

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 2021, and ending June 30, 2022, for the fiscal year beginning July 1, 2022, and ending
12 June 30, 2023, and for the fiscal year beginning July 1, 2023, and ending June 30, 2024,
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**

	2021-22	2022-23	2023-24
24 General Fund	10,928,500	307,049,300	313,808,400
25 Restricted Funds	771,300	53,939,800	51,965,700
26 Federal Funds	65,700	3,348,300	2,717,600
27 TOTAL	11,765,500	364,337,400	368,491,700

1 **(1) Defined Calculations:** Included in the above General Fund appropriation is
 2 \$4,625,900 in fiscal year 2022-2023 and \$9,537,200 in fiscal year 2023-2024 to provide
 3 funds for the increase in the employer cost of health and life insurance and the employer
 4 cost of retirement.

5 **(2) Annual Increment:** Included in the above General Fund appropriation is
 6 \$1,256,800 in fiscal year 2022-2023 and \$2,551,500 in fiscal year 2023-2024 for a one
 7 percent annual increment in each year of the biennium for non-elected court personnel,
 8 Justices, Judges, and Circuit Clerks.

9 **(3) Deferred Payroll:** Included in the above General Fund appropriation is
 10 \$10,928,500 in fiscal year 2021-2022 for the cost of the payroll that was deferred from
 11 June 30, 2021, to July 1, 2021.

12 **(4) Salary Parity Plan:** Included in the above General Fund appropriation is
 13 \$40,879,900 in fiscal year 2022-2023 and \$41,433,000 in fiscal year 2023-2024 for a
 14 salary parity plan for all non-elected court personnel, Justices, Judges, and Circuit Clerks.

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

21 **b. Local Facilities Fund**

	2022-23	2023-24
23 General Fund	125,446,900	127,017,700

24 **(1) Local Facility Projects:** Included in the above General Fund appropriation is
 25 \$2,670,400 in fiscal year 2022-2023 and \$12,399,300 in fiscal year 2023-2024 to support
 26 the use allowance, operating, and non-recurring furniture and equipment costs for two
 27 judicial centers authorized by the 2018 General Assembly and seven judicial center

1 projects authorized by the 2021 General Assembly.

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

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

8 **(4) Capital Projects:** Included in the above General Fund appropriation is
9 \$4,189,100 in fiscal year 2022-2023 to support the Hardin County HVAC Project and the
10 Jefferson County Judicial Center Carpet and Paint Project.

11 **(5) 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 for in Part II, Capital Projects Budget, of this Act, and to
15 perform all other acts required or authorized by KRS Chapter 26A.

16 **(6) 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 **(7) 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 2021-2022 shall not lapse and shall continue
7 into fiscal year 2022-2023, and any unexpended balance remaining at the close of fiscal
8 year 2022-2023 shall not lapse and shall continue into fiscal year 2023-2024 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**

	2021-22	2022-23	2023-24
12 General Fund	10,928,500	432,496,200	440,826,100
13 Restricted Funds	771,300	53,939,800	51,965,700
14 Federal Funds	65,700	3,348,300	2,717,600
15 TOTAL	11,765,500	489,784,300	495,509,400

17 **2. JUDICIAL RETIREMENT SYSTEM**

	2021-22	2022-23	2023-24
18 General Fund	-0-	4,981,800	5,305,600
19 Restricted Funds	18,800	717,500	721,700
20 TOTAL	18,800	5,699,300	6,027,300

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

24 (2) **Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
25 shall be paid out of an administrative account which shall be funded by transfers of the
26 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
27 21.560.

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

4 **TOTAL - JUDICIAL BRANCH**

5		2021-22	2022-23	2023-24
6	General Fund	10,928,500	437,478,000	446,131,700
7	Restricted Funds	790,100	54,657,300	52,687,400
8	Federal Funds	65,700	3,348,300	2,717,600
9	TOTAL	11,784,300	495,483,600	501,536,700

10 **PART II**

11 **CAPITAL PROJECTS BUDGET**

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

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

1 Judicial Branch budget records. Any modifications to the scope of a capital construction
2 project or to a lease shall be reported to the Capital Projects and Bond Oversight
3 Committee before execution.

4 **(3) Court Facility Planning Process:** A feasibility study completed by a certified
5 architect not otherwise involved with the project shall be provided to the Project
6 Development Board to assist in making a determination whether the needs of the
7 community and the Court of Justice can best be met through the construction of a
8 freestanding building, or through an addition and/or renovation of the existing court
9 facility.

10 **(4) Deferred Funding:** (a) General Fund support to provide operating costs
11 totaling \$2,053,500 and use allowance payments totaling \$3,575,000 for six judicial
12 center projects authorized by the 2020 General Assembly is deferred to the 2024-2026
13 biennium.

14 (b) General Fund support to provide operating costs totaling \$234,000, annualized
15 use allowance payments totaling \$1,578,100, and nonrecurring furniture and equipment
16 costs of \$750,000 for the Graves County project is deferred to the 2024-2026 fiscal
17 biennium.

18 (c) General Fund support to provide operating costs totaling \$204,200, annualized
19 use allowance payments totaling \$1,338,500, and \$500,000 for nonrecurring equipment
20 and furniture costs for the Leslie County project is deferred to the 2024-2026 biennium.

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

25 **(5) Local Facilities Use Allowance Contingency Fund:** For any court facility
26 project which is occupied and use allowance funding is insufficient, the use allowance
27 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.

1 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
2 Chief Justice may transfer funds from other Judicial Branch accounts in accordance with
3 Part III, General Provisions, Section 7. of this Act to make the necessary payments.

4 **A. JUDICIAL BRANCH**

5 **Budget Units**

6	1. Local Facilities Fund		2022-2023	2023-2024
7	Project	Project Scope		
8	001. Graves	\$18,445,000		
9	002. Leslie	\$15,640,000		
10	003. Hardin – HVAC Project		\$3,000,000	-0-
11	004. Jefferson – Carpet/Paint Project		\$1,189,100	-0-
12	2. Lease Authorizations			
13	001. Franklin County - Lease - Court of Appeals			
14	002. Jefferson County - Lease - Parking			

15 **PART III**

16 **GENERAL PROVISIONS**

17 **1. Expenditure Authority:** The Director of the Administrative Office of the
18 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
19 for court operations and administration in any lawful manner and for any legal purpose
20 that the Chief Justice shall authorize or direct. No executive agency of state government
21 shall have the power to restrict or limit the expenditure of funds appropriated to the
22 Judicial Branch of government.

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

27 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and

1 in an appropriation provision in another Act of the 2022 Regular Session of the General
2 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

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

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

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

19 **8. Appropriations Revisions:** Proposed revisions to General Fund, Restricted
20 Funds, and Federal Funds appropriations in this Act shall be made and reported to the
21 Interim Joint Committee on Appropriations and Revenue pursuant to KRS 48.630(10).
22 The Director of the Administrative Office of the Courts shall notify, on a timely basis, the
23 Legislative Research Commission of the most current estimates of anticipated receipts for
24 the affected fiscal year and an accompanying statement which explains variations from
25 the anticipated amount.

26 **9. Maximum Salary of Trial Commissioners:** Pursuant to KRS 24A.100(3), no
27 trial commissioner shall be compensated at a rate greater than \$7,200. No funding is

1 provided for trial commissioners commissioned in counties with a residing District Judge.

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

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

14 **12. Audits:** The Auditor of Public Accounts shall have the right to review, upon
15 request, the selected external auditor's work papers.

16 **PART IV**

17 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

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