

0989 California Educational Facilities Authority

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

CEFA provides funding to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities. CEFA is also authorized to issue bonds, notes, and other forms of indebtedness to finance the costs of attendance (student loans) at institutions of higher education.

CEFA is a public instrumentality of the state consisting of five members: the Director of the Department of Finance, the State Controller, the State Treasurer, and two public members appointed by the Governor, serving four-year terms or until reappointed or a successor has been appointed.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
0940 Bond Financing	4.7	5.0	5.0	\$680	\$870	\$946
0945 Student Loan Programs	-	-	-	5,257	-	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	4.7	5.0	5.0	\$5,937	\$870	\$946
FUNDING				2013-14*	2014-15*	2015-16*
0911 Educational Facilities Authority Fund				\$680	\$870	\$946
0954 Student Loan Authority Fund				5,257	-	-
TOTALS, EXPENDITURES, ALL FUNDS				\$5,937	\$870	\$946

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code Sections 94100-94213.

DETAILED BUDGET ADJUSTMENTS

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Pro Rata	\$-	\$-	-	\$-	\$76	-
• Retirement Rate Adjustments	-	10	-	-	11	-
• Salary Adjustments	-	7	-	-	7	-
• Benefit Adjustments	-	3	-	-	2	-
• Miscellaneous Baseline Adjustments	-	-60	-	-	-60	-
Totals, Other Workload Budget Adjustments	\$-	-\$40	-	\$-	\$36	-
Totals, Workload Budget Adjustments	\$-	-\$40	-	\$-	\$36	-
Totals, Budget Adjustments	\$-	-\$40	-	\$-	\$36	-

PROGRAM DESCRIPTIONS

0940 - BOND FINANCING

CEFA issues revenue bonds to assist private educational institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, the Authority may provide more favorable financing terms to such private institutions than might otherwise be obtainable. Pursuant to Chapter 569, Statutes of 2001, CEFA may include qualifying nonprofit entities as eligible program participants for the construction of student and faculty housing. Bonds issued by CEFA are not a debt, liability, or claim on the 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. Bonds issued for this purpose are not subject to the state's "private activity" bond ceiling as specified in the Federal Tax Reform Act of 1986.

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

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Prior to January 1, 1999, CEFA was authorized to have outstanding at any one time \$2.6 billion in bonds for educational facilities. Pursuant to Chapter 741, Statutes of 1998, effective January 1, 1999, there is now no limitation on the amount of bonds outstanding at any one time. As of June 30, 2014, bonds and notes in the amount of \$11.3 billion have been issued and \$4.6 billion were outstanding.

0945 - STUDENT LOAN PROGRAMS

Pursuant to Chapter 917, Statutes of 1995, effective January 1, 1996, the California Student Loan Authority (CSLA) was abolished, and the assets, obligations, and functions were transferred to CEFA. The purpose of the CSLA was to purchase federally reinsured educational loans from eligible lending institutions by issuing tax-exempt revenue bonds, thereby expanding student access to such low-cost federally reinsured loans. Pursuant to Chapter 917, the functions were expanded under CEFA to include direct student lending from proceeds of tax-exempt revenue bonds issued by CEFA. CEFA issued a total of \$265.4 million in bonds, and as of June 30, 2014, there were no bonds outstanding. Bonds for this purpose are subject to the state's "private activity" bond ceiling, as specified in the Federal Tax Reform Act of 1986 and allocated by the California Debt Limit Allocation Committee (CDLAC).

Chapter 318, Statutes of 2005, added the requirement that not-for-profit corporations must seek approval from CEFA before applying for an allocation of a portion of the state's annual private activity volume cap from CDLAC for the purposes of issuing Qualified Scholarship Funding Bonds for Student Loan Programs. This requirement does not pertain to entities that applied to CDLAC prior to January 1, 2006. Bonds issued for student loans are not a debt, liability, or a pledge of the full faith and credit of the taxing power of the state or any of its political subdivisions. This is a trust activity and all operating expenses must be paid from revenues and other moneys available to CEFA.

Chapter 34, Statutes of 2014, provided that, for purposes of the California Educational Facilities Authority Act, "student loan" may also mean a loan assumption pursuant to the Assumption Program of Loans for Education (APLE) program administered by the California Student Aid Commission. The Budget Act of 2014 appropriated six million dollars from the CSLA fund for the purpose of supporting the APLE program.

Chapter 816, Statutes of 2014, established the California Student Loan Refinancing Program with the goal of helping eligible college graduates to refinance student loan debt at favorable rates by creating a revolving fund so that additional refinancing may occur to help more qualified borrowers, as defined, through the creation of a loss reserve account. The bill authorizes the authority to contract with any financial institution, as defined, for the purpose of allowing the financial institution to participate in the program and establishes eligibility requirements for qualified borrowers to participate in the program.

0955 - COLLEGE ACCESS TAX CREDIT FUND

Chapter 367, Statutes of 2014, added the requirement for CEFA to administer the College Access Tax Credit Fund and perform certain duties with regard to allocating and certifying the tax credits for taxable years beginning on or after January 1, 2014, and before January 1, 2017. The Statute requires CEFA to establish procedures for taxpayers to contribute to the Fund and obtain certification for the credit; allocate and certify the credit to personal and corporate taxpayers for taxable year January 1, 2014 to taxable year December 31, 2016; certify the contribution amounts eligible for the credit within 45 days following receipt of the contribution; and provide to the Franchise Tax Board a copy of each credit certificate immediately following the year of issue, no later than March 1.

DETAILED EXPENDITURES BY PROGRAM

	2013-14*	2014-15*	2015-16*
PROGRAM REQUIREMENTS			
0940 BOND FINANCING			
State Operations:			
0911 Educational Facilities Authority Fund	\$680	\$870	\$946
Totals, State Operations	\$680	\$870	\$946
PROGRAM REQUIREMENTS			
0945 STUDENT LOAN PROGRAMS			
State Operations:			
0954 Student Loan Authority Fund	\$5,257	\$-	\$-
Totals, State Operations	\$5,257	\$-	\$-
TOTALS, EXPENDITURES			
State Operations	5,937	870	946
Totals, Expenditures	\$5,937	\$870	\$946

EXPENDITURES BY CATEGORY

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

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1 State Operations	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	4.7	5.0	5.0	\$319	\$349	\$349
Total Adjustments	-	-	-	-	7	7
Net Totals, Salaries and Wages	4.7	5.0	5.0	\$319	\$356	\$356
Staff Benefits	-	-	-	151	170	170
Totals, Personal Services	4.7	5.0	5.0	\$470	\$526	\$526
OPERATING EXPENSES AND EQUIPMENT				\$289	\$344	\$420
SPECIAL ITEMS OF EXPENSES				5,178	-	-
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$5,937	\$870	\$946

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
0911 Educational Facilities Authority Fund			
APPROPRIATIONS			
Education Code Section 94140-94141	\$680	\$850	\$946
Allocation for employee compensation	-	7	-
Allocation for staff benefits	-	3	-
Section 3.60 pension contribution adjustment	-	10	-
TOTALS, EXPENDITURES	\$680	\$870	\$946
0954 Student Loan Authority Fund			
APPROPRIATIONS			
Education Code Section 94102	\$5,257	\$61	-
Funding shift to California Student Aid Commission per 2014 Budget Act	-	-61	-
TOTALS, EXPENDITURES	\$5,257	\$-	\$-
Total Expenditures, All Funds, (State Operations)	\$5,937	\$870	\$946

FUND CONDITION STATEMENTS

	2013-14*	2014-15*	2015-16*
3263 College Access Tax Credit Fund^s			
BEGINNING BALANCE	-	-	400,000
Adjusted Beginning Balance	-	-	\$400,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4171300 Donations	-	1,000,000	650,000
Transfers and Other Adjustments			
Revenue Transfer from College Access Tax Credit Fund (3263) to the General Fund (0001) per Revenue and Taxation Code Section 17053.86 (Ch. 367/2014)	-	-600,000	-350,000
Total Revenues, Transfers, and Other Adjustments	-	\$400,000	\$300,000
Total Resources	-	\$400,000	\$700,000
FUND BALANCE	-	\$400,000	\$700,000
Reserve for economic uncertainties	-	400,000	700,000

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Totals, Authorized Positions	4.7	5.0	5.0	\$319	\$349	\$349

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0989 California Educational Facilities Authority - Continued

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Salary and Other Adjustments	-	-	-	-	7	7
Totals, Adjustments	-	-	-	\$-	\$7	\$7
TOTALS, SALARIES AND WAGES	4.7	5.0	5.0	\$319	\$356	\$356

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