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, 2016, and ending June 30, 2017, and for the fiscal year beginning July 1, 2017, and ending June 30, 2018, 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.

1. Court of Justice

a. Court Operations and Administration

	2016-17	**2017-18**
General Fund	219,548,200	217,113,500
Restricted Funds	37,654,500	37,152,900
Federal Funds	2,593,000	1,440,400
TOTAL	259,795,700	255,706,800

(1) **Family Court Judgeship:** Included in the above General Fund appropriation is $369,500 in fiscal year 2016-2017 and $347,600 in fiscal year 2017-2018 for a family court judgeship in the Sixth Circuit.

(2) **Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2015-2016 shall not lapse and shall continue into fiscal year 2016-2017, and any unexpended balance remaining at the close of fiscal year 2016-2017 shall not lapse and shall continue into fiscal year 2017-2018.

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

(4) **Salary Structure:** Included in the above General Fund appropriation is $714,000 in fiscal year 2016-2017 and $1,428,000 in fiscal year 2017-2018 to provide for full pay parity for the Circuit Clerks with other elected county officials. The funding shall be allocated as follows:

(a) A salary adjustment for Circuit Clerks shall be allocated in fiscal year 2016-2017 to provide 75 percent pay parity for the Circuit Clerks with other elected county officials;

(b) A salary adjustment for Circuit Clerks shall be allocated in fiscal year 2017-2018 to provide 100 percent pay parity for the Circuit Clerks with other elected county officials; and

(c) Salaries and wages for all judges shall not be increased during the 2016-2018 fiscal biennium.

(5) **Night Court in Jefferson County:** The Administrative Office of the Courts shall continue the operations and current schedule of night court in Okolona and Middletown in Jefferson County in fiscal year 2016-2017 and fiscal year 2017-2018.

(6) **Use of Settlement Proceeds:** Notwithstanding KRS 48.005(4), included in the above Restricted Funds appropriation is $1,000,000 in each fiscal year for the

expansion and continuation of rocket docket prosecutions and $1,500,000 in each fiscal year for the expansion and continuation of drug courts from settlement funds resulting from the suit against Johnson & Johnson, et al.

(7) **Defined Calculations:** Included in the above General Fund appropriation is $6,160,900 in fiscal year 2016-2017 and $7,264,000 in fiscal year 2017-2018 to provide funds for the increase in the employer cost of health and life insurance and the employer cost of retirement.

b. Local Facilities Fund

	2016-17	**2017-18**
General Fund	114,531,500	115,445,600

(1) **Local Court Facility Compensation:** Included in the above 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 in Part II of this Act, and to perform all other acts required or authorized by KRS Chapter 26A.

(2) **Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2015-2016 shall not lapse and shall continue into fiscal year 2016-2017, and any unexpended balance remaining at the close of fiscal year 2016-2017 shall not lapse and shall be continued into fiscal year 2017-2018.

(3) **Fayette County Courthouse Use Allowance:** The use allowance for the Fayette County Courthouse is contingent upon Short Street in Lexington, Kentucky remaining open to traffic.

c. Local Facilities Use Allowance Contingency Fund

	2016-17	**2017-18**
General Fund	-0-	-0-

(1) **Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2015-2016 shall not lapse and shall continue

into fiscal year 2016-2017, and any unexpended balance remaining at the close of fiscal year 2016-2017 shall not lapse and shall continue into fiscal year 2017-2018 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

	2016-17	2017-18
General Fund	334,079,700	332,559,100
Restricted Funds	37,654,500	37,152,900
Federal Funds	2,593,000	1,440,400
TOTAL	374,327,200	371,152,400

2. Judicial Retirement System

	2016-17	2017-18
General Fund	13,828,000	13,739,900

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

(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 21.570 on July 1, 2016, or July 1, 2017.

TOTAL - OPERATING BUDGET

	2016-17	2017-18
General Fund	347,907,700	346,299,000
Restricted Funds	37,654,500	37,152,900
Federal Funds	2,593,000	1,440,400
TOTAL	388,155,200	384,892,300

PART II

CAPITAL PROJECTS BUDGET

Budget Units

1. **Local Facilities Fund**

(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.

2. **Local Facilities Projects**

	Project	Project Scope
001.	Simpson	2,298,000
002.	Mason	830,000

(1) **Simpson County:** General Fund support of $231,900 is contained in the Local Facilities Fund budget in each fiscal year for use allowance payments.

(2) **Mason County:** General Fund support of $86,700 is contained in the Local

Facilities Fund budget in each fiscal year for use allowance payments.

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

3. Lease Authorizations

001. Franklin County - Lease - Court of Appeals

002. Jefferson County - Lease - Parking

(1) **Local Facilities Projects - Authorized:** Nothing in this Act shall reduce funding of court facility projects authorized by the General Assembly.

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

TOTAL - JUDICIAL BRANCH BUDGET

	2016-17	**2017-18**
General Fund	347,907,700	346,299,000
Restricted Funds	37,654,500	37,152,900
Federal Funds	2,593,000	1,440,400
TOTAL	388,155,200	384,892,300

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. All expenditures shall conform with Part III, General Provisions, Section 7. of this Act. 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.

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

3. **Duplicate Appropriations:** Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2016 Regular Session of the General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

5. **Carry Forward of Restricted and Federal Funds:** Notwithstanding KRS 45.229, any unexpended balance remaining in the Court's Restricted Funds accounts or Federal Funds accounts at the close of the fiscal years ending June 30, 2016, and June 30, 2017, shall not lapse and shall continue into the next fiscal year.

6. **Final Budget Document:** The Chief Justice shall cause the Director of the Administrative Office of the Courts to prepare a final budget document reflecting the 2016-2018 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Finance and Administration Cabinet within 60 days of the adjournment of the 2016 Regular Session of the General Assembly.

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

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

9. Maximum Salary of Trial Commissioners: Notwithstanding KRS 24A.100(3), funds are included to continue the statutory maximum salary of trial commissioners as provided for in the Judicial Branch Budget Recommendation.

10. Issuance of Paychecks to Employees: Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2016, and June 30, 2017, shall not be issued prior to July 1, 2016, and July 1, 2017.

PART IV

FUNDS TRANSFER

The Judicial Branch shall transfer $11,758,100 to the General Fund in each fiscal year.

PART V

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The Judicial Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with the provisions of KRS Chapter 48.