

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES APRIL 28, 2005--1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814**

Alternate Location for Teleconference Participation

**State Treasurer's Office
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
(213) 620-6308**

Mark Paul, for Chairman Philip Angelides, called the meeting to order at 1:35 p.m.

Present: Mark Paul for Philip Angelides, Treasurer, Chairperson
Cindi Aronberg for Steve Westly, Controller, Vice Chairperson via Teleconference
Anne Sheehan for Tom Campbell, Director, Department of Finance
Michael L. Jackson via Teleconference

Staff: Frank Vega, Executive Director
Gregory Rogers, Deputy Executive Director
Peggy Arrivas, PriceWaterhouseCoopers

Absent: Sylvia Scott-Hayes

The Chairperson declared a quorum present.

The minutes from the California Educational Facilities Authority's March 30, 2005 meeting were approved as submitted.

Frank Vega reported that the Authority has slightly over \$6 billion in total bonds issued, with \$3.11 billion in bonds outstanding. He also stated that the Occidental College, Golden Gate University and the California College of the Arts bond financings approved at the March 30, 2005 Board meeting sold and were scheduled to close. The Executive Director Report for CEFA/SLAF was presented for March 31, 2005. Mr. Vega reported the fund balance of \$6,363,259.46 for CEFA and \$6,505,800.02 for SLAF. He also reported that the draft regulations and application for the CEFA Outreach Grant Program, Senate Bill 1624 (Romero), allowing the Authority to utilize \$2 million in Authority funds for low income and very low income students had been sent out to the working group of private colleges for review and comment and will be presented for approval at the May 26, 2005 Board Meeting.

Item #4

University of Redlands Resolution No. 226

Martha Maldonado stated that the University of Redlands was requesting \$27,950,000 to advance refund a portion of the CEFA Pool, Series 2000A bonds and refund their CEFA Series 1995 bonds. The remainder of the proceeds would be used to construct a new cogeneration facility, renovate various campus facilities and purchase new telephone equipment. Representing the College: Mr. Phillip L. Doolittle, Vice President for Finance & Administration, University of Redlands; Mr. Saul Rosenbaum,

Managing Director, Prager, Sealy & Co., LLC; and, Ms. Harriet Welch, Esq., Squire, Sanders & Dempsey LLP, Bond Counsel.

Staff recommended the Authority approve Resolution Number 226 in an amount not to exceed \$27,950,000 to issue tax exempt revenue bonds for the University of Redlands, subject to a bond rating of at least an “A” category by a nationally recognized rating agency and the standard bond issuance guidelines.

Cindi Aronberg moved for adoption of the Resolution and Anne Sheehan seconded it. Motion adopted with a 3-0 vote.

(Michael L Jackson arrived)

Item #5

**Mills College
Resolution No. 227**

Evelyn Gorman stated that Mills College was requesting \$28,000,000 to fund new construction projects providing student housing and a science building as well as refinance its portion of the CEFA Pool, Series 1995A bonds. Representing the College: Ms. Elizabeth Burwell, Vice President for Finance & Administration, Mills College; Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC; and, Mr. John Knox, Esq., Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Staff recommended the Authority approve Resolution Number 227 in an amount not to exceed \$28,000,000 to issue tax exempt revenue bonds for Mills College, subject to a bond rating of at least an “A” category by a nationally recognized rating agency and the standard bond issuance guidelines.

Anne Sheehan moved for adoption of the Resolution and Cindi Aronberg seconded it. Motion adopted with a 4-0 vote.

Item #6

**University of Judaism
Amendment to Resolution No. 159**

Barry Scarff stated that the University of Judaism was requesting approval to change the use of unexpended proceeds from its CEFA 1998A bonds to be used towards remodeling an existing facility into a library and toward renovation of other campus facilities. He stated that based on a description of the proposal change, Bond Counsel had issued an opinion stating that the Bond proceeds would be used for a purpose that was included in the 1998 TEFRA notice, the Bond proceeds would not be used for sectarian purposes and that the proposed use of proceeds would not adversely affect the tax exempt status of the bonds. Representing the College: Mr. Mark Bookman, Chief Operating Officer/Senior Vice President, University of Judaism; and, Mr. Donald L. Hunt, Partner, Fulbright & Jaworski, Bond Counsel.

Staff recommended the Authority approve an Amendment to Resolution Number 159 permitting the use of unexpended bond proceeds of the Series 1998A bonds to be used for remodeling an existing facility into a library and for renovation of other campus facilities.

Cindi Aronberg moved for adoption of the Resolution and Anne Sheehan seconded it. Motion adopted with a 4-0 vote.

Item #7

**Delegation of Executive Director to Approve Certain Consents
and Amendments to Authority Bond Documents
Resolution No. 2005-02**

Barry Scarff stated that approval of Resolution 2005-02 would delegate the Executive Director (or Deputy Executive Director) the authority to execute certain amendments and other transactions, approve substitute credit and substitute liquidity facilities, and approve the replacement of certain agents performing designated functions under existing bond document, under the approved "Conditions of Approval".

It was explained by Greg Rogers that these actions would be administrative only and staff would report any amendments permitted under this delegation.

Staff recommended the Authority approve a Resolution specifically delegating authority to effect amendments and other transactions, facility substitutions, and agent replacements as detailed in Resolution 2005-02. (attached)

Anne Sheehan moved for adoption of the Resolution and Michael L. Jackson seconded it. Motion adopted with a 4-0 vote.

Item #8

**Request Support of AB 947 to expand CEFA's authority to issue bonds
for "Administrative Entities that Support Educational Facilities" and
"Entities affiliated with eligible Educational Facilities"
Resolution No. 2005-03**

Frank Vega stated that AB 947 (Liu), currently moving through the legislature, amends the definition of a "private college" eligible for financing under the CEFA Act to include nonprofit affiliates of private colleges that are solely engaged in providing support services. The bill would also allow private nonprofit research organizations affiliated with private colleges to refund bonds previously issued by CEFA. He stated that the Board supported AB 2724 (Laird) in 2004, which was vetoed by the Governor over concerns that the new definition was too broad and would overlap with financings undertaken by the California Infrastructure and Economic Development Bank. The language in AB 947 (Liu) addresses the concerns raised by the Governor by providing a narrower definition of "private college" eligible for CEFA financings.

Staff recommended the Authority approve the resolution in support of AB 947.

Anne Sheehan moved for adoption of the Resolution and Cindi Aronberg seconded it. Motion adopted with a 4-0 vote.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,

{Approved at the May 26, 2005 CEFA Board Meeting}

Frank Vega
Executive Director