

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
MINUTES MARCH 29, 2006–1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 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**

Ted Eliopoulos for Chairman Philip Angelides called the meeting to order at 1:45 p.m.

Present: Ted Eliopoulos for Philip Angelides, State Treasurer, Chairperson
Winnie Scott for Steve Westly, State Controller, Vice Chairperson
Molly Arnold for Michael C. Genest, Director, Department of Finance
Michael L. Jackson via teleconference

Absent Sylvia Scott-Hayes

Staff: Frank Vega, Executive Director

The Chairperson declared a quorum present.

The minutes from the California Educational Facilities Authority's January 26, 2006 meeting were approved as submitted. (Moved by Michael Jackson and seconded by Winnie Scott.)

Frank Vega reported that as of February 28, 2006 the Authority had issued approximately \$6.6 billion in debt, with \$3.3 billion in bonds remaining outstanding and that the Carnegie Institution of Washington bond financing approved by the Board in January had closed. Mr. Vega reported the fund balance as of February 28, 2006 was \$6.37 million and that there were no changes to report for the Student Loan Fund and the fund balance remained \$6.68 million. He stated that the Authority remained under-budget and expected to stay under-budget through the remainder of the fiscal year.

Mr. Vega stated that the Authority has received 16 applications for the Academic Assistance Grant Program and that staff and a panel of outside experts had reviewed them. He further stated that staff anticipates bringing recommendations to the Board at the April 27, 2006 Board Meeting. At that time, Grant Applicants who are determined to be ineligible will have the right to appeal.

Mr. Vega stated that the Annual Report due to the Legislature and the Governor by March 31st would be completed by the end of the week. He further stated that the California Educational Facilities Authority (CEFA) and the California Health Facilities Financing Authority (CHFFA) would be hosting the National Conference (NAHEFA/NCHFFA) on April 19-21 in Monterey and that Board Members are invited.

Item #4**University of the Pacific
Resolution No. 236**

Kristine Scully stated that the University of the Pacific was requesting \$80,710,000 in bond proceeds to construct, renovate and equip various projects at several campus locations, as well as refund a portion of the Series 2000 and all of Series 2002 CEFA bonds. Representing the University of the Pacific: Mr. Larry Brehm, Associate Vice President for Business & Finance, University of the Pacific; Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC, Underwriter; and, Mr. Perry Israel, Esq., Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Staff recommended the Authority approve Resolution No. 236 in an amount not to exceed \$80,710,000 for University of the Pacific, subject to the bonds having at least an "A" category rating by a nationally recognized rating agency and meeting the standard bond issuance guidelines for "A" category rated debt.

After discussion by the Authority, Michael Jackson moved for adoption of the Resolution and Windie Scott seconded it. Motion adopted with a 3-0 vote.

(Molly Arnold arrived)

Item #5**Qualified Scholarship Funding Corporations
Resolution No. 2006-01**

Evelyn Gorman stated that staff is seeking approval to file proposed regulations for the Qualified Scholarship Funding Corporations with the Office of Administrative Law. The proposed regulations specify the criteria that the Authority must consider when determining whether a not-for-profit corporation is eligible to issue qualified scholarship funding bonds and apply for allocation of a portion of the state's annual private activity volume cap from the California Debt Limit Allocation Committee (CDLAC). Ms. Gorman stated that the proposed regulations were developed in response to Legislation that became effective January 1, 2006 restoring the requirement for not-for-profit corporations to be approved by CEFA before applying to CDLAC for a portion of the state's annual private activity volume cap. This approval process had previously been in place and performed by the California Student Loan Authority, but this function was inadvertently omitted when it merged with CEFA in 1995. She stated that this is a one-time approval process and that once the Authority approves an entity, it is not necessary for that same organization to return to CEFA for approval in future years. Ms. Gorman stated that staff anticipates coming back to the Authority in June for approval of the permanent regulations.

Staff recommended the Authority approve Resolution No. 2006-01 regarding submission of the draft regulations to the Office of Administrative Law, which specifies the criteria to be considered by the Authority when determining the eligibility of not-for-profit corporations that wish to apply for an allocation of a portion of the state ceiling through CDLAC to issue qualified scholarship funding bonds for its Student Loan Program.

After discussion by the Authority, Windie Scott moved for adoption of the Resolution and Michael Jackson seconded it. Motion adopted with a 4-0 vote.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,

{Approved at the April 27, 2006 CEFA Board Meeting}

Frank Vega
Executive Director