

JUDICIAL BRANCH BUDGET

JUNE 15, 2024



JUDICIAL BRANCH Summary

	<u>Budgeted</u> <u>FY 2024</u>	<u>Enacted</u> <u>FY 2025</u>	<u>Enacted</u> <u>FY 2026</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	443,259,300	450,867,900	466,739,100
Continuing Appropriation	27,375,100		
Total General Fund	470,634,400	450,867,900	466,739,100
Restricted Funds			
Balance Forward	53,423,800	46,882,200	46,882,200
Current Receipts	22,820,000	25,941,200	26,319,900
Non-Revenue Receipts	22,897,300	26,119,400	26,492,600
Total Restricted Funds	99,141,100	98,942,800	99,694,700
Federal Funds			
Current Receipts	4,204,100	3,486,600	1,817,800
Total Federal Funds	4,204,100	3,486,600	1,817,800
TOTAL SOURCE OF FUNDS	573,979,600	553,297,300	568,251,600
EXPENDITURES BY CLASS			
Personnel Costs	331,022,000	335,731,900	345,900,500
Operating Expenses	189,824,300	169,813,200	174,028,900
Capital Outlay	6,251,100	300,000	300,000
Debt Service	-	570,000	1,140,000
TOTAL EXPENDITURES	527,097,400	506,415,100	521,369,400
EXPENDITURES BY FUND SOURCE			
General Fund	470,634,400	450,867,900	466,739,100
Restricted Funds	52,258,900	52,060,600	52,812,500
Federal Funds	4,204,100	3,486,600	1,817,800
	527,097,400	506,415,100	521,369,400

COURT OF JUSTICE Summary

	<u>Budgeted</u> <u>FY 2024</u>	<u>Enacted</u> <u>FY 2025</u>	<u>Enacted</u> <u>FY 2026</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	437,953,700	450,207,900	466,036,100
Continuing Appropriation	27,375,100		
Total General Fund	465,328,800	450,207,900	466,036,100
Restricted Funds			
Balance Forward	53,423,800	46,882,200	46,882,200
Current Receipts	22,820,000	25,941,200	26,319,900
Non-Revenue Receipts	22,152,100	25,427,500	25,798,700
Total Restricted Funds	98,395,900	98,250,900	99,000,800
Federal Funds			
Current Receipts	4,204,100	3,486,600	1,817,800
Total Federal Funds	4,204,100	3,486,600	1,817,800
TOTAL SOURCE OF FUNDS	567,928,800	551,945,400	566,854,700
EXPENDITURES BY CLASS			
Personnel Costs	330,276,800	335,040,000	345,206,600
Operating Expenses	184,518,700	169,153,200	173,325,900
Capital Outlay	6,251,100	300,000	300,000
Debt Service	-	570,000	1,140,000
TOTAL EXPENDITURES	521,046,600	505,063,200	519,972,500
EXPENDITURES BY FUND SOURCE			
General Fund	465,328,800	450,207,900	466,036,100
Restricted Funds	51,513,700	51,368,700	52,118,600
Federal Funds	4,204,100	3,486,600	1,817,800
	521,046,600	505,063,200	519,972,500

COURT OPERATIONS AND ADMINISTRATION

	<u>Budgeted</u> <u>FY 2024</u>	<u>Enacted</u> <u>FY 2025</u>	<u>Enacted</u> <u>FY 2026</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	310,444,500	317,432,400	327,717,500
Continuing Appropriation	9,979,100	-	-
Total General Fund	320,423,600	317,432,400	327,717,500
Restricted Funds			
Balance Forward	53,423,800	46,882,200	46,882,200
Current Receipts	22,820,000	25,941,200	26,319,900
Non-Revenue Receipts	22,152,100	25,427,500	25,798,700
Total Restricted Funds	98,395,900	98,250,900	99,000,800
Federal Funds			
Current Receipts	4,204,100	3,486,600	1,817,800
Total Federal Funds	4,204,100	3,486,600	1,817,800
TOTAL SOURCE OF FUNDS	423,023,600	419,169,900	428,536,100
EXPENDITURES BY CLASS			
Personnel Costs	329,276,800	334,040,000	344,206,600
Operating Expenses	40,613,500	37,947,700	37,147,300
Capital Outlay	6,251,100	300,000	300,000
TOTAL EXPENDITURES	376,141,400	372,287,700	381,653,900
EXPENDITURES BY FUND SOURCE			
General Fund	320,423,600	317,432,400	327,717,500
Restricted Funds	51,513,700	51,368,700	52,118,600
Federal Funds	4,204,100	3,486,600	1,817,800
	376,141,400	372,287,700	381,653,900

COURT OPERATIONS AND ADMINISTRATION

Appropriations provided for the Court Operations and Administration supports all programs of the Judicial Branch except the Local Facilities Fund, the Use Allowance Contingency Fund, and Judicial Retirement. The Kentucky court system is a four-tiered system of adjudication including a Supreme Court, Court of Appeals, Circuit Court including Family Division, and District Court. The goals of these courts is to hear and determine expeditiously all cases which may come before the Court of Justice to interpret the laws of the Commonwealth, make decision and issue opinions related thereto.

The 120 circuit clerks' offices in the Commonwealth of Kentucky are responsible by the Constitution and statutes for providing an efficient and manageable system of clerical support and record keeping for circuit and district courts.

The Administrative Office of the Courts serves as the staff for the Chief Justice in executing the policies and programs of the Court of Justice pursuant to the Kentucky Constitution, Section 110(5)(b), KRS 27A.020, and the applicable court rules and orders.

Included in the General Fund appropriation for FY 2025 and FY 2026 is 3% increments in each year, expansion of Mental Health Courts to 10 sites, and seven additional positions for the Administrative Office of the Courts.

LOCAL FACILITIES FUND

	<u>Budgeted</u> <u>FY 2024</u>	<u>Enacted</u> <u>FY 2025</u>	<u>Enacted</u> <u>FY 2026</u>
SOURCE OF FUNDS:			
General Fund	127,509,200	132,775,500	138,318,600
Continuing Appropriation - GF	17,396,000	-	-
TOTAL FUNDS	144,905,200	132,775,500	138,318,600
 EXPENDITURES BY CLASS:			
Personnel Costs	1,000,000	1,000,000	1,000,000
Operating Expenses	143,905,200	131,205,500	136,178,600
Debt Service	-	570,000	1,140,000
TOTAL EXPENDITURES	144,905,200	132,775,500	138,318,600

The objective of the local court facilities program, as administered by the Administrative Office of the Courts, is to provide an adequate physical environment for all court functions. The court facility reimbursements made to local governments are calculated according to statute (KRS 26A.090-26A.168), which provides for the sharing of operational expenses based upon the percentage of occupancy in the facility and for an annual use allowance payment of four percent of the pro rata occupancy share of the total capital invested. New construction or renovation projects that incur indebtedness receive the court's proportional share of annual principal and interest costs not to exceed eight percent annually of capital costs. Beginning with court facility construction or renovation projects authorized by the 2000 Regular Session of the General Assembly, "use allowance" means the court's proportional share of the annual principal and interest costs in connection with the construction or renovation of the facility, not to exceed the authorized annual use allowance.

The General Assembly notwithstanding KRS 26A.090, requiring that if there is no debt on a building, the county gets 2% use allowance and AOC retains 2% for maintenance of court facilities. Included in the appropriation is: \$3,219,100 in FY 2025 and \$8,207,200 in FY 2026 to support the use allowance, operating, and non-recurring furniture and equipment costs for six judicial center projects authorized by the 2020 General Assembly and two judicial center projects authorized by the 2022 General Assembly; \$1,462,200 in each fiscal year for additional use allowance for projects in Butler, Clinton, and Crittenden counties; \$570,000 in FY 2025 and \$1,140,000 in FY 2026 for debt service on the Court of Appeals building; and \$15,000 in FY 2025 for a statue in Metcalfe County.

Five county-bonded capital projects were authorized with funding deferred until the next biennium. The projects are in Owsley, Greenup, Knox, Clark, and Caldwell counties.

CAPITAL PROJECTS

	<u>Budgeted FY 2024</u>	<u>Enacted FY 2025</u>	<u>Enacted FY 2026</u>
SOURCE OF FUNDS:			
General Fund	4,189,000	53,500,000	
TOTAL FUNDS	<u>4,189,000</u>	<u>53,500,000</u>	<u>-</u>
EXPENDITURES BY CLASS:			
Personnel Costs			
Operating Expenses			
Capital Outlay		-	-
Capital Projects	4,189,000	53,500,000	
TOTAL EXPENDITURES	<u>-</u>	<u>53,500,000</u>	<u>-</u>

In HB 244 (2022 Regular Session) there were two general fund capital projects authorized

- 1) HVAC project in Hardin County - \$3,000,000
- 2) Carpet and paint project in Jefferson County Judicial Center - \$1,189,000

In HB 264 (2024 Regular Session) there were two general fund capital projects authorized, one bond fund project, and five judicial center projects

General Fund projects

- 1) Asset Preservation - HVAC, Roof, Electrical - \$47,080,000
- 2) Asset Preservation - Renovations - \$6,420,000

State-bond funded project

- 1) Court of Appeals Building

Five county-bond funded projects

- 1) Owsley
- 2) Greenup
- 3) Knox
- 4) Clark
- 5) Caldwell

USE ALLOWANCE CONTINGENCY FUND

	<u>Budgeted</u> <u>FY 2024</u>	<u>Enacted</u> <u>FY 2025</u>	<u>Enacted</u> <u>FY 2026</u>
SOURCE OF FUNDS:			
Continuing Appropriation - GF	-	-	-
TOTAL FUNDS	-	-	-
EXPENDITURES BY CLASS:			
Operating Expenses	-	-	-
TOTAL EXPENDITURES	-	-	-

The court facility use allowance contingency fund is a mechanism for the Judicial Branch to provide for necessary cost overruns on court facility projects. It is governed by the provisions of KRS 26A.164 and House Bill 244, the Judicial Branch Appropriations Bill. There are no funds in this appropriation unit.

JUDICIAL RETIREMENT

	Budgeted <u>FY 2024</u>	Enacted <u>FY 2025</u>	Enacted <u>FY 2026</u>
SOURCE OF FUNDS:			
General Fund	5,305,600	660,000	703,000
Restricted Funds	<u>745,200</u>	<u>691,900</u>	<u>693,900</u>
TOTAL FUNDS	6,050,800	1,351,900	1,396,900
 EXPENDITURES BY CLASS:			
Personnel Costs	745,200	691,900	693,900
Operating Expenses	<u>5,305,600</u>	<u>660,000</u>	<u>703,000</u>
TOTAL EXPENDITURES	6,050,800	1,351,900	1,396,900

The purpose of the Judicial Retirement Plan is to fund and pay judicial retirement benefits, as per statute, KRS 21.345 to 21.570. The rate of the funding is prescribed in KRS 21.525. The Judicial Retirement Plan covers the judges of all courts in Kentucky and provides for retirement benefits for retired judges and surviving spouses.

Judicial Retirement's goal is to create an actuarially sound retirement fund to enable compliance with statutory requirements for benefits and to administer the benefit program on an efficient basis. The Plan is maintained on an actuarially sound basis through member's contributions, investment proceeds, and state appropriations.

Objectives are to fund and pay benefits on a continuing basis and to handle any other administrative requirements associated with judicial retirement such as maintaining suitable records and assisting in resolving questions of eligibility and disability. Beneficiaries are the appropriate commissioners, justices, judges of the Commonwealth, retired holders of such positions, and surviving spouses of former holders of such positions.