



## **SMMUSD Financial Oversight Committee**

**Date: Tuesday, September 21, 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.



- E. 2020-21 Third Budget Revision – Traditional vs. Covid-19 Budget Line Items  
<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126772&MID=6286>
- F. Final Official Statement General Obligation Bonds of School Facilities Improvement District No. 1 (Santa Monica Schools) Election of 2018, Series B – 06/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID1FinalOfficialStatement061621.pdf>
- G. Final Official Statement General Obligation Bonds of School Facilities Improvement District No. 2 (Malibu Schools) Election of 2018, Series B – 06/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID2FinalOfficialStatement061621.pdf>
- H. Post-Pricing Book School Facilities Improvement District No. 1 (Santa Monica Schools) and No. 2 (Malibu Schools) Election of 2018, Series B – 07/02/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/PostPricingBook-080221.pdf>
- I. Arbitrage Certificate General Obligation Bonds of School Facilities Improvement District No. 1 (Santa Monica Schools) Election of 2018, Series B – 07/01/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID1CertificateastoArbitrage.pdf>
- J. Arbitrage Certificate General Obligation Bonds of School Facilities Improvement District No. 2 (Malibu Schools) Election of 2018, Series B – 07/01/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID2CertificateastoArbitrage.pdf>
- K. Preliminary Official Statement 2021 Refunding General Obligation Bonds dated 07/30/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/POS2021-RefundingGOB073021.pdf>
- L. 2021 Refunding General Obligation Bonds Bond Purchase Agreement – 8/3/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/BPA-FullyExecuted080321.pdf>
- M. 2021 Refunding General Obligation Bonds Final Numbers – 8/3/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/2021GOBondsDBCResults080321.pdf>
- N. CERBT Asset Class Fact Sheet – 6/30/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/CERBTAssetClassFactSheets063021.pdf>
- O. Final Official Statement 2021 Refunding General Obligation Bonds – 8/3/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/2021RefundingGOBFinalOfficialStatement080321.pdf>
- P. Post-Pricing Book for 2021 Refunding General Obligation Bonds – 9/1/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/Post-PricingBook2021RefundGOBonds090121.pdf>
- Q. Joint Meeting Minutes / Study Session with the Board of Education: July 15, 2021
- R. Urgency Bill Allowing Virtual Meetings Signed by Governor Newsom – 9/17/21

## **X. 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.

## **XI. Committee Comments**

## **XII. Next Meeting:**

- Thursday, October 28, 2021

- 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 Office Board Room, 1651 16<sup>th</sup> Street.*

### **XIII. Adjournment**

**Future Meetings will be held monthly in the Board 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.*



#### IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady (30 min)

6:08 pm

2021-22 Preliminary budget documents

Ms. Canady provided the committee with an overview of the 2021-22 Adopted Budget that will be presented at the June 24, 2021 Board of Education meeting.

The presentation and the preliminary budget documents may be found in the following links:

Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=142330&MID=6288>

Attachment: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=142329&MID=6288>

Multi-year Projection: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=142331&MID=6288>

Unrestricted General Fund Budget: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=137999&MID=6288>

Fiscal Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=137998&MID=6288>

Interim Report Review: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=137997&MID=6288>

The 2021-22 Adopted Budget overview included the budget process, the LCFF budget assumptions and calculation, multiyear assumptions & projections, ending fund balance & reserve, cashflow & interfund borrowing, COVID-19 funding summary and next steps. The committee discussed the \$1.6M increase in property tax revenues which were offset by a \$1.8M decrease in Measure Y & GSH revenues, the delay in data and funds received, and the possibility of adjusting future projections. Staff informed the committee that revisions will be made to the outyear projections and that the revised estimated actuals will be taken to the Board to ratify the adjustments as a 4<sup>th</sup> budget revision. Ms. Canady informed the committee that the anticipated donations to be received from the Malibu Fundraising Entity will be updated in the 45-day revision.

Ms. Canady and Mr. Cruz answered committee questions concerning declining student enrollment and the deficit in Food Services Department. Staff will provide the committee with data re: student enrollment across Santa Monica and Malibu schools. Mr. Kean provided clarification regarding the transfer of 23.40 FTE from the General Fund to COVID-19 funds. For the 2021-22 school year, the district chose to remain overstaffed for continuity and support for the returning students. The District anticipated that regular attrition will fill the vacancies in the 2022-23 school year and will assess the budget if needed. The committee inquired of the increasing trend in STRS and PERS contribution and suggested the need to build into consideration of the structural deficit reduction. The District's current reserve is at 12.5%, a decrease from 13.53% at the end of the 2019-20 fiscal year; the reserve is under the State recommended 17%.

The committee discussed the allocation of the \$28M COVID-19 relief funds and the impact it had on offsetting the General Fund. Mr. Cruz explained that without the relief funds, the allocations would have come from the unrestricted general fund and the deficit would have been exacerbated. Mr. Jacobsen informed the committee of a report published by School

Services of California re: district funding analysis in COVID. The Board of Education on May 20, 2021 by Dr. Mora detailing the allocation of the COVID-19 funds (Agenda Item II.G.1), and comparisons of traditional budget line items vs. COVID-19 items published in the interim budget reports will be distributed to the committee.

## V. Discussion/Action Items

### A. Public Private Partnership (15 min)

No committee discussion/action was taken on this item. (Item will be agendaized for the next FOC meeting.)

7:27 pm

### B. Committee report to the Board of Education on July 15, 2021 (15 min)

The committee discussed each of the respective draft subcommittee reports to be presented to the Board of Education at the July 15, 2021 joint meeting:

- Budget Recommendations: Ms. Maniar, Mr. Covington, Mr. Jacobson, Ms. Newman
- Tax Revenue and Assessed Valuation: Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman
- Bond Oversight: Mr. Kremer, Mr. Crawford, Mr. Landres, Ms. Mevasse

The draft subcommittee reports may be found at the end of these minutes.

A motion was made by Mr. Landres and seconded by Mr. Kremer to recommend that the Board of Education continue the existing charges for the three subcommittees: Budget Recommendation, Bond Oversight, and Tax Revenue and Assessed Valuation for 2021-22.

AYES: Eight (8) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Maniar, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: Two (2) (Ms. Mevasse, Mr. Levis-Fitzgerald)

ABSTAIN: None (0)

The committee discussed new charges they would like to bring forward to the Board of Education, specifically pertaining to Measure R and Financial Communication.

A motion with a friendly amendment was made by Mr. Landres and seconded by Mr. Crawford to recommend 1) the Board of Education charge the FOC to establish a subcommittee to assess and make recommendations related to the evaluation, and 2) accounting and reporting process for 2021-22 Measure R expenditures, with the initial deliverables to be an updated reporting template and review process.

AYES: Eight (8) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Maniar, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: Two (2) (Ms. Mevasse, Mr. Levis-Fitzgerald)

ABSTAIN: None (0)

Ms. Newman provided an overview of the draft proposal for a Financial Communication subcommittee. The committee discussed their concerns and clarified the subcommittee's focus on clarity and accuracy, rather than promotion. Mr. Kean suggested meeting with Steve Massetti and Gail Pinsker to discuss ways that the FOC can assist in the areas of bond construction projects and public communications. The draft proposal for a Financial Communications subcommittee may be found at the end of these minutes.

A motion was made by Mr. Landres and seconded by Ms. Newman to recommend to the Board the establishment of a Financial Communication and Reporting subcommittee, with specifics to be finalized at the Board's study session on July 15, 2021.

AYES: Seven (7) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: Three (3) (Ms. Maniar, Ms. Mevasse, Mr. Levis-Fitzgerald)

ABSTAIN: None (0)

The committee will finalize their report and provide summary slides to be presented for the Board of Education. The finalized report will be circulated to the committee.

## **VI. Receive and File (Limited Discussion)**

8:25 pm

- A. The Preliminary Official Statement General Obligation Bonds of School Facilities Improvement District No. 1 (Santa Monica Schools) Election of 2018, Series B dated 6/11/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID1PreliminaryOfficialStatement061121.pdf>
- B. The Preliminary Official Statement General Obligation Bonds of School Facilities Improvement District No. 2 (Malibu Schools) Election of 2018, Series B dated 6/11/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID2PreliminaryOfficialStatement061121.pdf>
- C. S&P Global Ratings Direct Summary: SMMUSD SFID No. 1 (Santa Monica Schools) and No. 2 (Malibu Schools), California: Appropriations; General Obligation – 06/11/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SandPGlobalRatingsDirectSummarySFID1and2.pdf>
- D. SFID 1 Election of 2018 General Obligation Bonds, Series B Assumes Aa1/AA+ Underlying Rating Subject to Optional Redemption on 8/1/2029 at 100% - 6/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/SFID1-DBCElectionof2018SeriesB.pdf>
- E. SFID 2 Election of 2018 General Obligation Bonds, Series B Assumes Aa1/AA+ Underlying Rating Subject to Optional Redemption on 8/1/2029 at 100% - 6/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/SFID2-DBCElectionof2018SeriesB.pdf>
- F. 062321 Committee Discussion Receive and File

**VII. Public Comments** None

**VIII. Committee Comments**

7:22 pm

Mr. Jacobson noted that there was a series of email discussion regarding budget subcommittee and financial communications subcommittee proposal on June 23, 2021. Since six (6) members meets the minimum number of voting members for the FOC, this triggered quorum and was considered a meeting according to the Brown Act. Therefore, this correspondence was submitted under Receive and File for public notice.

The committee requested participation and to be notified when Brown Act training is scheduled.

**IX. Next Meeting:** Thursday, July 15, 2021 – \* Please note: This is a Joint Meeting / Study Session with the Board of Education

**X. Adjournment:** 8:28 p.m.



# CERBT Account Update

## **Santa Monica-Malibu Unified School District Financial Oversight Committee Meeting**

September 21, 2021

# Discussion Overview

- CERBT Account Summary
- CERBT Investment Policy
- OPEB Funding Policies
- Trust Administration
- Contacts and Communication

# CERBT Account Summary

# OPEB Valuation Report Summary

## OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates

Valuation Date	07/01/2019
Present Value of Benefits (PVB)	\$73,274,636
Total OPEB Liability (TOL)	\$48,696,722
Valuation Assets	\$5,864,788
Net OPEB Liability	\$42,831,934
Normal Cost for 2019-20	\$2,467,889
Projected Retiree Premiums for 2021-22	\$1,341,150
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	4.09%

# CERBT Account Summary

## Account Summary as of October 21, 2020

Initial contribution <small>(6/23/2016)</small>	\$1,500,000
Additional contributions	\$3,500,000
Disbursements	(\$0)
CERBT expenses	(\$22,985)
Investment earnings	\$2,968,044
Total assets	\$7,945,059
Money-weighted annualized net rate of return <small>(6/23/2016 – 9/9/2021 = 5.21 Years)</small>	10.88%

In PEMHCA: Yes  
 CERBT agreement effective date: 11/24/2015

# Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Cumulative Net Contributions	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets	Fiscal Year Net Rate of Return	Cumulative Net Rate of Return
2015-16	\$1,500,000	\$1,500,000	(\$8,990)	(\$24)	\$1,490,986	-	-
2016-17	\$2,500,000	\$4,000,000	\$224,277	(\$1,830)	\$4,222,447	11.56%	10.90%
2017-18	\$1,000,000	\$5,000,000	\$536,176	(\$6,006)	\$5,530,170	6.71%	8.04%
2018-19	\$0	\$5,000,000	\$879,948	(\$10,719)	\$5,869,229	6.24%	7.26%
2019-20	\$0	\$5,000,000	\$1,089,729	(\$15,770)	\$6,073,959	3.58%	6.13%
2020-21	\$0	\$5,000,000	\$2,761,612	(\$21,688)	\$7,739,924	27.62%	10.72%
as of 9/9/21	\$0	\$5,000,000	\$2,968,044	(\$22,985)	\$7,945,059	-	10.88%

# Funded Status Comparison

Measurement Date	Total OPEB Liability	CERBT Assets	Funded Status
6/30/2015	\$36,397,922	\$0	0%
6/30/2017	\$40,194,946	\$4,222,447	11%
6/30/2019	\$48,696,722	\$5,864,788	12%

# CERBT Investment Policy

# CERBT Portfolios

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	<b>7.59%</b>	7.01%	6.22%
Risk	<b>11.83%</b>	9.24%	7.28%

# CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index	<b>59%</b> <b>±5%</b>	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	<b>25%</b> <b>±5%</b>	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	<b>8%</b> <b>±5%</b>	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	<b>5%</b> <b>±3%</b>	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	<b>3%</b> <b>±3%</b>	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	<b>0%</b> <b>+2%</b>	0% +2%	0% +2%

# CERBT investment results – time weighted

Fiscal Year	Strategy 1 (Inception June 1, 2007)	Strategy 2 (Inception October 1, 2011)	Strategy 3 (Inception January 1, 2012)
2007-2008	<b>-4.80%</b>	N/A	N/A
2008-2009	<b>-23.03%</b>	N/A	N/A
2009-2010	<b>15.87%</b>	N/A	N/A
2010-2011	<b>24.96%</b>	N/A	N/A
2011-2012	<b>0.15%</b>	N/A	N/A
2012-2013	<b>11.78%</b>	8.87%	5.21%
2013-2014	<b>18.52%</b>	15.58%	12.86%
2014-2015	<b>-0.11%</b>	-0.34%	-0.03%
2015-2016	<b>1.04%</b>	2.95%	4.18%
2016-2017	<b>10.62%</b>	7.28%	4.16%
2017-2018	<b>8.00%</b>	6.22%	4.74%
2018-2019	<b>6.22%</b>	7.07%	7.24%
2019-2020	<b>3.58%</b>	5.46%	6.37%
2020-2021	<b>27.54%</b>	19.71%	13.60%

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's CERBT fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

# CERBT Investment Returns Outperform Benchmarks

Periods Ended July 31, 2021

<u>Fund</u>	<u>Assets</u>	<u>1 Month</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>ITD</u>
<b>CERBT Strategy 1</b> (Inception June 1, 2007)	<b>\$13,318,370,063</b>	<b>1.29%</b>	<b>4.05%</b>	<b>1.29%</b>	<b>23.91%</b>	<b>11.88%</b>	<b>10.49%</b>	<b>8.63%</b>	<b>6.35%</b>
<b>Benchmark</b>		<b>1.28%</b>	<b>4.01%</b>	<b>1.28%</b>	<b>23.69%</b>	<b>11.58%</b>	<b>10.11%</b>	<b>8.32%</b>	<b>5.92%</b>
<b>CERBT Strategy 2</b> (Inception October 1, 2011)	<b>\$1,842,656,076</b>	<b>1.57%</b>	<b>4.31%</b>	<b>1.57%</b>	<b>17.09%</b>	<b>10.78%</b>	<b>8.82%</b>	<b>-</b>	<b>8.54%</b>
<b>Benchmark</b>		<b>1.55%</b>	<b>4.27%</b>	<b>1.55%</b>	<b>16.90%</b>	<b>10.55%</b>	<b>8.46%</b>	<b>-</b>	<b>8.24%</b>
<b>CERBT Strategy 3</b> (Inception January 1, 2012)	<b>\$832,686,610</b>	<b>1.90%</b>	<b>4.57%</b>	<b>1.90%</b>	<b>11.99%</b>	<b>9.54%</b>	<b>7.15%</b>	<b>-</b>	<b>6.75%</b>
<b>Benchmark</b>		<b>1.89%</b>	<b>4.54%</b>	<b>1.89%</b>	<b>11.86%</b>	<b>9.35%</b>	<b>6.85%</b>	<b>-</b>	<b>6.44%</b>
<b>CERBT Total</b>	<b>\$15,993,712,749</b>								

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

# OPEB Funding Policy

# Employer Controls the OPEB Funding Policy

- Chooses appropriate investment strategy
  - Based on investment time horizon
- Decides if, when, and how much to contribute
  - Voluntary and never required
- Decides if and when to seek reimbursement
  - Pay-go costs: FYE22 \$1,341,150
  - Implicit rate subsidies: FYE22 \$285,665
- Chooses outside consulting actuary

# Financial reporting

# Financial Reporting

- CEPPT is reported in compliance with GASB 84
- CERBT provides audited and compliant GASB 74 report in a Schedule of Changes in Fiduciary Net Position (FNP)
  - Published in February each year

CERBT FNP Fiscal Year	Availability
<a href="#">2015-16</a>	Available at <a href="https://www.calpers.ca.gov/cerbt">https://www.calpers.ca.gov/cerbt</a>
<a href="#">2016-17</a>	
<a href="#">2017-18</a>	
<a href="#">2018-19</a>	
<a href="#">2019-20</a>	
2020-21	February 2022

# Participation Costs

# CERBT Total Participation Cost Fee Rate

- Total all-inclusive cost of CERBT participation is 10 basis points of assets under management
  - CERBT is a self-funded trust
  - CERBT does not profit
  - Employer account charged daily
  - Rate can be changed without prior notice and may be higher or lower in the future

# CERBT Fee Rate History

Fiscal Year	Total Participation Cost
2007-2008	2.00 basis points
2008-2009	6.00 basis points
2009-2010	9.00 basis points
2010-2011	12.00 basis points
2011-2012	12.00 basis points
2012-2013	15.00 basis points
2013-2014	14.00 basis points
2014-2015	10.00 basis points
2015-2016	10.00 basis points
2016-2017	10.00 basis points
2017-2018	10.00 basis points
2018-2019	10.00 basis points
2019-2020	10.00 basis points
2020-2021	10.00 basis points
2021-22	10.00 basis points

# CERBT Experience Data

## 586 CERBT Employers

- State of California
- 151 Cities or Towns
- 10 Counties
- **77 School Employers**
- 28 Courts
- 319 Special Districts and other Public Agencies
  - (99 Water, 34 Sanitation, 33 Fire, 25 Transportation)

# CERBT K-12 School Employers (50)

- Acalanes Union High School District
- Alhambra Unified School District
- Campbell Union Elementary School District
- Center Unified School District
- Chula Vista Elementary School District
- Dehesa Elementary School District
- Del Mar Union Elementary School District
- Enterprise Elementary School District
- Fallbrook Union High School District
- Franklin Elementary School District
- Fremont Union High School District
- Fresno Unified School District
- Grossmont Union High School District
- Igo, Ono, Platina Union Elementary School District
- Lafayette School District
- Laguna Beach Unified School District
- Lakeside Union Elementary School District
- Las Lomas Elementary School District
- Liberty Union High School District
- Los Angeles Unified School District
- Luther Burbank Elementary School District
- Menlo Park City School District
- Metropolitan Education District
- Mill Valley School District
- Orinda Union School District
- Pleasanton Unified School District
- Rancho Santa Fe Elementary School District
- Redding Elementary School District
- Reed Union School District
- Rialto Unified School District
- Robla Elementary School District
- Rocklin Unified School District
- Sacramento City Unified School District
- San Bernardino City Unified School District
- San Francisco Unified School District
- San Marcos Unified School District
- San Ramon Valley Unified School District
- Santa Ana Unified School District
- **Santa Monica-Malibu Unified School District**
- Sequoia Union High School District
- Shasta Union Elementary School District
- Shasta Union High School District
- St. Helena Unified School District
- Tamalpais Union High School District
- Vacaville Unified School District
- West Contra Costa Unified School District
- Western Placer Unified School District
- William S. Hart Union High School District
- Yreka Union Elementary School District
- Yreka Union High School District

# CERBT Community College Districts (15)

- Barstow Community College District
- Butte-Glenn Community College District
- Cabrillo Joint Community College District
- Foothill De-Anza Community College District
- Glendale Community College District
- Hartnell Community College District
- Los Angeles Community College District
- Marin Community College District
- Mt. San Jacinto Community College District
- Napa Community College District
- Riverside Community College District
- San Joaquin Delta Community College District
- Santa Monica Community College District
- West Valley-Mission Community College District
- Yuba Community College District

# CERBT County Offices of Education, etc. (12)

- Eden Area ROP
- Los Angeles County Office of Education
- Napa County Office of Education
- Riverside County Schools
- Sacramento County Office of Education
- San Diego County Office of Education
- San Joaquin County Schools
- Santa Clara County Schools
- Santa Cruz County Office of Education
- Shasta County Schools
- Siskiyou County Office of Education
- Trinity County Schools

# CERBT School Employers by TOL

TOL Range	Value of CERBT Assets	# of School Employers	Average Funded %
> \$1 billion	\$501,490,191	3	4%
\$500 million - \$999.9 million	\$126,996,627	1	24%
\$100 million - \$499.9 million	\$310,834,097	7	26%
\$75 million - \$99.9 million	\$16,470,327	4	4%
\$50 million - \$74.9 million	\$182,188,550	8	37%
<b>\$25 million - \$49.9 million</b>	<b>\$96,575,015</b>	<b>9</b>	<b>36%</b>
\$10 million - \$24.9 million	\$68,738,589	13	29%
\$1 million - \$9.9 million	\$68,424,941	24	60%
< \$1 million	\$1,367,265	8	126%
	<b>\$1,373,085,602</b>	<b>77</b>	<b>48%</b>

Data based on most recent actuarial valuation report submission

# Santa Monica Community College District OPEB Valuation Report Summary

## OPEB Actuarial Valuation Report by Total Compensation Systems

Valuation Date	6/30/2019
Present Value of Benefits (PVB)	\$187,656,443
Total OPEB Liability (TOL)	\$141,025,895
Valuation Assets	\$7,509,861
Net OPEB Liability	\$133,516,034
Projected Retiree Premiums for 2019-20	\$4,851,585
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	4.30%

# Santa Monica Community College District CERBT Account Summary

## Account Summary as of September 9, 2021

Initial contribution <small>(6/26/2009)</small>	\$1,496,996
Additional contributions	\$3,000,000
Disbursements	(\$0)
CERBT expenses	(\$54,560)
Investment earnings (S1)	\$5,728,065
Total assets	\$10,170,500
Money-weighted annualized net rate of return <small>(6/26/2009 – 9/9/2021 = 12.21 Years)</small>	10.10%

Agreement effective date: 6/24/2009  
In PEMHCA: Yes

# Los Angeles County Office of Education OPEB Valuation Report Summary

## OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates

Valuation Date	7/1/2019
Present Value of Benefits (PVB)	\$38,364,248
Total OPEB Liability (TOL)	\$32,928,445
Valuation Assets	\$6,115,444
Net OPEB Liability	\$26,813,001
Projected Retiree Premiums for 2019-20	\$2,066,204
CERBT Asset Allocation Strategy	Strategy 3
Discount Rate	5.50%

# Los Angeles County Office of Education CERBT Account Summary

## Account Summary as of September 9, 2021

Initial contribution <small>(7/2/2018)</small>	\$3,200,000
Additional contributions	\$7,580,000
Disbursements	(\$0)
CERBT expenses	(\$19,693)
Investment earnings (S3)	\$2,515,541
Total assets	\$13,275,848
Money-weighted annualized net rate of return <small>(7/2/2018 – 9/9/2021 = 3.19 Years)</small>	11.14%

Agreement effective date: 6/26/2018  
In PEMHCA: Yes

# Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	<a href="mailto:Matthew.Goss@calpers.ca.gov">Matthew.Goss@calpers.ca.gov</a>	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	<a href="mailto:Karen.Lookingbill@calpers.ca.gov">Karen.Lookingbill@calpers.ca.gov</a>	(916) 795-1387	(916) 501-2219
Jasper Jacobs	Outreach & Support Analyst	<a href="mailto:Jasper.Jacobs@calpers.ca.gov">Jasper.Jacobs@calpers.ca.gov</a>	(916) 795-0432	(916) 717-3886
Jean MacDonald	Outreach & Support Analyst	<a href="mailto:Jean.MacDonald@calpers.ca.gov">Jean.MacDonald@calpers.ca.gov</a>	(916) 795-0675	(916) 291-1325
Colleen Cain-Herrback	Administration & Reporting Program Manager	<a href="mailto:Colleen.Cain-Herrback@calpers.ca.gov">Colleen.Cain-Herrback@calpers.ca.gov</a>	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	<a href="mailto:Robert.Sharp@calpers.ca.gov">Robert.Sharp@calpers.ca.gov</a>	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
<a href="mailto:CERBT4U@calpers.ca.gov">CERBT4U@calpers.ca.gov</a> – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CERBT">www.calpers.ca.gov/CERBT</a>
<a href="mailto:CEPPT4U@calpers.ca.gov">CEPPT4U@calpers.ca.gov</a> – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CEPPT">www.calpers.ca.gov/CEPPT</a>
<a href="mailto:CERBTACCOUNT@calpers.ca.gov">CERBTACCOUNT@calpers.ca.gov</a> – Online Record Keeping System	

**Investment Objective**

The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Benchmark**

The MSCI ACWI IMI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

**Investment Strategy**

The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. Equity securities held by the Strategy may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question. A Portfolio may also invest in the securities of Chinese companies, normally restricted to residents of the People's Republic of China (commonly known as "A Shares" or "China A Shares"), through the Stock Connect program or other channels.

From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. SSGA may also utilize other pooled investment vehicles, including those managed by SSGA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. The Strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

SSGA may implement the Strategy's asset allocations through investments in investment pools (which may, but will not necessarily, be registered under the U.S. Investment Company Act of 1940, as amended) managed or sponsored by SSGA or an affiliate. Because of the unit issuance processes employed by the various underlying investment pools, allocations by the Strategy to certain pools on a given trading day may be invested in such pools at the next trading day's net asset value per unit. This will result in the portion of the Strategy's assets being invested in such investment pools being held in cash for the trading day and may result in increased tracking error. This could adversely impact the return to any investor.

**Key Facts**

- Managed using an indexing strategy
- May use futures and other derivatives
- Only designated 'Securities Lending' Portfolios may lend and enter repurchase agreements (See applicable governing documents for a Portfolio's authority to lend. Participation in a securities lending program may adversely affect the investment returns and risk profile of the Portfolio. See "Securities Lending Risk; Risks of Investment of Cash Collateral" in the Strategy Disclosure Document.)
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Is not a leveraged Strategy
- Will not sell securities short

For the purpose of complying with the Global Investment Performance Standards (GIPS<sup>®</sup>), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

The MSCI ACWI IMI Index Composite (the "Composite"), inception date 4/1/2008, seeks to achieve the Investment Objective described above using the Investment Strategy described above, and includes portfolios managed across the global offices of SSGA-Global. To receive a complete list and description of SSGA-Global's composites and/or a GIPS<sup>®</sup> compliant presentation, please contact your SSGA Representative.

An investment in the Strategy is not FDIC insured, nor is it an obligation or deposit of, or guaranteed by State Street Corporation, SSGA or their affiliates.

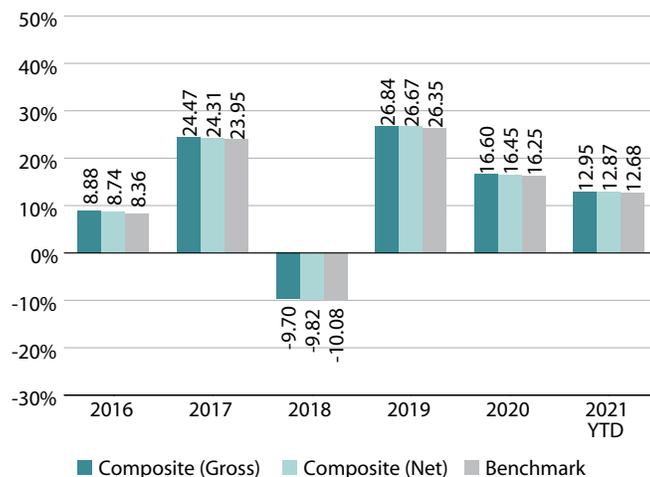
The MSCI ACWI IMI Index is a trademark of MSCI Inc.

**This document provides summary information regarding the Strategy. It should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.**

**Performance**

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q2 2021	7.26%	7.23%	7.18%
YTD	12.95%	12.87%	12.68%
1 Year	41.39%	41.21%	40.94%
3 Year	14.67%	14.52%	14.24%
5 Year	14.99%	14.84%	14.55%
10 Year	10.35%	10.20%	9.90%

**Calendar Year Returns<sup>1,2,3,4</sup>**



1 Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset-weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

2 These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite). The performance figures do not take account of the mark to market value of the units of the securities lending cash collateral pools held by any of the portfolios in the Composite. If they had, the performance shown would have been lower.

3 These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite).

4 Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends (net of any applicable withholding tax rates) and other income and are calculated in U.S. dollars. It is not possible to invest directly in an index.

Performance returns are calculated in U.S. dollars.

## Supplemental Information

## Characteristics

Annual Dividend Yield (Trailing 12 Months)	1.44%
Beta (Trailing 36 Months)	1.00
Composite Assets Under Management (M)	US\$49,143.35
Estimated 3-5 Year EPS Growth	16.46%
Price/Book Ratio	3.4x
Price/Earnings (Forward 12 Months)	20.2x
Standard Deviation (Annualized 36 Months)	18.19%
Total Number of Holdings	4,727
Average Market Cap (M)	US\$365,228.94

## Top Holdings

APPLE INC	3.05%
MICROSOFT CORP	2.58
AMAZON.COM INC	1.96
FACEBOOK INC-CLASS A	1.11
ALPHABET INC-CL C	0.98
ALPHABET INC-CL A	0.98
TESLA INC	0.69
TAIWAN SEMICONDUCTOR MANUFAC	0.68
NVIDIA CORP	0.66
JPMORGAN CHASE & CO	0.63

## Sector Allocation

Information Technology	20.91%
Financials	13.86
Consumer Discretionary	12.87
Health Care	11.58
Industrials	10.85
Communication Services	8.69
Consumer Staples	6.51
Materials	5.24
Real Estate	3.47
Energy	3.40
Utilities	2.64

## Top Countries

United States	57.92%
Japan	6.29
China	4.28
United Kingdom	3.91
Canada	2.94
France	2.69
Switzerland	2.38
Germany	2.31
Australia	1.99
Taiwan	1.87

The Supplemental Information above (except for the Beta and Standard Deviation, if shown) is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. Certain Supplemental Information may be rounded to the nearest hundredth decimal and may result in the total not adding up to 100.

The Top Holdings reflect certain securities that the representative account has bought and may not be representative of the Strategy's current or future investments. In the case of fixed income and cash funds the securities are aggregated and shown at the issuer level. The Top Holdings do not include other assets or instruments that may be held by the representative account including, for example and not by way of limitation, cash or cash equivalents and derivatives such as futures, options and swaps. The figures presented are as of the date shown above, do not include the representative account's entire investment portfolio, and may change at any time. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security. It is not known whether an investment in any sectors or securities will be profitable in the future.

Characteristics are calculated using the month-end market value of holdings of the representative account, and where averages are shown these reflect the market weights of the securities in the representative account. For beta and standard deviation, if shown, these reflect Composite month-end returns. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Market data, prices, and dividend estimates for characteristics calculations provided by Factset Research Systems, Inc. All other portfolio data provided by SSGA. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street. Effective October 1, 2018, GICS renamed the "Telecommunication Services" sector to "Communication Services", which resulted in the sector reclassification of some companies.

SSGA generally delegates commodities management for separately managed accounts to SSGA FM, a wholly owned subsidiary of State Street and an affiliate of SSGA. SSGA FM is registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission and National Futures Association.

**State Street regards the Fact Sheets in their distributed form to be complete documents that include material information regarding the Strategy for investment consideration. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.**

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Expiration Date: 11/29/2021

## Investment Manager

The Strategy is managed by State Street Global Advisors Trust Company, a wholly owned subsidiary of State Street Bank and Trust Company, and a global leader in providing investment management solutions to clients worldwide. To learn more about SSGA, visit our web site at [www.ssga.com](http://www.ssga.com).

## Important Message About Risk

**For institutional / professional investors use only.**

Investing involves risk including the risk of loss of principal. Equity securities are volatile and can decline significantly in response to broad market and economic conditions. Generally, among asset classes, stocks are more volatile than bonds or short-term instruments. Stock values fluctuate in response to the activities of individual companies, the stock market and economic conditions. At times, the risk level of the Strategy may be greater than that of the U.S. stock market in general. In addition, the Strategy may use derivative instruments which may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

**United States:** State Street Global Advisors, 1 Iron Street, Boston, MA 02210.

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## Securities Lending

The Strategy may participate in an agency securities lending program (the "Lending Program") sponsored by State Street Bank and Trust Company ("State Street") for the purpose of lending the Strategy's securities and investing the collateral in a collateral reinvestment fund (each a "Collateral Pool"). None of the Collateral Pools are FDIC-insured bank deposits or otherwise guaranteed by SSGA or State Street or any of their respective affiliates. Investors may lose money by participating in the Lending Program and through investments in a Collateral Pool. For more information, including the risks associated with participating in the Lending Program you should review the SSGA Securities Lending Program Disclosure and the disclosure document and fact sheet for the relevant Collateral Pool.

## Investment Objective

The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

## Benchmark

Bloomberg Barclays Long Liability Index

## Investment Strategy

The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all of the securities included in the Index.

The Strategy may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index, in limited cases where we believe it is practical to do so. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Strategy to purchase some of the securities comprising the Index. In such a case, SSGA will select securities for the Portfolio that SSGA expects will provide a return comparable to that of the Index.

SSGA expects that it will typically seek to replicate Index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where SSGA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets). The Strategy's return may not match the return of the Index.

Additional permitted investments are cash and cash equivalents, including shares of registered money market funds for which an affiliate or non-affiliate of SSGA acts as the investment adviser (the "Money Market Funds"). Commercial Paper, if held directly by the Strategy, will have a minimum credit rating of A1 or P1. U.S. Government Note and Bond futures contracts shall be limited to exchange-traded futures contracts solely for hedging purposes to reduce strategy risk relative to the Index. Non-exchange traded derivatives shall not be utilized as an investment in the Strategy.

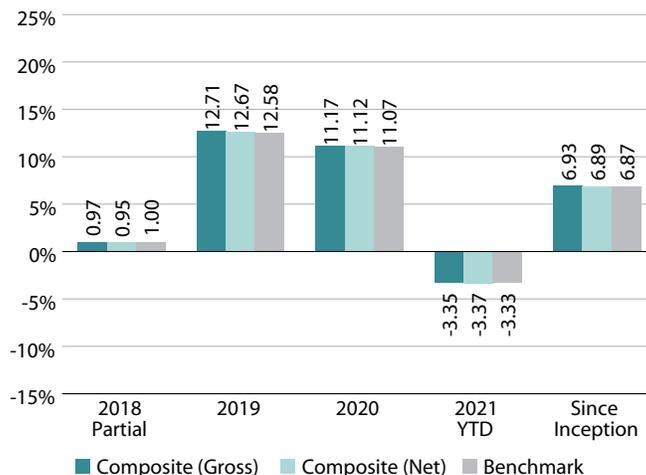
## Key Facts

- Managed using an indexing strategy
- Does not normally use futures or other derivatives to create "notional" or "synthetic" index exposures
- Only designated 'Securities Lending' Portfolios may lend and enter repurchase agreements (See applicable governing documents for a Portfolio's authority to lend. Participation in a securities lending program may adversely affect the investment returns and risk profile of the Portfolio. See "Securities Lending Risk; Risks of Investment of Cash Collateral" in the Strategy Disclosure Document.)
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Is not a leveraged strategy
- Will not sell securities short

## Performance

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q2 2021	3.77%	3.76%	3.74%
YTD	-3.35%	-3.37%	-3.33%
1 Year	-2.02%	-2.06%	-2.02%
3 Year	6.93%	6.89%	6.87%
5 Year	N/A	N/A	N/A
Inception to Date (Jul 2018)	6.93%	6.89%	6.87%

## Calendar Year Returns<sup>1,2,3,4</sup>



1 Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset-weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

2 These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite). The performance figures do not take account of the mark to market value of the units of the securities lending cash collateral pools held by any of the portfolios in the Composite. If they had, the performance shown would have been lower.

3 These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite).

4 Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends (net of any applicable withholding tax rates) and other income and are calculated in U.S. dollars. It is not possible to invest directly in an index.

Performance returns are calculated in U.S. dollars.

For the purpose of complying with the Global Investment Performance Standards (GIPS), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

The Bloomberg Barclays Long Liability Index Composite (the "Composite"), inception date 7/1/2018, seeks to achieve the Investment Objective described above using the Investment Strategy described above, and includes portfolios managed across the global offices of SSGA-Global. To receive a complete list and description of SSGA-Global's composites and/or a GIPS\* compliant presentation, please contact your SSGA Representative.

An investment in the Strategy is not FDIC insured, nor is it an obligation or deposit of, or guaranteed by State Street Corporation, SSGA or their affiliates.

Source: Bloomberg Barclays Indices. ©2021 Bloomberg Finance L.P. and its affiliates. Used with permission.

**This document provides summary information regarding the Strategy. It should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.**

## Supplemental Information

## Characteristics

Average Credit Quality	AA3
Average Effective Convexity	1.42
Average Effective Maturity	14.40
Average Yield to Worst	2.07%
Composite Assets Under Management (M)	US\$8,423.74
Effective Duration	11.05
Total Number of Holdings	4,580

## Credit Quality Breakdown

Aaa	70.60%
Aa	2.40
A	9.42
Baa	15.29
Below BAA	2.24
Not Rated	0.05

## Top Issuers

US/T	39.85%
FNMA	12.19
GNMA	5.09
FHLMC	4.73
FNCL	3.33
G2SF	0.98
FNCI	0.75
FHMS	0.74
MEX	0.60
VZ	0.38

## Sector Allocation

Treasury	39.85%
Mortgage Backed Securities	27.08
CORPORATE - INDUSTRIAL	18.50
Corporate - Finance	5.47
Non Corporates	3.12
Corporate - Utility	2.81
CMBS	2.08
Cash	0.80
Asset Backed Securities	0.28

## Investment Manager

The Strategy is managed by State Street Global Advisors Trust Company, a wholly owned subsidiary of State Street Bank and Trust Company, and a global leader in providing investment management solutions to clients worldwide. To learn more about SSGA, visit our web site at [www.ssga.com](http://www.ssga.com).

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The Top Holdings reflect certain securities that the representative account has bought and may not be representative of the Strategy's current or future investments. In the case of fixed income and cash funds the securities are aggregated and shown at the issuer level. The Top Holdings do not include other assets or instruments that may be held by the representative account including, for example and not by way of limitation, cash or cash equivalents and derivatives such as futures, options and swaps. The figures presented are as of the date shown above, do not include the representative account's entire investment portfolio, and may change at any time. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security. It is not known whether an investment in any sectors or securities will be profitable in the future.

Characteristics are calculated using the month-end market value of holdings of the representative account, and where averages are shown these reflect the market weights of the securities in the representative account. For beta and standard deviation, if shown, these reflect Composite month-end returns. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Market data, prices, and estimates for characteristics calculations provided by Bloomberg Portfolio Risk and Analytics Schedule of Services (PORT+). Average Credit Quality reflects market value weight of all the rated securities held by the portfolio (excludes unrated securities) using the middle rating provided by either S&P, Moody's and Fitch or lower if only two agency ratings are available. All other portfolio data provided by SSGA. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Fixed income asset class and country reporting based on Bloomberg Barclays indices which are trademarks of Bloomberg Barclays Inc. and have been licensed for use by State Street. Bloomberg Barclays or its affiliates ("Bloomberg Barclays") shall not be liable for any inaccuracies or errors with respect to any data or Index referenced herein, nor does Bloomberg Barclays sponsor, endorse or promote the Strategy.

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## Supplemental Information

## Top Countries

United States	93.78%
Canada	0.79
Mexico	0.73
United Kingdom	0.63
Japan	0.46
Colombia	0.36
Philippines	0.30
Peru	0.26
China	0.25
Netherlands	0.25

## Important Message About Risk

**For institutional / professional investors use only.**

Investing involves risk including the risk of loss of principal. Bonds generally present less short-term risk and volatility than stocks, but are subject to: interest rate risk (as interest rates rise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually more pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Investing in high yield fixed income securities, otherwise known as junk bonds, is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default and price changes due to potential changes in the credit quality of the issuer. In addition, the Strategy may use derivative instruments which may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

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The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

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## Securities Lending

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**Investment Objective**

The Portfolio seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Benchmark**

FTSE® EPRA® NAREIT® Developed Index

**Investment Strategy**

The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question.

From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. The Strategy's return may not match the return of the Index.

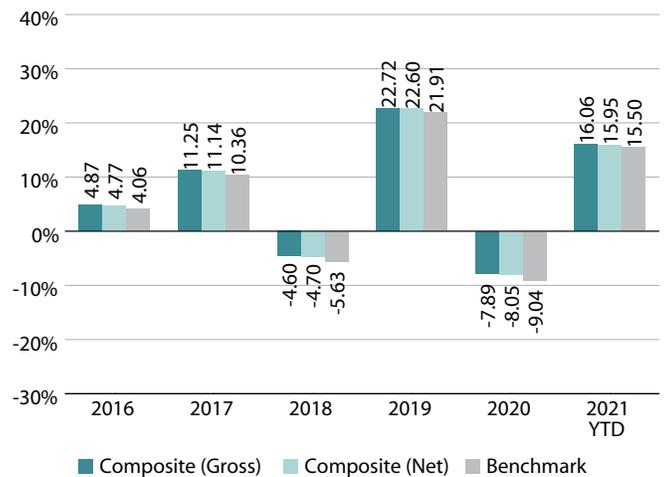
**Key Facts**

- Managed using an indexing strategy
- Only designated 'Securities Lending' Portfolios may lend and enter repurchase agreements (See applicable governing documents for a Portfolio's authority to lend. Participation in a securities lending program may adversely affect the investment returns and risk profile of the Portfolio. See "Securities Lending Risk; Risks of Investment of Cash Collateral" in the Strategy Disclosure Document.)
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Is not a leveraged strategy
- Will not sell securities short

**Performance**

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q2 2021	9.35%	9.30%	9.17%
YTD	16.06%	15.95%	15.50%
1 Year	34.68%	34.41%	33.55%
3 Year	7.48%	7.33%	6.39%
5 Year	5.96%	5.83%	4.98%
10 Year	7.20%	7.08%	6.38%

**Calendar Year Returns<sup>1,2,3,4</sup>**



1 Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset-weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

2 These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite). The performance figures do not take account of the mark to market value of the units of the securities lending cash collateral pools held by any of the portfolios in the Composite. If they had, the performance shown would have been lower.

3 These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss (other than unrealized gain or loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite).

4 Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends (net of any applicable withholding tax rates) and other income and are calculated in U.S. dollars. It is not possible to invest directly in an index. Performance returns are calculated in U.S. dollars.

For the purpose of complying with the Global Investment Performance Standards (GIPS), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

An investment in the Strategy is not FDIC insured, nor is it an obligation or deposit of, or guaranteed by State Street Corporation, SSGA or their affiliates.

"FTSE" is a trademark of the London Stock Exchange Group companies, "Nareit" is a trademark of the National Association of Real Estate Investment Trusts ("Nareit") and "EPRA" is a trademark of the European Public Real Estate Association ("EPRA") and all are used by FTSE International Limited ("FTSE") under license.

The FTSE® EPRA® Nareit® Developed Index is calculated by FTSE. Neither FTSE, Euronext N.V., Nareit nor EPRA sponsor, endorse or promote SSGA's investment products and are not in any way connected to it and do not accept any liability.

All intellectual property rights within the index values and constituent list vest in FTSE, Euronext N.V., Nareit and EPRA. SSGA obtained full license from FTSE to use such intellectual property rights in the creation of this product.

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## Supplemental Information

## Characteristics

Annual Dividend Yield (Trailing 12 Months)	3.10%
Beta (Trailing 36 Months)	0.99
Composite Assets Under Management (M)	US\$3,386.96
Standard Deviation (Annualized 36 Months)	19.29%
Total Number of Holdings	353
Average Market Cap (M)	US\$19,639.80

## Top Holdings

PROLOGIS INC	4.73%
PUBLIC STORAGE	2.43
SIMON PROPERTY GROUP INC	2.28
DIGITAL REALTY TRUST INC	2.26
VONOVIA SE	1.97
EQUINIX INC	1.92
WELLTOWER INC	1.86
AVALONBAY COMMUNITIES INC	1.56
EQUITY RESIDENTIAL	1.52
ALEXANDRIA REAL ESTATE EQUIT	1.43

## Sector Allocation

Diversified	21.79%
Residential	17.68
Retail	14.15
Industrial	12.76
Office	10.99
Healthcare	7.43
Self Storage	5.17
Specialty	3.20
Lodging/Resorts	2.45
Data Centers	2.39
Industrial/Office	1.98

## Top Countries

United States	56.94%
Japan	10.67
Hong Kong	5.61
Germany	4.92
United Kingdom	4.63
Australia	3.28
Canada	2.98
Singapore	2.87
Sweden	2.46
Belgium	1.14

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## Investment Objective

The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

## Benchmark

Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index

## Investment Strategy

The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all of the securities included in the Index.

The Strategy may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index, in limited cases where we believe it is practical to do so. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Strategy to purchase some of the securities comprising the Index. In such a case, SSGA will select securities for the Portfolio that SSGA expects will provide a return comparable to that of the Index.

SSGA expects that it will typically seek to replicate Index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where SSGA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets).

SSGA may implement the Strategy's asset allocations through investments in investment pools (which may, but will not necessarily, be registered under the U.S. Investment Company Act of 1940, as amended) managed or sponsored by SSGA or an affiliate. Because of the unit issuance processes employed by the various underlying investment pools, allocations by the Strategy to certain pools on a given trading day may be invested in such pools at the next trading day's net asset value per unit. This will result in the portion of the Strategy's assets being invested in such investment pools being held in cash for the trading day and may result in increased tracking error. This could adversely impact the return to any investor.

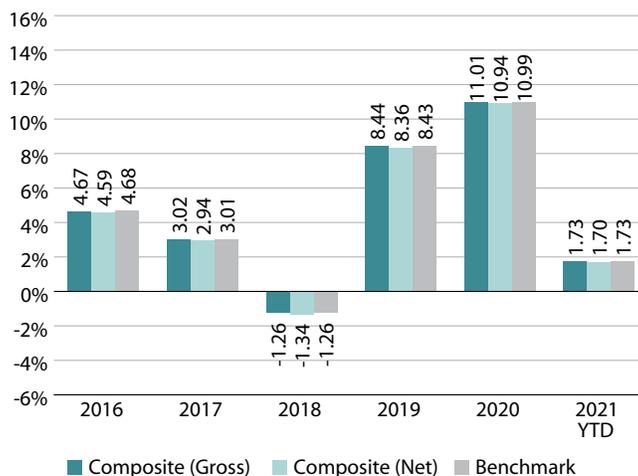
## Key Facts

- Managed using an indexing strategy
- Does not normally use futures or other derivatives to create "notional" or "synthetic" index exposures
- Only designated 'Securities Lending' Portfolios may lend and enter repurchase agreements (See applicable governing documents for a Portfolio's authority to lend. Participation in a securities lending program may adversely affect the investment returns and risk profile of the Portfolio. See "Securities Lending Risk; Risks of Investment of Cash Collateral" in the Strategy Disclosure Document.)
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Is not a leveraged strategy
- Will not sell securities short

## Performance

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q2 2021	3.25%	3.24%	3.25%
YTD	1.73%	1.70%	1.73%
1 Year	6.51%	6.44%	6.51%
3 Year	6.54%	6.47%	6.53%
5 Year	4.18%	4.10%	4.17%
10 Year	3.41%	3.25%	3.40%

## Calendar Year Returns<sup>1,2,3,4</sup>



1 Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset-weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

2 These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite). The performance figures do not take account of the mark to market value of the units of the securities lending cash collateral pools held by any of the portfolios in the Composite. If they had, the performance shown would have been lower.

3 These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss (other than unrealized gain or loss on units of the securities lending pools held by any portfolio in the Composite).

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The U.S. TIPS Index Composite (the "Composite"), inception date 8/1/2000, seeks to achieve the Investment Objective described above using the Investment Strategy described above, and includes portfolios managed across the global offices of SSGA-Global. To receive a complete list and description of SSGA-Global's composites and/or a GIPS<sup>®</sup> compliant presentation, please contact your SSGA Representative.

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## Supplemental Information

## Characteristics

Average Credit Quality	AAA
Average Effective Convexity	1.16
Average Effective Maturity	7.99
Composite Assets Under Management (M)	US\$21,802.37
Real Duration	7.61
Real Yield	-1.53%
Total Number of Holdings	45

## Credit Quality Breakdown

Aaa	100.00%
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## Top Issuers

US/T	99.88%
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## Sector Allocation

Treasury	99.88%
Cash	0.12

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**Investment Objective**

The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Benchmark**

S&P GSCI® Commodity Index

**Investment Strategy**

The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all, or any, of the futures contracts included in the Index.

The Strategy typically attempts to replicate the performance of the Index by entering into derivatives transactions, such as total return swap transactions, that provide a return based on the performance of the Index. In some circumstances, the Strategy may purchase the commodity futures contracts comprising the Index, in the same proportions as they are represented in the Index. In other circumstances the Strategy may attempt instead to purchase a representative selection of the futures contracts that comprise the Index, in an attempt to replicate the performance of the Index. In such a case, SSGA will select a portfolio of investments for the Strategy (which may or may not be those futures contracts included in the Index) that SSGA expects will provide a return comparable to that of the Index.

The Strategy will typically maintain a substantial cash balance. The Strategy will normally invest that cash in other short-term pooled investment vehicles sponsored, managed, or otherwise affiliated with SSGA, such as, for example, registered investment companies, private investment pools, or commingled trust funds. More information on the cash strategy is available upon request. The Strategy may at any time invest in additional or different investment vehicles, or may invest directly in short investments, in SSGA's discretion.

The Strategy's return may not match the return of the Index.

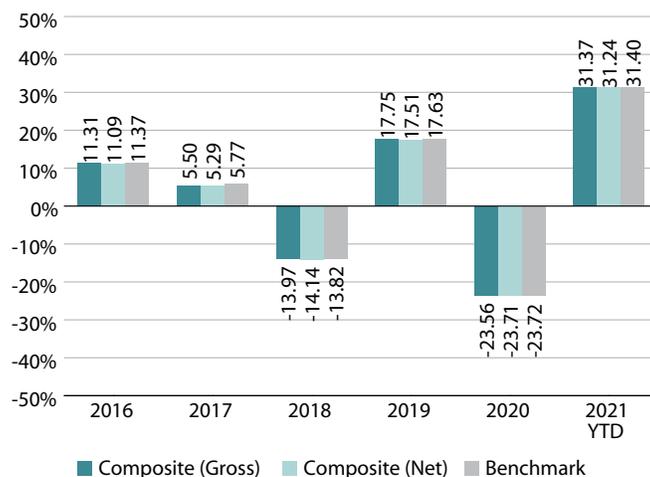
**Key Facts**

- Managed using an indexing strategy
- Will use futures and/or other derivatives
- May invest in other investment pools, including those managed by SSGA and its affiliates
- Will not lend its portfolio securities
- Is not a leveraged strategy
- Will not sell securities short

**Performance**

Total Returns	Composite (Gross) <sup>1,2</sup>	Composite (Net) <sup>1,3</sup>	Benchmark <sup>4</sup>
Q2 2021	15.68%	15.62%	15.72%
YTD	31.37%	31.24%	31.40%
1 Year	57.21%	56.89%	57.37%
3 Year	-2.64%	-2.84%	-2.72%
5 Year	1.69%	1.48%	1.73%
10 Year	-6.53%	-6.73%	-6.48%

**Calendar Year Returns<sup>1,2,3,4</sup>**



1 Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset-weighted using Composite (as defined below) member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income.

2 These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss.

3 These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss.

4 Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends (net of any applicable withholding tax rates) and other income and are calculated in U.S. dollars. It is not possible to invest directly in an index. Performance returns are calculated in U.S. dollars.

For the purpose of complying with the Global Investment Performance Standards (GIPS), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

The S&P GSCI Composite (the "Composite"), inception date 9/1/2004 seeks to achieve the Investment Objective described above using the Investment Strategy described above, and includes portfolios managed across the global offices of SSGA-Global. To receive a complete list and description of SSGA-Global's composites and/or a GIPS® compliant presentation, please contact your SSGA Representative.

An investment in the Strategy is not FDIC insured, nor is it an obligation or deposit of, or guaranteed by State Street Corporation, SSGA or their affiliates.

The S&P GSCI® Commodity Index (the "Index") is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SSGA. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI. S&P®, S&P GSCI® and S&P GSCI® Commodity Index are trademarks of S&P and have been licensed for use by SPDJI and its affiliates and sublicensed for certain purposes by SSGA. S&P GSCI® Commodity Index is now owned, endorsed, or approved by or associated with Goldman Sachs & Co., or its affiliated companies. SSGA's investment products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or their third party licensors and none of SPDJI, Dow Jones, S&P nor their respective affiliates or third party licensors makes any representation regarding the advisability of investing in such products.

**This document provides summary information regarding the Strategy. It should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.**

## Supplemental Information

## Characteristics

Composite Assets Under Management (M)	US\$1,246.43
Standard Deviation (Annualized 36 Months)	28.53%

## Index Sector Allocation

Energy	57.46%
Agriculture	18.95
Industrial Metals	11.84
Livestock	6.78
Precious Metals	4.97

## Investment Manager

The Strategy is managed by State Street Global Advisors Trust Company, a wholly owned subsidiary of State Street Bank and Trust Company, and a global leader in providing investment management solutions to clients worldwide. To learn more about SSGA, visit our web site at [www.ssga.com](http://www.ssga.com).

## Important Message About Risk

**For institutional / professional investors use only.**

Investing involves risk including the risk of loss of principal. Investing in commodities entails significant risk and is not appropriate for all investors. Commodity prices can be extremely volatile due to wide range of factors, such as market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, changes in interest rates and fluctuations in currency exchange rates. In addition, the Strategy may use derivative instruments which may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

**United States:** State Street Global Advisors, 1 Iron Street, Boston, MA 02210.

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The Supplemental Information above (except for the Beta and Standard Deviation, if shown) is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. Certain Supplemental Information may be rounded to the nearest hundredth decimal and may result in the total not adding up to 100.

Sector Allocations shown are that of the strategy's benchmark.

The Top Holdings reflect certain securities that the representative account has bought and may not be representative of the Strategy's current or future investments. In the case of fixed income and cash funds the securities are aggregated and shown at the issuer level. The Top Holdings do not include other assets or instruments that may be held by the representative account including, for example and not by way of limitation, cash or cash equivalents and derivatives such as futures, options and swaps. The figures presented are as of the date shown above, do not include the representative account's entire investment portfolio, and may change at any time. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security. It is not known whether an investment in any sectors or securities will be profitable in the future.

Characteristics are calculated using the month-end market value of holdings of the representative account, and where averages are shown these reflect the market weights of the securities in the representative account. For beta and standard deviation, if shown, these reflect Composite month-end returns. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Market data, prices, and dividend estimates for characteristics calculations provided by Factset Research Systems, Inc. All other portfolio data provided by SSGA. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street. Effective October 1, 2018, GICS renamed the "Telecommunication Services" sector to "Communication Services", which resulted in the sector reclassification of some companies.

SSGA generally delegates commodities management for separately managed accounts to SSGA FM, a wholly owned subsidiary of State Street and an affiliate of SSGA. SSGA FM is registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission and National Futures Association.

**State Street regards the Fact Sheets in their distributed form to be complete documents that include material information regarding the Strategy for investment consideration. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.**

# CERBT Strategy 1

July 31, 2021



## Objective

The CERBT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

## Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 2 and Strategy 3, this portfolio has a higher allocation to equities than bonds and other assets. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

## Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 1	Annual Operating Ratio
\$13,318,370,063	0.10%

## Composition

### Asset Class Allocations and Benchmarks

The CERBT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation <sup>1</sup>	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 ("TIPS")	5%	± 3%	Bloomberg Barclays US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

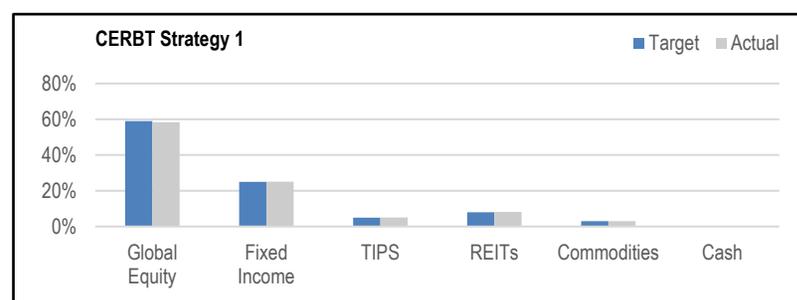
<sup>1</sup> Allocations were approved by the Board at the May 2018 Investment Committee meeting.

## Portfolio Benchmark

The CERBT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

## Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



## CERBT Strategy 1 Performance as of July 31, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (June 1, 2007)
Gross Return <sup>1,3</sup>	1.29%	4.05%	1.29%	23.91%	11.88%	10.49%	8.63%	6.35%
Net Return <sup>2,3</sup>	1.28%	4.02%	1.28%	23.80%	11.78%	10.40%	8.52%	6.27%
Benchmark Returns	1.28%	4.01%	1.28%	23.69%	11.58%	10.11%	8.32%	5.92%
Standard Deviation <sup>4</sup>	-	-	-	-	12.89%	10.37%	10.04%	12.71%

\* Returns for periods greater than one year are annualized.

<sup>1</sup> Gross returns are net of SSGA operating expenses.

<sup>2</sup> Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

<sup>3</sup> Expenses are described in more detail on page 2 of this document.

<sup>4</sup> Standard deviation is based on gross returns and is reported for periods greater than 3 years.

# CERBT Strategy 1



July 31, 2021

## General Information

### Information Accessibility

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published.

CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.<sup>1</sup>

### Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

### Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

## What Employers Own

Each employer invested in CERBT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

### Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

## Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at [www.calpers.ca.gov](http://www.calpers.ca.gov).

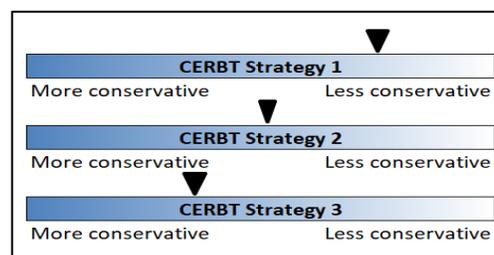
## Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and follow the links to California Employers' Retiree Benefit Trust.

## CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



<sup>1</sup> Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.

# CERBT Strategy 2

July 31, 2021



## Objective

The CERBT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

## Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 3, this portfolio has a moderate allocation to equities, bonds and other assets. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

## Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 2	Annual Operating Ratio
\$1,842,656,076	0.10%

## Composition

### Asset Class Allocations and Benchmarks

The CERBT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation <sup>1</sup>	Target Range	Benchmark
Global Equity	40%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	43%	± 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg Barclays US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	4%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

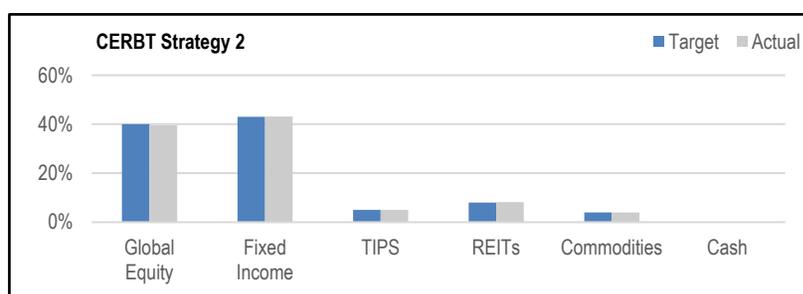
<sup>1</sup> Allocations were approved by the Board at the May 2018 Investment Committee meeting.

## Portfolio Benchmark

The CERBT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

## Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



## CERBT Strategy 2 Performance as of July 31, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2011)
Gross Return <sup>1,3</sup>	1.57%	4.31%	1.57%	17.09%	10.78%	8.82%	-	8.54%
Net Return <sup>2,3</sup>	1.56%	4.28%	1.56%	17.00%	10.68%	8.73%	-	8.43%
Benchmark Returns	1.55%	4.27%	1.55%	16.90%	10.55%	8.46%	-	8.24%
Standard Deviation <sup>4</sup>	-	-	-	-	9.92%	8.08%	-	7.71%

\* Returns for periods greater than one year are annualized.

<sup>1</sup> Gross returns are net of SSGA operating expenses.

<sup>2</sup> Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

<sup>3</sup> Expenses are described in more detail on page 2 of this document.

<sup>4</sup> Standard deviation is based on gross returns and is reported for periods greater than 3 years.

# CERBT Strategy 2



July 31, 2021

## General Information

### Information Accessibility

The CERBT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published.

CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.<sup>1</sup>

### Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

### Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

## What Employers Own

Each employer invested in CERBT Strategy 2 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

### Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

## Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at [www.calpers.ca.gov](http://www.calpers.ca.gov).

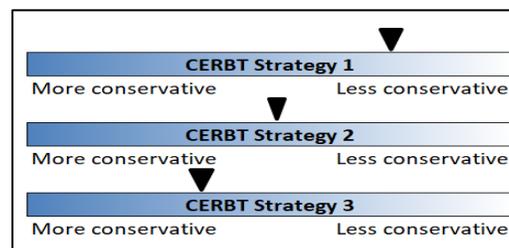
## Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and follow the links to California Employers' Retiree Benefit Trust.

## CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations <sup>1</sup>	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



<sup>1</sup> Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.

# CERBT Strategy 3

July 31, 2021



## Objective

The CERBT Strategy 3 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

## Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 2, this portfolio has a lower allocation to equities than bonds and other assets. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

## Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 3	Annual Operating Ratio
\$832,686,610	0.10%

## Composition

### Asset Class Allocations and Benchmarks

The CERBT Strategy 3 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation <sup>1</sup>	Target Range	Benchmark
Global Equity	22%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	49%	± 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	16%	± 3%	Bloomberg Barclays US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	5%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

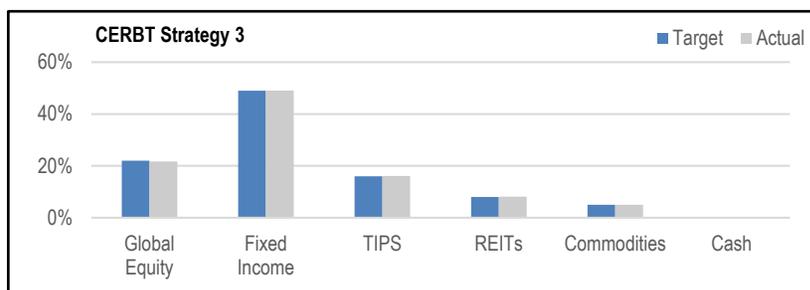
<sup>1</sup> Allocations were approved by the Board at the May 2018 Investment Committee meeting.

## Portfolio Benchmark

The CERBT Strategy 3 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

## Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



## CERBT Strategy 3 Performance as of July 31, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2012)
Gross Return <sup>1,3</sup>	1.90%	4.57%	1.90%	11.99%	9.54%	7.15%	-	6.75%
Net Return <sup>2,3</sup>	1.90%	4.54%	1.90%	11.90%	9.45%	7.06%	-	6.64%
Benchmark Returns	1.89%	4.54%	1.89%	11.86%	9.35%	6.85%	-	6.44%
Standard Deviation <sup>4</sup>	-	-	-	-	7.53%	6.25%	-	5.88%

\* Returns for periods greater than one year are annualized.

<sup>1</sup> Gross returns are net of SSGA operating expenses.

<sup>2</sup> Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

<sup>3</sup> Expenses are described in more detail on page 2 of this document.

<sup>4</sup> Standard deviation is based on gross returns and is reported for periods greater than 3 years.

# CERBT Strategy 3



July 31, 2021

## General Information

### Information Accessibility

The CERBT Strategy 3 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published.

CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.<sup>1</sup>

### Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

### Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

## What Employers Own

Each employer invested in CERBT Strategy 3 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

### Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

## Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at [www.calpers.ca.gov](http://www.calpers.ca.gov).

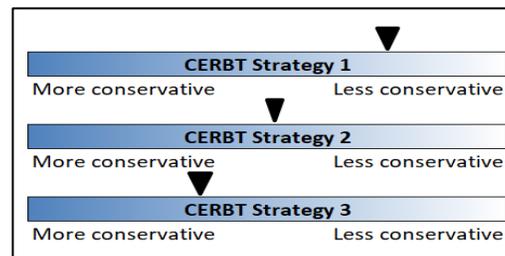
## Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and follow the links to California Employers' Retiree Benefit Trust.

## CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations <sup>1</sup>	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



<sup>1</sup> Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# Financial Oversight Committee Enrollment Presentation

September 21, 2021



# Definitions

## Regular Education (Program 01)

All students in general education plus all students with IEPs who spend less than 50% of their day in special education.

## Special Education (Program 02)

All student with IEPs who spend 50% or more of their day in special education.

## Independent Study Program

All students in long-term independent study.

## OCLC

All students in the Off Campus Learning Center program.

## District School

All students in a Non-Public School (NPS) or Residential Treatment Facility (RTC) who maintain active enrollment in SMMUSD.



# Enrollment History

- 9,200 - As of September 17, 2021, 9,200 students are enrollment in SMMUSD.
  - District staff are continuing to resolve enrollment in specific program identifiers (Regular Program, Special Education Program, Independent Study Program (long-term), Off Campus Learning Center).
  - Census Day is Wednesday, October 6, 2021
- Five years of data reflect a 15% decline in enrollment.
- Enrollment – Historical Analysis.9.17.21



# Introduction

## The Work of the District

The focus of the District, our initiatives and our priorities are what resonate most with prospective employees.

- Social Justice Standards
- Restorative Justice/Restorative Practices
- Bias Training/Bias Awareness
- Anti-Racism Efforts
- American Cultures & Ethnic Studies
- Professional Development & Professional Collaboration



# Staff Race/Ethnicity Demographics

	Cert	Class	Mngmt	Total	Students
African American	4.2%	22.8%	16.5%	15.2%	6.2%
Native American	0.3%	0.4%	0.0%	0.3%	0.2%
Asian	5.4%	4.8%	3.3%	4.9%	6.9%
Pacific Islander	4.0%	1.4%	0.0%	2.3%	0.2%
Latinx/Hispanic	16.1%	34.1%	24.2%	26.5%	30.0%
White	66.0%	23.9%	50.5%	41.7%	48.7%
Two or More	4.0%	6.4%	5.5%	5.4%	7.1%
Not Reported	0.0%	6.3%	0.0%	3.5%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



# Staff Race/Ethnicity Demographics

## Staff Race/Ethnicity Demographics - Management

	Cert	Class	Total	Students
African American	17.1%	14.3%	16.5%	6.2%
Native American	0.0%	0.0%	0.0%	0.2%
Asian	4.3%	0.0%	3.3%	6.9%
Pacific Islander	0.0%	0.0%	0.0%	0.2%
Latinx/Hispanic	20.0%	38.1%	24.2%	30.0%
White	51.4%	47.6%	50.5%	48.7%
Two or More	7.1%	0.0%	5.5%	7.1%
Not Reported	0.0%	0.0%	0.0%	0.8%
Total	100.0%	100.0%	100.0%	100.0%



# Staff Race/Ethnicity Demographics

Certificated Staff Race/Ethnicity Demographics					
2018 - 2019				2018 - 19	2020 - 21
	CA	LA County	SMMUSD	Students	Students
Black/African American	4.3%	8.2%	6.0%	6.4%	6.2%
Native American	0.5%	0.4%	0.4%	0.2%	0.2%
Asian	7.3%	10.4%	5.0%	6.8%	6.9%
Pacific Islander	0.3%	0.5%	3.7%	0.2%	0.2%
Latinx/Hispanic	21.5%	33.4%	15.9%	28.8%	30.0%
White	60.5%	41.7%	66.4%	50.8%	48.7%
Two or More	1.0%	0.9%	2.4%	6.1%	7.1%
Not Reported	4.6%	4.5%	0.1%	0.6%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

# Staff Race/Ethnicity Demographics

Staff Race/Ethnicity Demographics							
2018 - 2019						2018 - 19	2020 - 21
	CA	CA Students	LA County	LAC Students	SMMUSD	SMMUSD Students	SMMUSD Students
Black/African American	4.3%	5.4%	8.2%	7.5%	6.0%	6.4%	6.2%
Native American	0.5%	0.5%	0.4%	0.2%	0.4%	0.2%	0.2%
Asian	7.3%	11.7%	10.4%	10.1%	5.0%	6.8%	6.9%
Pacific Islander	0.3%	0.5%	0.5%	0.3%	3.7%	0.2%	0.2%
Latinx/Hispanic	21.5%	54.6%	33.4%	65.2%	15.9%	28.8%	30.0%
White	60.5%	22.9%	41.7%	14.1%	66.4%	50.8%	48.7%
Two or More	1.0%	3.6%	0.9%	1.9%	2.4%	6.1%	7.1%
Not Reported	4.6%	0.9%	4.5%	0.7%	0.1%	0.6%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



# Staff Race/Ethnicity Demographics

## Observations

- Certificated – When compared to the student demographics White, Latinx/Hispanic, Asian and African American – White exceed representation, while Asian, Latinx/Hispanic and African American are represented in lower proportions.
- Management – When compared to the student demographics White, Latinx/Hispanic, Asian and African American – African American and White exceed representation, while Latinx/Hispanic and Asian are represented in lower proportion. Management demographics more closely align to student demographics.
- Comparison to California, Los Angeles County and SMMUSD – SMMUSD’s certificated staff demographics more closely align to California than that of Los Angeles County. Additionally, while areas for growth, SMMUSD staff is more aligned to students that both California and the County.



# Certificated Hiring

## Process (Non-management)

- Principals and Department Heads serve as hiring managers. Human Resources supports hiring managers with the process. Hiring managers, with assistance from designees:
  - Request that Human Resources post vacant position(s).
  - Review applications and select applicants for interviews.
  - Conduct interviews, which include, whenever possible, demonstration lessons.
  - Conduct reference checks.
  - Inform Human Resources of selection and request Human Resources to make an offer of employment.
- Hiring managers, and/or designees, whenever possible, engage teams in the selection process.



# Certificated Hiring

## Process (Management)

- At the Direction of the Superintendent, the Assistant Superintendent, Human Resources serves as the hiring manager. The hiring manager, with assistance from designees:
  - Posts vacant position(s).
  - Engages department head and site/department members in application screening.
  - Selects applications for interviews.
  - Facilitates first-round interviews. First-round interviews typically include certificated, classified, parent/community, and student (secondary) representatives.
  - Facilitates second-round interviews with Superintendent, Assistant Superintendents, and any other designee requested by the Superintendent.
  - Conducts reference checks.
  - Conducts additional activities as deemed necessary.
- The Superintendent retains the right to forego the process and recommend a candidate for hire.



# Recruitment

## Certificated

- Ed Join (online application) Recruitment (Certificated)
- Association of California School Administrators
- CA Association of African American School Administrators
- CA Association of Latino School Administrators
- CA Association for Bilingual Education
- University Contacts
- Internal Networks
- District Priorities & Initiatives



# Retention

- Induction Program
  - Allows teachers with a preliminary credential to obtain a clear credential. A program of reflective self-study done with the mentorship of an experienced educator.
- New Administrators Group
- Job-Alike Groups
  - Co-administrators, counselors/advisors, psychologists, nurses, speech & language, departments, grade-levels.



# Challenges

- Declining enrollment
  - Low teacher recruitment
- Teacher credentialing programs are generating smaller candidate pools
- Traditional shortage areas
  - Special education, Mathematics, and Science
- Housing and cost of living
- Timing
- Perceptions of Santa Monica & Malibu
  - Do I see me in these communities?
- Staff capacity



# Staff Diversity Report

Board Member Questions,  
Comments, Requests and  
Recommendations for Staff

<b>SMMUSD</b>								
	<b>2010/7/2015</b>	<b>2010/5/2016</b>	<b>2010/4/2017</b>	<b>2010/3/2018</b>	<b>2010/2/2019</b>	<b>2010/7/2020</b>	<b>2019/17/21*</b>	
<b>Actual Enrollment</b>								
Program 01	10833	10636	10429	10225	9963	9332	0	
Program 02	312	304	318	321	329	275	0	
<b>Total</b>	<b>11145</b>	<b>10940</b>	<b>10747</b>	<b>10546</b>	<b>10292</b>	<b>9607</b>	<b>0</b>	*TBD
Independent Study	48	37	50	44	28	26	0	
Off Campus Learning Center	22	19	14	18	10	17	0	
<b>Total (On Campus) Enrollment</b>	<b>11215</b>	<b>10996</b>	<b>10811</b>	<b>10608</b>	<b>10330</b>	<b>9650</b>	<b>0</b>	*TBD
District School (NPS/RTC)	29	17	16	17	19	16	0	*TBD
<b>Total District Enrollment</b>	<b>11244</b>	<b>11013</b>	<b>10827</b>	<b>10625</b>	<b>10349</b>	<b>9666</b>	<b>9200</b>	
% Change from Previous Year		-2.05%	-1.69%	-1.87%	-2.60%	-6.60%	-4.82%	
<b>Actual Change from Previous Year</b>		-231	-186	-202	-276	-683	-466	
% Change in Last five (5) Years 2017 - 2018 to 2021 - 2022	-15.03%							



**BOARD OF EDUCATION MEETING  
MINUTES – HYBRID FORMAT**

**August 12, 2021**

**H. CONSENT ITEMS**

Minutes:

Time Start: 6:41 p.m. Time End: 7:30 p.m.

The board approved Item Nos. 1.i-iv, 2.i-vi, 3.i-xxv, and 4.i-vii listed under the Consent Calendar by subsection. The board voted on Item Nos. 1.i and 2.1 separately.

**Passed** with a motion by Dr. Tahvildaran-Jesswein and a second by Ms. Leon-Vazquez.

- Yes Mr. Keith Coleman
- Yes Mr. Craig Foster
- Yes Mr. Jon Kean
- Yes Ms. Maria Leon-Vazquez
- Yes Ms. Laurie Lieberman
- Yes Ms. Jennifer Smith
- Yes Dr. Richard Tahvildaran-Jesswein

Minutes:

Dr. Tahvildaran-Jesswein requested that a conversation about the Consent Calendar (from a legal and governance perspective) be addressed during next week’s retreat.

**1. Curriculum and Instruction Items**

**i. Approval of Independent Contractors 2021-22**

**Motion Passed:** It is recommended that the Board of Education enter into an agreement with the following Independent Contractors, postponing the COVID Testing MD and Dr. Angela Clark Loque contracts. Passed with a motion by Ms. Leon-Vazquez and a second by Dr. Tahvildaran-Jesswein.

- Yes Mr. Keith Coleman
- Yes Mr. Craig Foster
- Yes Mr. Jon Kean
- Yes Ms. Maria Leon-Vazquez
- Abstain Ms. Laurie Lieberman
- Yes Ms. Jennifer Smith
- Yes Dr. Richard Tahvildaran-Jesswein

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

Ms. Lieberman explained that she was abstaining from this item because her husband volunteers on the Santa Monica Boys’ and Girls’ Club board.

Staff clarified that COVID Testing MD was hired to conduct antigen testing after spring break and during this summer. Because the fiscal year ended on June 30, this contract must be extended through the end of August to pay the vendor for the work they performed this summer. Staff further clarified that the not-to-exceed amount reflected the total grant funds provided by the county for testing, but in reality, the district has only paid the vendor \$4,692.50 and has \$3,760 plus this week’s invoice left to pay. Dr. Drati clarified his earlier comments that while the district will not need to pay for testing, we most likely will need to pay for testing staff, and that money would come from the grant from the county. Ms. Brown explained how the testing billing would most likely work.

Staff also answered board members' questions regarding the Dr. Angela Clark Loque contract, including plans for family engagement.

Staff postponed both the COVID Testing MD and Dr. Angela Clark Loque contracts until the August 19, 2021, special meeting agenda.

- ii. **Conference and Travel Approval/Ratification-2021/2022**
- iii. **Child Development Services Parent Handbook**
- iv. **Renaissance Star Math Subscription**
- v. **Special Education Contracts**

## **2. Business and Fiscal Items**

### **i. Award of Purchase Orders PO List 6/17/21-7/7/21**

**Motion Passed:** It is recommended that the Board of Education approve the following Purchase Orders and Changed Purchase orders from July 8, 2021, through August 4, 2021. Passed with a motion by Mr. Keith Coleman and a second by Ms. Smith.

Yes Mr. Keith Coleman

Yes Mr. Craig Foster

Yes Mr. Jon Kean

Abstain Ms. Maria Leon-Vazquez

Yes Ms. Laurie Lieberman

Yes Ms. Jennifer Smith

Abstain Dr. Richard Tahvildaran-Jesswein

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

Dr. Tahvildaran-Jesswein and Ms. Leon-Vazquez abstained, as their employer, SMC, was listed in the PO list.

### **ii. Acceptance of Gifts – 2020/2021**

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

### **iii. Award of Contract – Malibu High School Parking Lot A – HMC Architects**

### **iv. Correction to Waterford Unified School District Bid No. 01/17 for the Replacement of School Bus #2 to AZ Bus**

### **v. 2021-22 Financial Oversight Committee (FOC) Charges**

Minutes:

Public Comments:

- Lydia Muraro addressed the board regarding this item.

Dr. Tahvildaran-Jesswein, board liaison to the VAPA DAC, expressed that DAC's request to have one of their members sit on the FOC's Measure R subcommittee. Mr. Kean, Mr. Foster, and Mr. Coleman, board liaisons to the FOC, cautioned against having a non-FOC member on the FOC subcommittee, given how the FOC is comprised differently than other DACs, but wondered about the potential for "cross pollination" of committees.

### **vi. Correction to Contract Award – Districtwide Asphalt Repair Bid # 21.22 – Universal Asphalt Co. Inc.**

## **3. Facilities Improvement Project Items**

### **i. Approval of FIP Independent Contractors**

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

- ii. Amendment #07 to Agreement – Districtwide FF&E Project – Reuse Services – Crown Worldwide Moving & Storage – Measure SMS
- iii. Assignment of Awarded Contracts & Approval of Equipment Purchase – Safety & Security Projects – Avidex Industries, LLC – Measure SMS
- iv. Amendment #50 to Agreement – Grant Elementary School – HVAC Project – Hazardous Materials Professional Services – Alta Environmental – Measure SMS
- v. Amendment #01 to Agreement – Roosevelt Elementary School – HVAC Project – Building A – Move Management Services – King Office Services – Measure SMS
- vi. Award of Purchase – Districtwide Furniture, Fixtures & Equipment (FF&E) Project – Roosevelt Elementary School – Sierra School Equipment Company (Sierra) – Measure SMS
- vii. Amendment #51 to Agreement – SMASH & John Muir Elementary School – HVAC Project – Hazardous Materials Professional Services – Alta Environmental – Measure SMS
- viii. Amendment #03 to Agreement – John Adams Middle School – Performing Arts Complex Project – Furniture, Fixtures & Equipment (FF&E) – Pacific Office Interiors (POI) – Measure ES

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

- ix. Amendment #06 to Agreement – John Adams Middle School – Performing Arts Complex Project – Special Inspection and Materials Testing Services – Ninyo & Moore – Measure ES
- x. Amendment #06 to Agreement – Malibu Middle & High School – Campus Improvements Project – Furniture, Fixture & Equipment (FF&E) – Pacific Office Interiors (POI) – Measure BB
- xi. Amendment #77 to Agreement – Malibu Middle & High School – Campus Improvements Project – Architectural Services – HMC Architects – Measure BB
- xii. Amendment #05 to Contract – Malibu Middle & High School – Campus Improvements (Phase 3, 4 & 5) Project – Lease-Leaseback (LLB) Construction Contract Bid #18.05.BB.ES – McCarthy Building Companies, Inc. – Measure BB
- xiii. Correction to Amendment #04 – Malibu Middle & High School – Campus Improvements (Phase 3, 4, & 5) Project – Lease-Leaseback (LLB) Construction Contract Bid #18.05.BB.ES – McCarthy Building Companies, Inc. - Measure BB, Measure ES & Measure M
- xiv. Amendment #21 to Agreement – Malibu Middle & High School – Campus Improvements Project – Geotechnical Observation/Testing, Special Inspection & Materials Testing Services – Leighton Consulting, Inc. – Measure BB
- xv. Amendment #20 to Agreement – Malibu Middle & High School – Malibu Campus Plan – Geotechnical Observation/Testing, Special Inspection & Materials Testing Services – Leighton Consulting, Inc. – Measure M
- xvi. Amendment #05 to Agreement – Malibu High School – New Malibu High School Building – Phase 1 – Architectural Design Services – NAC Architecture – Measure M
- xvii. Amendment #06 to Agreement – Malibu High School – New High School Building – Phase 1 – Architectural & Wastewater Design Services – NAC Architecture – Measure M
- xviii. Amendment #3 to Agreement – Malibu High School – Campus Plan Project (Malibu New High School -Phase 1) – Geotechnical Consultant Services – Leighton Consulting, Inc. – Measure M

- xix. Change Order #09 to Contract – Santa Monica High School – HVAC Project – Business, English & Art Buildings – Construction Contract Bid #19.14.ES – The Nazerian Group – Measure ES**
- xx. Amendment #04 to Agreement – Santa Monica High School – Campus Plan Project Phase 3 – Exploration and Gold Gym - Geotechnical Consultant Services – Leighton – Measure SMS**
- xxi. Amendment #03 to Agreement – Santa Monica High School – Exploration & New Gym Project (Phase 3) – Geotechnical Consultant Services – Leighton – Measure SMS**
- xxii. Amendment #22 to Agreement – Santa Monica High School – Discovery Building Project - Inspector of Record Services – Sandy Pringle Associates, Inc. – Measure ES**

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

- xxiii. Award of Purchase – Santa Monica High School – Discovery Building Project – Furniture, Fixtures & Equipment (FF&E) – Lyon, LLC – Measure ES**
- xxiv. Amendment #03 to Agreement – Santa Monica High School – Exploration & New Gym Project (Phase 3) – Project Development Assistance - Architectural Services – Chan Young Architects – Measure SMS.**

Minutes:

Public Comment:

- Nikki Kolhoff addressed the board regarding this item.

- xxv. Amendment #02 to Agreement #02 – Programwide – Program Management Services – Masetti Consulting, LLC – Measure SMS, Measure M, General Fund**

#### **4. Personnel Items**

- i. Certificated Personnel - Elections, Separations**
- ii. Classified Personnel - Merit**
- iii. Classified Personnel - Non-Merit**
- iv. Change in Range - Payroll Specialist Classification**
- v. Increase in Staffing (FTE) - Special Education**
- vi. Approval of Teaching Assignments Pursuant to Education Code**
- vii. Student Teaching Agreements - California State University-Chico, California State University-Los Angeles, and California State University-Long Beach**

**ITEM : II.H.2.v. 2021-22 Financial Oversight Committee (FOC) Charges**

**Recommended Motion**

It is recommended that the Board of Education approve the following charges for the Financial Oversight Committee (FOC).

**Rationale**

The Board of Education convened a joint session with members of the Financial Oversight Committee on [July 15, 2021](#). During that joint meeting, the FOC presented proposed charges for 2021-22.

**Comments**

- Budget Recommendations – This subcommittee will serve as FOC representation at Superintendent Budget Advisory Committee meetings as well as to provide research and guidance as requested on budget related issues.
- Tax Revenue and Assessed Valuation – This subcommittee will research, follow and review Redevelopment (RDA) Fund calculations, the assessed valuation reports from the Cities of Malibu and Santa Monica, and the financial projections for sales tax revenue in the City of Santa Monica to help understand the budget implications of sales taxes on Prop YY and Measure GS.
- Bond Oversight - This subcommittee will continue to be involved in evaluating and assisting with District financing issues including but not limited to the preparation of an updated debt policy as well as the bond authorizations for Measure ES, SMS, or M, or other contemplated district financing.
- Measure R Reporting and Process Review – This subcommittee will review and update the process of data acquisition, planning and reporting for the Measure R annual plan.
- Financial Communication and Reporting Subcommittee – This subcommittee will study and offer recommendations related to SMMUSD communications to the board and public regarding financial matters, project development and funding.

**To: SMMUSD Board of Education**  
**From: Seth Jacobson, Chair, Financial Oversight Committee**  
**Subject: FOC Annual Report**  
**Date: REVISION 9-8-2021**

The SMMUSD Financial Oversight Committee (FOC) was established to serve as the Measure R Independent Citizens Oversight Committee as well as to provide monitoring and review of the School District budget, the City of Santa Monica Joint Use Agreement, the City of Malibu Joint Use Agreement, the District Audit, enrollment projections, revenue and expenditure forecasts around capital programs and district finances.

The FOC accomplished a number of key tasks in the 2020-21 year, including:

- Development of a new draft reporting structure for Measure R funding
- Creation of a draft Bond Financing and Refinancing Debt policies
- Review and engagement with staff on the Fiscal Stabilization plan
- Development of a new policy for applications and selection of new FOC committee members

In addition to its regular oversight duties, the SMMUSD Financial Oversight Committee forms subcommittees to handle special finance-related issues posed by the Board and CBO. For the fiscal year 2020-21 we had three (3) subcommittees.

- Budget Recommendations Subcommittee – *Mr. Covington, Mr. Jacobson, Ms. Maniar, Ms Newman* - This subcommittee will serve as FOC representation at Superintendent Budget Advisory Committee meetings as well as to provide research and guidance as requested on budget related issues.
- Tax Revenue and Assessed Valuation – *Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman* - This subcommittee will research, follow and review Redevelopment (RDA) Fund calculations, the assessed valuation reports from the Cities of Malibu and Santa Monica, and the financial projections for sales tax revenue in the City of Santa Monica to help understand the budget implications of sales taxes on Prop YY and Measure GS.
- Bond Oversight - *Mr. Kremer, Mr. Crawford, Mr. Landres, Ms. Mevasse* - This subcommittee will continue to be involved in evaluating and assisting with District financing issues including but not limited to the preparation of an updated debt policy as well as the bond authorizations for Measure ES, SMS or M or other contemplated district financing.

Attached are the subcommittee reports. A summary of the findings and conclusions will be presented at the Board meeting on July 16, 2020.

### **2021-22 Suggested charges of study (Existing and New Charges)**

As the SMMUSD transitions into a new educational model that includes in-person and remote learning, and as the district's finances continue to be challenging, the Financial Oversight Committee has developed a series of topics/charges that it believes would benefit the SMMUSD and assist the Fiscal team in its efforts to address the ongoing structural fiscal issues faced by SMMUSD. The topics listed below and the proposed summaries represent the collective recommendations of the Committee for topics/charges of study for the coming year. As you will see we have broken the topics into two areas "Existing Charges, which are a carryover from the 2020-21 year and new charges for the 2021-22 budget year. We have also included in our summary reporting a slide that covers a new process for solicitation and nominating new FOC members, which was a task the Committee felt was important to add additional transparency to the FOC membership application process.

Recommended continued charges for 2021-22 include:

- Budget Recommendation Sub-committee
- Bond Oversight Sub-committee
- Tax Revenue and Assessed Valuation Sub-committee

Recommended new charges and topics for 2021-22 include:

- Measure R Reporting and Process Review Sub-committee
- Financial Communication and Reporting Sub-committee

## Summary Subcommittee Reports for 2020-21 Budget Year

### District Budget Recommendations

*Submitted by: Ms. Maniar, Chair Mr. Covington, Mr. Jacobson, Ms Newman*

The Budget Advisory Committee has over the last year, been dormant while the issues related to COVID 19 and the proposed realignment recommendations were paused due to increased state and federal revenue, and uncertainty as to future income. It is the intention of the Budget Advisory Subcommittee to expand and engage fully in the 2021-22 year with a focus on assisting the district staff in identifying revenue challenges and opportunities. The sub-committee intends to focus on the following key areas:

- **Operating Budget Review.** Assist staff in review and advise around the existing budget and assist in making recommendation as to possible cost savings and creative strategies to address the ongoing structural deficit and its impacts on the education of our students. The Committee will also work with fiscal staff on the proposed realignment recommendations and proposed budget cuts for 2021-22 year with Assistant Superintendent, Business and Fiscal Services - Melody Canady to review these proposed cuts and recommendations.
- **Fiscal Stabilization Efforts.** Work closely with the fiscal staff to review in detail administrative and facility costs in an effort to identify new strategies and proposals for cost savings and program planning
- **Special Education.** The committee is also recommending that it monitor the Special Education realignment that is occurring and offer up possible suggestions for fiscal management based on staff recommendations.

### Tax Revenue and Assessed Valuation

*Submitted by: Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman*

The tax revenue & assessed valuation subcommittee was tasked by the Board to review and report back relevant updated information regarding the City's redevelopment funds, assessed valuation report, and sales tax revenue impacting YY and GSH funds. Property tax (82%) and YY & GSH (11%) comprise over 92% of the district's \$119M total revenue per the 3rd budget revision on April 30, 2021.

Top recommendations include:

- Execute the Tax Revenue Subcommittee recommendations made last year
- Segment RDA projections to better parse each component and help to improve the predictability of RDA funds
- Request the county auditor's property tax report directly when available to include adjustments prior to the 3rd interim report

- Continue direct communication with the City regarding updated sales tax projections

### **Bond Oversight Subcommittee**

*Submitted by: Mr. Kremer, Mr. Crawford, Mr. Landres, Ms. Mevasse*

The bond subcommittee is chaired by Michael Kremer. The committee meets to discuss topics related to any type of financing the district is planning, and most importantly this year took on the challenge of updating the Bond Financing and Refinancing Debt policies. (see attached documentation) This Committee has also engaged around Bond Authorizations, Measure BB, Measure ES, Measure SMS and any other contemplated district financing.

The committee also reviewed and debated in detail the proposed sale of Santa Monica-Malibu Unified School District SFID No. 1 (Measure SMS) & SFID No. 2 (Measure M) General Obligation Bonds Election of 2018, Series B. The sub-committee also reviewed the district's policies with regards to TRAN's (Tax Revenue Anticipation Notes).

We request that the Bond Subcommittee be continued as next year's FOC directive. That would include a revised Debt Policy in the spirit of the FOC's directive. It could be used as an additional measure to thwart any credit agency lack of confidence of the district's ability to act fiscally prudent.

#### Recommended New Charges:

- **Financial Communications and Reporting Subcommittee.** The School Board and staff are committed to improving communications about financial matters for the benefit of both the School Board and the public. The purpose of the Financial Communications and Reporting Sub-Committee is to work collaboratively with SMMUSD Fiscal and Facilities staff to provide assistance and to offer constructive recommendations related to SMMUSD communications to the School Board and the public regarding financial matters, including facilities improvements and capital projects.
- Proposed charges for FOC Financial Communications and Reporting Sub-committee:
  - Offer recommendations to fiscal, facilities and public communications staff to improve accessibility, intelligibility, and transparency of communications about district finances
  - Assist staff to identify communications best practices for major financial matters and develop specific templates for periodic communications related to financings, operating budget, facilities improvements and capital projects
  - Assess viability of appropriate digital reporting options to enhance constructive public engagement including the creation of an open data portal for district financial data
- **Measure R Review and Process Analysis Committee** The FOC at the Board of Education's request, reviewed and began the process of updating the data acquisition, planning, and

reporting process for the Measure R annual plan. In the process of reviewing the plan with the fiscal staff, the FOC provided several recommendations that included:

- The development of a joint district staff and FOC process to review all elements of the Measure R program including planning, engagement, and reporting
- Greater transparency around the planning and budgeting process
- Increased access by the public to the decision-making process on the use of Measure R funds
- Greater detail of the funding of educational programs and use in general fund efforts
- Reporting formats, provide counsel on the distribution of funds, and help in educating the general community about the Measure R program.

This process will focus on the mission statement that the “balance be used to preserve programs and replace funds lost due to inadequate state funding.”



# Financial Oversight Committee 2020-2021 Annual Report

Updated: Sep 09, 2021



# 2020 – 2021 Committee Members

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- Seth Jacobson, Chair
- Michael Kremer, Vice-Chair
- Matthew Covington
- Matthew Crawford
- Alex Farivar
- Michael Kremer
- Shawn Landres
- Shawn Landres
- Marc Levis-Fitzgerald
- Renu Mevasse
- Melinda Newman
- Payal Maniar
- Natalie Ricciardulli, SAMOHI Student Representative



# 2020 – 2021 FOC Board and Staff Liaisons

- Craig Foster, Board Liaison
- Jon Kean, Board Liaison
- Keith Coleman, Board Liaison
- Melody Canady, Assistant Superintendent – Business and Fiscal Services
- Gerardo Cruz, Director of Fiscal Services
- Kim Nguyen, Assistant to Melody Canady



# 2020 – 21 FOC Summary Report

The FOC accomplished a number of key tasks in the 2020-21 year, including:

- Development of a new draft reporting structure for Measure R funding
- Updating draft Bond Financing and Refinancing Debt policies
- Assistance in Tax Revenue and Asset Valuations
- Review and engagement with staff on the Fiscal Stabilization plan
- Development of a new policy for applications and selection of new FOC committee members



# 2020 – 2021 FOC Charges

- Budget Recommendations Subcommittee – *Mr. Covington, Mr. Jacobson, Ms. Maniar, Ms Newman* - This subcommittee will serve as FOC representation at Superintendent Budget Advisory Committee meetings as well as to provide research and guidance as requested on budget related issues.
- Tax Revenue and Assessed Valuation – *Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman* - This subcommittee will research, follow and review Redevelopment (RDA) Fund calculations, the assessed valuation reports from the Cities of Malibu and Santa Monica, and the financial projections for sales tax revenue in the City of Santa Monica to help understand the budget implications of sales taxes on Prop YY and Measure GS.
- Bond Oversight - *Mr. Kremer, Mr. Crawford, Mr. Landres, Ms. Mevasse* - This subcommittee will continue to be involved in evaluating and assisting with District financing issues including but not limited to the preparation of an updated debt policy as well as the bond authorizations for Measure ES, SMS or M or other contemplated district financing.



# FOC District Budget Subcommittee

- Payal Maniar - Subcommittee Chair
- Seth Jacobson – Subcommittee Member
- Matthew Covington – Subcommittee Member
- Melinda Newman– Subcommittee Member



# Budget Subcommittee Recommendations to the Board

## **2020-21 Charge**

To serve as FOC representation at Superintendent Budget Advisory Committee (SBAC) meetings and to provide guidance as requested on budget related issues.

- Due to the pandemic and related impact on the operating budget, the District's focus shifted and SBAC was discontinued.
- The Budget Recommendations Ad-Hoc Committee primarily worked with staff to review the proposed and interim budget and addressed relevant issues as and when they arose.



# Budget Subcommittee Recommendations to the Board

## Proposed areas of focus for 2021-22 Year

- **Ongoing interim and operating budget Review:** Review budgets and participate and offer input during budget workshops on factors impacting operating budget.
- **Support Fiscal Stabilization Efforts:** Work with staff to review current fiscal stabilization plans. Analyze ongoing work and make recommendations on additional areas that could address the structural deficit. Work with staff to conduct deeper analyses as needed on already identified areas for cost efficiencies. (e.g., Special Education, Food Services etc.)



# Tax Revenue and Assessed Valuation Subcommittee

- *Alex Farivar – Subcommittee Chair*
- *Matt Crawford – Subcommittee member*
- *Michael Kremer – Subcommittee Member*
- *Melinda Newman – Subcommittee Member*



# Tax Revenue Subcommittee Recommendations to the Board

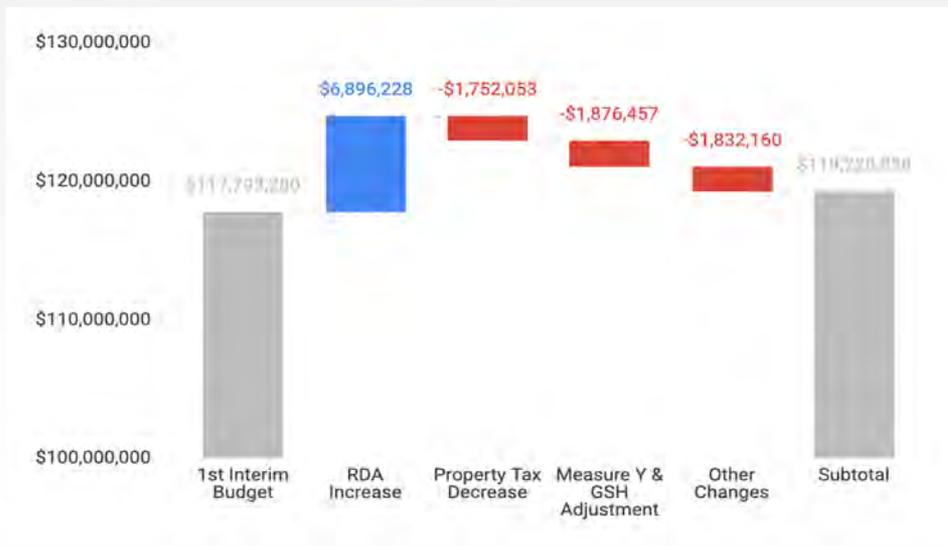
## Tax Revenue & Assessed Valuation Subcommittee Recommendations

- Execute the Tax Revenue Subcommittee recommendations made last year
- Segment RDA projections to better parse each component and help to improve the predictability of RDA funds
- Request the county auditor's property tax report directly when available to include adjustments prior to the 3rd interim report
- Continue direct communication with the City regarding updated sales tax projections



# Tax Revenue Subcommittee Recommendations to the Board

## Total Revenue Bridge Graph





# FOC Bond Oversight Subcommittee

- Michael Kremer– Subcommittee Chair
- Matthew Crawford – Subcommittee Member
- Shawn Landres – Subcommittee Member
- Renu Mavassee – Subcommittee Member



# Bond Subcommittee Recommendations to the Board

- The Board adopted the five-page Debt Issuance and Management Policy (the “Policy”) on May 4, 2017
- While the Policy fully complies with the minimum requirements of Senate Bill 1029 signed into law in Sept. 2016, it could be improved into a more robust, comprehensive example of best practices in debt management through implementation of the changes proposed by the FOC Bond Oversight Subcommittee
  - In its credit report dated June 11, 2021, Standard and Poor’s commented “we view its guidelines as lacking significant quantitative constraints” in a reference to the Policy
- The FOC Bond Oversight Subcommittee’s proposed changes would clarify some of the vagaries in the Policy and improve transparency regarding the District’s debt issuance decision-making, yet maintain adequate flexibility for unforeseen circumstances



# Overview of FOC Bond Oversight Subcommittee's Proposed Changes

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- The Assistant Superintendent of Business & Fiscal Services is the designated Policy administrator with ultimate responsibility for analyzing debt issuance options and presenting recommendations to the Board
- The Policy's quantitative constraints regarding the following items should be more specific and assist with the decision-making process related to debt management and issuance
  - The financial burden of long-term lease obligations on the General Fund
  - The relevance of GO Bond tax rates presented to voters at election
  - Metrics and thresholds used to analyze bond refunding opportunities
- The three main methods of sale shall be considered for each debt issuance, and the preferred method shall be the method likely to result in the lowest all-in borrowing cost to the District
- When timing the issuance of debt, the District shall consider market conditions, the projected spend-down of bond proceeds, the cost of carry, and the amount of issued yet unexpended bond proceeds
- Municipal advisors, bond counsel, disclosure counsel, and underwriters will be selected through an RFP/RFQ process with any contracts limited to a maximum term of five years
- The Assistant Superintendent of Business & Fiscal Services will establish and maintain a system of record keeping and reporting to meet the IRS' arbitrage rebate compliance requirements



# Proposed 2021-22 FOC Charges

## **2021-22 Proposed Charges (continued from this year)**

- Budget Recommendations Subcommittee
- Tax Revenue and Assessed Valuation
- Bond Oversight

## **2021-22 Proposed New Charges**

- Measure R Reporting and Process Review Subcommittee
- Financial Communication and Reporting Subcommittee



# New Charge: Measure R Subcommittee

## Measure R Review and Process Analysis Committee

The FOC at the Board of Education's request, reviewed and began the process of updating the data acquisition, planning, and reporting process for the Measure R annual plan. In the process of reviewing the plan with the fiscal staff, the FOC provided several recommendations that included:

- The development of a joint district staff and FOC process to review all elements of the Measure R program including planning, engagement, and reporting
- Greater transparency around the planning and budgeting process
- Increased access by the public to the decision-making process on the use of Measure R funds
- Greater detail of the funding of educational programs and use in general fund efforts
- Reporting formats, provide counsel on the distribution of funds, and help in educating the general community about the Measure R program.



# New Charge: Create FOC Financial Communications and Reporting Sub-Committee

**Purpose:** The Financial Communications and Reporting Sub-Committee will work collaboratively with SMMUSD Fiscal and Facilities staff to implement and study recommendations regarding enhanced communications and reporting to the public on major financial matters facing SMMUSD, including facility improvement and capital projects

## **Proposed Focus for 2021-2022:**

- Offer recommendations to fiscal, facilities and public communications staff to improve accessibility, intelligibility, and transparency of communications about district finances
- Assist staff to identify communications best practices for major financial matters and develop specific templates for periodic communications related to financings, operating budget, facilities improvements and capital projects
- Assess viability of appropriate digital reporting options to enhance constructive public engagement including the creation of an open data portal for district financial data



# Appendix

- A. Bond Oversight Subcommittee's proposed changes to the District's Debt Issuance and Management Policy (Prepared June 20, 2021)
  
- B. FOC Nominations Subcommittee Actions Update



## Appendix A: FOC Bond Oversight Subcommittee's Debt Policy Review

- The Board adopted the five-page Debt Issuance and Management Policy (the “Policy”) on May 4, 2017
- While the Policy fully complies with the minimum requirements of Senate Bill 1029 signed into law in Sept. 2016, it could be improved into a more robust, comprehensive example of best practices in debt management through implementation of the changes proposed by the FOC Bond Oversight Subcommittee
  - In its credit report dated June 11, 2021, Standard and Poor’s commented “we view its guidelines as lacking significant quantitative constraints” in a reference to the Policy
- The FOC Bond Oversight Subcommittee’s proposed changes would clarify some of the vagaries in the Policy and improve transparency regarding the District’s debt issuance decision-making, yet maintain adequate flexibility for unforeseen circumstances
- In the following pages, sections of the Policy are in *italicized text* and the FOC Bond Oversight Subcommittee’s suggestions are indicated by **bold, blue font**



# Overview of FOC Bond Oversight Subcommittee's Proposed Changes

- The Assistant Superintendent of Business & Fiscal Services is the designated Policy administrator with ultimate responsibility for analyzing debt issuance options and presenting recommendations to the Board
- The Policy's quantitative constraints regarding the following items should be more specific and assist with the decision-making process related to debt management and issuance
  - The financial burden of long-term lease obligations on the General Fund
  - The relevance of GO Bond tax rates presented to voters at election
  - Metrics and thresholds used to analyze bond refunding opportunities
- The three main methods of sale shall be considered for each debt issuance, and the preferred method shall be the method likely to result in the lowest all-in borrowing cost to the District
- When timing the issuance of debt, the District shall consider market conditions, the projected spend-down of bond proceeds, the cost of carry, and the amount of issued yet unexpended bond proceeds
- Municipal advisors, bond counsel, disclosure counsel, and underwriters will be selected through an RFP/RFQ process with any contracts limited to a maximum term of five years
- The Assistant Superintendent of Business & Fiscal Services will establish and maintain a system of record keeping and reporting to meet the IRS' arbitrage rebate compliance requirements



## Policy Section: Introduction and Goals

*The Governing Board is committed to long-term capital and financial planning and recognizes that the issuance of debt is a key source for funding the improvement and maintenance of school facilities and managing cash flow. Any debt issued by the district shall be consistent with law and this policy. This policy provides written guidelines for the issuance of indebtedness by the Santa Monica-Malibu Unified School District in satisfaction of the requirements of S.B. 1029, codified as part of Government Code Section 8855.*

**The Assistant Superintendent of Business & Fiscal Services is the designated administrator of the Policy and has overall responsibility, with the Board's approval, for decisions related to the structuring and sale of all District debt issues. While the District may engage outside municipal advisors, legal counsel, and underwriters, all applicable findings, recommendations, and decisions communicated to the Board shall be issued over his/her/the signature of the Assistant Superintendent of Business & Fiscal Services.**

**The Assistant Superintendent of Business & Fiscal Services will review this Policy on an annual basis. If there are proposed changes to the Policy, staff will submit an updated Policy to the Board for consideration.**



## Policy Section: Introduction and Goals (cont'd)

*This Policy provides a framework for debt management and capital planning by the District. This Policy has been developed to meet the following goals:*

- 1) *Identifying the purposes for which the debt proceeds may be used.*
- 2) *Identifying the types of debt that may be issued.*
- 3) *Describing the relationship of the debt to, and integration with, the District's capital improvement program or budget.*
- 4) *Establishing **debt** policy goals related to the District's planning goals and objectives.*
- 5) *Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.*
- 6) **Maintaining full and complete financial disclosure and reporting.**
- 7) **Ensuring compliance with applicable State and Federal laws.**



## Policy Section: Purposes for Which Debt Proceeds May Be Used

*The laws of the State of California (the “State”) authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for school improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for cash flow needs.*

*Section 18 of Article XVI of the State Constitution contains the “debt limitation” formula applicable to the District.*

*There are a number of State laws that govern the issuance of general obligation bonds (“GO Bonds”) by school districts. Sections 1(b)(2) (Proposition 46) and 1(b)(3) of Article XIII A (Proposition 39) of the State Constitution allow the District to issue GO Bonds. The statutory authority for issuing GO Bonds is contained in Education Code Section 15000 et seq. Additional provisions applicable only to Proposition 39 GO Bonds are contained in Education Code Section 15264 et seq. An alternative procedure for issuing GO Bonds is also available in Government Code Section 53506 et seq.*



## Policy Section: Purposes for Which Debt Proceeds May Be Used (cont'd)

*The statutory authority for issuing Tax and Revenue Anticipation Notes (“TRANS”) is contained in Government Code Section 53850 et seq. Authority for lease financings is found in Education Code Section 17455 et seq. and additional authority is contained in Education Code Sections 17400 et seq., 17430 et seq. and 17450 et seq. The District may also issue Mello-Roos bonds pursuant to Government Code Section 53311 et seq.*

*The District may deem it necessary **to issue TRANS** to finance cash flow requirements under certain conditions **such as a projected negative cash position in anticipation of revenues to come from state or local sources**. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.*

*General operating costs include, but are not limited to, those items normally funded in the District’s annual operating budget.*

*The District’s Superintendent, or designee, will review potential financing methods to determine which method is most prudent for the District. Potential financing sources include, but are not limited to tax and revenue anticipation notes, temporary borrowing from the Los Angeles County Treasurer and Tax Collector, and internal temporary interfund borrowing. **The Superintendent shall consult with the Financial Oversight Committee on such financing methods for counsel on best practices.***



## Policy Section: Types of Debt That May Be Issued

- 1) *Short-Term: The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANs, when such instruments allow the District to meet its cash flow requirements. The District may also issue bond anticipation notes (“BANs”) to provide interim financing for bond projects that will ultimately be paid from GO Bonds.*
- 2) *Long-Term: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. Long-term debt ~~will should~~ not be used to fund District operations.*

*Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and additional restrictions. **GO Bonds issued pursuant to a Proposition 39 voter authorization have a maximum tax levy of \$60 per \$100,000 of taxable assessed value. There is no tax rate limitation for GO Bonds issued under Proposition 46. The District’s total outstanding GO Bond debt is limited to 2.5% of the taxable assessed value within its boundaries.***

**School Facilities Improvement District (“SFID”) bonds are GO Bonds approved by voters residing in a subset of a school district and repaid from taxes levied on the taxable assessed value of the SFID. On November 6, 2018, voters in Santa Monica authorized the issuance of \$485 million of GO Bonds for SFID No. 1 (Santa Monica Schools) and voters in Malibu authorized the issuance of \$195 million of GO Bonds for SFID No. 2 (Malibu Schools).**



## Policy Section: Types of Debt That May Be Issued (cont'd)

*The District may also enter into long-term leases and/or participate in the sale of certificates of participation or lease revenue bonds for public facilities, property, and equipment. **These obligations do not constitute indebtedness under the state constitutional debt limitation and, therefore, are not subject to voter approval.***

- 3) *Lease/Equipment Financing: Lease-purchase obligations or appropriation leases are a routine and appropriate means of financing capital equipment and certain capital facilities. However, **because** lease obligations **reduce ~~may impact on~~ budget flexibility, the District will seek to limit aggregate annual payments on all long-term leases to 3.0% of unrestricted general fund revenues. Therefore, efforts will be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority capital purchases will be funded with lease obligations. In particular, long-term lease financing for facilities is appropriate when there is insufficient time to obtain voter approval or in instances where obtaining voter approval is not feasible. The District will consider the future refinancing of long-term leases with GO Bonds.***
- 4) *Use of General Obligation Bonds: A significant portion of the District's capital projects are expected to be funded by GO Bond proceeds. Projects financed by the GO Bonds will be determined by the constraints of applicable law and the project list approved by voters. **GO Bonds will be sized and repaid in accordance with the tax rate limits presented to voters at election. If unique circumstances dictate that projected tax rates exceed the presented limits, the District will provide an independent third-party analysis demonstrating a net financial benefit of this structure relative to alternative structures.***



## Policy Section: Policy Goals Related to District's Planning Goals and Objectives

*In following this Policy, the District shall pursue the following goals:*

- 1) The District shall strive to fund capital improvements from voter-approved GO Bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.*
- 2) To the extent applicable, the District shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.*
- 3) The District shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.*
- 4) The District shall, with respect to GO Bonds, remain mindful of its statutory debt limit in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.*
- 5) The District shall consider market conditions and **the projected spend-down of bond proceeds** ~~District cash flows~~ when timing the issuance of debt.*
- 6) The District shall determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.*



## Policy Section: Policy Goals Related to District's Planning Goals and Objectives (cont'd)

- 7) *The District shall match the term of the issue to the useful lives of assets funded by that issue whenever practicable and economical, while considering repair and replacement costs of those assets to be incurred in future.*
- 8) *The District shall, when issuing debt, assess financial alternatives to include new and innovative financing approaches, including whenever feasible, categorical grants, revolving loans or other State/federal aid, so as to minimize the encroachment on the District's General Fund.*
- 9) **The District may utilize taxable financing structures permitted by the federal government which are alternatives to the issuance of tax-exempt obligations, such as tax credit or tax subsidy obligations, if they are projected to result in sufficiently lower financing costs versus traditional tax-exempt obligations. The analysis shall consider the additional risks and compliance costs of the alternative financing structure, including the partial reduction or full loss of the federal tax subsidy.**
- 10) *The District shall, when planning for the sizing and timing of debt issuance, consider its ability to expend the funds obtained in a timely, efficient and economical manner **in accordance with IRS "spend-down" requirements for tax-exempt obligations, as applicable.***



## Policy Section: Refunding and Restructuring

Periodic reviews of outstanding debt will be undertaken to identify refunding (refinancing) opportunities. Economic refundings, reducing overall debt service requirements for cost savings, will be considered when there is a net economic benefit of the refunding. Non-economic refundings (restructurings) may be undertaken to achieve objectives related to changes in covenants, repayment or optional redemption provisions, and operational flexibility.

A “current refunding” occurs when tax-exempt refunding bonds are issued 90 or fewer days before the optional redemption date of the refunded bonds. An “advance refunding” occurs when tax-exempt refunding bonds are issued 91 or more days in advance of the refunding bonds’ optional redemption date. In 2017, the IRS code was modified to preclude the issuance of tax-exempt bonds to advance refund existing bonds when there was previously a one-time exception. There is no limit on the number of times that bonds may be current refunded.

*~~The District shall consider the following when making a decision regarding refunding or restructuring existing debt.~~*

- ~~1) District’s Best Interest. Whenever deemed to be in the best interest of the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.~~*



## Policy Section: Refunding and Restructuring (cont'd)

- ~~2) Net Present Value Analysis. The District shall review a net present value (NPV) savings analysis of any proposed refunding to make a determination regarding the cost-effectiveness of the proposed refunding. **The District will proceed with an economic refunding only when both of the requirements below are met. Refundings which do not meet these two requirements, but have the potential to achieve other financing objectives, will be considered on a case-by-case basis.**~~
- 1) **The projected NPV savings, expressed as a percentage of the par amount of refunded bonds, are no less than three percent (3%) for a tax-exempt current refunding and five percent (5%) for a taxable or tax-exempt advance refunding. The higher NPV savings threshold for an advance refunding takes into consideration its often one-time only nature as well as the longer refunding escrow period wherein the escrow investment rate is usually less than the interest cost of the refunded debt, thereby creating negative arbitrage.**
  - 2) **The refunding must be minimally efficient with the projected NPV savings exceeding the amount of any negative arbitrage in the refunding escrow.**
- ~~3) Maximize Expected Net Savings. Another consideration in deciding which debt to refinance and the timing of the refinancing shall be to maximize the District's expected net savings over the life of the debt.~~
- **This item #3 is unnecessary considering the preceding text.**
- ~~4) Comply with Existing Legal Requirements. The refunding of any existing debt shall comply with all applicable State and Federal laws governing such issuance.~~
- **This item #4 is unnecessary as all debt issued by the District must comply with state and federal laws and regulations. See policy goal #7.**



## Policy Section: Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds

- 1) *Maturity of Debt: The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the issue is financing. In addition, the average life of tax-exempt financing shall not exceed 120% of the average life of the assets being financed. The District shall also consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.*
  
- 2) *Debt Structure:*
  - A. *GO Bonds:*
    1. *New Money Bond Issuances: For tax-exempt new money bond issuances, the District shall size the bond issuance consistent with the “spend-down” requirements of the Internal Revenue Code, **taking into account unexpended proceeds of prior issues at the time an issue is sized**, and within any limits approved by the District’s voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District’s bond issuance.*
  
    2. *Refunding Bond Issuances: The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.*



## Policy Section: Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds (cont'd)

3. *Maximum Maturity: All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of tax-exempt bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.*
  4. *Taxable Bonds: Taxable bonds shall be considered for funding projects which do not satisfy the “spend-down” requirements of the Internal Revenue Code **and for refunding when the issuance of tax-exempt refunding bonds is not a viable option in the near term.***
- B. Lease-Purchase Obligations: The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed. **Unless required for structuring purposes, the District will avoid the use of capitalized interest which increases the bond size and interest expense. New money lease financings may require capitalized interest until the District has use and possession of the leased asset. However, the District may pledge assets other than the facility under construction using an asset-transfer structure to eliminate the need for capitalized interest.***
- 3) *Debt Service Structure: The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.*



## Policy Section: Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds (cont'd)

- 4) **Method of Sale:** There are three primary methods of sale: competitive, negotiated, and private placement. The preferred method of sale shall be the method which is likely to result in the lowest all-in borrowing cost to the District. All three methods of sale shall be considered for all debt issuances, because each method has the potential to achieve the lowest financing cost given the right conditions. Any award through negotiation shall be subject to approval by the District, generally by the Assistant Superintendent of Business & Fiscal Services, to ensure that interest costs are in accordance with comparable market interest rates. When a competitive bidding process is deemed the most advantageous method of sale for the District, award will be based upon, among other factors, the lowest offered True Interest Cost ("TIC"). A private placement sale is appropriate when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale.
- 5) **Engagement of Financing Team Members:** Municipal advisors, bond counsel, disclosure counsel, and underwriters will be selected through a Request for Proposals (RFP) or Request for Qualifications (RFQ) process. In isolated instances, such contracts may be awarded on a sole source basis if an RFP or RFQ process would not be in the District's interests. The term of the contracts for municipal advisors, underwriters, bond counsel and disclosure counsel will be for up to five years including extensions at the District's option.

All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties. The extent of the disclosure may vary depending on the nature of the transaction. Any financing team members involved in preparing proposed District debt issuances or who have outside agreements with members so involved may not provide independent analyses of said debt issuances. All financing team members shall abide by the Board's code of ethics.



## Policy Section: Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds (cont'd)

- 6) **Disclosure Requirements:** The District shall prepare or cause to be prepared appropriate disclosures as required by Securities and Exchange Commission Rule 15c2-12 and to ensure compliance with applicable laws, regulations and agreements. The Assistant Superintendent of Business & Fiscal Services shall be responsible for the District's disclosure compliance functions, in conjunction with the disclosure counsel engaged by the District.
- 7) **IRS Compliance:** The Assistant Superintendent of Business & Fiscal Services will establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements as required by federal tax regulations. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebate earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the District's outstanding tax-exempt obligations. The Assistant Superintendent of Business & Fiscal Services may retain a firm to prepare arbitrage rebate calculations and communicate with the IRS.
- 8) **Rating Agency Relations:** The District shall maintain effective relations with the rating agencies. The Assistant Superintendent of Business & Fiscal Services shall meet with, make presentations to, or otherwise communicate with the rating agencies on a consistent and as appropriate basis to keep the agencies informed about the District's capital plans, debt issuance program, and other appropriate financial information.



## Policy Section: Use of Proceeds

*The District shall be vigilant in using bond proceeds in accordance with the stated purposes at the time such debt was incurred. In furtherance of the policy, and in connection with the issuance of all GO Bonds:*

- 1) As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District's voters; and*
- 2) District staff shall have the responsibility, no less often than annually, to provide to the District's Board of Education a written report which shall contain at least the following information: **Note: If previously prepared in compliance with the Policy, these written reports are not publicly available.***
  - i. The amount of the debt proceeds received and expended during the applicable reporting period; and*
  - ii. The status of the acquisition, construction or financing of the school facility projects, as identified in any applicable bond measure, with the proceeds of the debt.*
  - iii. These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission, or continuing disclosure reports or other reports made in connection with the debt. These requirements shall apply only until the earliest of the following: (i) all the debt is redeemed or defeased, but if the debt is refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the debt, or any investment earnings thereon, are fully expended.*



## Policy Section: Use of Proceeds (cont'd)

- 3) *The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of school facilities, and not used for teacher or administrator salaries or other operating expenses.*
- 4) *The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.*



# Appendix B:

## FOC Nominations Subcommittee

Going into the year, we were aware of three open seats, which increased to four as one additional FOC member resigned.

The subcommittee's goals were to attract a large, diverse candidate pool and select the best four candidates through a fair, transparent process.

### **Actions:**

- Revised announcement to better communicate FOC function and desired skill sets.
- Attracted 10 applications, most of which were high quality applicants.
- Recommended 4 excellent nominees to the FOC and the Board in a written report containing a description of the process and summaries of the qualifications of the recommended nominees.

## CITY OF SANTA MONICA

## CITY COUNCIL MINUTES

FEBRUARY 29, 2000

An adjourned regular meeting of the Santa Monica City Council was called to order by Mayor Pro Tem O'Connor at 6:15 p m., on Tuesday, February 29, 2000, at City Council Chambers, 1685 Main Street

Roll Call: Present: Mayor Pro Tem Pam O'Connor  
 Councilmember Richard Bloom  
 Councilmember Michael Feinstein  
 Councilmember Robert T Holbrook  
 Councilmember Kevin McKeown  
 Councilmember Paul Rosenstein

Absent Mayor Ken Genser

Also Present City Manager Susan McCarthy  
 City Attorney Marsha Jones Moutrie  
 City Clerk Maria M Stewart

**CLOSED SESSIONS**

**CLOSED SESSIONS** On order of the Mayor Pro Tem, the City Council convened at 6 15 p m , with Mayor Genser absent, and then adjourned to consider closed sessions Action taken on closed sessions was reported at the end of the meeting

On order of the Mayor Pro Tem, the City Council reconvened at 7 10 p m.. to the regular meeting, with Mayor Genser absent, to discuss the following:

**CONTINUED MID-YEAR  
 BUDGET REVIEW AND  
 ASSISTANCE TO  
 SCHOOL DISTRICT**

*Councilmember McKeown  
 was excused at 7 14 p m*

9-A **Continued Mid-year budget review proposal to provide financial assistance to the Santa Monica-Malibu Unified School District, discussion of conditions of grant, and allocation of funds for technical assistance** - recommendation that the City Council approve funding for the School District in the amount of \$2.1 million in savings from the City's Year End 1998/99 budget, \$1.9M for Kindergarten through 12th grade programs and \$200,000 for childcare programs (Continued from February 22, 2000 Public hearing closed )

On order of the Mayor, discussion and deliberations on this matter continued. Councilmember McKeown advised he was recusing himself from this matter due to a conflict of interest.

Motion by Councilmember Rosenstein, seconded by Councilmember Holbrook, to approve staff recommendation of an allocation of \$2.1 million to the School District. The release of the grant is conditioned on the District publicly notifying the City Council by letter of its plan to 1) Establish an independent Financial Oversight Committee which will operate openly under the rules of the Brown Act. The Committee needs to be provided with support staff to assist in reviewing data and making recommendations to the Board of Education on financial matters and in developing a long-range financial strategy. 2) Commission an independent review of the District's budget projections and practices, enrollment projections and forecasting practices, and current financial condition.

Motion to amend by Councilmember Bloom to change "is conditioned" to "The release of the grant is based upon the District having notified the City that it will . . ." The motion was not accepted as friendly.

Motion to amend by Councilmember Holbrook, to change the phrase to: "The grant will be released when the School District publicly notifies the City Council that it has . . ." The motion was accepted as friendly.

The main motion, as amended, was approved by the following vote

*Councilmember McKeown  
returned at 8:05 p.m.*

AYES: Councilmembers Holbrook, Rosenstein, Feinstein, Bloom,  
Mayor Pro Tem O'Connor  
NOES: None  
ABSENT Councilmember McKeown, Mayor Genser

**PUBLIC INPUT**

**PUBLIC INPUT:** Members of the public Joyce Fullmer and Art Casillas expressed various concerns.

**CLOSED SESSIONS**

On order of the Mayor Pro Tem, the City Council recessed at 8:10 p.m., to hear closed sessions, reconvened at 10:20 p.m., and reported the following action taken:

16-A: **Appointment of Public Employee.**  
**Title of Public Employee: Assistant City Manager**

ACTION Heard No reportable action taken

TO: BOARD OF EDUCATION ACTION  
3/15/00  
FROM: SUPERINTENDENT  
RE: ESTABLISHMENT OF FINANCIAL OVERSIGHT COMMITTEE

RECOMMENDATION NO. A.14 (15 min)

Staff recommends that the Board of Education approve the establishment of an independent Financial Oversight Committee, which operates under the Brown Act and reports to the Board of Education.

COMMENT: Section 54953(a) of the Brown Act states that "All meetings of the legislative body of a local agency shall be open and public....." The Brown Act definition of "legislative bodies" (Section 54952) includes the following: "A commission, committee, board, or other body of a local agency, whether permanent or temporary, decision making or advisory, created by charter, ordinance, resolution, or formal action of a legislative body."

District committees/councils, such as District Advisory Committees, Ad Hoc Advisory Committees and Site Governance Committees, which have been established by action of the Board of Education, fall, by definition, within the parameters of the Brown Act.

The size of the Oversight Committee would be 7-9 individuals who have expertise in financial and legal matters. They would meet on a regularly scheduled basis and would be appointed by the Board of Education. Staff will work with the Financial Task Force to establish criteria for the selection of the members, as well as to establish an initial charge, which may be modified after a performance audit has been completed.

PUBLIC COMMENTS: Ron Schlessinger, Lillie Schlessinger, John Petz, Peter Mezza, Gregg Heacock

DISCUSSION:

-staff will meet with members of the Financial Task Force and representatives from the Los Angeles County Office of Education to discuss criteria for selection of membership and the initial scope of work. A followup item will be placed on the April 6, 2000 agenda.

MOTION MADE BY: Mr. Pratt  
SECONDED BY: Mrs. Brady  
STUDENT ADVISORY VOTE: Aye  
AYES: All (7)  
NOES: None (0)

TO: BOARD OF EDUCATION ACTION  
5/4/00  
 FROM: SUPERINTENDENT previously  
4/6/00  
 RE: FINANCIAL OVERSIGHT COMMITTEE/COMMITTEE COMPOSITION  
 CRITERIA FOR SELECTION INITIAL SCOPE OF WORK

RECOMMENDATION NO. A.17 (15 min)

It is recommended that the Board of Education approve the Committee Composition, Criteria for Selection of Membership and the Initial Scope of Work of the Financial Oversight Committee as follow:

COMMITTEE COMPOSITION

7 Members, appointed by the Board of Education. Appointments will be for three year terms and staggered. ~~Initial appointments will be for two or three years, as determined by the Board of Education.~~ Initial appointments will be as follows: four members appointed for three-year terms; three members appointed for two-year terms.

Additionally, the following would attend committee meetings in either a liaison or resource capacity:

- 1-2 Board Liaison, selected by the Board of Education
- 1 Superintendent
- 1 Assistant Superintendent of Fiscal and Business Services
- 1 Assistant Superintendents of Human Resources
- 1 Assistant Superintendent of Educational Services
- 1 Representative from the City of Santa Monica and Malibu (Financial)
- 1 Representative from LA County Office of Education Business Department

The committee will select its chair, who will serve for a two-year term.

Consulting staff to assist in the work of committee would vary depending on data being requested/analyzed.

CRITERIA FOR SELECTION

- 1. Broad perspective
- 2. Financial and/or management and/or legal expertise/experience.
- 3. Residing, employed or working within geographic boundaries of Santa Monica-Malibu Unified School District

4. Business process orientation
5. Communicates clearly the information resulting from the committee's work
6. Not currently serving as an elected official
7. All attempts will be made to have the composition of the committee reflective of the student population.

#### INITIAL SCOPE OF WORK / ROLES AND RESPONSIBILITIES

1. Work with staff in developing both the scope and criteria for an RFP for the selection of an auditing firm to conduct a performance audit, including performance review and organizational analysis.
2. Submit a recommendation to the Board of Education regarding selection of an auditing firm to conduct the performance review.
3. Review report and recommendations of the Superintendent's Committee/Financial Task Force and look into areas of identified concern.
4. Development of a long-term financial plan for the District, consistent with District Goals, which would include potential sources of additional revenue.
5. Identify and seek alternatives that provide better educational value for expenditures; find creative ways to deliver underfunded programs without compromising quality or the vision of the District.
6. Review annual audit and submit any recommendations to the Board of Education.
7. Review annual budget and enrollment projections and submit any recommendations to the Board of Education.
8. (A member of the Oversight Committee will) participate in the selection process for Senior Business Services personnel as positions open.
9. Assist the District in educating the general public concerning school finance issues.
10. Assist the District in creating more reader-friendly budget information.
11. Review any matters potentially having an adverse impact on District finances before the Board of Education makes decisions on such matters, including matters affecting District income and District expenditures.

Further definition of roles and responsibilities will emerge as a result of the performance process.

COMMITTEE MEETINGS

The committee will meet regularly. A schedule of meetings will be determined at the first meeting. Additional meetings will be scheduled as needed. Meetings will be approximately two hours in length.

APPOINTMENT TIMELINE/PROCESS

May 4                      Approval of Committee Composition, Selection  
Criteria, Charge

May 8-June 1            Application Period

June 14                    Board appoints members to Oversight Committee

The application period will be open for four weeks, which will provide sufficient time to place notices in all local print and electronic media and to actively seek qualified candidates. All applicants will be asked to provide their professional resume, together with the application form and any other information they might deem relevant.

Application forms will be available at the switchboard of the District's administrative offices, 1651 - 16th Street in Santa Monica and upon request from the Superintendent's Office.

Approved as amended:

MOTION MADE BY: Ms. Quiñones  
SECONDED BY: Ms. Brownley

STUDENT ADVISORY VOTE: Aye  
AYES: All (5)  
NOES: None (0)

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2021-2022 District Calendar

Approved by the Board of Education: 11/21/19

July 2021				
M	T	W	Th	F
5	6	7	8	9
12	13	14	15*	16
19	20	21	22	23
26	27	28	29	30

August 2021				
M	T	W	Th	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30	31			

September 2021				
M	T	W	Th	F
6	7	8	9*	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	

October 2021				
M	T	W	Th	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

November 2021				
M	T	W	Th	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

December 2021				
M	T	W	Th	F
		1	2**	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

January 2022				
M	T	W	Th	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

February 2022				
M	T	W	Th	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28				

March 2022				
M	T	W	Th	F
	1	2	3	4
7	8	9	10**	11
14	15	16	17	18
21	22	23	24*	25
28	29	30	31	

April 2022				
M	T	W	Th	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

May 2022				
M	T	W	Th	F
2	3	4	5	6
9	10	11	12*	13
16	17	18	19	20
23	24	25	26	27
30	31			

June 2022				
M	T	W	Th	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	

**Legend:**

- = First/Last Day of School
- = Legal Holiday
- ▤ = Local Holiday (schools/offices closed)
- ▥ = School Recess (classes not in session)
- △ = Pupil Free Days (no school for students)
- ▴ = Elem. Pupil Free Day (no school -elem students)
- ▾ = Sec. Pupil Free Day (no school -sec students)
- ◊ = Certificated Staff Development Day

**Employee Work Dates:**

Sept. 1, 2021-June 30, 2022:\* Classified 11-Month  
\*must work 22 days in July/August, 2021

Aug. 5, 2021-June 21, 2022: Classified 10 +10

Aug.12, 2021-June 14, 2022: Classified 10-Month

Aug. 16, 2021-June 9, 2022: Certificated/184 Days

Aug. 17, 2021-June 9, 2022 Certif-CDS/183 Days

Aug. 18, 2021-June 9, 2022: Classified School Year



**Board Meeting Dates**

**FOC Meeting Dates at District Office**  
\*Joint Meeting w/ the Board  
\*\*Meeting held at Malibu City Hall - Multi-purpose Room

**First Day of Instruction:**  
- Thursday, August 19, 2021

**Last Day of Instruction:**  
- Thursday, June 9, 2022

**Certificated Staff Development Days:**  
(No Students)  
- Monday, August 16, 2021  
- Tuesday, August 17, 2021

**HOLIDAYS:**  
July 5: 4th of July Holiday  
Sept. 6: Labor Day Holiday  
Sept. 7: Local Holiday  
Sept. 16: Local Holiday  
Nov. 11: Veteran's Day Holiday  
Nov. 25: Thanksgiving Holiday  
Nov. 26: Legal Holiday (Admissions Day observd)  
Dec. 23, 24: Winter Holidays  
Dec. 30, 31: New Years Holidays  
Jan 17: Martin Luther King Jr. Holiday  
Feb. 21: Washington's Birthday Holiday  
Apr. 8: Local Holiday  
Apr. 15: Legal Holiday (Lincoln's B'day observd)  
May 30: Memorial Day Holiday

**SCHOOL RECESSES:**  
Nov. 24: Thanksgiving Recess Day  
Dec. 20 - Dec. 31: Winter Recess  
Apr. 4 - Apr. 15: Spring Recess

**PUPIL-FREE DAYS:**  
Aug. 16: All Students  
Aug. 17: All Students  
Aug. 18: All Students  
Nov. 2: Elementary Students Only  
Jan. 3: Secondary Students Only

**MINIMUM DAYS:**  
TK/K: Aug. 19, 20, 24, Nov. 3, 4, 5, Dec. 17, Mar. 31, June 9 + 1 discretionary  
Elementary: Aug. 19, 24, 31, Nov. 3, 4, 5, Dec. 17, Mar. 31, June 9 + 1 discretionary  
Santa Monica Middle Schools: Sept. 9, Dec. 17, Apr. 1, May 12, June 8, 9 + 4 discretionary  
Malibu MS/HS: Sept. 9, 23, Dec. 15, 16, Mar. 24, May 12, June 6, 7, 8, 9  
Samohi: Sept. 23, Dec. 14, 15, 16, 17, Mar. 24, June 3, 6, 7, 8  
Olympic HS: Sept. 23, Mar. 24, June 1, 2, 3, 6, 7, 8, 9 + 1 discretionary

Teacher Work Days: 184  
Student Days: 180  
1st Semester: Aug. 19 - Dec. 17 (80 days)  
2nd Semester: Jan. 4 - June 9 (100 days)

**Back to School Nights:**  
Tues. Aug. 24 - Elementary TK-2  
Tues. Aug. 31 - Elementary 3-5  
Thurs. Sept. 9 - Middle Schools\*  
Thurs. Sept. 23 - High Schools

**Open House Nights:**  
Thurs. Mar. 24 - High Schools\*  
Thurs. Mar. 31 - Elementary\*  
Thurs. May 12 - Middle Schools\*

**Promotions/Graduations:**  
Thurs. June 2 - Olympic HS 5:30 pm  
Tues. June 7 - Elementary  
Wed. June 8 - MHS 2:00 pm  
- Samohi 5:30 pm  
Thurs. June 9 - Middle School

**Parent Conference Days (TK-5):**  
Nov. 2 - Nov. 5, 2021

**Testing Dates:**  
CAASPP (11): Mar. 1 - May 20, 2022  
CAASPP (3-8): Apr. 18 - May 20, 2022  
AP Testing: May 2 - May 13, 2022

**TK/Kindergarten Roundup:**  
Thurs. Jan. 27, 2022

**Final Exams:**  
Malibu MS/HS: Dec. 15 - 17, 2021;  
June 6, 7, 8, 2022  
Samohi: Dec. 14 - 17, 2021;  
June 3, 6, 7, 8, 2022

**Summer School:**  
IISS: June 20 - July 15, 2022  
Credit Recovery: June 20 - Jul 22, 2022  
ESY: June 20 - July 15, 2022

**TK-5 Grading Periods:**  
Conference: Nov. 2, 2021  
Winter Grading: Feb. 4, 2022  
Spring Grading: June 9, 2022

**6-12 Grading Periods**  
Aug. 19 - Oct. 1, 2021  
Oct. 4 - Nov. 12, 2021  
Nov. 15 - Dec. 17, 2021  
Jan. 4 - Feb. 18, 2022  
Feb. 22 - April 22, 2022  
April 25 - June 9, 2022



**BOARD OF EDUCATION MEETING  
MINUTES – HYBRID FORMAT**

**July 15, 2021**

**2. TIME STAMP: 6:00 p.m. -- Joint Session with the Financial Oversight Committee  
(FOC) (60 mins)**

Minutes:

Time Start: 6:14 p.m. Time End: 7 p.m.

Public Comments:

- Nikki Kolhoff and Lydia Muraro addressed the board regarding this item.

Ms. Lieberman thanked the FOC for its work, and said she would share suggested changes to the financial communications and reporting charge to the FOC Chair and staff. She suggested looking more closely at the language in the proposed policy. Mr. Kean thanked Mr. Kremmer for the scope of work he put into that specific part of the presentation. He remarked that it was a lot of material and would like it to be examined in more detail at the next FOC meeting. Mr. Foster suggested finding the exact language connecting the existence of the FOC to the agreement with the City of Santa Monica in order to have clear expectations of the board and FOC. He suggested the Board President and FOC liaisons meet to discuss the FOC proposed charges to ensure they are what the board would like to adopt.

**ITEM : II.D.2. TIME STAMP: 6:00 p.m. -- Joint Session with the Financial Oversight Committee (FOC) (60 mins) **

**Rationale**

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

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

Therefore, in compliance with the foregoing, the Board of Education will convene a joint session with members of the Financial Oversight Committee on July 15, 2021.

**Supporting Documents**

[FOC Annual Report](#)

[FOC Joint Mtg PPT presentation](#)

[Click Here for COVID-19 Related Resources](#)

## FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

# Urgency Bill Allowing Virtual Meetings Signed by Governor Newsom



**BY KYLE HYLAND**

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posted September 17, 2021

On Thursday, September 16, 2021, Governor Gavin Newsom signed [Assembly Bill \(AB\) 361](#) (Rivas, R., D-Salinas) into law, which gives local agencies, including local educational agency (LEA) governing boards, flexibility in conducting public meetings virtually during a declared state of emergency (wildfires, floods, pandemics, etc.). As an urgency measure, AB 361 went into effect immediately upon Governor Newsom's signature, meaning its provisions are currently law.

Governor Newsom's signing of AB 361 is timely, as the executive orders that provided local agencies flexibility to conduct public meetings remotely under the COVID-19 crisis are expiring on September 30, 2021 (see "[Brown and Bagley-Keene Acts Flexibilities to End on September 30](#)" in the June 2021 *Fiscal Report*). It is important to note that while AB 361 offers flexibilities similar to the expiring executive orders, there are number of key differences in regards to public comment and meeting operations, which we detail in the summary below.

### How Can a Local Agency Trigger the AB 361 Teleconferencing Provisions?

AB 361 authorizes, until January 1, 2024, a local agency to use teleconferencing for public meetings, without complying with certain Brown Act requirements, in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining by majority vote whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees
- The legislative body holds a meeting during a proclaimed state of emergency and has determined by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees

## What Are the Virtual Meeting Requirements Under AB 361?

AB 361 specifies that if a local legislative body determines it is entitled to use the exemptions afforded to it in this bill, then it must abide by the following requirements when conducting a public meeting:

- Notice the meeting and post agendas as the Brown Act requires
- Allow the public to access the meeting and give notice for how the public can access the meeting and provide public comment
- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option
- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body
- Provide a public comment period where the public can address the legislative body directly and allow for public comment up until the period is closed
- Prohibits limiting public comments to only those submitted in advance and specifies that the legislative body must provide an opportunity for the public to offer comment in real time
- In the event of a disruption that prevents the public agency from broadcasting the meeting or prevents members of the public from offering public comment, the legislative body is prohibited from taking action on items appearing on the meeting agenda until public access to the meeting via the teleconferencing option is restored

The bill stipulates that if the state of emergency remains active for more than 30 days, a local agency must make the following findings every 30 days by majority vote in order to continue utilizing the bill's teleconferencing provisions:

- The legislative body has reconsidered the circumstances of the state of emergency
- Any of the following circumstances exist:
  - The state of emergency continues to directly impact the ability of the members to meet safely in person
  - State or local officials continue to impose or recommend measures to promote social distancing

## Are the Teleconferencing Flexibilities Under AB 361 Permanent?

The teleconferencing flexibilities for local agencies under AB 361 sunset on January 1, 2024. This means that unless subsequent legislation extends the provisions of AB 361 for local agencies, they will expire on January 1, 2024, and that local agencies would be expected to follow all of the rigid Brown Act requirements regardless of an emergency beginning in 2024.

### **Intent of the Bill**

While this bill will provide local agencies flexibility and safe harbor to conduct public meetings virtually during an emergency, it is important to emphasize that the bill's provisions are only to be operative in circumstances when it is unsafe for members of the legislative body to meet in person. Additionally, the bill's provisions are only able to be utilized pursuant to a formal state of emergency, and the declared emergency must directly threaten the safety of the agency members, staff, or the public.

We recommend LEAs that plan to utilize the teleconference provisions under AB 361 work closely with their legal counsel in order to ensure they are in full compliance with this new law.