

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
September 27, 2007 – 1:30 P.M.
915 CAPITOL MALL, ROOM 587
SACRAMENTO, CA 95814

Deputy State Treasurer Patricia Wynne, serving as chair, called the meeting to order at 1:35 p.m.

Roll Call

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

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) July 26, 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 the month of August 2007. Jose Gomez reported that as of August 31, 2007, CEFA had approximately \$3.7 billion in bonds outstanding with total bonds issued at approximately \$7.5 billion. Mr. Gomez stated that bond activity since the last board meeting included the closing of Saint Mary's College of California for \$71.1 million, and the closing of the Stanford University Series T-2 for \$187.5 million and Series T-3 for \$25.3 million.

Mr. Gomez reported that the Authority's fund balances as of August 31, 2007 was \$4,982,876, and that since the last Executive Director's report, the Authority had issued the second disbursement for the Academic Assistance Grant Program in the amount of \$697,732.

Mr. Gomez stated that the Student Loan Fund Balance was \$7,159,098 as of August 31, 2007 and that the student loan fund had issued a total of \$265.3 million in bonds to date, with \$32.2 million in bonds outstanding. Mr. Gomez stated that bond activity since the last board meeting included a call of \$2.26 million dollars from the Series 1997A Cal Loan Program, which completely defeased that bond issue.

Mr. Gomez reported that staff had completed site visits to the colleges and universities that received the Academic Assistance Grant Program awards and that the recipients were required to provide the Authority with a written status of their programs. Mr. Gomez reported that the Authority expects

to receive all the reports by the end of September. Mr. Gomez also thanked the borrowers for being the first to utilize the new streamlined application, which included providing environmental benefits associated with their proposed projects.

Item #4

**University of Southern California
Amendment to Resolution No. 244**

Summer Nishio stated that the University of Southern California (USC) was requesting an amendment to Resolution No. 244 originally approved by the Board on January 25, 2007, to include the refunding of the CEFA Series 1998A bonds. Due to market conditions at the time of that board meeting, USC did not include the Series 1998A bonds in the authorization. Ms. Nishio stated that with market conditions improving, USC would like to capitalize on the lower interest rates and refund the Series 1998A bonds. Representing the University: Mr. Glen Cavagnaro, Director of Liability Management, Office of the Comptroller, University of Southern California; and, Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC.

Staff recommended the Authority approve Amended Resolution No. 244 to include the University of Southern California CEFA Series 1998A bonds to the authorized refunding list, subject to all prior provisions and conditions remaining unchanged and in full effect.

Michael Carter moved for adoption of Amended Resolution No. 244 and Vince Brown seconded the motion. Motion adopted, 4 ayes, 1 abstain (Michael Jackson).

Item #5

**Scripps College
Resolution No. 248**

Evelyn Gorman stated that Scripps College was requesting \$35,000,000 in bond proceeds to be used to complete construction and renovation projects including an athletic facility and field for recreational use with a competitive athletic program, renovation of two existing structures to provide access to individuals with disabilities, and additional parking and storage. In addition, the College plans to refund all or a portion of the CEFA Series 1999 and 2001 bonds. Representing Scripps College: Mr. James Manifold, Vice President for Finance, and Mr. Scott Martin, Assistant Treasurer; Ms. Stephanie Shepherd, Esq., Bond Counsel, Squire, Sanders & Dempsey, LLP; and Mr. Richard DeProspero, Underwriter, E.J. De La Rosa & Co.

Staff recommended the Authority approve Resolution No. 248 in an amount not to exceed \$35,000,000 for Scripps College, subject to a bond rating of at least an "A" by a nationally recognized rating agency and meeting the standard bond issuance guidelines for "A" rated debt.

Michael Carter commented that the College had very strong debt service coverage and acknowledged the College's efforts to provide environmental benefits.

Sylvia Scott-Hayes moved for adoption of the Resolution and Michael Jackson seconded the motion. The motion was adopted with a 5-0 vote.

Item #6

**University of La Verne
Resolution No. 249**

Summer Nishio stated that the University of La Verne was requesting \$22,500,000 in bond proceeds to be used to add new student-oriented facilities, relocate athletic fields and upgrade existing plant assets as a means to improve the competitive position of the University's recruitment of undergraduate students. Representing the University: Ms. Lori Gordien-Case, Associate Vice

President of Finance, University of La Verne; Ms. Stephanie Shepherd, Esq., Bond Counsel, Squire, Sanders & Dempsey, LLP; Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC.

Staff recommended the Authority approve Resolution No. 249 in an amount not to exceed \$22,500,000 for the University of La Verne, subject to a bond rating of at least a “Baa” by a nationally recognized rating agency, certain bond covenants as described in the “Financing Structure” section and meeting the standard bond issuance guidelines.

Vince Brown asked about the status of the Letter of Credit.

Mr. Rosenbaum stated that the Letter of Credit provider was actively reviewing the credit profile of the University and that Allied Irish Bank was the credit provider for the University’s 2005 Bond Series and that Allied Irish Bank has indicated that they anticipate being credit provider for this financing.

Michael Carter asked if approval was conditional.

Mr. Rosenbaum stated that the approval that was being sought was for the University’s ability to borrower as long as it meets the standard bond issuance guidelines.

Michael Jackson moved for adoption of the Resolution and Vince Brown seconded the motion. The motion was adopted with a 5-0 vote.

There being no public comment, the meeting was adjourned at 1:45 p.m.

Respectfully submitted by,

Jose A. Gomez
Executive Director