

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. Notwithstanding KRS 48.100 and 48.300, the Judicial Branch
7 Budget is as follows:

8 **PART I**
9 **OPERATING BUDGET**

10 **(1) Funds Appropriations:** There is appropriated out of the General Fund,
11 Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1,
12 2021, and ending June 30, 2022, and for the fiscal year beginning July 1, 2022, and
13 ending June 30, 2023, and for the fiscal year beginning July 1, 2023, and ending June 30,
14 2024, the following sums to be used for the purposes of the Judicial Branch of the
15 government of the Commonwealth of Kentucky, including the Supreme Court, Court of
16 Appeals, Circuit Court, Family Court, District Court, the Administrative Office of the
17 Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance
18 Contingency Fund, and for services performed by the Circuit Court Clerks' offices,
19 including both Circuit and District Court support.

20 **A. JUDICIAL BRANCH**

21 **Budget Units**

22 **1. COURT OF JUSTICE**

23 **a. Court Operations and Administration**

	2021-22	2022-23	2023-24
24 General Fund	10,928,500	276,445,100	285,000,700
25 Restricted Funds	771,300	50,826,400	49,094,800
26 Federal Funds	65,700	3,164,900	2,558,200

1	TOTAL	11,765,500	330,436,400	336,653,700
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2 **(1) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
 3 increases in civil filing fees that were effective in 2008 and 2018, the additional income
 4 resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year, shall be
 5 deposited into a trust and agency account for court operations and salaries for non-elected
 6 personnel. Any revenue generated by these increases in excess of the \$15,468,100 in each
 7 fiscal year shall be deposited into the General Fund.

8 **b. Local Facilities Fund**

9		2022-23	2023-24
10	General Fund	121,257,800	124,851,100

11 **(1) Local Facility Projects:** Included in the above General Fund appropriation is
 12 \$2,670,400 fiscal year 2022-2023 and \$10,232,700 in fiscal year 2023-2024 to support
 13 the use allowance, operating, and non-recurring furniture and equipment costs for two
 14 judicial center projects authorized by the 2018 General Assembly and seven judicial
 15 center projects authorized by the 2021 General Assembly.

16 **(2) 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 **(3) Local Court Facility Compensation:** Included in the above General Fund
 20 appropriation are moneys to compensate local units of government for providing court
 21 space and for costs incurred in the development of local court facilities as defined in KRS
 22 Chapter 26A and provided in Part II of this Act, and to perform all other acts required or
 23 authorized by KRS Chapter 26A.

24 **(4) Use Allowance Payments to Counties:** Pursuant to KRS 26A.090(2),
 25 beginning with court facility construction or renovation projects authorized by the 2000
 26 Regular Session of the General Assembly and all subsequent court facility projects, use
 27 allowance payments are restricted to the court's proportional share of the annual principal

1 and interest costs in connection with the construction or renovation of the facility, not to
2 exceed the authorized annual use allowance.

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

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

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

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

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

19 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
20 balance remaining at the close of fiscal year 2021-2022 shall not lapse and shall continue
21 into fiscal year 2022-2023, and any unexpended balance remaining at the close of fiscal
22 year 2022-2023 shall not lapse and shall continue into fiscal year 2023-2024 to provide
23 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
24 allowance in accordance with KRS Chapter 26A.

25 **TOTAL - COURT OF JUSTICE**

	2021-22	2022-23	2023-24
26			
27	General Fund	10,928,500	397,702,900
		409,851,800	

1	Restricted Funds	771,300	50,826,400	49,094,800
2	Federal Funds	65,700	3,164,900	2,558,200
3	TOTAL	11,765,500	451,694,200	461,504,800

4 **2. JUDICIAL FORM RETIREMENT SYSTEM**

5		2021-22	2022-23	2023-24
6	General Fund	-0-	4,981,800	5,305,600
7	Restricted Funds	18,800	743,500	745,200
8	TOTAL	18,800	5,725,300	6,050,800

9 **(1) Judicial Retirement Benefits:** Notwithstanding KRS 21.525, General Fund
 10 amounts are included to provide actuarial-assessed judicial retirement benefits with
 11 interest.

12 **(2) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
 13 shall be paid out of an administrative account which shall be funded by transfers of the
 14 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
 15 21.560. Notwithstanding Part III, 8. of this Act, Restricted Funds appropriations may be
 16 increased to ensure sufficient funding to support the Judicial Form Retirement System.

17 **(3) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 18 benefit increase shall be granted to recipients of a retirement allowance under KRS
 19 21.345 to 21.580 on July 1, 2022, or July 1, 2023.

20 **TOTAL - JUDICIAL BRANCH**

21		2021-22	2022-23	2023-24
22	General Fund	10,928,500	402,684,700	415,157,400
23	Restricted Funds	790,100	51,569,900	49,840,000
24	Federal Funds	65,700	3,164,900	2,558,200
25	TOTAL	11,784,300	457,419,500	467,555,600

26 **PART II**

27 **CAPITAL PROJECTS BUDGET**

1 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
2 that any capital project proposed by any state government entity, including the agencies
3 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
4 prior to the project's financing and construction, in accordance with KRS 7A.010,
5 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
6 amount allotted, from all sources, for expenditure on any capital project, including leases
7 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

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

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

27 **(4) Deferred Funding:** (a) General Fund support to provide operating costs

1 of \$204,200, use allowance of \$1,241,600, and nonrecurring furniture and equipment
2 costs of \$500,000 for the Leslie County project is deferred to the 2024-2026 fiscal
3 biennium.

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

8 (c) General Fund support to provide operating costs totaling \$2,053,500 and
9 nonrecurring furniture and equipment costs of \$3,575,000 for six judicial center projects
10 authorized by the 2020 General Assembly is deferred to the 2024-2026 fiscal biennium.

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

15 (5) **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 7. of this Act to make the necessary payments.

21 **A. JUDICIAL BRANCH**

22 Budget Units	2022-23	2023-24
23 1. Court Operations and Administration		
24 001. Electronic Court Filing System		
25 Federal Funds	38,000,000	-0-

26 (1) **State Fiscal Recovery Fund:** The above Federal Funds are authorized from
27 the State Fiscal Recovery Fund of the American Rescue Plan Act of 2021.

1 **2. Local Facilities Fund**

2 Project	Project Scope
3 001. Leslie	15,005,000
4 002. Graves	18,445,000

5 **(1) Other Funds Impact on Project Scope:** The amount of the project scope for
 6 the Graves County Courthouse for which the use allowance defined in KRS 26A.090(2)
 7 is authorized shall be adjusted downward subject to the receipt of other funds, including
 8 but not limited to insurance proceeds and Federal Funds to be used for the project. This
 9 subsection shall not limit adjustments to the project scope otherwise authorized by KRS
 10 26A.166.

11 **3. Lease Authorizations**

- 12 **001.** Franklin County - Lease - Court of Appeals
 13 **002.** Jefferson County - Lease - Parking

14 **PART III**

15 **GENERAL PROVISIONS**

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

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

26 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
 27 in an appropriation provision in another Act of the 2022 and 2023 Regular Sessions of the

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

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

4 **10. Authorized Personnel Complement:** On July 1, 2022, the Administrative
5 Office of the Courts shall establish a record for each budget unit of authorized permanent
6 full-time and other positions based upon the enacted Judicial Budget of the
7 Commonwealth and any adjustments authorized by provisions in this Act. The total
8 number of filled permanent full-time and all other positions shall not exceed the
9 authorized complements pursuant to this section. The Director of the Administrative
10 Office of the Courts may request an increase in the number of authorized positions to the
11 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
12 employment of individuals in addition to the authorized complement. A report of the
13 actions authorized in this section shall be provided to the Interim Joint Committee on
14 Appropriations and Revenue on a monthly basis.

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

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

27 **13. Biennial Audits:** The Auditor of Public Accounts shall have the right to

1 review, upon request, the accountant's work papers.

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

11 **15. Unexpended Use Allowance:** Notwithstanding any provision of the Kentucky
12 Revised Statutes, any General Fund moneys appropriated for project-related expenses or
13 use allowance payments in fiscal years 2022-2023 and 2023-2024 that are not expended
14 specifically for project-related expenses or use allowance payments in the fiscal year in
15 which appropriated shall be transferred to the Budget Reserve Trust Fund Account (KRS
16 48.705).

17 **16. Employee Layoffs, Furloughs, and Reduced Hours:** Notwithstanding any
18 statute to the contrary, the following process and procedure is established for July 1,
19 2022, through June 30, 2024, in the event that the Chief Justice determines that it is
20 desirable for the Court of Justice to layoff, furlough, or reduce hours of employees:

21 (1) For the purposes of this section:

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

27 (b) "Furlough" or "reduction in hours" means the temporary reduction of hours an

1 employee is scheduled to work by the appointing authority within a pay period;

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

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

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

8 (a) Lack of funds or budgetary constraints;

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

10 (c) Lack of work;

11 (d) Abolishment of a position; or

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

13 (3) The appointing authority shall determine the job classifications affected and
14 the number of employees laid-off in each classification and each county to which a layoff
15 applies. In the same department or office, county, and job classification, interim and
16 probationary employees shall be laid-off before any full-time or part-time employees with
17 status are laid-off. For purposes of layoff, "probationary employee" does not include an
18 employee with status serving a promotional probation;

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

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

- 1 (a) Job performance evaluations;
- 2 (b) Seniority;
- 3 (c) Education, training, and experience; and
- 4 (d) Disciplinary record;
- 5 (6) Any employee whose position is subject to layoff, furlough, or reduction of
- 6 hours shall be provided written notice containing the reason for the action as set forth in
- 7 subsection (2) of this section at least 15 days in advance of the effective date of the
- 8 action;
- 9 (7) Any tenured employee who is laid-off shall be eligible to apply as a
- 10 reemployment applicant for positions with the same job classification in the Court of
- 11 Justice. For a period of two years, a reemployment applicant shall be hired before any
- 12 applicant except another reemployment applicant with greater seniority who is on the
- 13 same reemployment list. When a reemployment applicant is removed from a
- 14 reemployment list, he or she shall be notified in writing. A reemployment applicant who
- 15 accepts another Court of Justice position, tenured or non-tenured, or who retires, shall
- 16 cease to have eligibility rights as a reemployment applicant;
- 17 (8) The appointing authority may place employees subject to a reduction in force;
- 18 (9) Furloughs or reduction of hours during a pay period shall not result in the loss
- 19 of eligibility for any benefit otherwise due the employee;
- 20 (10) The appointing authority shall have the authority to promulgate
- 21 comprehensive administrative regulations governing this section; and
- 22 (11) A layoff, furlough, or reduction of hours implemented in accordance with this
- 23 section shall not be considered a penalization of the employee.

24 **17. Salary Increment for Personnel:** (1) Included in the General Fund,

25 Restricted Funds, and Federal Funds appropriations in Part I of this Act are sufficient

26 funds to support a \$2,000 salary increase on July 1, 2022, and an increment of six percent

27 on the base salary or wages of each eligible employee on their anniversary date in fiscal

1 year 2022-2023 for non-elected personnel. Included in the General Fund, Restricted
2 Funds, and Federal Funds appropriations in Part I of this Act are sufficient funds to
3 support an increment of six percent on the base salary or wages of each eligible employee
4 on their anniversary date in fiscal year 2022-2023 for elected personnel.

5 (2) Notwithstanding any statute to the contrary, any increase in creditable
6 compensation resulting from the pay raises provided by this subsection shall be exempt
7 from reduction under KRS 61.598, and the pay raises shall be fully used to determine the
8 member's creditable compensation, final compensation, and resulting retirement benefits,
9 regardless of the member's actual retirement date or the systems from which the member
10 retires.

11 **18. Deferred Payroll:** Included in the fiscal year 2021-2022 appropriations in
12 Part I of this Act are sufficient funds to issue the state payroll that had previously been
13 deferred.

14 **PART IV**

15 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

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