

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 2018, and ending June 30, 2019, and for the fiscal year beginning July 1, 2019, and
12 ending June 30, 2020, 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**

	2018-19	2019-20
23 General Fund	266,233,000	269,709,200
24 Restricted Funds	35,143,600	35,204,700
25 Federal Funds	1,982,700	1,369,200
26 TOTAL	303,359,300	306,283,100

27 **(1) Defined Calculations:** Included in the above General Fund appropriation is

1 \$20,908,500 in fiscal year 2018-2019 and \$23,242,600 in fiscal year 2019-2020 to
2 provide funds for the increase in the employer cost of health and life insurance and the
3 employer cost of retirement.

4 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
5 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
6 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal
7 year 2018-2019 shall not lapse and shall continue into fiscal year 2019-2020.

8 **(3) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
9 increase in civil filing fees that was effective in 2008, the additional income resulting
10 from the fee increases, not to exceed \$5,000,000 in each fiscal year of the biennium, shall
11 be deposited into a trust and agency account for court operations. Any revenue generated
12 by these increases in excess of the \$5,000,000 in each fiscal year of the biennium shall be
13 deposited into the General Fund.

14 **(4) Civil Filing Fees - Non-Elected Personnel:** Pursuant to its authority, if the
15 Supreme Court increases civil filing fees above what was effective in 2008, the additional
16 income resulting from the fee increases, not to exceed \$10,468,100 in each fiscal year of
17 the biennium, shall be deposited into a trust and agency account for salary increases to
18 non-elected personnel. Any revenue generated by these increases in excess of
19 \$10,468,100 in each fiscal year of the biennium shall be deposited to the credit of the
20 General Fund.

21 **(5) Night Court in Jefferson County:** The Administrative Office of the Courts
22 shall continue the operations and current schedule of night court in Okolona and
23 Middletown in Jefferson County in fiscal year 2018-2019 and fiscal year 2019-2020.

24 **(6) County Employees Retirement System Excess Savings:** If General Fund-
25 required retirement contributions to the County Employees Retirement System are below
26 \$14,499,300 in fiscal year 2018-2019 and \$14,891,800 in fiscal year 2019-2020, those
27 savings shall fund salary increases for elected officials not to exceed 2.5 percent in fiscal

1 year 2018-2019 and 2.5 percent in fiscal year 2019-2020. Any additional savings realized
2 under this section shall be used for non-elected personnel salary increases.

3 **(7) Circuit Clerk Expense Allowance:** Notwithstanding KRS 64.058, each
4 Circuit Clerk shall receive an expense allowance of \$2,400 annually, at the rate of \$200
5 per month, in the 2018-2020 fiscal biennium.

6 **b. Local Facilities Fund**

	2018-19	2019-20
8 General Fund	109,097,700	109,097,700

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

14 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
15 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
16 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal
17 year 2018-2019 shall not lapse and shall be continued into fiscal year 2019-2020.

18 **(3) Madison County Lease:** Included in the above General Fund appropriation is
19 \$800,000 in each fiscal year to allow the Administrative Office of the Courts to enter into
20 a lease for office space as needed for Madison County Circuit Court and to provide
21 necessary furnishings, infrastructure, and security equipment.

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

	2018-19	2019-20
24 General Fund	-0-	-0-

25 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
26 balance remaining at the close of fiscal year 2017-2018 shall not lapse and shall continue
27 into fiscal year 2018-2019, and any unexpended balance remaining at the close of fiscal

1 year 2018-2019 shall not lapse and shall continue into fiscal year 2019-2020 to provide
 2 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 3 allowance in accordance with KRS Chapter 26A.

4 **TOTAL - Court of Justice**

5		2018-19	2019-20
6	General Fund	375,330,700	378,806,900
7	Restricted Funds	35,143,600	35,204,700
8	Federal Funds	1,982,700	1,369,200
9	TOTAL	412,457,000	415,380,800

10 **2. Judicial Retirement System**

11		2018-19	2019-20
12	General Fund	9,566,400	9,570,800

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

15 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 16 benefit increase shall be granted to recipients of a retirement allowance under KRS
 17 21.345 to 21.580 on July 1, 2018, or July 1, 2019.

18 **(3) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
 19 shall be paid out of an administrative account which shall be funded by transfers of the
 20 necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and
 21 21.560.

22 **TOTAL - JUDICIAL BRANCH**

23		2018-19	2019-20
24	General Fund	384,897,100	388,377,700
25	Restricted Funds	35,143,600	35,204,700
26	Federal Funds	1,982,700	1,369,200
27	TOTAL	422,023,400	424,951,600

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

(3) Local Facilities Use Allowance Contingency Fund: For any court facility project which is occupied and use allowance funding is insufficient, the use allowance payments shall be approved from the Local Facilities Use Allowance Contingency Fund. If funds are not available in the Local Facilities Use Allowance Contingency Fund, the Chief Justice may transfer funds from other Judicial Branch accounts in accordance with Part III, General Provisions, Section 6. of this Act to make the necessary payments.

1 **1. Expenditure Authority:** The Director of the Administrative Office of the
2 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
3 for court operations and administration in any lawful manner and for any legal purpose
4 that the Chief Justice shall authorize or direct. All expenditures shall conform with Part
5 III, General Provisions, Section 6. of this Act. No executive agency of state government
6 shall have the power to restrict or limit the expenditure of funds appropriated to the
7 Judicial Branch of government.

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

12 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
13 in an appropriation provision in another Act of the 2018 Regular Session of the General
14 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

18 **5. Final Budget Document:** The Chief Justice shall cause the Director of the
19 Administrative Office of the Courts to prepare a final budget document reflecting the
20 2018-2020 biennial budget of the Court of Justice. A copy shall be provided to the
21 Legislative Research Commission, and an informational copy shall be furnished to the
22 Finance and Administration Cabinet, within 60 days of the adjournment of the 2018
23 Regular Session of the General Assembly.

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

1 program receiving the respective funds.

2 **7. Appropriations Revisions:** Proposed revisions to General Fund, Restricted
3 Funds, and Federal Funds appropriations in this Act shall be made and reported pursuant
4 to KRS 48.630(10). The Director of the Administrative Office of the Courts shall notify
5 on a timely basis the Legislative Research Commission of the most current estimates of
6 anticipated receipts for the affected fiscal year and an accompanying statement which
7 explains variations from the anticipated amount.

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

11 **9. Issuance of Paychecks to Employees:** Notwithstanding 101 KAR 2:095,
12 Section 10, the state payroll that would normally be scheduled to be paid on June 30,
13 2018, June 30, 2019, and June 30, 2020, shall not be issued prior to July 1, 2018, July 1,
14 2019, and July 1, 2020.

15 **10. Authorized Personnel Complement:** On July 1, 2018, the Administrative
16 Office of the Courts shall establish a record for each budget unit of authorized permanent
17 full-time and other positions based upon the enacted Judicial Budget of the
18 Commonwealth and any adjustments authorized by provisions in this Act. The total
19 number of filled permanent full-time and all other positions shall not exceed the
20 authorized complements pursuant to this section. The Director of the Administrative
21 Office of the Courts may request an increase in the number of authorized positions to the
22 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
23 employment of individuals in addition to the authorized complement. A report of the
24 actions authorized in this section shall be provided to the Interim Joint Committee on
25 Appropriations and Revenue on a monthly basis.

26 **11. Unexpended Use Allowance:** Notwithstanding any other provision of the
27 Kentucky Revised Statutes, any General Fund moneys appropriated for use allowance

1 payments in fiscal years 2018-2019 and 2019-2020 that are not expended specifically for
2 use allowance payments shall be transferred to the Budget Reserve Trust Fund Account
3 (KRS 48.705).

4 **12. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
5 Revised Statutes, use allowance payments shall not be amended to reflect debt
6 restructuring transactions undertaken by a county during the 2018-2020 fiscal biennium.

7 **PART IV**

8 **FUNDS TRANSFER**

9 The Judicial Branch shall transfer \$7,700,000 in fiscal year 2018-2019 and
10 \$7,500,000 in fiscal year 2019-2020 to the General Fund.

11 **PART V**

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.