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February 20, 2010

**TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE**

For Hearing on Monday, February 22, 2010
1:00 p.m., Conference Room 308

BY

MARIE C. LADERTA, DIRECTOR

**House Bill No. 2964, H.D. 1
Relating to Salaries**

WRITTEN TESTIMONY ONLY

TO CHAIRPERSON MARCUS OSHIRO AND MEMBERS OF THE COMMITTEE:

H.B. No. 2964, H.D. 1 proposes to increase salary reductions for the Governor, Lieutenant Governor, Chief of Staff, department directors, department deputy directors, judges, and legislators from 5% to 8.07% for fiscal year 2010-2011.

The Department of Human Resources Development provides the following comments in regards to the house draft 1. As a matter of fairness to state employees subject to current collective bargaining agreements and executive orders, the Executive Branch is committed to implementing 24 days worth of furlough or salary reductions in fiscal year 2010-2011 for members of the Executive Branch covered by the Commission on Salaries. To the extent that the increased salary reduction does not hinder our ability to implement and execute our commitment, we are not opposed to this measure.

Thank you for the opportunity to provide our comments.



THE JUDICIARY, STATE OF HAWAII

Testimony to the House Committee on Finance
The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

Monday, February 22, 2010, 1:00 p.m.
State Capitol, Conference Room 308

by
Daniel K. Seto
Division Administrator
Planning and Program Evaluation Division

Bill No. and Title: House Bill No. 2964, H.D. 1, Relating to Salaries

Purpose: Increases the salary reduction for the governor, lieutenant governor, justices and judges of all state courts, administrative director of the State or an equivalent position, the department heads or executive officer and the deputies or assistants of various state departments, and legislators from 5% to 8.07% for the second half of the 2009-2010 fiscal biennium.

Judiciary's Position:

The Judiciary does not take a position on this matter, but takes this opportunity to share its concerns regarding House Bill No. 2964, relating to judicial salaries.

The bill appears to have been prompted, in part, by legislative concerns that the officers and employees covered by House Bill No. 2964, who experienced a five percent salary reduction effective July 1, 2009, should make the same financial sacrifices as other State employees, who experienced an approximate eight percent pay reduction via furloughs. However, with respect to our judges, their five percent salary reduction was not secured through furloughs. In other words, judges have worked and continue to work the same number of hours, but for less pay.

Given the constitutional, statutory, and common law (*i.e.*, case law) requirements and in the interest of public safety, judges must always be "on duty" (including weekends and holidays) to set bail for individuals who are arrested, approve search warrants, provide other emergency judicial services, and more. Therefore, imposing an additional 3.07% pay cut while having to continue to work the same number of hours, seems to be an unequal financial sacrifice when compared to other State employees.



In promulgating standards for judicial compensation, the American Bar Association astutely observed that:

Fair and adequate compensation for state court judges clearly is in the public interest, since an able and independent judiciary is at the heart of the democratic process...Compensation which does not provide adequate monetary recognition of the importance of the role filled by our state judiciary will not attract and retain as judges those best qualified to serve.

While some financial sacrifice is expected of private citizens who assume major governmental posts, there is a threshold below which subpar compensation poses a very real threat to the independence and quality of the judiciary.¹

The Judiciary has invested years of work focused on establishing a means for setting judicial salaries that provide a regular and equitable review of appropriate salary levels. The intent was to create a most qualified judicial applicant pool, to retain experienced judges through fair and just compensation, and to have objective criteria for salary determination (see the attached "Salary-Related History" for a more detailed account). Although we have yet to attain all of our objectives, this measure represents a step backwards. Below are additional concerns that we have.

I. The Number of Attorneys Eligible to Become Judges

The pool from which judges and justices are nominated is set forth in Article VI, Section of the Hawai'i Constitution. Among other criteria, District Court judges must be licensed by the Hawai'i Supreme Court to practice law for a period of not less than five years preceding nomination. All other judges must have been so licensed for a period of not less than 10 years preceding nomination. As illustrated by the figures presented below, candidates eligible for judicial appointment come from approximately .3% of Hawai'i's total population. Often, the best and brightest lawyers in Hawai'i who seek judicial office will do so at great financial sacrifice. Thus, judicial salary reductions become a strong deterrent to anyone thinking about becoming a judge, thereby reducing the applicant pool even further. Cutting the salary of a judge cannot but act as a strong deterrent to anyone thinking about becoming a judge, thereby reducing the pool even further.

US citizens ²	307,006,550
Hawai'i residents ²	1,295,178

¹ American Bar Association, Judicial Administration Division, "Standards for Judicial Compensation," (Chicago: American Bar Association, 1990), at i.

² US Census Bureau, Table 1: Annual Estimates of the Population for the United States, Regions, and States and for Puerto Rico: April 1, 2000 to July 1, 2009.



Attorneys licensed (active status) to practice in Hawai'i ³	4,982
(a) for at least five years ³	570
(b) for at least ten years (excludes previous 570) ³	3,988

II. Loss of Well-Trained, Experienced Judges

In the same way that judicial salary reductions can deter interested attorneys from seeking judicial office, it can also serve as a strong inducement for sitting-judges to retire earlier than otherwise planned. When this occurs, our citizens lose the many years of taxpayer-funded training and priceless experience embodied in our most seasoned judges.

III. Case Load Rising

Even as judicial salaries are being cut, case filings are increasing (FY 2009 compared to FY 2008):

Circuit Court	Civil Actions Filed	+18.44%
Family Court	Domestic Abuse/Protective Orders Filed	+12.42%
District Court	Civil Actions/Other violations filed	+10.48%

IV. Hawai'i's National Judicial Salary Ranking

The salary of Hawai'i's Circuit Court judges, adjusted based on the cost-of-living index, ranks last amongst the 50 states and the District of Columbia, *i.e.*, in 51st place. Further salary cuts will not only dig us deeper into last place, but adds yet another "layer of bricks" to the growing "salary wall" that is becoming a barrier for the best and brightest attorneys who might otherwise consider seeking judicial office.

Summary

Edward B. McConnell, former Director of the National Center for State Courts, writing in the *Journal of State Government*, noted the following:

To have good judges, a state must be able to get good lawyers to leave the practice of law. To do this, judicial salaries need not equal, but must have a reasonable

³ February 17 and February 18, 2010 emails from the Hawai'i State Bar Association.



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relationship to the compensation of the more competent and experienced practicing attorneys from whose ranks judges should come, and to whose ranks they can return.⁴

If our citizens want the best and brightest judges in our courts, then we need to be able to attract the best and brightest attorneys that our legal community has to offer. Our citizens deserve no less. By the same token, if our citizens want to retain our most seasoned, experienced, and best judges, then we need to be able to provide the inducement for them to remain. Our citizens deserve no less. We suggest that cutting salaries that already rank last among the nation's judiciaries is not a path to success.

Thank you for the opportunity to testify on House Bill No. 2965, H.D. 1, Relating to Salaries.

⁴ Edward B. McConnell. "State Judicial Salaries: A National Perspective." Journal of State Government, 61, Sept./Oct. 1988, at 180.



Attachments

Salary-Related History

- July 8, 2002 – The Cades Foundation contracts with the National Center for State Courts (NCSC) to conduct a study of salary-setting mechanisms and, based on this study, to propose a model for setting judicial salaries in Hawai‘i.
- January 2003 – The NCSC report found the following impediments to meeting the Judiciary’s goal and objectives:
 - Advisory nature of the Judicial Salary Commission.
 - Process is unduly politicized.
 - Irregularity of salary increases.
 - Lack of equitable compensation (for the Judiciary, Legislature, and Executive Branches).
- The NCSC report recommends the following:
 - Unitary commission.
 - Broad-based membership.
 - Force-of-law salary recommendations.
 - Regularity in salary adjustments.
 - Objective criteria for salary determination.
- June 2003 – Act 123, Session Laws of Hawai‘i (SLH) 2003 revises the old Judicial Salary Commission by providing for:
 - Force-of-law salary recommendations.
 - Regularity in salary adjustments.
- March 2004 – Report of the Judicial Salary Commission finds the following:
 1. Judicial independence is a critical factor in maintaining the functions of the three separate branches of government and appropriate salary levels are a key element of this independence.
 2. Judges rule on matters involving the life, liberty, and property of our citizens, and thus play an integral part in defining the quality of life in Hawai‘i and in giving meaning to the State’s Constitution and statutes.
 3. Becoming a judge requires years of experience. Applicants or nominees for the Supreme Court, the Intermediate Court of Appeals, and the Circuit Court must have been licensed by the Hawai‘i Supreme Court to practice law for at least 10



years preceding the nomination. Applicants or nominees for District Court must have been licensed for at least five years preceding nomination. Justices and Judges are prohibited from engaging in the private practice of law and they may not hold any other state or federal office of trust or profit during the term of office.

4. Judicial salaries have not kept pace with the Consumer Price Index. For 2003, the most recent data available, the Consumer Price Index for urban dwellers (CPI-U) for Honolulu was 183.5. To put this in perspective, a Circuit Court judge's adjusted salary should be \$127,972 just to keep level with the increased cost of living since 1975. In other words, the present Circuit Court judge's salary of \$106,922 reflects a loss in spending power of over \$20,000 in 2003.
5. Adjusted by the cost-of-living index, Hawai'i is 48th out of 48 states reporting in 2003 for salaries of general trial court judges (i.e., Circuit Court judges).
6. The lowest level federal magistrate makes \$142,325, which is \$35,000 more than a Hawai'i Circuit Court judge.
7. National salaries for attorneys in private practice have outpaced Hawai'i judicial salaries thus creating a disincentive to become a judge or remain as one. FindLaw indicates the national average for 5th-year legal associates is \$153,000 and 8th-year associates at \$187,000.
8. Hawai'i salaries for attorneys in private practice have also outpaced judicial salaries. An informal survey of four local law firms found that a District Court judge could be making between \$5,000 to \$25,000 more per year while a Circuit Court judge could be making between \$19,000 to \$193,000 more per year as an attorney.
9. There has not been a judicial salary increase since July 1, 2000.
10. In addition to the need for an increase in base salaries, there is also a need to differentiate the salaries of justices and judges at the various court levels.

The report also noted:

Due to both economic pressures and political realities, regular pay adjustments for judges and justices have not occurred. For example, between 1975 and 2002, Hawai'i's judges and justices received five increases; four of them phased in over a biennium. This is an average of 5.4 years between pay increases; with one notable period of nine years without any pay increase.



These long gaps between salary adjustments have made it difficult to meet the two objectives posed above. The widely spaced intervals set a pattern, whereby the increases do not reflect inflationary pressures on salaries, deny judges and justices interim costs of living adjustments, and invite controversy because of the size of the catch-up pay increases.

- July 2004 – The salary recommendations go into effect:
 - FY 2005 – no increase
 - FY 2006 – 14% average increase
 - FY 2007 – 3.5% increase
 - FY 2008 – 3.5% increase
 - FY 2009 – 3.5% increase
 - FY 2010 – 3.5% increase
 - FY 2011 – 3.5% increase
 - FY 2012 – 3.5% increase

- November 2006 – H.B. 1917/Act 299 SLH 2006 goes into effect:
 - Repeals the Judicial Salary Commission and replaces it with a unitary Commission on Salaries.

- March 2007 – The new Commission on Salaries issues the following findings and *increases* the salary recommendations made by the previous Judicial Salary Commission (only Judicial information shown below):
 - The basis of the Commission on Salaries' Judicial salary recommendations for FY 2007 to FY 2012 is *equity and fairness*. In determining *equity and fairness*, the Commission considered:
 - significance and seriousness of Judicial application and interpretation of State laws and their profound effect of justice in a democratic society;
 - relationship of actual salary and consumer-price-index adjusted salary;
 - Hawai'i's ranked position in the National Center for State Courts (NCSC) study of *Salary Comparison Among States*;
 - probability of attracting qualified applicants and retaining competent, experienced justices and judges;
 - impact of ten years of no increase in Judicial salaries between 1990 and 1999;
 - reasonableness within the context of salaries of employees of other State departments;
 - minimum requirements of skill and experience for Judicial positions;
 - affordability in light of the State economy and projected State revenues for FY 2007 to FY 2013; and
 - the totality of all of the above considerations.



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- July 2007 – The new salary recommendations go into effect:
 - FY 2008 – 10% increase
 - FY 2009 – 3.5% increase
 - FY 2010 – 10% increase
 - FY 2011 – 3.5% increase
 - FY 2012 – 10% increase
 - FY 2013 – 3.5% increase

- June 2009 – Act 85, SLH 2009 decreases by five percent the July 1, 2008 judicial salaries for the period beginning July 1, 2009 until June 30, 2011. This results, in at least part, in a substantial, perhaps unprecedented number of judges, especially women judges, retiring.

- February 2010 – H.B. No. 2964, H.D. 1 provides for an additional 3.07% decrease in judicial salaries beginning July 1, 2010.



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SUMMARY SALARY COMPARISON AMONG STATES, GENERAL TRIAL COURTS (CIRCUIT)							
(7/1/09)* Present		COLI		HB2964HD1 Proposed		HB2964HD1 COLI	
State	Actual Salary	State	Adjusted	State	Actual	State	Adjusted
1 California	\$178,789	1 Illinois	\$180,593	1 California	\$178,789	1 Illinois	\$180,593
2 Illinois	174,303	2 Tennessee	167,785	2 Illinois	174,303	2 Tennessee	167,785
3 Dist of Columbia	174,000	3 Delaware	166,025	3 Dist of Columbia	174,000	3 Delaware	166,025
4 Alaska	170,976	4 Pennsylvania	160,500	4 Alaska	170,976	4 Pennsylvania	160,500
5 Delaware	168,850	5 Virginia	158,571	5 Delaware	168,850	5 Virginia	158,571
6 New Jersey	165,000	6 Arkansas	151,749	6 New Jersey	165,000	6 Arkansas	151,749
7 Pennsylvania	161,850	7 Nevada	148,659	7 Pennsylvania	161,850	7 Nevada	148,659
8 Nevada	160,000	8 Iowa	147,449	8 Nevada	160,000	8 Iowa	147,449
9 Virginia	158,134	9 Alabama	146,906	9 Virginia	158,134	9 Alabama	146,906
10 Washington	148,832	10 Texas	146,193	10 Washington	148,832	10 Texas	146,193
11 Tennessee	148,668	11 Michigan	144,439	11 Tennessee	148,668	11 Michigan	144,439
12 Connecticut	146,780	12 Nebraska	142,548	12 Connecticut	146,780	12 Nebraska	142,548
13 Arizona	145,000	13 Washington	142,247	13 Arizona	145,000	13 Washington	142,247
14 Florida	142,178	14 Oklahoma	140,985	14 Florida	142,178	14 Oklahoma	140,985
15 Rhode Island	140,642	15 Florida	139,099	15 Rhode Island	140,642	15 Florida	139,099
16 Maryland	140,352	16 Arizona	137,381	16 Maryland	140,352	16 Arizona	137,381
17 Michigan	139,919	17 Utah	137,203	17 Michigan	139,919	17 Utah	137,203
18 Iowa	137,700	18 Kentucky	136,436	18 Iowa	137,700	18 Kentucky	136,436
19 New Hampshire	137,084	19 Indiana	135,899	19 New Hampshire	137,084	19 Indiana	135,899
20 New York	136,700	20 South Carolina	134,760	20 New York	136,700	20 South Carolina	134,760
21 Arkansas	136,257	21 California	134,049	21 Arkansas	136,257	21 California	134,049
22 Hawaii	136,127	22 Wisconsin	133,879	22 Alabama	134,943	22 Wisconsin	133,879
23 Alabama	134,943	23 Alaska	133,218	National Avg	134,740	23 Alaska	133,218
National Avg	134,826	24 North Carolina	132,776	23 Texas	132,500	24 North Carolina	132,776
24 Texas	132,500	25 Missouri	132,707	24 Utah	132,150	25 Missouri	132,707
25 Utah	132,150	26 Georgia	132,544	25 Hawaii	131,728	26 Georgia	132,544
26 South Carolina	130,312	National Avg	130,516	26 South Carolina	130,312	27 Kansas	131,477
27 Massachusetts	129,694	27 Kansas	131,477	27 Massachusetts	129,694	National Avg	130,463
28 Minnesota	129,124	28 Ohio	130,188	28 Minnesota	129,124	28 Ohio	130,188
29 Nebraska	128,832	29 Louisiana	128,734	29 Nebraska	128,832	29 Louisiana	128,734
30 Wisconsin	128,600	30 New Jersey	128,625	30 Wisconsin	128,600	30 New Jersey	128,625
31 Colorado	128,598	31 Minnesota	125,734	31 Colorado	128,598	31 Minnesota	125,734
32 North Carolina	127,957	32 Dist of Columbia	125,707	32 North Carolina	127,957	32 Dist of Columbia	125,707
33 Indiana	125,647	33 West Virginia	122,586	33 Indiana	125,647	33 West Virginia	122,586
34 Kentucky	124,620	34 Colorado	122,445	34 Kentucky	124,620	34 Colorado	122,445
35 Oklahoma	124,373	35 Idaho	121,055	35 Oklahoma	124,373	35 Idaho	121,055
36 Louisiana	124,085	36 South Dakota	121,048	36 Louisiana	124,085	36 South Dakota	121,048
37 Vermont	122,867	37 North Dakota	119,721	37 Vermont	122,867	37 North Dakota	119,721
38 Ohio	121,350	38 Wyoming	118,321	38 Ohio	121,350	38 Wyoming	118,321
39 Missouri	120,484	39 Rhode Island	117,298	39 Missouri	120,484	39 Rhode Island	117,298
40 Wyoming	120,400	40 Connecticut	116,723	40 Wyoming	120,400	40 Connecticut	116,723
41 Georgia	120,252	41 New Hampshire	115,964	41 Georgia	120,252	41 New Hampshire	115,964
42 Kansas	120,037	42 Mississippi	112,574	42 Kansas	120,037	42 Mississippi	112,574
43 West Virginia	116,000	43 New Mexico	111,703	43 West Virginia	116,000	43 New Mexico	111,703
44 Oregon	114,468	44 Maryland	110,594	44 Oregon	114,468	44 Maryland	110,594
45 North Dakota	113,648	45 Massachusetts	109,648	45 North Dakota	113,648	45 Massachusetts	109,648
46 Idaho	112,043	46 New York	108,640	46 Idaho	112,043	46 New York	108,640
47 Maine	111,969	47 Vermont	103,771	47 Maine	111,969	47 Vermont	103,771
48 New Mexico	111,631	48 Maine	103,306	48 New Mexico	111,631	48 Maine	103,306
49 South Dakota	110,377	49 Montana	102,612	49 South Dakota	110,377	49 Montana	102,612
50 Montana	106,870	50 Oregon	99,990	50 Montana	106,870	50 Oregon	99,990
51 Mississippi	104,170	51 Hawaii	83,262	51 Mississippi	104,170	51 Hawaii	80,573

Source: "Survey of Judicial Salaries" published by the National Center for State Courts, Vol. 34, No. 2.

These cost of living adjustments are performed using the COLI index (formerly called the ACCRA adjustment factor) which includes information about prices from over 400 reporting locations across the United States. The COLI index has been published quarterly since 1968 by the American Chamber of Commerce Researchers Association (ACCRA) and is commonly used measure of how prices and wages compare in different metropolitan areas across the country.



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SUMMARY SALARY COMPARISON AMONG STATES, HIGHEST COURT ASSOC. JUSTICES							
(7/1/09)* Present		COLI		HB2964HD1 Proposed		HB2964HD1 COLI	
State	Actual Salary	State	Adjusted	State	Actual	State	Adjusted
1 California	\$218,237	1 Illinois	\$208,759	1 California	\$218,237	1 Illinois	\$208,759
2 Illinois	201,819	2 Alabama	195,374	2 Illinois	201,819	2 Alabama	195,374
3 Pennsylvania	186,450	3 Pennsylvania	183,613	3 Pennsylvania	186,450	3 Pennsylvania	183,613
4 New Jersey	185,482	4 Georgia	182,420	4 New Jersey	185,482	4 Georgia	182,420
5 Delaware	185,050	5 Delaware	182,054	5 Delaware	185,050	5 Delaware	182,054
6 Alaska	184,908	6 Virginia	182,050	6 Alaska	184,908	6 Virginia	182,050
7 Dist of Columbia	184,500	7 Tennessee	180,550	7 Dist of Columbia	184,500	7 Tennessee	180,550
8 Virginia	183,839	8 Iowa	174,410	8 Virginia	183,839	8 Iowa	174,410
9 Alabama	180,005	9 Michigan	168,808	9 Alabama	180,005	9 Michigan	168,808
10 Nevada	170,000	10 Texas	166,570	10 Nevada	170,000	10 Texas	166,570
11 Georgia	167,210	11 Indiana	162,526	11 Georgia	167,210	11 Indiana	162,526
12 Michigan	164,610	12 California	161,859	12 Michigan	164,610	12 California	161,859
13 Washington	164,221	13 Arkansas	159,981	13 Washington	164,221	13 Arkansas	159,981
14 Iowa	163,200	14 Washington	158,111	14 Iowa	163,200	14 Washington	158,111
15 Connecticut	162,520	15 Oklahoma	155,070	15 Connecticut	162,520	15 Oklahoma	155,070
16 Maryland	162,352	16 Nevada	155,012	16 Maryland	162,352	16 Nevada	155,012
17 Tennessee	159,288	17 Nebraska	154,421	17 Tennessee	159,288	17 Nebraska	154,421
18 Florida	157,976	18 Utah	152,829	18 Florida	157,976	18 Utah	152,829
19 Rhode Island	156,213	19 Florida	151,657	19 Rhode Island	156,213	19 Florida	151,657
20 Arizona	155,000	20 Ohio	151,531	20 Arizona	155,000	20 Ohio	151,531
21 Indiana	151,328	21 Missouri	151,498	21 Indiana	151,328	21 Missouri	151,498
22 New York	151,200	22 Wisconsin	150,206	22 New York	151,200	22 Wisconsin	150,206
23 Hawaii	151,118	23 Kansas	148,723	National Avg	172,519	23 Kansas	148,723
National Avg	171,588	24 Kentucky	147,065	23 Texas	150,000	24 Kentucky	147,065
24 Texas	150,000	25 Louisiana	145,899	24 New Hampshire	146,917	25 Louisiana	145,899
25 New Hampshire	146,917	26 Arizona	145,728	25 Hawaii	146,235	26 Arizona	145,728
26 Massachusetts	145,984	National Avg	145,529	26 Massachusetts	145,984	National Avg	145,471
27 Minnesota	145,981	27 New Jersey	143,782	27 Minnesota	145,981	27 New Jersey	143,782
28 Utah	145,350	28 Alaska	143,459	28 Utah	145,350	28 Alaska	143,459
29 Arkansas	145,204	29 South Carolina	142,552	29 Arkansas	145,204	29 South Carolina	142,552
30 Wisconsin	144,495	30 North Carolina	142,518	30 Wisconsin	144,495	30 North Carolina	142,518
31 Ohio	141,600	31 Minnesota	139,742	31 Ohio	141,600	31 Minnesota	139,742
32 Colorado	139,660	32 Dist of Columbia	133,235	32 Colorado	139,660	32 Dist of Columbia	133,235
33 Nebraska	139,278	33 Colorado	132,325	33 Nebraska	139,278	33 Colorado	132,325
34 Oklahoma	137,655	34 North Dakota	130,329	34 Oklahoma	137,655	34 North Dakota	130,329
35 North Carolina	137,249	35 Rhode Island	128,805	35 North Carolina	137,249	35 Rhode Island	128,805
36 South Carolina	137,171	36 Idaho	128,280	36 South Carolina	137,171	36 Idaho	128,280
37 Missouri	137,034	37 South Dakota	128,247	37 Missouri	137,034	37 South Dakota	128,247
38 Louisiana	136,967	38 West Virginia	128,163	38 Louisiana	136,967	38 West Virginia	128,163
39 Kansas	135,905	39 Maryland	127,093	39 Kansas	135,905	39 Maryland	127,093
40 Kentucky	135,504	40 Connecticut	127,009	40 Kentucky	135,504	40 Connecticut	127,009
41 Vermont	129,245	41 New Hampshire	125,521	41 Vermont	129,245	41 New Hampshire	125,521
42 Wyoming	126,500	42 Wyoming	123,733	42 Wyoming	126,500	42 Wyoming	123,733
43 Oregon	125,688	43 Massachusetts	122,133	43 Oregon	125,688	43 Massachusetts	122,133
44 North Dakota	124,027	44 Mississippi	122,078	44 North Dakota	124,027	44 Mississippi	122,078
45 New Mexico	123,691	45 New Mexico	121,841	45 New Mexico	123,691	45 New Mexico	121,841
46 West Virginia	121,000	46 New York	121,359	46 West Virginia	121,000	46 New York	121,359
47 Idaho	119,506	47 Maine	112,987	47 Idaho	119,506	47 Maine	112,987
48 Maine	119,476	48 Oregon	109,892	48 Maine	119,476	48 Oregon	109,892
49 South Dakota	118,173	49 Vermont	109,788	49 South Dakota	118,173	49 Vermont	109,788
50 Montana	113,964	50 Montana	108,554	50 Montana	113,964	50 Montana	108,554
51 Mississippi	112,530	51 Hawaii	91,837	51 Mississippi	112,530	51 Hawaii	88,870

Source: National Center for State Courts

These cost of living adjustments are performed using the COLI index (formerly called the ACCRA adjustment factor) which includes information about prices from over 400 reporting locations across the United States. The COLI index has been published quarterly since 1968 by the American Chamber of Commerce Researchers Association (ACCRA) and is commonly used measure of how prices and wages compare in different metropolitan areas across the country.



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SUMMARY SALARY COMPARISON AMONG STATES, INTERMEDIATE APPELLATE COURTS ASSOC. JUDGES

(7/1/09)* Present		COLI		HB2964HD1 Proposed		HB2964HD1 COLI	
State	Actual Salary	State	Adjusted	State	Actual	State	Adjusted
1 California	\$204,599	1 Illinois	\$196,481	1 California	\$204,599	1 Illinois	\$196,481
2 Illinois	189,949	2 Alabama	194,151	2 Illinois	189,949	2 Alabama	194,151
3 Alabama	178,878	3 Georgia	181,303	3 Alabama	178,878	3 Georgia	181,303
4 Pennsylvania	175,923	4 Tennessee	174,538	4 Pennsylvania	175,923	4 Tennessee	174,538
5 New Jersey	175,534	5 Pennsylvania	173,246	5 New Jersey	175,534	5 Pennsylvania	173,246
6 Alaska	174,696	6 Virginia	166,684	6 Alaska	174,696	6 Virginia	166,684
7 Virginia	168,322	7 Iowa	158,059	7 Virginia	168,322	7 Iowa	158,059
8 Georgia	166,186	8 Indiana	157,988	8 Georgia	166,186	8 Indiana	157,988
9 Washington	156,328	9 Michigan	155,303	9 Washington	156,328	9 Michigan	155,303
10 Tennessee	153,984	10 Arkansas	155,054	10 Tennessee	153,984	10 Arkansas	155,054
11 Connecticut	152,637	11 Texas	152,689	11 Connecticut	152,637	11 Texas	152,689
12 Michigan	151,441	12 California	151,744	12 Michigan	151,441	12 California	151,744
13 Florida	150,077	13 Washington	150,512	13 Florida	150,077	13 Washington	150,512
14 Arizona	150,000	14 Oklahoma	146,908	14 Arizona	150,000	14 Oklahoma	146,908
15 Maryland	149,552	15 Nebraska	146,700	15 Maryland	149,552	15 Nebraska	146,700
16 Iowa	147,900	16 Utah	145,889	16 Iowa	147,900	16 Utah	145,889
17 Indiana	147,103	17 Florida	144,074	17 Indiana	147,103	17 Florida	144,074
National Avg	145,665	18 Kansas	143,922	National Avg	145,549	18 Kansas	143,922
18 New York	144,000	National Avg	142,590	18 New York	144,000	National Avg	142,520
19 Arkansas	140,732	19 Missouri	141,739	19 Arkansas	140,732	19 Missouri	141,739
20 Hawaii	139,924	20 Wisconsin	141,704	20 Utah	138,750	20 Wisconsin	141,704
21 Utah	138,750	21 Ohio	141,258	21 Minnesota	137,552	21 Ohio	141,258
22 Minnesota	137,552	22 Kentucky	141,139	22 Texas	137,500	22 Kentucky	141,139
23 Texas	137,500	23 Arizona	141,027	23 Wisconsin	136,316	23 Arizona	141,027
24 Wisconsin	136,316	24 South Carolina	138,987	24 Hawaii	135,402	24 South Carolina	138,987
25 Massachusetts	135,087	25 Louisiana	138,684	25 Massachusetts	135,087	25 Louisiana	138,684
26 Colorado	134,128	26 North Carolina	136,580	26 Colorado	134,128	26 North Carolina	136,580
27 South Carolina	133,741	27 New Jersey	136,070	27 South Carolina	133,741	27 New Jersey	136,070
28 Nebraska	132,314	28 Alaska	135,536	28 Nebraska	132,314	28 Alaska	135,536
29 Ohio	132,000	29 Minnesota	131,673	29 Ohio	132,000	29 Minnesota	131,673
30 North Carolina	131,531	30 Idaho	127,207	30 North Carolina	131,531	30 Idaho	127,207
31 Kansas	131,518	31 Colorado	127,084	31 Kansas	131,518	31 Colorado	127,084
32 Oklahoma	130,410	32 Connecticut	119,286	32 Oklahoma	130,410	32 Connecticut	119,286
33 Louisiana	130,194	33 Maryland	117,073	33 Louisiana	130,194	33 Maryland	117,073
34 Kentucky	130,044	34 New Mexico	115,748	34 Kentucky	130,044	34 New Mexico	115,748
35 Missouri	128,207	35 New York	115,580	35 Missouri	128,207	35 New York	115,580
36 Oregon	122,820	36 Mississippi	113,963	36 Oregon	122,820	36 Mississippi	113,963
37 Idaho	118,506	37 Massachusetts	113,017	37 Idaho	118,506	37 Massachusetts	113,017
38 New Mexico	117,506	38 Oregon	107,384	38 New Mexico	117,506	38 Oregon	107,384
39 Mississippi	105,050	39 Hawaii	85,034	39 Mississippi	105,050	39 Hawaii	82,286
Delaware	n/a	Delaware	n/a	Delaware	n/a	Delaware	n/a
Dist of Columbia	n/a	Dist of Columbia	n/a	Dist of Columbia	n/a	Dist of Columbia	n/a
Maine	n/a	Maine	n/a	Maine	n/a	Maine	n/a
Montana	n/a	Montana	n/a	Montana	n/a	Montana	n/a
Nevada	n/a	Nevada	n/a	Nevada	n/a	Nevada	n/a
New Hampshire	n/a	New Hampshire	n/a	New Hampshire	n/a	New Hampshire	n/a
North Dakota	n/a	North Dakota	n/a	North Dakota	n/a	North Dakota	n/a
Rhode Island	n/a	Rhode Island	n/a	Rhode Island	n/a	Rhode Island	n/a
South Dakota	n/a	South Dakota	n/a	South Dakota	n/a	South Dakota	n/a
Vermont	n/a	Vermont	n/a	Vermont	n/a	Vermont	n/a
West Virginia	n/a	West Virginia	n/a	West Virginia	n/a	West Virginia	n/a
Wyoming	n/a	Wyoming	n/a	Wyoming	n/a	Wyoming	n/a

Source: National Center for State Courts

These cost of living adjustments are performed using the COLI index (formerly called the ACCRA adjustment factor) which includes information about prices from over 400 reporting locations across the United States. The COLI index has been published quarterly since 1968 by the American Chamber of Commerce Researchers Association (ACCRA) and is commonly used measure of how prices and wages compare in different metropolitan areas across the country.
 n/a = not applicable as not all states have intermediate appellate courts.



A nonprofit organization improving justice through leadership and service to courts

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Testimony to the House Committee on Finance

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

Monday, February 22, 2010, 1:00 pm

State Capitol, Conference Room 308

by

Mary Campbell McQueen

President and CEO

National Center for State Courts

Bill No. and Title: House Bill No. 2964, H.D. 1, Relating to Salaries

I am honored to have this opportunity to testify before you in regards to Hawaii House Bill No. 2964. Let me start by explaining the mission of the National Center for State Courts (NCSC). The NCSC was established in 1971 at the urging of then Chief Justice Warren Burger as a non-profit organization dedicated to serving as a central resource available to all state judiciaries. As part of our mission, we collect comparable information on the work and administration of all state judiciaries and identify best or promising practices states might wish to consider adopting. We are heavily involved in providing the information, analysis, and practical resources needed for continuing to provide a high-quality judiciary in a time of recession.

Since 1974 the NCSC has continuously monitored and analyzed state judicial compensation trends through annual and (more recently) semi-annual surveys of the 50 states. Our Web site provides a comprehensive data base of the survey findings and notes factors that should be taken into account if valid state-to-state comparisons are to be made (accessible at: http://www.ncsconline.org/d_kis/salary_survey/home.asp.) Through the generous funding of the Cade Foundation, the NCSC carried out an extensive analysis of judicial compensation in Hawaii, resulting in recommendations that were subsequently adopted by your legislature. The NCSC recently completed an in-depth study of judicial compensation in New York State, and has offered testimony before legislative committees and commissions charged with reviewing public employee compensation in a variety of states.

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Based on its 36 years of experience, the NCSC recommends that comparisons of judicial compensation among states be made using cost-of-living adjusted salaries to measure the adequacy of compensation levels. Starting in 2005 our salary survey reports have included cost-of-living adjusted judicial salaries. In the most recent survey (July 2009) Hawaii's judges ranked on that basis as 51st in the nation, lower than all other states and the District of Columbia. This is a decline from the situation in 2005, when Hawaii ranked 49th in the nation.

The NCSC continues to urge states to adhere to four key objectives when making decisions on judicial compensation, objectives first stated in the 2002 Cade Foundation funded report:

Equity: Judicial compensation should be broadly comparable to remuneration received by attorneys taking similar career paths and by other public servants having comparable responsibility, training, and experience.

Regularity: The real value of judicial compensation should be maintained through adjustments that respond to inflation.

Objectivity: Judicial compensation should be set by reference to an agreed-upon set of objective criteria that can be easily evaluated by the public.

Separate from politics: Decisions on judicial compensation should not be used to express dissatisfaction with specific court decisions.

Finally, the potential economic impact of low judicial compensation levels on the economy is often overlooked. States have a strong interest in attracting and retaining businesses that create jobs and tax revenues and contribute to economic prosperity. A high-quality, stable judiciary is one factor that makes a state attractive when investment and re-investment decisions are made by businesses.