

## MINUTES

### CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY MINUTES APRIL 24, 2003–2:00 P.M. 915 CAPITOL MALL, ROOM 587 SACRAMENTO, CA 95814

The meeting was called to order at 3:00 p.m. by Ted Eliopoulos, Chair.

Present: Ted Eliopoulos for Philip Angelides, Chair  
Cindi Aronberg for Steve Westly, State Controller  
David Takashima for Steve Peace, Director, Department of Finance

Staff: Roberta Economidis, Executive Director

The Chair declared a quorum present.

The minutes from the California Educational Facilities Authority's February 27, 2003 meeting were approved as submitted.

The Expenditure Reports for CEFA/SLAF were presented for the months of February and March. Roberta Economidis reported the fund balance as of March 31, 2003 of \$6,848,929.18 for CEFA and \$6,432,375.01 for SLAF. She also presented the Authority's Quarterly Comprehensive Debt List Summary, Borrowers with \$50,000,000 or More Outstanding CEFA Debt as of March 31, 2003 totaling \$2,299,898,252.

#### **Item #4**

#### **Southwestern University School of Law Resolution No. F-209**

Kristine Scully stated that Southwestern University School of Law was requesting \$13,000,000 to refund the CEFA Series 1994 bonds, resulting in overall net present value savings of approximately \$600,000 or 5.09%. Representing Southwestern University School of Law: Ms. Beth Drake, Chief Financial Officer, Southwestern University School of Law; Mr. Saul Rosenbaum, Managing Director, Prager, Sealy & Co., LLC; and Mr. Ronald Wolf, Bond Counsel, Hawkins, Delafield & Wood.

Staff recommended the Authority approve a resolution in an amount not to exceed \$13,000,000 for Southwestern School of Law, subject to a rating of at least "A3" by a nationally recognized rating agency and meeting the standard bond issuance provisions for A3 rated debt.

Cindi Aronberg moved for adoption of the Resolution and David Takashima seconded it. Motion adopted with a 3-0 vote.

#### **Item #5**

#### **University of San Francisco Resolution No. F-210**

Mary Bates stated that the University of San Francisco was requesting \$40,000,000 in bond financing to be used for various construction, renovation, and campus technology upgrades. In addition, bonds will be used to refund a construction note and reimburse the University of San Francisco for prior capital expenditures. Representing the University of San Francisco: Mr. Charles Cross, Vice President and Chief Financial Officer; and Mr. Michael Lochhead, Associate Vice President Business & Finance, both of the University of

San Francisco; Mr. Richard Chisholm, Managing Director and Ms. Eric Gore, Vice President, both with Banc of America Securities LLC; and Ms. Janet Hanson, Bond Counsel, Sidley, Austin Brown & Wood LLP.

Staff recommended the Authority approve a resolution in an amount not to exceed \$40,000,000 for the University of San Francisco, subject to the bonds having at least an "A" rating by a nationally recognized rating agency and meeting the standard bond issuance guidelines for "A" rated debt.

Cindi Aronberg moved for adoption of the Resolution and David Takashima seconded it. Motion adopted with a 3-0 vote.

**Item #6** **Approval for Additional Funding in an amount not to exceed \$400,000 to amend the structure of the CalEdge Student Loan Program**  
**Amended Resolution No. 135**

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Mary Bates stated that staff was seeking approval to advance up to \$400,000 to the existing Cal Edge program from the Student Loan Authority Fund (SLAF) reserves to be used to buy down the 5% Origination Fee currently paid by borrowers. Because of the Federal Reserve Board's decision to continue easing rates, the Cal Edge program lost its pricing advantage as a fixed rate loan product since competing variable rate products offer rates at two to three percentage points lower than the Cal Edge Loan.

Representing the CalEdge Program: Ms. Carolyn Clute and Mr. Jay Siska, from Chela Financial USA, Inc.

Staff recommend approval of amending Resolution Number 135 for the CalEdge Program and authorizing a commitment for an advance from SLAF reserves not to exceed \$400,000 to buy down the 5% Origination Fee.

David Takashima moved for adoption of the Resolution and Cindi Aronberg seconded it. Motion adopted with a 3-0 vote.

**Item #7** **Financial Review of CEFA Borrowers**

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Robert Kittredge presented a Review on the CEFA Borrower's Financial Status.

There being no public comment, the meeting was adjourned.

Respectfully submitted by,

{Approved at the May 29, 2003 CEFA Board Meeting}

Roberta Economidis  
Executive Director