

1 AN ACT making appropriations for the operations, maintenance, support, and
 2 functioning of the Judicial Branch of the government of the Commonwealth of Kentucky
 3 and its various officers, boards, commissions, subdivisions, and other state-supported
 4 activities.

5 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

6 ➔Section 1. Notwithstanding KRS 48.100 and 48.300, the Judicial Branch
 7 Budget is as follows:

8 **PART I**
 9 **OPERATING BUDGET**

10 **(1) Funds Appropriations:** There is appropriated out of the General Fund,
 11 Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1,
 12 2021, and ending June 30, 2022, and for the fiscal year beginning July 1, 2022, and
 13 ending June 30, 2023, and for the fiscal year beginning July 1, 2023, and ending June 30,
 14 2024, the following sums to be used for the purposes of the Judicial Branch of the
 15 government of the Commonwealth of Kentucky, including the Supreme Court, Court of
 16 Appeals, Circuit Court, Family Court, District Court, the Administrative Office of the
 17 Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance
 18 Contingency Fund, and for services performed by the Circuit Court Clerks' offices,
 19 including both Circuit and District Court support.

20 **A. JUDICIAL BRANCH**

21 **Budget Units**

22 **1. COURT OF JUSTICE**

23 **a. Court Operations and Administration**

	2021-22	2022-23	2023-24
24 General Fund	10,928,500	283,834,700	288,849,900
25 Restricted Funds	771,300	51,468,200	49,369,800
26 Federal Funds	65,700	3,204,900	2,576,000

1 TOTAL 11,765,500 338,507,800 340,795,700

2 **(1) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
 3 increases in civil filing fees that were effective in 2008 and 2018, the additional income
 4 resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year, shall be
 5 deposited into a trust and agency account for court operations and salaries for non-elected
 6 personnel. Any revenue generated by these increases in excess of the \$15,468,100 in each
 7 fiscal year shall be deposited into the General Fund.

8 **(2) Certification of Indigency:** Notwithstanding KRS 31.120, no public defense
 9 attorney shall be ordered to represent any individual in criminal matters without
 10 receiving, in writing, a sworn certification of indigency. The provisions of this subsection
 11 do not apply to the appointment of counsel at the earliest necessary proceeding at which
 12 the person is entitled to counsel, upon declaration by the person that they are indigent;
 13 however, if later determined not to be indigent, the Department of Public Advocacy shall
 14 be reimbursed for its representation pursuant to KRS 31.120(1)(b).

15 **b. Local Facilities Fund**

16		2022-23	2023-24
17	General Fund	123,915,900	127,509,200

18 **(1) Local Facility Projects:** Included in the above General Fund appropriation is
 19 \$5,328,500 fiscal year 2022-2023 and \$12,890,800 in fiscal year 2023-2024 to support
 20 the use allowance, operating, and non-recurring furniture and equipment costs for two
 21 judicial center projects authorized by the 2018 General Assembly and seven judicial
 22 center projects authorized by the 2021 General Assembly.

23 **(2) Maintenance Pool:** Included in the above General Fund appropriation is
 24 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
 25 non-capital projects for local courthouses and judicial centers.

26 **(3) Local Court Facility Compensation:** Included in the above General Fund
 27 appropriation are moneys to compensate local units of government for providing court

1 space and for costs incurred in the development of local court facilities as defined in KRS
 2 Chapter 26A and provided in Part II of this Act, and to perform all other acts required or
 3 authorized by KRS Chapter 26A.

4 **(4) Use Allowance Payments to Counties:** Pursuant to KRS 26A.090(2),
 5 beginning with court facility construction or renovation projects authorized by the 2000
 6 Regular Session of the General Assembly and all subsequent court facility projects, use
 7 allowance payments are restricted to the court's proportional share of the annual principal
 8 and interest costs in connection with the construction or renovation of the facility, not to
 9 exceed the authorized annual use allowance.

10 **(5) Court Facility Maintenance Fund:** (a) Notwithstanding KRS
 11 26A.090(2), when there is no debt on court facility construction or renovation projects
 12 authorized prior to the 2000 Regular Session of the General Assembly, use allowance is
 13 restricted to compensation equal to two percent annually of capital costs to be paid to the
 14 county unit of government and two percent annually to be retained by the Administrative
 15 Office of the Courts and directed to a separate fund specifically for maintenance of court
 16 facilities.

17 (b) The fund created pursuant to paragraph (a) of this subsection shall be used for
 18 routine, ongoing, planned, and unanticipated maintenance for court facilities.

19 **(6) Graves County Temporary Courthouse:** Included in the above General
 20 Fund appropriation is \$3,000,000 in fiscal year 2022-2023 to support the renovation of
 21 private sector lease space in Graves County.

22 **(7) Graves County Records:** Included in the above General Fund appropriation
 23 is \$969,000 in fiscal year 2022-2023 for the cleaning, restoration, and digitization of
 24 court records.

25 **c. Local Facilities Use Allowance Contingency Fund**

26 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 27 balance remaining at the close of fiscal year 2021-2022 shall not lapse and shall continue

1 into fiscal year 2022-2023, and any unexpended balance remaining at the close of fiscal
 2 year 2022-2023 shall not lapse and shall continue into fiscal year 2023-2024 to provide
 3 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 4 allowance in accordance with KRS Chapter 26A.

5 **TOTAL - COURT OF JUSTICE**

	2021-22	2022-23	2023-24
6			
7	General Fund	10,928,500	407,750,600
8	Restricted Funds	771,300	51,468,200
9	Federal Funds	65,700	3,204,900
10	TOTAL	11,765,500	462,423,700

11 **2. JUDICIAL FORM RETIREMENT SYSTEM**

	2021-22	2022-23	2023-24
12			
13	General Fund	-0-	4,981,800
14	Restricted Funds	18,800	743,500
15	TOTAL	18,800	5,725,300

16 **(1) Judicial Retirement Benefits:** Notwithstanding KRS 21.525, General Fund
 17 amounts are included to provide actuarial-assessed judicial retirement benefits with
 18 interest.

19 **(2) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
 20 shall be paid out of an administrative account which shall be funded by transfers of the
 21 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
 22 21.560. Notwithstanding Part III, 8. of this Act, Restricted Funds appropriations may be
 23 increased to ensure sufficient funding to support the Judicial Form Retirement System.

24 **(3) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 25 benefit increase shall be granted to recipients of a retirement allowance under KRS
 26 21.345 to 21.580 on July 1, 2022, or July 1, 2023.

27 **TOTAL - JUDICIAL BRANCH**

1	2021-22	2022-23	2023-24
2 General Fund	10,928,500	412,732,400	421,664,700
3 Restricted Funds	790,100	52,211,700	50,115,000
4 Federal Funds	65,700	3,204,900	2,576,000
5 TOTAL	11,784,300	468,149,000	474,355,700

PART II

CAPITAL PROJECTS BUDGET

8 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
9 that any capital project proposed by any state government entity, including the agencies
10 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
11 prior to the project’s financing and construction, in accordance with KRS 7A.010,
12 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
13 amount allotted, from all sources, for expenditure on any capital project, including leases
14 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

15 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
16 projects and major items of equipment that are not specifically listed in this Act may be
17 authorized only after submission of the project to the Capital Projects and Bond
18 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
19 Moneys may be transferred to the allotment account of any capital project only after
20 submission of the project to the Capital Projects and Bond Oversight Committee and in
21 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
22 all capital construction items authorized in this Act shall be constructed in accordance
23 with this Act, supporting documentation considered by the General Assembly, and
24 Judicial Branch budget records. Any modifications to the scope of a capital construction
25 project or to a lease shall be reported to the Capital Projects and Bond Oversight
26 Committee before execution.

27 **(3) Court Facility Planning Process:** The county shall require the Project

1 Development Board to hire a certified architect not otherwise involved with the project to
2 conduct an independent feasibility study to determine whether the needs of the
3 community and the Court of Justice can best be met through the construction of a
4 freestanding building, or through an addition and/or renovation of the existing court
5 facility. The cost for this study shall be an accepted and approved portion of the planning
6 process, and shall be eligible for reimbursement from the bond proceeds.

7 **(4) Deferred Funding:** (a) General Fund support to provide operating costs
8 of \$204,200, use allowance of \$1,449,800 and nonrecurring furniture and equipment
9 costs of \$500,000 for the Leslie County project is deferred to the 2024-2026 fiscal
10 biennium.

11 (b) General Fund support to provide operating costs totaling \$234,000, use
12 allowance payments totaling \$1,682,000 and nonrecurring furniture and equipment costs
13 totaling \$750,000 for the Graves County project is deferred to the 2024-2026 fiscal
14 biennium.

15 (c) General Fund support to provide operating costs totaling \$2,053,500 and
16 nonrecurring furniture and equipment costs of \$3,575,000 for six judicial center projects
17 authorized by the 2020 General Assembly is deferred to the 2024-2026 fiscal biennium.

18 (d) It is the intent of the General Assembly that all projects in paragraphs (a), (b),
19 and (c) of this subsection shall be funded using resources previously appropriated for
20 projects that no longer require use allowance debt payments in the 2024-2026 fiscal
21 biennium.

22 **(5) Local Facilities Use Allowance Contingency Fund:** For any court facility
23 project which is occupied and use allowance funding is insufficient, the use allowance
24 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
25 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
26 Chief Justice may transfer funds from other Judicial Branch accounts in accordance with
27 Part III, General Provisions, Section 7. of this Act to make the necessary payments.

A. JUDICIAL BRANCH

Budget Units		2022-23	2023-24
1. Court Operations and Administration			
001. Electronic Court Filing System			
Federal Funds		38,000,000	-0-
(1) State Fiscal Recovery Fund:	The above Federal Funds are authorized from		
	the State Fiscal Recovery Fund of the American Rescue Plan Act of 2021.		
2. Local Facilities Fund			
Project	Project Scope		
001. Leslie	15,640,000		
002. Graves	18,445,000		
(1) Other Funds Impact on Project Scope:	The amount of the project scope for		
	the Graves County Courthouse for which the use allowance defined in KRS 26A.090(2)		
	is authorized shall be adjusted downward subject to the receipt of other funds, including		
	but not limited to insurance proceeds and Federal Funds to be used for the project. This		
	subsection shall not limit adjustments to the project scope otherwise authorized by KRS		
	26A.166.		
003. Jefferson County Judicial Center - Carpet and Paint Project			
General Fund		1,189,000	-0-
004. Hardin County - HVAC Project			
General Fund		3,000,000	-0-

3. Lease Authorizations

- 001. Franklin County - Lease - Court of Appeals**
- 002. Jefferson County - Lease - Parking**

PART III

GENERAL PROVISIONS

- 1. Expenditure Authority:** The Director of the Administrative Office of the

1 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
2 for court operations and administration in any lawful manner and for any legal purpose
3 that the Chief Justice shall authorize or direct. No executive agency of state government
4 shall have the power to restrict or limit the expenditure of funds appropriated to the
5 Judicial Branch of government.

6 **2. Severability of Budget Provisions:** Appropriation items and sums in this Act
7 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
8 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
9 remaining sections, subsections, or provisions.

10 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
11 in an appropriation provision in another Act of the 2022 Regular Session of the General
12 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

13 **4. Priority of Individual Appropriations:** KRS 48.313 shall control when a
14 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
15 consists.

16 **5. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
17 balance remaining at the close of the fiscal years ending June 30, 2022, June 30, 2023,
18 and June 30, 2024, shall not lapse and shall continue into the next fiscal year.

19 **6. Final Budget Document:** The Director of the Administrative Office of the
20 Courts shall prepare a final budget document reflecting the 2022-2024 biennial budget of
21 the Court of Justice. A copy shall be provided to the Legislative Research Commission,
22 and an informational copy shall be furnished to the Finance and Administration Cabinet,
23 within 60 days of the adjournment of the 2022 Regular Session of the General Assembly.

24 **7. Transferability of Funds:** The Chief Justice of the Commonwealth of
25 Kentucky shall have the ability to transfer funds to other programs and budget units
26 within the Judicial Branch. Any funds transferred to other budget units within the Judicial
27 Branch may be used to support any activity, program, or operation of the budget unit or

1 program receiving the respective funds.

2 **8. Appropriations Revisions:** Notwithstanding KRS 48.630(10), no revisions
3 for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or
4 expended that have not been appropriated in any enacted branch budget bill or without
5 the express authority of the General Assembly. Proposed revisions to unbudgeted Federal
6 Funds appropriations for expenditure in this Act shall be made and reported to the Interim
7 Joint Committee on Appropriations and Revenue. The Director of the Administrative
8 Office of the Courts shall notify, on a timely basis, the Legislative Research Commission
9 of the most current estimates of anticipated receipts for the affected fiscal year and an
10 accompanying statement which explains variations from the anticipated amount.

11 **9. Maximum Salary of Trial Commissioners:** Pursuant to KRS 24A.100(3), no
12 trial commissioner shall be compensated at a rate greater than \$7,200. No funding is
13 provided for trial commissioners commissioned in counties with a residing District Judge.

14 **10. Authorized Personnel Complement:** On July 1, 2022, the Administrative
15 Office of the Courts shall establish a record for each budget unit of authorized permanent
16 full-time and other positions based upon the enacted Judicial Budget of the
17 Commonwealth and any adjustments authorized by provisions in this Act. The total
18 number of filled permanent full-time and all other positions shall not exceed the
19 authorized complements pursuant to this section. The Director of the Administrative
20 Office of the Courts may request an increase in the number of authorized positions to the
21 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
22 employment of individuals in addition to the authorized complement. A report of the
23 actions authorized in this section shall be provided to the Interim Joint Committee on
24 Appropriations and Revenue on a monthly basis.

25 **11. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
26 Revised Statutes, use allowance payments shall not be amended to reflect debt
27 restructuring transactions undertaken by a county during the 2022-2024 fiscal biennium.

1 **12. Court Facility Maintenance Fund Report:** For each of the periods ending
2 June 30, 2022, June 30, 2023, and June 30, 2024, the Director of the Administrative
3 Office of the Courts shall prepare a court facility maintenance report. This report shall
4 detail all court facility maintenance undertaken by the Court of Justice, to include any
5 cost-sharing with counties, as well as detail regarding future maintenance needs. This
6 report shall include a statewide expenditure summary followed by individual county
7 expenditures detailing the state's and county's respective share of expenditures. The
8 Administrative Office of the Courts shall provide this report to the Interim Joint
9 Committee on Appropriations and Revenue by September 15 of each fiscal year.

10 **13. Biennial Audits:** The Auditor of Public Accounts shall have the right to
11 review, upon request, the accountant's work papers.

12 **14. Budgetary Restructuring:** The Court of Justice shall prepare a report to be
13 submitted to the Interim Joint Committee on Appropriations and Revenue by September 1
14 of each fiscal year detailing the existing budget processes of the Court of Justice and the
15 actual expenditure of funds from the prior fiscal year and budgeted expenditures for the
16 current fiscal year by fund source and individual location or office, for the Supreme
17 Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative
18 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
19 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
20 offices.

21 **15. Unexpended Use Allowance:** Notwithstanding any provision of the Kentucky
22 Revised Statutes, any General Fund moneys appropriated for project-related expenses or
23 use allowance payments in fiscal years 2022-2023 and 2023-2024 that are not expended
24 specifically for project-related expenses or use allowance payments in the fiscal year in
25 which appropriated shall be transferred to the Budget Reserve Trust Fund Account (KRS
26 48.705).

27 **16. Employee Layoffs, Furloughs, and Reduced Hours:** Notwithstanding any

1 statute to the contrary, the following process and procedure is established for July 1,
2 2022, through June 30, 2024, in the event that the Chief Justice determines that it is
3 desirable for the Court of Justice to layoff, furlough, or reduce hours of employees:

4 (1) For the purposes of this section:

5 (a) "Appointing authority" means the Chief Justice, in his or her capacity as
6 provided in KRS 27A.010, or any agent whom he or she has delegated to act on his or her
7 behalf with respect to employee appointments, position establishments, payroll
8 documents, reemployment requests, waiver requests, requests for certification, or other
9 position actions for the Court of Justice;

10 (b) "Furlough" or "reduction in hours" means the temporary reduction of hours an
11 employee is scheduled to work by the appointing authority within a pay period;

12 (c) "Layoff" means discharge of employment subject to the rights contained in
13 this section; and

14 (d) "Employees" includes all persons employed by the Court of Justice;

15 (2) Upon an order by the Chief Justice, an appointing authority has the authority
16 to layoff or furlough employees or reduce hours of employment for any of the following
17 reasons:

18 (a) Lack of funds or budgetary constraints;

19 (b) A reduction in the agency's spending authorization;

20 (c) Lack of work;

21 (d) Abolishment of a position; or

22 (e) Other material change in duties or organization;

23 (3) The appointing authority shall determine the job classifications affected and
24 the number of employees laid-off in each classification and each county to which a layoff
25 applies. In the same department or office, county, and job classification, interim and
26 probationary employees shall be laid-off before any full-time or part-time employees with
27 status are laid-off. For purposes of layoff, "probationary employee" does not include an

1 employee with status serving a promotional probation;

2 (4) The Chief Justice shall approve and implement all actions taken under
3 subsection (2) of this section and no such layoff, furlough, or reduction of hours may
4 begin until such approval has been granted. The Chief Justice has the authority to
5 determine the extent, effective dates, and length of any action taken under subsection (2)
6 of this section;

7 (5) In determining the employees to be laid-off, the appointing authority shall
8 consider all employees under the same appointing authority, within the job classification
9 affected, and within the county affected. Consideration shall be given to the following
10 relevant factors:

11 (a) Job performance evaluations;

12 (b) Seniority;

13 (c) Education, training, and experience; and

14 (d) Disciplinary record;

15 (6) Any employee whose position is subject to layoff, furlough, or reduction of
16 hours shall be provided written notice containing the reason for the action as set forth in
17 subsection (2) of this section at least 15 days in advance of the effective date of the
18 action;

19 (7) Any tenured employee who is laid-off shall be eligible to apply as a
20 reemployment applicant for positions with the same job classification in the Court of
21 Justice. For a period of two years, a reemployment applicant shall be hired before any
22 applicant except another reemployment applicant with greater seniority who is on the
23 same reemployment list. When a reemployment applicant is removed from a
24 reemployment list, he or she shall be notified in writing. A reemployment applicant who
25 accepts another Court of Justice position, tenured or non-tenured, or who retires, shall
26 cease to have eligibility rights as a reemployment applicant;

27 (8) The appointing authority may place employees subject to a reduction in force;

1 (9) Furloughs or reduction of hours during a pay period shall not result in the loss
2 of eligibility for any benefit otherwise due the employee;

3 (10) The appointing authority shall have the authority to promulgate
4 comprehensive administrative regulations governing this section; and

5 (11) A layoff, furlough, or reduction of hours implemented in accordance with this
6 section shall not be considered a penalization of the employee.

7 **17. Salary Increase for Personnel:** Included in the General Fund, Restricted
8 Funds, and Federal Funds appropriations in Part I of this Act are sufficient funds to
9 support a \$2,000 salary increase followed by an eight percent increase on the base salary
10 and wages of each eligible employee effective July 1, 2022, for non-elected personnel.
11 Included in the General Fund, Restricted Funds, and Federal Funds appropriations in Part
12 I of this Act are sufficient funds to support an eight percent increase on the base salary or
13 wages of each eligible employee effective July 1, 2022, for elected personnel.

14 **18. Deferred Payroll:** Included in the fiscal year 2021-2022 appropriations in
15 Part I of this Act are sufficient funds to issue the state payroll that had previously been
16 deferred.

17 **19. Caseload Analysis:** (1) Notwithstanding the provisions of KRS 21A.350,
18 the General Assembly requests the Supreme Court to direct the Administrative Office of the
19 Courts to perform an updated caseload analysis to verify the need to eliminate the District
20 Court divisions in the Fourth, Fifteenth, Thirtieth, Thirty-first, Fortieth, Forty-first, and Fifty-
21 first Judicial Districts, and the District Court division eliminated in the newly constituted
22 Thirty-eighth Judicial District and in the newly constituted Forty-second Judicial District.

23 (2) The General Assembly further requests that the updated analysis be initiated by
24 January 1, 2024. If the analysis indicates the need to modify the elimination of the District
25 Court divisions listed in subsection (1) of this section due to population or caseload changes,
26 an amended certification of necessity shall be submitted as required under KRS 21A.350.

27 **PART IV**

1 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

2 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
3 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to
4 the constitutional duties and use allowance of the Judicial Branch shall be exempt from
5 any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall
6 be at the discretion of the Chief Justice and shall not exceed the actual percentage of
7 revenue shortfall.