by the passage of the new collective bargaining agreement. The wide gap that existed between market rate and actual wages in SMMUSD has narrowed significantly. See the chart below which shows the changes in ranges as a result of moving toward a more market rate structure. A full scale shift of the salary range to bring the bottom salary ranges up to a living wage and keep all steps/columns proportionally the same, would create an undue burden on the district finances and should be discarded as an option to address the issues.

SMMUSD Classification Plan

Classification	Range	New Range	MAX SAL % from 0% Under Market	MAX SAL Distance from Market After +6% Adjustment	Range Adjustment	Distance Off Market After Range Adj
Cafeteria Cook/Baker	18	22	-16%	-10%	4	0%
Cafeteria Worker II	13	17	-16%	-10%	4	0%
Cafeteria Worker I	11	13	-14%	-8%	2	-3%
Cafeteria Worker/Transp	13	15	-14%	-8%	2	-3%
Custodian	22	24	-14%	-8%	2	-3%
Sports Facility Attendant	22	24	-13%	-7%	2	-2%
Swimming Instructor/Lifeguard	21	21	-10%	-4%	0	-4%
CCA-2	18	18	-8%	-2%	0	-2%
CCA-3	19	19	-8%	-2%	0	-2%
Library Asst I	22	22	-7%	-1%	0	-1%
Office Specialist	22	22	-7%	-1%	0	-1%
Reprographics Operator	23	23	-7%	-1%	0	-1%
IA-Classroom	18	18	-6%	0%	0	0%
IA-Bilingual (Spanish)	20	20	-6%	0%	0	0%
Paraeducator-1	20	20	-5%	1%	0	1%
IA-Music	20	20	-3%	3%	0	3%
IA-Physical Education	20	20	-1%	5%	0	5%
CCA-1	17	17	0%	6%	0	6%

There is still a need for bringing our lowest wage earners to a living wage in the future in order to remain a competitive employer in Santa Monica and Malibu. Our SEIU workers now have reached a minimum wage of \$13.78 per hour effective with the new agreement (but retroactive to 1/1/16). The largest unresolved issue remains the “step compression”, as starting hourly wages for the range 18-24 job categories once compressed would shrink the differentiation between the ranges. Those listed below are the jobs that would be affected by the compression strategy:

The classifications at 18 and above that are receiving the benefit of the SMMUSD minimum level are:

Café Worker II
Café Worker I
Café Worker/Transportation
CDS Assistant – 2
CDS Assistant - 1

The classification between 19 and 24 are:

Cafeteria Cook/Baker
Custodian
Sports Fac. Attendant
CDS Assistant – 3
Library Asst. 1Office Specialist

Reprographics Operator
Instructional Asst. Bilingual
Paraeducator - SPED
Instructional Asst. Music
Instructional Asst. PE

The FOC recommends the following actions:

Consider addressing the minimum wage exempt employees earlier than the minimum wage incremental increase calls for. These jobs are hard to fill and we are at a competitive disadvantage for these positions. They are part-time and pay less than equivalent jobs within the City of Santa Monica, thereby making it more difficult to fill these spots.

SMMUSD needs to keep salaries in line with market valuation in a more timely manner, so we retain our competitive advantage.

The District needs to continue to work with the bargaining units to address the differential between minimum and living wages, while considering the implication at its lower levels of compressing the salary structure.

Sustainability Committee Update and Recommendations:

The sub-committee determined that the first priority for our research and review was to review and analyze the use of water by district facilities and make recommendations as to what processes and programs should be done to facilitate increased water reductions and economic savings, as well as providing a road-map for determining the steps necessary to accomplish these initial efforts. The sub-committee also reviewed recommendations for how in coming year to address energy consumption and management and provide initial recommendations to the full FOC and school board by December 2016. It is the sub-committee's desire to provide the board in early 2017, with a sustainability framework that we would hope the board will consider turning into a sustainability policy.

The committee met with district staff and also did extensive research with outside agencies and consultants to assess the steps necessary to accomplish these goals. We learned that there are two important initiatives ongoing within the district that we believe the board should continue to support and encourage:

Step #1: Water Use Assessments:

Under the direction of the Virginia Hyatt, the district is working towards contracting to have water audits for all the Santa Monica facilities. These audits would be done in the coming months and would provide facility specific analysis of each location and indicate where the district needs to repair, replace or remove equipment and infrastructure to better manage water use at each site. The committee believes this is an important step and ought to be a priority for the staff in the summer 2016 timeframe. Once those recommendations are made to staff, the committee recommends that staff bring them to the board and that they act quickly on them.

- NOTE: The funding for these efforts does not include the Malibu sites. This funding came from the City of Santa Monica and is dedicated to only Santa Monica sites. The importance of this is that the largest fines and issues related to water use according to the data we reviewed is for the Malibu sites. Therefore, completing review and analysis of the Malibu sites is critical for this program to be successful. The committee reviewed funding options for the Malibu assessment, and determined that there are two options for funding. Seek a grant from the local water districts (West Basin and/or Metropolitan Water District) or have the SMMUSD Board fund the analysis and seek reimbursement from existing general or bond funds. The committee suggests that the Board move forward and fund the analysis and then work with staff to reimburse the General Fund from either grant or bond funds (Measure ES) that were specifically allocated to the Malibu sites. Getting this work done is paramount to accomplishing our stated goal of understanding the water consumption issues within the entire SMMUSD operation.

Step #2 Energy Assessment:

As a second step towards identifying measurable sustainability, the sub-committee recommends that the SMMUSD take advantage of public/private programs that will provide the district with a roadmap for energy sustainability. The sub-committee did research on programs that would be available to the SMMUSD that are provided by either the district's public utility vendors or other product manufacturers.

In reviewing the options, the sub-committee with the help of staff, identified the Continuous Energy Improvement Program (CEI). This program co-sponsored by Southern California Edison and Southern California Gas Company provides a detailed energy analysis and audit as well as "help qualified customers to implement strategic, ongoing energy-management practices." We believe that CEI is an excellent opportunity for the SMMUSD to assess the energy use within the district and accomplish this at a moderate cost of staff resources and time commitment. In order for the district to qualify for the CEI program the Board and staff must commit to the following, concepts and resource allocations which we believe strongly will be a step in the right direction towards district sustainability. Many of these elements are already in place which would make qualification extremely easy. Here are the requirements.

- Be a business customer of both SoCalGas and SCE.
Have support from an executive sponsor within their organization.
Be willing to commit financial and human resources to the CEI engagement, including designating a program point of contact who will be the CEI Project Manager/Energy Champion.
- Have the ability to clearly articulate business priorities and goals.
- Have incorporated, or be committed to incorporate, sustainability and energy efficiency into corporate goals, strategic planning, or messaging.
- Have training integrated into the company culture and processes.
- Have previous experience, or strong interest, in energy branding and certification (ISO 50001, LEED, ENERGY STAR, etc.).

It is important to note that the CEI program is a two year program that is completely free to the district. The first year focuses on developing strategies and finding savings as well as funding sources for energy efficiency programs, the second year is focused on helping with implementation. The total number of staff hours that they would recommend is 8 hours per month. The Sustainability sub-committee of the FOC would work collaboratively with staff to monitor and direct activities.

Recommendations:

It is our recommendation that the Board move swiftly to implement these measures – the continued engagement of the water consultants as well as engagement of CEI to develop a scope of work for energy management so that by fall 2016, the FOC can return to the board with some recommended approaches to financial savings related to water use and energy management.

2014-2015 School Year Energy Management Incentive Program – School Site

LCAP Actions and Services states that providing School Site Supplies is a high priority action, therefore - Additional funds will be allocated to school sites for supplies.

The plan approved by the Executive Cabinet for the Shared Savings Incentive program for this year is to give each classroom at a school site funds related to their site's reduction in electricity usage. These funds will be used for classroom supplies. The Shared Savings Incentive program is a great way to get more funds back into the classroom!

For each classroom with a:	
5% reduction in usage, each classroom would receive	\$50
10% reduction in usage, each classroom would receive	\$100
15% reduction in usage, each classroom would receive	\$150
20% reduction in usage, each classroom would receive	\$200

For example	# of Classrooms	Incentive
	22	X \$50, \$100, \$150, \$200
5%		\$1,100
10%		\$2,200
15%		\$3,300
20%		\$4,400

To be eligible for the incentive, the site must:

- Sign up for the program
- Form a Green Team
- Complete two short reports – one in Dec., one in May
- Meet with Carla Kleinjan – especially at a staff meeting
- Attain a minimum of 5% reduction in electricity usage



Chino Valley USD 2014-2015

Shared Energy Savings Program

Welcome to a new school year of energy and resource conservation!

Our goals this year :

- To help schools save money on District energy costs, provide needed funds for the classroom, and protect the environment through cooperative, school-wide changes in behavior;
- To provide excellent, hands-on learning opportunities for students

This program will provide motivation for individual schools to conserve resources by sharing incentives with each site based on the percentage reduction in electricity usage, due to electricity conservation, after the completion of the school year.

To participate in the program, your school agrees to:

1. Identify a team to champion and implement energy-saving activities. Team members can be teachers, administrators, custodians, parents, or community volunteers. Every team should have a designated Team Leader.
2. Communicate with and meet with District Energy/Resource Conservation Technician, Carla Kleinjan.
3. Work with students and school staff to save energy and resources. A student green team will be formed.
4. Take energy-saving actions, and ask staff and students to point out relevant conservation opportunities to team members.
5. Integrate energy-related instruction into your school's curriculum when possible. The California Education and the Environment Initiative (EEI) has curriculum available. Check their website at: www.CaliforniaEEI.org
6. Maintain high visibility for the program to encourage participation. The program is most successful when the whole school is involved. An effective strategy is to communicate school-site energy use and your commitment to becoming a more energy-efficient school (with posters, announcements, etc.)

(over)



Application for District Energy Savings Program

School Name _____

Our Adult team members:

Name _____	Position _____
Name _____	Position _____
Name _____	Position _____
Name _____	Position _____
Name _____	Position _____

**Please put a star by the name of the team member whom you designate as Team Leader, and provide this person's phone number and email:*

Phone: _____ Email: _____

We agree to participate in the District Savings Program and receive incentives based on electricity percentage reduction from the District after the completion of all requirements.

Requirements for participation:

- Provide names of your adult team members and return this form by **October 10**.
- Form a student "green team" and meet with Carla Kleinjan at least once before **December 5**.
- Provide documentation of your green team activities twice during the year; first by **December 19, 2014**, and second by **May 8, 2015**.

Failure to submit the required documentation by the posted dates will negate any available incentive

☐ **YES!** My school is ready to save energy and money and use energy as a learning tool in the 2014-15 school year, and participate in the Chino Valley USD energy savings program.

Please sign below to acknowledge that you understand and accept these terms:

School Administrator

Date

Goals/Objectives	Action	Date Due
1. Sign up for Program and Develop Team	Fill out Application, identify staff to participate on your Green Team and send in by October 10, 2014	October 10, 2014
2. Expand Team: Add Students	Identify students to participate on the Green Team. Meet to organize team.	November 7, 2014
3. Meet with Carla Kleinjan	Make an appointment to meet with the Energy/Resource Conservation Tech by Dec. 5, 2014 at your site.	December 5, 2014
4. Train Students to Identify Energy Savings Opportunities	Conduct a Walkthrough Energy Audit with Carla Kleinjan to identify areas of energy waste in the school that can be addressed by simple energy-saving activities. If you want to schedule a Walkthrough, contact Carla at extension 1464, or email: carla.kleinjan@chino-k12.ca.us	At your discretion
5. Outline Plan for Fall	Plan how your team will carry out energy conservation throughout 2014-2015. Plan how you will involve the entire school.	For your own use.
6. Lead a Curricular Activity	In the classroom, if possible use lessons from the California Education and the Environment Initiative (EEI) Curriculum www.californiaeei.org http://www.californiaeei.org/Curriculum/default.htm (Teachers need to request password for Teacher's Edition here: http://www.californiaeei.org/Forms/MailingList/Default.htm) Also, you can use the Green Schools Road Map Guide and/or additional lessons online. Here is a link for resources: http://tree.powersaveschools.org/	At your discretion
7. Document Team Activity	Submit your report on Team/school activities that promote energy conservation to Carla Kleinjan by December 19, 2014. (Document Attached)	December 19, 2014
8. Outline Plan for Spring	Continue planning ways to carry out energy conservation. How can you educate and engage parents and community members in conservation education? (Family Night?) Consider involving students in a green career activity if you have career day. For Earth Day information or to schedule classes to take part in an Earth Day event, please contact Inland Empire Utilities Agency at (909) 993-1935 or email acarruthers@ieua.org Contact City of Chino for possible Earth Day fairs at your school. (909) 464-0758	For your own use
9. Document Team Activity	Submit your report on additional Team/school activities that promote energy conservation to Carla Kleinjan by May 8, 2015 (Document Attached)	May 8, 2015

May 2015 Chino Valley USD Green Team Documentation

2014-15 School Year

(Due to Carla Kleinjan by May 8, 2015)

School: _____

Team Member Names/Positions: _____

Below, please provide descriptive information for each category below, as applicable; including specifics of what you did, how you did it, the results achieved, and how you measured success.

Describe what your green team has accomplished at your site.

Describe how the Green Schools team promoted energy awareness and involved the whole school community in energy saving efforts and activities.

Describe how your school spread the energy efficiency message to families and the community.

***Please attach photos or visual examples, and email to: carla_kleinjan@chino.k12.ca.us
Or send through District Mail to Carla Kleinjan in the Maintenance Department***

December 2014 Chino Valley USD Green Team Documentation
2014-15 School Year

(Due to Carla Kleinjan by December 19, 2014)

School: _____

Team Member Names/Positions: _____

Below, please provide descriptive information for each category below, as applicable; including specifics of what you did, how you did it, the results achieved, and how you measured success.

Describe how you involved students/staff on your Green Team in the effort to save energy.

Describe what your green team has accomplished at your site.

Describe ways in which energy was integrated into instruction.

Assemblies or Meetings at Your site that promoted Energy Conservation:

***Please attach photos or visual examples, and email to: carla_kleinjan@chino.k12.ca.us
Or send through District Mail to Carla Kleinjan in the Maintenance Department***

ENERGY BASELINE ADJUSTMENT INFORMATION SHEET

In order to get a more accurate reading of your school's energy usage over the course of the year, we can adjust for factors other than green team activities that may affect these results. Once per year, we ask that you provide the adjustment information for your school site below. For each question, please be as specific as you can. Include dates, numbers and types of electric load when possible.

****Please submit this form to Carla Kleinjan carla_kleinjan@chino.k12.ca.us by December 19, 2014**

1. School Name:

2. Square Footage:

- Has the square footage of the school changed over the past year? Have portables been added or taken away? How many?
- Are the same number of classrooms being used that were used last year? Were any new buildings or classrooms added? When? Square footage?

2. Hours of Operation:

- Is the school occupied about the same amount of time as last year?

3. Added Equipment Load:

- Have computers been added? How many? Were old ones taken away?
- Have there been any other electric loads (copiers, office equipment, vending machines, kilns, additional lighting, etc.) added or taken away?

4. Renovations

- Has the school had renovations recently? What was done? How long did it take? Give any information you can that would help approximate the energy load caused by the renovations.

5. Other Changes

- List any other changes or activities that might affect energy use/savings. The more specific you can be the better. Use the back of this sheet, if necessary.

6. Who should we contact if we need specific information about the changes? Please provide a phone number or e-mail address below.

Memorandum of Understanding

Company Name: _____ City _____
State _____
Site Address: _____ ZIP _____

Subject: Enrollment Agreement for Southern California Edison and Southern California Gas Continuous Energy Improvement Program

1.0 Introduction

Customer Name: _____

Southern California Edison and Southern California Gas are pleased to offer you the opportunity to participate in the Continuous Energy Improvement ("CEI") Program. The CEI program is a consultative service aimed at helping commercial, industrial, agricultural customers engage in long-term, strategic energy planning. The Program is funded through public goods funds and administered by Southern California Edison ("SCE") and Southern California Gas ("SCG"), collectively referred to as "the Administering Utilities".

The CEI Program pairs experienced CEI ADVISORS with commercial and industrial customers to develop a strategic approach to energy management that is both comprehensive and integrated into all levels and functions of the company. The CEI ADVISORS will guide [CUSTOMER] through at least one complete cycle with the goal of providing the framework and training to enable [CUSTOMER] to be able to continue the CEI approach to energy management independently.

The CEI framework applies the principles of continuous improvement to corporate energy management and includes the following process steps:

- **Commitment**
- **Assessment**
- **Planning**
- **Implementation**
- **Evaluation**
- **Modification**

CEI establishes and maintains the importance of energy management through a comprehensive approach that addresses technical opportunities and organizational change with a continual commitment from the executive level.

2.0 Purpose

The purpose of this Memorandum of Understanding ("MOU") is to establish a mutual understanding of and set expectations for a working relationship between SCE, SCG, CEI ADVISOR, and CUSTOMER ("Parties") in order to assist CUSTOMER developing a strategic approach to energy management based on the CEI framework outlined in Section 3.0. This MOU represents a non-binding expression of intent as outlined in Section 4.0 between the Parties.

3.0 CEI Process and Timeline

A description of the CEI process cycle and the expected input from each party is provided below.

3.1 Commitment

Sign MOU: CUSTOMER's highest level financial or organizational decision maker and representative of the Administering Utilities signs Memorandum of Understanding.

Conduct Kick-Off Meeting: A kick-off meeting is held with the CEI Team members outlined in Section 3.4 to introduce the concept of CEI, confirm the project scope, establish long-term vision and goals, outline roles and responsibilities, identify preliminary list of key technical and organizational best practices and opportunities for improvement, and to plan an energy management awareness event.

Host Energy Management Awareness Event: CUSTOMER, with support from CEI ADVISOR, plans and hosts an energy management awareness event for employees to introduce the organizations commitment to reduce energy consumption, communicate upcoming activities that may affect them, and to generate awareness, enthusiasm and desire to make a contribution.

3.2 Assessment

Prepare for the Assessment: CUSTOMER assists the CEI ADVISOR in the preparation, coordination, and facilitation of the interviews with key staff and delivering CEI ADVISOR preliminary facility and organizational information.

Develop Assessment Team: CUSTOMER develops an assessment team comprised of management and technical personnel who have knowledge of the organization and its facility and equipment.

Conduct Assessment: CEI ADVISOR, with support from CUSTOMER, administers the assessment; analyzing organizational culture, evaluating CUSTOMER's historical efforts, benchmarking potential facilities and identifying target facilities for Program participation, performing data collection, and assessing the facilities to develop a Comprehensive Assessment Report.

Select Baseline: A representative from CUSTOMER's organization reviews the data and baseline year selected by CEI ADVISOR in establishing a metric for which the facility and its equipment can be compared against itself at a future time to measure progress.

Review Assessment Report: CUSTOMER's CEI Team meets to review the results of the Assessment Report and discusses the next steps in the CEI Process. The meeting provides a transition to the Planning Phase and confirms the CUSTOMER's acceptance of the assessment findings and a commitment to move to Phase 3 of the CEI process.

3.3 Planning

Set Energy Goals and Targets: CUSTOMER utilizes the outputs of the Comprehensive Assessment Report, such as technical opportunities and savings estimates, and facility benchmarking against peers, to develop energy goals and reduction targets.

Establish an Energy Policy: The CEI ADVISOR guides CUSTOMER through the process of developing an Energy Policy. The Energy Policy states the goals and corporate commitment to pursuing energy management.

Develop a Strategic Energy Management Plan: CUSTOMER develops a Strategic Energy Management Plan (SEMP) with guidance from the CEI ADVISOR. The SEMP defines who, how, and when an energy management program will be carried out.

Develop an Action Plan: CUSTOMER develops an Action Plan with guidance from the CEI ADVISOR. The Action plan will act as the key project tracking document, defining both organizational and technical activities, timelines, and accountabilities required to reach the energy goals and energy management objectives of the organization. The Action Plan incorporates CUSTOMER's technical project tracking list, used to plan, track, and report out on energy projects that will contribute and be measurable towards CUSTOMER's KPI reduction goals and other objectives, and is to be updated and reported out on at least monthly by the CEI Champion.

Host an Energy Management Awareness Event: (Communication of SEMP) CUSTOMER, with planning and implementation support from the CEI ADVISOR, plans a company-wide event to update employees on the initiative and introduce the Energy Policy, the goals and objectives, the CEI Team and the CEI Manager, the opportunity for engagement and the planned methods of idea capture, and the planned methods of feedback on progress they should expect to see.

3.4 Implementation

Implement Action Plan: CEI ADVISOR assists CUSTOMER in the execution of the Action Plan to identify technical support and funding sources. The Action Plan, initially guiding foundational Planning Phase activities, evolves to capture and track implementation activities, including detailed evaluation, retrocommissioning measure, retrofit, demand response, and distributed generation opportunities.

Assign Key Personnel to Energy Team: CUSTOMER will assign key organizational personnel to the cross-functional CEI Team. Personnel to consider will strong management skills and understanding of facility systems. It is required to have an Executive Sponsor from top level management and a designated CEI Champion to lead the CEI Team.

Attend Monthly CEI Team Meeting: CUSTOMER's CEI Team will meet on a regular basis as defined in the SEMP to ensure timely and effective implementation of the items identified in the Action Plan. The CEI Team reviews the progress of key Action Plan efforts, identifies barriers and adds new action items and owners to the Action Plan for resolution, discusses new energy project ideas and employee suggestions, reviews KPIs and updates the CEI Team on progress toward energy savings goals. As a member of the CEI Team, CEI ADVISOR will attend the monthly CEI Meeting and assist the CEI Project Manager as needed in hosting the event.

Conduct Annual Review Meeting: CUSTOMER's CEI Project Managers, Executive Sponsor, and CEI Team review the stated goals and targets, the SEMP, the progress on program initiatives, and annual performance data, and generates ideas for program improvement based on barriers and success. As a member of the CEI Team, CEI ADVISOR will attend the Annual Review Meeting and assist the CEI Project Manager as needed in conducting the meeting.

Develop Energy Dashboards: CUSTOMER drives the selection of specific energy productivity data tools and reporting mechanisms, depending on their business needs, available data, and employee skill set. Energy dashboards specific to CUSTOMER's selected KPIs are developed to provide structure to the data gathering and reporting process. Dashboards state the energy reduction or management goal. CEI ADVISOR can assist CUSTOMER in developing dashboards by providing samples and templates.

Promote Efforts: CUSTOMER, with assistance from CEI ADVISOR can generate awareness and support for [CUSTOMER]'s energy management awareness activities through promoting commitments and results internally and externally.

Reward Key Milestones: CUSTOMER provides motivation, recognition and, potentially, incentives to its employees to encourage active participation in energy management. CEI ADVISOR can assist CUSTOMER as needed through sharing templates and best practices.

3.5 Evaluation

Evaluate Energy Management Efforts: CUSTOMER, with assistance from CEI ADVISOR, will evaluate the energy management activities at regular intervals, as outlined in the SEMP, to identify progress against goals as well as energy management best practices and opportunities for improvement.

Corporate Recognition: CEI ADVISOR assists CUSTOMER in developing the tools to recognize its accomplishments. CEI ADVISOR also assists CUSTOMER in selecting and participating in a certification program.

3.6 Modification

Modify Action Plan and SEMP: CEI ADVISOR assists CUSTOMER's CEI Project Manager to modify the existing Action Plan and SEMP to improve the performance of the CUSTOMER's energy management approach based on the findings from the Evaluation.

Transition to Self-Sufficiency: The CUSTOMER ultimately assumes the leadership role of their CEI program, integrating energy efficiency as part of the corporation's priorities with minimal involvement from the utilities.

4.0 Statement of Intentions

4.1 Customer

CUSTOMER desires to reduce energy consumption and improve energy management in its facilities.

CUSTOMER is willing to integrate strategic energy management into all levels of the organization.

CUSTOMER is willing to make organizational adjustments that facilitate the ability to continually improve energy management at its facilities.

CUSTOMER intends to proceed with the activities outlined in Section 3.0, completing one full cycle of CEI process activities at the corporate level and at the selected facility(ies).

CUSTOMER intends to dedicate the necessary human and financial resources required to successfully complete the activities outlined in Section 3.0.

CUSTOMER is willing to comply with the schedule of activities outlined in the attached Engagement Plan. Failure to adhere to agreed completion dates may result in cancellation of the CEI engagement.

4.2 CEI Advisor

CEI ADVISOR intends to provide the necessary assistance and expertise required to assist CUSTOMER in implementing the activities outlined in Section 3.0.

CEI ADVISOR intends to provide regular communications and updates to CEI team in the timeframe and manner requested by the CEI Project Manager.

CEI ADVISOR will coordinate with SCE and SCG, the Utilities Account Executives, and other third party resources as needed to facilitate execution of the CEI process.

4.3 SCE and SCG

SCE and SCG will pay the cost of the CEI ADVISOR to provide the services to CUSTOMER as outlined in Section 3.0.

SCE and SCG intend to provide incentives for eligible energy efficiency, demand response and distributed generation projects via one of their existing incentive programs to make implementing the projects more cost-effective for CUSTOMER.

SCE and SCG will provide oversight and review of the activities performed by CEI ADVISOR.

5.0 Agreement and Acceptance

CUSTOMER

Name: _____

Title: _____

Signature: _____

Date: _____

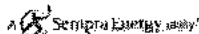
SCE/SCG CEI Advisor

Name: _____

Title: _____

Signature: _____

Date: _____



Continuous Energy Improvement

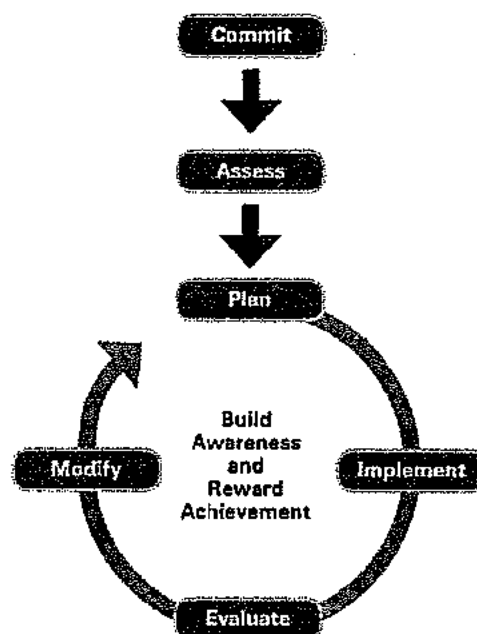


A comprehensive approach to energy management

For companies ready to take their facilities and corporate energy management to the next level, Southern California Edison (SCE) and Southern California Gas Company (SoCalGas®) are teaming up to offer the Continuous Energy Improvement Program (CEI), designed to help qualifying customers implement strategic, ongoing energy-management practices.

What does CEI offer?

- Consulting services aimed at helping your business drive continual improvements in energy performance. Energy advisors will help identify and implement energy projects and practices that control and reduce energy waste.
- An energy advisor to coach you through:
 - a comprehensive organizational and technical assessment,
 - strategic energy planning,
 - action plan implementation,
 - evaluation of measured savings, and
 - modification of plans, as needed, to provide continuous improvement.
- Identification of energy management opportunities throughout your business, including conservation, operations and maintenance, time-of-use management, energy efficiency, demand response, and self-generation. The program leverages utility incentive programs.
- Help in setting energy targets, developing policies and strategic plans, defining metrics, and establishing employee energy awareness and training activities — all of which are critical to driving sustained, continuous improvement.
- Help in pursuing branding and certification programs, such as the emerging ISO 50001 Management System Standard in Energy, Superior Energy Performance, ENERGY STAR® and LEED for Existing Buildings.
- The program cycle will last approximately two years, during which time the energy advisor and technical resources will be available to support you at regular intervals.



The CEI Process

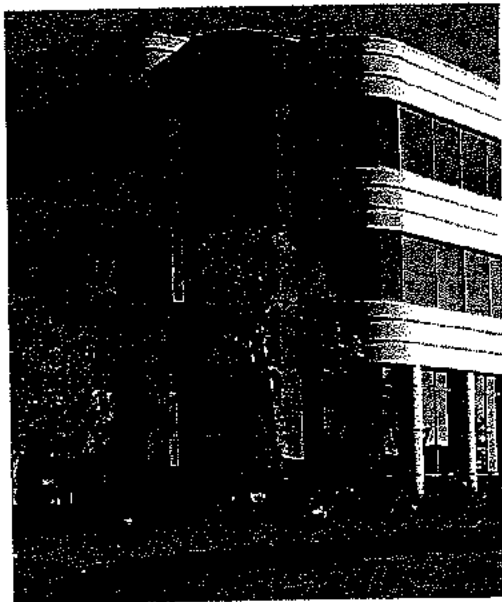
CEI, offered at no charge, helps drive energy waste out of your operations by implementing a continuous improvement cycle.

Continuous Energy Improvement

A comprehensive approach to energy management

Why should I participate in CEI?

- To save energy and money. If you have aggressive energy or carbon reduction goals, establishing a management system for energy is the best way to succeed.
- To incorporate energy management into your financial planning, human resources, employee training, supply management, and plant and equipment procurement policies.
- To take advantage of an experienced energy advisor who can help you stay on track and bring ideas and best practices to your company as you establish your energy management system.
- To become a leader of sustainability and energy management, pursue energy management branding/certification programs, and receive public recognition as a responsible corporate citizen.
- Have the ability to clearly articulate business priorities and goals.
- Have incorporated, or be committed to incorporate, sustainability and energy efficiency into corporate goals, strategic planning, or messaging.
- Have training integrated into the company culture and processes.
- Have previous experience, or strong interest, in energy branding and certification (ISO 50001, LEED, ENERGY STAR, etc.).



How does a customer qualify for CEI?

To be considered for this initiative, customers must:

- Be a business customer of both SoCalGas and SCE.
- Have support from an executive sponsor within their organization.
- Be willing to commit financial and human resources to the CEI engagement, including designating a program point of contact who will be the CEI Project Manager/Energy Champion.

How do I get more information about CEI?

Contact your SCE or SoCalGas account executive.



This program is funded by California utility customers and administered by Southern California Gas Company and Southern California Edison under the auspices of the California Public Utilities Commission. Program terms and conditions apply. This program may be modified or terminated without prior notice and is provided to qualified customers on a first-come, first-served basis until program funds are no longer available. Southern California Gas Company and Southern California Edison are not responsible for any goods or services selected by the customer.

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NR-282-V1-0111



A Sempra Energy utility*



An EDISON INTERNATIONAL Company

Continuous Energy Improvement Program

CEI Case Study: Chino Valley Unified School District (CVUSD)



Participant Profile

School Campuses: 34

Support Facilities: 3

Total Square Feet: 2,668,953

Company Background

Chino Valley Unified School District is one of the largest school districts in San Bernardino County. It serves 32,000 K-12 students on 34 campuses across nearly 90 square miles. CVUSD consists of four high schools, five junior high schools, twenty-one elementary schools, one continuation school, one adult school, and three support facilities.

Prior to enrolling in the CEI program, CVUSD employed a project-based approach to energy savings – completing ad hoc retrofits as opportunities presented themselves and with little long term strategy for reaching their energy goal of reducing district-wide consumption by 25% by June 2015.

A Successful CEI Engagement

CVUSD participated in the Continuous Energy Improvement Program from 2013-14. The program granted free, one-on-one access to Energy Advisors who provided customized energy management tools and consulting. CEI offered an opportunity for CVUSD to sustain momentum from previous utility programs and guidance in managing energy in a strategic and proactive way.

Over the course of the engagement, CVUSD implemented systems to identify, prioritize, and verify energy savings. Most significantly, they built support around the district energy manager, created the institutional documents to secure and empower that role, and adopted a permanent energy management strategy to serve as a roadmap to achieving their energy goals.

Energy Savings and Achievements

Overall energy performance improvement

Annual energy savings from efficiency projects

Annual energy savings from efficiency projects

COMPREHENSIVE ENGAGEMENT

Campus Green Teams and regular Energy Team meetings engage all levels of organizational support: School administrators, teachers, support staff, students, and School Board members.

INSTITUTIONAL COMMITMENT

The CVUSD Board of Education has approved adoption of a Strategic Energy Management Plan (SEMP) into their Academic Regulations (ARs).

The ARs ensure that energy performance remains a priority beyond the present administration and academic calendar.

PARTICIPANT TESTIMONIAL

"Chino Valley USD has received guidance with implementing a more robust energy management culture. Our CEI advisor has offered a variety of energy management suggestions and has been effective in helping us focus on what needs to be done to manage the energy and resource usage throughout our District."

"(CEI) is a valuable resource for our District."

- Carla Kleinjan, Energy Resource Conservation Technician, CEI Energy Champion

Best Practices

ENERGY USE MONITORING

Multi-platform monitoring of site energy use, intensity, and savings; including: EnergyStar Portfolio Manager, Noesis software, and custom internal systems.

PROJECT PIPELINE

47 energy saving projects identified and prioritized by savings potential and ROI.

BUILDING PARTNERSHIPS

Maximized savings opportunities by leveraging existing utility, vendor, and state and federal partnerships and incentive programs.

MANAGEMENT COMMITMENT

Stakeholders involved in the CEI process: Executive cabinet, School Board, internal department leadership (Technology Department, Educational Services Department, Nutrition Services Department, student groups, teachers, district staff.)

RECOGNIZING PARTICIPATION

The Shared Savings Program rewards campuses for taking a proactive role in saving energy.

Achievements are publically acknowledged at Energy, Green Team, School Board meetings.

UTILITY ACCOUNT ENGAGEMENT

Built stronger relationships with their utility account executives and engaged them early in the project process to leverage IDSM programs

Lessons Learned

The organizational structure of a school district is necessarily complex, and encompasses diverse stakeholders. Decisions move slowly and agents of change require a sizable support structure. CEI offers much needed tools to implement a sustained, strategic energy plan and to keep energy at the top of the list of priorities.

New Energy Saving Programs

The Shared Savings Program, developed and launched by the district Energy Champion utilizing newfound executive support, is a tiered incentive program which awards campuses for demonstrated savings up to 20%.

The Project Pipeline and Tracker manage a deep bench of in-progress energy saving projects while ensuring a continuous list of potential projects.

Regularly scheduled energy team meetings strengthen interdepartmental coordination and build accountability for achieving objectives.

Twenty-six campuses have established Green Teams with a district goal of 100% participation.

Outreach initiatives keeping energy top of mind:

- Regularly Updated Energy Management Webpage
- Published Energy Performance Reports
- Energy Efficiency Newsletters
- Email Outreach

Energy Efficiency Projects

Rooftop HVAC upgrades, including cool roof and programmable thermostat installation, at three sites.

Lighting upgrades at 12 sites.

IDSM Opportunities

Campus Energy Teams seek to incorporate water-savings incentives and teacher training opportunities (Project Water Education for Teachers and Drought Response Outreach Program for Schools).

Team Members

CHINO VALLEY SCHOOL DISTRICT

Michael Chapko, Director of Facilities Operations and Maintenance

Carla Kleinjan, Energy Resource Conservation Technician

UTILITY ACCOUNT EXECUTIVES

Michelle Mahroo, Southern California Edison

Jaime Lopez, Southern California Gas

CEI ADVISORS

Jamil Panni, Energy Program Strategist

David Lee, Energy Engineer

Ross Lancaster, Senior Utility Solutions Manager



FOR MORE INFO

Contact:

Keygent Fact Sheet

- **Note: The information below does not involve Santa Monica-Malibu USD.**
- **Under new laws, the SEC has recently increased its focus on municipal advisory firms.**
- **Over two and a half years ago, the SEC began an inquiry into Keygent's business practices which was likely initiated by a competitor. Keygent had nothing to hide, so it provided the SEC with all the information, emails, and documentation they requested.**
- **The SEC found no fault in Keygent's financial advice or fees.**
- **The SEC focused on the process by which Keygent was hired by five school districts.**
- **Basically, the SEC is alleging that Keygent received non-public information which could have given Keygent an advantage in the competitive hiring process.**
- **A member of Keygent's advisory board served as a consultant to each of the five school districts, and their relationship with Keygent was disclosed to the staff of each of the districts.**
- **However, during the RFP process for these five districts, the advisory board member provided Keygent certain information, some of which included RFP questions prior to their official release, interview questions, the names of other competing firms, and their proposed fees.**
- **Keygent did not ask for this information, nor did it change proposals or fees based on the information, but the firm acknowledges that mistakes were made and is taking responsibility for it.**
- **Keygent has reached an agreement with the SEC to settle the matter. Without admitting or denying the SEC's allegations, Keygent and its principals have agreed to pay a fine and to disclose the SEC action to its clients. Keygent has also taken proactive steps on its own initiative to improve its compliance program and to ensure that all business practices are in line with the SEC's regulations and best professional and ethical practices.**
- **Keygent dissolved its advisory board in 2014 to avoid any and all issues involving third party consultants and solicitation regulations.**
- **Keygent also hired a dedicated Chief Compliance Officer to implement industry best practices when it comes to compliance protocol.**
- **The settlement will not impact Keygent's ability to continue providing high-quality and sound advice. Keygent has a long track record of providing good service, and will continue to do so in the future.**

SEC: Muni Advisors Acted Deceptively With California School Districts

FOR IMMEDIATE RELEASE

2016-118

Washington D.C., June 13, 2016 —

The Securities and Exchange Commission today announced that two California-based municipal advisory firms and their executives have agreed to settle charges that they used deceptive practices when soliciting the business of five California school districts.

An SEC investigation found that while School Business Consulting Inc. was advising the school districts about their hiring process for financial professionals, it was simultaneously retained by Keygent LLC, which was seeking the municipal advisory business of the same school districts. Without permission, School Business Consulting shared confidential information with Keygent, including questions to be asked in Keygent's interviews with the school districts and details of competitors' proposals including their fees. The school districts were unaware that Keygent had the benefit of these confidential details throughout the hiring process. Keygent ultimately won the municipal advisory contracts.

This is the SEC's first enforcement action under the municipal advisor antifraud provisions of the Dodd-Frank Act.

"This unauthorized exchange of confidential client information could have given Keygent an improper advantage over other municipal advisors that were candidates for the same business," said Andrew Ceresney, Director of the SEC Enforcement Division. "The Dodd-Frank Act prohibits this type of deceptive behavior by advisors when dealing with municipal issuers."

School Business Consulting also is charged with failing to register as a municipal advisor.

"These laws apply not only to municipal advisors, but also those who solicit business on behalf of municipal advisors," said LeeAnn Ghazil Gaunt, Chief of the SEC Enforcement Division's Public Finance Abuse Unit. "Municipal entities should be able to trust that their selection of a municipal advisor is untainted by any breach of fiduciary duty."

Without admitting or denying the findings in the SEC's orders instituting settled administrative proceedings:

- School Business Consulting agreed to a censure and a \$30,000 penalty.
- The firm's president Terrance Bradley agreed to be barred from acting as a municipal advisor and must pay a \$20,000 penalty.
- Keygent agreed to a censure and a \$100,000 penalty.
- Keygent's principals Anthony Hsieh and Chet Wang agreed to pay penalties of \$30,000 and \$20,000 respectively.

The SEC's investigation was conducted by Brian P. Knight, Monique C. Winkler, and Deputy Chief Mark R. Zehner of the Public Finance Abuse Unit with assistance from John Yun of the San Francisco Regional Office.

TO: BOARD OF EDUCATION

STUDY SESSION

07/20/16

FROM: CHRISTOPHER KING / SYLVIA ROUSSEAU / JANECE L. MAEZ

RE: JOINT SESSION WITH THE FINANCIAL OVERSIGHT COMMITTEE (FOC)

STUDY SESSION ITEM NO. S.01

As part of the requirements associated with the annual funds given to the School District from the City of Santa Monica, the Financial Oversight Committee (FOC) was appointed as an independent oversight committee regarding the financial matters of the District. This includes an annual report from the FOC to the School Board, reviewing the past year and offering its observations about the District's financial matters.

In addition, the FOC's charge was amended at the June 5, 2008, Board meeting (Item A.22) to include responsibilities associated with the Measure R parcel tax, approved by the voters at the February 2008 Special Election. Measure R requires that an Independent Citizens Oversight Committee monitor proposed and actual parcel tax expenditures each year.

Therefore, in compliance with the foregoing, the Board of Education will convene a joint session with members of the Financial Oversight Committee on July 20, 2016, for the purpose of addressing the following items:

- I. Comments from the FOC as presented by Chair Joan Krenik regarding the annual report.
- II. The Board will hear reports from three (3) subcommittees:
 1. Impact of Living Wage and Minimum Wage
 2. Maintenance Financing
 3. Potential Cost Savings through Sustainability

The committee's report and presentation can be found under Attachments at the end of these minutes.

Members of the FOC's subcommittees took turns reporting out on their work from the past school year. They answered board members' questions regarding 21st Century classrooms, Facility Inspection Tool (FIT) reports, how revenue from a potential Santa Monica City use tax measure (Nov. 2016) could be used for our district's under-funded deferred maintenance, and water conservation options. Ms. Lieberman suggested that a meeting be scheduled for Ms. Maez, the FOC Chair, and FOC's board liaisons to discuss the committee's charges for 2016-17.



Financial Oversight Committee 2015-2016 Report



2015-2016 Committee Members

- Joan Krenik, Chair
- Jon Kean, Vice-Chair
- Shelly Slaugh Nahass
- Paul Silvern
- Gordon Lee
- Tom Larmore
- Manel Sweetmore
- Debbie Mulvaney
- Marc Levis-Fitzgerald
- Seth Jacobson
- Alex Farivar



2015 – 2016 FOC Board and Staff Liaisons

- Laurie Lieberman
- Craig Foster
- Jan Maez
- Kim Nguyen



2015 – 2016 FOC Charges

- **Maintenance Financing** – Identify potential dedicated funding sources for maintenance financing.
- **Potential Cost Savings Through Sustainability** – Identify potential cost savings that could be obtained via implementation of sustainability measures.
- **Impact of Living Wage and Minimum Wage** – Study the possible impact of changes in the minimum and living wage levels on our salary structure and budget.
- **District Budget Committee** – Meet as requested to assist with analysis of budget issues.



FOC Maintenance Financing Subcommittee

- Tom Larmore – Subcommittee Chair
- Gordon Lee – Subcommittee Member
- Alex Farivar – Subcommittee Member



FOC Potential Savings Through Sustainability Subcommittee

- Shelly Slauch Nahass – Subcommittee Chair
- Seth Jacobson – Subcommittee Member
- Marc Levis-Fitzgerald – Subcommittee Member
- Manel Sweetmore – Subcommittee Member
- Dean Chien and Sky Petretti – Student Rep. Subcommittee Members



FOC Impact of Living and Minimum Wage Subcommittee

- Debbie Mulvaney – Subcommittee Chair
- Jon Kean – Subcommittee Member
- Joan Krenik – Subcommittee Member
- Paul Silvern – Subcommittee Member



FOC District Budget Subcommittee

- Joan Krenik – Subcommittee Chair
- Jon Kean – Subcommittee Member
- Tom Larmore – Subcommittee Member
- Debbie Mulvaney – Subcommittee Member

To: SMMUSD Board of Education
From: Joan Krenik, Chair, Financial Oversight Committee
Subject: FOC Annual Report
Date: July 14, 2016

In addition to its regular oversight duties, the SMMUSD Financial Oversight Committee typically evaluates special finance related questions poised by the Board. The FOC reports its findings at a joint meeting with the Board in July. At the 9/17/15 meeting of the SMMUSD School Board, the following subcommittee charges for FY 2015-16 were approved:

Maintenance Financing - Identify potential dedicated funding sources for maintenance operations above and beyond current budgetary levels. The subcommittee would also evaluate how other districts budget for and finance maintenance operations. In addition to searching for economies of scale, the goal would be to target new sources of revenue that could be dedicated to reducing the gap between what we have and what we need.

Potential Costs Savings through Sustainability - Identify potential cost savings through sustainability measures. The FOC would explore the potential long-term financial benefits as well as upfront costs. Water usage and the impact of solar technologies will be studied.

Impact of Living Wage and Minimum Wage - With changes made to the minimum wage in LA County, the FOC would focus on the potential impacts of changes in the minimum and living wage levels in Santa Monica. The SMMUSD current living wage is \$13.09/hour. As we have classified staff working below the City of Santa Monica's current living wage (\$15.37/hour), the impact of mandated wage increases on our salary structure and budget will be considered.

District Budget Committee - The district's budget will be studied by CBO Jan Maez, Superintendent Lyon and a working group of district staff. The FOC will make a subcommittee available to provide research and guidance for any particular issues that might arise during this process. The work of the FOC will be targeted and focused on fiscal impact and research only. The intent of the research would be to explore efficiencies that might be achieved.

The FOC formed subcommittees to focus on each charge. The subcommittee members assigned are as follows:

Maintenance Financing: Mr. Larmore (Chair), Mr. Lee, Mr. Farivar

Potential Cost Savings Through Sustainability: Ms. Slaugh Nahass(Chair), Mr. Jacobson, Mr. Levis-Fitzgerald, Mr. Sweetmore, Mr. Chien, Mr. Petretti

Impact of Living and Minimum Wage: Ms Mulvaney (Chair), Mr. Kean, Ms. Krenik, Mr. Silvern

District Budget: Ms. Krenik (Chair), Mr. Kean, Mr. Larmore, Ms. Mulvaney

Attached are the full subcommittee reports. A summary of the findings and conclusions will be presented at the Board Meeting on July 20, 2016.

Maintenance Financing Subcommittee Report

Submitted by: Mr. Larmore (Chair), Mr. Lee and Mr. Farivar

Our subcommittee was charged with looking into the possibility of a new dedicated source of funding for developing and executing a real time responsive preventative and deferred maintenance program for school facilities. The subcommittee members are Tom Larmore, Gordon Lee and Alex Farivar. We divided our task into two parts: assessing the extent of the need for additional funds; and evaluating potential sources.

Findings and Methodology

The Committee met with District Staff and outside consultants and reviewed facility inspection reports for each school compiled based on inspections during Summer and Fall, 2015. While most schools were rated as being in “Good” condition (Olympic High School, Webster Elementary and Roosevelt Elementary were rated as “Fair”) and no serious defects were found, there were many deficiencies found relating to interior surfaces and overall cleanliness.

The District has a “windows, paint and floor” project in place focusing first on elementary schools with three schools to be serviced each summer beginning in 2016. This project is being funded through bond funds (between \$2MM and \$4MM per school) and will be limited to interiors (but will not upgrade bathrooms). This level of maintenance is not sufficient to meet the continuing needs or provide rapid response as problems develop.

An adequate program would require between \$3MM - \$4MM annually and would be accomplished through a mix of Staff and service contracts. The District would acquire adequate service contracts and agreements to maintain newly installed complex HVAC systems, building management systems and energy efficiency equipment. A staff training program would be implemented to support these complex systems. The efficient use of staff skills is not being fully maximized as many of our highly trained specialists are executing low level work and facility priorities. This also causes potential union issues. With the right mix of staffing, a routine facility program can be implemented to support equipment, change filters, plumbing, fixtures and all the day to day maintenance occurrences.

With the right mix of contract and Staff, we can address long term deferred maintenance such as interior and exterior paint, roof, infrastructure and parking facilities. That includes implementing water conservation through efficient drought tolerant landscaping and irrigation practices.

All of this is supported through a well-planned and thorough work order system that will not only address immediate issues, but give Staff confidence to report the need for repairs and know they will be completed in a timely fashion. The goal is to change the “lack of quality” perception when it comes to District facilities. We want everyone to think our facilities are commensurate with our excellent education programs.

Potential Solutions

We believe the most logical source of new funding is a new transaction and use tax adopted by the voters similar to that of Propositions Y and YY. We are currently working with the City of Santa Monica in connection with its desire to obtain funding for affordable housing through such a tax. The current proposal is a .50% “sales” tax with half of the money being available to the District. This would generate another approximately \$8,000,000 annually at the

current level of sales activity in the City – the same amount as is generated by Proposition Y - presumably increasing incrementally annually. A ballot measure asking the voters to adopt such a tax and a companion measure expressing the will of the voters to devote one-half of the revenue to the District was approved by the City Council on July 12. Presumably, these measures be on the November, 2016 ballot. A committee has been established to work towards convincing the voters to adopt both measures.

Recommendations

If both measures are approved by the voters, the District's share of the tax will provide more than is needed for maintenance and our work on this subject will be completed. If the tax is defeated, we recommend that this issue be studied as a part of the FOC's activities next year.

Potential Cost Savings Through Sustainability Subcommittee Report

Submitted by: Ms. Slauch Nahass(Chair), Mr. Jacobson, Mr. Levis-Fitzgerald, Mr. Sweetmore

The sustainability subcommittee has been tasked with understanding and offering solutions to the current methods and policies employed by SMMUSD regarding sustainability. As an initial step, the committee will begin the review and evaluation of all the existing methods to better understand the current strategies being employed by the district. Following our initial review, the sustainability subcommittee will comment on these methods, as well as offer recommendations to the SMMUSD School Board regarding best practices, potential cost savings, and short term and long term strategies regarding sustainability. In parallel to this effort, the subcommittee will do a comprehensive review of sustainability policies and principles being implemented by other school districts and will work towards presenting a draft sustainability policy concept paper focused on the financial benefits of current and long-term sustainability. Such a policy should help drive the short and long-term direction of SMMUSD toward being a cost-effective sustainable school district. The subcommittee views its efforts to identify specific actions that will increase the school district's sustainability index as a multi-year approach concentrating on one of the sustainability areas per FOC year, for three subsequent years. The sustainability policy regarding the cost-benefit of achieving sustainability in each of the three major categories below will be presented to the Board at the end of each of the three years, with an overall policy presented at the end of the third year.

As part of the subcommittee's effort to address specific areas to improve the district's sustainability profile, the subcommittee has identified the following three areas to initially focus on:

- Energy, including utility cost, energy efficiency standards (standards are required to be in place by 2030), efficient lighting, electronics, reviewing peak usage cost, and solar.
- Water, including reduction of use at sights including bathrooms, showers, landscape, review procedures regarding lead free drinking fountains at all sights, storm water run-off capture, landscape with drought tolerant plants only, recycling of green waste.
- Waste, including recycling of paper, electronics, batteries, food, printer cartridges, aluminum, glass, etc.

The end result of the sustainability subcommittee is an overall financial cost-benefit sustainability policy that will drive the development of a “Best Practices Guide” that will offer specific sustainability strategies to be implemented by the SMMUSD School Board at each of the district sites. The best practices guide will focus on the areas identified with a strong emphasis on finding economic savings that will impact the district’s operating budget. The best practice’s guide will also include student involvement programs that can be implemented at each district site. Additionally, the subcommittee will review building audits, maintenance and equipment replacement standards, and investment policies that focus on items that are energy efficient.

Findings and Methodology

The sub-committee determined that the first priority for our research and review was to review and analyze the use of water by district facilities and make recommendations as to what processes and programs should be done to facilitate increased water reductions and economic savings, as well as providing a road-map for determining the steps necessary to accomplish these initial efforts. The sub-committee also reviewed recommendations for how in coming year to address energy consumption and management and provide initial recommendations to the full FOC and school board by December 2016. It is the sub-committees desire to provide the board in early 2017, with a sustainability framework that we would hope the board will consider turning into a sustainability policy.

The committee met with district staff and also did extensive research with outside agencies and consultants to assess the steps necessary to accomplish these goals. We learned that there are two important initiatives ongoing within the district that we believe the board should continue to support and encourage:

Water Use Assessments

Under the direction of the Virginia Hyatt, the district is working towards contracting to have water audits for all the Santa Monica facilities. These audits would be done in the coming months and would provide facility specific analysis of each location and indicate where the district needs to repair, replace or remove equipment and infrastructure to better manage water use at each site. The committee believes this is an important step and ought to be a priority for the staff in the summer 2016 timeframe. Once those recommendations are made to staff, the committee recommends that staff bring them to the board and that they act quickly on them.

- NOTE: The funding for these efforts does not include the Malibu sites. This funding came from the City of Santa Monica and is dedicated to only Santa Monica sites. The importance of this is that the largest fines and issues related to water use according to the data we reviewed is for the Malibu sites. Therefore, completing review and analysis of the Malibu sites is critical for this program to be successful. The committee reviewed funding options for the Malibu assessment, and determined that there are two options for funding. Seek a grant from the local water districts (West Basin and/or Metropolitan Water District) or have the SMMUSD Board fund the analysis and seek reimbursement from existing general or bond funds. The committee suggests that the Board move forward and fund the analysis and then work with staff to reimburse the General Fund from either grant or bond funds (Measure ES) that were specifically allocated to the Malibu sites. Getting this work done is paramount to accomplishing our stated goal of understanding the water consumption issues within the entire SMMUSD operation.

Energy Assessment

As a second step towards identifying measurable sustainability, the sub-committee recommends that the SMMUSD take advantage of public/private programs that will provide the

district with a roadmap for energy sustainability. The sub-committee did research on programs that would be available to the SMMUSD that are provided by either the district's public utility vendors or other product manufacturers.

In reviewing the options, the sub-committee with the help of staff, identified the Continuous Energy Improvement Program (CEI). This program co-sponsored by Southern California Edison and Southern California Gas Company provides a detailed energy analysis and audit as well as "help qualified customers to implement strategic, ongoing energy-management practices." We believe that CEI is an excellent opportunity for the SMMUSD to assess the energy use within the district and accomplish this at a moderate cost of staff resources and time commitment. In order for the district to qualify for the CEI program the Board and staff must commit to the following, concepts and resource allocations which we believe strongly will be a step in the right direction towards district sustainability. Many of these elements are already in place which would make qualification extremely easy. Here are the requirements.

- Be a business customer of both SoCalGas and SCE.
Have support from an executive sponsor within their organization.
Be willing to commit financial and human resources to the CEI engagement, including designating a program point of contact who will be the CEI Project Manager/Energy Champion.
- Have the ability to clearly articulate business priorities and goals.
- Have incorporated, or be committed to incorporate, sustainability and energy efficiency into corporate goals, strategic planning, or messaging.
- Have training integrated into the company culture and processes.
- Have previous experience, or strong interest, in energy branding and certification (ISO 50001, LEED, ENERGY STAR, etc.).

It is important to note that the CEI program is a two-year program that is completely free to the district. The first year focuses on developing strategies and finding savings as well as funding sources for energy efficiency programs, the second year is focused on helping with implementation. The total number of staff hours that they would recommend is 8 hours per month. The Sustainability sub-committee of the FOC would work collaboratively with staff to monitor and direct activities.

Recommendations

It is our recommendation that the Board move swiftly to implement these measures – the continued engagement of the water consultants as well as engagement of CEI to develop a scope of work for energy management so that by fall 2016, the FOC can return to the board with some recommended approaches to financial savings related to water use and energy management.

Impact of Living and Minimum Wage Subcommittee Report

Submitted by: Ms Mulvaney (Chair), Mr. Kean, Ms. Krenik, Mr. Silvern

The District needs to maintain a salary schedule that is competitive and appropriately aligned with position classifications, but also recognizes that the local labor market has been re-shaped recently by both State and City of Santa Monica actions on minimum wage rates. This sub-committee was charged with looking at the impact these changes, and those associated with living wage issues, might have on District finances.

Findings and Methodology

SMMUSD has bargaining units that negotiate the pay scales for most of the employees of SMMUSD. For those employees that don't belong to either of the bargaining units (exempt employees), SMMUSD follows the higher of federal and state minimum wage guidelines. The current minimum wage in the State of California is \$10.00 per hour, rising to \$10.50 per hour on 7/1/16. The City of Santa Monica has recently implemented a plan to increase the minimum wage to \$15.00 per hour by 2020. The City itself however, follows a living wage structure for its employees. The current minimum for that is \$15.37 per hour rising to \$15.87 per hour on 7/1/16. The City's living wage is adjusted annually each July 1 by an amount corresponding to the previous year's change (January to January) in the Consumer Price Index for Urban Wage Earners and Clerical Workers, not a pre-defined schedule.

The committee reviewed the salary structure for those employees who fall into the category of employees affected by any change to the minimum wage. They are almost entirely exempt employees. We researched the various models used by other civic and academic organizations, as well as meeting with SEIU leadership to make sure we considered all options. This was difficult due to the fact that either it doesn't apply to other civic organizations (SMC) or they aren't dealing with it. We arrived at 3 possible models for addressing these issues, compressing the salary scale, adjusting the scale to accommodate higher incoming salaries or increasing the scale across the board. Compressing the salary scale is defined as lessening the 2 ½% differential between ranges. Adjusting the salary scale is defined as repositioning jobs along the range and steps to better match market rates for those jobs. Increasing the salary scale across the board is defined as making the same incremental increase on all steps/columns in order to raise the bottom up to a desired minimum level.

There are 3 categories of employees who are not within the membership of SEIU and are therefore not covered by any agreements. They are Student Workers, Noon Aides and Coaches, collectively, exempt employees. Currently Student Workers and Noon Aides are paid \$10.00 per hour and Coaches are paid \$12.40 per hour. The Student Workers and Noon Aides will increase to \$10.50 on 7/1/16 reflecting the impact of the City of Santa Monica's minimum wage structure. Following the minimum wage prescribed increases over the next several years and assuming the same number of employees in these categories, the cost to the District will be \$184,264 over the next 5 years, as the minimum wage grows to \$15.00 per hour.

Conclusions

There existed in SMMUSD a significant gap between wages paid to some employees vs market rate wages for comparable jobs. A Personnel Commission study was conducted in 2015 that detailed these wage gaps. While there is a desire to pay all employees at least a \$15 minimum wage if not a Living Wage, raising the wages of employees at the lowest end of the pay scale would create a compression in the salary steps for employees with higher wages and more seniority. Maintaining this step integrity will be costly for SMMUSD. Lastly, there is an opportunity cost due to below market wages as numerous positions remain unfilled and employee retention in these jobs is increasingly difficult.

The newly adopted collective bargaining agreement addresses many of the issues we were asked to look at, as it adjusts the salary scale to accommodate higher starting salaries as well as many of the market valuation discrepancies that had existed.

Much of the research conducted by the sub-committee lead to discoveries that have been addressed, at least to some degree, by the passage of the new collective bargaining agreement. The wide gap that existed between market rate and actual wages in SMMUSD has narrowed

significantly. A full scale shift of the salary range to bring the bottom salary ranges up to a living wage and keep all steps/columns proportionally the same, would create an undue burden on the district finances and should be discarded as an option to address the issues.

There is still a need for bringing our lowest wage earners to a living wage in the future in order to remain a competitive employer in Santa Monica and Malibu. Our SEIU workers now have reached a minimum wage of \$13.78 per hour effective with the new agreement (retroactive to 1/1/16). The largest unresolved issue remains the “step compression”, as starting hourly wages for the range 18-24 job categories once compressed would shrink the differentiation between the ranges.

Recommendations

Consider addressing the minimum wage exempt employees earlier than the minimum wage incremental increase calls for. These jobs are hard to fill and we are at a competitive disadvantage for these positions. They are part-time and pay less than equivalent jobs within the City of Santa Monica, thereby making it more difficult to fill these spots. Also, the total value of this adjustment is just shy of \$185,000. SMMUSD needs to keep salaries in line with market valuation in a more timely manner, so we retain our competitive advantage. The District needs to continue to work with the bargaining units to address the differential between minimum and living wages, while considering the implication at its lower levels of compressing the salary structure.

From: The Financial Oversight Committee of the Santa Monica-Malibu Unified School District	
To: The Board of Education of the Santa Monica-Malibu Unified School District	
Prepared by: Debbie Mulvaney, Joan Krenik, Jon Kean, Paul Silvern	
Regarding: Minimum Wage and Living Wage and its financial impact on SMMUSD	

Charge to Subcommittee

The District needs to maintain a salary schedule that is competitive and appropriately aligned with position classifications, but also recognizes that the local labor market has been re-shaped recently by both State and City of Santa Monica actions on minimum wage rates. This sub-committee was charged with looking at the impact these changes, and those associated with living wage issues, might have on District finances.

SMMUSD Minimum Wage Requirements

SMMUSD has bargaining units that negotiate the pay scales for most of the employees of SMMUSD. For those employees that don't belong to either of the bargaining units (exempt employees), SMMUSD follows the higher of federal and state minimum wage guidelines. The current minimum wage in the State of California is \$10.00 per hour, rising to \$10.50 per hour on 7/1/16. The City of Santa Monica has recently implemented a plan to increase the minimum wage to \$15.00 per hour by 2020. The City itself however, follows a living wage structure for its employees. The current minimum for that is \$15.37 per hour rising to \$15.87 per hour on 7/1/6. The City's living wage is adjusted annually each July 1 by an amount corresponding to the previous year's change (January to January) in the Consumer Price Index for Urban Wage Earners and Clerical Workers, not a pre-defined schedule.

City of Santa Monica Minimum Wage increments

7/1/16	\$10.50
7/1/17	\$12.00
7/1/18	\$13.25
7/1/19	\$14.25
7/1/20	\$15.00

Methodology

The committee reviewed the salary structure for those employees who fall into the category of employees affected by any change to the minimum wage. They are almost entirely exempt employees. We researched the various models used by other civic and academic organizations, as well as meeting with SEIU leadership to make sure we considered all options. We arrived at 3 possible models for addressing these issues, compressing the salary scale, adjusting the scale to accommodate higher incoming salaries or increasing the scale across the board. Compressing the salary scale is defined as lessening the 2 ½% differential between ranges. Adjusting the salary scale is defined as repositioning jobs along the range and steps to better match market rates for those jobs. Increasing the salary scale across the board is defined as making the same incremental increase on all steps/columns in order to raise the bottom up to a desired minimum level.

Exempt Employees

There are 3 categories of employees who are not within the membership of SEIU and are therefore not covered by any agreements. They are Student Workers, Noon Aides and Coaches, collectively, exempt employees. Currently Student Workers and Noon Aides are paid \$10.00 per hour and Coaches are paid \$12.40 per hour. The Student Workers and Noon Aides will increase to \$10.50 on 7/1/16 reflecting the impact of the City of Santa Monica's minimum wage structure. Following the minimum wage prescribed increases over the next several years and assuming the same number of employees in these categories, the cost to the District will be \$184,264 over the next 5 years, as the minimum wage grows to \$15.00 per hour. See the chart below for the impact to SMMUSD for those exempt employees who are minimum wage employees (or close to minimum wage) and who are effected by the Minimum Wage changes in the City of Santa Monica.

City of Santa Monica Minimum Wage Changes - Impact to SMMUSD							23-Mar-16	
Object Code	Position		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
2931	Coaches	hourly rate	\$12.40	\$12.40	\$12.40	\$13.25	\$14.25	\$15.00
		total expense	\$280,018	\$280,018	\$280,018	\$299,213	\$321,795	\$338,731
2933	Student Workers/AVID	hourly rate	\$10.00	\$10.50	\$12.00	\$13.25	\$14.25	\$15.00
		total expense	\$38,405	\$40,325	\$46,086	\$50,887	\$54,727	\$57,608
2935	Noon Duty	hourly rate	\$10.00	\$10.50	\$12.00	\$13.25	\$14.25	\$15.00
		total expense	\$212,697	\$223,332	\$255,236	\$281,824	\$303,093	\$319,043
	TOTAL		\$531,120	\$543,675	\$581,340	\$631,923	\$679,615	\$715,384
	Increase from prior year			\$12,555	\$37,665	\$50,583	\$47,692	\$35,769
	Cumulative Impact over 5 years							\$184,264

Issues Raised

There existed in SMMUSD a significant gap between wages paid to some employees vs market rate wages for comparable jobs. A study was conducted in 2015 that detailed these wage gaps (see below). While there is a desire to pay all employees at least a \$15 minimum wage if not a Living Wage, raising the wages of employees at the lowest end of the pay scale would create a compression in the salary steps for employees with higher wages and more seniority. Maintaining this step integrity will be costly for SMMUSD. Lastly, there is an opportunity cost due to below market wages as numerous positions remain unfilled and employee retention in these jobs is increasingly difficult. The next 3 pages show the market differential before the latest contract.

Personnel Commission Study Results

SMMUSD Classification Plan					Distance +/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Facilit	Maintenance	Facilities Technician	Maint Supv	A45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Maintenance	Electrician	BM	A37	-15%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	HVAC Technician	BM	A37	-16%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Maintenance	Metal Worker	Electrician	A37	-15%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Plumber	Electrician	A37	-15%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Maintenance	Carpenter	BM	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Glazier	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Locksmith	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Painter	Carpenter	A35	-14%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Maintenance	Skilled Maint Wrkr	BM	A31	-14%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Operations	Sports Facility Coord	Gardener	A38	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Sprinkler Repair Tech	BM	A33	-11%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Operations	Equip Oper/Sports Facility	Gardener	A29	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Equip Oper/Tree Trim	Gardener	A29	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Equip Operator	Gardener	A27	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Utility Worker	Gardener	A27	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Lead Custodian	BM	A25	-16%	-13%	-12%	-11%	-10%	-9%	-8%
Facilit	Operations	Gardener	BM	A24	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Operations	Custodian	BM	A22	-15%	-13%	-12%	-11%	-10%	-9%	-8%
Facilit	Operations	Sports Facility Attendant	Gardener	A22	-17%	-11%	-10%	-9%	-8%	-7%	-6%
Facilit	Performing Art	Theater Coord (Live/Stage)	BM	A42	-8%	-3%	-2%	-1%	0%	0	0
Facilit	Performing Art	Theater Tech (Live/Stage)	BM	A35	-9%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Performing Art	Media Services Coord	BM	A26	-19%	-15%	-14%	-13%	-12%	-11%	-10%
Facilit	Technology Su	Network Engineer	BM	A51	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Technology Su	Systems Analyst	BM	A51	-6%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Technology Su	Education Data Specialist	Systems	A49	-6%	-5%	-4%	-3%	-2%	-1%	0%
Facilit	Technology Su	Senior Tech Supp Asst.	BM	A43	-4%	-3%	-2%	-1%	0%	0	0
Facilit	Technology Su	Tech Supp Asst.	BM	A38	-2%	3%	0	0	0	0	0
Facilit	Technology Su	Audio/Visual Tech.	BM	A36	-35%	-31%	-30%	-29%	-28%	-27%	-26%
Facilit	Technology Su	Computer Operator	BM??	A33			0	0	0	0	0
Fiscal	Accounting	Payroll Specialist		N/A	-25%	-19%	-18%	-17%	-16%	-15%	-14%
Fiscal	Accounting	Accountant	BM	A41	-15%	-13%	-12%	-11%	-10%	-9%	-8%
Fiscal	Accounting	Accounting Tech	BM	A29	-16%	-11%	-10%	-9%	-8%	-7%	-6%
Fiscal	Accounting	Accounting Asst II	Account Tech	A26	-16%	-11%	-10%	-9%	-8%	-7%	-6%
Fiscal	Purchasing	Senior Buyer	BM	A41	-8%	-6%	-5%	-4%	-3%	-2%	-1%
Fiscal	Purchasing	Buyer	BM	A37	2%	4%	0	0	0	0	0
Fiscal	Purchasing	Assistant Buyer	BM??	A33			0	0	0	0	0
Office	Clerical	Special Ed Data Entry Spec.	Data Entry	A27	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Textbook Coordinator	Data Entry	A26	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Data Entry Specialist	BM	A25	-7%	-4%	-3%	-2%	-1%	0	0
Office	Clerical	Senior Office Specialist	BM	A25	-10%	-9%	-8%	-7%	-6%	-5%	-4%
Office	Clerical	Reprographics Operator	Office Spec	A23	-8%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Clerical	Office Specialist	BM	A22	-8%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Secretarial	Admin Asst (HS)		N/A	-17%	-14%	-13%	-12%	-11%	-10%	-9%
Office	Secretarial	Admin Asst (K-8)		N/A	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Office	Secretarial	Senior Admin Asst	BM	A34	-16%	-14%	-13%	-12%	-11%	-10%	-9%
Office	Secretarial	Admin Asst (Dept)	BM	A29	-17%	-15%	-14%	-13%	-12%	-11%	-10%
Perso	HR/Personnel	Chief Steward	HR Specialist	A40	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Perso	HR/Personnel	HR Specialist	BM	A36	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Perso	HR/Personnel	Emp Benefit Tech	BM	A34	-7%	-3%	-2%	-1%	0%	0	0
Perso	HR/Personnel	HR Tech	BM	A31	-12%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Athletic	Athletic Trainer	BM	A35	-10%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Athletic	Physical Activities Specialist	BM	A26	-4%	-1%	0	0	0	0	0

SMMUSD Classification Plan					+/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Stude	Athletic	Swimming Instructor/	BM	A21	-16%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Athletic	IA-Physical Education	BM	A20	-4%	-1%	0	0	0	0	0
Stude	Development	Occupational Therapist	BM	A61	3%	4%	0	0	0	0	0
Stude	Development	Physical Therapist	BM	A61	0%	0%	0	0	0	0	0
Stude	Development	Speech Lang Path Asst	COTA	A36	-11%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Development	COTA	BM	A34	-11%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Development	Licensed Voc Nurse (samo)	BM??	A34			0	0	0	0	0
Stude	Development	Health Office Specialist	BM	A25	-5%	-2%	-1%	0%	0	0	0
Stude	Development	Paraeducator-2	BM	A23	-17%	-12%	-11%	-10%	-9%	-8%	-7%
Stude	Food Services	Nutrition Specialist	BM??	A36			0	0	0	0	0
Stude	Food Services	Prod Kitch Coord	BM	A29	-13%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Site Food Services Coord	Prod Kitch	A29	-13%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Cafeteria Cook/Baker	CWII	A18	-4%	-16%	-15%	-14%	-13%	-12%	-11%
Stude	Food Services	Cafeteria Worker/Transp	SPECIAL	A13	0%	-14%	-13%	-12%	-11%	-10%	-9%
Stude	Food Services	Cafeteria Worker II	BM	A13	-4%	-16%	-15%	-14%	-13%	-12%	-11%
Stude	Food Services	Cafeteria Worker I	BM	A11	4%	-12%	-11%	-10%	-9%	-8%	-7%
Stude	Guidance	Student Outreach Spec	BM	A44	12%	15%	0	0	0	0	0
Stude	Guidance	ROP Coordinator		A41			0	0	0	0	0
Stude	Guidance	College & Career Advisor	BM	A30	-3%	-1%	0%	0	0	0	0
Stude	Guidance	Translator (samo)		A28			0	0	0	0	0
Stude	Guidance	Bilingual Comm Liaison	Comm Liaison	A25	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Guidance	Campus Security Officer	BM	A25	-4%	-3%	-2%	-1%	0	0	0
Stude	Guidance	Job Developmnt Placement	BM	A25	-25%	-21%	-20%	-19%	-18%	-17%	-16%
Stude	Guidance	Community Liaison	BM	A23	-12%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Guidance	Braille Transcriber	SPECIAL	A21			0	0	0	0	0
Stude	Instructional	IA-Sign Language Interpr		A37			0	0	0	0	0
Stude	Instructional	Laboratory Technician	IA-Classroom	A26	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	Paraeducator-3	BM	A26	-8%	-3%	-2%	-1%	0%	0	0
Stude	Instructional	IA-Bilingual (Spanish)	IA-Classroom	A20	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	Paraeducator-1	BM	A20	-9%	-5%	-4%	-3%	-2%	-1%	0%
Stude	Instructional	CCA-3	BM	A19	-6%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Instructional	CCA-2	CCA-3	A18	-6%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Instructional	IA-Classroom	BM	A18	-4%	-6%	-5%	-4%	-3%	-2%	-1%
Stude	Instructional	CCA-1	BM	A17	2%	0%	0	0	0	0	0
Stude	Library Support	Elem Lib Coord	BM	A26	-4%	-4%	-3%	-2%	-1%	0%	0
Stude	Library Support	Library Asst II	BM	A26	-14%	-9%	-8%	-7%	-6%	-5%	-4%
Stude	Library Support	Library Asst I	BM	A22	-8%	-4%	-3%	-2%	-1%	0%	0
Stude	Music Support	Accompanist	BM	A31	0%	4%	0	0	0	0	0
Stude	Music Support	IA-Music	BM	A20	-8%	-3%	-2%	-1%	0	0	0
Stude	Transportation	Lead Veh & Equip	Veh & Equip	A39	-14%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Transportation	Vehicle & Equipment	BM	A36	-14%	-10%	-9%	-8%	-7%	-6%	-5%
Stude	Transportation	Bus Driver	BM	A28	-22%	-17%	-16%	-15%	-14%	-13%	-12%
Stude	Transportation	Stock & Delivery Clerk	BM	A26	-13%	-10%	-9%	-8%	-7%	-6%	-5%

SMMUSD Classification Plan					+/- From Market						
Job Fam	Job Sub-Family	Classification	Benchmark Link	Range	MIN SAL % From 0% Under Market	MAX SAL % From 0% Under Market	MAX SAL % From -1% Under Market	MAX SAL % From -2% Under Market	MAX SAL % From -3% Under Market	MAX SAL % From -4% Under Market	MAX SAL % From -5% Under Market
Fiscal	Accounting	Dir. Fiscal	BM	M64	-7%	-6%	-5%	-4%	-3%	-2%	-1%
Perso	HR/Personnel	Dir. Classified Personnel	BM	M64	-13%	-9%	-8%	-7%	-6%	-5%	-4%
Facilit	Maintenance	Director of M&O	BM	M60	-1%	-6%	-5%	-4%	-3%	-2%	-1%
Facilit	Technology Su	Dir. Info Svcs	BM	M60	-17%	-19%	-18%	-17%	-16%	-15%	-14%
Facilit	Performing Ar	Dir. Theater Facilities	BM	M55	-1%	-6%	-5%	-4%	-3%	-2%	-1%
Fiscal	Purchasing	Dir. Purchasing	BM	M55	-17%	-18%	-17%	-16%	-15%	-14%	-13%
Stude	Food Services	Dir. Food Svcs	BM	M55	-14%	-18%	-17%	-16%	-15%	-14%	-13%
Stude	Transportation	Dir. Transportation	BM	M51	-27%	-24%	-23%	-22%	-21%	-20%	-19%
Facilit	Maintenance	Mgr Maint Constr	BM	M50	-10%	-12%	-11%	-10%	-9%	-8%	-7%
Facilit	Operations	Mgr Buildings Grounds	BM	M50	0%	2%	0	0	0	0	0
Facilit	Technology Su	Asst. Dir Info Svcs	BM	M50	-21%	-28%	-27%	-26%	-25%	-24%	-23%
Fiscal	Accounting	Asst. Dir Fiscal	BM	M50	-16%	-18%	-17%	-16%	-15%	-14%	-13%
Perso	HR/Personnel	Personnel Analyst	BM	M46	-4%	-8%	-7%	-6%	-5%	-4%	-3%
Facilit	Maintenance	Constr Supervisor	Maint Supv	M45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Maintenance	Maint Supervisor	BM	M45	-4%	-7%	-6%	-5%	-4%	-3%	-2%
Facilit	Technology Su	Supervisor, Comp Svcs	BM	M45	-18%	-21%	-20%	-19%	-18%	-17%	-16%
Facilit	Operations	Plant Supervisor	BM	M41	5%	3%	0	0	0	0	0
Facilit	Performing Ar	Facility Permit Supv	BM	M41	-11%	-15%	-14%	-13%	-12%	-11%	-10%
Fiscal	Accounting	Fiscal Services Supervisor	BM	M41	-9%	-14%	-13%	-12%	-11%	-10%	-9%
Perso	HR/Personnel	Credential Analyst	Pers Analyst	M36	-4%	-8%	-7%	-6%	-5%	-4%	-3%
Stude	Food Services	Food Svcs Operations	BM	M36	-8%	-11%	-10%	-9%	-8%	-7%	-6%
Office	Secretarial	Asst. to the Supt.	BM	C39	-22%	-17%	-16%	-15%	-14%	-13%	-12%
Perso	HR/Personnel	HR Specialist (Conf)	HR Specialist	C36	-10%	-7%	-6%	-5%	-4%	-3%	-2%
Office	Secretarial	Senior Admin Asst (Conf)	Senior Admin	C34	-16%	-14%	-13%	-12%	-11%	-10%	-9%

Results

The newly adopted collective bargaining agreement addresses many of the issues we were asked to look at, as it adjusts the salary scale to accommodate higher starting salaries as well as many of the market valuation discrepancies that had existed. See the next 2 pages which show the new ranges/steps after the collective bargaining process.

CLASSIFIED EMPLOYEE'S MONTHLY SALARY SCHEDULE A
EFFECTIVE 1/1/2016 - INCLUDES 6% INCREASE

							1/1/2016
							Hourly
RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP A
1	1,551	1,628	1,710	1,795	1,885	1,979	8.95
2	1,590	1,669	1,753	1,840	1,932	2,029	9.17
3	1,628	1,710	1,795	1,885	1,979	2,078	9.39
4	1,669	1,753	1,840	1,932	2,029	2,130	9.63
5	1,710	1,795	1,885	1,979	2,078	2,182	9.86
6	1,753	1,840	1,932	2,029	2,130	2,237	10.11
7	1,795	1,885	1,979	2,078	2,182	2,291	10.36
8	1,840	1,932	2,029	2,130	2,237	2,349	10.62
9	1,885	1,979	2,078	2,182	2,291	2,406	10.88
10	1,932	2,029	2,130	2,237	2,349	2,465	11.15
11	1,979	2,078	2,182	2,291	2,406	2,526	11.42
12	2,029	2,130	2,237	2,349	2,465	2,590	11.70
13	2,078	2,182	2,291	2,406	2,526	2,652	11.99
14	2,130	2,237	2,349	2,465	2,590	2,719	12.29
15	2,182	2,291	2,406	2,526	2,652	2,785	12.59
16	2,237	2,349	2,465	2,590	2,719	2,855	12.90
17	2,291	2,406	2,526	2,652	2,785	2,925	13.22
18	2,349	2,465	2,590	2,719	2,855	2,997	13.55
19	2,406	2,526	2,652	2,785	2,925	3,071	13.88
20	2,465	2,590	2,719	2,855	2,997	3,147	14.22
21	2,526	2,652	2,785	2,925	3,071	3,224	14.57
22	2,590	2,719	2,855	2,997	3,147	3,304	14.94
23	2,652	2,785	2,925	3,071	3,224	3,384	15.30
24	2,719	2,855	2,997	3,147	3,304	3,469	15.68
25	2,785	2,925	3,071	3,224	3,384	3,555	16.07
26	2,855	2,997	3,147	3,304	3,469	3,644	16.47
27	2,925	3,071	3,224	3,384	3,555	3,732	16.87
28	2,997	3,147	3,304	3,469	3,644	3,825	17.29
29	3,071	3,224	3,384	3,555	3,732	3,919	17.71
30	3,147	3,304	3,469	3,644	3,825	4,016	18.16
31	3,224	3,384	3,555	3,732	3,919	4,115	18.60
32	3,304	3,469	3,644	3,825	4,016	4,218	19.06
33	3,384	3,555	3,732	3,919	4,115	4,321	19.53
34	3,469	3,644	3,825	4,016	4,218	4,428	20.02

<u>RANGE</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>	<u>STEP F</u>	Hourly STEP A
35	3,555	3,732	3,919	4,115	4,321	4,537	20.51
36	3,644	3,825	4,016	4,218	4,428	4,649	21.02
37	3,732	3,919	4,115	4,321	4,537	4,763	21.53
38	3,825	4,016	4,218	4,428	4,649	4,883	22.07
39	3,919	4,115	4,321	4,537	4,763	5,001	22.61
40	4,016	4,218	4,428	4,649	4,883	5,126	23.17
41	4,115	4,321	4,537	4,763	5,001	5,251	23.74
42	4,218	4,428	4,649	4,883	5,126	5,383	24.34
43	4,321	4,537	4,763	5,001	5,251	5,514	24.93
44	4,428	4,649	4,883	5,126	5,383	5,651	25.54
45	4,537	4,763	5,001	5,251	5,514	5,789	26.17
46	4,649	4,883	5,126	5,383	5,651	5,935	26.82
47	4,763	5,001	5,251	5,514	5,789	6,080	27.48
48	4,883	5,126	5,383	5,651	5,935	6,231	28.17
49	5,001	5,251	5,514	5,789	6,080	6,383	28.85
50	5,126	5,383	5,651	5,935	6,231	6,543	29.57
51	5,251	5,514	5,789	6,080	6,383	6,702	30.29
52	5,383	5,651	5,935	6,231	6,543	6,869	31.05
53	5,514	5,789	6,080	6,383	6,702	7,037	31.81
54	5,651	5,935	6,231	6,543	6,869	7,213	32.60
55	5,789	6,080	6,383	6,702	7,037	7,389	33.40
56	5,935	6,231	6,543	6,869	7,213	7,574	34.24
57	6,080	6,383	6,702	7,037	7,389	7,759	35.07
58	6,231	6,543	6,869	7,213	7,574	7,953	35.95
59	6,383	6,702	7,037	7,389	7,759	8,147	36.82
60	6,543	6,869	7,213	7,574	7,953	8,350	37.75
61	6,702	7,037	7,389	7,759	8,147	8,554	38.66
62	6,869	7,213	7,574	7,953	8,350	8,767	39.63
63	7,037	7,389	7,759	8,147	8,554	8,982	40.60
64	7,213	7,574	7,953	8,350	8,767	9,207	41.61
65	7,389	7,759	8,147	8,554	8,982	9,431	42.63
66	7,574	7,953	8,350	8,767	9,207	9,667	43.70
67	7,759	8,147	8,554	8,982	9,431	9,902	44.76
68	7,953	8,350	8,767	9,207	9,667	10,150	45.88

Summary of Analysis:

Much of the research conducted by the sub-committee lead to discoveries that have been addressed, at least to some degree, by the passage of the new collective bargaining agreement. The wide gap that existed between market rate and actual wages in SMMUSD has narrowed significantly. See the chart below which shows the changes in ranges as a result of moving toward a more market rate structure. A full scale shift of the salary range to bring the bottom salary ranges up to a living wage and keep all steps/columns proportionally the same, would create an undue burden on the district finances and should be discarded as an option to address the issues.

SMMUSD Classification Plan

Classification	Range	New Range	MAX SAL % from 0% Under Market	MAX SAL Distance from Market After +6% Adjustment	Range Adjustment	Distance Off Market After Range Adj
Cafeteria Cook/Baker	18	22	-16%	-10%	4	0%
Cafeteria Worker II	13	17	-16%	-10%	4	0%
Cafeteria Worker I	11	13	-14%	-8%	2	-3%
Cafeteria Worker/Transp	13	15	-14%	-8%	2	-3%
Custodian	22	24	-14%	-8%	2	-3%
Sports Facility Attendant	22	24	-13%	-7%	2	-2%
Swimming Instructor/Lifeguard	21	21	-10%	-4%	0	-4%
CCA-2	18	18	-8%	-2%	0	-2%
CCA-3	19	19	-8%	-2%	0	-2%
Library Asst I	22	22	-7%	-1%	0	-1%
Office Specialist	22	22	-7%	-1%	0	-1%
Reprographics Operator	23	23	-7%	-1%	0	-1%
IA-Classroom	18	18	-6%	0%	0	0%
IA-Bilingual (Spanish)	20	20	-6%	0%	0	0%
Paraeducator-1	20	20	-5%	1%	0	1%
IA-Music	20	20	-3%	3%	0	3%
IA-Physical Education	20	20	-1%	5%	0	5%
CCA-1	17	17	0%	6%	0	6%

There is still a need for bringing our lowest wage earners to a living wage in the future in order to remain a competitive employer in Santa Monica and Malibu. Our SEIU workers now have reached a minimum wage of \$13.78 per hour effective with the new agreement (but retroactive to 1/1/16). The largest unresolved issue remains the “step compression”, as starting hourly wages for the range 18-24 job categories once compressed would shrink the differentiation between the ranges. Those listed below are the jobs that would be affected by the compression strategy:

The classifications at 18 and above that are receiving the benefit of the SMMUSD minimum level are:

Café Worker II
Café Worker I
Café Worker/Transportation
CDS Assistant – 2
CDS Assistant - 1

The classification between 19 and 24 are:

Cafeteria Cook/Baker
Custodian
Sports Fac. Attendant
CDS Assistant – 3
Library Asst. 1Office Specialist

Reprographics Operator
Instructional Asst. Bilingual
Paraeducator - SPED
Instructional Asst. Music
Instructional Asst. PE

The FOC recommends the following actions:

Consider addressing the minimum wage exempt employees earlier than the minimum wage incremental increase calls for. These jobs are hard to fill and we are at a competitive disadvantage for these positions. They are part-time and pay less than equivalent jobs within the City of Santa Monica, thereby making it more difficult to fill these spots.

SMMUSD needs to keep salaries in line with market valuation in a more timely manner, so we retain our competitive advantage.

The District needs to continue to work with the bargaining units to address the differential between minimum and living wages, while considering the implication at its lower levels of compressing the salary structure.