



SMMUSD Financial Oversight Committee

REVISED

Date: Thursday, April 15, 2021

Time: 6:00 pm to 8:00 pm

Via Zoom by phone at: 669-900-6833 or online at:

<https://zoom.us/j/87194305360?pwd=bWl2Umh6akdwdEV5b3Z6VFJ2NHl6UT09>

Meeting ID: 871 9430 5360 / Passcode: Oversight1 - Per Executive Order N-29-20 Issued By Governor Gavin Newsom

AGENDA

As per Executive Order N-29-20 from Governor Newsom, the Santa Monica-Malibu Unified School District Board of Education meetings will move to a virtual/teleconferencing environment using Zoom. The purpose of the Governor's executive order is to control the spread of Coronavirus (COVID-19) and to reduce and minimize the risk of infection by "limiting attendance at public assemblies, conferences, or other mass events." The Governor's executive order on March 12, 2020, already waived the requirement for a majority of board members to physically participate in a public board meeting at the same location.

The intent is not to limit public participation, but rather to protect public health by following the Governor's Stay at Home executive order and the LA County's Safer at Home order. Persons wishing to address the Committee regarding an item that is scheduled for this meeting must submit a Google survey "sign up" prior to discussion of that item. Persons wishing to address the Committee regarding an item that is not scheduled on this meeting's agenda may speak during the Public Comments section by submitting the Google survey "sign up" at the beginning of the meeting.

Instructions for public comments

1. Submit a Google survey "sign up" at <https://forms.gle/CmESurF2KLy3o2u16>. This survey will take the place of the "speaker chits" available at meetings.
2. Speakers will fill in their name and select if they wish to address the committee regarding a specific agenda item or during General Public Comments.
3. Speakers are asked to attend the FOC meeting virtually through the call-in number at the top of the agenda.
4. When it is time for the speakers to address the committee, their name will be called.
5. As with all meetings, once discussion begins on an agenda item, any speakers who sign up after that time will be given one minute to speak.

Instrucciones para comentarios del público

1. Una encuesta de Google "registrarse" <https://forms.gle/K6c62mDebmTWmaoXA>. Esta encuesta ocupará el lugar de las "fichas" disponibles en las reuniones.
2. Los miembros del público las completarán con su nombre y seleccionarán si desean dirigirse a la junta con respecto a un punto específico de la orden del día o durante los comentarios públicos generales.
3. Se pide a las personas que deseen hacer comentarios que asistan a la reunión de la junta virtualmente a través del enlace que contiene la invitación de llamada de conferencia en la parte superior de la agenda.
4. Cuando llegue el momento de que el público se dirija a la junta directiva, se mencionará su nombre.
5. Al igual que las demás reuniones, una vez que comience el debate sobre un punto de la orden del día, los oradores que se inscriban después de ese momento, tendrán un minuto para hablar.

- I. **Call to Order**
- II. **Approval of Agenda**
- III. **Assistant Superintendent, Business and Fiscal Report: Melody Canady (30 min)**
 - A. Bond Issuance and Refunding – Jon Isom and John Baracy
- IV. **Discussion/Action Items (60 min)**
 - A. Discussion of Measure R annual plan continued from March meeting
 - B. FOC applications posted March 12th with closing date of April 12th
- V. **Ad hoc Subcommittee Report (10 min)**
 - A. Budget Recommendations: Ms. Maniar, Mr. Covington, Mr. Jacobson, Ms. Newman
 - B. Tax Revenue and Assessed Valuation: Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman
 - C. Bond Oversight: Mr. Kremer, Mr. Covington, Mr. Crawford, Mr. Landres, Ms. Mevasse
 - D. Nomination: Mr. Crawford, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Newman
- VI. **Receive and File (Limited Discussion)**
 - A. City of Malibu Memo RE: Petition for Unification of Independent School District dated March 30, 2021
- VII. **Public Comments**
 - A. Public Comments is the time when members of the audience may address the Committee on items not scheduled on the meeting’s agenda. All speakers are limited to three (3) minutes. When there are a large number of speakers, the Chair may reduce the allotted time to two (2) minutes per speaker. The Brown Act (Government Code) states that Committee members may not engage in discussion of issues raised during “XIII. Public Comments” except to ask clarifying questions, make a brief announcement; make a brief report on his or her own activities, or to refer the matter to staff. This Public Comment section is limited to 20 minutes. If the number of persons wishing to address the Committee exceeds the time limit, additional time will be allowed at the discretion of the Chair.
- VIII. **Committee Comments**
- IX. **Next Meeting:**
 - Wednesday, May 12, 2021
 - Thursday, June 10, 2021
 - TBD (July 2021) * Please note: This is a Joint Meeting / Study Session with the Board of Education - *SMMUSD District Office Board Room, 1651 16th Street.*
- X. **Adjournment**

Future Meetings will be held monthly in the Testing Room at the District’s Administrative Offices, 1651 16th Street, Santa Monica, California, unless otherwise noted.

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the meeting room, to access written documents being discussed at the meeting, or to otherwise participate at the meetings, please contact the Office of Assistant Superintendent, Business and Fiscal Services at 310-450-8338 for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the meeting and to provide required accommodations, auxiliary aids or services.

General Obligation Bond Program Update Santa Monica-Malibu Unified School District

2018 Elections

SFIDs 1 & 2

Measures SMS & M

April 15, 2021



Measures SMS and M GO Bond Analysis Update

Plan of Finance – Original Plan

\$680.0 million combined over the next six years

- ❖ On November 6, 2018, District voters approved Measures SMS and M, authorizing the sale of \$485 million and \$195,000,000 in bonds respectively for the renovation, upgrade, new construction, and modernization of schools within the District boundaries
- ❖ Estimated tax rates for Measures SMS and M are \$40.00 and \$30.00 per \$100,000 of assessed value; below are the District's original bond programs for each measure:

Santa Monica SFID No. 1, Original Bond Issuance Summary (2019)

Issuance Date	Issue Name	Principal Amount	Financing Term	AV Growth	Rate	Total Debt Service	Repayment Ratio
2019	Series A	\$ 125,000,000	30 years	3.50%	3.04%	\$192,500,000	1.54 to 1
2021	Series B	\$ 117,000,000	30 years	3.50%	4.50%	\$229,320,000	1.96 to 1
2023	Series C	\$ 117,000,000	30 years	3.50%	4.50%	\$242,190,000	2.07 to 1
2025	Series D	\$ 126,000,000	30 years	3.50%	4.50%	\$291,060,000	2.31 to 1
		\$ 485,000,000				\$ 955,070,000	1.97 to 1

Malibu SFID No. 2, Original Bond Issuance Summary (2019)

Issuance Date	Issue Name	Principal Amount	Financing Term	AV Growth	Rate	Total Debt Service	Repayment Ratio
2019	Series A	\$ 50,000,000	30 years	3.50%	3.07%	\$ 79,500,000	1.59 to 1
2021	Series B	\$ 47,000,000	30 years	3.50%	4.50%	\$ 94,940,000	2.02 to 1
2023	Series C	\$ 48,000,000	30 years	3.50%	4.50%	\$ 103,680,000	2.16 to 1
2025	Series D	\$ 50,000,000	30 years	3.50%	4.50%	\$ 122,000,000	2.44 to 1
		\$ 195,000,000				\$ 400,120,000	2.05 to 1

Source: Raymond James/Isom Advisors

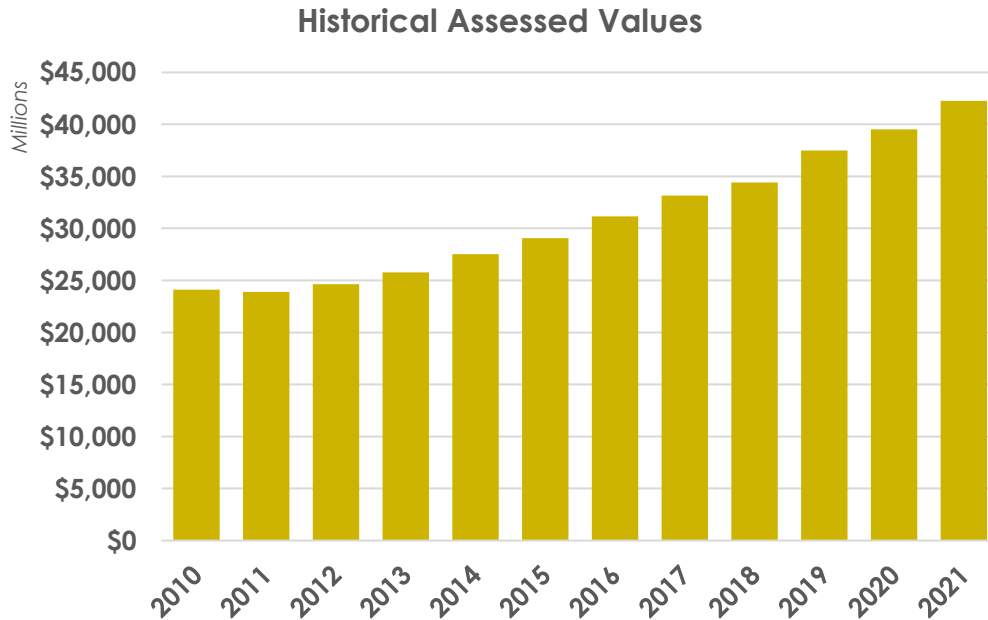
- ❖ Variables that determine the timing and size of the sales are the tax base (assessed value), assessed value growth assumptions, tax rates, term (length of the borrowing), and interest rates.

Santa Monica SFID No. 1 Tax Base



Historical Assessed Value for FY 2010-2021

The District's SFID No. 1 2020-21 AV is \$42,271,044,390 and has averaged annual growth of 5.3% over the last eleven years.



Year	AV Growth
2010	--
2011	-0.9%
2012	3.2%
2013	4.6%
2014	6.8%
2015	5.6%
2016	7.3%
2017	6.4%
2018	3.8%
2019	8.9%
2020	5.5%
2021	7.0%
Average	5.3%

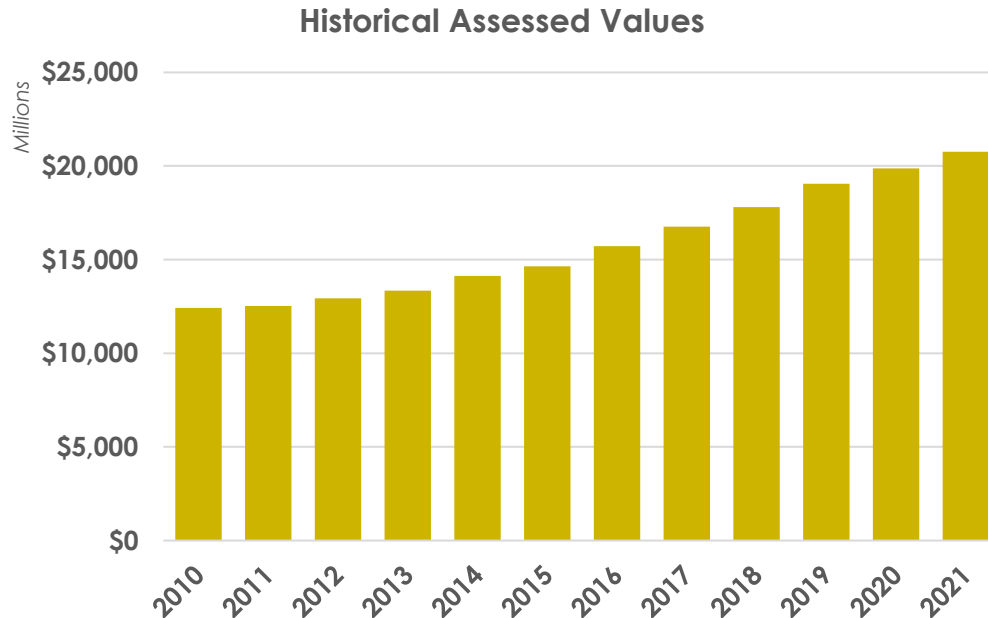
Average Growth Rates	
3-Years	7.1%
6-Years	6.5%
9-Years	6.2%

Source: California Municipal Statistics, Inc.

Malibu SFID No. 2 Tax Base

Historical Assessed Value for FY 2010-2021

The District's SFID No. 2 2020-21 AV is \$20,765,176,841 and has averaged annual growth of 4.8% over the last eleven years.



Year	AV Growth
2010	--
2011	0.8%
2012	3.3%
2013	3.1%
2014	5.9%
2015	3.7%
2016	7.3%
2017	6.5%
2018	6.2%
2019	7.0%
2020	4.3%
2021	4.5%
Average	4.8%

Average Growth Rates	
3-Years	5.3%
6-Years	6.0%
9-Years	5.4%

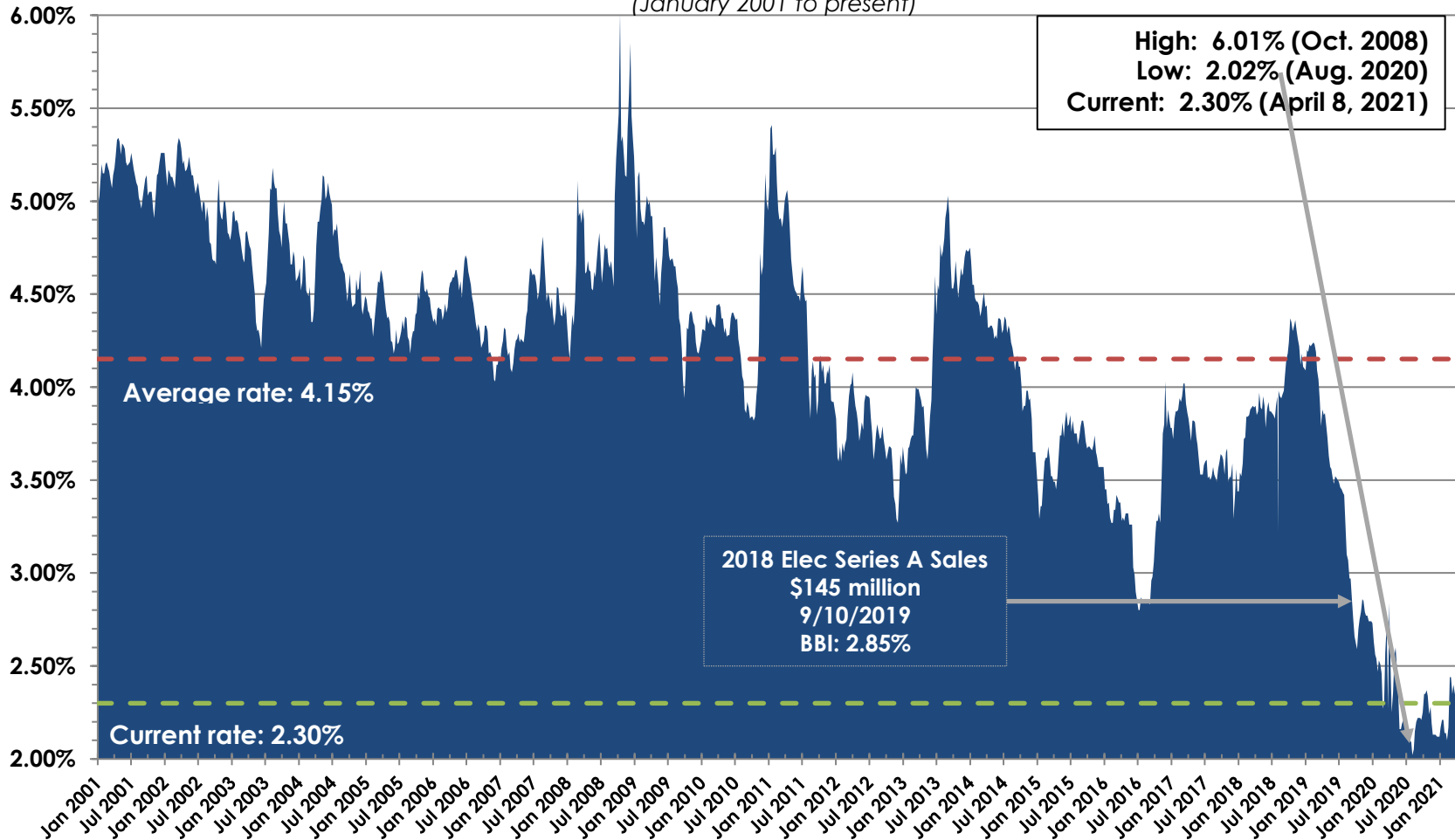
Source: California Municipal Statistics, Inc.

Interest Rate Environment

Interest rates are well below historical averages

Bond Buyer 20 GO Bond Index

(January 2001 to present)



Plan of Finance – Updated Plan

\$680.0 million combined over the next four to five years

- ❖ District is currently “ahead of schedule” with respect to its bond program – specifically AV has exceeded projections (6.25% and 4.40% in actual growth vs. 3.50% projected) and interest rates are significantly lower than originally projected.
- ❖ Accelerating the bond program, receiving proceeds sooner for projects, while maintaining the tax rate estimate to voters is a big win for the community; District teachers, students, and residents receive improved classrooms and facilities sooner and taxpayers save significantly through lower borrowing costs; current estimates for total P&I are nearly \$250 million lower than election day projections
- ❖ Below is the District’s updated bond programs for Measures SMS and M respectively:

Santa Monica SFID No. 1, Bond Issuance Summary ¹

Issuance Date	Issue Name	Principal Amount	Financing Term	AV Growth	Rate	Total Debt Service	Repayment Ratio
2019	Series A	\$ 110,000,000	30 years	3.50%	2.87%	\$164,059,734	1.49 to 1
2021	Series B	\$ 200,000,000	30 years	3.50%	2.93%	\$316,393,190	1.58 to 1
2023	Series C	\$ 87,500,000	30 years	3.50%	3.18%	\$148,552,075	1.70 to 1
2025	Series D	\$ 87,500,000	30 years	3.50%	3.35%	\$160,676,002	1.84 to 1
		\$ 485,000,000				\$ 789,681,001	1.63 to 1

Malibu SFID No. 2, Bond Issuance Summary ¹

Issuance Date	Issue Name	Principal Amount	Financing Term	AV Growth	Rate	Total Debt Service	Repayment Ratio
2019	Series A	\$ 35,000,000	30 years	3.50%	2.87%	\$ 51,422,700	1.47 to 1
2021	Series B	\$ 80,000,000	30 years	3.50%	2.90%	\$ 124,680,789	1.56 to 1
2024	Series C	\$ 80,000,000	30 years	3.50%	3.24%	\$ 145,207,521	1.82 to 1
		\$ 195,000,000				\$ 321,311,010	1.65 to 1

¹ Preliminary and subject to change

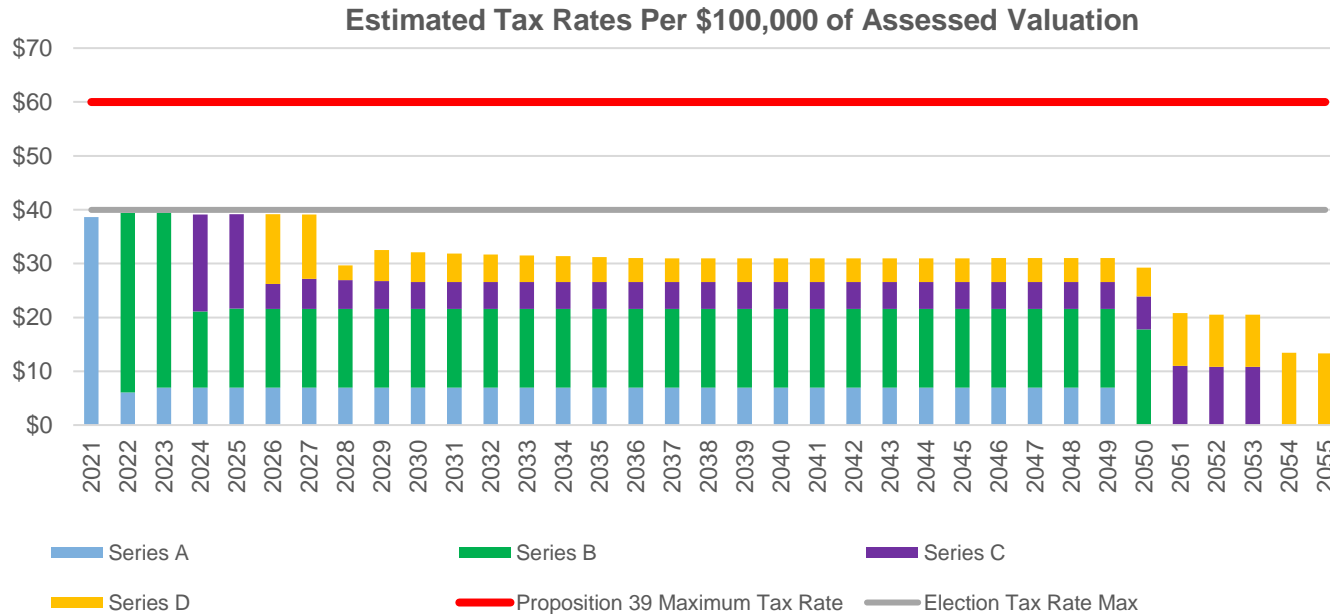
Source: Raymond James/Isom Advisors

Tax Rate Implications – SFID # 1

Keeping the Measure SMS Tax Rates Estimated to Voters

Estimated Measure SMS Tax Rates Per \$100,000 of Assessed Valuation

Average Annual Tax Rate	\$30.80
Maximum Annual Tax Rate	\$39.46
Prop 39 Maximum Annual Tax Rate	\$60.00



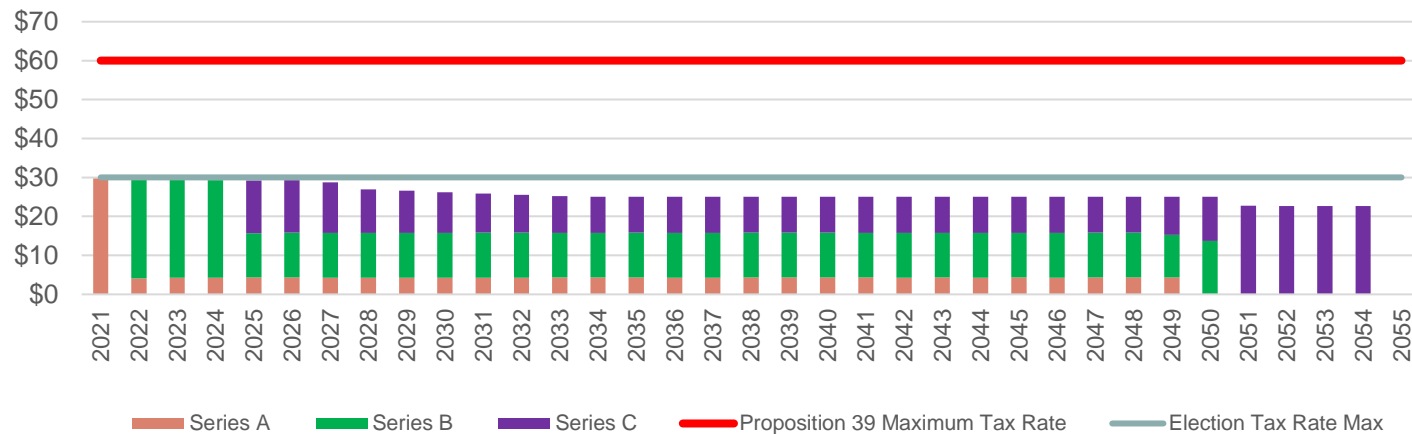
Tax Rate Implications – SFID #2

Keeping the Measure M Tax Rates Estimated to Voters

Estimated Measure M Tax Rates Per \$100,000 of Assessed Valuation

Average Annual Tax Rate	\$25.87
Maximum Annual Tax Rate	\$29.99
Prop 39 Maximum Annual Tax Rate	\$60.00

Estimated Tax Rates Per \$100,000 of Assessed Valuation



Timeline

What are the next steps?

<u>Date</u>	<u>Action</u>
April 15	Discuss financings with FOC
April 19	Kick off Financing with distribution of timeline, term sheet, and distribution list
May 6	District Board adopts bond resolution, POS, and legal documents
Wk. of May 10	Submit credit package to Rating Agencies
Wk. of May 17	Rating conference calls
May 26	Receive rating
June 8	County Board of Supervisors approves bonds
June 9	Post Preliminary Official Statement
June 13	Pre-Pricing Conference Call
June 14	Final Pricing Conference Call
June 24	Distribute Final Preliminary Official Statement
June 17-25	Review and finalize closing documents
June 30	Closing/funding (<i>preliminary</i>)

Potential Legislative Considerations and GO Bond Refunding Analysis

Potential Legislative Considerations

2021 Infrastructure Plan

- Build America Bonds (BABS) or a version thereof
 - Allows a direct subsidy/tax credit to subsidize interest payments, current proposal is 28% direct subsidy
 - New Construction and may include advance refunding proceed use
 - No limit or application process to issue
- Qualified School Infrastructure Bonds (QSIBs)
 - Have a dedicated maturity, meant to have near or 100% subsidy
 - Proceeds may be used for hard or soft construction costs
 - Would require State allocation method (likely)
- Qualified Zone Academy Bonds (QZABS)
 - Fully subsidized tax credit bonds - usually carry a supplemental coupon, depending on credit
 - Will likely include new construction and limiting or elimination of 10% private donor match
- Tax-Exempt Advance Refundings
 - A tool returning that existed until 2017 which allowed the refinancing of bonds in advance of redemption
 - Creates taxpayer savings and bonding capacity at a cheaper cost than federally taxable advance refundings

GO Bonds Refunding Savings

Tax-Exempt Advance Refunding - POTENTIAL

- Should federal legislation be enacted and tax-exempt advance refundings restored, the District would have an opportunity to execute a tax-exempt advance refunding
- Based on 3/30/21 market rates, the District could save an estimated:
 - \$10,630,822 in taxpayer savings (\$8,855,513 net present value savings or 5.73% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds (Non-SFID)
 - \$1,694,457 in taxpayer savings (\$1,354,499 net present value savings or 6.35% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds of SFID 1
 - \$581,165 in taxpayer savings (\$464,382 net present value savings or 7.26% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds of SFID 2

Refunding Savings Summary Statistics

	Non-SFID GO Bonds ¹	SFID 1 GO Bonds	SFID 2 GO Bonds
Type of Refunding	Tax-Exempt Advance	Tax-Exempt Advance	Tax-Exempt Advance
Maturities Refunded ²	2024-2042	2028-2040	2028-2040
Call Date of Refunded Bonds	7/1/2023 – 8/1/2027	8/1/2027	8/1/2027
Bond Par Amount	\$157,700,000	\$23,660,000	\$7,150,000
True Interest Cost	1.810%	2.070%	2.069%
Par amount of refunded bonds	\$154,505,000	\$21,335,000	\$6,395,000
Average coupon of refunded bonds	3.666%	3.792%	3.930%
Value of Negative Arbitrage	\$4,875,037	\$1,038,216	\$581,165
Savings	\$10,630,822	\$1,694,457	\$581,165
Net PV Savings	\$8,855,513	\$1,354,499	\$464,382
Net PV Savings (% of refunded)	5.732%	6.349%	7.262%
Escrow Efficiency	64.495%	56.609%	59.788%

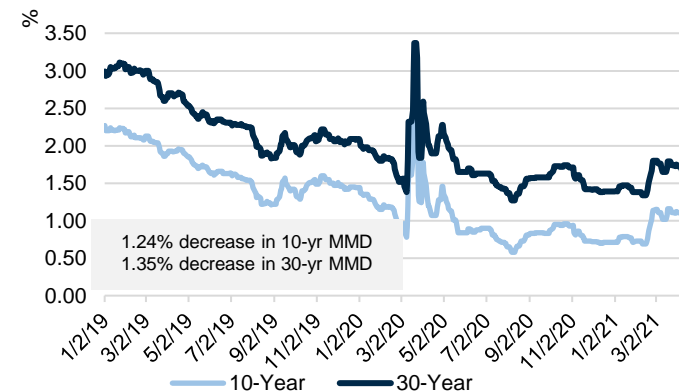
(1) Non-SFID GO Bonds results include 5 outstanding GO bond series

(2) Select maturities providing positive savings

Assumes market rates as of 3/30/2021

All individual series provide greater than 50% escrow efficiency

10-yr, 30-yr MMD (1/2/2019 to 4/8/2021)



GO Bonds Refunding Savings

Taxable Advance Refunding (BABS) - POTENTIAL

- The restoration of Build America Bonds (BABs) could potentially result in attractive taxable refunding opportunities for the District
- Based on 3/30/21 market rates, District could save an estimated:
 - **\$18,165,222 in taxpayer savings (\$17,593,435 net present value savings or 8.49% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds (Non-SFID)
 - **\$7,253,340 in taxpayer savings (\$6,182,050 net present value savings or 8.07% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds of SFID 1
 - **\$2,102,287 in taxpayer savings (\$1,795,996 net present value savings or 7.78% of refunded par)** by refunding select maturities from the District's outstanding General Obligation bonds of SFID 2

Refunding Savings Summary Statistics

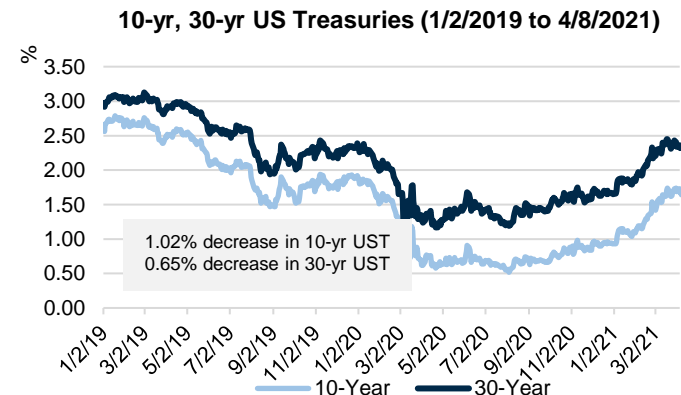
	Non-SFID GO Bonds ¹	SFID 1 GO Bonds	SFID 2 GO Bonds
Type of Refunding	Taxable Advance	Taxable Advance	Taxable Advance
Maturities Refunded ²	2024-2042	2028-2049	2028-2049
Call Date of Refunded Bonds	7/1/2023 – 8/1/2027	8/1/2027	8/1/2027
Bond Par Amount	\$239,720,000	\$88,360,000	\$26,830,000
True Interest Cost	1.721%	2.108%	2.108%
Par amount of refunded bonds	\$207,245,000	\$76,610,000	\$23,095,000
Average coupon of refunded bonds	3.815%	3.398%	3.425%
Value of Negative Arbitrage	\$8,260,161	\$4,291,854	1,296,087
Savings	\$18,165,222	\$7,253,340	\$2,102,287
Net PV Savings	\$17,593,435	\$6,182,050	\$1,795,996
Net PV Savings (% of refunded)	8.489%	8.070%	7.777%
Escrow Efficiency	68.050%	59.023%	58.109%

(1) Non-SFID GO Bonds results include 8 outstanding GO bond series

(2) Select maturities providing positive savings

Assumes market rates as of 3/30/2021; 28% Direct subsidy

All individual series provide greater than 50% escrow efficiency



Regulatory Disclosure

Disclosure of Conflicts of Interest and Legal or Disciplinary Events. Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. ("Isom") and its associated persons.

Conflicts of Interest. Compensation. Isom represents that in connection with the issuance of municipal securities, Isom may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

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There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Isom, Isom will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Isom, its management and personnel.

DISCLAIMER

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

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Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or legal counsel.

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SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT

*Office of Melody Canady, Assistant Superintendent
Business and Fiscal Services*

TO: For Public Review
 FROM: Melody Canady
 RE: Proposed Annual Plan of Measure R Expenditures for 2021-22
 DATE: March 11, 2021

In accordance with *The Santa Monica-Malibu Schools Quality Education Funding Renewal Measure* (Measure R) Section 5.B, Accountability, Planning, Public Information, and Compliance Review Provisions-Annual Plan, the District must develop a Proposed Annual Plan to recommend expenditures of the tax proceeds that are consistent with the intent of Measure R, which shall be made available for public review ninety (90) calendar days prior to Board adoption of its annual budget.

Below is the Proposed Annual Plan of Measure R Expenditures for the 2021-22 fiscal year:

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
 PARCEL TAX - MEASURE "R" BUDGET**

	2020-21 BUDGET		2021-22 PROPOSED	
	FTE		FTE	
REVENUE:		12,568,316		13,287,728
EXPENDITURES:				
COST TO ADMINISTER		24,500		35,000
PHYSICAL EDUCATION	16.250	976,407	16.250	1,093,081
COMMUNITY SERVICES	1.000	78,721	1.000	85,005
TECHNOLOGY	18.000	2,543,242	18.000	2,749,898
ART AND MUSIC PROGRAMS	18.875	1,562,621	18.875	1,762,858
LIBRARY PROGRAM	16.375	1,300,491	17.375	1,440,047
GENERAL EDUCATION TEACHERS (TK-12 TH GRADES)	44.000	6,082,334	44.000	6,121,839
SUBTOTAL EXPENDITURES FOR MEASURE "R"	114.500	12,568,316	115.500	13,287,728
BALANCE USED TO PRESERVE PROGRAMS AND REPLACE FUNDS LOST DUE TO INADEQUATE STATE FUNDING		0		0
TOTAL BUDGET MEASURE "R"		12,568,316		13,287,728

In accordance with Section 5.C-Public Comment Process, the Board shall hold a noticed public hearing on this plan no fewer than 60 calendar days before the annual budget is adopted for the subsequent fiscal year. Public notice will be published for the public hearing, to be held at the April 3, 2019 Board Meeting at the District's Administration Offices Board Room, 1651 16th Street, Santa Monica, CA 90404-3891. Section 5.C also states that no fewer than 30 days prior to the annual budget adoption, the Independent Citizens Oversight Committee will review the public hearing findings and make its recommendation to the Board.

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2021-22 PROPOSED BUDGET

3/11/2021

*New Expenditure **Increased Expenditure	2020-21 BUDGET		2021-22 PROPOSED BUDGET	
REVENUE:	12,568,316		13,287,728	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
GENERAL EDUCATION:				
GENERAL EDUCATION TEACHERS	44.0000	6,082,334	44.0000	6,121,839
Teachers Salaries & Benefits - TK-3rd Grades	14.0000	1,904,030	14.0000	1,916,600
Teachers Salaries & Benefits - 4th & 5th Grades	8.0000	1,029,543	8.0000	1,036,726
Teachers Salaries & Benefits - 6th-8th (Middle School) Grades	10.0000	1,471,555	10.0000	1,480,533
Teachers Salaries & Benefits - 9th-12th (High School) Grades	12.0000	1,677,206	12.0000	1,687,980
TOTAL FOR UNRESTRICTED TEACHERS	44.0000	6,082,334	44.0000	6,121,839

MEASURE "R" AUDIT		4,000		4,000
**MEASURE "R" EXEMPTION PROCESSING COST		4,500		12,000
SUPPLIES		1,000		500
SERVICES AND OTHER OPERATING COSTS		2,000		500
*LEGAL		-		5,000
MEASURE R COUNTY ASSESTMENT FEES		13,000		13,000
ADMINISTRATION COST		24,500		35,000

01-00001-0-17100-10000-1110-030-1501				
ART & MUSIC PROGRAM				
ELEMENTARY MUSIC TEACHERS	10.0000	775,777	10.0000	815,125
EXTRA DUTY UNIT -EDU		12,009		12,009
OTHER HOURLY		700		700
TEACHER SUBS		3,000		3,000
**MARIACHI LEADS & STAFF		8,580		10,000
SPECIAL SERVICES		600		600
BENEFITS		309,157		378,782
ACCOMPANIST/MUSIC AIDES / SECONDARY				
ADAMS	2.0000	79,023	2.0000	91,896
LINCOLN	2.0000	66,882	2.0000	70,869
SMASH		6,000		6,000
MALIBU	2.8750	85,696	2.8750	89,734
SAMOHI	2.0000	83,219	2.0000	92,142
**MARIACHI LEADS & STAFF		21,613		23,834
NON-PERSONNEL ELEMENTARY & SECONDARY				
SUPPLIES		13,200		73,166
Mariachi Instruments		7,966		7,966
Mariachi Textbooks		200		200
Mariachi Other Supplies		1,000		1,000
Mariachi Monos		500		500
Mariachi Sheet Music		500		500
*Band, Choir, Orchestra Secondary Sheet Music		-		63,000
MILEAGE		2,500		1,000
**REPAIR BY VENDOR		50,000		60,000
DIRECT COST-PRINTING & SCHOOL BUS		4,200		4,200
TRANSPORTATION		5,000		5,000
RENTS & LEASES		800		800
CONSULTANT (SMC Global Dance 4th Grade)		20,000		20,000
Mariachi Professional Development/Recruitment		4,000		4,000
OTHER OPERATING COSTS		500		-
TOTAL BUDGET FOR MUSIC PROGRAM:	18.8750	1,562,621	18.8750	1,762,858

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2021-22 PROPOSED BUDGET**

3/11/2021

<i>*New Expenditure</i> <i>**Increased Expenditure</i>	2020-21 BUDGET		2021-22 PROPOSED BUDGET	
REVENUE:	12,568,316		13,287,728	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
01-00001-0-19480-10000-2xxx-030-1501				
PE PROGRAM				
ELEMENTARY				
PHYSICAL ACTIVITY SPECIALIST	13.8750	545,715	13.8750	572,210
BENEFITS		230,799		280,752
TEACHER HOURLY & SUB	-	15,000	-	15,000
PAS- SUB		20,000		20,000
BENEFITS		10,189		10,682
PE SUPPLIES		1,200		1,200
SECONDARY				
ADAMS	0.8750	37,607	0.8750	44,780
LINCOLN	0.7500	32,097	0.7500	34,586
MALIBU	0.7500	42,024	0.7500	45,094
6TH & 7TH ISPE STUDENT SUPPORT STAFF		29,777		29,777
*8TH ISPE STUDENT SUPPORT STAFF		-		15,000
7TH ISPE SUPPLIES/MATERIALS/NON-CAP EQUIP		12,000		12,000
*8TH ISPE SUPPLIES/MATERIALS/NON-CAP EQUIP		-		12,000
TOTAL BUDGET FOR PE PROGRAM:	16.2500	976,407	16.2500	1,093,081

01-00001-0-19530-24200-1210/2410				
LIBRARY PROGRAM				
ELEMENTARY				
LIBRARY ASSISTANT	7.3750	292,678	8.3750	359,974
SECONDARY				
LIBRARIANS	4.5000	395,628	4.5000	405,322
LIBRARY ASSISTANT/TEXBOOK COORDINATOR	4.5000	177,111	4.5000	195,206
BENEFITS		372,575		417,045
YOUNG ADULT LIBRARY ASSOCIATION CONFERENCE		7,500		7,500
MAINTENANCE AGREEMENT		-		-
OTHER OPERATING COST		-		-
Proquest Information & Learning		55,000		55,000
TOTAL BUDGET FOR LIBRARY PROGRAM:	16.3750	1,300,491	17.3750	1,440,047

01-000010-0-81000-54000-2910-046-1501				
COMMUNITY SERVICES				
MEDIA TECHNICIAN/BARNUM HALL	1.00	78,721	1.00	85,005
TOTAL BUDGET FOR COMMUNITY SERVICES				

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2021-22 PROPOSED BUDGET

3/11/2021

<i>*New Expenditure</i> <i>**Increased Expenditure</i>	2020-21 BUDGET		2021-22 PROPOSED BUDGET	
REVENUE:	12,568,316		13,287,728	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
01-00001-0-19100-xxxxx-xxxx-xxx-xxxx TECHNOLOGY				
TECHNOLOGY SUPPORT ASSISTANT	14.0000	951,000	14.0000	1,007,616
NETWORK ENGINEER	2.0000	225,924	1.0000	121,512
SENIOR NETWORK ENGINEER	-	-	1.0000	135,396
SYSTEMS ANALYST	1.0000	86,328	1.0000	90,660
AV TECHNICIAN	1.0000	51,756	1.0000	51,756
**TECHNICIAN- HOURLY & OT		3,000		10,000
BENEFITS		472,734		572,958
**SUPPLIES		10,000		23,000
NON-CAPITAL EQUIPMENT		10,000		5,000
MILEAGE		500		-
CONFERENCE		2,000		2,000
MAINTENANCE AGREEMENT (Detail Attached)		700,000		720,000
REPAIR BY VENDOR		10,000		5,000
OTHER OPERATING COSTS		20,000		5,000
EQUIPMENT		-		-
TOTAL BUDGET FOR TECHNOLOGY	18.0000	2,543,242	18.0000	2,749,898
TOTAL REVENUE FOR MEASURE "R":		12,568,316		13,287,728
TOTAL EXPENDITURE FOR MEASURE "R":	114.500	12,568,316	115.500	13,287,728

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2021-22 PROPOSED BUDGET
Maintenance Agreement Detail

3/11/2021

VENDOR	2020-2021	2021-2022
NeoPost Maintenance	3,435.55	3,607.32
Solar Winds (Help Desk)	3,672.90	3,856.55
(zoho)Manage Engine-AD Manager Maintenance 2 domains	11,037.60	11,589.48
VM Maintenance (Virtualized Servers)	23,830.32	25,021.83
Cisco: Maintenance Agreement	313,179.17	328,838.13
Iron Mountain: Data BackUp	4,400.00	4,620.00
Solar Winds Performance Monitor	7,060.00	7,413.00
Active Network: BlueBear	6,959.75	7,307.74
IDEAL Annual Maintenance (Mailers)	12,174.72	12,783.46
Follet:Library Circulation	39,012.00	40,962.60
Illuminate: Student Information System	108,675.00	65,000.00
Amplified IT (Gopher Pack Google Managment Tools)	3,200.00	6,400.00
Druva Maintenance	1,680.00	1,764.00
Claris File maker maintenance	4,140.00	4,347.00
Apple Jamf Maintenance	12,600.00	15,000.00
Classroom A/V Maintenance	20,000.00	20,000.00
Aeries	150,000.00	150,000.00
TeamViewer Remote Management Maintenance Agreement	0.00	7,000.00
	725,057.01	715,511.11
BUDGET	700,000.00	720,000.00



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT NEWS RELEASE

CONTACT: Gail Pinsker
310.450.8338, ext. 70230
gpinsker@smmusd.org

FOR IMMEDIATE RELEASE
March 16, 2021

SMMUSD Financial Oversight Committee Accepting Applications

The Santa Monica-Malibu Unified School District's Financial Oversight Committee (FOC) is seeking qualified candidates who can put their financial and/or management expertise to work in support of the school district. There are four upcoming vacancies with three-year terms beginning July 1, 2021.

The role of the FOC is to review significant financial matters impacting the district, to assist in communicating school finance issues to the community, to provide oversight for various district financing measures and agreements, and to review SMMUSD's annual budget, financial projections, and audited financial statements. For more information about the FOC, its structure, and its work, please visit <https://www.smmusd.org/Page/3901>.

Ideal candidates will have significant professional finance and/or accounting experience, or a deep familiarity with public education operations and finance. Candidates should also be committed to fostering an inclusive and equitable learning environment for SMMUSD students.

FOC meetings are currently scheduled at the District Office at 7 p.m. in the Testing Room, otherwise noted. Following is the schedule of meetings (subject to change) for the 2021-22 year:

- Wednesday, September 8, 2021
- Thursday, October 28, 2021 – Malibu City Hall, Multipurpose Room
- Thursday, December 2, 2021
- Thursday, January 6, 2022
- Thursday, February 24, 2022
- Tuesday, March 23, 2022– Malibu City Hall, Multipurpose Room
- Wednesday, May 11, 2022
- Thursday, June 16, 2022
- TBD (July 2022) * Please note: This is a Joint Meeting / Study Session with the Board of Education - *SMMUSD District Office Board Room, 1651 16th Street.*

FOC application forms are available via the District's website:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FOCApplication.pdf> and can be scanned and emailed to foc@smmusd.org. The deadline for applications is **Monday, April 12, 2021**.

#

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
1651 16TH Street, Santa Monica, CA 90404
ph: 310.450.8338; fax: 310.581.1138
www.smmusd.org Follow us on Twitter: @SMMUSD



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT NEWS RELEASE

CONTACT: Gail Pinsker
310.450.8338, ext. 70230
gpinsker@smmusd.org

FOR IMMEDIATE RELEASE
March 16, 2021

El comité de Supervisión Financiera de SMMUSD acepta solicitudes

El Comité de Supervisión Financiera del Distrito Escolar Unificado de Santa Mónica-Malibu (FOC, por sus siglas en inglés) está buscando candidatos calificados que puedan aportar con su experiencia financiera y/o de gestión para trabajar apoyando al distrito escolar. Próximamente se encuentran disponibles cuatro vacantes con mandatos de tres años a partir del 1 de julio de 2021.

La función del comité FOC es revisar asuntos financieros significativos que afectan al distrito, ayudar a comunicar los asuntos de financiamiento escolar a la comunidad, proporcionar supervisión para diversas medidas y acuerdos de financiamiento de distritos, y revisar el presupuesto anual, las proyecciones financieras y los estados financieros auditados de SMMUSD. Para obtener más información sobre el comité FOC, su estructura y su trabajo, visite:

<https://www.smmusd.org/Page/3901>.

Los candidatos ideales tendrán una experiencia profesional en finanzas y/o contabilidad significativa, o una profunda familiaridad con las operaciones y finanzas de la educación pública. Los candidatos también deben comprometerse a fomentar un entorno de aprendizaje inclusivo y equitativo para los estudiantes de SMMUSD.

Las reuniones del comité FOC están programadas actualmente en la Oficina del Distrito a las 7 p.m. en la sala de pruebas, salvo que se indique lo contrario. A continuación, se encuentra el calendario de reuniones (sujeto a cambios) para el año 2021-22:

- Miércoles, 8 de septiembre de 2021
- Jueves, 28 de octubre de 2021 – Ayuntamiento de Malibu, sala de multiusos
- Jueves, 2 de diciembre de 2021
- Jueves, 6 de enero de 2022
- Jueves, 24 de febrero de 2022
- Martes, 23 de marzo de 2022– Ayuntamiento de Malibu, sala de multiusos
- Miércoles, 11 de mayo de 2022
- Jueves, 16 de junio de 2022
- Por determinarse (julio 2022) * Para su consideración: Esta es una reunión conjunta / sesión de estudio con la Junta de Educación - Sala de juntas de la oficina del distrito *SMMUSD, 1651 16th Street.*

Los formularios de solicitud del comité FOC están disponibles en el sitio web del distrito:
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FOCApplication.pdf> y se pueden
escanear y enviar por medio de un correo electrónico a: foc@smmusd.org.
El plazo de presentación para las solicitudes es el día **lunes, 12 de abril de 2021**.

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SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
1651 16TH Street, Santa Monica, CA 90404
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City of Malibu

23825 Stuart Ranch Road • Malibu, California • 90265-4861
Phone (310) 456-2489 • Fax (310) 456-3356 • www.malibucity.org

March 30, 2021

Sent via Email to council@smgov.net

Honorable Mayor Sue Himmelrich and
Honorable Members of the Santa Monica City Council
City of Santa Monica
200 Santa Monica Pier, Suite J
Santa Monica CA 90401

RE: City of Malibu Petition for Unification of Independent School District

Dear Honorable Mayor and Members of the City Council:

On behalf of the City of Malibu (City), we wish to thank you for your continued, but conditional, support of the City's petition for unification (Petition) of an independent Malibu Unified School District (MUSD).

At your March 23, 2021 Council meeting, you adopted a resolution affirming your support for splitting the Santa Monica-Malibu Unified School District (SMMUSD or the "District") into two independent school districts "if the terms of separation, including but not limited to the division of revenues and assets, are fair and just to students in Santa Monica schools, and provide robust and equal educational opportunity for both Malibu and Santa Monica students." Since the Los Angeles County Committee on School District Organization (County Committee) will soon hold a preliminary public hearing on the City's Petition, the City would like to provide its esteemed colleagues in the City of Santa Monica with additional details about the Petition and the current offer before the District.

The City's current Petition before the County Committee is still preliminary; hence, the upcoming Preliminary Hearing. The City's Petition will eventually contain a complete fiscal feasibility study and analysis of the nine criteria, as is required by Education Code section 35753. In the meantime, it would be helpful for you to review the attached Best & Final Offer (Offer) that the City provided to the District on March 12, 2021, as it accomplishes several key prerequisites for separation of the District.

First, the City's preliminary feasibility study has demonstrated that the new Santa Monica district would not be harmed by unification if both districts retained their respective property taxes, parcel taxes, and locally generated revenues. In fact, Santa Monica would have slightly higher per pupil funding for its remaining student body because, although the District may lose 13 percent of its revenue, it will likewise lose 15 percent of its students. In fact, after unification of the independent MUSD, each of the two independent school districts will remain one of the five top school districts in Los Angeles County as it relates to per pupil revenue (see Figure 1). We

are sure you will agree that such a split provides a “robust and equal educational opportunity for both Malibu and Santa Monica students.”

LA County Unified School Districts Ranking of 2018-19 Funding ⁽¹⁾							
Current Districts and Proposed Two New Districts Ranked by Total Operating Revenue per Student							
District	Total LCFF Revenue	Sum of Other Local Rev	Enrollment	LCFF		All Operating	
				Funding per Student	Rank LCFF Funding	Revenue per Student	Rank Overall
Beverly Hills	54,237,235	15,202,576	3,774	\$14,371	1	\$18,400	1
Acton-Agua Dulce(2)	9,808,103	8,481,392	1,084	\$9,048	31	\$16,872	2
Malibu USD pro forma (19-20)	21,542,525	3,799,860	1,512	\$14,248		\$16,761	
Santa Monica USD pro forma (19-20)	82,031,605	44,199,490	8,858	\$9,261		\$14,251	
Santa Monica-Malibu	96,068,254	54,827,726	10,629	\$9,038	32	\$14,197	3
San Marino	26,167,093	13,995,148	2,973	\$8,802	37	\$13,509	4
Los Angeles(2)	5,649,654,239	218,022,666	446,996	\$12,639	2	\$13,127	5
Inglewood(2)	96,948,479	3,640,701	8,006	\$12,109	3	\$12,564	6
Baldwin Park(2)	140,345,160	13,050,308	12,515	\$11,214	8	\$12,257	7
Compton(2)	240,585,944	14,916,743	20,946	\$11,486	4	\$12,198	8

Figure 1. (Note: “Sum of Other Local Rev” column includes one-time funding for Santa Monica-Malibu USD that would not be available to either Malibu USD or Santa Monica USD post reorganization.)

Second, just to be sure there is no inequity in the future, the future MUSD would transfer additional property taxes for up to 10 years from the date of the school district separation if Santa Monica’s per pupil funding were to fall below the per pupil funding level that exists for the District. For this purpose, per pupil funding is calculated by each district retaining its own Local Control Funding Formula funding, property taxes sources, parcel taxes, sales taxes, joint use, donations, interest earnings, and other local funding.

Third, as all parties have always agreed, property owned by SMMUSD would be allocated to each future district based on location, with each district owning the property within its boundaries.

Finally, the City has always been prepared to seek special legislation that will guarantee both future districts with their existing parcel taxes, as evidenced by the City’s effort to sponsor such legislation early in 2020. Unfortunately, the SMMUSD Board of Education was unwilling to work with the City to sponsor this legislation, which ultimately led to the end of our three-year negotiations. (See SMMUSD Board Meeting, March 5, 2020.) Hopefully, the SMMUSD Board of Education will revisit its position, understanding it is in both future districts’ best interest to have a guaranteed, non-sunsetting parcel tax in place at the time of separation.

Absolutely no one, including the City, wants harm to come to a single student in Santa Monica as a result of separation. However, we hope you can appreciate that Malibu students are harmed every day by the existing structure, as demonstrated by the following examples:

- Malibu students are not offered the same level of academic opportunities, courses, and programs as Santa Monica students. For example, Malibu High School offers two foreign languages (Spanish and French) while Santa Monica High School offers five foreign languages (Spanish, French, Mandarin, Japanese, and Latin). In its music program, Santa

Monica elementary schools have a dedicated teacher for each instrument offered; in Malibu, there is one teacher for all instruments.

- The health and safety of Malibu students is put at risk when SMMUSD fails to respond to the catastrophes that are unique to the Malibu terrain. For example, as the Woolsey Fire spread to the Santa Monica Mountains on the morning of November 9, 2018, SMMUSD administration ignored pleas by its lone Board member from Malibu to close schools, so that Malibu parents, students, and teachers could focus on the looming crisis.
- When Malibu High School was found to have PCBs, SMMUSD refused to clean up an unsafe school and spent over \$10 million in legal fees fighting against the \$1.6 million it would have cost to remediate the harm.
- Furthermore, and most importantly, while SMMUSD does little to improve the quality of the public schools in Malibu, parents have no choice but to flee the District and find more quality academic programs and facilities, causing a steady decline in enrollment in Malibu schools.

We respectfully request that the City of Santa Monica will review these details and see that the City's Offer satisfies its conditional approval of the Petition. Please feel free to contact either one of us directly with any additional questions or concerns, as the City hopes it can proceed through this process together with full agreement that everyone wants to do what is in the best interest Malibu and Santa Monica parents and students.

Sincerely,

Malibu City Council School District Separation Ad Hoc Committee


Mayor Mikke Pierson


Councilmember Karen Farrer

Distribution:

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Councilmember Kevin McKeown (kevin.mckeown@smgov.net)
Councilmember Christine Parra (Christine.Parra@smgov.net)

Cc: Honorable Members of the Malibu City Council
Reva Feldman, Malibu City Manager
Lane Dilg, Santa Monica Interim City Manager (lane.dilg@smgov.net)



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March 12, 2021

VIA ELECTRONIC MAIL

David A. Soldani
Atkinson, Andelson, Loya, Ruud & Romo
10 River Park Place East, Suite 240
Fresno, CA 93720
Email: dsoldani@aalrr.com

***RE: City of Malibu's Best and Final Offer to the
Santa Monica-Malibu Unified School District***

Dear Mr. Soldani:

This letter represents the City of Malibu's ("City") best and final offer to the Santa Monica-Malibu Unified School District ("SMMUSD") as it relates to the City's petition before the Los Angeles County Office of Education's County Committee on School Reorganization ("County Committee"). The City continues to believe that its students, residents, and taxpayers will greatly benefit from the creation of an independent Malibu Unified School District. Accordingly, the City submitted a reorganization petition to the County Committee to separate the non-contiguous SMMUSD into two separate school districts that will distinctly serve and enhance the Malibu and Santa Monica communities.

Although negotiations between the City and SMMUSD were ongoing, the City lost confidence in a successful, reciprocal deal after SMMUSD presented a disputed funding model, rejected the parcel tax legislation, and failed to respond to the City's last series of correspondence dated April 21, 2020, and June 1, 2020. Therefore, after nearly three years of discussions that failed to produce a solution, the City felt compelled to take unilateral action by advancing its reorganization efforts.

Recently, however, the City has renewed hope of settlement after SMMUSD presented conciliatory information supporting reorganization at SMMUSD's Financial Oversight Committee (FOC) meeting on December 3, 2020. SMMUSD raised several agreeable terms that inspired the City's recommitment to forging a mutually beneficial separation agreement. Consequently, the City has prepared the following deal points to relay its best and final offer in terms of separation. Statements made by SMMUSD staff and consultants at the FOC meeting are included to demonstrate harmony with the City's objectives.



BEST BEST & KRIEGER
ATTORNEYS AT LAW

March 12, 2021

Page 2

CITY'S BEST AND FINAL OFFER

Allocation of Operating Revenues

According to Shin Green during the FOC meeting on December 3, 2020, his “understanding is that (revenues) would stay with their geographical territories of generation going forward...which is generally what we had suggested anyway.... If it’s originating in Santa Monica, it’s got to...stay there. If it’s originating in Malibu, it’s got to...stay there.” We completely agree and propose the following:

1. Property taxes to be allocated to the school district directly serving the Tax Rate Area (TRA) where the property taxes were generated. There are an estimated 106 TRAs within the current SMMUSD boundaries: an estimated 60 in the Santa Monica area and an estimated 46 in the Malibu area.
2. Redevelopment pass-through, redevelopment residual, City of Santa Monica sales taxes, and City of Santa Monica joint use funding sources to be distributed to Santa Monica USD.
3. Parcel tax revenues to be allocated to the school district directly serving the TRA where the parcel taxes were generated.
4. Local donations to remain in the school district where contributed.
5. Any other local revenues that remain from SMMUSD to be distributed to each district on a per student basis. New local revenues, such as interest revenue, would be generated by and remain with each new district.
6. Malibu USD to transfer property taxes to Santa Monica USD in an amount that will reduce State aid in the event of loss of basic aid status to the Minimum State Aid (MSA) amount, thereby holding the State harmless.

When discussing concerns with the City-proposed funding mode during the FOC meeting on December 3, 2020, Shin Green also stated the following: “[The City-proposed funding] would not bring the Santa Monica School District back to the levels of funding for the combined entity as it currently exists, but simply up to the minimum state LCFF amounts.” He further stated, “We have always recommended that we had a defined reopener where we could revisit the property tax ratio if the per-pupil funding amounts in total got too far out of whack because of changes in the sales tax....” Finally, he said, “If the per-pupil funding varied by more than X percent, we come back to the table and we reindex...just for a limited period of time. At some point in time, as with every school district in California that’s basic aid, you have to learn to live



BEST BEST & KRIEGER
ATTORNEYS AT LAW

March 12, 2021

Page 3

within your revenues...and eventually these things will diverge at some point because the tax base will not grow in an identical manner.” We concur and propose the following:

7. Malibu to transfer additional property taxes for up to 10 years from the date of the school district separation IF Santa Monica per pupil funding falls below the current per pupil funding level in order to maintain the per pupil funding that Santa Monica students would have otherwise had from the combined district.
8. Per pupil funding currently estimated at \$14,197, based on 2018-19 LA County Public Schools Financial Report, including Local Control Funding Formula (“LCFF”) revenue and Other Operating Revenue and related 2018-19 California Basic Educational Data System’s (“CBED”) enrollment of 10,629.
9. For this purpose, per pupil funding is calculated by including all LCFF funding, property taxes sources, parcel taxes, Santa Monica sales taxes, Santa Monica joint use, donations, interest earnings, and other local funding.
10. Property tax sources include: secured, unsecured, unitary, utility, supplemental (if Santa Monica is no longer basic aid), Educational Revenue Augmentation Fund (“ERAF”) (if Santa Monica is no longer basic aid), redevelopment pass-through, redevelopment residual.

Distribution of Property

According to Shin Green during the FOC meeting on December 3, 2020, “property that is located in each of the territories stays in that territory. If we want to remove something or if there’s something missing, we may provide credit for it...” We are in accord on this point and propose the following:

11. Property owned by the SMMUSD to be allocated to each future district based on location, with each district owning the property within their boundaries.
12. Santa Monica USD to share in the start-up costs needed to create a district office facility in Malibu.

SMMUSD Support of Reorganization Efforts

During the FOC meeting on December 3, 2020, Shin Green said, “Santa Monica is not averse to the division...of the existing district into two discreet districts....” “[I]f there was a Malibu Unified School District and a Santa Monica Unified School District in existence today, we could not turn them into the entity they are today. That being said, that is a compelling reason to split the district and...district staff and...board are not averse to that division.”



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Additionally, David Soldani stated, “the second criteria is whether there is a substantial community identity...Does Malibu see itself as one coherent community?...I think that’s pretty self-evident.”

13. SMMUSD to support resolution regarding special legislation that maintains existing parcel taxes when the school districts separate.

Additionally, David Soldani stated, “A parcel tax, we’d have to have some kind of guarantee that...would continue in order to keep both entities viable...so it’s not that we don’t support that special legislation. We...absolutely do. We’re insistent on it.”

14. SMMUSD to work with the City to seek CDE approval on how property tax sharing agreement would be viewed to meet requirements set forth in reorganization Criterion 5.
15. SMMUSD to support separation in discussions, public hearings, and all other correspondence with LACOE regarding this reorganization and will not delay reorganization proceedings.

Considering we concur on so many aspects of this school separation, we are asking the District to (1) review its position, as publicly stated, (2) identify where there are fundamental agreements between the parties, and (3) commit to joining us in a united petition before the County Committee. **We request that you complete this review and lodge your agreement on or before April 2, 2021, in order to allow us to proceed in a way that is most expeditious and productive for both the Malibu and Santa Monica communities.** We look forward to your response.

Regards,

Christine N. Wood
for BEST BEST & KRIEGER LLP

cc: Reva Feldman, City Manager, City of Malibu
Ben Drati, Superintendent, Santa Monica-Malibu Unified School District