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August 24, 2026

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In a letter dated August 18, 2026, you notified the Joint Legislative Budget Committee, pursuant to Item 6610-001-0001, Provision 11 in the *2026-27 Budget Act* of a request from the California State University (CSU) for a short-term General Fund loan of \$143,839,000.

As background, the *2025-26 Budget Act* deferred a \$143,839,000 General Fund payment to CSU from 2025-26 to 2026-27. The deferred payment was equivalent to 3 percent of CSU's General Fund support. The state allowed CSU to receive a no-interest, short-term General Fund loan in 2025-26 to ensure CSU experienced no associated impact on its operations. This year's budget continues this arrangement by deferring \$143,839,000 from 2026-27 to 2027-28 and again authorizing CSU to access a no-interest, short-term General Fund loan. According to the request, a loan remains needed to avoid impacts on CSU's operations. This loan will be approved on the condition that it will be fully repaid on July 1, 2027.

To promptly respond to the CSU's funding request and prevent any delay in the disbursement of funds, I concur with the issuance of the loan and waive the remainder of the 30-day review period.

Sincerely,



John Laird
Chair

cc: Members of the Joint Legislative Budget Committee