



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

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NEWS RELEASE**

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SMMUSD Bond Refinance Saves Taxpayers More Than \$6 Million

Property owners in the Santa Monica-Malibu Unified School District will see a reduced property tax rate on future tax bills. The district refinanced nearly \$75 million in general obligation bonds, which will save district property owners more than \$6.2 million in property taxes. In July, the district took advantage of very low interest rates due to the coronavirus pandemic and overall economic uncertainty to refinance prior bonds, Measures BB and ES, from earlier bond elections.

Over the years, district voters have approved different bond measures at different elections. The proceeds of these bond measure have been used to fund improvements to aging district classrooms and school facilities, upgrade outdated infrastructure including electrical, plumbing, sewer, and HVAC systems, make technology upgrades, as well as make safety and security improvements. Major construction, renovation, and modernization projects to Malibu and Santa Monica schools have been completed thanks to these voter-approved bond election authorizations from 2006 and 2012.

Approximately \$74.6 million of old bonds were refunded, which included different issuances, (or bond sales), from 2013, 2014, and 2015. Interest rates on the old bonds ranged between 2.210% and 4.050%. Rates on the new bonds range from 0.301% to 2.314%, a difference that will save property taxpayers \$6,219,003.11 without extending the original term of the borrowing.

“With interest rates at historic lows, we felt it was the right thing to do to save our community money,” Superintendent Dr. Ben Drati stated, “We are thrilled with the results of the sale.”

“Our fiscal team is responsible for keeping an eye on our debt obligations and seek opportunities to save money, both for the district and our taxpayers,” Melody Canady, assistant superintendent of business and fiscal services, added.

The refinancing of the bonds was authorized by the Board of Education on April 1, 2020. “We know that our community supports our schools, and in turn we want to give back to our community by saving taxpayer dollars,” Board President, Jon Kean, said.

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