



Judicial Council of California

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 25-043

For business meeting on December 12, 2025

Title

Trial Court Budget: Fiscal Year 2024–25
Final Adjustments for Year-End Fund
Balances

Report Type

Action Required

Effective Date

December 12, 2025

Rules, Forms, Standards, or Statutes Affected

None

Date of Report

November 25, 2025

Recommended by

Trial Court Budget Advisory Committee
Hon. Jonathan B. Conklin, Chair
Ms. Rebecca Fleming, Vice-Chair

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Executive Summary

The Judicial Council is required to finalize annual allocations to the trial courts in January of each fiscal year to ensure compliance with statutory limitations on the amount of reserves that courts can carry over to the next fiscal year. As the last step in determining final allocations for fiscal year 2024–25, a one-time allocation reduction of \$2.9 million is proposed for those courts that are above the required 3 percent fund balance cap after all allowable adjustments to their operating budgets. Maintaining an allowable fund balance consistent with statutory requirements will assist the trial courts in effectively managing limited resources to support court operations.

Recommendation

The Trial Court Budget Advisory Committee recommends that the Judicial Council, effective December 12, 2025, approve the final year-end fund balance reduction of \$2.9 million for fiscal year 2024–25. The \$2.9 million represents a total reduction of \$20.6 million above the fund balance cap, which is offset by \$17.7 million in applicable funds held on behalf of the trial courts.

On November 13, 2025, the Judicial Branch Budget Committee approved this recommendation for consideration by the Judicial Council.

Relevant Previous Council Action

At its business meeting on July 29, 2014, the Judicial Council approved an annual process beginning in fiscal year (FY) 2015–16 for courts to provide preliminary and final computations of the portion of their ending fund balance that is subject to the statutory cap:¹

- Trial courts are required to submit the computation form with preliminary year-end information by July 15 of each fiscal year. The information provided by the courts is used by the Judicial Council to make the preliminary reductions to allocations as required by statute. The courts are not required to provide the details related to encumbrances, prepayments, and restricted revenue when submitting the form for the preliminary allocation.
- Trial courts are required to submit an updated computation form with final year-end information in the fall of each fiscal year when financial records are closed.
- The Judicial Council’s chief financial officer will report to the council the information provided by the courts for the final allocation reduction, if any, before February of each fiscal year.

Analysis/Rationale

Government Code section 68502.5(c)(2)(A) requires the Judicial Council to make a preliminary allocation reduction in July and to finalize allocations in January of each fiscal year. The final allocations are then offset by the amount of fund balance (or reserves) in excess of the fund balance cap authorized in statute. Under Government Code section 77203(b), a trial court may carry over unexpended funds in an amount not to exceed 3 percent of the court’s operating budget (defined as actual expenditures including accruals and encumbrances) from the prior fiscal year.²

Adjustments for funds held on behalf of the trial courts

Funds held on behalf (FHOB) of the trial courts is a Judicial Council–approved process that allows the trial courts to request funding that exceeds the 3 percent cap be used to fund allowable projects or expenditures for the benefit of those courts.

This process allows the courts to fund one-time projects or purchases and meet contractual obligations within their limited allocations. Allowable projects include technology improvements, such as new or updated case management systems; court efficiency efforts, including online or smart forms for court users; facilities maintenance or repair allowed under

¹ Judicial Council of Cal., Advisory Com. Rep., *Trial Court Allocations: Funding for General Court Operations and Specific Costs in Fiscal Year 2014–2015* (July 22, 2014), courts.ca.gov/sites/default/files/courts/default/2024-10/jc-20140729-itemc.pdf.

² Added as part of Senate Bill 1021 (Stats. 2012, ch. 41), later amended by Senate Bill 95 (Stats. 2019, ch. 36, § 2), effective June 27, 2019.

California Rules of Court, rule 10.810; and one-time expenditures such as vehicle, equipment, or furniture replacement.

For FY 2024–25, a total of 21 trial courts submitted FHOB requests totaling \$17.7 million, which were approved by the Fiscal Planning Subcommittee on October 10, 2025.³ This funding will be retained in the Trial Court Trust Fund as restricted fund balance, and courts will be reimbursed for actual expenditures for approved projects in their monthly distributions. The \$17.7 million FHOB adjustment is used in the year-end calculation to determine the final fund balance reduction for FY 2024–25.

Final trial court accounting records for FY 2024–25

The figures in Attachment A reflect the trial courts’ final accounting records for FY 2024–25. This information was reviewed by the Judicial Council’s Budget Services and Branch Accounting and Procurement staff.

The final one-time net reduction of \$2.9 million for FY 2024–25 represents a total reduction of \$20.6 million above the fund balance cap, after allowable accounting adjustments, which is then offset by \$17.7 million in applicable FHOB requests for the trial courts. The information in Attachment A is summarized below:

- Column A displays the calculated fund balance cap amount for each court.
- Column J shows the courts’ FY 2024–25 fund balance amounts subject to the cap, excluding statutorily restricted funds per Government Code section 77203(b), encumbrances consistent with the state contracting process, prepayments, and approved FHOB requests that are held in the Trial Court Trust Fund.
- Column K displays the courts’ final amount above the 3 percent cap totaling \$17.1 million.
- Column M provides the FY 2024–25 adjustments to the courts’ FY 2022–23 and FY 2023–24 fund balance cap, totaling \$3.4 million.
- Column N displays the courts’ final reduction of \$20.6 million, which affects 33 courts.
- Column O reflects the final FHOB requests for FY 2024–25 totaling \$17.7 million (agenda item number 25-041 pending council approval).
- Column P displays the net reduction of \$2.9 million for the fund balance above the 3 percent cap after accounting for the FHOB requests. The reduction will be allocated to the trial courts in the January 2026 distribution #7.

³ Fiscal Planning Subcommittee meeting materials (Oct. 10, 2025), courts.ca.gov/system/files/file/tcbac-20251010-fps-materials.pdf.

Policy implications

These recommendations are consistent with current law and Judicial Council policy.

Comments

This proposal was not circulated for public comment. However, the recommendation was considered at committee meetings that were open to the public, and no public comments were received.

Alternatives considered

The recommendation is consistent with the statutory requirements for trial court year-end fund balance restrictions and Judicial Council–approved policies. No other alternatives were considered.

Fiscal and Operational Impacts

Maintaining an allowable fund balance consistent with statutory requirements and utilization of the FHOB process will assist the trial courts in effectively managing limited resources to support court operations.

Attachments and Links

1. Attachment A: *FY 2024–25 Final Adjustments for Year-End Fund Balances*

FY 2024–25 Final Adjustments for Year-End Fund Balances

Court	Fund Balance Cap	FY 2024–25 Ending Fund Balance	Encumbrance Reserves at June 30	Excluded Funds per GG 77203	Prepayments	Prepaid Expenses for CFR related to FHOB FY 2022–23 and prior	Cannabis Conviction Resentencing	FHOB Returned to Court for FY 2022–23 and prior	FHOB Related to CFR FY 2022–23 and prior	Fund Balance Subject to Cap¹	Current Year Reduction	FHOB Returned to TCTF	Prior Year Disencumbrance	Total Final Reduction	Approved FY 2024–25 FHOB²	Net Reduction after FHOB (January 2026 Dist. #7)
	A	B	C	D	E	F	G	H	I	J (B-C-D-E+F+G-H-I)	K	L	M	N (K+L+M)	O	P (N-O)
ALAMEDA	3,672,384	7,491,677	2,278,106	2,201,240	0	0	0	0	0	3,012,331	0	0	0	0		0
ALPINE	32,121	239,348	5,906	18,724	139,151	0	0	0	0	75,566	43,446	0	0	43,446	43,445	1
AMADOR	150,119	1,335,633	180,887	130,816	0	0	0	0	0	1,023,930	873,811	0	0	873,811		873,811
BUTTE	591,895	2,173,476	1,018,030	511,598	24,987	0	0	0	0	618,860	0	0	48,134	48,134		48,134
CALAVERAS	134,035	804,464	76,121	284,923	279,333	0	0	0	0	164,087	29,035	0	1,018	30,052	29,500	553
COLUSA	98,738	1,325,719	386,563	381,491	557,666	168,065	0	0	168,065	0	0	0	0	0		0
CONTRA COSTA	2,071,357	9,509,414	5,659,937	1,882,438	18,129	0	0	0	0	1,948,910	0	0	0	0		0
DEL NORTE	131,059	874,638	79,614	396,895	0	0	0	0	0	398,129	267,071	0	0	267,071	267,000	71
EL DORADO	356,646	1,742,142	800,349	323,560	136,996	0	0	0	0	481,236	124,590	0	0	124,590	124,590	0
FRESNO	2,517,436	6,996,347	3,322,969	1,179,701	0	0	0	0	0	2,493,677	0	0	0	0		0
GLENN	142,353	615,480	148,845	157,397	0	0	0	0	0	309,238	162,143	0	4,743	166,886	162,143	4,743
HUMBOLDT	330,790	170,421	0	118,640	6,729	0	0	0	0	45,053	0	0	0	0		0
IMPERIAL	447,471	2,086,620	191,278	882,237	236,548	0	0	0	0	776,557	264,972	0	64,114	329,086	329,086	0
INYO	116,810	398,604	0	340,879	0	0	0	0	0	57,726	0	0	260	260		260
KERN	3,105,589	9,055,184	2,080,936	3,831,407	206,088	0	0	0	0	2,936,752	0	0	0	0		0
KINGS	428,648	1,291,720	206,000	268,469	165,316	0	0	0	0	651,935	223,287	0	0	223,287	223,287	0
LAKE	182,390	1,071,092	228,565	375,367	0	0	0	0	0	467,159	223,779	0	60,991	284,769	283,538	1,232
LASSEN	123,163	176,421	0	144,530	0	0	0	0	0	31,891	0	0	0	0		0
LOS ANGELES	32,030,184	192,864,052	109,536,373	48,350,898	5,349,048	0	0	0	0	29,627,733	0	0	0	0		0
MADERA	525,557	1,251,205	274,754	491,923	0	0	0	0	0	484,529	0	0	264	264		264
MARIN	536,571	1,065,931	4,470	802,850	57,973	0	0	0	0	200,638	0	0	0	0		0
MARIPOSA	77,362	374,174	65,905	62,293	238,169	0	0	0	0	7,807	0	0	449	449		449
MENDOCINO	300,838	1,382,225	305,116	254,567	0	0	0	0	0	822,542	521,705	0	0	521,705	521,705	0
MERCED	713,931	3,993,905	104,029	3,238,156	0	0	0	0	0	651,719	0	0	0	0		0
MODOC	58,227	167,604	0	63,460	0	0	0	0	0	104,144	45,917	0	0	45,917		45,917
MONO	94,480	708,028	385,035	145,629	58,673	0	0	0	0	118,691	19,950	0	4,260	24,210	24,210	0
MONTEREY	1,034,562	3,638,695	1,133,121	1,416,732	24,955	20,000	0	0	20,000	1,063,887	0	0	29,379	29,379	0	29,379
NAPA	393,893	1,259,091	158,064	948,068	3,697	3,201	0	0	3,201	149,262	0	0	0	0		0
NEVADA	287,257	845,440	0	619,956	645	0	0	0	0	224,838	0	0	0	0		0
ORANGE	8,072,960	20,095,018	3,673,197	6,290,293	145,969	0	0	0	0	9,985,559	927,016	0	985,583	1,912,599	1,912,599	0
PLACER	927,893	7,209,130	770,251	909,721	3,046,977	0	0	0	0	2,482,182	432,385	0	1,121,904	1,554,289	1,554,289	0
PLUMAS	55,261	702,113	4,362	130,115	306,092	0	0	0	0	261,544	205,233	0	1,050	206,283	190,000	16,283
RIVERSIDE	6,572,636	15,934,562	1,879,518	7,482,738	0	0	0	0	0	6,572,306	0	0	0	0		0
SACRAMENTO	3,998,162	8,170,093	755,242	4,765,529	0	0	0	0	0	2,649,322	0	0	66,907	66,907	66,907	0
SAN BENITO	190,796	173,343	65,965	53,831	8,128	186	0	0	186	45,419	0	0	209	209	0	209
SAN BERNARDINO	5,849,455	18,740,087	4,116,071	2,588,425	348,007	0	0	0	0	11,687,583	5,611,419	0	226,710	5,838,129	5,838,129	0
SAN DIEGO	6,982,618	18,574,169	1,227,699	11,713,913	305,229	0	0	0	0	5,327,328	0	0	0	0		0
SAN FRANCISCO	2,902,837	1,133,046	1,000	1,067,987	5,000	0	0	0	0	59,059	0	0	0	0		0
SAN JOAQUIN	1,803,408	10,961,151	1,157,466	2,738,323	619,619	54,327	0	0	54,327	6,445,743	4,616,785	0	25,549	4,642,334	4,616,785	25,549
SAN LUIS OBISPO	723,970	3,056,810	40,378	2,332,251	0	0	0	0	0	684,182	0	0	0	0	0	0
SAN MATEO	1,893,163	3,059,703	2,500	749,718	689,140	0	0	0	0	1,618,345	0	0	3,901	3,901	3,901	0
SANTA BARBARA	1,155,472	1,960,878	42,095	1,540,295	44,615	0	0	0	0	333,872	0	0	0	0		0
SANTA CLARA	3,870,139	10,822,492	5,112,206	1,641,163	553,481	0	0	0	0	3,515,642	0	0	20,541	20,541		20,541
SANTA CRUZ	611,209	1,751,261	135,558	1,104,965	0	0	0	0	0	510,738	0	0	0	0		0
SHASTA	812,900	1,360,048	80,126	681,344	124	0	0	0	0	598,454	0	0	0	0		0
SIERRA	50,541	6,764	0	6,758	0	0	0	0	0	6	0	0	0	0		0
SISKIYOU	180,921	515,745	0	379,790	795	0	0	0	0	135,160	0	0	0	0		0
SOLANO	1,126,738	3,521,729	558,805	1,791,294	144,003	0	0	0	0	1,027,627	0	0	0	0		0
SONOMA	1,123,317	5,947,153	1,345,935	1,975,651	560,337	0	0	0	0	2,065,230	941,913	0	0	941,913		941,913
STANISLAUS	1,224,226	3,355,699	106,199	677,808	1,090,606	0	0	0	0	1,481,086	255,967	0	894	256,860	255,967	894
SUTTER	338,080	1,014,130	6,355	309,098	121,602	0	0	0	0	577,075	238,055	0	940	238,995	238,055	940
TEHAMA	219,598	1,105,170	101,622	468,364	0	0	0	0	0	535,183	315,585	0	0	315,585	315,585	0
TRINITY	81,734	504,054	0	55,273	6,233	0	0	0	0	442,547	360,813	0	0	360,813		360,813
TULARE	1,373,832	4,692,625	1,635,823	733,705	511,652	0	0	0	0	1,811,445	0	0	521,844	521,844		521,844
TUOLUMNE	215,517	178,805	31,342	141,927	0	0	0	0	0	5,536	0	0	0	0		0
VENTURA	1,794,458	3,836,865	699	954,710	405,232	0	0	0	0	2,476,224	440,363	0	241,404	681,766	681,705	61
YOLO	660,800	1,216,697	23,938	563,106	0	0	0	0	0	629,653	0	0	0	0		0
YUBA	248,818	531,983	0	290,103	60,971	0	0	0	0	180,909	0	0	0	0		0
TOTAL	105,747,323	405,040,076	151,505,325	123,963,045	16,477,918	245,779	0	0	245,779	113,093,787	17,145,239	-	3,431,046	20,576,285	17,682,424	2,893,860

¹ Variance in total is due to rounding.

² Approved TCTF FHOB requests include those requests pending before the Judicial Council at its December 12, 2025 business meeting.