

October 22, 2025

Honorable Scott D. Wiener, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Honorable Anna M. Caballero, Chair
Senate Appropriations Committee

Honorable Buffy Wicks, Chair
Assembly Appropriations Committee

Notification of a Request for a Short-Term General Fund Loan from the California State University

Pursuant to Provision 7 of Item 6610-001-0001 of the 2025 Budget Act (Ch. 104, Stats. 2025 [SB 105]), the following notification is respectfully submitted.

The Department of Finance has received a request from the California State University (CSU) for a short-term loan from the General Fund (0001), in the amount of \$143,839,000.

Specifically, Provision 7 of Item 6610-001-0001 of the 2025 Budget Act authorizes the CSU to request a short-term, no-interest cash loan from the General Fund through Finance. Such a loan will be payable after written notification to and a 30-day review period for the chairpersons of the legislative appropriations committees and the Chairperson of the Joint Legislative Budget Committee. This letter serves to provide the required written notification of CSU's request.

Finance hereby approves the CSU's request, upon the condition that the CSU will fully repay the loan by July 1, 2026. Provision 7 indicates that the purpose of the loan is to help CSU remediate state funding deferrals included in the 2025 Budget Act. As the requested amount of \$143,839,000 is equal to a 3-percent base funding deferral included in Provision 6 of Item 6610-0001-0001 of the 2025 Budget Act, Finance finds this request consistent with state law.

To support the timely disbursement of loan funding to the CSU, Finance will provide the SCO with an Executive Order authorizing the loan. Additionally, on behalf of the CSU, Finance respectfully requests that the Chairperson of the Joint Legislative Budget Committee, or their designee, waive the 30-day review process to expedite the issuance of the short-term loan.

If you have any questions or need additional information regarding this matter, please contact Jennifer Louie, Principal Program Budget Analyst, at 916-445-0328 or Jennifer.louie@dof.ca.gov.

JOE STEPHENSHAW

Director

By:

A handwritten signature in blue ink, appearing to read "Erika Li".

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Malia Cohen, State Controller
Regina Evans, Chief of Staff, State Controller's Office
Cathy Leal, Chief Operating Officer, State Controller's Office
Jennifer Chavez, Chief of Administration and Disbursements, State Controller's Office
Jennifer Urban, Chief of Budgets and Accounting, State Controller's Office
An-Vi Ching, Budget Officer, State Controller's Office

October 16, 2025

Joe Stephenshaw
Director, Department of Finance
1021 O Street, Suite 3110
Sacramento, CA 95814

Dear Director Stephenshaw,

I am writing on behalf of the California State University to formally request authorization for a no-interest short-term General Fund loan for \$143,839,000, as provided under AB 102, Provision 7, for the 2025–26 fiscal year. This loan is necessary to address constraints resulting from the reduction in state funds.

Given the urgency of our needs, we respectfully request that the Joint Legislative Budget Committee waive the 30-day review period to expedite approval of this loan. We also request your assistance in submitting the required notification to the Chairpersons of the Senate Committee on Budget and Fiscal Review, Assembly Committee on Budget, and Joint Legislative Budget Committee as soon as possible.

We appreciate your support of this request and stand ready to provide any additional information or documentation you may require. Please feel free to contact me directly to further discuss this matter.

Sincerely,



Patrick J. Lenz
Interim Executive Vice Chancellor and
Chief Financial Officer

PJL:jw

c: Jack B. Clarke Jr., Chair of the CSU Board of Trustees
Julia I. Lopez, Chair, Board of Trustees Finance Committee, CSU Trustee
Jack McGrory, Vice-Chair, Board of Trustees Finance Committee, CSU Trustee
Mildred García, Chancellor, California State University
Jessica Holmes, Program Budget Manager, Education, Department of Finance

CSU Universities

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Monterey Bay

Northridge
Pomona
Sacramento
San Bernardino
San Diego
San Francisco

San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus