



**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
2022 ANNUAL REPORT**



CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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MEMBERS

FIONA MA, CPA, CHAIR
California State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

DEBRA MARTIN

KELLY RATLIFF

INTERIM EXECUTIVE DIRECTOR
CAROLYN ABOUBECHARA

March 31, 2023

Dear Members:

On behalf of the California Educational Facilities Authority (CEFA) and staff, I am pleased to present you the 2022 CEFA annual report pursuant to California Education Code Section 94155. Established in 1973, CEFA continues to serve as a conduit issuer of tax-exempt bonds on behalf of California private non-profit colleges and universities. As of December 31, 2022, CEFA has issued \$14,487,773,538 in tax-exempt bonds since its inception, which has enabled our college and university partners to realize their capital and construction financing objectives.

This annual report highlights CEFA's activity for the 2022 calendar year. In total, CEFA processed four delegation requests and received two bond financing applications. The College Access Tax Credit Fund closed the 2022 taxable year with contributions, totaling \$1,081,200, which resulted in the certification of \$540,600 in tax credits.

The success of CEFA is made possible by the hard work and dedication of its members and staff. For 50 years, CEFA has continued to serve as a valuable resource by assisting higher educational institutions in expanding educational opportunities for all California students and their families.

If you desire further information or have questions concerning CEFA, please feel free to call me at (916) 653-2872. Additional information concerning CEFA can be found on our website: <http://www.treasurer.ca.gov/cefa>.

Sincerely,

A handwritten signature in blue ink that reads "Carolyn Aboubechara". The signature is written in a cursive, flowing style.

Carolyn Aboubechara
Interim Executive Director

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California Educational Facilities Authority

The California Educational Facilities Authority (CEFA) was established in 1973 and operates pursuant to the California Educational Facilities Authority Act (CEFA Act), as set forth in Sections 94100-94213 of the California Education Code.

CEFA was created for the purpose of issuing revenue bonds to assist private nonprofit institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, CEFA may be able to provide financing terms that are more favorable to private institutions than might otherwise be available through commercial lenders or other taxable debt instruments.

The CEFA Act explicitly states that bonds issued by CEFA shall not be a debt, liability, or claim on the full faith and credit or the taxing power of the State of California, or any of its political subdivisions. The full faith and credit of the participating institution is normally pledged to the payment of the bonds.

Mission Statement

The mission of CEFA is to provide students with better access and broader opportunities in higher education by providing qualified non-profit private higher education institutions with the assistance needed to reduce their capital costs of financing academic-related facilities through a tax-exempt revenue bond program.

Board Members

Fiona Ma, CPA	<i>Chair, California State Treasurer</i>
Malia M. Cohen	<i>Vice Chairperson, California State Controller</i>
Joe Stephenshaw	<i>Director, California Department of Finance</i>
Debra Martin	<i>Vice President for Administration & Finance and CFO, Mount Saint Mary's University</i>
Kelly Ratliff	<i>Vice Chancellor of Finance, Operations and Administration, University of California, Davis</i>



Programs

Bond Financing – The Bond Financing Program provides borrowers access to low interest rate capital markets through the issuance of tax-exempt bonds. Tax-exempt bonds may be marketed to multiple bondholders in an effort to obtain a better interest rate via either a public offering or a private placement. Given the cost of issuing bonds, this option is most often pursued by borrowers with capital project financing needs in excess of \$5 million. Colleges or universities with more modest financing needs may be grouped or “pooled” by CEFA into a single bond financing, allowing bond issuance costs to be shared by the pool participants.

College Access Tax Credit Fund – Senate Bill 798 (De León), Senate Bill 81 (Committee on Budget and Fiscal Review), and Assembly Bill 490 (Quirk-Silva), enacted in 2014, 2015, and 2017, respectively, authorized CEFA to allocate and certify tax credits for taxable years 2014 through 2023, based on a percentage of the taxpayer's contribution to the College Access Tax Credit Fund. Currently, that percentage is 50 percent and the maximum aggregate amount of credit that could be allocated and certified by CEFA is \$500 million. CEFA also is required to provide the Franchise Tax Board and the California Department of Insurance with a copy of the certifications by March 1.

2022 Legislative Changes

Assembly Bill 2880 (Bonta) – College Access Tax Credit Fund – Assembly Bill 2880 (AB 2880) was enacted October 2022 and became effective immediately. AB 2880 extends the College Access Tax Credit Fund through taxable year 2027.

Assembly Bill 2272 (Low) – Working Capital Financing Requirements – Assembly Bill 2272 (AB 2272) was enacted on July 19, 2022 and became effective immediately. AB 2272 amends CEFA’s act to authorize stand-alone financing of working capital loans to participating private colleges by the authority. Prior to the passage of AB 2272, the CEFA Act only allowed the financing of working capital loans if it was part of a larger capital project.



University of Redlands, Anderson Hall Patio Rendering

Summary of 2022 Calendar Year Financings

In 2022, CEFA authorized three bond financings for two California universities, which resulted in the issuance of \$96,995,000 in bonds. The following provides a summary of all CEFA bond issues that closed in 2022.

\$35,000,000

Art Center College of Design, Series 2022A

The proceeds were used to provide tax-exempt financing for the construction, renovation, equipping and furnishing of educational facilities located on the main campus.

\$51,345,000

University of Redlands, Series 2022A

The proceeds were used to provide tax-exempt financing for the construction, renovation, equipping and furnishing of educational facilities located on the main campus. Additionally, bond proceeds were also used to fund various capital improvement projects at the University’s Marin campus.

\$10,650,000

University of Redlands, Series 2022B

The proceeds were used to provide taxable financing to refund a portion of the outstanding CEFA 2014 Series A bonds and CEFA 2016 Series A bonds.

Portfolio

As of December 31, 2022, CEFA had 63 outstanding bond issues, totaling \$4,145,199,225.



Staff

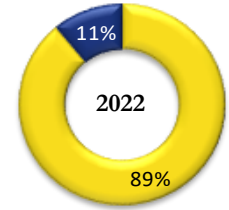
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Projects Financed

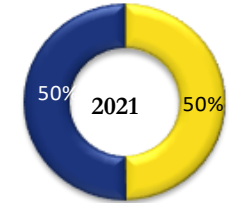
2022

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
University of Redlands, Series 2022A	Redlands	\$ 51,345,000
University of Redlands, Series 2022B	Redlands	10,650,000
Art Center College of Design, Series 2022A	Pasadena	35,000,000
Total		\$ 96,995,000



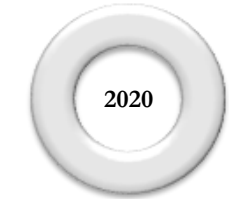
2021

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Chapman University, Series 2021A	Orange	\$ 52,995,000
Stanford University, Series V-2	Stanford	300,400,000
Total		\$ 353,395,000



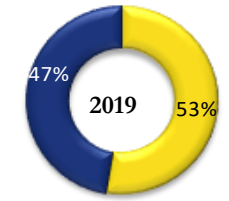
2020

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
None		\$ -



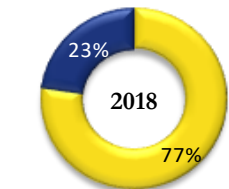
2019

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Stanford University, Series V-1	Stanford	\$ 600,000,000
Loyola Marymount University, Series 2019	Los Angeles	65,000,000
Total		\$ 665,000,000



2018

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Art Center College of Design, Series 2018A	Pasadena	\$ 100,000,000
Mount Saint Mary's University, 2018A	Los Angeles	34,940,000
Mount Saint Mary's University, 2018B (taxable)	Los Angeles	5,800,000
Loyola Marymount University, Series 2018A (taxable)	Los Angeles	29,210,000
Loyola Marymount University, Series 2018B	Los Angeles	57,330,000
University of San Francisco, Series 2018A	San Francisco	140,000,000
University of San Francisco, Series 2018B (taxable)	San Francisco	35,880,000
Total		\$ 403,160,000



■ New Constuction
 ■ Refinancing

Appendix A

Audited Financial Statements

Due to unforeseen circumstances, a complete copy of CEFA's June 30, 2022, and 2021 Independent Auditor's Report as prepared by Richardson & Company, LLP, Certified Public Accountants of Sacramento, CA has not been completed by the March 31 due date pursuant to Section 94155 of the CEFA Act.

Upon its finalization, a copy of the Independent Auditor's Report will be provided separately.