

ALASKA COURT SYSTEM State of Alaska Office of the Administrative Director

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## **HB 100 SPONSOR STATEMENT**

House Bill 100 amends the statutory provisions that govern the geographic cost of living adjustments that apply to judges' and justices' salaries. Under the proposed legislation judges' and justices' geographic cost of living adjustments would be calculated in the same manner as for other court system employees, but the differential would be applied only to \$100,000 of a judge's salary.

Under current law, and unlike other state employees, judges and justices have two caps on their cost of living adjustment. The first is an artificially low adjustment calculation; the second is a restriction on the portion of their salary to which the adjustment applies.

Alaska Statute 22.35.010 states that the geographic cost of living adjustment for judges and justices is limited to a maximum of 17.5% and applies only to the first \$40,000 of their salary (for a maximum of \$7,000). No other state employees are subject to these restrictions.

By comparison, the geographic cost of living adjustment applied to the salaries of other court employees in Dillingham is 37%, in Barrow and Bethel it is 50% and in Kotzebue the differential is 60%. As with all state employees other than judges, those adjustments apply to the employees' full salaries. By capping judicial adjustments at \$7,000, the judges in those same communities have an effective geographic cost of living adjustment of less than 5% of their salaries. Obviously, that does not fully offset the higher cost of living in those communities.

The severely limited cost of living adjustments are unfair to rural judges and they likely discourage qualified candidates from applying for judicial openings in rural Alaska. House Bill 100 is intended to address these problems.

Thank you for your consideration of this bill.