

MINUTES

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (CEFA)
5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814**

Alternate Location for CEFA Teleconference Participation

**University of Southern California
3601 Trousdale Parkway
Office of the Vice President for Student Affairs
Student Union Building 201
Los Angeles, CA 90089-4891**

Thursday, October 27, 2011

1:30 PM

Deputy Treasurer Patricia Wynne, serving as Chairperson, called the CEFA meeting to order at 1:30 p.m.

CEFA Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer, Chairperson
Alan Gordon for John Chiang, State Controller, Vice-Chairperson
Jennifer Rockwell for Ana Matosantos, Director, Department of Finance
Sylvia Scott-Hayes
Michael L. Jackson, via teleconference

Staff Present: Ronald L. Washington, Executive Director
Rosalind Brewer, Deputy Executive Director

Chairperson Wynne declared a quorum present.

The minutes from the CEFA August 25, 2011 meeting were approved. Mr. Gordon moved for approval of the minutes; Ms. Rockwell seconded the motion. The motion was adopted 5-0 with a roll-call vote.

CEFA's Executive Director's Report

Mr. Washington gave the Executive Director's Report for October 27, 2011, which reflected total and outstanding debt and program balances for the months of July and August, 2011. Mr. Washington also noted that the CEFA Top Ten Borrower's list was attached and had remained relatively unchanged.

Mr. Washington reported the Delegation of Powers action taken for the University of San Diego (USD). Mr. Washington stated the Authority had previously issued \$31,778,189 for USD, of which \$19,200,000 were issued as Current Interest Bonds, with the remaining portion being Capital Appreciation Bonds. He added that in October 2011, USD notified CEFA of its intention to refund the Current Interest Bonds through the California Municipal Finance Authority (CMFA) and requested CEFA acknowledge an escrow agreement between USD and The Bank of New York Mellon Trust Company, N.A. On October 6, 2011, the University partially refunded the Series 1999 bonds through CMFA and executed an escrow agreement with the Trustee.

Item #4

Approval of the Tentative Meeting Schedule for 2012

Mr. Washington reported CEFA's regulations reflect that board meetings of the Authority will be held on the fourth Thursday of each month unless otherwise ordered by the Authority. Mr. Washington mentioned that because there are a few months each year that have five weeks including Thursday, and because it has been the practice of the Authority to meet on the last Thursday of each month, the Authority must vote on a tentative meeting schedule in order to accommodate the longer months.

Mr. Gordon moved for adoption of the Tentative Meeting Schedule and Ms. Rockwell seconded it. Motion adopted 5-0 with a roll-call vote.

Item #5

**Loyola Marymount University
Resolution No. 285**

Ms. Kenna Waddell stated that Loyola Marymount University (LMU) was requesting bond proceeds in an amount not to exceed \$25,000,000. Bond proceeds will be used to refund the Current Interest Bonds portion of the Series 2001A Bonds with lower cost 2011 Series Bonds. Ms. Waddell stated that LMU anticipates annual debt service savings over the next 13 years to achieve present value savings of approximately \$1.5 million.

Representing LMU: Mr. Thomas O. Fleming, Senior Vice President & Chief Financial Officer; Mr. Eugene Carron, Esq., Bond Counsel, Orrick, Herrington & Sutcliffe LLP; Mr. Roan Blacker, Financial Advisor, Public Financial Management, Inc.

Staff recommended the Authority approve Resolution No. 285 in an amount not to exceed \$25,000,000 for Loyola Marymount University subject to a bond rating of at least investment grade by a nationally recognized rating agency and meeting the standard bond issuance guidelines. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Fieldman, Rolapp and Associates, Inc., the Authority's financial advisor, concurred with the Authority's staff recommendations.

Mr. Fleming gave his thanks and compliments to CEFA and its staff.

Ms. Scott-Hayes moved for adoption of the Resolution and Mr. Gordon seconded it. Motion adopted 5-0 with a roll-call vote.

Item #6

Cal Loan Student Loan Program Update

Ms. Brewer stated that at the December 2, 2010 board meeting the Authority approved the amendment of documents for the Cal Loan Program to allow for the implementation of additional collection procedures for pre-default and defaulted loans. Ms. Brewer added that All Student Loan (ALL), Administrator of the Cal Loan Program, requested additional collection tools to allow for a more active approach towards borrower repayment, while also providing the borrower with increased repayment option incentives.

Ms. Brewer stated that at the August 25, 2011, meeting, the expiration date of Resolution No. 2010-01 was extended until December 31, 2011 to allow ALL sufficient time to evaluate the program changes. Ms. Brewer concluded that the amendments, to date, have shown some promise for increased revenue recovery, and there may be an amendment presented at the December 1, 2011 meeting to further enhance collection procedures and extend the resolution.

With no public comment for CEFA, the meeting was adjourned at 1:40 p.m.

Respectfully submitted,
Ronald L. Washington
Executive Director