

## MINUTES

### CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY (Authority or CEFA)

First Floor Conference Room  
901 P Street, Room 102  
Sacramento, California 95814

Public Participation  
Call-In Number: (877) 810-9415  
Participant Code: 6535126

February 27, 2025, 1:30 P.M.

### OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:32 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard.

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| <b><u>Item #1</u></b> | <b><u>Roll Call</u></b> |
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| Members Present: | Khaim Morton for Fiona Ma, CPA, State Treasurer<br>David Oppenheim for Malia M. Cohen, State Controller, Vice-Chair<br>Michelle Perrault for Joe Stephenshaw, Director, Department of Finance<br>Harold Hewitt, Jr. (via teleconference) |
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|-----------------|------|
| Members Absent: | None |
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| Staff Present: | Carolyn Aboubechara, Interim Executive Director<br>Bianca Smith, Deputy Executive Director<br>Rana Mayers, Associate Governmental Program Officer<br>Careen Prince, Staff Services Analyst<br>Balpreet Chahal, Staff Services Analyst |
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Member Hewitt confirmed that no one over the age of 18 was in the room with them.

Chair Morton declared a quorum present in-person. Chair Morton requested all attendees to state their names and organization for the record and asked that any comments made during the public comment period be limited to two minutes per speaker.

### **Item #2**      **Approval of the Minutes from the December 12, 2024 Meeting (Action Item)**

Chair Morton asked if there were any changes, questions, or public comment; there were none.

### **Authority Action**

Motion to approve the minutes from the December 12, 2024 meeting.

|         |                  |           |                 |
|---------|------------------|-----------|-----------------|
| MOTION: | Member Oppenheim | SECONDED: | Member Perrault |
|---------|------------------|-----------|-----------------|

AYES: .....Members Hewitt, Perrault, Oppenheim, Morton  
NOES: .....NONE  
ABSTAIN: .....NONE  
RECUSE: .....NONE

MOTION APPROVED

**Item #3** **Executive Director's Report (Information Item)**

Interim Executive Director Aboubechara stated that there were no updates to report this month.

Chair Morton asked if there were any questions or public comment; there were none.

**Item #4** **Stanford University (Stanford), Stanford, Santa Clara County**  
**Bond Financing Program**  
**Third Amendment to and Reinstatement of Resolution No. 323 (Action Item)**

Staff Member Chahal reported that Stanford requested Authority approval of a third amendment to and reinstatement of Resolution No. 323. Staff Member Chahal reported that the third amendment would increase the authorized amount to \$1,302,775,000 to issue additional bonds under the V Series, extend the expiration date to February 27, 2027, and update the project list. Additional bonds issued under the V Series would be used to finance and refinance authorized projects, refund commercial paper issued by the Authority for Stanford, and pay the costs of issuance.

Attendees: (via teleconference) Karen L. Kearney, Treasurer and Eliot Alfi, Assistant Treasurer, Debt Management, Stanford University; Marc Bauer, Partner and Mayling Leong, of Counsel, Orrick, Herrington & Sutcliffe LLP; and John Stevenson, Vice President and Mark Somers, Vice President, Goldman Sachs & Co. LLC.

Treasurer Kearney thanked the Authority and gave an overview of Stanford's financial position, future capital projects, and funding strategies. Member Oppenheim expressed appreciation for Stanford's 50-year relationship with the Authority and asked what impact federal changes would have on Stanford's financial position to support the projects. Treasurer Kearney explained that all three credit agencies reaffirmed Stanford's AAA rating, indicating Stanford's financial stability.

Chair Morton asked if there were any additional questions or public comment; there were none.

**Authority Action**

Motion to approve the Third Amendment to and Reinstatement of Resolution No. 323 for Stanford University, subject to the terms and conditions in the resolution.

MOTION:     Member Oppenheim                      SECONDED:     Member Perrault

AYES: .....Members Hewitt, Perrault, Oppenheim, Morton  
NOES: .....NONE  
ABSTAIN: .....NONE  
RECUSE: .....NONE

MOTION APPROVED.

**Item #5**

**Stanford University, Stanford, Santa Clara County  
Bond Financing Program**

**Ninth Amendment to Resolution No. 255 (Action Item)**

Staff Member Chahal reported that Stanford requested Authority approval of a ninth amendment to Resolution No. 255 (the Resolution). The Resolution was originally approved in April 2008 to issue tax-exempt commercial paper notes in an amount not to exceed, at any one time, \$300,000,000 for the purpose of funding various capital projects for certain Stanford educational facilities. Staff Member Chahal reported the ninth amendment would amend the Resolution's authorized list of projects to include additional projects.

Attendees: (via teleconference) Karen L. Kearney, Treasurer and Eliot Alfí, Assistant Treasurer, Debt Management, Stanford University and Marc Bauer, Partner and Mayling Leong, of Counsel, Orrick, Herrington & Sutcliffe LLP.

Chair Morton asked if there were any questions or public comment; there were none.

**Authority Action**

Motion to approve the Ninth Amendment to Resolution No. 255 to amend the list of authorized projects for Stanford University, subject to the terms and conditions in the resolution.

MOTION: Member Perrault

SECONDED: Member Oppenheim

AYES: .....Members Hewitt, Perrault, Oppenheim, Morton

NOES: .....NONE

ABSTAIN: .....NONE

RECUSE: .....NONE

MOTION APPROVED

**Item #6**

**University of the Pacific (Pacific), Stockton, San Joaquin County  
Bond Financing Program**

**Resolution No. 332 (Action Item)**

Staff Member Mayers reported that Pacific requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$120 million. Bond proceeds from the Series 2025A bonds would be used to finance the demolition and reconstruction of a dormitory facility at the Stockton campus, the construction of an Ambulatory Surgical/Multi-Disciplinary Advanced Care Clinic at the San Francisco campus, and to pay costs of issuance. Bond proceeds from the Series 2025B bonds would be used to refund the existing Series 2015 bonds and pay costs of issuance.

Attendees: James Walsh, Chief Financial Officer and Executive Vice President for Finance and Operations, University of the Pacific; Joe Beare, Partner, The Yuba Group, LLC; (via teleconference) Andrew T. Fields, Associate, Squire Patton Boggs LLP; and Rob Feigenson, Executive Director, Morgan Stanley & Co. LLP (Morgan Stanley).

Vice President Walsh thanked the CEFA Board and the Authority for their years of support. Vice President Walsh provided some historical background of Pacific and discussed the purpose of the new bond issuance.

Chair Morton thanked Vice President Walsh for their continued business with CEFA and for the university's work in the community.

Member Oppenheim thanked Pacific for their goal to assist in the area of specialty dentistry and asked how the federal changes could impact Pacific's future as a higher education facility. Vice President Walsh cited Pacific's anticipated growth in enrollment, revenues, and its endowment. Vice President Walsh also noted that Pacific had sufficient liquid assets that could be utilized in case of future negative impacts.

Member Oppenheim also asked what advantage Pacific would receive by using Morgan Stanley as a placement agent and as an underwriter. General Counsel for the State Treasurer's Office (STO), William Pahland responded and explained the two ways to sell debt and how a private placement bond issuance operates and that using both a public and private offering could be beneficial. Member Oppenheim clarified that his question was meant to ensure a fair process was utilized in the selection. General Counsel Pahland explained that Morgan Stanley was an approved underwriter with the State Treasurer's Office.

Chair Morton asked if there were any additional questions or public comment; there were none.

**Authority Action**

Motion to approve Resolution No. 332 in an amount not to exceed \$120 million for University of the Pacific for the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Perrault

SECONDED: Member Oppenheim

AYES: .....Members Hewitt, Perrault, Oppenheim, Morton

NOES: .....NONE

ABSTAIN: .....NONE

RECUSE: .....NONE

MOTION APPROVED

**Item #7 College Access Tax Credit Fund Taxable Year 2024 Update (Information Item)**

Staff Member Prince reported on the College Access Tax Credit Fund (Fund) for taxable year (TY) 2024. Staff Member Prince noted that the Fund received \$930,703 from 63 individual contributions during TY 2024. Since inception, the Fund received over \$52.5 million in contributions. Staff Member Prince reported that due to the passing of AB 1400 in September 2023, the California Student Aid Commission developed the Cal-HBCU Transfer Grant Program for students who had completed the Associates Degree for Transfer pathway to attend regionally accredited, qualifying Historically Black Colleges and Universities (HBCU). These eligible students would be the recipients of the contributions to the Fund.

Chair Morton expressed his appreciation for the Fund and the opportunities it provides.

Member Perrault noted past changes to tax law which resulted in lower annual contributions and asked whether outreach efforts were still underway. Interim Executive Director Aboubechara explained that outreach for the Fund continued and explained that with the change of the target population due to AB 1400, about 100 students could receive approximately \$5,000 each. Interim Executive Director Aboubechara further noted that staff was working with the STO's External Affairs unit to send out promotional flyers, host webinars, post on social media, and setting up meetings with HBCU alumni, fraternity, and sorority associations in California.

Member Oppenheim explained that Controller Cohen was an HBCU graduate and would like to meet with Treasurer Ma regarding outreach for the Fund.

Chair Morton asked if there were any additional questions or public comment; there were none.

**Agenda Items #8 and #9**

**Public Comment and Adjournment**

Chair Morton asked for public comment. Hearing none, the meeting adjourned at 2:04pm.