Judicial Council of California
Trial Court Budget Advisory Committee

TRIAL COURT BUDGET ADVISORY COMMITTEE
FUNDING METHODOLOGY SUBCOMMITTEE

MATERIALS NOVEMBER 19, 2026
VIRTUAL MEETING

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Judicial Council of California

TRIAL COURT BUDGET ADVISORY COMMITTEE
FUNDING METHODOLOGY SUBCOMMITTEE
NOTICE AND AGENDA OF OPEN ELECTRONIC MEETING

November 19, 2026

2:00 p.m. – 3:00 p.m.

Public Access: https://jcc.granicus.com/player/event/6060

Open to the public (Cal. Rules of Court, rule 10.75(c) and (e)(1)).

Meeting materials for open portions of the meeting will be posted on the Trial Court Budget Advisory Committee webpage on the California Courts website at least three business days before the meeting.

Request for ADA accommodations should be made at least three business days before the meeting and directed to: JCCAccessCoordinator@jud.ca.gov.

Members of the public seeking to make an audio recording of the open meeting portion of the meeting must submit a written request at least two business days before the meeting. Requests can be emailed to tcbac@jud.ca.gov.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

Call to Order and Roll Call

Approval of Minutes
Approve minutes of the September 10, 2026, Funding Methodology Subcommittee meeting.

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K))

This meeting will be conducted by electronic means. As such, the public may make comments in writing or remotely.

Written Comment
In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be emailed to tcbac@jud.ca.gov. Only written comments received by 2:00 p.m.

November 18, 2026, will be provided to advisory body members prior to the start of the meeting.

Remote Public Comment
Members of the public requesting to speak during the public comment portion of the meeting must provide the speaker's name, the name of the organization that the speaker represents if any, and the agenda item that the public comment will address. Requests to make a remote public comment must be received by 2:00 p.m. November 18, 2026, via email to tcbac@jud.ca.gov. The chair will establish speaking limits at the beginning of the public comment session. While the advisory body welcomes and encourages public comment, time may not permit all persons requesting to speak to be heard at this meeting.

III. Discussion and Possible Action Items (Items 1–2)

Item 1
New Judgeship Funding Allocations for Fiscal Year 2026–27 (Action Required)
Consideration of an allocation methodology for the operational funding to support new judgeships included in the Budget Act of 2026.

Presenter: Ms. Oksana Tuk, Senior Fiscal Analyst, Judicial Council Budget Services

Item 2
Workload Formula Equity-Based Reallocation Policy Discussion (Action Required)
Consideration of updates to the Workload Formula policy's equity-based reallocation methodology.

Presenter: Ms. Oksana Tuk, Senior Fiscal Analyst, Judicial Council Budget Services

IV. Adjournment

Adjourn

Judicial Council of California

TRIAL COURT BUDGET ADVISORY COMMITTEE
FUNDING METHODOLOGY SUBCOMMITTEE
DRAFT MINUTES OF OPEN MEETING

September 10, 2026

12:00 p.m. – 1:00 p.m.

Videoconference

Members Present: Judges: Hon. Jonathan B. Conklin (Cochair), Hon. Judith C. Clark, Hon. Samantha P. Jessner, and Hon. Patricia L. Kelly

Executive Officers: Mr. Chad Finke (Cochair), Ms. Stephanie Cameron, Ms. Rebecca Fleming, Mr. David W. Slayton, Ms. Kim Turner, and Mr. David H. Yamasaki

Members Absent: Hon. David C. Kalemkarian, Hon. Lawrence Brown (Liaison), and Mr. Jake Chatters

Others Present: Hon. Judith K. Dulcich, Mr. Zlatko Theodorovic, Ms. Fran Mueller, Ms. Joleen Allgood, Ms. Megan Ellis, and Ms. Bianca Stoyanowski

OPEN MEETING

Call to Order and Roll Call
The chair called the meeting to order at 12:00 p.m. and took roll call.

Approval of Minutes
The advisory body approved the minutes of the July 22, 2026, Funding Methodology Subcommittee (FMS) meeting.

DISCUSSION AND ACTION ITEMS (ITEMS 1–3)

Item 1
San Francisco Workload Formula Adjustment Requests (Action Required)
Consideration of Workload Formula adjustment requests for 2026 from the Superior Court of San Francisco County.

Action: *FMS unanimously voted not to advance the Superior Court of San Francisco County's two 2026 Workload Formula adjustment requests for further consideration.*

Item 2

Funding Methodology Subcommittee Annual Work Plan (Action Required)

Consideration of strategies to implement projects included in the Funding Methodology Subcommittee's fiscal year 2026–27 work plan.

Action: *FMS unanimously voted to approve the projects in its fiscal year 2026–27 annual work plan.*

Item 3

Trial Court Minimum Operating and Emergency Fund Balance Policy Updates (Action Required)

Consideration of updates to the Judicial Council's trial court minimum operating and emergency fund balance policy.

Action: *FMS unanimously voted to approve the revisions to the trial court minimum operating and emergency fund balance policy, as shown in Attachment 3C.*

This recommendation will be considered by the Trial Court Budget Advisory Committee, the Judicial Branch Budget Committee, and then the Judicial Council at its business meeting on December 11, 2026.

INFORMATION ONLY ITEM (NO ACTION REQUIRED)

New Judgeship Funding Allocations for Fiscal Year 2026–27 Update

Update on status of the $1.3 million for operational costs to support the judgeships included in the Budget Act of 2026.

Action: *No action was taken.*

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:31 p.m.

Approved by the advisory body on enter date.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Funding Methodology Subcommittee
(Action Item)

Title: New Judgeship Funding Allocation for Fiscal Year 2026–27

Date: 11/13/2026

Contact: Oksana Tuk, Senior Fiscal Analyst, Judicial Council Budget Services | 916-643-8027 | oksana.tuk@jud.ca.gov

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Issue

Develop an allocation methodology for the $1.3 million included in the Budget Act of 2026 for operational costs associated with 13 trial court judgeships that will be phased in over a five-year period.

Background

The Budget Act of 2026 includes $99.9 million to begin funding 13 of the 26 judgeships authorized by Senate Bill 75 (Stats. 2023, ch. 482) over the next five fiscal years. Of this amount, $1.5 million is for the operational costs associated with three judgeships beginning in the last quarter of the fiscal year and $98.4 million is for facility construction and modifications to support the judgeships.

The $1.5 million operational component includes:

- $201,000 for judicial officer compensation (three judgeships for three months);
- $1.3 million for operational costs to support the judgeships; and
- $62,000 for court interpreter services.

Funding for judicial officer compensation and court interpreter services is allocated separately and is not included in the proposed methodology for allocating the $1.3 million in operating support as described in this report.

Funding for the 13 judgeships will be adjusted during each of the next four fiscal years and will become ongoing thereafter, as the remaining judgeships are phased in and facility projects are completed.

Previous Allocation of New Judgeship Funding

Under Judicial Council policy, funding for new judgeships has been treated as new money and allocated through the Workload Formula.

In fiscal year (FY) 2019–20, the trial courts received $24.5 million to support 25 judgeships beginning two months into the fiscal year.[1] In FY 2020–21, the courts received an additional $4.9 million to support the same 25 judgeships for the remaining two months, for a total of $29.4 million annually.[2] In FY 2022–23, the courts received an additional $31.2 million for 23 judgeships.[3]

For each of these allocations, the new judgeship funding was distributed through the Workload Formula. After applying the non-sheriff court security deduction, the Workload Formula used the following steps:

1. Bring all cluster 1 courts up to 100 percent of funding need.

2. Allocate up to 50 percent of remaining funding to courts under the statewide average funding ratio. Allocated funds will bring courts up to but not over the statewide average funding ratio. The first 50 percent allocation of new funding to courts below the statewide average will be scaled by courts' distance from the statewide average and size based on the courts' Workload Formula need.

3. Allocate remaining funding to all courts based on the Workload Formula.

4. Allow no court's allocation to exceed 100 percent of its need unless it is the result of a funding floor calculation.

Non-Sheriff Court Security

In July 2015, the Judicial Council approved a policy for courts that provide their own security (non-sheriff) rather than using the county sheriff.[4] Under the policy, beginning in FY 2016–17, these courts receive a share of any new General Fund augmentation based on the growth percentage provided to county sheriffs. If the sheriffs' growth percentage is higher than the percentage increase in General Fund support for the trial courts, the courts receive the lower trial court percentage. This funding ends if a court stops providing its own security services.

In FY 2019–20, 39 courts that provide their own security received a total of $455,000 in additional security funding based on the $24.5 million for the 25 new judgeships. In FY 2020–21, the same courts received a total of $99,000 in additional security funding based on the $4.9 million, for total security funding of $554,000 annually for support of the FY 2019–20 new judgeships.

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[1] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Allocations from the Trial Court Trust Fund and Trial Court Allocations for Fiscal Year 2019–20* (July 1, 2019).
[2] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Allocations from the Trial Court Trust Fund and Trial Court Allocations for Fiscal Year 2020–21* (July 2, 2020).
[3] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Allocations from the Trial Court Trust Fund and Trial Court Allocations for 2022–23* (June 28, 2022).
[4] Judicial Council of Cal., Advisory Com. Rep., *Budget: Fiscal Year 2016–2017 Budget Request for the Trial Courts* (July 15, 2015); meeting minutes (July 28, 2015).

Most recently, in FY 2022–23, 39 courts received a total of $483,000 in additional security funding based on the $31.2 million received for 23 new judgeships. The annual base security allocation is $43.6 million.

Because new judgeship funding is limited in FY 2026–27 and FY 2027–28, the allocation options for those two fiscal years do not include a non-sheriff court security adjustment.

Allocation Options for FY 2026–27 and FY 2027–28

The $1.3 million available in FY 2026–27 supports three judgeships for three months. Initial estimates for FY 2027–28 assume approximately $6.3 million in annualized costs to support the first three judgeships and add another three judgeships for three months, subject to final amounts included in the FY 2027–28 Governor's Budget. The funding is not enough to complete Step 1 of the Workload Formula calculation and bring all cluster 1 courts to 100 percent of workload need.

As a result, the following two options are proposed for consideration and are shown in Attachment 1A:

Option 1 – Allocate the $1.3 million proportionally among all cluster 1 courts that are below 100 percent of their workload need. Twelve courts would receive funding, but none would reach the 100 percent funding level.

Option 2 – Allocate the $1.3 million to raise the lowest-funded cluster 1 courts to the same minimum funding level. All cluster 1 courts would be funded at no less than 88 percent of need, and seven courts would receive funding.

The approved methodology may be used in both FY 2026–27 and FY 2027–28 due to the limited amount of funding for the first two years of implementation. The Funding Methodology Subcommittee may reassess the methodology in subsequent years, including the security adjustment, as the 13 judgeships are phased in.

Expenditure and Reporting Requirements

The approved methodology is recommended for FY 2026–27 and FY 2027–28. After Judicial Council approval, trial courts will receive their FY 2026–27 allocations as a lump sum in a single monthly distribution. The FY 2026–27 allocation is available for expenditure or encumbrance until June 30, 2027, and courts have an additional two years, through June 30, 2029, to liquidate valid encumbrances using the allocated funds.

No additional operational agreement will be issued to provide further expenditure or reporting guidance. Final year-end expenditures must be recorded in the Phoenix Financial system by the last business day of July of each reportable year to ensure sufficient time to reconcile and report annual expenditures.

Recommendation

1. Consider the two options for allocating the $1.3 million in first-year new judgeship funding to partially address Step 1 of the Workload Formula policy calculation.

2. Use the approved FY 2026–27 methodology again in FY 2027–28.

3. Direct the Funding Methodology Subcommittee to revisit the methodology for FY 2028–29 and subsequent years as needed.

These recommendations will be considered by the Trial Court Budget Advisory Committee, the Judicial Branch Budget Committee, and then the Judicial Council.

Attachments

Attachment 1A: Allocation Options for New Judgeship Funding for FY 2026–27

Allocation Options for New Judgeship Funding for FY 2026–27

Attachment 1A

Court	FY 2026–27 Workload Allocation	FY 2026–27 Workload Formula	Workload Formula Percentage	Proposed option 1: New Judgeship Funding - Pro Rata Allocation	Proposed option 1: Updated FY 2026–27 Workload Allocation with Judgeship Funding	Proposed option 1: Updated Workload Formula Percentage with Judgeship Funding	Proposed option 2: New Judgeship Funding - Lowest Funded Courts to the Same Level	Proposed option 2: Updated FY 2026–27 Workload Allocation with Judgeship Funding	Proposed option 2: Updated Workload Formula Percentage with Judgeship Funding
Alameda	94,958,680.61	130,068,491.60	73.01%	0.00	94,958,680.61	73.01%	0.00	94,958,680.61	73.01%
Alpine	1,034,128.91	537,690.94	***192.33%***	0.00	1,034,128.91	192.33%	0.00	1,034,128.91	192.33%
Amador	4,765,621.29	5,764,651.00	***82.67%***	***158,430.87***	4,924,052.16	***85.42%***	***320,854.02***	5,086,475.31	***88.24%***
Butte	14,732,667.74	17,815,567.94	82.70%	0.00	14,732,667.74	82.70%	0.00	14,732,667.74	82.70%
Calaveras	3,621,107.84	4,181,866.18	***86.59%***	***120,382.05***	3,741,489.88	***89.47%***	***68,787.54***	3,689,895.37	***88.24%***
Colusa	2,743,494.40	3,031,794.62	***90.49%***	***91,206.20***	2,834,700.60	***93.50%***	0.00	2,743,494.40	90.49%
Contra Costa	56,538,080.40	75,537,472.94	74.85%	0.00	56,538,080.40	74.85%	0.00	56,538,080.40	74.85%
Del Norte	4,284,669.45	4,652,062.41	***92.10%***	***142,441.85***	4,427,111.29	***95.16%***	0.00	4,284,669.45	92.10%
El Dorado	10,677,339.40	16,024,044.22	66.63%	0.00	10,677,339.40	66.63%	0.00	10,677,339.40	66.63%
Fresno	67,963,347.59	99,624,687.86	68.22%	0.00	67,963,347.59	68.22%	0.00	67,963,347.59	68.22%
Glenn	3,533,322.58	3,985,635.21	***88.65%***	***117,463.67***	3,650,786.25	***91.60%***	0.00	3,533,322.58	88.65%
Humboldt	8,740,463.78	12,498,364.23	69.93%	0.00	8,740,463.78	69.93%	0.00	8,740,463.78	69.93%
Imperial	10,575,547.85	10,713,922.10	98.71%	0.00	10,575,547.85	98.71%	0.00	10,575,547.85	98.71%
Inyo	2,781,434.52	3,201,379.33	***86.88%***	***92,467.50***	2,873,902.02	***89.77%***	***43,322.25***	2,824,756.77	***88.24%***
Kern	70,621,862.82	100,219,291.30	70.47%	0.00	70,621,862.82	70.47%	0.00	70,621,862.82	70.47%
Kings	11,504,992.12	14,272,849.06	80.61%	0.00	11,504,992.12	80.61%	0.00	11,504,992.12	80.61%
Lake	5,514,018.60	8,445,762.82	65.29%	0.00	5,514,018.60	65.29%	0.00	5,514,018.60	65.29%
Lassen	2,973,086.08	3,616,909.24	***82.20%***	***98,838.87***	3,071,924.95	***84.93%***	***218,316.06***	3,191,402.14	***88.24%***
Los Angeles	772,169,760.51	1,005,846,169.10	76.77%	0.00	772,169,760.51	76.77%	0.00	772,169,760.51	76.77%
Madera	13,121,982.60	18,447,611.30	71.13%	0.00	13,121,982.60	71.13%	0.00	13,121,982.60	71.13%
Marin	14,989,871.42	18,024,735.06	83.16%	0.00	14,989,871.42	83.16%	0.00	14,989,871.42	83.16%
Mariposa	2,037,374.51	2,254,400.67	***90.37%***	***67,731.57***	2,105,106.07	***93.38%***	0.00	2,037,374.51	90.37%
Mendocino	8,663,165.90	9,805,462.52	88.35%	0.00	8,663,165.90	88.35%	0.00	8,663,165.90	88.35%
Merced	18,245,668.99	24,306,766.05	75.06%	0.00	18,245,668.99	75.06%	0.00	18,245,668.99	75.06%
Modoc	1,448,639.45	1,894,239.83	***76.48%***	***48,159.35***	1,496,798.79	***79.02%***	***222,754.73***	1,671,394.18	***88.24%***
Mono	2,666,324.95	2,218,881.57	***120.17%***	0.00	2,666,324.95	120.17%	0.00	2,666,324.95	120.17%
Monterey	28,143,749.09	36,434,047.31	77.25%	0.00	28,143,749.09	77.25%	0.00	28,143,749.09	77.25%
Napa	10,245,328.36	13,825,740.18	74.10%	0.00	10,245,328.36	74.10%	0.00	10,245,328.36	74.10%
Nevada	7,245,776.71	9,579,164.58	75.64%	0.00	7,245,776.71	75.64%	0.00	7,245,776.71	75.64%
Orange	199,259,627.78	279,867,274.66	71.20%	0.00	199,259,627.78	71.20%	0.00	199,259,627.78	71.20%
Placer	27,709,724.62	39,088,851.18	70.89%	0.00	27,709,724.62	70.89%	0.00	27,709,724.62	70.89%
Plumas	2,235,832.18	2,579,639.90	***86.67%***	***74,329.20***	2,310,161.38	***89.55%***	***40,328.98***	2,276,161.16	***88.24%***
Riverside	146,215,035.92	223,660,817.81	65.37%	0.00	146,215,035.92	65.37%	0.00	146,215,035.92	65.37%
Sacramento	108,926,600.37	169,850,671.39	64.13%	0.00	108,926,600.37	64.13%	0.00	108,926,600.37	64.13%
San Benito	5,206,157.85	6,287,477.25	***82.80%***	***173,076.30***	5,379,234.15	***85.55%***	***341,636.43***	5,547,794.28	***88.24%***
San Bernardino	142,242,726.74	209,264,721.08	67.97%	0.00	142,242,726.74	67.97%	0.00	142,242,726.74	67.97%
San Diego	184,515,188.93	258,380,899.83	71.41%	0.00	184,515,188.93	71.41%	0.00	184,515,188.93	71.41%
San Francisco	68,569,376.33	82,617,402.83	83.00%	0.00	68,569,376.33	83.00%	0.00	68,569,376.33	83.00%
San Joaquin	52,738,006.01	74,891,152.58	70.42%	0.00	52,738,006.01	70.42%	0.00	52,738,006.01	70.42%
San Luis Obispo	20,025,242.13	26,418,365.31	75.80%	0.00	20,025,242.13	75.80%	0.00	20,025,242.13	75.80%
San Mateo	47,900,154.87	67,304,875.03	71.17%	0.00	47,900,154.87	71.17%	0.00	47,900,154.87	71.17%
Santa Barbara	29,407,895.17	40,641,625.75	72.36%	0.00	29,407,895.17	72.36%	0.00	29,407,895.17	72.36%
Santa Clara	101,514,967.74	140,134,017.74	72.44%	0.00	101,514,967.74	72.44%	0.00	101,514,967.74	72.44%
Santa Cruz	17,626,739.48	22,598,685.33	78.00%	0.00	17,626,739.48	78.00%	0.00	17,626,739.48	78.00%
Shasta	19,580,405.09	24,800,544.53	78.95%	0.00	19,580,405.09	78.95%	0.00	19,580,405.09	78.95%
Sierra	1,069,581.56	711,065.86	***150.42%***	0.00	1,069,581.56	150.42%	0.00	1,069,581.56	150.42%
Siskiyou	4,899,152.90	6,466,358.22	75.76%	0.00	4,899,152.90	75.76%	0.00	4,899,152.90	75.76%
Solano	31,166,069.80	42,103,809.30	74.02%	0.00	31,166,069.80	74.02%	0.00	31,166,069.80	74.02%
Sonoma	33,627,090.86	41,269,373.54	81.48%	0.00	33,627,090.86	81.48%	0.00	33,627,090.86	81.48%
Stanislaus	34,555,972.48	55,590,796.49	62.16%	0.00	34,555,972.48	62.16%	0.00	34,555,972.48	62.16%
Sutter	8,848,335.84	12,536,594.74	70.58%	0.00	8,848,335.84	70.58%	0.00	8,848,335.84	70.58%
Tehama	6,504,810.68	8,653,611.48	75.17%	0.00	6,504,810.68	75.17%	0.00	6,504,810.68	75.17%
Trinity	2,149,905.14	2,428,012.73	***88.55%***	***71,472.60***	2,221,377.74	***91.49%***	0.00	2,149,905.14	88.55%
Tulare	35,688,027.64	49,473,507.49	72.14%	0.00	35,688,027.64	72.14%	0.00	35,688,027.64	72.14%
Tuolumne	5,435,792.28	6,836,864.39	79.51%	0.00	5,435,792.28	79.51%	0.00	5,435,792.28	79.51%
Ventura	46,821,481.96	63,898,152.30	73.28%	0.00	46,821,481.96	73.28%	0.00	46,821,481.96	73.28%
Yolo	16,827,910.98	22,857,113.60	73.62%	0.00	16,827,910.98	73.62%	0.00	16,827,910.98	73.62%
Yuba	7,139,153.15	11,404,737.70	62.60%	0.00	7,139,153.15	62.60%	0.00	7,139,153.15	62.60%
	2,664,948,474.94	**3,649,446,681.19**	**73.02%**	**1,256,000.00**	**2,666,204,474.94**	**73.06%**	**1,256,000.00**	**2,666,204,474.94**	**73.06%**

Cluster 1 courts

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Funding Methodology Subcommittee
(Action Item)

Title: Workload Formula Equity-Based Reallocation Policy Discussion

Date: 11/13/2026

Contact: Oksana Tuk, Senior Analyst, Judicial Council Budget Services | 916-643-8027 | oksana.tuk@jud.ca.gov

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Issue

Consideration of potential updates to the Judicial Council–approved Workload Formula policy to clarify how certain provisions of the equity-based reallocation policy should be interpreted and applied. Clearer policy language may make future funding adjustments more transparent and predictable to help the trial courts plan for potential funding changes.

Background

The Judicial Council allocates funding to California's trial courts through several methods, including the Workload Formula policy. The policy is used to allocate a portion of state funding based on each court's workload need and applicable budget conditions. The policy is intended to support equitable, stable, and predictable funding for the courts.

When the state budget does not include new funding for the trial courts, the policy allows existing funds to be reallocated every other fiscal year. This reallocation adjusts funding to better reflect current workload needs and costs, promoting a more equitable distribution of available resources.

Since the Judicial Council adopted the Workload Formula policy in 2018, the council has clarified the policy to improve transparency and address the funding needs of the courts.

Prior Council Action for Equity-Based Reallocation

Since the policy was first approved, the Judicial Council has updated several provisions governing equity-based reallocations. The original policy and later revisions are summarized below:

In January 2018, the Judicial Council approved Workload Formula parameters for fiscal years in which no new money is provided. The parameters were intended to advance funding equity

while reducing the disruption caused by unpredictable funding reallocations over consecutive years.[1] The council approved the following provisions:

- Establish a 4 percent band that is 2 percent above and 2 percent below the statewide average funding level. Courts outside of the band, either above or below, are subject to an allocation change. Courts within the band are not. The size of the band may be reevaluated in the future.

- Do not adjust allocations for courts within the band or for cluster 1 courts. The policy's goal is to fully fund the cluster 1 courts, and an allocation adjustment would conflict with that goal.

- In every second fiscal year with no new money, reallocate funds from the courts above the band to courts below the band, regardless of funding increases or decreases in the intervening years. The first no-new-money year gives courts time to prepare for a possible reallocation in the second year.

- Reduce allocations for courts above the band by up to 1 percent and use those funds to increase the allocations for courts below the band by up to 1 percent. Reductions and increases are each capped at 1 percent. If sufficient funds are available from the contributing courts, a court below the band may move into the band.

In September 2019,[2] the Judicial Council approved changes to the trial court funding reallocation policy for courts receiving funding above 100 percent of their Workload Formula need. In years with no new money, a court funded above 105 percent of need is subject to a reduction of up to 2 percent, but the reduction may not bring the court below 104 percent. In addition, funding for any cost increase adjustments is allocated separately from the Workload Formula methodology.

In January 2020,[3] the Judicial Council adopted further technical refinements to the reallocation methodology and policy parameters. Providing clear allocation methodologies helped further the goal of funding equity, minimize adverse funding impacts to trial courts resulting from funding instability, and provide clear direction on applying policy parameters.

For every second fiscal year with no new money, the Judicial Council directed that reallocations be based on beginning Workload Formula allocations. Funding is distributed according to each court's distance from the statewide average funding level and its size, as measured by Workload Formula need, in the following sequence:

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[1] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Workload-Based Allocation and Funding Methodology* (Dec. 8, 2017).
[2] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Policy for Courts that Exceed 100 Percent of Workload Formula Funding* (Sep. 5, 2019).
[3] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Technical Refinement of Approved Workload Formula Methodology* (Dec. 20, 2019).

- Reduce allocations for courts above the band by up to 1 percent and reallocate the funds to courts below the band.
- Reduce allocations for courts above 105 percent of funding need by up to an additional 2 percent and reallocate to courts below the band.
- Do not reduce a court funded above 105 percent of need below 104 percent of need.
- A court that moves into the band after receiving funds from the 1 percent reallocation is not eligible for additional funding from the 2 percent reallocation from courts above 105 percent of need.

In July 2024,[4] the Judicial Council revised the definition of "new money" in the budget. The council clarified that Consumer Price Index funding, which is used to offset inflationary cost increases across all trial courts, should not be considered "new money" for purposes of allocation under the Workload Formula policy.

Initial Application of Equity-Based Reallocation Policy

Fiscal year (FY) 2025–26 was the first fiscal year in which the Judicial Council implemented the equity-based reallocation. In FY 2024–25, the state provided no new money for the trial courts. The courts also absorbed an ongoing $55 million reduction and received no inflationary funding due to the state's multiyear deficit. In FY 2025–26, the budget included $40 million for operational cost increases. Because Judicial Council policy does not treat inflationary funding for operational cost increases as new money, FY 2025–26 was the second consecutive no-new-money year, which triggered the reallocation.

While developing the FY 2025–26 allocations, members of the Funding Methodology Subcommittee (FMS) and the Trial Court Budget Advisory Committee (TCBAC) identified parts of the reallocation methodology that may require clarification to ensure consistent, transparent, and equitable application.

To ensure that this process was examined further, FMS' FY 2025–26 work plan was updated to include a project to review the Workload Formula's equity-based reallocation policy. The work plan was approved by TCBAC at its meeting on July 2, 2025.[5] Following this approval, FMS met on October 9, 2025, to begin evaluating the policy but ultimately deferred any action to a future meeting to allow sufficient time for further deliberation of potential policy updates.[6]

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[4] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Allocations from the Trial Court Trust Fund and Trial Court Allocations for Fiscal Year 2024–25* (June 17, 2024).
[5] Trial Court Budget Advisory Committee meeting materials (July 2, 2025), *Funding Methodology Subcommittee Annual Work Plan*.
[6] Funding Methodology Subcommittee meeting materials (Oct. 9, 2025), *Workload Formula Equity-Based Reallocation Policy Updates*.

On August 27, 2026, TCBAC approved the FY 2026–27 FMS work plan that retained the evaluation of the equity-based reallocation policy as an ongoing project[7]

Areas of the Equity-Based Reallocation Requiring Clarification

There are two main areas in which the policy may benefit from clarification:

1. **Band penetration criteria –** should a court above the established 4 percent band be permitted to move into the band after a reallocation, or should the reallocation be capped at an amount that would take the court to the top of, but not into, the band? The band currently extends 2 percent above and 2 percent below the statewide average funding level.

2. **Surplus reallocation funding –** if reductions from courts above the band generate more funding from the reallocation than the courts below the band can receive under the policy limits, what should be done with the surplus reallocation funding?

Each issue is described in more detail below.

Band Penetration Criteria

The current policy distributes the reallocated funds to courts below the band based on two factors (1) each court's distance from the statewide average funding level and (2) its size, as measured by Workload Formula need. The calculation steps are summarized in the Prior Council Action for Equity-Based Reallocation section of this report.

The policy expressly allows a court below the band to move into the band after receiving an increase funded by the up-to-1-percent reductions from contributing courts. It does not, however, state whether a court above the band may also move into the band after a reduction.

The policy also does not state whether a court above the band may be reduced by only the amount needed to reach the upper edge of the band when that amount is less than 1 percent.

In FY 2025–26, the Judicial Council implemented a $3.3 million equity-based reallocation as follows: [8]

1. Twelve courts above the band received a 1 percent reduction and one court funded above 105 percent received an additional 2 percent reduction. Cluster 1 courts were excluded. Applying the full 1 percent reduction moved two contributing courts into the band. The reductions generated $3.3 million for 11 recipient courts below the band.

[7] Trial Court Budget Advisory Committee meeting materials (Aug. 27, 2026), *Funding Methodology Subcommittee Annual Work Plan*.
[8] Judicial Council of Cal., Advisory Com. Rep., *Trial Court Budget: Allocations from the Trial Court Trust Fund and Trial Court Allocations for Fiscal Year 2025–26* (June 24, 2025).

2. Courts below the band received an increase of up to 1 percent, based on available funding for the reallocation. Courts closer to the band received a smaller percentage increase than courts farther below the band. No recipient courts moved into the band.

The subcommittee may consider the following options:

1. Allow courts above the band to move into the band but not be reduced below the statewide average funding level or midpoint of the band, provided that no court's reduction exceeds 1 percent.

2. Limit each court's reduction to the amount needed to reach the upper edge of the band, but not penetrate the band, even if that amount is less than 1 percent.

3. Another method proposed by the subcommittee.

Surplus Reallocation Funding

The current reallocation policy reduces allocations for courts above the band by up to 1 percent and uses those funds to increase allocations for courts below the band by up to 1 percent. It also states that increases for courts below the band are capped at 1 percent, regardless of how much funding is available from contributing courts above the band.

A full 1 percent reduction for every court above the band may generate more funding than courts below the band can receive under the 1 percent increase cap. In that case, in order to provide the 1 percent capped amount to courts that are below the band, contributing courts would need to provide less than the amount generated by a full 1 percent reduction. The policy permits reductions of 'up to 1 percent,' but does not explain how to divide the required reduction among contributing courts. The subcommittee may consider the following methods:

1. Pro rata – Apply the same percentage reduction to each court above the band.

2. Graduated reduction – Base each court's reduction on its distance from the statewide average, similar to the method used to allocate funding to courts below the band.

3. Another method proposed by the subcommittee.

Potential Revisions to the Reallocation Policy

To support the subcommittee's discussion, the following policy areas may also warrant review:

1. **Band purpose and size –** clarify the intended purpose for establishing and applying the band and revisit the existing band size (2 percent above and 2 percent below the statewide average funding level).

2. **Cluster 1 courts –** reexamine the initial goal to fully fund all cluster 1 courts and ensure it is reflected in policy steps accordingly:

a. Should all cluster 1 courts be funded to 100 percent of their need regardless of their position (above, below, or inside the band)?
b. Should cluster 1 courts below the band be funded to 100 percent of their need (or statewide funding average, bottom or top edge of the band, or other specified level)?
c. Should cluster 1 courts inside the band be funded to 100 percent of their need (or top edge of the band, or other specified level)?
d. Should cluster 1 courts below the band be allowed to get more funding, if available, in excess of the 1 percent increase cap?

3. **Band penetration –** determine whether there should be consistency in terms of courts penetrating into the band from both directions (from above the band and from below the band).

4. **Lower-funded courts (below the band)**
   a. Should the 1 percent increase cap be eliminated to facilitate the complete utilization of available funding from the full 1 percent and 2 percent reductions from courts above the band?
   b. Should the 1 percent increase cap be changed to a different fixed value?
   c. Should band penetration be allowed not only after utilizing funds from the 1 percent reductions but also from the 2 percent reductions?
   d. Should there be any special consideration for cluster 1 courts below the band?

5. **Reductions for courts above the band –** clearly define how to apply the 1 percent reductions and 2 percent reductions for courts above 105 percent:
   a. Should the 1 percent reduction be followed by an additional 2 percent reduction, for a total reduction of 3 percent?
   b. Should only a total reduction of 2 percent apply?

6. **Courts inside the band –** determine if there should be any special consideration for cluster 1 courts inside the band.

Recommendation

Consider revisions to the Workload Formula equity-based reallocation policy to resolve the issues described in this report and promote fair, transparent funding for the trial courts. Clearer policy language would also help courts anticipate funding changes and plan their resources effectively.