

2006 SESSION OF THE GENERAL ASSEMBLY

**JUDICIAL BRANCH BUDGET
(HB 382/GA)**

**Legislative Research Commission
Office of Budget Review**

March 7, 2006

THIS PAGE INTENTIONALLY LEFT BLANK

X - Judicial Branch

THIS PAGE INTENTIONALLY LEFT BLANK

Table of Contents

X - Judicial Branch

<u>Court Operations & Administration</u>	<u>X - 009</u>
<u>Local Facilities Fund</u>	<u>X - 017</u>
<u>Use Allowance Contingency Fund</u>	<u>X - 027</u>
<u>Judicial Form Retirement System</u>	<u>X - 029</u>

THIS PAGE INTENTIONALLY LEFT BLANK

X - Judicial Branch

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	232,703,000	232,703,000		268,722,300	244,588,600	(24,133,700)	304,031,600	280,211,400	(23,820,200)
Restricted Funds	18,463,000	18,463,000		19,480,600	21,780,600	2,300,000	19,785,100	22,085,100	2,300,000
Federal Funds	3,036,700	3,036,700		1,769,900	1,769,900		1,431,500	1,431,500	
Regular Total Funds	254,202,700	254,202,700		289,972,800	268,139,100	(21,833,700)	325,248,200	303,728,000	(21,520,200)
Use of Continuing	2,127,900	2,127,900			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL FUNDS	256,330,600	256,330,600		289,972,800	270,199,100	(19,773,700)	325,248,200	307,635,700	(17,612,500)

II. EXPENDITURE CATEGORY

Personnel Costs	170,446,000	170,446,000		190,997,700	173,204,200	(17,793,500)	205,285,300	188,961,500	(16,323,800)
Operating Expenses	84,522,800	84,522,800		97,200,800	95,270,600	(1,930,200)	115,474,000	114,195,300	(1,278,700)
Capital Outlay	1,361,800	1,361,800		1,774,300	1,724,300	(50,000)	4,488,900	4,478,900	(10,000)
TOTAL EXPENDITURES	256,330,600	256,330,600		289,972,800	270,199,100	(19,773,700)	325,248,200	307,635,700	(17,612,500)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	232,703,000	232,703,000		231,696,000	229,636,000	(2,060,000)	255,057,900	251,150,200	(3,907,700)
Restricted Funds	18,463,000	18,463,000		17,159,600	17,159,600		16,401,200	16,401,200	
Federal Funds	3,036,700	3,036,700		1,634,400	1,634,400		1,269,200	1,269,200	
Regular Total Funds	254,202,700	254,202,700		250,490,000	248,430,000	(2,060,000)	272,728,300	268,820,600	(3,907,700)
Use of Continuing	2,127,900	2,127,900			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL BASE LEVEL	256,330,600	256,330,600		250,490,000	250,490,000		272,728,300	272,728,300	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				37,026,300	14,952,600	(22,073,700)	48,973,700	29,061,200	(19,912,500)
Restricted Funds				2,321,000	4,621,000	2,300,000	3,383,900	5,683,900	2,300,000
Federal Funds				135,500	135,500		162,300	162,300	
TOTAL ADDITIONAL				39,482,800	19,709,100	(19,773,700)	52,519,900	34,907,400	(17,612,500)

THIS PAGE INTENTIONALLY LEFT BLANK

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Judicial Part III - General Provisions

BRANCH BUDGET

The Judicial Branch Budget Bill, Part III, General Provisions, includes the following directives:

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 the court operation and administration in any lawful manner and for any legal purpose that the Chief Justice shall authorize or direct. 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.

Permissible Obligations Against General Fund Appropriations: The Court of Justice shall not incur any obligation for any program against the General Fund appropriations contained in this Act unless that program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by the statutory budget memorandum and other pertinent records.

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

Duplicate Appropriations: Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2006 General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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.

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, 2006, and June 30, 2007, shall not lapse and shall continue into the next fiscal year.

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 2006-2008 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 2006 Regular Session of the General Assembly.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Judicial Part III - General Provisions

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.

KLEO Continuation Funding: Funding for the Kentucky Legal Education Opportunities (KLEO) Program has been continued during fiscal years 2006-2007 and 2007-2008.

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 such variations from the anticipated amount.

HOUSE REPORT

The House concurs with the Branch with the following changes.

The House amends the Judicial Branch Budget Bill, Part III, General Provisions to include the following language provisions.

"KLEO Continuation Funding: Funding for the Kentucky Legal Education Opportunities (KLEO) Program has been continued during fiscal years 2006-2007 and 2007-2008 at the current level of \$250,000 each year"

"Judicial Retirement: To achieve consistency with the Kentucky Court of Justice Personnel Policy Section 6.03(2), with respect to nonelected employees, the compensation payable to any Justice or Judge receiving retirement benefits from the Judicial Retirement Plan on account of prior judicial service shall be fixed at an amount whereby his or her total salary and retirement benefits shall not exceed the salary fixed for the judicial office held."

Fiscal Biennium 2006-2008
Budget Modification Report

03/08/06 4:28 PM

Judicial Part IV - Budget Reduction or Surplus Expenditure Plan

BRANCH BUDGET

The Judicial Branch Budget Bill, Part IV, Budget Reduction or Surplus Expenditure Plan, includes the following directive:

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

HOUSE REPORT

The House concurs with the Branch.

THIS PAGE INTENTIONALLY LEFT BLANK

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

X - Judicial Branch

Operating Budget

Court of Justice Summary

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	230,399,700	230,399,700		265,474,800	241,341,100	(24,133,700)	300,776,400	276,956,200	(23,820,200)
Restricted Funds	18,463,000	18,463,000		19,480,600	21,780,600	2,300,000	19,785,100	22,085,100	2,300,000
Federal Funds	3,036,700	3,036,700		1,769,900	1,769,900		1,431,500	1,431,500	
Regular Total Funds	251,899,400	251,899,400		286,725,300	264,891,600	(21,833,700)	321,993,000	300,472,800	(21,520,200)
Use of Continuing	2,127,900	2,127,900			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL FUNDS	254,027,300	254,027,300		286,725,300	266,951,600	(19,773,700)	321,993,000	304,380,500	(17,612,500)

II. EXPENDITURE CATEGORY

Personnel Costs	170,055,200	170,055,200		190,585,400	172,791,900	(17,793,500)	204,865,300	188,541,500	(16,323,800)
Operating Expenses	82,610,300	82,610,300		94,365,600	92,435,400	(1,930,200)	112,638,800	111,360,100	(1,278,700)
Capital Outlay	1,361,800	1,361,800		1,774,300	1,724,300	(50,000)	4,488,900	4,478,900	(10,000)
TOTAL EXPENDITURES	254,027,300	254,027,300		286,725,300	266,951,600	(19,773,700)	321,993,000	304,380,500	(17,612,500)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	230,399,700	230,399,700		229,392,700	227,332,700	(2,060,000)	252,754,600	248,846,900	(3,907,700)
Restricted Funds	18,463,000	18,463,000		17,159,600	17,159,600		16,401,200	16,401,200	
Federal Funds	3,036,700	3,036,700		1,634,400	1,634,400		1,269,200	1,269,200	
Regular Total Funds	251,899,400	251,899,400		248,186,700	246,126,700	(2,060,000)	270,425,000	266,517,300	(3,907,700)
Use of Continuing	2,127,900	2,127,900			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL BASE LEVEL	254,027,300	254,027,300		248,186,700	248,186,700		270,425,000	270,425,000	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				36,082,100	14,008,400	(22,073,700)	48,021,800	28,109,300	(19,912,500)
Restricted Funds				2,321,000	4,621,000	2,300,000	3,383,900	5,683,900	2,300,000
Federal Funds				135,500	135,500		162,300	162,300	
TOTAL ADDITIONAL				38,538,600	18,764,900	(19,773,700)	51,568,000	33,955,500	(17,612,500)

THIS PAGE INTENTIONALLY LEFT BLANK

X - Judicial Branch

Operating Budget

Court Operations & Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	170,316,000	170,316,000		202,585,300	180,542,400	(22,042,900)	213,121,100	193,575,400	(19,545,700)
Restricted Funds	18,463,000	18,463,000		19,480,600	21,780,600	2,300,000	19,785,100	22,085,100	2,300,000
Federal Funds	3,036,700	3,036,700		1,769,900	1,769,900		1,431,500	1,431,500	
Regular Total Funds	191,815,700	191,815,700		223,835,800	204,092,900	(19,742,900)	234,337,700	217,092,000	(17,245,700)
Use of Continuing									
TOTAL FUNDS	191,815,700	191,815,700		223,835,800	204,092,900	(19,742,900)	234,337,700	217,092,000	(17,245,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	168,388,000	168,388,000		188,912,800	171,419,300	(17,493,500)	203,105,300	187,131,500	(15,973,800)
Operating Expenses	22,857,800	22,857,800		33,458,100	31,258,700	(2,199,400)	30,662,500	29,400,600	(1,261,900)
Capital Outlay	569,900	569,900		1,464,900	1,414,900	(50,000)	569,900	559,900	(10,000)
TOTAL EXPENDITURES	191,815,700	191,815,700		223,835,800	204,092,900	(19,742,900)	234,337,700	217,092,000	(17,245,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	170,316,000	170,316,000		167,334,000	167,334,000		167,334,000	167,334,000	
Restricted Funds	18,463,000	18,463,000		17,159,600	17,159,600		16,401,200	16,401,200	
Federal Funds	3,036,700	3,036,700		1,634,400	1,634,400		1,269,200	1,269,200	
Regular Total Funds	191,815,700	191,815,700		186,128,000	186,128,000		185,004,400	185,004,400	
Use of Continuing									
TOTAL BASE LEVEL	191,815,700	191,815,700		186,128,000	186,128,000		185,004,400	185,004,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				35,251,300	13,208,400	(22,042,900)	45,787,100	26,241,400	(19,545,700)
Restricted Funds				2,321,000	4,621,000	2,300,000	3,383,900	5,683,900	2,300,000
Federal Funds				135,500	135,500		162,300	162,300	
TOTAL ADDITIONAL				37,707,800	17,964,900	(19,742,900)	49,333,300	32,087,600	(17,245,700)
V. ADDITIONAL BUDGET ITEMS									
1 DC	Defined Calculation								
ABR025ADC000	Provide funds to cover 5% salary increments, retirement, and health insurance for 3,121 full time and 335 part time employees. HOUSE: The House provides appropriate funds for salary increases, retirement contribution and health insurance.								
General Fund				9,197,200	4,838,900	(4,358,300)	18,296,700	9,210,400	(9,086,300)
Restricted Funds				1,545,500	1,545,500		2,553,400	2,553,400	
Federal Funds				107,900	107,900		132,500	132,500	
Project Total				10,850,600	6,492,300	(4,358,300)	20,982,600	11,896,300	(9,086,300)

X - Judicial Branch**Operating Budget****Court Operations & Administration**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
2 CONT	Court Operations and Administration - Vacant Positions								
ABR025A0001	Provide funds to fill 99 full time and 58 part time positions that were vacant August 1, 2005. HOUSE: The House did not provide funds for vacant positions.								
General Fund				3,351,200		(3,351,200)	3,586,500		(3,586,500)
Restricted Funds				775,500	775,500		830,500	830,500	
Federal Funds				27,600	27,600		29,800	29,800	
Project Total				4,154,300	803,100	(3,351,200)	4,446,800	860,300	(3,586,500)
3 NEW	Court Operations and Administration - Circuit Court								
ABR025A0006	Provide funds for eight new judges (1 circuit and 7 family) authorized by the 2005 General Assembly.								
General Fund				3,066,200	3,066,200		4,321,400	4,321,400	
Project Total				3,066,200	3,066,200		4,321,400	4,321,400	
4 N/A	Court Operations and Administration - AOC								
ABR025A0012	Provide funding to maintain mileage reimbursement rate increase from \$.35 to \$.43. HOUSE: The House did not provide funds for an increase in the mileage reimbursement.								
General Fund				668,300		(668,300)	668,300		(668,300)
Project Total				668,300		(668,300)	668,300		(668,300)
5 RFF	Court Operations and Administration - AOC								
ABR025A0002	Provide funding for five adult and five juvenile drug courts that will lose federal funds. HOUSE: The House provides a lower level of funding for five adult and five juvenile drug courts that are losing federal funds.								
General Fund				1,448,200	1,300,000	(148,200)	1,918,600	1,725,000	(193,600)
Project Total				1,448,200	1,300,000	(148,200)	1,918,600	1,725,000	(193,600)
6 RRF	Court Operations and Administration - AOC								
ABR025A0003	Provide funds for seven regional and two county adult drug courts and one juvenile drug court that are currently funded with Restricted Funds. HOUSE: The House did not provide General Fund to replace restricted funds.								
General Fund				2,309,100		(2,309,100)	2,368,400		(2,368,400)
Restricted Funds					2,300,000	2,300,000		2,300,000	2,300,000
Project Total				2,309,100	2,300,000	(9,100)	2,368,400	2,300,000	(68,400)
7 EXPAN	Court Operations and Administration - AOC								
ABR025A0004	Provide funds to allow eight drug courts to expand the current level of services provided. HOUSE: The House provides \$980,000 in fiscal year 2007-2008 for expanded services.								
General Fund				1,191,600		(1,191,600)	1,173,600	980,000	(193,600)
Project Total				1,191,600		(1,191,600)	1,173,600	980,000	(193,600)

X - Judicial Branch**Operating Budget****Court Operations & Administration**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
8 NEW	Court Operations and Administration - AOC								
ABR025A0005	Provide funds for 20 new drug courts serving 42 counties. This will make the drug court program statewide. HOUSE: The House provides \$4,770,000 in fiscal year 2007-2008 for new drug courts.								
General Fund				5,484,900		(5,484,900)	5,363,200	4,770,000	(593,200)
Project Total				5,484,900		(5,484,900)	5,363,200	4,770,000	(593,200)
9 NEW	Court Operations and Administration - Circuit Clerks								
ABR025A0014	Provide funds to increase entry salary rate from \$16,800 to \$18,100 and provide salary adjustments for all Deputy Clerks making less than \$40,000.								
General Fund				1,213,900	1,213,900		1,274,500	1,274,500	
Project Total				1,213,900	1,213,900		1,274,500	1,274,500	
10 NEW	Court Operations and Administration - Circuit Court								
ABR025A0007	Provide funds for nine new judgeships. One for circuit court and eight for family courts. HOUSE: The House provides funds for six new judgeships, one circuit court and five family courts.								
General Fund				3,031,200	2,010,800	(1,020,400)	4,542,700	2,975,400	(1,567,300)
Project Total				3,031,200	2,010,800	(1,020,400)	4,542,700	2,975,400	(1,567,300)
11 NEW	Court Operations and Administration - District Court								
ABR025A0013	Provide funds for an additional district judge to serve Clark and Madison Counties (25th District).								
General Fund				209,700	209,700		296,900	296,400	(500)
Project Total				209,700	209,700		296,900	296,400	(500)
12 NEW	Court Operations and Administration - AOC								
ABR025A0008	Provide funds to make seven part time security officers full time and establish a Disaster Recovery Datacenter. HOUSE: The House provided funding to convert seven part time security officers to full time.								
General Fund				2,322,900	386,600	(1,936,300)	772,700	437,700	(335,000)
Project Total				2,322,900	386,600	(1,936,300)	772,700	437,700	(335,000)
13 NEW	Court Operations and Administration - AOC								
ABR025A0009	Provide funds for 11 full time and one part time positions for Juvenile Services and 10 full time positions for Pretrial Services. HOUSE: The House did not provide funds for new positions.								
General Fund				1,246,900		(1,246,900)	1,203,600		(1,203,600)
Project Total				1,246,900		(1,246,900)	1,203,600		(1,203,600)
14 NEW	Court Operations and Administration - AOC								
ABR025A0011	Provide funds for civic education programs in 10 schools across the state. Provide resources for teachers. HOUSE: The House did not provide funds for Civic Education.								
General Fund				510,000		(510,000)			
Project Total				510,000		(510,000)			

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

X - Judicial Branch**Operating Budget****Court Operations & Administration**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
15 CONT Add District Judgeship - Warren County									
ABR025A0015 Authorize a new judge in Warren County									
General Fund					182,300	182,300		250,600	250,600
Project Total					182,300	182,300		250,600	250,600
TOTAL ADDITIONAL				37,707,800	17,964,900	(19,742,900)	49,333,300	32,087,600	(17,245,700)

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:27 PM

Court Operations and Administration

BRANCH BUDGET

The Judicial Branch Budget Bill continues services and statutory programs 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, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the circuit clerks' offices. The recommendation includes funding to provide a five percent salary increment to all employees, a retirement contribution of 7.3% in fiscal year 2006-2007 and 8.1% in fiscal year 2007-2008, and increases in health insurance rates, as required by the health insurance plan.

The Judicial Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Salary Adjustments: Funds are included to provide a five percent salary adjustment in fiscal years 2006-2007 and 2007-2008 for nonelected court personnel. Included are funds to provide for a five percent salary adjustment in fiscal years 2006-2007 and 2007-2008 for the justices and judges. Also included are funds for the salaries of the circuit clerks in fiscal years 2006-2007 and 2007-2008 as provided for in the Judicial Branch Budget Recommendation."

"Circuit Court Judgeships: Included in the above General Fund appropriation is \$3,066,200 in fiscal year 2006-2007 and \$4,321,400 in fiscal year 2007-2008 to support eight Circuit Court judgeships authorized by the 2005 General Assembly. Included in the above General Fund appropriation is \$2,671,200 in fiscal year 2006-2007 and \$3,986,000 in fiscal year 2007-2008 for an additional Circuit Court judgeship in the Fifty-fourth Judicial Circuit and additional Family Court judgeships in the Fourth Judicial Circuit, the Ninth Judicial Circuit, the Fourteenth Judicial Circuit, the Thirty-ninth Judicial Circuit, the Forty-ninth Judicial Circuit, and the Fifty-seventh Judicial Circuit. The General Fund appropriation also creates new circuits with Family Court divisions in the Fifty-eighth Judicial Circuit and the fifty-ninth Judicial Circuit.

"District Court Judgeship: Included in the above General Fund appropriation is \$209,700 in fiscal year 2006-2007 and \$296,900 in fiscal year 2007-2008 for an additional District Court judgeship in the Twenty-fifth Judicial District."

"Mileage Reimbursement: Included in the above General Fund appropriation is \$668,300 in fiscal year 2006-2007 and \$668,300 in fiscal year 2007-2008 to support increases in the mileage reimbursement rate."

"Drug Court Sites: Included in the above General Fund appropriation is \$1,448,200 in fiscal year 2006-2007 and \$1,918,600 in fiscal year 2007-2008 to replace Federal Funds for existing Drug Court sites whose funding expires during the 2006-2008 fiscal biennium.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:27 PM

Court Operations and Administration

Included in the above General Fund appropriation is \$2,309,100 in fiscal year 2006-2007 and \$2,368,400 in fiscal year 2007-2008 to replace Restricted Funds for existing Drug Court sites whose funding is expected to expire during the 2006-2008 fiscal biennium. The above General Fund appropriation includes \$1,191,600 in fiscal year 2006-2007 and \$1,173,600 in fiscal year 2007-2008 to expand eight existing Drug Court sites. Also included in the above General Fund appropriation is \$5,484,900 in fiscal year 2006-2007 and \$5,363,200 in fiscal year 2007-2008 for 20 new Drug Court sites."

"Deputy Clerk Salary Improvement: Included in the above General Fund appropriation is \$1,213,900 in fiscal year 2006-2007 and \$1,274,500 in fiscal year 2007-2008 to support a deputy clerk salary enhancement initiative in the circuit clerks' offices. These amounts include an increase in the minimum entry level and a minimum across-the-board increase for those deputy clerks whose salaries are less than \$40,000."

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

HOUSE REPORT

The House concurs with the Branch with the following changes.

The House reduces General Fund support totaling \$22,042,900 in fiscal year 2006-2007 and totaling \$19,545,700 in fiscal year 2007-2008 for Court Operations and Administration.

The House increases the Restricted Funds support totaling \$2,300,000 in each fiscal year for the operation of drug courts.

The House amends the Judicial Branch Budget Bill, Part I, Operating Budget, to include the following language provisions.

"Salary Adjustments: Funds are included to provide a salary adjustment in fiscal years 2006-2007 and 2007-2008 for nonelected court personnel. Included are funds to provide for a salary adjustment in fiscal years 2006-2007 and 2007-2008 for the justices and judges. Also included are funds for the salaries of the circuit clerks in fiscal years 2006-2007 and 2007-2008.

Notwithstanding KRS 18A.355(1), in fiscal year 2006-2007 and in fiscal year 2007-2008 a salary adjustment amounting to an annualized value on the base salary or wages of each eligible full-time and part-time employee on their anniversary date is provided.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:27 PM

Court Operations and Administration

The amount of the salary adjustment is determined by each eligible employee's annual base salary or wages on their anniversary date, and the following table reflects the annualized values of the salary adjustment for fiscal year 2006-2007 and fiscal year 2007-2008.

Annual Base Salary or Wages	2006-07	2007-08
\$0 to \$30,000.00	\$1,350	\$1,350
\$30,000.01 to \$50,000.00	\$1,200	\$1,200
\$50,000.01 to \$60,000.00	\$1,000	\$1,000
\$60,000.01 to \$80,000.00	\$600	\$600
\$80,000.01 and above	\$400	\$400

Commencing with an eligible employee's anniversary date, the salary adjustment shall be added to the eligible employee's base salary or wages and shall be disbursed by payroll period in a one-twenty-fourth installment for the duration of the employment. The Chief Justice of the Supreme Court shall determine the pro rata amount of the salary adjustment to be provided to part-time employees. The salary adjustment shall be a part of the salary or wage base of the employee."

"Circuit Court Judgeships: Included in the above General Fund appropriation is \$3,066,200 in fiscal year 2006-2007 and \$4,321,400 in fiscal year 2007-2008 to support eight Circuit Court judgeships authorized by the 2005 General Assembly. Included in the above General Fund appropriation is \$2,010,800 in fiscal year 2006-2007 and \$2,975,400 in fiscal year 2007-2008 for an additional Circuit Court judgeship in the Fifty-fourth Judicial Circuit and additional Family Court judgeships in the Fourth Judicial Circuit, the Ninth Judicial Circuit, the Thirty-ninth Judicial Circuit, the Forty-ninth Judicial Circuit, and the Fifty-seventh Judicial Circuit."

"District Court Judgeships: Included in the above General Fund appropriation is \$209,700 in fiscal year 2006-2007 and \$296,900 in fiscal year 2007-2008 for an additional District Court judgeship in the Twenty-fifth Judicial District. Also included in the above General Fund appropriation is \$182,300 in fiscal year 2006-2007 and \$250,600 in fiscal year 2007-2008 for an additional District Court judgeship in the Eighth Judicial District."

"Election of New Judges: The new judgeships created by this Act shall become effective January 1, 2007, and an election to fill each new judgeship shall be placed on the ballot for the general election held in November, 2006. Notwithstanding KRS 118A.060(2), a candidate for a judgeship created by this Act may file a petition for nomination during the time period beginning on the effective date of this Act and ending at 4 p.m. local time at the place of filing on August 8, 2006. Notwithstanding KRS Chapter 118A, all candidates for a judgeship created by this Act who file a valid petition for nomination shall be placed on the ballot."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:27 PM

Court Operations and Administration

"Drug Court Sites: Included in the above General Fund appropriation is \$1,300,000 in fiscal year 2006-2007 and \$1,725,000 in fiscal year 2007-2008 to replace Federal Funds for existing Drug Court sites whose funding expires during the 2006-2008 fiscal biennium. The above General Fund appropriation includes \$980,000 in fiscal year 2007-2008 to expand eight existing Drug Court sites. Also included in the above General Fund appropriation is \$4,770,000 in fiscal year 2007-2008 for 20 new Drug Court sites."

The House deletes Part I language provision relating to mileage reimbursement.

X - Judicial Branch

Operating Budget

Local Facilities Fund

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	60,083,700	60,083,700		62,889,500	60,798,700	(2,090,800)	87,655,300	83,380,800	(4,274,500)
Regular Total Funds	60,083,700	60,083,700		62,889,500	60,798,700	(2,090,800)	87,655,300	83,380,800	(4,274,500)
Use of Continuing	2,038,800	2,038,800			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL FUNDS	62,122,500	62,122,500		62,889,500	62,858,700	(30,800)	87,655,300	87,288,500	(366,800)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,667,200	1,667,200		1,672,600	1,372,600	(300,000)	1,760,000	1,410,000	(350,000)
Operating Expenses	59,663,400	59,663,400		60,907,500	61,176,700	269,200	81,976,300	81,959,500	(16,800)
Capital Outlay	791,900	791,900		309,400	309,400		3,919,000	3,919,000	
TOTAL EXPENDITURES	62,122,500	62,122,500		62,889,500	62,858,700	(30,800)	87,655,300	87,288,500	(366,800)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	60,083,700	60,083,700		62,058,700	59,998,700	(2,060,000)	85,420,600	81,512,900	(3,907,700)
Regular Total Funds	60,083,700	60,083,700		62,058,700	59,998,700	(2,060,000)	85,420,600	81,512,900	(3,907,700)
Use of Continuing	2,038,800	2,038,800			2,060,000	2,060,000		3,907,700	3,907,700
TOTAL BASE LEVEL	62,122,500	62,122,500		62,058,700	62,058,700		85,420,600	85,420,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				830,800	800,000	(30,800)	2,234,700	1,867,900	(366,800)
TOTAL ADDITIONAL				830,800	800,000	(30,800)	2,234,700	1,867,900	(366,800)
V. ADDITIONAL BUDGET ITEMS									
1 DC	Defined Calculation								
ABR025BDC000	Provide funds for 5% salary increments, retirement, and health insurance for 21 full time employees, and 3.1% increase in operating allowance paid to counties. HOUSE: The House provided appropriate funding for salary increases, retirement, and health in								
General Fund				539,800	500,000	(39,800)	1,106,800	1,033,000	(73,800)
Project Total				539,800	500,000	(39,800)	1,106,800	1,033,000	(73,800)
2 GB	Local Facilities Fund								
ABR025B0003	Provide funds to fill two positions that were vacant August 1, 2005. HOUSE: The House did not provide funds for vacant positions.								
General Fund				99,200		(99,200)	105,600		(105,600)
Project Total				99,200		(99,200)	105,600		(105,600)

X - Judicial Branch**Operating Budget****Local Facilities Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
3 EXPAN Local Facilities Fund									
ABR025B0001 Provide authorization for the construction of 17 new judicial centers. General Fund									
Project Total									
4 NEW Local Facilities Fund									
ABR025B0002 Provide funds for three new facilities officers. HOUSE: The House did not fund new facilities manager positions. General Fund				191,800		(191,800)	187,400		(187,400)
Project Total				191,800		(191,800)	187,400		(187,400)
5 CONT Local Facilities Fund									
ABR025B0006 Increase scope of Pendleton County Courthouse. Provide additional operating, use allowance, and non-recurring furniture and equipment costs. General Fund							834,900	834,900	
Project Total							834,900	834,900	
7 CONT Fayette County Courthouses									
ABR025B0008 Fayette County Courthouse General Fund					300,000	300,000			
Project Total					300,000	300,000			
TOTAL ADDITIONAL				830,800	800,000	(30,800)	2,234,700	1,867,900	(366,800)

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Local Facilities Fund

BRANCH BUDGET

The Judicial Branch Budget Bill continues services and statutory programs 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, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the circuit clerk's offices. The recommendation includes funding to provide a five percent salary increment to all employees, a retirement contribution of 7.3% in fiscal year 2006-2007 and 8.1% in fiscal year 2007-2008, and increases in health insurance rates, as required by the health care plan.

The Judicial Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"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."

"Funds Carry Forward: Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2005-2006 shall not lapse and shall continue into fiscal year 2006-2007, and any unexpended balance remaining at the close of fiscal year 2006-2007 shall not lapse and shall be continued into fiscal year 2007-2008."

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

"Local Facility Project Increase: Included in the above General Fund appropriation is \$834,900 in fiscal year 2007-2008 to support additional operating, use allowance, and nonrecurring furniture and equipment costs for the Pendleton County facility project as authorized in Part II of this Act."

Included in the General Fund support for the Local Facilities Fund is \$21,514,200 in fiscal year 2007-2008 for fifteen court projects and three pool court projects that were authorized in the 2005 Session of the General Assembly. Funding levels for use allowance payments are based on occupancy date and include the amount required for the operating and use allowance payments as well as non-recurring expenditures for furniture and equipment. Use allowance is based on a county debt service interest rate of 6.25% and a county bond term of 20 years.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Local Facilities Fund

The Judicial Branch Budget Bill, Part II, Capital Projects includes the following language provisions:

"Authorized Local Facilities Projects and Deferred Use Allowance

			Maximum Annualized	
Rank	Project	Project Scope	Use Allowance	Total Funds
001.	Campbell	29,284,000	2,621,000	4,886,000
002.	Wolfe	11,395,000	1,020,000	1,772,000
003.	Todd	9,537,000	854,000	1,469,000
004.	Garrard	11,598,000	1,038,000	1,793,000
005.	Franklin	29,114,000	2,606,000	4,701,000
006.	Hancock	11,715,000	1,049,000	1,793,000
007.	Mercer	11,963,000	1,071,000	1,929,000
008.	Russell	11,720,000	1,049,000	1,813,000
009.	Hopkins	20,492,000	1,834,000	3,305,000
010.	Owen	11,471,000	1,027,000	1,791,000
011.	Breckinridge	11,481,000	1,027,600	1,756,000
012.	Fleming	11,536,000	1,033,000	1,778,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Local Facilities Fund

"Fayette County Courthouses: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 for improvements to the 14 client interview areas in the Fayette County Courthouses."

"Deferred Funding: General Fund support to provide operating support totaling \$4,927,300, annualized use allowance payments totaling \$23,692,600, and non-recurring furniture and equipment costs totaling \$15,560,000, less offsetting payments made for existing facilities totaling \$2,279,600, for the above local facilities projects is deferred to the 2008-2010 fiscal biennium pending action of the 2008 General Assembly."

X - Judicial Branch**Capital Budget****Local Facilities Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

Other Funds

TOTAL CAPITAL**II. CAPITAL PROJECTS****1 Construct Judicial Center in Campbell County - Project Scope \$29,284,000**

PRJ025B1325

Other Funds

Project Total**2 Construct Judicial Center in Wolfe County - Project Scope \$11,395,000**

PRJ025B1324

Other Funds

Project Total**3 Construct Judicial Center in Todd County - Project Scope \$9,537,000**

PRJ025B1331

Other Funds

Project Total**4 Construct Judicial Center in Garrard County - Project Scope \$11,598,000**

PRJ025B1328

Other Funds

Project Total**5 Construct Judicial Center in Franklin County - Project Scope \$29,114,000**

PRJ025B1327

Other Funds

Project Total**6 Construct Judicial Center in Hancock County - Project Scope \$11,715,000**

PRJ025B1329

Other Funds

Project Total

X - Judicial Branch**Capital Budget****Local Facilities Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
7	Construct Judicial Center in Mercer County - Project Scope \$11,963,000								
PRJ025B1330									
Other Funds									
Project Total									
8	Construct Judicial Center in Russell County - Project Scope \$11,720,000								
PRJ025B1336									
Other Funds									
Project Total									
9	Construct Judicial Center in Hopkins County - Project Scope \$20,492,000								
PRJ025B2580									
Other Funds									
Project Total									
10	Construct Judicial Center in Owen County - Project Scope \$11,471,000								
PRJ025B1333									
Other Funds									
Project Total									
11	Construct Judicial Center in Breckinridge County - Project Scope \$11,481,000								
PRJ025B1332									
Other Funds									
Project Total									
12	Construct Judicial Center in Fleming County - Project Scope \$11,536,000								
PRJ025B1326									
Other Funds									
Project Total									
13	Construct Judicial Center in Whitley County- Project Scope \$18,901,000								
PRJ025B1334									
Other Funds									
Project Total									
14	Construct Judicial Center in Monroe County - Project Scope \$11,207,000								
PRJ025B1323									
Other Funds									
Project Total									

X - Judicial Branch**Capital Budget****Local Facilities Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
15	Construct Judicial Center in Rowan County - Project Scope \$13,044,000								
PRJ025B2581									
Other Funds									
Project Total									
16	Construct Judicial Center in Pike County - Project Scope \$28,413,000								
PRJ025B1335									
Other Funds									
Project Total									
17	Lease - Admin. Office of the Courts/Central Office								
PRJ025B2582									
General Fund									
Project Total									
18	Lease - Court of Appeals/Central Office								
PRJ025B2584									
General Fund									
Project Total									
20	Lease - Jefferson County Courts Parking								
PRJ025B2583									
General Fund									
Project Total									
21	Construct Judicial Center in Pendleton County - Scope Increase \$6,010,100								
PRJ025B2586									
Other Funds									
Project Total									
TOTAL CAPITAL									

THIS PAGE INTENTIONALLY LEFT BLANK

X - Judicial Branch**Operating Budget****Use Allowance Contingency Fund**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference

I. APPROPRIATIONS SUMMARY BY FUND SOURCE

General Fund

Regular Total Funds

Use of Continuing	89,100	89,100
TOTAL FUNDS	89,100	89,100

II. EXPENDITURE CATEGORY

Operating Expenses	89,100	89,100
TOTAL EXPENDITURES	89,100	89,100

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund

Regular Total Funds

Use of Continuing	89,100	89,100
TOTAL BASE LEVEL	89,100	89,100

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Local Facilities Use Allowance Contingency Fund

BRANCH BUDGET

The Judicial Branch Budget Bill continues services and statutory programs 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, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the circuit clerks' offices.

The Judicial Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Funds Carry Forward: Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2005-2006 shall not lapse and shall continue into fiscal year 2006-2007, and any unexpended balance remaining at the close of fiscal year 2006-2007 shall not lapse and shall be continued into fiscal year 2007-2008 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."

The Judicial Branch Budget Bill, Part II, Capital Budget includes the following provision:

"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 use allowance payments shall be deemed a necessary governmental expense (General Fund Surplus Account, KRS 48.700)."

HOUSE REPORT

The House concurs with the Branch.

X - Judicial Branch**Operating Budget****Judicial Form Retirement System**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,303,300	2,303,300		3,247,500	3,247,500		3,255,200	3,255,200	
Regular Total Funds	2,303,300	2,303,300		3,247,500	3,247,500		3,255,200	3,255,200	
Use of Continuing									
TOTAL FUNDS	2,303,300	2,303,300		3,247,500	3,247,500		3,255,200	3,255,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	390,800	390,800		412,300	412,300		420,000	420,000	
Operating Expenses	1,912,500	1,912,500		2,835,200	2,835,200		2,835,200	2,835,200	
TOTAL EXPENDITURES	2,303,300	2,303,300		3,247,500	3,247,500		3,255,200	3,255,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,303,300	2,303,300		2,303,300	2,303,300		2,303,300	2,303,300	
Regular Total Funds	2,303,300	2,303,300		2,303,300	2,303,300		2,303,300	2,303,300	
Use of Continuing									
TOTAL BASE LEVEL	2,303,300	2,303,300		2,303,300	2,303,300		2,303,300	2,303,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				944,200	944,200		951,900	951,900	
TOTAL ADDITIONAL				944,200	944,200		951,900	951,900	
V. ADDITIONAL BUDGET ITEMS									
1 DC	Defined Calculation								
ABR020DC0001	Provide funds for a 5% salary increment and increase in benefits cost for the Executive Director, and increase the state contribution to the retirement system.								
General Fund				944,200	944,200		951,900	951,900	
Project Total				944,200	944,200		951,900	951,900	
TOTAL ADDITIONAL				944,200	944,200		951,900	951,900	

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/08/06 4:28 PM

Judicial Form Retirement System

BRANCH BUDGET

The Judicial Branch Budget Bill continues services and statutory programs 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, Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the circuit clerk's offices. The recommendation includes funding to provide a five percent salary increment to all employees, a retirement contribution based on the actuarial cost, and increases in health insurance rates, as required by the health care plan.

The Judicial Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Judicial Retirement Benefits: General Fund amounts are included to provide actuarial assessed judicial retirement benefits, pursuant to KRS 21.345 to 21.580."

HOUSE REPORT

The House concurs with the Branch.