



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 238

AS ENACTED

MONDAY, MARCH 31, 2014

RECEIVED AND FILED
DATE April 11, 2014
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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

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 2014, and ending June 30, 2015, and for the fiscal year beginning July 1, 2015, and
 12 ending June 30, 2016, 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 **1. Court of Justice**

19 **a. Court Operations and Administration**

	2014-15	2015-16
21 General Fund	205,633,000	209,033,000
22 Restricted Funds	49,267,400	49,611,800
23 Federal Funds	3,599,300	3,611,200
24 TOTAL	258,499,700	262,256,000

25 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 26 balance remaining at the close of fiscal year 2013-2014 shall not lapse and shall continue
 27 into fiscal year 2014-2015, and any unexpended balance remaining at the close of fiscal

1 year 2014-2015 shall not lapse and shall continue into fiscal year 2015-2016.

2 **(2) Salary Structure:** Included in the above General Fund appropriation is
 3 \$8,289,200 in fiscal year 2014-2015 and \$8,907,600 in fiscal year 2015-2016 for salary
 4 improvements. The funding shall be allocated in the following manner:

5 (a) A salary adjustment for non-elected eligible full-time and part-time employees
 6 shall be allocated in fiscal year 2014-2015 according to the Chief Justice’s Judicial
 7 Branch salary structure plan;

8 (b) A salary adjustment amounting to a percentage value on the base salary or
 9 wages of each non-elected eligible full-time and part-time employee on his or her
 10 anniversary date is provided in fiscal year 2014-2015. The amount of salary adjustment is
 11 determined by each eligible employee’s annual base salary or wages on his or her
 12 anniversary date, and the following table reflects the percentage of the salary adjustment
 13 for fiscal year 2014-2015:

14 Annual Base Salary or Wages	15 2014-15
16 \$0 to \$27,000.00	5%
17 \$27,000.01 to \$36,000.00	3%
18 \$36,000.01 to \$50,000.00	2%
19 \$50,000.01 and above	1%

20 In fiscal year 2015-2016, a cost-of-living adjustment of one percent is provided on
 21 the base salary or wages of each non-elected state employee on his or her anniversary
 22 date; and

23 (c) Any funds remaining from the additional \$8,289,200 provided in fiscal year
 24 2014-2015 and \$8,907,600 in fiscal year 2015-2016 shall be allocated to the elected
 25 Circuit Clerks to improve salary parity for the Circuit Clerks with other elected county
 26 officials.

27 (d) Salaries and wages for all judges shall not be increased during the 2014-2016
 fiscal biennium.

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

7 **(4) Realignment of Circuit and District Judicial Boundaries:** The
 8 Administrative Office of the Courts shall develop and implement a weighted caseload
 9 system to precisely measure and compare judicial caseloads throughout the
 10 Commonwealth on the Circuit Court, Family Court, and District Court levels for the
 11 purpose of recommending a plan for the realignment of the circuit and district judicial
 12 boundaries. This plan shall be submitted to the House and Senate Judiciary Committees
 13 by January 15, 2016.

14 **(5) Night Court in Jefferson County:** The Administrative Office of the Courts
 15 shall continue the operations and current schedule of night court in Okolona and
 16 Middletown in Jefferson County in fiscal year 2014-2015 and fiscal year 2015-2016.

17 **b. Local Facilities Fund**

	2014-15	2015-16
18 General Fund	111,500,000	111,500,000

19 **(1) Local Court Facility Compensation:** Included in the above appropriation are
 20 moneys to compensate local units of government for providing court space and for costs
 21 incurred in the development of local court facilities as defined in KRS Chapter 26A and
 22 provided in Part II of this Act, and to perform all other acts required or authorized by
 23 KRS Chapter 26A.
 24

25 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 26 balance remaining at the close of fiscal year 2013-2014 shall not lapse and shall continue
 27 into fiscal year 2014-2015, and any unexpended balance remaining at the close of fiscal

1 year 2014-2015 shall not lapse and shall be continued into fiscal year 2015-2016.

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

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

	2014-15	2015-16
6 General Fund	-0-	-0-

7
 8 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 9 balance remaining at the close of fiscal year 2013-2014 shall not lapse and shall continue
 10 into fiscal year 2014-2015, and any unexpended balance remaining at the close of fiscal
 11 year 2014-2015 shall not lapse and shall continue into fiscal year 2015-2016 to provide
 12 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 13 allowance in accordance with KRS Chapter 26A.

14 **TOTAL - COURT OF JUSTICE**

	2014-15	2015-16
15 General Fund	317,133,000	320,533,000
16 Restricted Funds	49,267,400	49,611,800
17 Federal Funds	3,599,300	3,611,200
18 TOTAL	369,999,700	373,756,000

19
 20 **2. Judicial Retirement System**

	2014-15	2015-16
21 General Fund	16,916,600	16,916,600

22
 23 **(1) Judicial Retirement Benefits:** Included in the above General Fund
 24 appropriation are sufficient funds to provide actuarial-assessed judicial retirement
 25 benefits pursuant to KRS 21.345 to 21.580.

26 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
 27 benefit increase shall be granted to recipients of a retirement allowance under KRS

1 21.345 to 21.570 on July 1, 2014, or July 1, 2015.

2 **TOTAL - OPERATING BUDGET**

3		2014-15	2015-16
4	General Fund	334,049,600	337,449,600
5	Restricted Funds	49,267,400	49,611,800
6	Federal Funds	3,599,300	3,611,200
7	TOTAL	386,916,300	390,672,600

8 **PART II**

9 **CAPITAL PROJECTS BUDGET**

10 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
 11 that any capital project proposed by any state government entity, including the agencies
 12 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
 13 prior to the project's financing and construction, in accordance with KRS 7A.010,
 14 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
 15 amount allotted, from all sources, for expenditure on any capital project, including leases
 16 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

17 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
 18 projects and major items of equipment that are not specifically listed in this Act may be
 19 authorized only after submission of the project to the Capital Projects and Bond
 20 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
 21 Moneys may be transferred to the allotment account of any capital project only after
 22 submission of the project to the Capital Projects and Bond Oversight Committee and in
 23 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
 24 all capital construction items authorized in this Act shall be constructed in accordance
 25 with this Act, supporting documentation considered by the General Assembly, and
 26 Judicial Branch budget records. Any modifications to the scope of a capital construction
 27 project or to a lease shall be reported to the Capital Projects and Bond Oversight

1 Committee before execution.

2 **Budget Units** **2014-15** **2015-16**

3 **1. Court Operations and Administration**

4 **001.** Phase 1 E-Case and Docket Management System Reauthorization

5 (\$28,100,000 Agency Bonds)

6 **2. Local Facilities Projects**

Project	Project Scope
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001. Nicholas	10,368,300
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002. Henry	12,225,200
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10 **(1) Court Facility Planning Process:** The county shall require the Project
 11 Development Board to hire a certified architect not otherwise involved with the project to
 12 conduct an independent feasibility study to determine whether the needs of the
 13 community and the Court of Justice can best be met through the construction of a
 14 freestanding building, or through an addition and/or renovation of the existing court
 15 facility. The cost for this study shall be an accepted and approved portion of the planning
 16 process, and shall be eligible for reimbursement from the bond proceeds.

17 **(2) Deferred Funding:** General Fund support to provide operating costs totaling
 18 \$586,500, annualized use allowance payments totaling \$2,132,700, and nonrecurring
 19 furniture and equipment costs totaling \$1,025,000, less offsetting payments totaling
 20 \$97,400 for Nicholas County and Henry County Judicial Center projects is deferred to the
 21 2016-2018 fiscal biennium.

22 **3. Lease Authorizations**

23 **001.** Franklin County - Lease - Court of Appeals

24 **002.** Jefferson County - Lease - Parking

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

27 **(2) Local Facilities Use Allowance Contingency Fund:** For any court facility

1 project which is occupied and use allowance funding is insufficient, the use allowance
 2 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
 3 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
 4 Chief Justice may transfer funds from other Judicial Branch accounts in accordance with
 5 Part III, General Provisions, Section 7 of this Act to make the necessary payments.

6 TOTAL - JUDICIAL BRANCH BUDGET

7		2014-15	2015-16
8	General Fund	334,049,600	337,449,600
9	Restricted Funds	49,267,400	49,611,800
10	Federal Funds	3,599,300	3,611,200
11	TOTAL	386,916,300	390,672,600

12 PART III

13 GENERAL PROVISIONS

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

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

25 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
 26 in an appropriation provision in another Act of the 2014 Regular Session of the General
 27 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

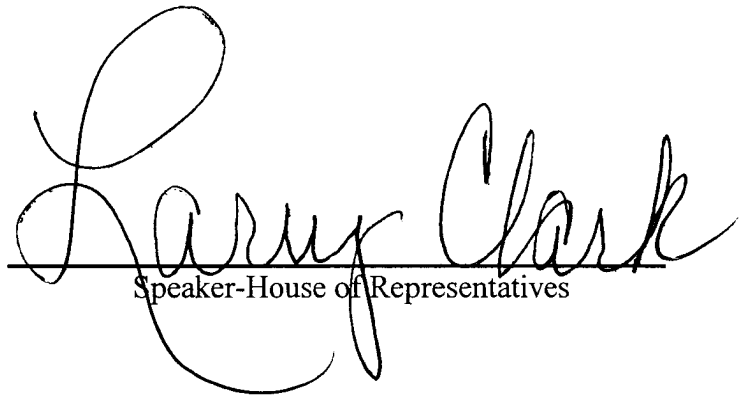
4 **5. Carry Forward of Restricted and Federal Funds:** Notwithstanding KRS
5 45.229, any unexpended balance remaining in the Court's Restricted Funds accounts or
6 Federal Funds accounts at the close of the fiscal years ending June 30, 2014, and June 30,
7 2015, shall not lapse and shall continue into the next fiscal year.

8 **6. Final Budget Document:** The Chief Justice shall cause the Director of the
9 Administrative Office of the Courts to prepare a final budget document reflecting the
10 2014-2016 biennial budget of the Court of Justice. A copy shall be provided to the
11 Legislative Research Commission and an informational copy shall be furnished to the
12 Finance and Administration Cabinet within 60 days of the adjournment of the 2014
13 Regular Session of the General Assembly.

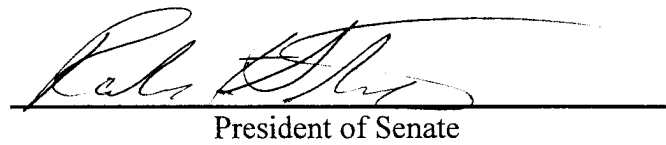
14 **7. Transferability of Funds:** The Chief Justice of the Commonwealth of
15 Kentucky may transfer funds among three appropriation units within the Judicial Branch.
16 These are: Court Operations and Administration, Local Facilities Fund, and Local
17 Facilities Use Allowance Contingency Fund. The Chief Justice may transfer funds from
18 any appropriation unit to a capital project, lease, or lease-purchase only if that capital
19 project, lease, or lease-purchase has been authorized by the General Assembly.

20 **8. Appropriations Revisions:** Proposed revisions to Restricted Funds and
21 Federal Funds appropriations in this Act shall be made and reported pursuant to KRS
22 48.630(10). The Director of the Administrative Office of the Courts shall notify on a
23 timely basis the Legislative Research Commission of the most current estimates of
24 anticipated receipts for the affected fiscal year and an accompanying statement which
25 explains variations from the anticipated amount.

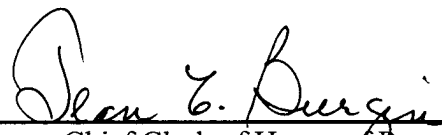
26 **9. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
27 24A.100(3), funds are included to continue the statutory maximum salary of trial



Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 4/11/14