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February 9, 2022

House Appropriations

Proponent Testimony

HB 2541—Concerning Transfer of Certain Judicial Branch Fee Funding

Marla Luckert  
Chief Justice, Kansas Supreme Court

Chairman Waymaster and members of the committee, thank you for the opportunity to appear today and testify in support of HB 2541. The bill would shift the deposit of the court user fees that fund core judicial branch operations from court system accounts to the state general fund. To account for the transition, the judicial branch's core operations would be funded by state general funds in future budgets.

About 80% of the judicial branch's core operations are currently funded with state general funds. Most of the rest comes from unreliable and volatile user fees.

Last session, the Legislature appropriated \$7.4 million to replace pandemic-lost fee revenue. The deficit caused by the lost revenue had forced the Supreme Court to impose a general statewide hiring freeze to reduce expenditures. But without the general hiring freeze, the judiciary would have faced closure. The branch was forced to ask the Legislature for emergency funding to backfill the lost revenue, which it did.

The judiciary is extremely grateful the Legislature replaced the lost budget revenue, as it ensured the courts continued to operate. But a risk remains: The Kansas court system still needlessly faces the potential future consequences of an unreliable funding structure. The risk is needless because funding from the state general fund would protect the essential function the judicial branch provides from the instability of fee funding. While this proposal is a significant structural change, the judiciary proposes accomplishing it in a way that does not necessarily increase state expenditures.

To offset the increased general fund expenditure caused by entirely funding core judicial branch operations from it, this bill would shift the deposit of the major fees—like docket fees, surcharge, and driver’s license reinstatement fees—to the state general fund. In most years, the deposit of these funds will achieve a net neutral exchange, or even a positive gain, for the state general fund. Granted, in some years—like FY 2020 and FY 2021—fee fund receipts may fall below projections. When revenue falls below projections, the state general fund can better absorb the lost revenue than can the much smaller judicial branch budget, which has little flexibility for adjusting for lost funding. In return, the shift provides for a stable, predictable funding source that eliminates the needless risk an essential government function currently faces.

Thank you for your consideration of this measure, and I am happy to answer questions related to the bill.