

MINUTES

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 Building 201
Los Angeles, CA 90089-4891
(213) 740-5240

Thursday, March 26, 2009

1:30 PM

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
Cindy Aronberg for John Chiang, State Controller, Vice Chair via teleconference
Tom Sheehy for Michael C. Genest, Director, Department of Finance
Michael Jackson via teleconference

Members Absent: 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) February 26, 2009 meeting were approved. Michael Jackson moved for approval of the minutes, Tom Sheehy seconded the motion. The motion was adopted with a 4-0 vote.

Executive Director's Report

Barbara Liebert reported that as of February 28, 2009, CEFA had issued bonds totaling approximately \$9.1 billion and currently had approximately \$4.3 billion in bonds outstanding. As of February 28, 2009, the fund balance was \$4,646,361.82, reflecting expenditures of \$95,999.22.

Barbara Liebert reported that the Student Loan Program had issued approximately \$265.4 million in bonds, with \$29,610,000 in bonds currently outstanding. As of February 28, 2009, the fund balance for the Student Loan Fund was \$7,522,638.87.

Sarah Hollenbeck, Senior Managing Consultant, Public Financial Management provided the Authority with a bond market economic update presentation.

Item #5

**University of the Pacific
Resolution No. 267**

Summer Nishio stated that the University of the Pacific (UOP) was requesting \$37,470,000 in bond proceeds to be used to finance various capital improvement projects as well as to current refund all or a portion of their CEFA Series 1998 bonds. Representing the Borrower: Mr. Larry Brehm, President for Business & Finance, University of the Pacific; Ms. Jenna Magan, Esq., Orrick, Herrington & Sutcliffe, LLP, Bond Counsel; and, Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC, Underwriter.

Tom Sheehy asked what the current tuition was for UOP and what was being done to control the costs to the students. Mr. Sheehy also asked what was being offered to the students in means of student loans and scholarships.

Larry Brehm stated that the current tuition to attend UOP is \$28,980 and will increase 4 ½ percent in the fall. Mr. Brehm stated that UOP's tuition falls lower in comparison to other private non-profit Universities in California and it is UOP's intent to keep them lower. Mr. Brehm stated that UOP looks at net tuition discount return to the University and UOP's discount rate has been relatively equal to other private institutions. Mr. Brehm stated the UOP also meets the needs of the students with financial aid through loans as well as scholarships. Mr. Brehm state that over the last seven years, UOP has had an extensive Capitol Campaign program to increase the financial resources of UOP from an operating stand point and that the campaign was very successful.

Staff recommended approval in an amount not to exceed \$37,470,000 for the University of the Pacific, subject to a bond rating of at least an "A" category by a nationally recognized rating agency and meeting the standard bond issuance guidelines for "A" category rated debt.

Cindy Aronberg moved for adoption of the Resolution and Michael Jackson seconded the motion. The motion was adopted with a 3 ayes and 1 abstain (Sheehy).

No public comment, the meeting was adjourned after a roll call vote at 2:00 p.m.