



Judicial Branch Budget

2026-2028 Biennium

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Introduction

The Judicial Article of the Kentucky Constitution became effective in 1976 and established the Judicial Branch of the Commonwealth of Kentucky as an independent branch of government, separate from the Executive and Legislative branches and from county and city governments. The Judicial Article created Kentucky's unified court system and designated the Chief Justice as the administrative head of the state court system, known as the Kentucky Court of Justice. Debra Hembree Lambert has served as Chief Justice of the Commonwealth since 2025.

The Judicial Branch Budget for the 2026-2028 biennium is the financial plan for the Kentucky Judicial Branch as enacted by the 2026 Regular Session of the General Assembly. As required by 2026 HB 504, it is published by the Judicial Branch Budget Director on behalf of the Director of the Administrative Office of the Courts.

JUDICIAL BRANCH Summary

	<u>Budgeted</u> <u>FY 2026</u>	<u>Enacted</u> <u>FY 2027</u>	<u>Enacted</u> <u>FY 2028</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	466,739,100	480,743,300	497,676,900
Continuing Appropriation	7,567,400		
Total General Fund	<u>474,306,500</u>	<u>480,743,300</u>	<u>497,676,900</u>
Restricted Funds			
Balance Forward	43,247,500	30,966,200	19,784,400
Current Receipts	24,208,800	24,149,600	24,149,600
Non-Revenue Receipts	22,882,000	22,820,100	22,901,400
Total Restricted Funds	<u>90,338,300</u>	<u>77,935,900</u>	<u>66,835,400</u>
Federal Funds			
Current Receipts	2,028,600	1,546,600	1,391,000
Total Federal Funds	<u>2,028,600</u>	<u>1,546,600</u>	<u>1,391,000</u>
TOTAL SOURCE OF FUNDS	566,673,400	560,225,800	565,903,300
EXPENDITURES BY CLASS			
Personnel Costs	349,601,100	360,235,500	364,465,800
Operating Expenses	193,576,500	184,485,900	189,388,100
Capital Outlay	300,000	4,100,000	4,100,000
Debt Service	1,140,000	-	-
TOTAL EXPENDITURES	<u>544,617,600</u>	<u>548,821,400</u>	<u>557,953,900</u>
EXPENDITURES BY FUND SOURCE			
General Fund	474,306,500	480,743,300	497,676,900
Restricted Funds	68,282,500	66,531,500	58,886,000
Federal Funds	2,028,600	1,546,600	1,391,000
TOTAL EXPENDITURES	<u>544,617,600</u>	<u>548,821,400</u>	<u>557,953,900</u>

COURT OF JUSTICE Summary

	<u>Budgeted FY 2026</u>	<u>Enacted FY 2027</u>	<u>Enacted FY 2028</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	466,036,100	480,743,300	497,676,900
Continuing Appropriation	7,567,400		
Total General Fund	<u>473,603,500</u>	<u>480,743,300</u>	<u>497,676,900</u>
Restricted Funds			
Balance Forward	43,247,500	30,966,200	19,784,400
Current Receipts	24,208,800	24,149,600	24,149,600
Non-Revenue Receipts	22,243,700	22,174,600	22,249,100
Total Restricted Funds	<u>89,700,000</u>	<u>77,290,400</u>	<u>66,183,100</u>
Federal Funds			
Current Receipts	2,028,600	1,546,600	1,391,000
Total Federal Funds	<u>2,028,600</u>	<u>1,546,600</u>	<u>1,391,000</u>
TOTAL SOURCE OF FUNDS	565,332,100	559,580,300	565,251,000
EXPENDITURES BY CLASS			
Personnel Costs	349,103,100	359,590,000	363,813,500
Operating Expenses	192,733,200	184,485,900	189,388,100
Capital Outlay	300,000	4,100,000	4,100,000
Debt Service	1,140,000	-	-
TOTAL EXPENDITURES	<u>543,276,300</u>	<u>548,175,900</u>	<u>557,301,600</u>
EXPENDITURES BY FUND SOURCE			
General Fund	473,603,500	480,743,300	497,676,900
Restricted Funds	67,644,200	65,886,000	58,233,700
Federal Funds	2,028,600	1,546,600	1,391,000
TOTAL EXPENDITURES	<u>543,276,300</u>	<u>548,175,900</u>	<u>557,301,600</u>

**COURT OF JUSTICE
COURT OPERATIONS AND ADMINISTRATION**

	Budgeted <u>FY 2026</u>	Enacted <u>FY 2027</u>	Enacted <u>FY 2028</u>
SOURCE OF FUNDS			
General Fund			
Regular Appropriation	327,717,500	344,440,300	348,471,700
Continuing Appropriation	329,100	-	-
Total General Fund	<u>328,046,600</u>	<u>344,440,300</u>	<u>348,471,700</u>
Restricted Funds			
Balance Forward	43,247,500	30,966,200	19,784,400
Current Receipts	24,208,800	24,149,600	24,149,600
Non-Revenue Receipts	22,243,700	22,174,600	22,249,100
Total Restricted Funds	<u>89,700,000</u>	<u>77,290,400</u>	<u>66,183,100</u>
Federal Funds			
Current Receipts	2,028,600	1,546,600	1,391,000
Total Federal Funds	<u>2,028,600</u>	<u>1,546,600</u>	<u>1,391,000</u>
TOTAL SOURCE OF FUNDS	419,775,200	423,277,300	416,045,800
EXPENDITURES BY CLASS			
Personnel Costs	348,103,100	358,590,000	362,813,500
Operating Expenses	40,405,900	40,802,900	40,802,900
Capital Outlay	300,000	4,100,000	4,100,000
TOTAL EXPENDITURES	<u>388,809,000</u>	<u>403,492,900</u>	<u>407,716,400</u>
EXPENDITURES BY FUND SOURCE			
General Fund	328,046,600	344,440,300	348,471,700
Restricted Funds	58,733,800	57,506,000	57,853,700
Federal Funds	2,028,600	1,546,600	1,391,000
TOTAL EXPENDITURES	<u>388,809,000</u>	<u>403,492,900</u>	<u>407,716,400</u>

Appropriations provided for the Court Operations and Administration unit support all programs of the Judicial Branch except use allowance, operating costs, security equipment, and nonrecurring repair or maintenance projects for local court facilities, rent for additional office space needed statewide, and judicial retirement costs.

The Kentucky Court of Justice is a four-tiered system of adjudication including a Supreme Court, Court of Appeals, Circuit Court, and District Court.

- The Supreme Court of Kentucky is the highest appellate court in the Commonwealth of Kentucky and the final interpreter of the law. It consists of seven justices who are elected from the seven appellate districts and serve eight-year terms. The Chief Justice of the Commonwealth of Kentucky is chosen by his or her colleagues and serves a term of four years. The Supreme Court is also responsible for establishing rules of practice and procedures for the Court of Justice, which includes the conduct of judges and attorneys.
- The Court of Appeals is Kentucky's intermediate appellate court and handles various appeals of court orders. If a case is tried in District or Circuit court, and the losing parties involved are not satisfied with the outcome, in many cases they may ask for the Court of Appeals to review the correctness of the trial court's decision. The Court of Appeals has 14 elected judges, two from each of the seven appellate districts. The Court of Appeals is divided into panels of at least three judges, which conduct hearings regularly throughout the state.
- Circuit Court is Kentucky's highest trial court and has general jurisdiction in civil matters involving more than \$5,000, capital offenses and felonies, land dispute title cases, contested probate cases and appeals from district court and administrative agencies. The Circuit Court has 57 judicial circuits and 158 judges. In 2002, a constitutional amendment was approved formally sanctioning the creation of Family Courts as a division of Circuit Court devoted exclusively to cases involving families and children. Family Court provides one judge to hear all of a family's issues relating to divorce, child custody, adoption, termination of parental rights, domestic violence, child abuse and neglect. Family Courts are currently impacting 75 of Kentucky's 120 counties. Circuit Court is held in every county.
- District Court handles juvenile matters, city and county ordinances, misdemeanors, violations, traffic offenses, probate of wills, arraignments, felony probable cause hearings, small claims involving \$2,500 or less, civil cases involving \$5,000 or less, voluntary and involuntary mental commitments and cases relating to domestic violence and abuse. The District Court consists of 114 judges from 59 judicial districts and their staff. District Court is held in every county.
- Circuit Court Clerks are responsible for managing the records of Circuit and District courts. One circuit court clerk is elected in each Kentucky county for a six-year term. Circuit court clerks are state officers whose duties are coextensive with the Commonwealth, and who are subject to the administrative control of the Chief Justice. As state officers, circuit court clerks receive and disburse money on behalf of the Commonwealth. The clerks and their

staff have as their primary goal the fulfillment of these objectives: maintain custody, control and safe storage of court records; increase the availability of statistical information and the ability to retrieve information; increase the orderly disposition of court matters; maintain uniform revenue accounting procedures; increase the clerk's responsiveness to the needs of the court and general public; provide assistance with jury management and general administration of the court; and ensure the prompt transmittal of records on appeal to the proper appellate court.

- Boards and Commissions of the Judicial Branch include the Circuit Court Clerk Conduct Commission, the Judicial Conduct Commission, the Judicial Ethics Committee, the Judicial Nominating Commission, the Office of Bar Admissions, the Kentucky Access to Justice Commission, and the Kentucky Judicial Commission on Mental Health.
 - The Circuit Court Clerk Conduct Commission created by the Rules of Administrative Procedure of the Court of Justice (AP) Part XVI, *Circuit Court Clerks Conduct Commission*, investigates and reviews complaints against circuit court clerks and, when warranted, conducts hearings regarding the alleged misconduct where evidence is presented and takes disciplinary action.
 - The Judicial Conduct Commission investigates and reviews complaints against judges and, when warranted, conducts hearings regarding the alleged misconduct and takes disciplinary action. (Ky. Const. § 121; SCR 4.000, et. seq.)
 - The Judicial Ethics Committee, established by SCR 4.310, issues opinions and guidance to judges concerning the propriety of certain acts or conduct and the construction or application of judicial canons of ethics upon request.
 - The Judicial Nominating Commission helps fill judicial vacancies by appointment when a vacancy occurs outside of the election cycle. It is established by the Kentucky Constitution (Ky. Const. § 118; SCR 6.000, et. seq.)
 - The Kentucky Office of Bar Admissions was created by SCR 2.00 to administer the bar examination and determine the eligibility of all candidates seeking admission to the practice of law in the Commonwealth. The Office includes the Board of Bar Examiners and the Character and Fitness Committee, whose members are practicing attorneys appointed by the Supreme Court, and the staff of the OBA who carry out the work of the Board and Committee.
 - The Kentucky Access to Justice Commission was created by Supreme Court Order 2018-09 to increase access to the courts and high-quality legal representation for people of low and moderate income in Kentucky through innovative partnerships with the civil legal aid programs, the judiciary and court personnel, the Kentucky Bar

Association, the private bar and non-lawyer professionals, law schools, and business and community-based organizations.

- The Kentucky Judicial Commission on Mental Health was created by Supreme Court Order 2022-42 to develop, implement, and coordinate initiatives designed to improve the courts' interaction with and the administration of justice for individuals with mental illness, substance use disorders, and intellectual disabilities.
- The Administrative Office of the Courts (AOC) serves as staff of the Chief Justice in accordance with Kentucky Constitution, Section 110(5)(b), KRS 27A.020 and applicable court rules and orders. The AOC is the operational arm of the Judicial Branch and acts as the fiscal agent for the Judicial Branch. The AOC supports court facilities and programs in all 120 counties in Kentucky, with its main campus in Frankfort, Kentucky. The AOC carries out duties that are mandated by the Kentucky Constitution or required by statute, including administering the Judicial Branch budget; building and maintaining court facilities; developing, implementing, supporting, and maintaining technology applications and technical equipment; maintaining court statistics through a statewide case management database; administering personnel policies and payroll for court personnel; providing centralized procurement and accounting services for the Judicial Branch; providing educational programs for judges, circuit court clerks and support staff; and providing language access services for Kentucky courts. The AOC also operates statewide programs including Pretrial Services, Specialty Courts, Court Designated Workers, and Citizens Foster Care Review Boards.

Policy:

Included in the General Fund appropriation is \$4,909,000 for fiscal year 2027 and \$9,867,000 for fiscal year 2028 to support a 2% salary increment each year for all elected officials and personnel. Restricted Funds in the amount of \$169,200 for fiscal year 2027 and \$340,200 for fiscal year 2028 and Federal Funds in the amount of \$21,600 for fiscal year 2027 and \$39,400 for fiscal year 2028 are also appropriated for this purpose.

The budget includes \$5,000,000 from the General Fund in each fiscal year to fund nine additional judgeships established in the 2022 Regular Session.

The budget includes \$7,561,000 from the General Fund in fiscal year 2027 and \$7,200,000 from the General Fund in fiscal year 2028 to support increases in information technology subscription fees, audio/video system upgrades, and contractor rate increases.

**COURT OF JUSTICE
LOCAL FACILITIES FUND**

	Budgeted <u>FY 2026</u>	Enacted <u>FY 2027</u>	Enacted <u>FY 2028</u>
SOURCE OF FUNDS:			
General Fund	138,318,600	136,303,000	149,205,200
Continuing Appropriation - GF	7,238,300	-	-
Restricted Funds	8,910,400	8,380,000	380,000
TOTAL FUNDS	154,467,300	144,683,000	149,585,200
EXPENDITURES BY CLASS:			
Personnel Costs	1,000,000	1,000,000	1,000,000
Operating Expenses	152,327,300	143,683,000	148,585,200
Debt Service	1,140,000	-	-
TOTAL EXPENDITURES	154,467,300	144,683,000	149,585,200
EXPENDITURES BY FUND SOURCE			
General Fund	145,556,900	136,303,000	149,205,200
Restricted Funds	8,910,400	8,380,000	380,000
TOTAL EXPENDITURES	154,467,300	144,683,000	149,585,200

Appropriations provided for the Local Facilities Fund unit support disbursements relating to: (1) use allowance and operating costs payments for judicial centers and courthouses statewide in accordance with KRS Chapter 26A; (2) repair, maintenance, and security projects for judicial centers and courthouses statewide; (3) real property leases; and (4) maintenance and operating costs for the AOC headquarters and Supreme Court/Court of Appeals building, both located in Frankfort.

"*Operating costs*" means compensation equivalent to the annual expenses borne by the unit of government for utilities, janitorial service, rent, insurance, and necessary maintenance, repair, and upkeep of the court facility which do not increase the permanent value or expected life of the court facility, but keeps it in efficient operating condition, and, at the election of the AOC, capital costs of interior or mechanical renovations for the benefit of the court. The AOC reimburses counties for the judicial branch's proportional share of operating costs based on the judicial branch's occupancy ratio of the facility.

Per KRS 26A.090, as modified by 2026 HB 504, "Use allowance" means:

- For court facility projects authorized by the 2000 General Assembly or after, use allowance is the judicial branch's proportional share of the annual principal and interest in connection with

the construction or renovation of the facility, not to exceed the maximum annual use allowance authorized by the General Assembly.

- *When there is no debt on a court facility authorized prior to the 2000 General Assembly, use allowance is the court's proportional share of 2% of capital construction costs, paid annually. An additional 2% of capital construction costs is retained by the AOC for maintenance of court facilities state-wide.*
- *When there is debt on a court facility authorized prior to the 2000 General Assembly, use allowance is the court's proportional share of the annual principal and interest cost in connection with the renovation or construction, but not to exceed 8% annually of capital costs.*

Policy:

Included in the Restricted Fund appropriation is \$8,910,400 in fiscal year 2026 to support costs for file restoration, remediation and repairs due to flooding in Franklin and Hardin counties.

The General Fund appropriation for fiscal year 2028 includes \$13,652,200 to support the use allowance for five judicial centers authorized by the 2024 General Assembly.

A General Fund appropriation of \$1,000,000 is included in fiscal years 2027 and 2028 to address operating cost increases for court facilities resulting from higher utility, janitorial, maintenance, and insurance rates.

The budget also includes Restricted Fund appropriations of \$8,380,000 for temporary space and fit-up costs in fiscal year 2027 and \$380,000 for temporary space costs in fiscal year 2028 for Boyle and Bell counties.

A General Fund appropriation of \$192,300 is included in fiscal year 2027 and 2028 to support use allowance for replacement of the roof and cupola on the Boyle County Courthouse.

A General Fund appropriation of \$2,806,100 is included in fiscal year 2027 to support use allowance and equipment costs for the Bell County Judicial Center, and \$2,056,100 is included in fiscal year 2028 to support use allowance.

**COURT OF JUSTICE
CAPITAL PROJECTS**

	Budgeted	Enacted	Enacted
	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
SOURCE OF FUNDS:			
General Fund			
TOTAL FUNDS	-	-	-
EXPENDITURES BY CLASS:			
Capital Projects			
TOTAL EXPENDITURES	-	-	-

Capital projects for court facilities are authorized by the General Assembly in the Judicial Branch budget bill and financed by bonds sold by a public properties corporation established by the local unit of government in accordance with KRS Chapter 58. The AOC oversees the design, financing and construction of court facilities in accordance with KRS 26A.160 and enters into a lease agreement with the local unit of government agreeing to apply use allowance payments to the debt service, subject to biennial appropriations from the General Assembly. The lease agreement serves as collateral for the bonds sold by the public properties corporation.

HB 504 (2026 Regular Session) authorizes two court facility projects:

1. Boyle County – Roof Replacement
The project scope is \$2,000,000.
The maximum annual use allowance is \$192,300.
2. Bell County – Renovation
The project scope is \$20,910,000.
The maximum annual use allowance is \$2,056,100.

**COURT OF JUSTICE
USE ALLOWANCE CONTINGENCY FUND**

	Budgeted <u>FY 2026</u>	Enacted <u>FY 2027</u>	Enacted <u>FY 2028</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 504, the Judicial Branch Appropriations Bill. There are no funds in this appropriation unit.

JUDICIAL FORM RETIREMENT SYSTEM

	Budgeted	Enacted	Enacted
	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
SOURCE OF FUNDS:			
General Fund	703,000	-	-
Restricted Funds	638,300	645,500	652,300
TOTAL FUNDS	1,341,300	645,500	652,300
 EXPENDITURES BY CLASS:			
Personnel Costs	498,000	645,500	652,300
Operating Expenses	843,300	-	-
TOTAL EXPENDITURES	1,341,300	645,500	652,300

The Judicial Form Retirement System is a separate appropriation unit. Appropriations to the Judicial Form Retirement System represent (1) annual contributions to the Judicial Retirement Plan pursuant to KRS 21.525, including normal cost contributions and actuarially accrued liability contributions, and (2) the Judicial Branch’s proportional share of administrative expenses of the Judicial Form Retirement System pursuant to KRS 21.540. The Judicial Retirement Plan funds and pays benefits to justices, judges, commissioners, and surviving spouses who participate in the plan.