

August 18, 2026

Honorable John Laird, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Honorable Sabrina Cervantes, 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 11 of Item 6610-001-0001 of the 2026 Budget Act (Chapter 21, Statutes of 2026 [SB 111]), the following notification is respectfully submitted.

The Department of Finance has received the attached 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 11 of Item 6610-001-0001 of the 2026 Budget Act authorizes the CSU to request a short-term, no-interest cash loan from the General Fund through Finance. This loan will be payable after written notification to the chairpersons of the legislative appropriations committees and the Chairperson of the Joint Legislative Budget Committee, 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, 2027. Provision 11 indicates that the purpose of the loan is to assist CSU to remediate state funding deferrals included in the 2026 Budget Act. As the requested amount of \$143,839,000 is equal to a 3-percent base funding deferral included in Provision 10 of Item 6610-0001-0001 of the 2026 Budget Act, Finance finds this request consistent with state law.

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 period to expedite the issuance of the short-term loan to avoid impacting CSU operations. To support the timely disbursement of loan funding to the CSU, Finance will provide the SCO with an Executive Order authorizing the loan immediately upon approval by the Chairperson of the Joint Legislative Budget Committee if the 30-day review period is waived or upon expiration of the 30-day review period.

If you have any questions or need additional information regarding this matter, please call 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 David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review
Subcommittee No. 1
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Paul Dress, Chief of Staff, Assembly Republican Caucus
Nghia Nguyen, Chief of Staff, Assembly Republican Leader's Office
Jason Sisney, Budget Director, Assembly Speaker's Office
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Mark Martin, Assistant Vice Chancellor, Budget Planning and Advocacy,
California State University Office of the Chancellor
Jeni Kitchell, Assistant Vice Chancellor, Finance and Budget
Administration/Controller, California State University Office of the Chancellor

July 1, 2026

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

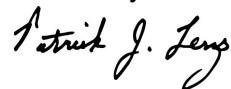
Dear Director Stephenshaw,

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 SB 111, Provision 11, for the 2026–27 fiscal year. This loan is necessary to address constraints resulting from the 2025-26 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: Diego Arambula, 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