

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 Vice President for Student Affairs
Student Union Building 201
Los Angeles, CA 90089-4891
(213) 740-5240**

Thursday – June 28, 2012

1:30 PM

Deputy Treasurer Patricia Wynne, serving as Chairperson, called the CEFA meeting to order at 1:33 p.m.

CEFA Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer, Chairperson
Alan Gordon for John Chiang, State Controller, Vice-Chairperson
Pedro Reyes for Ana Matosantos, Director, Department of Finance
William McGinnis
Michael Jackson, via teleconference

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

Chairperson Wynne declared a quorum present.

The minutes from the CEFA April 26, 2012 meeting were approved. Alan Gordon moved for approval of the minutes; Pedro Reyes seconded the motion. Motion adopted 4-0, 1 abstain (McGinnis), with a roll-call vote.

CEFA’s Executive Director’s Report

Mr. Washington introduced CEFA’s new Board Member, William McGinnis.

Mr. Washington gave the Executive Director’s report for July 25, 2012, which reflected total and outstanding debt and program balances for the month of April 2012 and noted that the top ten borrowers remained unchanged. Mr. Washington reported the May 2012 numbers were not finalized yet and would be presented to the Board next month.

Mr. Washington presented the Delegation of Powers regarding University of the Pacific (UOP). Mr. Washington stated that UOP notified the Authority in February 2012 of its intention to defease a portion of the Series 2009 bonds. Under direction from STO General Counsel, the CEFA Executive Director executed the Certificate and Request of the Authority Regarding Partial defeasance relating to the CEFA Series 2009 bonds.

Mr. Washington presented the Delegation of Powers regarding Stanford University (Stanford). Mr. Washington stated that Stanford notified the Authority of its intent to issue another series of bonds under Resolution No. 273 which was previously approved by the Authority at its March 2010 meeting. In connection with the closing of the Series U-2 bond financing, the CEFA Executive Director executed the First Supplemental Indenture of Trust; First Supplemental Loan Agreement; Official Statement; and Bond Purchase Contract for Stanford University.

Mr. Washington mentioned CEFA has recently embarked upon a marketing campaign to promote CEFA's programs and shared that packets containing marketing information were mailed to approximately 75-80 colleges and universities. Additionally, an online survey was also delivered to these colleges and universities, the efforts of which, generated interest and positive feedback from the recipients. Mr. Washington also stated that he recently met with several universities who were previously ineligible for CEFA bond financing and as part of the marketing campaign, CEFA staff plans to complete more site visits in the near future.

Mr. Washington reported that in February 2012 CEFA requested Macias, Gini & O'Connell ("Macias") to perform a desk audit of ALL Student Loan Corporation, the Administrator of the Cal Loan program. Mr. Washington stated that CEFA has now requested Macias work with ALL Student Loan Corporation to implement their list of recommendations, as outlined in their report on the desk audit findings. Staff will work with Macias to determine a timeline for the continued audit exercise.

Mr. Washington made note of Senate Bill 1356 (De Leon), which if passed, would enact the Higher Education Investment Tax Credit Program (HEITCP) providing for a tax credit for a percentage of contributions made to the State to fund Cal Grant Awards to students. Mr. Washington stated that in the bill, CEFA is responsible for allocating and certifying the tax credits for the HEITC Program. Net revenue contributed to the HEITC Program Special Fund would be allocated to the Student Aid Commission and will be used to fund Cal Grants. Mr. Washington stated that the tax credit allocation would not exceed \$100 million for each of the next three calendar years.

Ms. Wynne stated that CEFA and the Treasurer would not be taking a position on SB 1356.

Claremont University Consortium

Item # 4

Resolution No. 290

Kenna Waddell of staff stated that the Claremont University Consortium (CUC) requested approval to issue bonds in an amount not to exceed \$9,220,000 to be used to current refund all or a portion of the California Infrastructure and Economic Development Bank (CIEDB) Series 2003 bonds, of which \$8,805,000 is still outstanding. Ms. Waddell reported that the refunding of these bonds would provide CUC with a net present value savings of approximately \$1,652,124 or 17.9% over the life of the bonds, under current market conditions.

Representing CUC: Mr. Ken Pifer, Vice President and Treasurer, Claremont University Consortium; Ms. Jennifer Stockton, Assistant Controller, Claremont University Consortium; Saul Rosenbaum, Managing Director, Prager & Co., LLC; Robyn Helmlinger, Partner, Squire Sanders (US) LLP and Patricia Gump, Senior Attorney, Squire Sanders (US) LLP.

Staff recommended the Authority approve Resolution No. 290 in an amount not to exceed \$9,220,000 for the Claremont University Consortium subject to a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concurred with the Authority's staff recommendations.

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

Item #5**Election of Vice Chairperson**

The CEFA 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. Mr. Reyes nominated the Controller for vice-chairperson for 2012 and Mr. McGinnis seconded it. Motion adopted 5-0 with a roll call vote.

Chairperson Wynne postponed open session and closed session began.

Item #6**Closed Session**

Appropriate staff and the board consulted with legal counsel regarding whether to initiate litigation (Government Code Section 11126(e)(2)(C)).

At 2:27 p.m., Chairperson Wynne announced the closed session was concluded and returned to open session. In open session, Chairperson Wynne reported that no action was taken during the closed session.

With no public comment, the CEFA meeting was adjourned at 2:28 p.m.

Respectfully submitted,

Ronald L. Washington
Executive Director