

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 2018, and ending June 30, 2019, and for the fiscal year beginning July 1, 2019, and
12 ending June 30, 2020, the following sums to be used for the purposes of the Judicial
13 Branch of the government of the Commonwealth of Kentucky, including the Supreme
14 Court, Court of Appeals, Circuit Court, Family Court, District Court, the Administrative
15 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
16 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
17 offices, including both Circuit and District Court support.

18 **A. JUDICIAL BRANCH**

19 **Budget Units**

20 **1. Court of Justice**

21 **a. Court Operations and Administration**

	2018-19	2019-20
22 General Fund	266,388,000	269,864,200
23 Restricted Funds	35,143,600	35,204,700
24 Federal Funds	1,982,700	1,369,200
25 TOTAL	303,514,300	306,438,100

26 **(1) Defined Calculations:** Included in the above General Fund appropriation is
27

1 \$20,908,500 in fiscal year 2018-2019 and \$23,242,600 in fiscal year 2019-2020 to
 2 provide funds for the increase in the employer cost of health and life insurance and the
 3 employer cost of retirement.

4 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 5 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
 6 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal
 7 year 2018-2019 shall not lapse and shall continue into fiscal year 2019-2020.

8 **(3) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
 9 increase in civil filing fees that was effective in 2008, the additional income resulting
 10 from the fee increases, not to exceed \$5,000,000 in each fiscal year of the biennium, shall
 11 be deposited into a trust and agency account for court operations. Any revenue generated
 12 by these increases in excess of the \$5,000,000 in each fiscal year of the biennium shall be
 13 deposited into the General Fund.

14 **(4) Civil Filing Fees - Non-Elected Personnel:** Pursuant to its authority, if the
 15 Supreme Court increases civil filing fees above what was effective in 2008, the additional
 16 income resulting from the fee increases, not to exceed \$10,468,100 in each fiscal year of
 17 the biennium, shall be deposited into a trust and agency account for salary increases to
 18 non-elected personnel. Any revenue generated by these increases in excess of
 19 \$10,468,100 in each fiscal year of the biennium shall be deposited to the credit of the
 20 General Fund.

21 **(5) Night Court in Jefferson County:** The Administrative Office of the Courts
 22 shall continue the operations and current schedule of night court in Okolona and
 23 Middletown in Jefferson County in fiscal year 2018-2019 and fiscal year 2019-2020.

24 **(6) Supreme Court Renovations:** Included in the above Restricted Funds
 25 appropriation is \$286,000 in each fiscal year for Supreme Court renovations.

26 **b. Local Facilities Fund**

27

2018-19

2019-20

1	General Fund	108,871,700	108,871,700
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2 **(1) Local Court Facility Compensation:** Included in the above General Fund
 3 appropriation are moneys to compensate local units of government for providing court
 4 space and for costs incurred in the development of local court facilities as defined in KRS
 5 Chapter 26A and provided in Part II of this Act, and to perform all other acts required or
 6 authorized by KRS Chapter 26A.

7 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 8 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
 9 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal
 10 year 2018-2019 shall not lapse and shall be continued into fiscal year 2019-2020.

11 **(3) Madison County Lease:** Included in the above General Fund appropriation is
 12 \$800,000 in each fiscal year to allow the Administrative Office of the Courts to enter into
 13 a lease for office space as needed for Madison County Circuit Court and to provide
 14 necessary furnishings, infrastructure, and security equipment.

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

		2018-19	2019-20
16			
17	General Fund	-0-	-0-

18 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 19 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
 20 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal
 21 year 2018-2019 shall not lapse and shall continue into fiscal year 2019-2020 to provide
 22 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 23 allowance in accordance with KRS Chapter 26A.

24 **TOTAL - Court of Justice**

		2018-19	2019-20
25			
26	General Fund	375,259,700	378,735,900
27	Restricted Funds	35,143,600	35,204,700

1	Federal Funds	1,982,700	1,369,200
2	TOTAL	412,386,000	415,309,800

3 **2. Judicial Retirement System**

4		2018-19	2019-20
5	General Fund	9,566,400	9,570,800

6 **(1) Judicial Retirement Benefits:** General Fund amounts are included to provide
7 actuarial-assessed judicial retirement benefits pursuant to KRS 21.345 to 21.580.

8 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
9 benefit increase shall be granted to recipients of a retirement allowance under KRS
10 21.345 to 21.580 on July 1, 2018, or July 1, 2019.

11 **(3) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
12 shall be paid out of an administrative account which shall be funded by transfers of the
13 necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and
14 21.560.

15 **TOTAL - JUDICIAL BRANCH**

16		2018-19	2019-20
17	General Fund	384,826,100	388,306,700
18	Restricted Funds	35,143,600	35,204,700
19	Federal Funds	1,982,700	1,369,200
20	TOTAL	421,952,400	424,880,600

21 **PART II**

22 **CAPITAL PROJECTS BUDGET**

23 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
24 that any capital project proposed by any state government entity, including the agencies
25 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
26 prior to the project's financing and construction, in accordance with KRS 7A.010,
27 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the

1 amount allotted, from all sources, for expenditure on any capital project, including leases
2 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

3 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
4 projects and major items of equipment that are not specifically listed in this Act may be
5 authorized only after submission of the project to the Capital Projects and Bond
6 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
7 Moneys may be transferred to the allotment account of any capital project only after
8 submission of the project to the Capital Projects and Bond Oversight Committee and in
9 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
10 all capital construction items authorized in this Act shall be constructed in accordance
11 with this Act, supporting documentation considered by the General Assembly, and
12 Judicial Branch budget records. Any modifications to the scope of a capital construction
13 project or to a lease shall be reported to the Capital Projects and Bond Oversight
14 Committee before execution.

15 **(3) Local Facilities Use Allowance Contingency Fund:** For any court facility
16 project which is occupied and use allowance funding is insufficient, the use allowance
17 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
18 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
19 Chief Justice may transfer funds from other Judicial Branch accounts in accordance with
20 Part III, General Provisions, Section 6. of this Act to make the necessary payments.

21 **(4) Deferred Funding:** General Fund support to provide operating costs totaling
22 \$1,157,400, annualized use allowance payments totaling \$4,405,600, and nonrecurring
23 furniture and equipment costs of \$3,500,000 for Bath, Butler, Crittenden, Jessamine, and
24 Oldham Counties is deferred to the 2020-2022 fiscal biennium.

25 **(5) Court Facility Planning Process:** The county shall require the Project
26 Development Board to hire a certified architect not otherwise involved with the project to
27 conduct an independent feasibility study to determine whether the needs of the

1 community and the Court of Justice can best be met through the construction of a
 2 freestanding building, or through an addition and/or renovation of the existing court
 3 facility. The cost for this study shall be an accepted and approved portion of the planning
 4 process, and shall be eligible for reimbursement from the bond proceeds.

5 **A. JUDICIAL BRANCH**

6 Budget Units	2018-19	2019-20
7 1. Local Facilities Fund		
8 001. Construction - Bath County		
9 Other Funds	9,315,000	-0-
10 002. Construction - Butler County		
11 Other Funds	9,315,000	-0-
12 003. Renovation/Addition - Crittenden County		
13 Other Funds	6,003,000	-0-
14 004. Renovation/Addition - Jessamine County		
15 Other Funds	10,102,000	-0-
16 005. Renovation/Addition - Oldham County		
17 Other Funds	22,800,000	-0-
18 006. Lease-Purchase Court of Appeals Office Building - Franklin County		

19 **2. Lease Authorizations**

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

22 **PART III**

23 **GENERAL PROVISIONS**

24 **1. Expenditure Authority:** The Director of the Administrative Office of the
 25 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
 26 for court operations and administration in any lawful manner and for any legal purpose
 27 that the Chief Justice shall authorize or direct. All expenditures shall conform with Part

1 III, General Provisions, Section 6. of this Act. No executive agency of state government
2 shall have the power to restrict or limit the expenditure of funds appropriated to the
3 Judicial Branch of government.

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

8 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
9 in an appropriation provision in another Act of the 2018 Regular Session of the General
10 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

14 **5. Final Budget Document:** The Chief Justice shall cause the Director of the
15 Administrative Office of the Courts to prepare a final budget document reflecting the
16 2018-2020 biennial budget of the Court of Justice. A copy shall be provided to the
17 Legislative Research Commission, and an informational copy shall be furnished to the
18 Finance and Administration Cabinet, within 60 days of the adjournment of the 2018
19 Regular Session of the General Assembly.

20 **6. Transferability of Funds:** The Chief Justice of the Commonwealth of
21 Kentucky shall have the ability to transfer funds to other programs and budget units
22 within the Judicial Branch. Any funds transferred to other budget units within the Judicial
23 Branch may be used to support any activity, program, or operation of the budget unit or
24 program receiving the respective funds.

25 **7. Appropriations Revisions:** Proposed revisions to General Fund, Restricted
26 Funds, and Federal Funds appropriations in this Act shall be made and reported pursuant
27 to KRS 48.630(10). The Director of the Administrative Office of the Courts shall notify

1 on a timely basis the Legislative Research Commission of the most current estimates of
2 anticipated receipts for the affected fiscal year and an accompanying statement which
3 explains variations from the anticipated amount.

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

7 **9. Issuance of Paychecks to Employees:** Notwithstanding 101 KAR 2:095,
8 Section 10, the state payroll that would normally be scheduled to be paid on June 30,
9 2018, June 30, 2019, and June 30, 2020, shall not be issued prior to July 1, 2018, July 1,
10 2019, and July 1, 2020.

11 **10. Authorized Personnel Complement:** On July 1, 2018, the Administrative
12 Office of the Courts shall establish a record for each budget unit of authorized permanent
13 full-time and other positions based upon the enacted Judicial Budget of the
14 Commonwealth and any adjustments authorized by provisions in this Act. The total
15 number of filled permanent full-time and all other positions shall not exceed the
16 authorized complements pursuant to this section. The Director of the Administrative
17 Office of the Courts may request an increase in the number of authorized positions to the
18 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
19 employment of individuals in addition to the authorized complement. A report of the
20 actions authorized in this section shall be provided to the Interim Joint Committee on
21 Appropriations and Revenue on a monthly basis.

22 **11. Unexpended Use Allowance:** Notwithstanding any other provision of the
23 Kentucky Revised Statutes, any General Fund moneys appropriated for use allowance
24 payments in fiscal years 2018-2019 and 2019-2020 that are not expended specifically for
25 use allowance payments shall be transferred to the Budget Reserve Trust Fund Account
26 (KRS 48.705).

27 **12. Debt Restructuring:** Notwithstanding any other provision of the Kentucky

1 Revised Statutes, use allowance payments shall not be amended to reflect debt
2 restructuring transactions undertaken by a county during the 2018-2020 fiscal biennium.

3 **PART IV**

4 **FUNDS TRANSFER**

5 The Judicial Branch shall transfer \$12,434,900 in fiscal year 2018-2019 and
6 \$12,238,100 in fiscal year 2019-2020 to the General Fund.

7 **PART V**

8 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

9 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
10 Expenditure Plan in accordance with the provisions of KRS Chapter 48.