

0989 California Educational Facilities Authority

The California Educational Facilities Authority (CEFA) provides qualified nonprofit higher education institutions with assistance to reduce the costs of financing academic facilities through a tax-exempt revenue bond program. CEFA may also issue bonds, notes, and other forms of indebtedness for student loans to support students' higher education costs.

CEFA consists of the following five members: the Director of Finance, the State Controller, the State Treasurer, and two public members appointed by the Governor.

3-YR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
0940	Bond Financing	4.2	5.0	5.0	\$716	\$1,032	\$930
0945	Student Loan Programs	-	-	-	31	-	-
0955	College Access Tax Credit Program	-	1.0	1.0	-	248	238
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		4.2	6.0	6.0	\$747	\$1,280	\$1,168
FUNDING					2014-15*	2015-16*	2016-17*
0911	Educational Facilities Authority Fund				\$716	\$1,032	\$930
0954	Student Loan Authority Fund				31	-	-
3263	College Access Tax Credit Fund				-	248	238
TOTALS, EXPENDITURES, ALL FUNDS					\$747	\$1,280	\$1,168

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code Sections 94100 to 94213.

DETAILED BUDGET ADJUSTMENTS

		2015-16*			2016-17*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments							
Other Workload Budget Adjustments							
• Salary Adjustments		\$-	\$10	-	\$-	\$10	-
• Benefit Adjustments		-	5	-	-	6	-
• Retirement Rate Adjustments		-	4	-	-	4	-
• Miscellaneous Baseline Adjustments		-	-	-	-	-10	-
• Pro Rata		-	-	-	-	-103	-
Totals, Other Workload Budget Adjustments		\$-	\$19	-	\$-	-\$93	-
Totals, Workload Budget Adjustments		\$-	\$19	-	\$-	-\$93	-
Totals, Budget Adjustments		\$-	\$19	-	\$-	-\$93	-

PROGRAM DESCRIPTIONS

0940 - BOND FINANCING

CEFA issues revenue bonds to assist private educational institutions of higher learning construct educational facilities. Because it is authorized to issue tax-exempt bonds, the Authority may be able to provide more favorable financing terms than might otherwise be obtainable. CEFA also 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.

For purposes of the California Educational Facilities Act, "private college" or "private participating college" means a private college that does not restrict the admission of a student based on his or her race or ethnicity, provided that the financing does not violate constitutional provisions.

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

0989 California Educational Facilities Authority - Continued

"Bond" means bonds, notes, debentures, securities, or other evidences of indebtedness. This broad definition allows CEFA to issue tax-exempt direct or private placement loans for colleges and universities, which may provide greater cost savings than these colleges and universities might otherwise realize on a traditional bond financing.

0945 - STUDENT LOAN PROGRAMS

Pursuant to Chapter 917, Statutes of 1995, 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. Pursuant to Chapter 917, CEFA's functions were expanded to include direct student lending from proceeds of tax-exempt revenue bonds. As of June 30, 2015, there were no loans or bonds outstanding.

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 for the purposes of issuing Qualified Scholarship Funding Bonds for Student Loan Programs. 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 program administered by the California Student Aid Commission.

Chapter 816, Statutes of 2014, established the California Student Loan Refinancing Program to help eligible college graduates refinance student loan debt at favorable rates. Chapter 816 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, required CEFA to administer the College Access Tax Credit Fund and allocate and certify the tax credits for taxable years beginning on or after January 1, 2014, and before January 1, 2017. Chapter 22, Statutes of 2015, added a requirement that CEFA continue to allocate and certify the tax credits for taxable years beginning on or after January 1, 2017, and before January 1, 2018.

DETAILED EXPENDITURES BY PROGRAM

		2014-15*	2015-16*	2016-17*
	PROGRAM REQUIREMENTS			
0940	BOND FINANCING			
	State Operations:			
0911	Educational Facilities Authority Fund	\$716	\$1,032	\$930
	Totals, State Operations	\$716	\$1,032	\$930
	PROGRAM REQUIREMENTS			
0945	STUDENT LOAN PROGRAMS			
	State Operations:			
0954	Student Loan Authority Fund	\$31	\$-	\$-
	Totals, State Operations	\$31	\$-	\$-
	PROGRAM REQUIREMENTS			
0955	COLLEGE ACCESS TAX CREDIT PROGRAM			
	State Operations:			
3263	College Access Tax Credit Fund	\$-	\$248	\$238
	Totals, State Operations	\$-	\$248	\$238
	TOTALS, EXPENDITURES			
	State Operations	747	1,280	1,168
	Totals, Expenditures	\$747	\$1,280	\$1,168

EXPENDITURES BY CATEGORY

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0989 California Educational Facilities Authority - Continued

1 State Operations	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
PERSONAL SERVICES						
Baseline Positions	5.0	6.0	6.0	\$356	\$417	\$417
Total Adjustments	-0.8	-	-	-78	10	10
Net Totals, Salaries and Wages	4.2	6.0	6.0	\$278	\$427	\$427
Staff Benefits	-	-	-	126	206	207
Totals, Personal Services	4.2	6.0	6.0	\$404	\$633	\$634
OPERATING EXPENSES AND EQUIPMENT				\$343	\$647	\$534
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$747	\$1,280	\$1,168

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0911 Educational Facilities Authority Fund			
APPROPRIATIONS			
Education Code sections 94140-94141	\$850	\$1,016	\$930
Allocation for employee compensation	7	8	-
Allocation for staff benefits	3	4	-
Past year adjustments	-154	-	-
Section 3.60 pension contribution adjustment	10	3	-
Technical adjustment	-	1	-
TOTALS, EXPENDITURES	\$716	\$1,032	\$930
0954 Student Loan Authority Fund			
APPROPRIATIONS			
Education Code section 94102	\$61	-	-
Funding shift to California Student Aid Commission per 2014 Budget Act	-61	-	-
Past year adjustments	31	-	-
TOTALS, EXPENDITURES	\$31	\$-	\$-
3263 College Access Tax Credit Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$244	\$238
Allocation for employee compensation	-	2	-
Allocation for staff benefits	-	1	-
Section 3.60 pension contribution adjustment	-	1	-
TOTALS, EXPENDITURES	\$-	\$248	\$238
Total Expenditures, All Funds, (State Operations)	\$747	\$1,280	\$1,168

FUND CONDITION STATEMENTS

	2014-15*	2015-16*	2016-17*
3263 College Access Tax Credit Fund ^s			
BEGINNING BALANCE	-	\$2,454	\$82,188
Adjusted Beginning Balance	-	\$2,454	\$82,188
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	\$6	-	-
4171300 Donations	6,199	182,000	200,000
Transfers and Other Adjustments			

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0989 California Educational Facilities Authority - Continued

	2014-15*	2015-16*	2016-17*
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)	-3,751	-100,100	-100,000
Total Revenues, Transfers, and Other Adjustments	<u>\$2,454</u>	<u>\$81,900</u>	<u>\$100,000</u>
Total Resources	\$2,454	\$84,354	\$182,188
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0989 California Educational Facilities Authority (State Operations)	-	248	238
6980 California Student Aid Commission (Local Assistance)	<u>-</u>	<u>1,918</u>	<u>1,918</u>
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>\$2,166</u>	<u>\$2,156</u>
FUND BALANCE	\$2,454	\$82,188	\$180,032
Reserve for economic uncertainties	2,454	82,188	180,032

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
Baseline Positions	5.0	6.0	6.0	\$356	\$417	\$417
Salary and Other Adjustments	<u>-0.8</u>	<u>-</u>	<u>-</u>	<u>-78</u>	<u>10</u>	<u>10</u>
Totals, Adjustments	<u>-0.8</u>	<u>-</u>	<u>-</u>	<u>-\$78</u>	<u>\$10</u>	<u>\$10</u>
TOTALS, SALARIES AND WAGES	4.2	6.0	6.0	\$278	\$427	\$427

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