CDC: <u>Coronavirus Disease 2019 (COVID-19)</u> • Kentucky Public Health: <u>COVID-19</u> • KCOJ: COVID-19 and the Courts

Update for May 14, 2020

Justices, Judges, Circuit Court Clerks and Kentucky Court of Justice Personnel:

Announcing cost-cutting measures for Judicial Branch, effective May 15, 2020

Reducing expenses now will help avoid or reduce possible furloughs and layoffs later

Over the last two months, our primary focus has been on modifying court operations in a way that would ensure social distancing while allowing us to provide essential court services. With your help and support, we've been able to dramatically change how we serve the public during this pandemic.

Now we must turn our attention to the financial impact COVID-19 is having on the economy. Anticipating a deep reduction in state revenues, the 2020 General Assembly took the rare step of passing only a one-year budget instead of the typical two-year budget. The legislature will take up the second year of the budget during the session that begins in January 2021.

While our one-year budget for Fiscal Year 2021 (July 1, 2020-June 30, 2021) was better than we had anticipated, it does not fully fund court operations. We have two other concerns as well. First, we fully expect that the Judicial Branch will be asked to return funding this fiscal year due to a major drop in state revenues. That return would be in addition to the \$7.5 million we're already required to transfer back by June 30, 2020, under the FY 2020 budget bill. And second, we will likely face a drastic reduction in our funding for FY 2022 (July 1, 2021-June 30, 2022) as the full effect of the pandemic takes its toll.

That's why we want to reduce expenses now in an effort to avoid or reduce possible furloughs and layoffs later. For that reason, we're taking these two actions:

Hiring Freeze. There will be a hiring freeze effective May 15, 2020. You can find details about the hiring freeze in this <u>policy</u>. Please direct any questions about the hiring freeze policy to COJVacancyRequest@kycourts.net.

Out-of-State Travel. All out-of-state travel has been suspended until further notice. Exceptions might be granted if the travel is paid for with federal funds or by an outside agency/association and if social distancing measures will be in place to ensure the health and safety of the court personnel who are traveling.

While we've had to create a road map for court operations during a pandemic, we have years of experience in handling a financial downturn. As painful as our cost-saving measures were during the Great Recession, the lean years of the mid-2000s prepared us for the fiscal challenges to come. We're ready to use the knowledge and insight we gained then to navigate our way now. I'm confident in our ability to pull together during this difficult time as we carry out the important work of the courts. Thank you for all you do for the Kentucky Court of Justice.



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