

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version CSSB 95(FIN)
 Fiscal Note Number 3
 (S) Publish Date 4/8/13

Identifier (file name) CSSB95(FIN)-ACS-000-04-08-13 Dept. Affected Alaska Court System
 Title Compensation of Non-Covered Employees Appropriation Alaska Court System
 Allocation Various
 Sponsor Rules by Request of the Governor
 Requester Alaska Court System OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates					
			FY14	FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES								
Personal Services	1,088.7		749.1	1,890.9				
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	1,088.7	0.0	749.1	1,890.9	0.0	0.0	0.0	

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	1,088.7		749.1	1,890.9				
1005 GF/Prgm (DGF)								
1037 GF/MH (UGF)								
1178 temp code (UGF)								
TOTAL	1,088.7	0.0	749.1	1,890.9	0.0	0.0	0.0	

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY13) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY14) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

This version includes a geographic differential for the judges and justices.

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Phone 907-463-4750
 Date/Time 4/8/2013 1:30 P.M.
 Date 4/8/2013

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 95(FIN)

Analysis

This bill relates to the compensation, allowances, and geographic differentials in pay and leave of certain public officials, officers, and employees not covered by collective bargaining agreements. The salary increases apply to all employees and judges in the judicial branch. The fiscal note reflects the cost for a salary increase of 1% beginning in FY14; 1% for FY15; and 2.5% for FY16. This schedule of increases is comparable to increases negotiated for the supervisory and general government units. Following is the cost of the salary increase by fiscal year:

Budget Unit	FY14	FY15	FY16
Appellate Courts	57.3	57.9	146.1
Trial Courts	589.8	595.5	1,503.0
Administration	79.9	80.6	203.7
Therapeutic Courts	5.4	5.5	13.8
Subtotal Alaska Court System	732.4	739.5	1,866.6
Judicial Council	7.0	7.1	17.9
Judicial Conduct	2.5	2.5	6.4
Total Judicial Branch	741.9	749.1	1,890.9

The fiscal note for the judicial branch also includes the following amendments relative to the geographic differentials paid to judges:

AS 22.05.140(c) is amended to read:

(c) In addition to the monthly salary, each justice is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the justice's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.10.190(c) is amended to read:

(c) In addition to the monthly salary, each superior court judge is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the judge's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.15.220(d) is amended to read:

(d) In addition to the monthly salary, each superior court judge is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the judge's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.35.010 is repealed.

FISCAL NOTE ANALYSIS #3

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Analysis Continued

Alaska Court System

CSSB95(FIN) - Geograhic Differential for Judges ¹

4/8/2013

Court Locations w/Geographic Differentials	FY13 Base Salary	Statutory Judicial Geo-Diff %	Current Geographic Differential Payment Per Judge By Location	Total Current Geographic Payment for All Locations	SB95 % Proposed Geo-Diff for FY14	SB95 Amounts Paid on \$100,000 Base Per Judge	Total SB95 Proposed Geographic Payment for All Locations
Superior Courts:							
Fairbanks (6)	181,440	3.5%	1,400	8,400	3.0%	3,000	18,000
Kodiak (1)	181,440	10.5%	4,200	4,200	11.0%	11,000	11,000
Dillingham (1)	181,440	17.5%	7,000	7,000	37.0%	37,000	37,000
Bethel (2)	181,440	17.5%	7,000	14,000	50.0%	50,000	100,000
Barrow (1)	181,440	17.5%	7,000	7,000	50.0%	50,000	50,000
Nome (1)	181,440	17.5%	7,000	7,000	37.0%	37,000	37,000
Kotzebue (1)	181,440	17.5%	7,000	7,000	60.0%	60,000	60,000
Juneau (2)	181,440	0.0%	-	-	5.0%	5,000	10,000
Sitka (1)	181,440	0.0%	-	-	5.0%	5,000	5,000
District Courts:							
Fairbanks (3)	153,840	3.5%	1,400	4,200	3.0%	3,000	9,000
Valdez (1)	153,840	10.5%	4,200	4,200	11.0%	11,000	11,000
Bethel (1)	153,840	17.5%	7,000	7,000	50.0%	50,000	50,000
Juneau (2)	153,840	0.0%	-	-	5.0%	5,000	10,000
Total Gross Wages for All Judges				70,000			408,000
Fringe Benefits @ 2.59%				1,813			10,567
				<u>71,813</u>			<u>418,567</u>

Increased Cost of Changes to Differentials

346,800

¹ As is the case with other state employees, some judges currently receive a geographic differential. Unlike other state employees, however, a judge's geographic differential is calculated only upon the first \$40,000 of salary, not the entire salary. Additionally, the geographic differential paid to some judges is substantially lower than the differential paid to other state employees in the same location. For example, second district judges in Kotzeube are paid a 17.5% geographic differential, while other state employees in this community are paid 60%.