

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (CEFA)**

5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814

Alternate Location for Teleconference Participation

University of Southern California
3601 Trousdale Parkway
Office of Vice President for Student Affairs
Student Union 201
Los Angeles, CA 90089-4891

December 6, 2007

Deputy State Treasurer Patricia Wynne, serving as chair, called the meeting to order at 1:30 p.m.

Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer, Chair
Les Kleinberg for John Chiang, State Controller, Vice Chair
Vince Brown for Michael C. Genest, Director, Department of Finance
Sylvia Scott-Hayes via teleconference
Michael L. Jackson via teleconference

Staff Present: Jose Gomez, Executive Director
Ronald Washington, Deputy Executive Director

The Chair declared a quorum present.

Approval of Minutes

The minutes from the California Educational Facilities Authority's (CEFA) October 25, 2007 meeting were approved. Vince Brown moved for approval of the minutes, Sylvia Scott-Hayes seconded the motion. The motion was adopted with a 5-0 vote.

Executive Director's Report

The Executive Director's Report was presented for October 31, 2007. Jose Gomez reported that as of October 31, CEFA had approximately \$3.7 billion in bonds outstanding with total bonds issued at approximately \$7.8 billion. Bond activity during October included the closing of the Scripps College financing on October 31 for \$30,555,000. Not reflected on October's report was the closing of Charles Drew University of Medicine & Science, which closed on November 15 for \$43 million. The Authority ends the year with one resolution pending, the University of La Verne, which is scheduled to price and close in early January 2008. The CEFA fund balance as of October 31, 2007, was \$4,947,521, reflecting expenditures of \$202,586 and income earnings of \$144,951.

Mr. Gomez reported that as of October 31, 2007, the Student Loan Program had issued approximately \$265.3 million in bond, with \$31,435,000 in bonds currently outstanding. Bond activity during October included the defeasance of \$840,000 from the CalEdge Program. The Student Loan Program Fund balance as of October 31, 2007, was \$7,229,129, reflecting expenditures of \$24,030 and SMIF income earnings of \$94,061.

Mr. Gomez concluded his report to the Board by introducing Carl Lord, the new Operations Manager.

Item #4

Waiver of CEFA's Bond Issuance Fees for

the Smart Green Equipment Financing Program
Resolution No.2007-05

Jose Gomez stated that at the July 26, 2007 meeting, CEFA staff proposed implementing a second equipment-financing program that would provide an incentive to purchase equipment with associated environmental benefits. The Board had encouraged borrowers to be more environmentally responsible with their facilities planning, and that this program was staff's effort to address this important policy while providing an economic mechanism for colleges and universities to purchase equipment. Staff recommended the Authority approve the waiver of bond issuance fees for prospective borrowers of the Smart Green Equipment Financing Program.

Jose Gomez stated that staff has been working with Dr. Jonathan Brown, President of the Association of Independent California Colleges and Universities (AICCU); and, Mr. Lloyd Leanse, Managing Director of Prager, Sealy & Co., LLC and invited their comments.

Dr. Jonathan Brown stated that AICCU helped create the Authority and that he helped carry the original Legislation. Dr. Brown stated that he has had the experience of working with every Executive Director of the Authority since the beginning, and wanted to commend the Treasurer for his choice of Executive Director. He stated that Mr. Gomez has been responsive to the institutions and is customer oriented and that he wanted to express appreciation on the Treasurer's efforts with this project and others projects they are working on. Dr. Brown stated that in the mid 1970's and early 1980's, CEFA was the first entity in the country to do pooled equipment financings and that this type of initiative to encourage campuses to continue reducing their carbon footprint is something that will be very helpful and appreciative in the long term interest of the State and the institutions.

Mr. Lloyd Leanse stated that he has worked on several pools over the years and that these types of financings were complicated, but very effective at providing access to tax-exempt financing for the smaller institutions. The waiver of fees might be the extra encouragement to bring the larger facilities to the pool to help round out the overall credit profile of the pool.

After some discussion, Sylvia Scott-Hayes moved for adoption of the Resolution and Vince Brown seconded the motion. The motion was adopted with a 5-0 vote.

Item #5

Waiver of CEFA's Bond Issuance Fees for
2008 Smart Green Series Pooled Bond Financing
Resolution No.2007-06

Jose Gomez stated that staff is working with Prager, Sealy and Co. and the Association of Independent California Colleges and Universities in proposing to structure a 2008 Smart Green Series Pooled Bond Financing using tax-exempt bonds. These bonds would finance green building and retrofitting projects and the purchase of equipment with an associated environmental benefit. This was a wonderful opportunity for the Authority to serve the borrowers and recommended that the Authority approve the waiver of bond issuance fees for prospective borrowers of the 2008 Smart Green Pooled Financing.

After some discussion, Vince Brown moved for adoption of the Resolution and Sylvia Scott-Hayes seconded the motion. The motion was adopted with a 5-0 vote.

Item #6

Academic Assistance Grant Program Update

Evelyn Gorman provided an update on the Academic Assistance Grant Program that was authorized in 2002. Ms. Gorman stated that the goal of the program was to promote access to higher education and to prepare students for college. There was a \$2 million limit with a cap of \$250,000 per applicant, and that nine colleges and universities were awarded grants that were to be paid over a three-year period and that the final payments would be made during the summer of 2008. Staff conducted site visits to all nine schools, including meetings

with school administrators, student participants, while observing classroom activities, personally delivering second-round disbursement checks, and attending closing ceremonies.

Ms. Gorman highlighted the program and stated that all nine schools were promoting successful programs that met the goal of providing access to higher education and preparing under-represented students for college. Staff would continue to monitor the programs throughout the year.

After some discussion with no public comment, the meeting was adjourned at 2:00 p.m.

Respectfully submitted by,

Jose A. Gomez
Executive Director