

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 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and
12 ending June 30, 2022, 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**

	2020-21	2021-22
22		
23	270,755,000	260,286,700
24	52,343,600	57,112,200
25	4,936,300	4,212,100
26	328,034,900	321,611,000

27 **(1) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the

1 increases in civil filing fees that were effective in 2008 and 2018, the additional income
 2 resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year, shall be
 3 deposited into a trust and agency account for court operations and salaries for non-elected
 4 personnel. Any revenue generated by these increases in excess of the \$15,468,100 in each
 5 fiscal year shall be deposited into the General Fund.

6 **(2) Night Court in Jefferson County:** The Administrative Office of the Courts
 7 shall continue the operations and current schedule of night court in Okolona and
 8 Middletown in Jefferson County in each fiscal year if the Court of Justice does not incur
 9 any costs.

10 **(3) Salary Increment:** Notwithstanding KRS 64.480(2), no salary adjustments
 11 are provided on the base salary or wages of the Clerk of the Supreme Court.

12 **(4) Office of Bar Admissions:** (a) Notwithstanding KRS 61.565, 61.702, and
 13 any statute to the contrary, the Office of Bar Admissions shall be an agency of the
 14 Judicial Branch for purposes of retirement contributions. Included in the above General
 15 Fund appropriation is \$62,000 in fiscal year 2021-2022 to cover the Office of Bar
 16 Admissions' anticipated increase in retirement costs over this employer's fiscal year 2019-
 17 2020 baseline contribution as outlined in the fiscal note for 2021 Regular Session House
 18 Bill 8, as passed by the General Assembly and located on the Legislative Research
 19 Commission's Web site.

20 (b) The provisions of paragraph (a) of this subsection shall neither be construed to
 21 signal future support for the Office of Bar Admissions from the General Assembly, nor
 22 express any intent that the Kentucky Retirement Systems grant the Administrative Office
 23 of the Courts its request to reclassify the Office of Bar Admissions as an agency of the
 24 Judicial Branch.

25 **b. Local Facilities Fund**

26	2020-21	2021-22	
27	General Fund	114,514,200	114,618,400

1 **(1) Local Facility Projects:** (a) Included in the above General Fund appropriation
2 is \$2,345,700 in each fiscal year to support use allowance payments for two judicial
3 center projects authorized by the 2018 General Assembly.

4 (b) Included in the above General Fund appropriation is an additional \$175,000 in
5 fiscal year 2021-2022 to support use allowance payments attributable to a project scope
6 increase for the relocation of the Oldham County facility project authorized by the 2018
7 General Assembly.

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

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

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

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

1 facilities.

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

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

5 (1) **Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
6 balance remaining at the close of fiscal year 2019-2020 shall not lapse and shall continue
7 into fiscal year 2020-2021, and any unexpended balance remaining at the close of fiscal
8 year 2020-2021 shall not lapse and shall continue into fiscal year 2021-2022 to provide
9 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
10 allowance in accordance with KRS Chapter 26A.

11 **TOTAL - Court of Justice**

	2020-21	2021-22
13 General Fund	385,269,200	374,905,100
14 Restricted Funds	52,343,600	57,112,200
15 Federal Funds	4,936,300	4,212,100
16 TOTAL	442,549,100	436,229,400

17 **2. JUDICIAL RETIREMENT SYSTEM**

	2020-21	2021-22
19 General Fund	7,147,500	7,147,500

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

22 (2) **Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
23 shall be paid out of an administrative account which shall be funded by transfers of the
24 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
25 21.560. Notwithstanding Part III, 8. of this Act, Restricted Funds appropriations may be
26 increased to ensure sufficient funding to support the Judicial Form Retirement System.

27 (3) **Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension

1 benefit increase shall be granted to recipients of a retirement allowance under KRS
2 21.345 to 21.580 on July 1, 2020, or July 1, 2021.

3 **TOTAL - JUDICIAL BRANCH**

	2020-21	2021-22
4 General Fund	392,416,700	382,052,600
5 Restricted Funds	52,343,600	57,112,200
6 Federal Funds	4,936,300	4,212,100
7 TOTAL	449,696,600	443,376,900

9 **PART II**

10 **CAPITAL PROJECTS BUDGET**

11 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
12 that any capital project proposed by any state government entity, including the agencies
13 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
14 prior to the project’s financing and construction, in accordance with KRS 7A.010,
15 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
16 amount allotted, from all sources, for expenditure on any capital project, including leases
17 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

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

1 project or to a lease shall be reported to the Capital Projects and Bond Oversight
2 Committee before execution.

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

10 **(4) Deferred Funding:** (a) General Fund support to provide operating costs
11 totaling \$2,354,800, annualized use allowance payments totaling \$14,491,900, and
12 nonrecurring furniture and equipment costs of \$4,075,000 for Barren, Butler, Clinton,
13 Crittenden, Jessamine, Madison, and Scott Counties is deferred to the 2022-2024 fiscal
14 biennium.

15 (b) General Fund support to provide operating costs totaling \$680,800 and
16 \$2,000,000 for nonrecurring equipment and furniture costs for two judicial center projects
17 authorized by the 2018 General Assembly is deferred to the 2022-2024 fiscal biennium.

18 (c) It is the intent of the General Assembly that all projects in paragraphs (a) and
19 (b) of this subsection shall be funded using resources previously appropriated for projects
20 that no longer require use allowance debt payments in the 2022-2024 fiscal biennium.

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

27 **(6) Edmonson County Courthouse Additional Parking Lot:** (a) General

1 Fund support of \$70,800 in fiscal year 2020-2021 is contained in the Local Facilities
 2 Fund for an additional parking lot in Brownsville. This funding shall be contingent upon
 3 the local unit of government contributing \$20,000 towards the completion of the
 4 additional parking lot.

5 (b) Notwithstanding any statute to the contrary, any unexpended balance from the
 6 appropriation set forth in paragraph (a) of this subsection shall be transferred to the
 7 Budget Reserve Trust Fund Account (KRS 48.705).

8 **A. JUDICIAL BRANCH**

9 **Budget Units**

10 **1. Local Facilities Fund**

11	Project	Project Scope
12	001. Barren	31,615,000
13	002. Butler	11,860,000
14	003. Clinton	17,435,000
15	004. Crittenden	11,965,000
16	005. Jessamine	28,440,000
17	006. Madison	12,490,000
18	007. Scott	37,330,000

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. No executive agency of state government

1 shall have the power to restrict or limit the expenditure of funds appropriated to the
2 Judicial Branch of government.

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

7 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
8 in an appropriation provision in another Act of the 2020 and 2021 Regular Sessions of the
9 General Assembly which constitutes a duplicate appropriation shall be governed by KRS
10 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. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
15 balance remaining at the close of the fiscal years ending June 30, 2020, June 30, 2021,
16 and June 30, 2022, shall not lapse and shall continue into the next fiscal year.

17 **6. Final Budget Document:** The Director of the Administrative Office of the
18 Courts shall prepare a final budget document reflecting the 2020-2022 biennial budget of
19 the Court of Justice. A copy shall be provided to the Legislative Research Commission,
20 and an informational copy shall be furnished to the Finance and Administration Cabinet,
21 within 60 days of the adjournment of the 2020 Regular Session of the General Assembly
22 and the 2021 Regular Session of the General Assembly.

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

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

10 **9. Issuance of Paychecks to Employees:** Notwithstanding 101 KAR 2:095,
11 Section 10, the state payroll that would normally be scheduled to be paid on June 30,
12 2020, and June 30, 2021, shall not be issued prior to July 1, 2020, and July 1, 2021,
13 respectively.

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

17 **11. Authorized Personnel Complement:** On July 1, 2020, the Administrative
18 Office of the Courts shall establish a record for each budget unit of authorized permanent
19 full-time and other positions based upon the enacted Judicial Budget of the
20 Commonwealth and any adjustments authorized by provisions in this Act. The total
21 number of filled permanent full-time and all other positions shall not exceed the
22 authorized complements pursuant to this section. The Director of the Administrative
23 Office of the Courts may request an increase in the number of authorized positions to the
24 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
25 employment of individuals in addition to the authorized complement. A report of the
26 actions authorized in this section shall be provided to the Interim Joint Committee on
27 Appropriations and Revenue on a monthly basis.

1 **12. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
2 Revised Statutes, use allowance payments shall not be amended to reflect debt
3 restructuring transactions undertaken by a county during the 2020-2022 fiscal biennium.

4 **13. Court Facility Maintenance Fund Report:** For each of the periods ending
5 June 30, 2020, June 30, 2021, and June 30, 2022, the Director of the Administrative
6 Office of the Courts shall prepare a court facility maintenance report. This report shall
7 detail all court facility maintenance undertaken by the Court of Justice, to include any
8 cost-sharing with counties, as well as detail regarding future maintenance needs. This
9 report shall include a statewide expenditure summary followed by individual county
10 expenditures detailing the state's and county's respective share of expenditures. The
11 Administrative Office of the Courts shall provide this report to the Interim Joint
12 Committee on Appropriations and Revenue by September 15 of each fiscal year.

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

15 **15. Budgetary Restructuring:** The Court of Justice is hereby notified that it is
16 the intent of the General Assembly that, beginning with the 2022-2024 biennium, the
17 Court of Justice shall establish new appropriation units specific to the Supreme Court,
18 Court of Appeals, Circuit Court, Family Court, District Court, Administrative Office of
19 the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance
20 Contingency Fund, and for services performed by the Circuit Court Clerks' offices. The
21 Court of Justice shall also begin tracking expenditures by location for each of the new
22 appropriation units identified herein.

23 **16. Unexpended Use Allowance:** Notwithstanding any provision of the Kentucky
24 Revised Statutes, any General Fund moneys appropriated for project-related expenses or
25 use allowance payments in fiscal years 2020-2021 and 2021-2022 that are not expended
26 specifically for project-related expenses or use allowance payments in the fiscal year in
27 which appropriated shall be transferred to the Budget Reserve Trust Fund Account (KRS

1 48.705).

2 **17. Employee Layoffs, Furloughs, and Reduced Hours:** Notwithstanding any
3 statute to the contrary, the following process and procedure is established for July 1,
4 2020, through June 30, 2022, in the event that the Chief Justice determines that it is
5 desirable for the Court of Justice to layoff, furlough, or reduce hours of employees:

6 (1) For the purposes of this section:

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

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

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

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

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

20 (a) Lack of funds or budgetary constraints;

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

22 (c) Lack of work;

23 (d) Abolishment of a position; or

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

25 (3) The appointing authority shall determine the job classifications affected and
26 the number of employees laid-off in each classification and each county to which a layoff
27 applies. In the same department or office, county, and job classification, interim and

1 probationary employees shall be laid-off before any full-time or part-time employees with
2 status are laid-off. For purposes of layoff, "probationary employee" does not include an
3 employee with status serving a promotional probation;

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

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

- 13 (a) Job performance evaluations;
- 14 (b) Seniority;
- 15 (c) Education, training, and experience; and
- 16 (d) Disciplinary record;

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

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

1 cease to have eligibility rights as a reemployment applicant;

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

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

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

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

9 **18. Employer Retirement Contributions:** Notwithstanding KRS 61.565 or
10 61.702 to the contrary, the initial actuarially accrued liability employer contribution rate
11 from July 1, 2021, through June 30, 2022, for nonhazardous employees in the judicial
12 branch departments shall be determined by the Director of the Administrative Office of
13 the Courts by May 1, 2021. The employer contribution rate shall include the normal cost
14 contribution of 10.10 percent and be sufficient to adhere to the prorated amount of the
15 actuarially accrued liability to each individual nonhazardous employer as determined by
16 the Kentucky Employees Retirement System. The rates in this subsection apply to wages
17 and salaries earned for work performed during the described period regardless of when
18 the employee is paid for the time worked.

19 **PART IV**

20 **FUNDS TRANSFER**

21 The Judicial Branch shall transfer \$10,000,000 in fiscal year 2021-2022 to the
22 General Fund.

23 **PART V**

24 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

25 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
26 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to
27 the constitutional duties and use allowance of the Judicial Branch shall be exempt from

1 any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall
2 be at the discretion of the Chief Justice and shall not exceed the actual percentage of
3 revenue shortfall.