

November 13, 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 University of California

Pursuant to Provision 29 of Item 6440-001-0001 of the 2025 Budget Act (Ch. 104, Stats. 2025 [SB 105]), the following notification is respectfully submitted.

The Department of Finance has received the attached request from the University of California (UC) for a short-term loan from the General Fund (0001), in the amount of \$129,692,000.

Specifically, Provision 29 of Item 6440-001-0001 of the 2025 Budget Act authorizes the UC 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 UC's request.

Finance hereby approves the UC's request, upon the condition that the UC will fully repay the loan by July 1, 2026. Provision 29 indicates that the purpose of the loan is to help UC remediate state funding deferrals included in the 2025 Budget Act. As the requested amount of \$129,692,000 is equal to a 3-percent base funding deferral included in Provision 28 of Item 6440-0001-0001 of the 2025 Budget Act, Finance finds this request consistent with state law.

To support the timely disbursement of loan funding to the UC, Finance will provide the SCO with an Executive Order authorizing the loan. Additionally, on behalf of the UC, 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:



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
James B. Milliken, President, University of California
Malia Cohen, State Controller, State Controller's Office
Regina Evans, Chief of Staff, State Controller's Office
Cathy Leal, Chief Operating Officer, State Controller's Office

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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE PRESIDENT
UC Finance Division
1111 Franklin St., 7th Floor
Oakland, California 94607-5200

November 7, 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 University of California to request your authorization of a no-interest, short-term loan in the amount of \$129,692,000, as reflected in SB 105 (Budget Act of 2025).

The University is currently facing myriad budget pressures, particularly as a result of federal actions targeting institutions of higher education and ongoing challenges to the State's fiscal condition. Despite these difficulties, our campuses continue to expand access—with growth of over 4,000 California resident undergraduate FTE above target for 2024-25—and make progress on our shared goals. The State has remained an important partner through this work.

Achieving this level of enrollment growth necessitates sustained State support for our students. While we work to restore ongoing funding for our campuses, the loan will be prioritized for one-time student support services that are critical to ensuring student success and timely degree completion.

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.

Please let me know if you have any questions or if I can provide you with any additional information. As always, many thanks for your continued support and collaboration with our team.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Brostrom".

Nathan Brostrom
Executive Vice President and
Chief Financial Officer

November 3, 2025

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cc: James B. Milliken, President, University of California
Jessica Holmes, Program Budget Manager, Department of Finance
Jenny Kao, Vice President and Chief of Staff, President's Executive Office
Marisa McAuliffe, Chief Policy Advisor, President's Executive Office
Kathleen Fullerton, Associate Vice President & Director, State Governmental Relations
Caín Díaz, Associate Vice President, Budget Analysis & Planning
Seija Virtanen, Associate Director, State Governmental Relations