

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 2023, and ending June 30, 2024, for the fiscal year beginning July 1, 2024, and ending
12 June 30, 2025, and for the fiscal year beginning July 1, 2025, and ending June 30, 2026,
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**

	2024-25	2025-26
24 General Fund	318,178,000	326,303,900
25 Restricted Funds	51,521,100	52,123,700
26 Federal Funds	3,499,100	1,818,300
27 TOTAL	373,198,200	380,245,900

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

7 **(2) Additional Positions:** Included in the above General Fund appropriation is
 8 \$563,500 in fiscal year 2024-2025 and \$528,500 in fiscal year 2025-2026 to support
 9 additional positions.

10 **b. Local Facilities Fund**

	2024-25	2025-26
11		
12 General Fund	134,918,000	142,632,600

13 **(1) Local Facility Projects:** Included in the above General Fund appropriation is
 14 \$3,219,100 in fiscal year 2024-2025 and \$8,207,200 in fiscal year 2025-2026 to support
 15 the use allowance, operating, and non-recurring furniture and equipment costs for six
 16 judicial centers authorized by the 2020 General Assembly and two judicial center projects
 17 authorized by the 2022 General Assembly.

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

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

1 exceed the authorized annual use allowance.

2 **(4) Court Facility Maintenance Fund:** (a) Notwithstanding KRS
3 26A.090(2), when there is no debt on court facility construction or renovation projects
4 authorized prior to the 2000 Regular Session of the General Assembly, use allowance is
5 restricted to compensation equal to two percent annually of capital costs to be paid to the
6 county unit of government and two percent annually to be retained by the Administrative
7 Office of the Courts and directed to a separate fund specifically for maintenance of court
8 facilities.

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

11 **(5) Maintenance Pool:** Included in the above General Fund appropriation is
12 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
13 non-capital projects for local courthouses and judicial centers.

14 **(6) Debt Service:** Included in the above General Fund appropriation is
15 \$2,727,500 in fiscal year 2024-2025 and \$5,454,000 in fiscal year 2025-2026 to support
16 debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act.

17 **(7) Additional Use Allowance:** Included in the above General Fund
18 appropriation is \$1,462,200 in each fiscal year to support additional use allowance for
19 previously authorized courthouse projects in Butler, Clinton, and Crittenden counties.

20 **(8) Asset Preservation Pool - HVAC, Roof, and Electrical Upgrades:** The
21 Administrative Office of the Courts shall prepare a report on the Asset Preservation -
22 HVAC, Roof, Electrical project authorized in Part II, Capital Projects Budget, of this Act,
23 including but not limited to the projects funded in the asset preservation pool, the current
24 status of each project and projected completion date, and the amount expended on each
25 project and for the pool in total. The Administrative Office of the Courts shall submit this
26 report on a quarterly basis beginning November 1, 2024, to the Interim Joint Committee
27 on Appropriations and Revenue.

1 **(9) Asset Preservation Pool – Renovations:** The Administrative Office of the
 2 Courts shall prepare a report on the Asset Preservation - Renovations project authorized
 3 in Part II, Capital Projects Budget, of this Act, including but not limited to the projects
 4 funded in the asset preservation pool, the current status of each project and projected
 5 completion date, and the amount expended on each project and for the pool in total. The
 6 Administrative Office of the Courts shall submit this report on a quarterly basis
 7 beginning November 1, 2024, to the Interim Joint Committee on Appropriations and
 8 Revenue.

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

10 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 11 balance remaining at the close of fiscal year 2023-2024 shall not lapse and shall continue
 12 into fiscal year 2024-2025, and any unexpended balance remaining at the close of fiscal
 13 year 2024-2025 shall not lapse and shall continue into fiscal year 2025-2026 to provide
 14 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 15 allowance in accordance with KRS Chapter 26A.

16 **TOTAL – COURT OF JUSTICE**

	2024-25	2025-26
17		
18 General Fund	453,096,000	468,936,500
19 Restricted Funds	51,521,100	52,123,700
20 Federal Funds	3,499,100	1,818,300
21 TOTAL	508,116,200	522,878,500

22 **2. JUDICIAL FORM RETIREMENT SYSTEM**

	2024-25	2025-26
23		
24 General Fund	660,000	703,000
25 Restricted Funds	691,900	693,900
26 TOTAL	1,351,900	1,396,900

27 **(1) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses

1 shall be paid out of an administrative account which shall be funded by transfers of the
 2 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
 3 21.560. Notwithstanding Part III, 7. of this Act, Restricted Funds appropriations may be
 4 increased to ensure sufficient funding to support the Judicial Form Retirement System.

5 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 6 benefit increase shall be granted to recipients of a retirement allowance under KRS
 7 21.345 to 21.580 on July 1, 2024, or July 1, 2025.

8 **TOTAL - JUDICIAL BRANCH**

	2024-25	2025-26
9		
10	General Fund	453,756,000
11	Restricted Funds	52,213,000
12	Federal Funds	3,499,100
13	TOTAL	509,468,100
	469,639,500	52,817,600
	1,818,300	524,275,400

14 **PART II**

15 **CAPITAL PROJECTS BUDGET**

16 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
 17 that any capital project proposed by any state government entity, including the agencies
 18 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
 19 prior to the project’s financing and construction, in accordance with KRS 7A.010,
 20 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
 21 amount allotted, from all sources, for expenditure on any capital project, including leases
 22 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

23 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
 24 projects and major items of equipment that are not specifically listed in this Act may be
 25 authorized only after submission of the project to the Capital Projects and Bond
 26 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
 27 Moneys may be transferred to the allotment account of any capital project only after

1 submission of the project to the Capital Projects and Bond Oversight Committee and in
2 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
3 all capital construction items authorized in this Act shall be constructed in accordance
4 with this Act, supporting documentation considered by the General Assembly, and
5 Judicial Branch budget records. Any modifications to the scope of a capital construction
6 project or to a lease shall be reported to the Capital Projects and Bond Oversight
7 Committee before execution.

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

14 **(4) Deferred Funding:** (a) General Fund support to provide operating costs
15 totaling \$240,000 and annualized use allowance payments totaling \$2,352,900 and
16 \$500,000 for nonrecurring equipment and furniture costs for the Owsley County project
17 is deferred to the 2026-2028 biennium.

18 (b) It is the intent of the General Assembly that the project in paragraph (a) of this
19 subsection shall be funded using resources previously appropriated for projects that no
20 longer require use allowance debt payments in the 2026-2028 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 to make the
26 necessary payments.

27

A. JUDICIAL BRANCH

1 Budget Units	2024-25	2025-26
2 1. LOCAL FACILITIES FUND		
3 Project	Project Scope	
4 001. Owsley	28,015,000	
5 002. Construction - Court of Appeals		
6 Bond Funds	14,100,000	-0-
7 003. Asset Preservation - HVAC, Roof, Electrical		
8 Bond Funds	47,080,000	-0-
9 004. Asset Preservation - Renovations		
10 Bond Funds	6,420,000	-0-

11 **2. LEASE AUTHORIZATIONS**

- 12 **001.** Franklin County - Lease - Court of Appeals
- 13 **002.** Jefferson County - Lease - Parking
- 14 **003.** Madison County - Lease - Family Court

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, except that funds appropriated in this Act shall not be
23 expended for any purpose not specifically authorized by the General Assembly in this
24 Act. The Court of Justice shall prepare a report of actual expenditures citing specific
25 statutory or budgetary authorization for the reported expenditures and detailing
26 expenditures for the Supreme Court, Court of Appeals, Circuit Court, Family Court,
27 District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities

1 Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by
2 the Circuit Court Clerks' offices. The Court of Justice shall provide this report on a
3 quarterly basis to the Interim Joint Committee on Appropriations and Revenue.

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 2024 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. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
15 balance remaining at the close of the fiscal years ending June 30, 2024, June 30, 2025,
16 and June 30, 2026, 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 2024-2026 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 2024 Regular Session of the General Assembly.

22 **7. Appropriations Revisions:** Notwithstanding KRS 48.630(10), no revisions
23 for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or
24 expended that have not been appropriated in any enacted branch budget bill or without
25 the express authority of the General Assembly. Proposed revisions to unbudgeted Federal
26 Funds appropriations for expenditure in this Act shall be made and reported to the Interim
27 Joint Committee on Appropriations and Revenue. The Director of the Administrative

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

4 **8. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
5 24A.100(3), no trial commissioner shall be compensated at a rate greater than \$6,000 per
6 year. No funding is provided for trial commissioners commissioned in counties with a
7 residing District Judge.

8 **9. Authorized Personnel Complement:** On July 1, 2024, the Administrative
9 Office of the Courts shall establish a record for each budget unit of authorized permanent
10 full-time and all other positions based upon the enacted Judicial Budget of the
11 Commonwealth and any adjustments authorized by provisions in this Act. The total
12 number of filled permanent full-time and all other positions shall not exceed the
13 authorized complements pursuant to this section. The Director of the Administrative
14 Office of the Courts may request an increase in the number of authorized positions to the
15 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
16 employment of individuals in addition to the authorized complement. A report of the
17 actions authorized in this section shall be provided to the Interim Joint Committee on
18 Appropriations and Revenue on a monthly basis.

19 **10. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
20 Revised Statutes, use allowance payments shall not be amended to reflect debt
21 restructuring transactions undertaken by a county during the 2024-2026 fiscal biennium.

22 **11. Court Facility Maintenance Fund Report:** For each of the periods ending
23 June 30, 2024, June 30, 2025, and June 30, 2026, the Director of the Administrative
24 Office of the Courts shall prepare a court facility maintenance report. This report shall
25 detail all court facility maintenance undertaken by the Court of Justice, to include any
26 cost-sharing with counties, as well as detail regarding future maintenance needs. This
27 report shall include a statewide expenditure summary followed by individual county

1 expenditures detailing the state's and county's respective share of expenditures. The
2 Administrative Office of the Courts shall provide this report to the Interim Joint
3 Committee on Appropriations and Revenue by September 15 of each fiscal year.

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

6 **13. Budgetary Restructuring:** The Court of Justice shall prepare a report to be
7 submitted to the Interim Joint Committee on Appropriations and Revenue by September
8 1 of each fiscal year detailing the existing budget processes of the Court of Justice and
9 the actual expenditure of funds from the prior fiscal year and budgeted expenditures for
10 the current fiscal year by fund source and individual location or office, for the Supreme
11 Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative
12 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
13 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
14 offices.

15 **14. Unexpended Use Allowance:** Notwithstanding any provision of the
16 Kentucky Revised Statutes, any General Fund moneys appropriated for project-related
17 expenses or use allowance payments in fiscal years 2024-2025 and 2025-2026 that are
18 not expended specifically for project-related expenses or use allowance payments in the
19 fiscal year in which appropriated shall be transferred to the Budget Reserve Trust Fund
20 Account (KRS 48.705).

21 **15. Salary Increase for Personnel:** Notwithstanding KRS 64.480(2), included in
22 the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this
23 Act are sufficient funds to support a four percent salary increase on the base salary and
24 wages of each eligible employee effective July 1, 2024 and a two percent increase on the
25 base salary or wages of each eligible employee effective July 1, 2025.

26 **16. Application for Federal Funds:** Notwithstanding any statute to the contrary,
27 the Court of Justice shall not apply for any new federally funded programs for which

1 funding had not previously been awarded without authorization by the General
2 Assembly. The Court of Justice shall report to the Interim Joint Committee on
3 Appropriations and Revenue by September 1 of each fiscal year any new or anticipated
4 federally funded programs needing authorization by the General Assembly.

5 **PART IV**

6 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

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