



SMMUSD Financial Oversight Committee

Date: Thursday, October 26, 2023

Time: 6:00 pm to 8:00 pm

Location: Malibu City Hall, 23825 Stuart Ranch Road

FOC Vice Chair Michael Kremer will be attending the meeting remotely from the following address: 30 Primrose Lane, East Amherst, New York 14051

AGENDA

Public comments:

Persons wishing to address the Committee regarding an item that is scheduled for this meeting must submit a "Request to Address" card 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 a "Request to Address" the beginning of the meeting. Cards are located with meeting materials at the back of the room. Completed cards should be submitted to the Recording Secretary.

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

Treat everyone with respect and courtesy.	Keep an open mind and, if merited, allow yourself to be persuaded to change your opinion.
Listen to others respectfully.	Acknowledge dissension as a civic right and as a tool to use to reach the best decisions.
Agree to disagree, and don't make it personal; discuss the issue, not the person.	Accept responsibility and maintain self-control.

Comentarios públicos:

Las personas que desean dirigirse al Comité sobre algún asunto que está programado para esta reunión, deben de entregar la tarjeta "Solicitud para dirigirse a" antes de que se trate dicho tema. Las personas que desean dirigirse al Comité sobre un asunto que no está programado en la agenda de esta reunión, pueden hablar durante el período de comentarios públicos al entregar la tarjeta "Solicitud para dirigirse" al inicio de la reunión. Las tarjetas están colocadas en la parte posterior de la sala donde se encuentran todos los materiales relacionados a la reunión. Las tarjetas llenas se deben entregar a la Secretaria de Actas.

NORMAS DE CONDUCTA QUE PROMUEVEN LA CIVILIDAD EN TODAS LAS REUNIONES PÚBLICAS:

Tratar a todas las personas con respeto y cortesía.	Mantener la mente abierta, y si la ocasión lo amerita, permitir ser persuadido a cambiar de opinión.
Escuchar a los demás de manera respetuosa.	Reconocer el disenso como un derecho cívico y como una herramienta para tomar las mejores decisiones.
Aceptar las diferencias y no tomarlas de forma personal; debatir el asunto, no la persona.	Aceptar la responsabilidad y mantener el autocontrol.

- I. Call to Order (5 min)**
- II. Welcome New Member – Jonathan Wong**
- III. Approval of Agenda (5 min)**
- IV. Approval of FOC Meeting Minutes (5 min)** September 19, 2023
- V. Assistant Superintendent, Business and Fiscal Report: Melody Canady (15 min)**
- VI. Subcommittee Reports (30 min)**

- A. General Budget Recommendations (*JW Beekman, Dillon Christensen, Alex Farivar, Ryan Chin, Atul Porwal*)
- B. Unfunded Liabilities Budget Recommendations (*Seth Jacobson, Michael Kremer, Michael Rotgin, Payal Maniar*)
- C. Bond Oversight (*Michael Kremer, Matthew Crawford, Michael Rotgin, Ryan Chin*)
- D. Measure R Reporting and Process Review (*Matthew Crawford, Payal Maniar, Dillon Christensen*)
- E. Financial Communication and Reporting (*Seth Jacobson, Atul Porwal, Payal Maniar*)
- F. Nominations (*Ryan Chin, Dillon Christensen*)

VII. Discussion/Action Items (30 min)

- A. GASB Valuation - Carlos Diaz, ASA, EA, MAAA, Actuary from DFA, LLC
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/GASB75Disclosure100523.pdf>

VIII. Receive and File (Limited Discussion)

- A. CERBT Account Update Summary as of September 30, 2023
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-AccountUpdate093023.pdf>
- B. Senior Exemptions from Measure R Parcel Tax
<https://drive.google.com/file/d/1xAYTsuYaJGnVp4rSM7dgm1uA-srXvazC/view?usp=sharing>

IX. 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.

X. Committee Comments

XI. Next Meeting:

- Wednesday, December 6, 2023
- Thursday, January 11, 2024
- Thursday, February 22, 2024
- Tuesday, March 19, 2024 – Malibu
- Tuesday, May 21, 2024
- Thursday, June 13, 2024
- TBD (July/Aug 2024) * Please note: This is a Joint Meeting / Study Session with the Board of Education – *SMMUSD Office Board Room, 1717 4th Street.*

XII. Adjournment

Future Meetings will be held monthly in the Board Room at the District's Administrative Offices, 1717 4th 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.



GASB Statement No. 75

Supplemental Schedules

for Santa Monica-Malibu Unified School District

<i>Reporting Period:</i>	<i>July 1, 2022 to June 30, 2023</i>
<i>Measurement Period:</i>	<i>July 1, 2022 to June 30, 2023</i>
<i>Valuation Date:</i>	<i>July 1, 2021</i>

October 5, 2023

**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Note to Auditors

DFA, LLC (DFA) has prepared the following supplemental schedules to accompany the District's actuarial valuation as of July 1, 2021 to (1) facilitate preparation of GASB 75 reporting and (2) to provide information that (if applicable) was not determinable as of the valuation date. We have prepared this supplement based on the results of our actuarial valuation and (if applicable) subsequent projections. We are available to discuss and reconcile any differences between your records and our calculations.

Our actuarial valuation report is intended to comply with GASB 75's valuation requirements (at least one every two years); the following schedules are intended to provide the reporting information specific to the applicable reporting period (July 1, 2022 to June 30, 2023), with updates to the measurement date (June 30, 2023).

Notes to the Financial Statements for the Year Ended June 30, 2023

Plan Description

Plan administration. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), more commonly referred to as PERS Health. The Plan is an agent multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. Management of the trustee assets is vested with the California Employers' Retiree Benefit Trust.

Benefits provided. The District also offers PEMHCA to its retirees. The District contributes the statutory minimum (\$149.00 for 2022 and \$151.00 for 2023) as well as the percent-of-premium administrative fee on behalf of each retiree eligible for and participating in PEMHCA. Furthermore, the District makes supplemental contributions towards eligible retirees' premiums until age 65 according to provisions of the District's agreements with its various employee groups, as described below.

Certificated and Management employees with at least 10 years of full-time equivalent service and age 55 or over may retire with District-paid medical and dental benefits. The Classified agreement does not specify a minimum age and service for retirement; for purposes of this valuation, we have assumed that Classified will be subject to the same provisions as the other groups. The District contribution each year is set equal to the Blue Shield HMO or Kaiser HMO retiree-only premium plus the retiree-only premium for Delta Dental or Delta Care Dental. For retirees electing PERS Choice or PERS Care, the District contribution is limited to the Kaiser retiree-only premium. The supplemental District contributions end at age 65, at which point retirees may elect to continue coverage for their further lifetime under PEMHCA and receive the statutory minimum District contribution \$149.00 for 2022 and \$151.00/month for 2023).

Plan membership. On July 1, 2021, the most recent valuation date, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	438
Active plan members	1,426

Contributions. The contribution requirements of the Plan members and the District are established and may be amended by the District, the Santa Monica-Malibu Classroom Teachers Association (SMMCTA), the Service Employees International Union Local 99 (SEIU), and unrepresented groups. The District contributions are based on pay-as-you-go financing requirements, which include the statutory minimum required monthly premium, plus an administrative fee, on behalf of each retiree. In addition, the District makes supplemental contributions towards eligible retirees' premiums until age 65 according to the provisions of the District's agreement with its various employee groups. Any additional contributions are based on availability of funds.



**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Net OPEB Liability

The District's Net OPEB Liability was measured as of June 30, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair value of assets.
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	5.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	5.25 percent for 2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years.
Preretirement Mortality Certificated	Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018). Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Classified	
Postretirement Mortality Certificated	Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018). Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).
Classified	

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	59%	4.8%
U.S. Fixed	25%	1.8%
TIPS	5%	1.6%
Real Estate	8%	3.7%
Commodities	3%	1.9%

**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2022	June 30, 2022	5.00%	3.69%	3.80%
June 30, 2023	June 30, 2023	5.00%	3.86%	3.94%

**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

The components of the net OPEB liability were as follows:

Total OPEB liability	59,026,630
Plan fiduciary net position	7,127,681
Net OPEB liability (asset)	\$51,898,949
Measurement date	June 30, 2023
Reporting date	June 30, 2023
Covered employee payroll	\$124,543,958
Net OPEB liability (asset) as a percentage of covered payroll	41.67%
Plan fiduciary net position as a percentage of the total OPEB liability	12.08%

Schedule of Changes in Net OPEB Liability (June 30, 2022 to June 30, 2023)

Total OPEB Liability	
Service Cost	2,624,929
Interest	2,223,725
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs	(1,108,838)
Benefit payments ¹	(1,203,448)
Net change in total OPEB liability	2,536,368
Total OPEB liability – June 30, 2022 (a)	\$56,490,262
Total OPEB liability – June 30, 2023 (b)	\$59,026,630
Plan fiduciary net position	
Contributions – employer ¹	1,203,448
Other income – adjustment	0
Net investment income	432,836
Benefit payments ¹	(1,203,448)
Trustee fees	(2,446)
Administrative expenses	(3,346)
Other disbursements – reimbursement to employer	0
Net change in plan fiduciary net position	427,044
Plan fiduciary net position – June 30, 2022 (c)	\$6,700,637
Plan fiduciary net position – June 30, 2023 (d)	\$7,127,681
Net OPEB liability (asset) – June 30, 2022 (a) – (c)	\$49,789,625
Net OPEB liability (asset) – June 30, 2023 (b) – (d)	\$51,898,949

¹ Amount includes any implicit subsidy associated with benefits paid (see Footnote 4).

**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.94%)	Discount Rate (3.94%)	1% Increase (4.94%)
Net OPEB liability (asset)	60,580,090	51,898,949	44,828,420

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease ²	Trend Rate	1% Increase ³
Net OPEB liability (asset)	42,888,430	51,898,949	63,368,597

² Trend rate for each future year reduced by 1.00%.

³ Trend rate for each future year increased by 1.00%.

**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Statement of Fiduciary Net Position

Assets	
Cash, deposits, and cash equivalents	0
Receivables:	
Accrued Income	0
Total receivables	0
Investments:	
Managed account	7,127,681
Total Investments	7,127,681
Total Assets	7,127,681
Liabilities	
Accrued Expenses	0
Total Liabilities	0
Net position restricted for postemployment benefits other than pensions	\$7,127,681
Measurement date	June 30, 2023
Reporting date	June 30, 2023

Statement of Changes in Fiduciary Net Position

Additions	
Employer contributions ⁴	1,203,448
Other income – adjustment	0
Net increase in fair value of investments	432,836
Total additions	1,636,284
Deductions	
Trustee fees	2,446
Administrative expenses	3,346
Benefit payments ⁴	1,203,448
Other disbursements – reimbursement to employer	0
Total deductions	1,209,240
Net increase in net position	427,044
Net position restricted for postemployment benefits other than pensions	
Beginning of year – June 30, 2022	\$6,700,637
End of year – June 30, 2023	\$7,127,681

⁴ Includes an implicit subsidy credit as follows:

	Trust	Non-Trust	Total
Employer contribution	\$0	\$996,892	\$996,892
Implicit subsidy credit	0	206,556	206,556
Total employer contributions	\$0	\$1,203,448	\$1,203,448
Benefit payments	\$0	\$996,892	\$996,892
Implicit subsidy credit	0	206,556	206,556
Total benefit payments	\$0	\$1,203,448	\$1,203,448



**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Investments

Investment policy. The allocation of the plan's invested assets is established by CERBT Strategy 1. The objective is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. The asset allocations and benchmarks for CERBT Strategy 1 are listed below:

Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	59%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	25%	± 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities	5%	± 3%	Bloomberg Barclays Barclays US TIPS Index
Real Estate Investment Trusts	8%	± 5%	FTSE EPRA/NAREIT Developed Liquid Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	± 2%	91 Day Treasury Bill

CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.

Rate of return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 6.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Annual money-weighted rate of return, net of investment expense	6.43%
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**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

On June 30, 2023, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{5,6}	0	(8,485,388)
Changes in assumptions or other inputs ^{5,6}	10,977,185	(5,813,426)
Net difference between projected and actual return on OPEB investments ^{5,6}	873,516	(621,261)
Total	\$11,850,701	\$(14,920,075)

⁵ Measured on June 30, 2023.

⁶ See Schedule of Deferred Outflows and Inflows of Resources for additional information.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	2,811,780	(2,699,011)
2025	2,794,033	(2,699,013)
2026	2,794,031	(2,426,558)
2027	2,181,619	(2,426,559)
2028	1,269,238	(2,174,303)
Thereafter+	0	(2,494,631)

**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Schedule of Deferred Outflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2020	Deferred Outflow	Difference between expected and actual experience	0	8.4	0	0
2021	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2022	Deferred Outflow	Difference between expected and actual experience	0	8.2	0	0
2023	Deferred Outflow	Difference between expected and actual experience	0	7.7	0	0
Total					0	0

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions or other inputs	0	0.0	0	0
2019	Deferred Outflow	Changes in assumptions or other inputs	5,561,651	8.5	654,312	2,290,091
2020	Deferred Outflow	Changes in assumptions or other inputs	8,193,212	8.4	975,382	4,291,684
2021	Deferred Outflow	Changes in assumptions or other inputs	7,032,656	8.0	879,082	4,395,410
2022	Deferred Outflow	Changes in assumptions or other inputs	0	8.2	0	0
2023	Deferred Outflow	Changes in assumptions or other inputs	0	7.7	0	0
Total					2,508,776	10,977,185

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2018	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
2019	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
2020	Deferred Outflow	Net difference between projected and actual earnings on plan investments	88,731	5.0	17,746	17,747
2021	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
2022	Deferred Outflow	Net difference between projected and actual earnings on plan investments	1,426,283	5.0	285,257	855,769
2023	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
Total					303,003	873,516



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Schedule of Deferred Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2020	Deferred Inflow	Difference between expected and actual experience	(3,264,350)	8.4	(388,613)	(1,709,898)
2021	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2022	Deferred Inflow	Difference between expected and actual experience	(8,961,132)	8.2	(1,092,821)	(6,775,490)
2023	Deferred Inflow	Difference between expected and actual experience	0	7.7	0	0
Total					(1,481,434)	(8,485,388)

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions or other inputs	0	0.0	0	0
2019	Deferred Inflow	Changes in assumptions or other inputs	0	8.5	0	0
2020	Deferred Inflow	Changes in assumptions or other inputs	0	8.4	0	0
2021	Deferred Inflow	Changes in assumptions or other inputs	0	8.0	0	0
2022	Deferred Inflow	Changes in assumptions or other inputs	(6,412,655)	8.2	(782,031)	(4,848,593)
2023	Deferred Inflow	Changes in assumptions or other inputs	(1,108,838)	7.7	(144,005)	(964,833)
Total					(926,036)	(5,813,426)

Year	Type	Category	Initial Base	Amortization Period	Current Recognition	Current Balance
2017	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	(20,887)	5.0	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	(62,550)	5.0	(12,510)	0
2020	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
2021	Deferred Inflow	Net difference between projected and actual earnings on plan investments	(1,362,267)	5.0	(272,453)	(544,908)
2022	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
2023	Deferred Inflow	Net difference between projected and actual earnings on plan investments	(95,441)	5.0	(19,088)	(76,353)
Total					(304,051)	(621,261)



**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

OPEB Expense

The District's OPEB expense (credit) was \$4,617,309.

Net OPEB Liability (Asset) – beginning (a)	\$49,789,625
Net OPEB Liability (Asset) – ending (b)	\$51,898,949
Change in Net OPEB Liability (Asset) [(b)-(a)]	2,109,324
Change in Deferred Outflows	2,811,779
Change in Deferred Inflows	(1,507,242)
Employer Contributions	1,203,448
Adjustment – Transfer In (Employer Reimbursement)	0
Adjustment – OPEB Expense	0
OPEB Expense (Credit) – June 30, 2022 to June 30, 2023	\$4,617,309

Service Cost	2,624,929
Interest Cost	2,223,725
Expected Return on Assets	(334,949)
Changes of benefit terms	0
Administrative expenses	3,346
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	(1,481,434)
Changes of assumptions	1,582,740
Differences between projected and actual investments	(1,048)
Total	100,258
Adjustment	0
OPEB Expense (Credit) – June 30, 2022 to June 30, 2023	\$4,617,309

Actuarially Determined Contribution

The actuarially determined contributions from the most recent actuarial valuation are:

Actuarially Determined Contribution for year ending June 30, 2022	\$3,704,994
Actuarially Determined Contribution for year ending June 30, 2023	3,816,144

Valuation Date	July 1, 2021
Discount Rate (Expected Long-term Return on Assets)	5.00%
Salary Increases	3.00%

**Santa Monica-Malibu Unified School District
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Journal Entries⁷

OPEB Expense Journal Entries - June 30, 2023 Reporting Date

		Debit	Credit
Differences between Expected and Actual Experience	Deferred Outflows	\$0	\$0
	Deferred Inflows	1,481,434	0
Change in Assumptions and Other Inputs	Deferred Outflows	0	(2,508,776)
	Deferred Inflows	0	(182,802)
Differences between Projected and Actual Investment Earnings	Deferred Outflows	0	(303,003)
	Deferred Inflows	208,610	0
Net OPEB Liability/(Asset)		0	(3,312,772)
OPEB Expense/(Credit)		4,617,309	0
<i>Total</i>		<i>\$6,307,353</i>	<i>\$(6,307,353)</i>

Employer Contribution Journal Entries - June 30, 2023 Reporting Date

		Debit	Credit
Contributions paid July 1, 2022 to June 30, 2023	Net OPEB Liability/(Asset)	\$1,203,448	\$0
	Other Healthcare (Implicit Subsidy)	0	(206,556)
	Contributions Expense	0	(996,892)
<i>Total</i>		<i>\$1,203,448</i>	<i>\$(1,203,448)</i>

⁷ Provided for illustrative purpose. Actual entries may differ. DFA is available to discuss any differences.



**Santa Monica-Malibu Unified School District
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GASB 75 Disclosure Information

Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Santa Monica-Malibu Unified School District as of July 1, 2021.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

A handwritten signature in blue ink, appearing to read 'Carlos Diaz', with a stylized flourish at the end.

Carlos Diaz, ASA, EA, MAAA
Actuary

Gerardo Cruz
Director of Fiscal & Business Services
Santa Monica-Malibu Unified School District
1717 4th Street
Santa Monica, CA 90401

CERBT Account Update Summary

Santa Monica-Malibu Unified School District

as of September 30, 2023

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates	
Valuation Date	7/1/2021
Measurement Date	7/1/2021
Total OPEB Liability (TOL)	\$64,504,274
Valuation Assets	\$7,739,924
Net OPEB Liability (NOL)	\$56,764,350
Funded Status	12%
Actuarially Determined Contribution (ADC)	--
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	2.52%

CERBT Account Summary

As of September 30, 2023	Strategy 1
Initial contribution (06/23/2016)	\$1,500,000
Additional contributions	\$3,500,000
Disbursements	\$0
CERBT expenses	(\$35,511)
Investment earnings	\$1,884,299
Total assets	\$6,848,788
Annualized net rate of return (06/23/2016-09/30/2023 = 7.27 years)	5.01%

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$0	\$0	\$0	\$0	\$0
2009-10	\$0	\$0	\$0	\$0	\$0
2010-11	\$0	\$0	\$0	\$0	\$0
2011-12	\$0	\$0	\$0	\$0	\$0
2012-13	\$0	\$0	\$0	\$0	\$0
2013-14	\$0	\$0	\$0	\$0	\$0
2014-15	\$0	\$0	\$0	\$0	\$0
2015-16	\$1,500,000	\$0	(\$8,990)	(\$24)	\$1,490,986
2016-17	\$2,500,000	\$0	\$224,277	(\$1,830)	\$4,222,447
2017-18	\$1,000,000	\$0	\$536,176	(\$6,006)	\$5,530,170
2018-19	\$0	\$0	\$879,948	(\$10,719)	\$5,869,229
2019-20	\$0	\$0	\$1,089,729	(\$15,770)	\$6,073,959
2020-21	\$0	\$0	\$2,761,612	(\$21,688)	\$7,739,924
2021-22	\$0	\$0	\$1,728,836	(\$28,199)	\$6,700,637
2022-23	\$0	\$0	\$2,161,672	(\$33,991)	\$7,127,681
as of 9/30/2023	\$0	\$0	\$1,884,299	(\$35,511)	\$6,848,788

CERBT/CEPPT Investment Returns Outperform Benchmarks

Periods ended August 31, 2023

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$15,284,492,297	-2.43%	3.97%	0.33%	4.78%	3.02%	4.86%	6.21%	4.93%
Benchmark		-2.45%	3.90%	0.30%	4.59%	2.82%	4.61%	5.86%	4.53%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,845,156,567	-2.18%	2.45%	-0.20%	2.21%	0.70%	3.70%	5.04%	5.96%
Benchmark		-2.19%	2.41%	-0.21%	2.07%	0.56%	3.53%	4.74%	5.69%
CERBT Strategy 3 (Inception January 1, 2012)	\$777,279,443	-1.96%	1.36%	-0.53%	0.39%	-0.62%	2.90%	4.10%	4.42%
Benchmark		-1.96%	1.32%	-0.55%	0.28%	-0.71%	2.77%	3.81%	4.15%
CERBT Total	\$17,906,928,307								
CEPPT Strategy 1 (Inception October 1, 2019)	\$128,316,243	-1.83%	2.47%	0.04%	3.99%	1.10%	-	-	3.09%
Benchmark		-1.88%	2.41%	0.00%	3.74%	0.89%	-	-	2.98%
CEPPT Strategy 2 (Inception January 1, 2020)	\$45,226,251	-1.36%	0.99%	-0.25%	1.87%	-1.47%	-	-	0.26%
Benchmark		-1.39%	0.95%	-0.30%	1.80%	-1.59%	-	-	0.14%
CEPPT Total	\$173,542,494								

CERBT Portfolios

2022 Capital Market Assumptions	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	6.0%	5.5%	5.0%
Risk	12.1%	9.9%	8.4%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index IMI (Net)	49% ±5%	34% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	23% ±5%	41% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	20% ±5%	17% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	3% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2019	10.00 basis points	-
2019-2023	10.00 basis points	25.00 basis points

632 Prefunding Program Employers

605 CERBT and 92 CEPPT

- State of California
- 160 Cities or Towns
- 10 Counties
- 83 School Employers
- 32 Courts
- 345 Special Districts and other Public Agencies
 - (106 Water, 36 Sanitation, 34 Fire, 26 Transportation)

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 75 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in February each year

CERBT FNP Fiscal Year	Availability
2019-20 2020-21 2021-22	Available at https://www.calpers.ca.gov/cerbt
2022-23	February 2024

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Outreach & Support Analyst	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
Therese Luo	Outreach & Support Analyst	Therese.Luo@calpers.ca.gov	(916) 795-2983	(916) 213-2879
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Vic Anderson	Administration & Reporting Manager	Victor.Anderson@calpers.ca.gov	(916) 795-3739	(916) 281-8214
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

Office of Melody Canady
Assistant Superintendent, Business and Fiscal Services

DATE: October 20, 2023
TO: Superintendent and Members of the Board of Education
FROM: Kim Nguyen, Business Services
RE: 2023-24 Senior Exemptions from Measure R Parcel Tax

The Measure R Senior Exemption process for 2023-24 has closed, and the list of parcels to be exempted was sent to the Los Angeles County Assessor's Office. Below is a chart showing the year-by-year comparison of the number of parcels exempted from the Measure R parcel tax since it began in the 2008-09 fiscal year.

Year	Parcels Exempted	Amount Per Parcel	Total Amount Exempted
2023-24	2,366 (Santa Monica -1,737 Malibu - 607 Unincorporated - 22)	\$496.00 (with 5.1% CPI-U increase)	\$1,173,536.00
2022-23	2,426 (Santa Monica -1,761 Malibu - 647 Unincorporated - 18)	\$471.93 (with 7.4% CPI-U increase)	\$1,144,902.18
2021-22	2,499 (Santa Monica -1,804 Malibu - 676 Unincorporated - 19)	\$439.41 (with 1.0% CPI-U increase)	\$1,098,085.59
2020-21	2,586 (Santa Monica -1,853 Malibu - 714 Unincorporated - 19)	\$435.06 (with 3.4% CPI-U increase)	\$1,125,065.16
2019-20	2,629 (Santa Monica -1,873 Malibu - 739 Unincorporated - 17)	\$420.75 (with 2.5% CPI-U increase)	\$1,106,151.75
2018-19	2,622 (Santa Monica -1,854 Malibu - 750 Unincorporated - 18)	\$410.49 (with 3.6% CPI-U increase)	\$1,031,971.86
2017-18	2,414	\$396.23 (with 2.7% CPI-U increase)	\$956,499.22
2016-17	2,318	\$385.81 (with 2.4% CPI-U increase)	\$894,307.58
2015-16	2,557	\$376.77 (with 0.1% CPI-U increase)	\$963,400.89

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

1717 Fourth Street • Santa Monica • California 90401-3319 • (310) 450-8338 • www.smmusd.org

Board of Education: Jon Kean • Maria Leon-Vazquez • Laurie Lieberman • Alicia Mignano

Stacy Rouse • Jennifer Smith • Dr. Richard Tahvildaran-Jesswein

Superintendent: Dr. Antonio Shelton

Year	Parcels Exempted	Amount Per Parcel	Total Amount Exempted
2014-15	2,650	\$376.39 <i>(with 0.5% CPI-U increase)</i>	\$997,433.50
2013-14	2,781	\$374.51 <i>(with 2.2% CPI-U increase)</i>	\$1,041,512.31
2012-13	2,837	\$366.45 <i>(with 2.1% CPI-U increase)</i>	\$1,039,618.65
2011-12	2,844	\$358.91 <i>(with 2.3% CPI-U increase)</i>	\$1,020,740.04
2010-11	2,835	\$350.84 <i>(with 1.4% CPI-U increase)</i>	\$994,631.40
2009-10	2,889	\$346.00 <i>(with 0% CPI increase)</i>	\$999,594.00
2008-09	2,817	\$346.00	\$974,682.00
Total saved by senior citizens who applied for the Measure R senior exemption			\$16,562,132.13

After applying the Senior Exemption, the District expects to receive \$14,949,440.00 from Measure R.

cc: Melody Canady, Assistant Superintendent, Business and Fiscal Services
Gerardo Cruz, Director of Fiscal and Business Services