

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (CEFA)**

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

May 29, 2008

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
Anne Sheehan for Michael C. Genest, Director, Department of Finance

Member Absent: Michael Jackson
Sylvia Scott-Hayes

Staff Present: Barbara J. Liebert, 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) April 24, 2008, meeting were approved. Anne Sheehan moved for approval of the minutes, Michael Carter seconded the motion. The motion was adopted with a 3-0 vote.

Executive Director's Report

The Executive Director's Report was presented for April 30, 2008. Barbara Liebert reported that as of April 31, 2008, CEFA had issued total bonds of approximately \$7,889,208,538 and currently had \$3,611,942,960 in bonds outstanding. The CEFA fund balance as of April 30, 2008 was \$5,014,642.16 reflecting fees and SMIF interest of \$115,366.89.

Barbara Liebert reported that as of April 30, 2008, the Student Loan Program had issued approximately \$265,372,500 in bonds, with \$31,435,000 in bonds currently outstanding. The Student Loan Program Fund balance as of April 30, 2008, was \$7,390,907.93 reflecting SMIF interest of \$75,792.83.

Barbara Liebert stated that ALL Student Loan had approached the Authority for financial support with the challenges they faced in coming months due to the market deterioration. Staff is currently researching the information and will bring it to the Authority as an agenda item at the next meeting.

Barbara Liebert stated that Art Center College of Design has been removed from the agenda at the request of the applicant. Art Center College of Design plans to resubmit a new application with additional dollars at a future date.

Barbara Liebert stated that staff is reviewing the Authority's fee structure for competitiveness and costs associated with bond transactions and plans to bring a recommendation to the Board at a future meeting.

Item #4**Pomona College
Resolution No. 252**

Summer Nishio of staff introduced Mr. Andrew O'Boyle, Controller, Pomona College; Ms. Harriet Welch, Esq., Bond Counsel, Squire, Sanders & Dempsey; and, Mr. Rich DeProspero, Managing Director, Underwriter, Wedbush Morgan Securities.

Barbara Liebert stated that Pomona College was requesting \$100,000,000 in bond proceeds for the construction of two residence halls, several parking structures, and various renovation projects. Staff recommended approval in an amount not to exceed \$100,000,000 for Pomona 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.

Mr. O'Boyle stated that the two new residence halls are designed to seek certified "Gold" LEED standards and the parking structures are designed with sustainability features.

Anne Sheehan moved for adoption of the Resolution and Michael Carter seconded the motion. The motion was adopted with a 3-0 vote.

Item #6**University of Southern California
Resolution No. 256**

Summer Nishio of staff introduced Mr. Glenn Cavagnaro, Director of Liability Management, University of Southern California; and, Mr. Eric Wild, Managing Director, Underwriter, Morgan Stanley

Barbara Liebert stated that the University of Southern California (USC) was requesting \$585,000,000 in bond financing to purchase two hospitals currently located on the USC campus, to finance the construction of two residence halls and several parking structures, and to renovate and upgrade various campus facilities. Staff recommended approval in an amount not to exceed \$585,000,000 for the University of Southern California 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.

Patricia Wynne asked why USC didn't go before the California Health Facilities Financing Authority for this financing.

Mr. Cavagnaro stated that there are other projects associated with this financing and wanted the flexibility to do other projects other than the hospital projects and that USC hadn't made a firm decision to purchase the hospitals and were still in negotiation

Mr. Wild stated that the credit on this issue would be a full University guarantee.

Anne Sheehan asked if these facilities were currently teaching facilities on USC's campus.

Mr. Cavagnaro stated that USC Professor's of Medicine see patients at both hospitals and research is in progress at the Norris Cancer Hospital. Mr. Cavagnaro stated that the Norris Cancer Hospital was opened around 1980 on the USC Health Science Campus and sold to a tenant several years and that USC is now buying it back. The USC University Hospital was built on land purchased from the County of Los Angeles by USC in the late 1980's and the land was leased to the tenant to build the hospital.

After some discussion, Anne Sheehan moved for adoption of the Resolution and Michael Carter seconded the motion. The motion was adopted with a 3-0 vote.

Item #7

Election of Vice-Chair-person

Ronald Washington stated that the Authority Act requires an annual election of a vice-chairperson on or after April 30 of each year. The State Controller currently serves as the vice-chairperson. Staff recommended the Board nominate and elect a vice-chairperson.

Anne Sheehan nominated the Controller for the vice-chairperson and Patricia Wynne seconded it. Motion adopted with a 3-0 vote.

No public comment, the meeting was adjourned at 1:45 p.m.

Respectfully submitted by,

Barbara Liebert
Executive Director