

AN ACT making appropriations for the operations, maintenance, support, and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state-supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Judicial Branch Budget is as follows:

PART I

OPERATING BUDGET

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

A. JUDICIAL BRANCH

Budget Units

1. COURT OF JUSTICE

a. Court Operations and Administration

	2026-27	2027-28
General Fund	327,444,700	329,424,300
Restricted Funds	52,180,000	52,354,700
Federal Funds	1,522,300	1,355,000
TOTAL	381,147,000	383,134,000

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

10 (b) Notwithstanding any statute to the contrary, if a court does not use the video
11 arraignment system referenced in paragraph (a) of this subsection, when available, the
12 Administrative Office of the Courts shall be responsible for the costs associated with
13 transporting prisoners to and from arraignments.

14 **(3) Operating Expense Reduction:** The State Auditor has identified that in fiscal
15 year 2024-2025, the Judicial Branch spent \$10,523,393 on the following expense codes:

- 16 (a) Employee Training- State Employee Only (E133) \$71,708;
- 17 (b) Advertising Rept (E255) \$2,722;
- 18 (c) Services Not Otherwise Classified (E257) \$2,205,432;
- 19 (d) Food Products (E341) \$190,359;
- 20 (e) In-State Travel (E361) \$2,380,722;
- 21 (f) Out of State Travel (E362) \$193,391;
- 22 (g) Travel for Non-State Employees (E363) \$100,504;
- 23 (h) Dues (E381) \$290,205; and
- 24 (i) Other (E399) \$5,088,350.

25 The Chief Justice and the Director of the Administrative Office of the Courts shall
26 take the necessary steps to reduce annual expenses for the Judicial Branch, in code E399
27 by 50 percent, in code E257 by 30 percent, and in each of the above additional seven

code categories by a minimum of 20 percent in fiscal year 2026-2027. The Director of the Administrative Office of the Courts shall, by July 1, 2026, submit a plan to accomplish this policy directive to the Interim Joint Committee on Appropriations and Revenue. Beginning August 15, 2026, the Director of the Administrative Office of the Courts shall file a quarterly report to the Interim Joint Committee on Appropriations and Revenue, showing the progress of implementation of this plan and the projected savings for the previous quarter and the cumulative savings for the fiscal year to date. The Director of the Administrative Office of the Courts shall also perform a detailed review of the expenditure records of the Judicial Branch for code E399 for fiscal years 2024-2025 and 2025-2026 and submit a written report to the Interim Joint Committee on Appropriations and Revenue by September 1, 2026, concerning the expenditures assigned to these codes.

b. Local Facilities Fund

	2026-27	2027-28
General Fund	132,304,600	145,956,800

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

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

(3) Use Allowance Payments to Counties: Pursuant to KRS 26A.090(2), beginning with court facility construction or renovation projects authorized by the 2000 Regular Session of the General Assembly and all subsequent court facility projects, use allowance payments are restricted to the court's proportional share of the annual principal 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 (c) Notwithstanding KRS 45.750, any maintenance project estimated to cost
12 \$3,000,000 or less for a local court facility is not considered to be a capital project
13 requiring authorization of the General Assembly in the Judicial Branch Budget and may
14 be completed using funds appropriated to the Judicial Branch for maintenance of local
15 facilities or other agency funds of the Judicial Branch.

16 **(5) Maintenance Pool:** Included in the above General Fund appropriation is
17 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
18 non-capital projects for local courthouses and judicial centers.

19 **(6) Asset Preservation Pool - HVAC, Roof, and Electrical Upgrades:** The
20 Administrative Office of the Courts shall prepare a report on the Asset Preservation -
21 HVAC, Roof, Electrical project authorized in 2024 Ky. Acts ch. 148, Part II, A., 1., 007.,
22 including but not limited to the projects funded in the asset preservation pool, the current
23 status of each project and projected completion date, and the amount expended on each
24 project and for the pool in total. The Administrative Office of the Courts shall submit this
25 report on a quarterly basis beginning November 1, 2026, to the Interim Joint Committee
26 on Appropriations and Revenue.

27 **(7) Asset Preservation Pool - Renovations:** The Administrative Office of the

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

c. Local Facilities Use Allowance Contingency Fund

(1) Funds Carry Forward: Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2025-2026 shall not lapse and shall continue into fiscal year 2026-2027, and any unexpended balance remaining at the close of fiscal year 2026-2027 shall not lapse and shall continue into fiscal year 2027-2028 to provide for cost overruns in authorized court facilities projects not to exceed 15 percent of the use allowance in accordance with KRS Chapter 26A.

TOTAL – COURT OF JUSTICE

	2026-27	2027-28
General Fund	459,749,300	475,381,100
Restricted Funds	52,180,000	52,354,700
Federal Funds	1,522,300	1,355,000
TOTAL	513,451,600	529,090,800

2. JUDICIAL FORM RETIREMENT SYSTEM

	2026-27	2027-28
General Fund	2,050,000	2,190,000
Restricted Funds	645,500	652,300
TOTAL	2,695,500	2,842,300

(1) Administrative Expenses: Pursuant to KRS 21.540, administrative expenses shall be paid out of an administrative account which shall be funded by transfers of the

necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and 21.560. Notwithstanding Part III, 7. of this Act, Restricted Funds appropriations may be increased to ensure sufficient funding to support the Judicial Form Retirement System.

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

TOTAL - JUDICIAL BRANCH

	2026-27	2027-28
General Fund	461,799,300	477,571,100
Restricted Funds	52,825,500	53,007,000
Federal Funds	1,522,300	1,355,000
TOTAL	516,147,100	531,933,100

PART II

CAPITAL PROJECTS BUDGET

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

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

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

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

13 **(4) Local Facilities Use Allowance Contingency Fund:** For any court facility
14 project which is occupied and use allowance funding is insufficient, the use allowance
15 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
16 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
17 Chief Justice may transfer funds from other Judicial Branch accounts to make the
18 necessary payments.

19 **(5) Facility Title:** Pursuant to KRS Chapter 26A, Hardin County shall accept title
20 to the facility as set out in 2022 Ky. Acts ch. 162, Part II, A., 2., 004., Hardin County –
21 HVAC Project, within six months of notification by the Administrative Office of the
22 Courts of the completion of the project.

23 **(6) Critical and High Category Court Facilities:** The Court of Justice is
24 authorized to proceed with the planning, design, and construction of four courthouses that
25 are currently identified as Critical or High need by the Administrative Office of the
26 Courts' Courthouse Assessment County Ranking, created pursuant to KRS 26A.160, in a
27 county where the General Assembly has approved a new judgeship that has taken office

within the previous four years or in a county with special needs for office space for an appellate judge and/or where the Circuit Clerk's office is in a different building than the current building in which court takes place, while taking population into consideration.

A. JUDICIAL BRANCH

Budget Units	2026-27	2027-28
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1. Local Facilities Fund

001. Franklin County - Lease - Court of Appeals

002. Jefferson County - Lease - Parking

003. Madison County - Lease - Family Court

PART III

GENERAL PROVISIONS

1. Expenditure Authority: The Director of the Administrative Office of the Courts, with the approval of the Chief Justice, may expend any of the funds appropriated for court operations and administration in any lawful manner and for any legal purpose that the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the Judicial Branch of government, except that funds appropriated in this Act shall not be expended for any purpose not specifically authorized by the General Assembly in this Act. The Court of Justice shall prepare a report of actual expenditures citing specific statutory or budgetary authorization for the reported expenditures and detailing expenditures for the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the Circuit Court Clerks' offices. The Court of Justice shall provide this report on a quarterly basis to the Interim Joint Committee on Appropriations and Revenue.

2. Severability of Budget Provisions: Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be

1 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
2 remaining sections, subsections, or provisions.

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

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

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

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

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

26 **8. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
27 24A.100(3), no trial commissioner shall be compensated at a rate greater than \$5,000 per

1 year. No funding is provided for trial commissioners commissioned in counties with a
2 residing District Judge.

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

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

17 **11. Court Facility Maintenance Fund Report:** For each of the periods ending
18 June 30, 2026, June 30, 2027, and June 30, 2028, the Director of the Administrative
19 Office of the Courts shall prepare a court facility maintenance report. This report shall
20 detail all court facility maintenance undertaken by the Court of Justice, to include any
21 cost-sharing with counties, as well as detail regarding future maintenance needs. This
22 report shall include a statewide expenditure summary followed by individual county
23 expenditures detailing the state's and county's respective share of expenditures. The
24 Administrative Office of the Courts shall provide this report to the Interim Joint
25 Committee on Appropriations and Revenue by September 15 of each fiscal year.

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

1 **13. Budgetary Restructuring:** The Court of Justice shall prepare a report to be
2 submitted to the Interim Joint Committee on Appropriations and Revenue by September
3 1 of each fiscal year detailing the existing budget processes of the Court of Justice and
4 the actual expenditure of funds from the prior fiscal year and budgeted expenditures for
5 the current fiscal year by fund source and individual location or office, for the Supreme
6 Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative
7 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
8 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
9 offices.

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

16 **15. Salary Increase for Personnel:** Notwithstanding KRS 64.480(2), included in
17 the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this
18 Act are sufficient funds to support a two percent salary increase on the base salary and
19 wages of each eligible employee effective July 1, 2026, and a two percent increase on the
20 base salary or wages of each eligible employee effective July 1, 2027.

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

25 **17. Operational Expenditures Data:** The Director of the Administrative Office
26 of the Courts shall, by October 1, 2026, submit a report to the Legislative Oversight and
27 Investigations Committee and the Interim Joint Committee on Appropriations and

1 Revenue with the following information and data pertaining to the historical and
2 projected operational expenditures for each budget unit:

3 (1) Identifying information of the budget unit; and
4 (2) A description of each program, function, service, or benefit provided by the
5 budget unit, including but not limited to the following:

6 (a) Measurable outcome data for the program, function, service, or benefit
7 provided in fiscal year 2025-2026 and projected for fiscal years 2026-2027 and 2027-
8 2028 for programs, functions, services, or benefits that are statutorily mandated;

9 (b) Measurable outcome data for the program, function, service, or benefit
10 provided in fiscal year 2025-2026 and projected for fiscal years 2026-2027 and 2027-
11 2028 for programs, functions, services, or benefits that are not statutorily mandated;

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

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

17 (e) The number and projected cost of all temporary manpower service personnel
18 assigned to the program, function, service, or benefit as of July 1 each fiscal year;

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

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

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

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

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

4 Failure to submit timely, complete, and accurate information within the deadlines
5 for submission of the initial report or any additional information requested may result in a
6 two percent reduction per occurrence, not to exceed ten percent, of the General Fund and
7 Restricted Funds appropriations provided in Part I of this Act for fiscal years 2026-2027
8 and 2027-2028. The Legislative Oversight and Investigations Committee shall report
9 occurrences of noncompliance to the Legislative Research Commission prior to the 2027
10 Regular Session of the General Assembly for potential action by the General Assembly.

11 **PART IV**

12 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

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