

# JUDICIAL BRANCH

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 96,521,055	\$ 101,819,657	\$ 97,544,305	\$ 119,549,312	\$ 96,689,750	\$ 126,609,753	\$ 96,706,812
Other Funds	33,623,784	31,363,466	31,186,818	29,514,796	29,301,398	33,053,925	32,843,820
TOTAL	\$ 130,144,839	\$ 133,183,123	\$ 128,731,123	\$ 149,064,108	\$ 125,991,148	\$ 159,663,678	\$ 129,550,632
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 402,778	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 402,778	\$ 0	\$ 0	\$ 0
<b>GRAND TOTAL</b>	<b>\$ 130,144,839</b>	<b>\$ 133,183,123</b>	<b>\$ 128,731,123</b>	<b>\$ 149,466,886</b>	<b>\$ 125,991,148</b>	<b>\$ 159,663,678</b>	<b>\$ 129,550,632</b>
Percentage Change:							
Operating Expenditures							
State General Fund	(9.1) %	5.5 %	1.1 %	17.4 %	(0.9) %	5.9 %	0.0 %
All Funds	1.2	2.3	(1.1)	11.9	(2.1)	7.1	2.8
FTE Positions	1,859.3	1,862.3	1,862.3	1,894.3	1,894.3	1,899.3	1,899.3
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	1,859.3	1,862.3	1,862.3	1,894.3	1,894.3	1,899.3	1,899.3

## AGENCY OVERVIEW

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The *Kansas Constitution* vests the judicial power of the state in one court of justice which is divided into the Supreme Court, district courts, and other courts as provided by law. The Supreme Court has general administrative authority over all the courts in the state. The Judicial Branch's budget includes

funding for the Supreme Court, the Court of Appeals, personnel costs of the district courts and some funding for technology, and a number of judicial and professional review boards and commissions. Most non-salary costs of the district courts are funded by the counties.

### MAJOR ISSUES FROM PRIOR YEARS

Legislation enacted in 2001 expanded the Court of Appeals from 10 to 14 members by adding one judge each year from 2003 to 2006. Implementation of the 14<sup>th</sup> appeals court judge was repeatedly delayed. Legislation enacted in 2012 granted the Judicial Branch the authority to implement the final judge as long as the Legislature provides adequate funding.

The Judicial Branch is authorized to carry forward any State General Fund savings from one fiscal year to the next. The Judicial Branch also has no position limitation, allowing positions to be added within available resources.

Legislation enacted in 2003 provides that the budget of the Judicial Branch will be submitted to the Legislature and may not be revised by the Director of the Division of the Budget. The budget, as submitted, must be included in the Governor's Budget Report. The practice of the Governor is to include the Judicial Branch budget, as requested, and also to include the Judicial Branch's current service budget (excluding enhancements) in the existing resources budget.

The **2006 Legislature** passed SB 337 which increased the salary of judges on the Court of Appeals by \$2,000 per year.

The bill also increased the salary for district court judges and magistrate judges by \$9,000 per year.

The **2007 Legislature** approved salary increases of \$7,000 for judges of the Court of Appeals and \$9,000 for Supreme Court Justices, but these salaries were exempt from the 2.0 percent cost of living adjustment approved that year.

The **2008 Legislature** approved the addition of 9.0 FTE positions and funding to support the positions. The positions were for one judge in the 2nd Judicial District (Jackson, Jefferson, Pottawatomie and Wabaunsee counties) and two judges in the 18th Judicial District (Sedgwick County). The additional 6.0 FTE positions were for a court reporter and administrative assistant for each judge. In addition, the Legislature approved \$3.8 million from the Nonjudicial Salary Adjustment Fund which was established in 2008 HB 2968. This fund receives revenue from a \$9 increase in docket fees to fund the first year of the market pay plan for nonjudicial employees.

The **2009 Legislature** passed SB 66 which allowed the Kansas Supreme Court to establish a surcharge of up to \$10 per fee, for a series of fees, for costs for nonjudicial personnel. Funds are deposited in the state treasury and credited to the

Judicial Branch Surcharge Fund. In addition, the bill delayed implementation of the 14th Court of Appeals judge and staff until January 2011.

The **2010 Legislature** deleted \$16.8 million from the Judicial Branch FY 2011 operating budget through operating reductions of \$12.3 million, recommendations against enhancement requests of \$4.4 million, and a moratorium on KPERS Death and Disability payment. The Legislature added \$5.0 million in additional State General Fund monies to carry forward the emergency surcharge from FY 2010 to FY 2011. The \$5.0 million did not prevent the Judicial Branch from implementing a four-day furlough in FY 2010. However, under the Shared Work program offered by the Kansas Department of Labor, nonjudicial employees were compensated 20.0 percent of the unemployment benefits they would have received if they had lost their jobs.

The **2011 Legislature** reduced the Judicial Branch State General Fund budget by \$5.8 million for FY 2012 in an attempt to hold the operations budget flat between FY 2011 and FY 2012. SB 97 extended the surcharge on docket fees into FY 2012 and increased it by 25.0 percent for a special revenue fund increase of \$1.9 million. The bill also delayed the 14th Court of Appeals Judge until FY 2013 and lapsed the funds requested for its implementation. The Legislature also suspended the Judicial Performance program of the Judicial Council and transferred \$778,518 of the funding for that

program to the Judicial Surcharge Fund to support Judicial Branch operations.

The **2013 Legislature** reduced the Judicial Branch State General Fund budget by \$26.8 million in FY 2014 and \$27.9 million in FY 2015. The reduction is attributable to extension of the Judicial Branch Surcharge (\$10.0 million in FY 2014 and \$11.1 million in FY 2015), the shifting of docket fees from state agencies to the Judicial Branch (\$10.5 million in FY 2014 and FY 2015), and the deletion of the \$2.5 million requested by the Judicial Branch to fill 80 vacant clerk positions. The remainder of the reductions reflect a directive by the Legislature to hold State General Fund expenditures at the FY 2013 level partially offset by a 1.0 percent (\$1.1 million) increase in State General Fund operating expenditures. The 2013 Legislature approved funding for and implementation of the 14<sup>th</sup> Court of Appeals judge and staff.

The **2014 Legislature** approved a 2.0 percent salary and wage increase for non-Judicial personnel to be paid from the DUI Equipment Fund, delayed the filling of judicial vacancies, provided for Chief Judges to be elected by the other District Court Judges, and inserted a provision to allow Judicial Districts to separate their operations from the Appellate Court Administrative Division. The Legislature also adjusted docket fees by increasing the fees on expungements, traffic citations, fish and game violations, tobacco citations, out-of-state probate decrees, and Chapter 60 civil cases. The Legislature implemented new docket fees on garnishments and summary judgment motions.

## BUDGET SUMMARY AND KEY POINTS

### FY 2015 Agency Estimate

The **agency** requests \$133.2 million, including \$101.8 million from the State General Fund, a net reduction of \$4.0 million or 2.9 percent, from the FY 2015 approved budget. The State General fund request is an increase of \$3.6 million, or 3.7 percent, above the FY 2015 approved budget.

The reduction from the approved budget is attributable to increasing the salaries and wages shrinkage amount by \$1.5 million, a reduction in contractual services of \$2.3 million due to

the implementation time-frame for e-courts, a reduction of \$310,234 in capital outlay for computers, a reduction of \$41,470 for the Access to Justice program. The reductions are partially offset by an increase of \$94,123 in commodities.

Despite the reductions, the Judicial Branch is requesting an increase of \$3.6 million from the State General Fund. The increased State General Fund request is attributable to projected revenue shortfalls.

### FY 2015 Governor Recommendation

The **Governor** recommends expenditures of \$128.7 million, including \$97.5 million from the State General Fund, a reduction of \$4.5 million, or 3.3 percent, all funds and \$4.3 million, or 4.2 percent, below the FY 2015 agency revised estimate. The Governor did not include \$3.6 million in additional expenditures for reduced DUI Reinstatement fund and Docket Fee Fund

revenue. The Governor is constitutionally barred from allotting State General Fund expenditures in the Judicial Branch; however, the Governor did recommend a reduction of \$850,402, including \$673,754 to reduce the state employer contribution rate for employee retirement in the same manner as the Executive Branch was allotted.

### FY 2016 Agency Request

The **agency** requests \$149.1 million, including \$119.5 million from the State General Fund, for FY 2016. This is an all funds increase of \$15.9 million, or 11.9 percent, and a State General Fund increase of \$17.7 million, or 17.4 percent, above the FY 2015 revised estimate. **Absent enhancements**, the request is an all funds increase of \$5.3 million, or 4.0 percent, and a State General Fund increase of \$7.2 million, or 7.0 percent, above the FY 2015 revised estimate.

The State General Fund increase is attributable to an increase in salaries and wages of \$15.2 million as a result of \$10.1 million in enhancements for salary increases for judges and staff, 20 additional clerks, 9 additional judges and related staff, a reduction in shrinkage of \$1.1 million, and \$4.1 million in other salary increases. The agency also increased contractual services expenditures by \$156,084 for court improvement.

The special revenue fund reduction is attributable to reduced expenditures of \$2.6 million from the Docket Fee Fund due to lowered projected revenue partially offset by increased expenditures from the Electronic Filing and Management Fund

of \$759,221 due to the E-Court Improvement Program beginning its implementation phase. The reduced docket fees available are offset by the increased State General Fund request.

## **FY 2016 Governor Recommendation**

The **Governor** recommends expenditures of \$126.0 million, including \$96.7 million from the State General Fund, an all funds reduction of \$23.1 million, or 15.5 percent, and a State General Fund reduction of \$22.9 million, or 19.1 percent, from the FY 2016 Judicial Branch request.

The State General Fund reduction is attributable to the following.

- A reduction of \$10.6 million for agency enhancement request.
- A reduction of \$2.4 million for other salary increases.

- A reduction of \$7.2 million in State General fund monies requested by the Judicial Branch to offset declining docket fee revenue.
- A reduction of \$755,448 in State General Fund monies requested by the Judicial Branch to offset lower than anticipated DUI reinstatement revenue.
- A reduction of \$1.1 million from the State General Fund, to reduce employer contributions for state employee health insurance.

## **FY 2017 Agency Request**

The **agency** requests \$159.7 million, including \$126.6 million from the State General Fund, an all funds increase of \$10.6 million, or 7.1 percent, above the FY 2016 agency request. The request is a State General Fund increase of \$7.1 million, or 5.9 percent, above the FY 2016 agency request.

The State General Fund increase is within salaries and wages and is attributable to increased expenditures for the enhancement requests continued from FY 2016 (\$452,431), the 27<sup>th</sup> payroll contribution (\$5.2 million) in that fiscal year, public employee retirement (\$1.1 million), and other fringe benefits

(\$367,816). There is approximately \$1.0 million in additional salaries and wages expenditures which are not specifically identified.

The special revenue fund increase is attributable to implementation of the e-courts program. The funding from FY 2016 to FY 2017 increases by \$3.8 million to \$5.4 million. The increase is partially offset by reduced expenditures from the Docket Fee Fund from due to a continued reduction in projected revenue (\$204,334). The federal state court improvement program is also projected to experience a reduction of \$55,308.

## FY 2017 Governor Recommendation

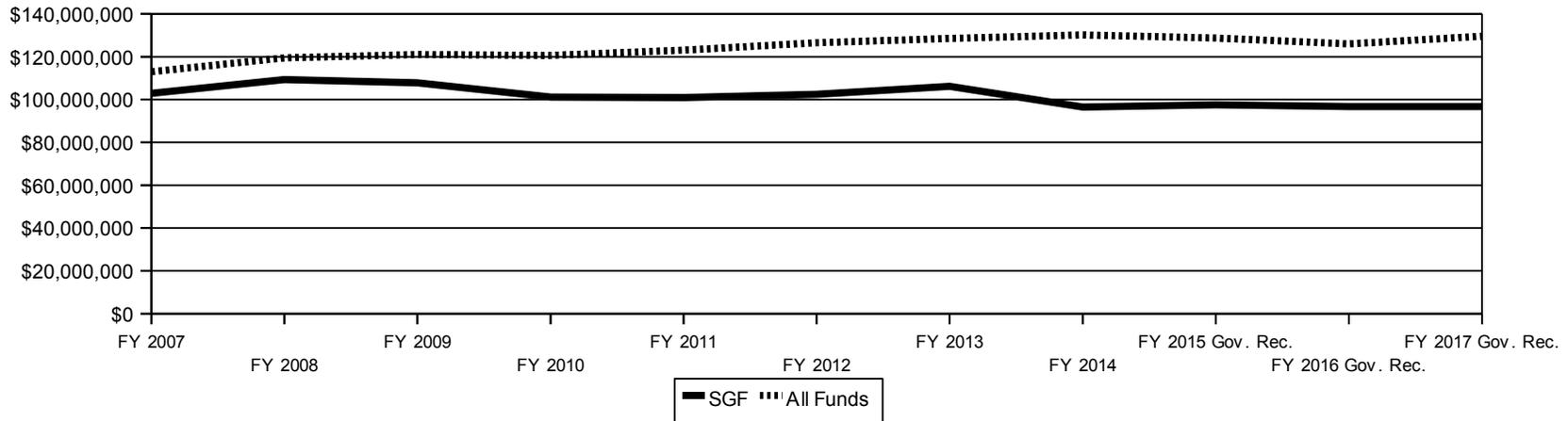
The **Governor** recommends expenditures of \$129.6 million, including \$96.7 million from the State General Fund, an all funds reduction of \$30.1 million, or 18.9 percent, and a State General Fund reduction of \$29.9 million, or 23.6 percent, below the FY 2017 Judicial Branch request.

The State General Fund reduction is attributable to the following items.

- A reduction of \$10.6 million for agency enhancement request.
- A reduction of \$8.2 million in State General fund monies requested by the Judicial Branch to offset declining docket fee revenue.
- A reduction of \$2.9 million to fill vacant positions.
- A reduction of \$5.2 million for the 27<sup>th</sup> payroll for that fiscal year.
- A reduction of \$755,448 in State General Fund monies requested by the Judicial Branch to offset lower than anticipated DUI reinstatement revenue.
- A reduction of \$1.1 million from the State General Fund, to reduce employer contributions for state employee health insurance.
- A reduction of \$1.3 million for employer contributions for state employee retirement.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 102,927,084	5.6 %	\$ 112,989,354	5.0 %	1,843.3
2008	109,321,166	6.2	119,467,329	5.7	1,858.3
2009	107,841,890	(1.4)	121,038,270	1.3	1,855.3
2010	101,166,366	(6.2)	120,588,757	(0.4)	1,855.3
2011	100,914,426	(0.2)	123,088,459	2.1	1,855.3
2012	102,476,154	1.5	126,510,386	2.8	1,855.3
2013	106,127,942	3.6	128,551,609	1.6	1,855.3
2014	96,521,055	(9.1)	130,144,839	1.2	1,859.3
2015 Gov. Rec.	97,544,305	1.1	128,731,123	(1.1)	1,862.3
2016 Gov. Rec.	96,689,750	(0.9)	125,991,148	(2.1)	1,894.3
2017 Gov. Rec.	96,706,812	0.0	129,550,632	2.8	1,899.3
Eleven-Year Change	\$ (6,220,272)	(6.0)%	\$ 16,561,278	14.7 %	56.0

(The State General Fund reduction in FY 2014 is attributable to the diversion of all docket Fee Funds to the Judicial Branch offset by a commensurate SGF.)

**Summary of Operating Budget FY 2014 - FY 2016**

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
<b>By Program:</b>									
Appellate Courts	\$ 19,855,088	\$ 20,917,029	\$ 22,982,531	\$ 2,065,502	9.9 %	\$ 20,804,433	\$ 22,864,966	\$ 2,060,533	9.9 %
District Courts	109,981,612	111,924,667	125,715,846	13,791,179	12.3	107,586,466	102,761,886	(4,824,580)	(4.5)
Judicial and Professional Review	308,139	341,427	365,731	24,304	7.1	340,224	364,296	24,072	7.1
<b>TOTAL</b>	<b>\$ 130,144,839</b>	<b>\$ 133,183,123</b>	<b>\$ 149,064,108</b>	<b>\$ 15,880,985</b>	<b>11.9 %</b>	<b>\$ 128,731,123</b>	<b>\$ 125,991,148</b>	<b>\$ (2,739,975)</b>	<b>(2.1)%</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 123,577,749	\$ 126,707,371	\$ 141,929,657	\$ 15,222,286	12.0 %	\$ 122,255,371	\$ 118,856,697	\$ (3,398,674)	(2.8)%
Contractual Services	4,092,545	4,099,948	4,391,210	291,262	7.1	4,099,948	4,391,210	291,262	7.1
Commodities	455,121	454,538	431,422	(23,116)	(5.1)	454,538	431,422	(23,116)	(5.1)
Capital Outlay	850,554	793,866	1,236,917	443,051	55.8	793,866	1,236,917	443,051	55.8
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 128,975,969	\$ 132,055,723	\$ 147,989,206	\$ 15,933,483	12.1 %	\$ 127,603,723	\$ 124,916,246	\$ (2,687,477)	(2.1)%
Aid to Local Units	169,400	169,400	166,809	(2,591)	(1.5)	169,400	166,809	(2,591)	(1.5)
Other Assistance	999,470	958,000	908,093	(49,907)	(5.2)	958,000	908,093	(49,907)	(5.2)
<b>TOTAL</b>	<b>\$ 130,144,839</b>	<b>\$ 133,183,123</b>	<b>\$ 149,064,108</b>	<b>\$ 15,880,985</b>	<b>11.9 %</b>	<b>\$ 128,731,123</b>	<b>\$ 125,991,148</b>	<b>\$ (2,739,975)</b>	<b>(2.1)%</b>
<b>Financing:</b>									
State General Fund	\$ 96,521,055	\$ 101,819,657	\$ 119,549,312	\$ 17,729,655	17.4 %	\$ 97,544,305	\$ 96,689,750	\$ (854,555)	(0.9)%
Fee Funds	32,696,708	30,644,606	28,673,662	(1,970,944)	(6.4)	30,469,624	28,461,992	(2,007,632)	(6.6)
Federal Funds	543,195	334,086	458,149	124,063	37.1	332,701	456,703	124,002	37.3
Other Agency Funds	383,881	384,774	382,985	(1,789)	(0.5)	384,493	382,703	(1,790)	(0.5)
<b>TOTAL</b>	<b>\$ 130,144,839</b>	<b>\$ 133,183,123</b>	<b>\$ 149,064,108</b>	<b>\$ 15,880,985</b>	<b>11.9 %</b>	<b>\$ 128,731,123</b>	<b>\$ 125,991,148</b>	<b>\$ (2,739,975)</b>	<b>(2.1)%</b>

**Summary of Operating Budget FY 2016 - FY 2017**

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
<b>By Program:</b>								
Appellate Courts	\$ 22,982,531	\$ 27,549,138	\$ 4,566,607	19.9 %	\$ 22,864,966	\$ 27,430,797	\$ 4,565,831	20.0 %
District Courts	125,715,846	131,735,125	6,019,279	4.8	102,761,886	101,741,830	(1,020,056)	(1.0)
Judicial and Professional Review	365,731	379,415	13,684	3.7	364,296	378,005	13,709	3.8
<b>TOTAL</b>	<b>\$ 149,064,108</b>	<b>\$ 159,663,678</b>	<b>\$ 10,599,570</b>	<b>7.1 %</b>	<b>\$ 125,991,148</b>	<b>\$ 129,550,632</b>	<b>\$ 3,559,484</b>	<b>2.8 %</b>
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 141,929,657	\$ 149,325,732	\$ 7,396,075	5.2 %	\$ 118,856,697	\$ 119,212,686	\$ 355,989	0.3 %
Contractual Services	4,391,210	5,858,024	1,466,814	33.4	4,391,210	5,858,024	1,466,814	33.4
Commodities	431,422	443,661	12,239	2.8	431,422	443,661	12,239	2.8
Capital Outlay	1,236,917	3,007,624	1,770,707	143.2	1,236,917	3,007,624	1,770,707	143.2
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 147,989,206	\$ 158,635,041	\$ 10,645,835	7.2 %	\$ 124,916,246	\$ 128,521,995	\$ 3,605,749	2.9 %
Aid to Local Units	166,809	165,915	(894)	(0.5)	166,809	165,915	(894)	(0.5)
Other Assistance	908,093	862,722	(45,371)	(5.0)	908,093	862,722	(45,371)	(5.0)
<b>TOTAL</b>	<b>\$ 149,064,108</b>	<b>\$ 159,663,678</b>	<b>\$ 10,599,570</b>	<b>7.1 %</b>	<b>\$ 125,991,148</b>	<b>\$ 129,550,632</b>	<b>\$ 3,559,484</b>	<b>2.8 %</b>
<b>Financing:</b>								
State General Fund	\$ 119,549,312	\$ 126,609,753	\$ 7,060,441	5.9 %	\$ 96,689,750	\$ 96,706,812	\$ 17,062	0.0 %
Fee Funds	28,673,662	32,267,818	3,594,156	12.5	28,461,992	32,059,453	3,597,461	12.6
Federal Funds	458,149	402,841	(55,308)	(12.1)	456,703	401,385	(55,318)	(12.1)
Other Agency Funds	382,985	383,266	281	0.1	382,703	382,982	279	0.1
<b>TOTAL</b>	<b>\$ 149,064,108</b>	<b>\$ 159,663,678</b>	<b>\$ 10,599,570</b>	<b>7.1 %</b>	<b>\$ 125,991,148</b>	<b>\$ 129,550,632</b>	<b>\$ 3,559,484</b>	<b>2.8 %</b>

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$98,165,941 for the Judicial Branch in FY 2015. An adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

- An increase of \$52,118, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 98,218,059	\$ 101,819,657	\$ 3,601,598	\$ 97,544,305	\$ (673,754)
All Other Funds	38,954,942	31,363,466	(7,591,476)	31,186,818	(7,768,124)
TOTAL	<u>\$ 137,173,001</u>	<u>\$ 133,183,123</u>	<u>\$ (3,989,878)</u>	<u>\$ 128,731,123</u>	<u>\$ (8,441,878)</u>
FTE Positions	1,859.3	1,862.3	3.0	1,862.3	3.0

The **agency** requests \$133.2 million, including \$101.8 million from the State General Fund, a net reduction of \$4.0 million or 2.9 percent, from the FY 2015 approved budget. The State General fund request is an increase of \$3.6 million, or 3.7 percent, above the FY 2015 approved budget.

The reduction from the approved budget is attributable to increasing the salaries and wages shrinkage amount by \$1.5

million, a reduction in contractual services of \$2.3 million due to the implementation time-frame for e-courts, a reduction of \$310,234 in capital outlay for computers, a reduction of \$41,470 for the Access to Justice program. The reductions are partially offset by an increase of \$94,123 in commodities.

Despite the reductions, the Judicial Branch is requesting an increase of \$3.6 million from the State General Fund. The

increased State General Fund request is attributable to projected revenue shortfalls in agency funds. The 2013 Legislature directed 33.0 percent of DUI reinstatement fees be deposited in the Judicial Branch to fund a non-judicial employee compensation increase of 5.25 percent. The Judicial Branch projects an approximately 40 percent shortfall in revenue to this fund, or about \$650,000, based on the first two months of FY 2015. The Judicial Branch further projects that Docket Fees will shortfall the revenue projections by approximately 20.0 percent. The shortfall in Docket Fees is related to reduced filing rates and a lack of Chapter 60 Summary Judgment motions. The net effect of these revenue reductions total \$3.6 million.

- **Salaries and Wages.** The Judicial Branch is requesting \$126.7 million, a reduction of \$1.5 million, or 1.2 percent, from the FY 2015 approved budget. The request is a State General Fund increase of \$4.1 million, or 4.3 percent, and a special revenue fund reduction of \$5.6 million, or 17.1 percent, from the FY 2015 approved budget. The total reduction in salaries and wages is due to increasing the Judicial Branch shrinkage rate. The funding shift from special revenue funds to the State General fund is a result of projected shortfalls in the DUI Equipment Fund and the Docket Fee Fund.
- **Contractual Services.** The Judicial Branch is requesting \$4.1 million, a reduction of \$2.3 million, or 35.5 percent, from the FY 2015 approved budget. The reduction is predominantly attributable to reduced expenditures from the

Electronic Filing Management Fund. The fund was budgeted at \$2.3 million starting in FY 2015 but the majority of the work on the E-Court initiative won't begin until FY 2016.

- **Capital Outlay.** The Judicial Branch is requesting \$793,866 for capital outlay, a reduction of \$310,234, or 28.1 percent, from the FY 2015 approved budget. The reduction is in computer purchases associated with the e-Courts project.
- **Aid to Locals & Other Assistance.** Net non-operating expenditures for the Judicial Branch is a reduction of \$41,470, all from the Docket Fee Fund. The Judicial Branch reduced funding to Kansas Legal Services by 5.0 percent, the same amount as the Judicial Branch projects Docket Fees to decrease.

The **Governor** recommends expenditures of \$128.7 million, including \$97.5 million from the State General Fund, a reduction of \$4.5 million, or 3.3 percent, all funds and \$4.3 million, or 4.2 percent, below the FY 2015 agency revised estimate. The Governor did not include \$3.6 million in additional expenditures for reduced DUI reinstatement fund and Docket Fee Fund revenue. The Governor is constitutionally barred from allotting State General Fund expenditures in the Judicial Branch; however, the Governor recommends a reduction of \$850,402, including \$673,754 to reduce the state employer contribution rate for employee retirement in the same manner as the Executive Branch was allotted.

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 149,064,108	\$ 125,991,148	\$ (23,072,960)
<b>FTE Positions</b>	1,894.3	1,894.3	0.0
<b>Change from FY 2015:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 17,729,655	\$ (854,555)	
All Other Funds	(1,848,670)	(1,885,420)	
TOTAL	<u>\$ 15,880,985</u>	<u>\$ (2,739,975)</u>	
<i>Percent Change:</i>			
State General Fund	17.4 %	(0.9) %	
All Other Funds	(5.9)	(6.0)	
TOTAL	<u>11.9 %</u>	<u>(2.1) %</u>	
Change in FTE Positions	32.0	32.0	

The **agency** requests \$149.1 million, including \$119.5 million from the State General Fund, for FY 2016. This is an all funds increase of \$15.9 million, or 11.9 percent, and a State General Fund increase of \$17.7 million, or 17.4 percent, above the FY 2015 revised estimate. **Absent enhancements**, the request is an all funds increase of \$5.3 million, or 4.0 percent, and a State General Fund increase of \$7.2 million, or 7.0 percent, above the FY 2015 revised estimate.

The Judicial Branch requests 1,894.3 FTE positions, an increase of 32.0 FTE positions, from the FY 2015 revised estimate. The increase is attributable to 1.0 FTE database administrator for E-Courts. The remainder of the increase is for enhancements including 9 judges (1 District Court Judge and 8 District Magistrate Judges), 1 Court Reporter, 1 Administrative Assistant, and 20 District Court Clerks.

The State General Fund increase is attributable to an increase in salaries and wages of \$15.2 million as a result of \$10.1 million in enhancements for salary increases for judges and staff, 20 additional clerks, 9 additional judges and related staff, a reduction in shrinkage of \$1.1 million, and \$4.1 million in other salary increases. The agency also increased contractual services expenditures by \$156,084 for court improvement.

The special revenue fund reduction is attributable to reduced expenditures of \$2.6 million from the Docket Fee Fund due to lowered projected revenue partially offset by increased expenditures from the Electronic Filing and Management Fund of \$759,221 due to the E-Court Improvement Program beginning its implementation phase. The reduced docket fees available are offset by the increased State General Fund request.

- **Salaries and Wages.** The Judicial Branch is requesting \$141.9 million, an increase of \$15.2 million, or 12.0 percent, from the FY 2015 revised estimate. The request is a State General Fund increase of \$17.6 million, or 17.7 percent, and a special revenue fund reduction of \$2.4 million, or 8.9 percent, from the FY 2015 revised estimate.

The total increase in salaries and wages is due to salary increases (\$8.5 million), nine judges with two staff persons (\$939,628), twenty judicial court clerks (\$747,745), filling positions currently held vacant for cost reductions (\$2.9 million), e-filing personnel (\$112,00) and increased employer contributions for employee retirement (\$2.0 million). The funding shift from special revenue funds to the State General fund is a result of projected shortfalls in the DUI Equipment Fund and the Docket Fee Fund.

- **Contractual Services.** The Judicial Branch is requesting \$4.4 million, an increase of \$291,262, or 7.1 percent, from the FY 2015 revised estimate. The increase is due to fees for other services.
- **Capital Outlay.** The Judicial Branch is requesting \$1.2 million for capital outlay, an increase of \$443,051, or 55.8 percent, above the FY 2015 revised estimate. The increase is attributable to the E-Courts project software purchases.
- **Aid to Locals & Other Assistance.** Net non-operating expenditures for the Judicial Branch is a reduction of \$52,498. The Judicial Branch reduced funding to Kansas Legal Services by 5.0 percent, the same amount as the Judicial Branch projects Docket Fees to fall. The Judicial Branch also reduced expenditures from the Family and Children Investment Fund due to a reduced available balance. Expenditures from this fund are used to support the Court Appointed Special Advocate (CASA) and Citizen Review Board (CRB) programs.

The **Governor** recommends expenditures of \$126.0 million, including \$96.7 million from the State General Fund, an all funds reduction of \$23.1 million, or 15.5 percent, and a State General Fund reduction of \$22.9 million, or 19.1 percent, from the FY 2016 Judicial Branch request.

The State General Fund reduction is attributable to the following items.

- A reduction of \$10.6 million for agency enhancement request.
- A reduction of \$2.4 million for other salary increases.
- A reduction of \$7.2 million in State General Fund monies requested by the Judicial Branch to offset declining docket fee revenue.
- A reduction of \$755,448 in State General Fund monies requested by the Judicial Branch to offset lower than anticipated DUI reinstatement revenue.
- A reduction of \$1.1 million from the State General Fund, to reduce employer contributions for state employee health insurance.

### Enhancements Detail

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Judicial Salary Increase	\$ 1,785,907	\$ 1,785,907	0.0	\$ 0	\$ 0	0.0
Non-Judicial Salary Increase	6,683,063	6,683,063	0.0	0	0	0.0
9 Judges and Staff	939,628	939,628	11.0	0	0	0.0
20 Clerks	747,745	747,745	20.0	0	0	0.0
Appellate Court Remodel	402,778	402,778	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 10,559,121</b>	<b>\$ 10,559,121</b>	<b>31.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

The **agency** requests \$10.6 million, all from the State General Fund, for enhancements in FY 2016.

Fund, for an increase in judicial employee salaries of 8.5 percent.

- **Judicial Salary Increase.** The agency requests \$1.8 million, all from the State General Fund, for an increase in Judicial salaries of 5.0 percent.
- **Judicial Employee Salary Increase.** The agency requests \$6.7 million, all from the State General
- **Judges and Staff.** The agency requests \$939,628, all from the State General Fund, for 9 judges and staff. The Judicial Branch indicates that this is necessitated because of the inability to shift resources under the one judge per county requirement.

- 20 Clerks. The agency requests \$747,745, all from the State General Fund, for twenty clerks. The Judicial Branch indicates that this is necessary due to the workload projections developed under Project Pegasus and the results of the Blue Ribbon Commission study.
- Appellate Court Remodel (CI). The agency request also includes a request for construction

of two judicial suites at an estimated cost of \$402,778. This construction project would allow two Court of Appeals judges and their staff to be moved onto the same floor as the rest of the Court of Appeals, as well as make efficient use of limited space within the Judicial Center.

The **Governor** does not recommend adoption of the Judicial Branch enhancement requests.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 159,663,678	\$ 129,550,632	\$ (30,113,046)
<b>FTE Positions</b>	1,899.3	1,899.3	0.0
<b><i>Change from FY 2016:</i></b>			
<i>Dollar Change:</i>			
State General Fund	\$ 7,060,441	\$ 17,062	
All Other Funds	3,539,129	3,542,422	
TOTAL	<u>\$ 10,599,570</u>	<u>\$ 3,559,484</u>	
<i>Percent Change:</i>			
State General Fund	5.9 %	0.0 %	
All Other Funds	12.0	12.1	
TOTAL	<u>7.1 %</u>	<u>2.8 %</u>	
Change in FTE Positions	5.0	5.0	

The **agency** requests \$159.7 million, including \$126.6 million from the State General Fund, an all funds increase of \$10.6 million, or 7.1 percent, above the FY 2016 agency request. The request is a State General Fund increase of \$7.1 million, or 5.9 percent, above the FY 2016 agency request.

The State General Fund increase is within salaries and wages and is attributable to increased expenditures for the enhancement requests continued from FY 2016 (\$452,431), the

27<sup>th</sup> payroll contribution (\$5.2 million), public employee retirement (\$1.1 million), and other fringe benefits (\$367,816).

The special revenue fund increase is attributable to implementation of the e-courts program. The funding from FY 2016 to FY 2017 increases by \$3.8 million to \$5.4 million. The increase is partially offset by reduced expenditures from the Docket Fee Fund due to a continued reduction in projected

revenue (\$204,334). The federal state court improvement program is also projected to experience a reduction of \$55,308.

- **Salaries and Wages.** The Judicial Branch is requesting \$149.3 million, an increase of \$7.4 million, or 5.2 percent, from the FY 2016 agency estimate. The request is a State General Fund increase of \$7.0 million, or 6.0 percent, and a special revenue fund increase of \$402,204, or 1.6 percent, above the FY 2016 revised estimate.

The total increase in salaries and wages is due to enhancement requests continued from FY 2016 (\$452,431), the 27<sup>th</sup> payroll contribution (\$5.2 million) in that fiscal year, public employee retirement (\$1.1 million), and other fringe benefits (\$367,816). There is approximately \$1.0 million in additional salaries and wages expenditures which are not specifically identified.

- **Contractual Services.** The Judicial Branch is requesting \$5.9 million, an increase of \$1.5 million, or 33.4 percent, from the FY 2016 revised estimate. The increase is due to implementation of the E-Court Program, repairing and service expenditures (\$315,052), and fees for other services.
- **Capital Outlay.** The Judicial Branch is requesting \$3.0 million for capital outlay, an increase of \$1.8 million, or 143.2 percent, above the FY 2016 revised estimate. The increase is attributable to the E-Courts project software purchases.
- **Aid to Locals & Other Assistance.** Net non-operating expenditures for the Judicial Branch is a reduction of \$45,265. The Judicial Branch

reduced funding to Kansas Legal Services by 5.0 percent, the same amount as the Judicial Branch projects Docket Fees to decrease. The Judicial Branch also reduced expenditures from the Family and Children Investment Fund due to a reduced available balance. Expenditures from this fund are used to support the Court Appointed Special Advocate (CASA) and Citizen Review Board (CRB) programs.

The **Governor** recommends expenditures of \$129.6 million, including \$96.7 million from the State General Fund, an all funds reduction of \$30.1 million, or 18.9 percent, and a State General Fund reduction of \$29.9 million, or 23.6 percent, below the FY 2017 Judicial Branch request.

The State General Fund reduction is attributable to the following items.

- A reduction of \$10.6 million for agency enhancement request.
- A reduction of \$8.2 million in State General fund monies requested by the Judicial Branch to offset declining docket fee revenue.
- A reduction of \$2.9 million to fill vacant positions.
- A reduction of \$5.2 million for the 27<sup>th</sup> payroll for that fiscal year.
- A reduction of \$755,448 in State General Fund monies requested by the Judicial Branch to offset lower than anticipated DUI reinstatement revenue.

- A reduction of \$1.1 million from the State General Fund, to reduce employer contributions for state employee health insurance.

- A reduction of \$1.3 million for employer contributions for state employee retirement.

## Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Judicial Salary Increase	\$ 1,826,885	\$ 1,826,885	0.0	\$ 0	\$ 0	0.0
Non-Judicial Salary Increase	6,973,074	6,973,074	0.0	0	0	0.0
9 Judges and Staff	971,449	971,449	11.0	0	0	0.0
20 Clerks	837,366	837,366	20.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 10,608,774</b>	<b>\$ 10,608,774</b>	<b>31.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

The **agency** requests \$10.6 million, all from the State General Fund, for enhancements in FY 2017.

- **Judicial Salary Increase.** The agency requests \$1.8 million, all from the State General Fund, for an increase in Judicial salaries of 5.0 percent.
- **Non-Judicial Employee Salary Increase.** The agency requests \$7.0 million, all from the State General Fund, for an increase in judicial employee salaries of 8.5 percent.
- **Judges and Staff.** The agency requests \$971,449, all from the State General Fund, for 9

judges and staff. The Judicial Branch indicates that this is necessitated because of the inability to shift resources under the one judge per county requirement.

- **20 Clerks.** The agency requests \$837,366, all from the State General Fund, for twenty clerks. The Judicial Branch indicates that this is necessary due to the workload projections developed under Project Pegasus and the results of the Blue Ribbon Commission study.

The **Governor** does not recommend adoption of the agency enhancement requests.

## Governor's Recommended Salary and Wage Adjustments

**State Employee Pay Increases.** The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$514,326, including \$381,993 from the State General Fund, and affects 1,654 employees.**

**Longevity Bonus Payments.** For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$734,621, including \$584,454 from the State General Fund, and FY 2017 longevity payments total \$783,951, including \$621,512 from the State General Fund.**

**Group Health Insurance.** The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$1,307,596, including \$1,094,198 from the State General Fund for FY 2016. This is a reduction of \$1,287,241, including \$1,077,136 from the State General Fund, for FY 2017.**

**Kansas Public Employees Retirement System (KPERs) Rate Adjustments.** The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

## Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	80.2 %	76.7 %	79.3 %	74.6 %
Federal Funds	0.3	0.4	0.3	0.3
Special Revenue Funds	19.5	22.9	20.4	25.0
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

**Note:** Percentages may not add due to rounding.

The **2014 Legislature** adjusted docket fees for the Judicial Branch by directing that 99.01 percent of Docket Fees be deposited in the Judicial Branch to fund Judicial Branch operations. The Legislature also increased docket fees in several categories with major increases in traffic filings, and the Chapter 60 civil docket fee and new fees for summary judgment motions and garnishments among others. The Legislature projected that the increased fees would generate an additional \$6.2 million with the majority coming from summary judgments, traffic filings and Chapter 60 civil filings. The increased docket fees are occurring against a general background of declining docket fees of 4.0 percent to 6.0 percent per year.

*DUI Reinstatement Fees.* DUI Reinstatement fees were increased by the Legislature and deposited in the Judicial Branch to fund a 2.0 percent across the board salary increase for non-Judicial personnel. The revenue projection from the Department of Revenue projected revenue of \$1.4 million from increased fees for DUI reinstatement. The Judicial Branch is currently projecting revenue of \$836,136. A reduction of over 40.0 percent from projected receipts.

The Department of Revenue processed 3,301 reinstatements in calendar year 2012, 2,744 in calendar year 2013, and 3,049 in calendar year 2014. The increased reinstatement fees have not had a substantial impact on the number of reinstatements processed, however, the Department of Revenue has not realized the additional revenue from doubling the fees.

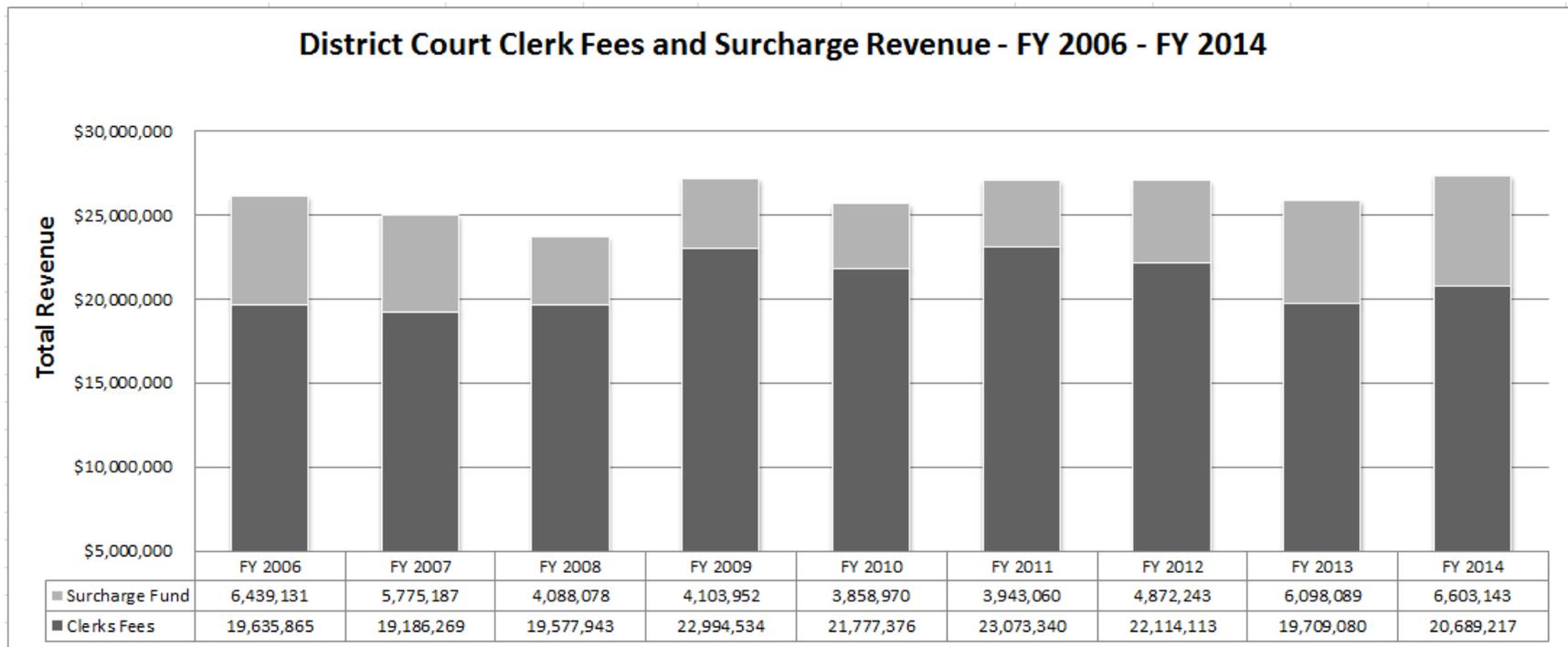
*Summary Judgment Motions.* The fee for summary judgments was set at \$195 starting in FY 2015, the amount of the adjusted docket fee for a Chapter 60 filing plus the surcharge. This increase was projected to produce \$2.8 million on estimated filings of 14,272. Due to a 30 day lag period between filing and collection, no collections on summary judgments were executed in July. In August through December, summary judgment motions have averaged 67 per month. If this rate is sustained the Judicial Branch can anticipate charging the revised fee on 804 filings, substantially lower than the projected 14,272 filings.

The institution of a fee on summary judgment motions has clearly resulted in a change in behavior by the civil litigants. In FY 2013, there were 529 cases resulting in termination from

summary judgment motions in Chapter 60 cases. The total number of motions filed was presumably quite a bit higher due to unsuccessful motions. Litigants are clearly seeking alternative means to terminate cases. This has a positive impact on Judicial proceedings as it eliminates the “case with a case” proceeding required to hear a summary judgment motion.

*Traffic Citations* - The Legislature increased the court costs in traffic cases by \$12.00. There is also a \$22.0 surcharge for a

total court cost on traffic fines of \$108. The increase was projected to net \$1.9 million in increased revenue. Over the last five years, traffic violations by the Kansas Highway Patrol alone have ranged from 15,793 in CY 2011 to 16,984 in CY 2012. This is a range of 1,191 citations. Kansas averages about 170,000 moving violations per year; however the degree of fluctuation is significant from year to year, similar to the Highway Patrol. Additionally, there can be a significant time lag between the issuance of a citation and the collection of the court fee which may be impacting collections.



## Judicial Branch Docket Fee Fund

The Judicial Branch Docket Fee Fund was established by the 2013 Legislature and directs 99.01 percent of clerks' fees forwarded to the state to be deposited into this fund after an initial \$3,100,000 is deposited into the Electronic Filing Management Fund. The 2014 Legislature also raised docket

fees to provide revenue for both this fund and the Electronic Filing Management Fund. The Legislature further directed that the surcharge fund is abolished and directs the FY 2014 ending balance and all further revenue generated by the surcharge be deposited in this fund.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 0	\$ 757,097	\$ 757,097	\$ 918,841	\$ 1,074,865	\$ 1,731,616	\$ 2,067,622
Revenue	18,148,189	26,137,428	26,137,428	24,233,983	24,233,983	23,167,125	23,167,125
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 18,148,189	\$ 26,894,525	\$ 26,894,525	\$ 25,152,824	\$ 25,308,848	\$ 24,898,741	\$ 25,234,747
Less: Expenditures	17,391,092	25,975,684	25,819,660	23,421,208	23,241,226	23,216,874	23,039,705
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 757,097	\$ 918,841	\$ 1,074,865	\$ 1,731,616	\$ 2,067,622	\$ 1,681,867	\$ 2,195,042
Ending Balance as Percent of Expenditures	4.4%	3.5%	4.2%	7.4%	8.9%	7.2%	9.5%

## Electronic Filing and Management Fund

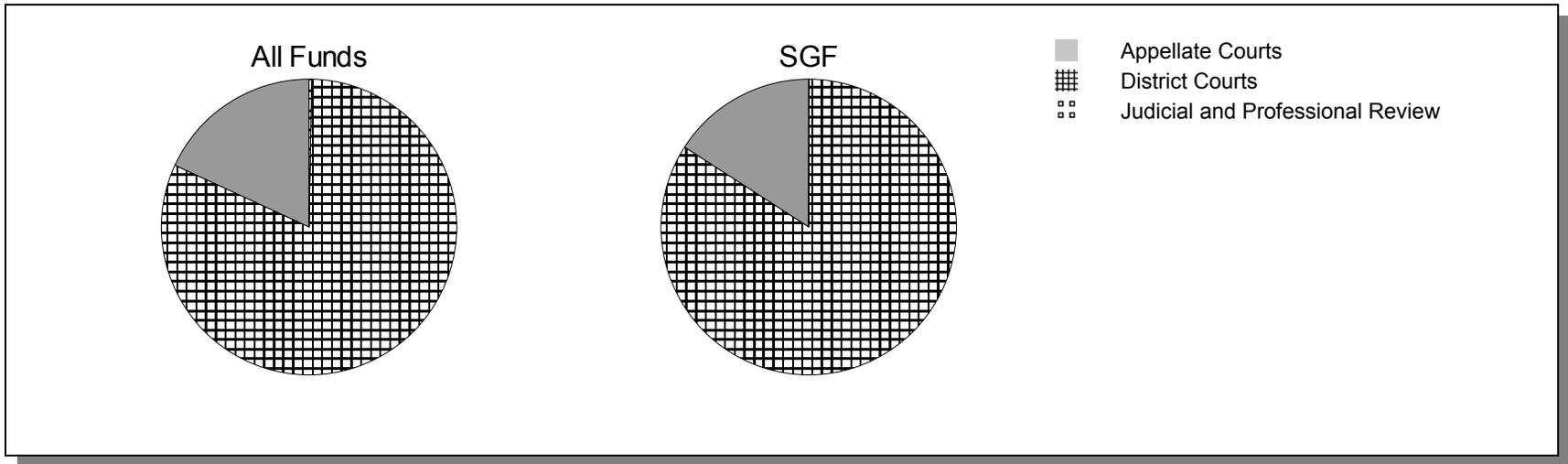
The 2014 Legislature established the Electronic Filing Management Fund. The Legislature raised docket fees to generate revenue for the "purpose of creating, implementing, and managing an electronic filing and centralized case management system." The initial \$3,100,000 of clerks' fees

forwarded to the state to be deposited into this fund for FY 2015 through FY 2017. After FY 2017 the amount deposited in the fund will decrease to \$1.0 million and the remainder will be deposited in the Judicial Branch Docket Fee Fund.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 0	\$ 0	\$ 0	\$ 2,253,432	\$ 2,254,851	\$ 3,747,643	\$ 3,751,202
Revenue	0	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 0	\$ 3,100,000	\$ 3,100,000	\$ 5,353,432	\$ 5,354,851	\$ 6,847,643	\$ 6,851,202
Less: Expenditures	0	846,568	845,149	1,605,789	1,603,649	5,379,030	5,376,876
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 0</u>	<u>\$ 2,253,432</u>	<u>\$ 2,254,851</u>	<u>\$ 3,747,643</u>	<u>\$ 3,751,202</u>	<u>\$ 1,468,613</u>	<u>\$ 1,474,326</u>
Ending Balance as Percent of Expenditures	--	266.2%	266.8%	233.4%	233.9%	27.3%	27.4%

# PROGRAM DETAIL

## EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Appellate Courts	\$ 22,864,966	18.1 %	\$ 15,376,791	15.9 %
District Courts	102,761,886	81.6	81,268,720	84.1
Judicial and Professional Review	364,296	0.3	44,239	0.0
<b>TOTAL</b>	<b>\$ 125,991,148</b>	<b>100.0 %</b>	<b>\$ 96,689,750</b>	<b>100.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2014 – FY 2017**

<u>Program</u>	<u>Actual FY 2014</u>	<u>Agency Est. FY 2015</u>	<u>Gov. Rec. FY 2015</u>	<u>Agency Req. FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Req. FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Appellate Courts	167.0	170.0	170.0	172.0	172.0	177.0	177.0
District Courts	1,690.3	1,690.3	1,690.3	1,720.3	1,720.3	1,720.3	1,720.3
Judicial and Professional Review	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>TOTAL</b>	<u>1,859.3</u>	<u>1,862.3</u>	<u>1,862.3</u>	<u>1,894.3</u>	<u>1,894.3</u>	<u>1,899.3</u>	<u>1,899.3</u>

**A. Administration - Appellate Courts**

The Appellate Courts program consists of the Supreme Court, which has seven members, and the Court of Appeals, which currently has 14 members. This program division also

includes the administrative units of the Office of Judicial Administration, Data Processing, the Clerk of the Appellate Court, the Appellate Reporter, and the Supreme Court Library.

**APPELLATE COURTS  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 14,303,242	\$ 15,630,396	\$ 15,517,800	\$ 17,090,023	\$ 16,972,458	\$ 18,408,423	\$ 18,290,082
Contractual Services	3,102,279	2,927,717	2,927,717	3,166,341	3,166,341	4,678,186	4,678,186
Commodities	431,649	438,032	438,032	414,514	414,514	426,438	426,438
Capital Outlay	849,048	793,484	793,484	1,236,751	1,236,751	3,007,454	3,007,454
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 18,686,218	\$ 19,789,629	\$ 19,677,033	\$ 21,907,629	\$ 21,790,064	\$ 26,520,501	\$ 26,402,160
Aid to Local Units	169,400	169,400	169,400	166,809	166,809	165,915	165,915
Other Assistance	999,470	958,000	958,000	908,093	908,093	862,722	862,722
TOTAL	<u>\$ 19,855,088</u>	<u>\$ 20,917,029</u>	<u>\$ 20,804,433</u>	<u>\$ 22,982,531</u>	<u>\$ 22,864,966</u>	<u>\$ 27,549,138</u>	<u>\$ 27,430,797</u>
<b>Financing:</b>							
State General Fund	\$ 14,331,033	\$ 13,899,459	\$ 13,810,812	\$ 15,473,970	\$ 15,376,791	\$ 16,365,520	\$ 16,267,699
All Other Funds	5,524,055	7,017,570	6,993,621	7,508,561	7,488,175	11,183,618	11,163,098
TOTAL	<u>\$ 19,855,088</u>	<u>\$ 20,917,029</u>	<u>\$ 20,804,433</u>	<u>\$ 22,982,531</u>	<u>\$ 22,864,966</u>	<u>\$ 27,549,138</u>	<u>\$ 27,430,797</u>
FTE Positions	167.0	170.0	170.0	172.0	172.0	177.0	177.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>167.0</u>	<u>170.0</u>	<u>170.0</u>	<u>172.0</u>	<u>172.0</u>	<u>177.0</u>	<u>177.0</u>

For FY 2016, the **Judicial Branch** requests \$23.0 million, including \$15.5 million from the State General Fund, for the Appellate Courts and Administration Program. This is an all funds increase of \$2.1 million, or 9.9 percent, and a State General Fund increase of \$1.6 million, or 11.3 percent, above the FY 2015 revised estimate. The request includes an increase of 2.0 FTE positions for information technology services.

The State General Fund increase is attributable to an increase in salaries and wages of \$1.5 million as a result of enhancements for salary increases for judges and staff, and a reduction in shrinkage. The agency also increased contractual services expenditures by \$238,624 for court improvement.

The majority of the expenditures for the E-Courts initiative are within this program. Increasing expenditures of \$759,221 from the E-Courts Filing and Management Fund offset

reductions in the Docket Fee Fund for projected revenue reductions.

The **Governor** recommends expenditures of \$22.9 million for FY 2016, an all funds reduction of \$117,565, or 0.5 percent, and a State General Fund reduction of \$97,179, or 0.6 percent, from the FY 2016 agency request. The reduction is attributable to the Appellate Court portion of the judicial salary increase enhancement.

For FY 2017, the **Judicial Branch** requests \$27.5 million, including \$16.4 million from the State General Fund, an all funds increase of \$4.6 million, or 19.9 percent, above the FY 2016 agency request. The request is a State General Fund increase of \$891,550, or 5.8 percent, above the FY 2016 agency request.

## ***B. District Courts***

Kansas has 31 judicial districts consisting of one or more counties. Each county has a district court and a resident judge. The salaries of district court judges and nonjudicial personnel are paid by the state. The counties pay most all other operating expenditures with the exceptions of funding for the statewide court accounting system and the case management system. The Judicial Branch estimates that counties pay for approximately 20.0 percent of the total operating budget for the

The State General Fund increase is within salaries and wages and is attributable to increased expenditures for the enhancement requests continued from FY 2016, the 27<sup>th</sup> payroll contribution for that fiscal year, public employee retirement, and other fringe benefits. There is approximately \$1.0 million in additional salaries and wages expenditures which are not specifically identified.

The special revenue fund increase is attributable to implementation of the E-courts program. The funding from FY 2016 to FY 2017 increases by \$3.8 million to \$5.4 million.

The **Governor** recommends expenditures of \$27.4 million for FY 2017, an all funds reduction of \$118,341, or 0.4 percent, and a state general fund reduction of \$97,821, or 0.6 percent, from the FY 2017 agency request. The reduction is attributable to the Appellate Court portion of the judicial salary increase enhancement.

district courts. District court judges are constitutional officers with full judicial power over all cases filed with the district court. For FY 2014, there were 167.0 FTE District judge positions, 79.0 FTE district magistrate judges, and twelve Senior Judges. Magistrate judges have limited authority to hear traffic infractions, criminal misdemeanors, preliminary examination of felony charges, and certain civil matters.

**DISTRICT COURTS  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 109,099,965	\$ 110,901,884	\$ 106,563,683	\$ 124,647,933	\$ 101,693,973	\$ 130,717,460	\$ 100,724,165
Contractual Services	873,632	1,014,195	1,014,195	1,059,123	1,059,123	1,008,660	1,008,660
Commodities	7,856	8,426	8,426	8,624	8,624	8,835	8,835
Capital Outlay	159	162	162	166	166	170	170
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	<u>\$ 109,981,612</u>	<u>\$ 111,924,667</u>	<u>\$ 107,586,466</u>	<u>\$ 125,715,846</u>	<u>\$ 102,761,886</u>	<u>\$ 131,735,125</u>	<u>\$ 101,741,830</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 109,981,612</u>	<u>\$ 111,924,667</u>	<u>\$ 107,586,466</u>	<u>\$ 125,715,846</u>	<u>\$ 102,761,886</u>	<u>\$ 131,735,125</u>	<u>\$ 101,741,830</u>
<b>Financing:</b>							
State General Fund	\$ 82,136,337	\$ 87,880,694	\$ 83,694,012	\$ 104,031,078	\$ 81,268,720	\$ 110,194,637	\$ 80,389,541
All Other Funds	<u>27,845,275</u>	<u>24,043,973</u>	<u>23,892,454</u>	<u>21,684,768</u>	<u>21,493,166</u>	<u>21,540,488</u>	<u>21,352,289</u>
TOTAL	<u>\$ 109,981,612</u>	<u>\$ 111,924,667</u>	<u>\$ 107,586,466</u>	<u>\$ 125,715,846</u>	<u>\$ 102,761,886</u>	<u>\$ 131,735,125</u>	<u>\$ 101,741,830</u>
FTE Positions	1,690.3	1,690.3	1,690.3	1,720.3	1,720.3	1,720.3	1,720.3
Non-FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>1,690.3</u>	<u>1,690.3</u>	<u>1,690.3</u>	<u>1,720.3</u>	<u>1,720.3</u>	<u>1,720.3</u>	<u>1,720.3</u>

For FY 2016, the **agency** requests \$125.7 million, including \$104.0 million from the State General Fund. This is an all funds increase of \$13.8 million, or 12.3 percent, and a State General Fund increase of \$16.2 million, or 18.4 percent, above the FY 2015 revised estimate.

The Judicial Branch requests 1,720.3 FTE positions, an increase of 30.0 FTE positions, from the FY 2015 revised estimate. The increase is for enhancements only including 9

judges (1 District Court Judge and 8 District Magistrate Judges), 1 Court Reporter, 1 Administrative Assistant, and 20 District Court Clerks.

The State General Fund increase is attributable to an increase in salaries and wages of \$13.7 million as a result of \$10.1 million in enhancements for salary increases for judges and staff, 20 additional clerks, 9 additional judges and related

staff, a reduction in shrinkage of \$1.1 million, and \$4.1 million in other salary increases.

The State General Fund increase is also attributable to a request to offset \$2.4 million in funding from the Docket Fee Fund with State General Fund for salaries and wages due to decreased revenue projections.

The **Governor** recommends expenditures of \$102.8 million for FY 2016, an all funds reduction of \$23.0 million, or 18.3 percent, and a State General Fund reduction of \$22.8 million, or 21.9 percent, from the FY 2016 agency request. The reduction is attributable to deletion of the agency enhancement request, deletion of funding for vacant FTE positions, deletion of funding for reduced special revenue funds and deletion of adjustments for employer contributions for employee retirement.

For FY 2017, the **agency** requests \$131.7 million, including \$110.2 million from the State General Fund, an all funds increase of \$6.0 million, or 4.8 percent, above the FY 2016 agency request. The request is a State General Fund increase of \$6.2 million, or 5.9 percent, above the FY 2016 agency request.

### ***C. Judicial and Professional Review***

The Judicial and Professional Review division consists of the Commission on Judicial Qualifications, the Judicial Nominating Commission, the Board of Law Examiners and the Board of Examiners of Court Reporters. The first two boards are

The State General Fund increase is within salaries and wages and is attributable to increased expenditures for the enhancement requests continued from FY 2016, the 27<sup>th</sup> payroll contribution for that fiscal year, public employee retirement, and other fringe benefits. There is approximately \$1.0 million in additional salaries and wages expenditures which are not specifically identified.

The special revenue fund reductions of \$144,280, mostly in the Docket Fee Fund, are due to projected revenue shortfalls which are offset by enhanced State General Fund requests.

The **Governor** recommends expenditures of \$101.7 million for FY 2017, an all funds reduction of \$30.0 million, or 22.8 percent, and a state general fund reduction of \$29.8 million, or 27.0 percent, below the FY 2017 agency request. The reduction is attributable to deletion of the agency enhancement request, deletion of funding for vacant FTE positions, deletion of funding for reduced special revenue funds and deletion of adjustments for employer contributions for employee retirement.

funded from the State General Fund with the latter two funded from the Bar Administration Fee Fund and the Court Reporter Fund, respectively. The Board of Law Examiners has 2.0 FTE positions associated with it.

**JUDICIAL AND PROFESSIONAL REVIEW  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 174,542	\$ 175,091	\$ 173,888	\$ 191,701	\$ 190,266	\$ 199,849	\$ 199,439
Contractual Services	116,634	158,036	158,036	165,746	165,746	171,178	177,178
Commodities	15,616	8,080	8,080	8,284	8,284	8,388	8,388
Capital Outlay	1,347	220	220	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 308,139	\$ 341,427	\$ 340,224	\$ 365,731	\$ 364,296	\$ 379,415	\$ 385,005
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 308,139</u>	<u>\$ 341,427</u>	<u>\$ 340,224</u>	<u>\$ 365,731</u>	<u>\$ 364,296</u>	<u>\$ 379,415</u>	<u>\$ 385,005</u>
<b>Financing:</b>							
State General Fund	\$ 53,685	\$ 39,504	\$ 39,481	\$ 44,264	\$ 44,239	\$ 49,596	\$ 49,572
All Other Funds	254,454	301,923	300,743	321,467	320,057	329,819	328,433
TOTAL	<u>\$ 308,139</u>	<u>\$ 341,427</u>	<u>\$ 340,224</u>	<u>\$ 365,731</u>	<u>\$ 364,296</u>	<u>\$ 379,415</u>	<u>\$ 378,005</u>
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>

For FY 2016, the **Judicial Branch** requests \$365,731, including \$44,264 from the State General Fund. This is an all funds increase of \$24,304, or 7.1 percent, and a State General Fund increase of \$4,760, or 12.0 percent, above the FY 2015 revised estimate.

Salaries and wages increased by \$16,610, or 9.5 percent, above the FY 2015 revised estimate. The increase was almost

entirely from the Bar Admission Fee Fund and is due to the enhancement adjusting salaries for non-Judicial personnel.

The State General Fund increase is attributable to an increase in contractual services which totals \$7,710. The increases are due to communication costs, in-state travel and fees for other services.

The **Governor** recommends expenditures of \$364,296 for FY 2016, an all funds reduction of \$1,435, or 0.4 percent, and a state general fund reduction of \$25, or 0.1 percent, below the FY 2016 agency request. The reduction is attributable to the employer contribution to Group Health Insurance adjustment.

For FY 2017, the **Judicial Branch** requests \$379,415, including \$49,596 from the State General Fund. This is an all funds increase of \$13,684, or 3.7 percent, and a State General Fund increase of \$5,332, or 12.0 percent, above the FY 2016 request.

Salaries and wages increased by \$8,148, or 4.3 percent, above the FY 2015 revised estimate. The increase was almost entirely from the Bar Admission Fee Fund and is due to the

enhancement adjusting salaries for non-Judicial personnel and the 27<sup>th</sup> payroll contribution for that fiscal year.

The State General Fund increase is attributable to an increase in contractual services which totals \$5,432. The increases are due to communication costs (\$5,053) and printing (\$4,005), partially offset by reductions in travel and other fees.

The **Governor** recommends expenditures of \$378,005 for FY 2017, an all funds reduction of \$1,410, or 0.4 percent, and a state general fund reduction of \$24, or less than 0.1 percent, below the FY 2017 agency request. The reduction is attributable to the employer contribution to Group Health Insurance adjustment.

# CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Appellate Court Remodel	\$ 0	\$ 0	\$ 402,778	\$ 0	\$ 0	\$ 0
<b>Financing:</b>						
State General Fund	\$ 0	\$ 0	\$ 402,778	\$ 0	\$ 0	\$ 0
All Other Funds	0	0	0	0	0	0
<b>TOTAL</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 402,778</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## Current Year Agency Estimate

**FY 2015 – Current Year.** The agency did not submit an FY 2015 capital improvements request.

## Current Year Governor Recommendation

The **Governor** concurs with the agency capital improvements request.

## Budget Year Agency Request

**FY 2016 – Budget Year.** The agency requests \$402,778, all from the State General Fund for relocation of two Appellate

Court Justice Offices to the same floor as the other twelve justices, which was submitted as an enhancement request.

### **Budget Year Governor Recommendation**

The **Governor** does not recommend adoption of the Judicial Branch Capital Improvement request.

### **Budget Year Agency Request**

**FY 2017 – Budget Year.** The agency did not submit an FY 2014 capital improvements request.

### **Budget Year Governor Recommendation**

The **Governor** concurs with the agency capital improvements request.