

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. The Judicial Branch Budget is as follows:

7 **PART I**
 8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund,
 10 Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1,
 11 2025, and ending June 30, 2026, for the fiscal year beginning July 1, 2026, and ending
 12 June 30, 2027, and for the fiscal year beginning July 1, 2027, and ending June 30, 2028,
 13 the following sums to be used for the purposes of the Judicial Branch of the government
 14 of the Commonwealth of Kentucky, including the Supreme Court, Court of Appeals,
 15 Circuit Court, Family Court, District Court, the Administrative Office of the Courts,
 16 Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency
 17 Fund, and for services performed by the Circuit Court Clerks' offices, including both
 18 Circuit and District Court support.

19 **A. JUDICIAL BRANCH**

20 **Budget Units**

21 **1. COURT OF JUSTICE**

22 **a. Court Operations and Administration**

	2025-26	2026-27	2027-28
24 General Fund	-0-	344,440,300	348,471,700
25 Restricted Funds	13,629,600	54,126,000	54,473,700
26 Federal Funds	-0-	1,546,600	1,391,000
27 TOTAL	13,629,600	400,112,900	404,336,400

1 **(1) Full Funding of Current Services:** Included in the above General Fund
2 appropriation is \$5,000,000 in each fiscal year to support additional judgeships
3 established in the 2022 Regular Session.

4 **(2) Funds Required to Maintain Mandated Services:** Included in the above
5 General Fund appropriation is \$7,561,000 in fiscal year 2026-2027 and \$7,200,000 in
6 fiscal year 2027-2028 to maintain mandated services including information technology
7 subscription fees, audio/visual system upgrades, and contractor rate increases.

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

14 **(4) Utilization of Video Arraignment Technology:** (a) Notwithstanding any
15 statute to the contrary, courts shall use the video arraignment system set forth in 2021 Ky.
16 Acts ch. 194, sec. 14(1)(a), when available.

17 (b) Notwithstanding any statute to the contrary, if a court does not use the video
18 arraignment system referenced in paragraph (a) of this subsection, when available, the
19 Administrative Office of the Courts shall be responsible for the costs associated with
20 transporting prisoners to and from arraignments. The Administrative Office of the Courts
21 shall prepare a report to be submitted to the Interim Joint Committee on Appropriations
22 and Revenue by October 1, 2027, detailing the utilization of the video arraignment
23 system by courtroom and by judge.

24 **(5) Operating Expense Reduction:** The State Auditor has identified that in fiscal
25 year 2024-2025, the Judicial Branch spent \$5,088,350 on the expense code Other (E399).
26 The Chief Justice and the Director of the Administrative Office of the Courts shall
27 prepare a report detailing the expenditures on expense code Other (E399), including but

1 not limited to drug testing, cloud services, and information technology services. The
 2 Director of the Administrative Office of the Courts shall submit the report to the Interim
 3 Joint Committee on Appropriations and Revenue by October 1, 2026.

4 **(6) Support for Current Services:** Pursuant to KRS 27A.055(4), included in the
 5 above Restricted Funds appropriation is \$13,629,600 in fiscal year 2025-2026 to support
 6 the Court Operations and Administration budget unit and replace, in part, reduced
 7 revenues received by the Master Commissioner’s Fund established in KRS 31A.010(4).
 8 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by
 9 the end of fiscal year 2025-2026 shall not lapse and shall carry forward into fiscal year
 10 2026-2027, and any portion of these funds that have not been expended by the end of
 11 fiscal year 2026-2027 shall not lapse and shall carry forward into fiscal year 2027-2028.

12 **(7) Restricted Fund Authorization:** Pursuant to KRS 27A.055(4), included in
 13 the above Restricted Funds appropriation is \$1,620,000 in each fiscal year to support the
 14 Court Operations and Administration budget unit.

15 **b. Local Facilities Fund**

	2025-26	2026-27	2027-28
16 General Fund	-0-	133,304,600	146,956,800
17 Restricted Funds	8,910,400	5,260,000	260,000
18 TOTAL	8,910,400	138,564,600	147,216,800

19
 20 **(1) Uninsured Costs Due to Flooding:** Pursuant to KRS 27A.055(4), included in
 21 the above Restricted Funds appropriation is \$8,910,400 in fiscal year 2025-2026 for file
 22 restoration, remediation, and repairs due to flooding in Franklin and Hardin Counties.
 23 Notwithstanding KRS 45.229, any unexpended funds shall not lapse and shall carry
 24 forward.

25 **(2) Local Facility Projects:** Included in the above General Fund appropriation is
 26 \$13,652,200 in fiscal year 2027-2028 to support the use allowance costs for five judicial
 27 centers authorized by the 2024 General Assembly.

1 **(3) Funding of Current Services:** Included in the above General Fund
2 appropriation is \$1,000,000 in each fiscal year to fund current services.

3 **(4) Boyle County Temporary Space and Fit-up:** Pursuant to KRS 27A.055(4),
4 included in the above Restricted Funds appropriation is \$5,260,000 in fiscal year 2026-
5 2027 and \$260,000 in fiscal year 2027-2028 for leased space and fit-up for all court and
6 clerk functions.

7 **(5) Local Court Facility Compensation:** Included in the above General Fund
8 appropriation are moneys to compensate local units of government for providing court
9 space and for costs incurred in the development of local court facilities as defined in KRS
10 Chapter 26A and provided for in Part II, Capital Projects Budget, of this Act, and to
11 perform all other acts required or authorized by KRS Chapter 26A.

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

18 **(7) Court Facility Maintenance Fund:** (a) Notwithstanding KRS
19 26A.090(2), when there is no debt on court facility construction or renovation projects
20 authorized prior to the 2000 Regular Session of the General Assembly, use allowance is
21 restricted to compensation equal to two percent annually of capital costs to be paid to the
22 county unit of government and two percent annually to be retained by the Administrative
23 Office of the Courts and directed to a separate fund specifically for maintenance of court
24 facilities.

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

27 (c) Notwithstanding KRS 45.750, any maintenance project estimated to cost

1 \$3,000,000 or less for a local court facility is not considered to be a capital project
 2 requiring authorization of the General Assembly in the Judicial Branch Budget and may
 3 be completed using funds appropriated to the Judicial Branch for maintenance of local
 4 facilities or other agency funds of the Judicial Branch. The Administrative Office of the
 5 Courts shall report any maintenance project estimated to cost between \$1,000,000 and
 6 \$3,000,000 to the Capital Projects and Bond Oversight Committee.

7 **(8) Maintenance Pool:** Included in the above General Fund appropriation is
 8 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
 9 non-capital projects for local courthouses and judicial centers.

10 **(9) Asset Preservation Pool - HVAC, Roof, and Electrical Upgrades:** The
 11 Administrative Office of the Courts shall prepare a report on the Asset Preservation -
 12 HVAC, Roof, Electrical project authorized in 2024 Ky. Acts ch. 148, Part II, A., 1., 007.,
 13 including but not limited to the projects funded in the asset preservation pool, the current
 14 status of each project and projected completion date, and the amount expended on each
 15 project and for the pool in total. The Administrative Office of the Courts shall submit this
 16 report on a quarterly basis beginning November 1, 2026, to the Interim Joint Committee
 17 on Appropriations and Revenue.

18 **(10) Asset Preservation Pool - Renovations:** The Administrative Office of the
 19 Courts shall prepare a report on the Asset Preservation - Renovations project authorized
 20 in 2024 Ky. Acts ch. 148, Part II, A., 1., 008., including but not limited to the projects
 21 funded in the asset preservation pool, the current status of each project and projected
 22 completion date, and the amount expended on each project and for the pool in total. The
 23 Administrative Office of the Courts shall submit this report on a quarterly basis
 24 beginning November 1, 2026, to the Interim Joint Committee on Appropriations and
 25 Revenue.

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

27 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended

1 balance remaining at the close of fiscal year 2025-2026 shall not lapse and shall continue
 2 into fiscal year 2026-2027, and any unexpended balance remaining at the close of fiscal
 3 year 2026-2027 shall not lapse and shall continue into fiscal year 2027-2028 to provide
 4 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 5 allowance in accordance with KRS Chapter 26A.

6 **TOTAL – COURT OF JUSTICE**

	2025-26	2026-27	2027-28
8 General Fund	-0-	477,744,900	495,428,500
9 Restricted Funds	22,540,000	59,386,000	54,733,700
10 Federal Funds	-0-	1,546,600	1,391,000
11 TOTAL	22,540,000	538,677,500	551,553,200

12 **2. JUDICIAL FORM RETIREMENT SYSTEM**

	2026-27	2027-28
14 Restricted Funds	645,500	652,300

15 **(1) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
 16 shall be paid out of an administrative account which shall be funded by transfers of the
 17 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
 18 21.560. Notwithstanding Part III, 7. of this Act, Restricted Funds appropriations may be
 19 increased to ensure sufficient funding to support the Judicial Form Retirement System.

20 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 21 benefit increase shall be granted to recipients of a retirement allowance under KRS
 22 21.345 to 21.580 on July 1, 2026, or July 1, 2027.

23 **TOTAL - JUDICIAL BRANCH**

	2025-26	2026-27	2027-28
25 General Fund	-0-	477,744,900	495,428,500
26 Restricted Funds	22,540,000	60,031,500	55,386,000
27 Federal Funds	-0-	1,546,600	1,391,000

1 expended for any purpose not specifically authorized by the General Assembly in this
2 Act. The Court of Justice shall prepare a report of actual expenditures citing specific
3 statutory or budgetary authorization for the reported expenditures and detailing
4 expenditures for the Supreme Court, Court of Appeals, Circuit Court, Family Court,
5 District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities
6 Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by
7 the Circuit Court Clerks' offices. The Court of Justice shall provide this report on a
8 quarterly basis to the Interim Joint Committee on Appropriations and Revenue.

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

13 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
14 in an appropriation provision in another Act of the 2026 Regular Session of the General
15 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

19 **5. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
20 balance remaining at the close of the fiscal years ending June 30, 2026, June 30, 2027,
21 and June 30, 2028, shall not lapse and shall continue into the next fiscal year.

22 **6. Final Budget Document:** The Director of the Administrative Office of the
23 Courts shall prepare a final budget document reflecting the 2026-2028 biennial budget of
24 the Court of Justice. A copy shall be provided to the Legislative Research Commission,
25 and an informational copy shall be furnished to the Finance and Administration Cabinet,
26 within 60 days of the adjournment of the 2026 Regular Session of the General Assembly.

27 **7. Appropriations Revisions:** Notwithstanding KRS 48.630(10), no revisions

1 for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or
2 expended that have not been appropriated in any enacted branch budget bill or without
3 the express authority of the General Assembly. Proposed revisions to unbudgeted Federal
4 Funds appropriations for expenditure in this Act shall be made and reported to the Interim
5 Joint Committee on Appropriations and Revenue. The Director of the Administrative
6 Office of the Courts shall notify, on a timely basis, the Legislative Research Commission
7 of the most current estimates of anticipated receipts for the affected fiscal year and an
8 accompanying statement which explains variations from the anticipated amount.

9 **8. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
10 24A.100(3), no trial commissioner shall be compensated at a rate greater than \$4,000 per
11 year. No funding is provided for trial commissioners commissioned in counties with a
12 residing District Judge.

13 **9. Authorized Personnel Complement:** On July 1, 2026, the Administrative
14 Office of the Courts shall establish a record for each budget unit of authorized permanent
15 full-time and all other positions based upon the enacted Judicial Budget of the
16 Commonwealth and any adjustments authorized by provisions in this Act. The total
17 number of filled permanent full-time and all other positions shall not exceed the
18 authorized complements pursuant to this section. The Director of the Administrative
19 Office of the Courts may request an increase in the number of authorized positions to the
20 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
21 employment of individuals in addition to the authorized complement. A report of the
22 actions authorized in this section shall be provided to the Interim Joint Committee on
23 Appropriations and Revenue on a monthly basis.

24 **10. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
25 Revised Statutes, use allowance payments shall not be amended to reflect debt
26 restructuring transactions undertaken by a county during the 2026-2028 fiscal biennium.

27 **11. Court Facility Maintenance Fund Report:** For each of the periods ending

1 June 30, 2026, June 30, 2027, and June 30, 2028, the Director of the Administrative
2 Office of the Courts shall prepare a court facility maintenance report. This report shall
3 detail all court facility maintenance undertaken by the Court of Justice, to include any
4 cost-sharing with counties, as well as detail regarding future maintenance needs. This
5 report shall include a statewide expenditure summary followed by individual county
6 expenditures detailing the state's and county's respective share of expenditures. The
7 Administrative Office of the Courts shall provide this report to the Interim Joint
8 Committee on Appropriations and Revenue by September 15 of each fiscal year.

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

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

20 **14. Unexpended Use Allowance:** Notwithstanding any provision of the
21 Kentucky Revised Statutes, any General Fund moneys appropriated for project-related
22 expenses or use allowance payments in fiscal years 2026-2027 and 2027-2028 that are
23 not expended specifically for project-related expenses or use allowance payments in the
24 fiscal year in which appropriated shall be transferred to the Budget Reserve Trust Fund
25 Account (KRS 48.705).

26 **15. Salary Increase for Personnel:** Notwithstanding KRS 64.480(2), included in
27 the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this

1 Act are sufficient funds to support a two percent salary increase on the base salary and
2 wages of each eligible employee effective July 1, 2026, and a two percent increase on the
3 base salary or wages of each eligible employee effective July 1, 2027.

4 **16. Application for Federal Funds:** Notwithstanding any statute to the contrary,
5 the Court of Justice shall report to the Interim Joint Committee on Appropriations and
6 Revenue, within 30 days, any new federally funded programs for which funding had not
7 previously been awarded without authorization by the General Assembly.

8 **17. Operational Expenditures Data:** The Director of the Administrative Office
9 of the Courts shall, by October 1, 2026, submit a report to the Legislative Oversight and
10 Investigations Committee and the Interim Joint Committee on Appropriations and
11 Revenue with the following information and data pertaining to the historical and
12 projected operational expenditures for each budget unit:

13 (1) Identifying information of the budget unit; and

14 (2) A description of each program, function, service, or benefit provided by the
15 budget unit, including but not limited to the following:

16 (a) Measurable outcome data for the program, function, service, or benefit
17 provided in fiscal year 2025-2026 and projected for fiscal years 2026-2027 and 2027-
18 2028 for programs, functions, services, or benefits that are statutorily mandated;

19 (b) Measurable outcome data for the program, function, service, or benefit
20 provided in fiscal year 2025-2026 and projected for fiscal years 2026-2027 and 2027-
21 2028 for programs, functions, services, or benefits that are not statutorily mandated;

22 (c) Identification of any contracts or grants with other state budget units or
23 external providers engaged to provide or assist in providing the program, function,
24 service, or benefit in fiscal years 2025-2026, 2026-2027, or 2027-2028;

25 (d) The number of full-time, part-time, and other filled positions assigned to the
26 program, function, service, or benefit on July 1 of each fiscal year;

27 (e) The number and projected cost of all temporary manpower service personnel

1 assigned to the program, function, service, or benefit as of July 1 each fiscal year;

2 (f) The actual expenditures, by fund source, for each program, function, service,
3 or benefit for fiscal year 2025-2026;

4 (g) The projected expenditures, by fund source, by fiscal year, for each program,
5 function, service, or benefit for fiscal years 2026-2027 and 2027-2028; and

6 (h) The actual balance of any Restricted Funds or Agency Trust Funds assigned
7 to the program, function, service, or benefit as of July 1, 2026, and projected to be on
8 July 1, 2027, and July 1, 2028.

9 The information shall be submitted only in a format prescribed by the Legislative
10 Oversight and Investigations Committee.

11 The Director of the Administrative Office of the Courts shall, within 30 days,
12 provide any follow-up or additional information on the programs, functions, services, or
13 benefits requested by the Legislative Research Commission or a subcommittee thereof.

14 **PART IV**

15 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

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