BIENNIAL REPORT

JUDICIAL COMPENSATION COMMISSION

January 1995

AUTHORIZATION AND APPOINTMENT

The Judicial Compensation Commission was established in 1987 pursuant to section 602.1514 of the Code. The Commission has eight members, four members appointed by the Governor and four members appointed by the Legislative Council. The Commission has the duties to review the compensation and related benefits paid to statutory judicial officers; to review the compensation and related benefits paid to comparable positions in other states, the federal government, and private enterprise; and to recommend compensation and related benefits for judges to the Governor and the General Assembly based on the review of those benefits and other factors. Before 1987, these duties were assigned to the Commission on Compensation, Expenses, and Salaries of Elected State Officials which included review of compensation of the executive, legislative, and judicial branches. The recommendations are to be submitted not later than February 1 of each odd-numbered year.

The members of the Judicial Compensation Commission for the 1995-1996 biennium are:

Mr. Michael Liebbe, Chairperson, Legislative Council's Appointee, Term expires 6/30/96.

Ms. Linda Life, Vice Chairperson, Legislative Council's Appointee, Term expires 6/30/98.

Ms. Lois Bliesman, Governor's Appointee, Term expires 6/30/96. Resigned.

Mr. Wayne Edsall, Governor's Appointee, Term expires 6/30/98.

Ms. Linda Evans, Legislative Council's Appointee, Term expires 6/30/98.

Mr. Buell Jackson, Legislative Council's Appointee, Term expires 6/30/96.

Ms. Renata Sack, Governor's Appointee, Term expires 6/30/98.

Mr. Robert Van Vooren, Governor's Appointee, Term expires 6/30/96.

MEETING DAY

The Commission met on Wednesday, November 30, 1994. Mr. Michael Liebbe was elected Chairperson and Ms. Linda Life was elected Vice Chairperson.

BACKGROUND INFORMATION

The Commission members received the following background information before the meeting date:

1. Background Statement, Legislative Service Bureau, summarizing the statutory authorization and duties of the Commission.

2. Final Reports from the Judicial Compensation Commissions submitted to the Governor and the General Assembly in January 1989, January 1991, and January 1993.

3. A publication entitled, "Survey of Judicial Salaries, July 1994," prepared by the National Center for State Courts, which contains a listing of judicial fringe benefits in all 50 states.

4. Information compiled by the State Court Administrator's Office, summarizing judicial salaries for the preceding 10 years, summarizing fringe benefits for judicial officers, summarizing the judicial retirement system, and summarizing the senior judge program.

INVITED TESTIMONY

The following individuals submitted written and oral testimony to the Commission:

1. The Honorable Art Gamble, Judge, Fifth Judicial District of Iowa and Co-Chairperson of the Legislative Policy Committee of the Iowa Judges Association, and the Honorable John A. Nahra, Judge, Seventh Judicial District of Iowa and Co-Chairperson of the Legislative Policy Committee of the Iowa Judges Association. The Association recommended that judicial pension be increased to 60 percent of salary, that senior judges and their spouses receive supplemental Medicare health insurance during their lifetimes, that senior judges receive 37.5 percent of salary increases, that senior judges be compensated at the rate of $5,000 per year, that the senior

judge benefit be calculated to remove any penalty required for service by a new senior judge, that the increased pension benefits and compensation to senior judges be funded from the state general fund through a separate appropriation, in lieu of pension funds and without impact to the appropriation for the general judicial department budget, and that at a minimum, judicial salaries should increase at the same percentage as other state employees.

2. The Honorable Linzy Martin, Magistrate, representing the Iowa Magistrates Association. The Association recommended a salary increase for magistrates equal to either one-third or 40 percent of a district associate judge's salary due to a substantial increase in the case load and a reduction in the type of cases which lawyer-magistrates can handle in private practice.

3. Mr. Mark Tripp, representing the Iowa Defense Counsel Association, Mr. Fredd Haas, representing the Iowa Trial Lawyers Association, and Mr. Roger Stetson, representing the Iowa Bar Association, supported the Iowa Judges Association's recommendations concerning the senior judges' program and recommended that salary levels be increased several percent above the cost of living percentage given to state workers.

RECOMMENDATIONS

After review and discussion of the information received from background materials and invited testimony, the Commission prepared the following proposed recommendations to be sent to all Commission members with a letter of explanation and rationale prepared by Chairperson Liebbe for their individual approval or disapproval. A majority of the Commission members (five) have approved the following recommendations:

1. The basic retirement benefits of members of the judicial retirement system should be calculated with a maximum not to exceed 60 percent of current salary in lieu of 50 percent of current salary.

2. The Senior Judge Program, as currently implemented, should include the following elements:

   - A senior judge should receive 37.5 percent of future salary increases received by a nonretired justice or judge of the same rank.
   - A senior judge and the judge's spouse should receive supplemental Medicare health insurance for the remainder of their lives.
   - A senior judge should receive an annual compensation of $5,000.

- The pension benefits of a senior judge should not include a compensation penalty for service as a senior judge. The formula should be amended to exclude any penalties or reductions for senior judge status after January 1, 1995.
- A senior judge may serve and continue to receive senior judge benefits after reaching the age of 78 years upon the annual invitation of the chief judge of the judicial district.
- An increased pension benefit accruing to a senior judge and the recommended annual compensation specified should be paid from the state general fund in lieu of payment from judicial pension funds. The funding should be from a special appropriation and not impact on the judicial department budget.

3. The annual salary recommendations for justices, judges, and magistrates are as follows:

   - An eight percent annual salary increase for all supreme court justices, judges of the court of appeals, district court judges, and district associate judges for each year of the fiscal biennium beginning July 1, 1995, and ending June 30, 1997.
   - For magistrates who are licensed to practice law in this state, an annual salary of $24,000, and for all other magistrates, an annual salary of $20,000 for the fiscal biennium beginning July 1, 1995, and ending June 30, 1997.

The following is the vote of the Commissioners approving the recommendations:

1. Those voting aye were: Mr. Liebbe, Ms. Life, Mr. Jackson, Ms. Sack, and Mr. Van Vooren.

2. Mr. Edsall replied that he supported the recommendations except the eight percent annual salary increases for the supreme court justices, judges of the court of appeals, district court judges, and district associate judges.

3. Ms. Evans did not vote.

4. Ms. Bliesman resigned from the Commission before its meeting.

REPORT OF THE CHAIRPERSON

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December 9, 1994

TO: Iowa State Legislature

FROM: The Judicial Compensation Commission

RE: Recommendations

The undersigned Commission is proposing and recommending to the legislature the attached items concerning judicial compensation in the State of Iowa. Along with the recommendation, we are sending you this letter about the rationale behind the recommendation. We will start out by explaining our feelings concerning Judicial Compensation. The use of District Court's salary figures is only to explain our feelings. The sentiment applies to all judges.

For the fiscal year beginning July 1, 1982, Iowa District Court Judge's salaries were $50,700.00 per year. Five years later, that salary was $57,800.00. Beginning with fiscal year 1988, salaries were raised to $66,000.00, and $72,000.00 for fiscal year 1989. In fiscal year 1990, no change occurred and in 1991, the salary was $76,700.00. The Commission recognized that these were hard times for the State of Iowa. Revenues were down and many government programs had to be cut back. Beginning in fiscal year 1992, the judicial salary level was raised to $82,500.00 with fiscal year 1993-1994 resulting in a bonus of $650.00, but no salary change. Beginning December 30, 1994, the salary level will be at $85,900.00. Over the last two years, this has amounted to a raise of $850.00 per year, or $16.34 per week.

It is recognized there have been substantial increases in judicial salaries when looked at over the last ten years. However, this is not reflective of the situation over the last three years. In 1984/1985, the salary of a District Court Judge at $54,000.00 was undeniably low. Judges were

leaving the bench to seek more lucrative careers. If we expect to continue attracting high caliber individuals to the bench, we cannot expect them to take substantial pay cuts to leave private practice nor can we expect them to look at a compensation system which reflects, in the last five years, basically a three percent per year increase in pay. Using a baseline of fiscal year 1989, an Iowa District Court Judge's salary was $72,000.00. The following year a six percent increase occurred followed by a zero percent increase, then a seven and a half percent increase, a zero percent increase and lastly, a two percent increase for the first six months with a two percent increase for the last six months. This averages out to three and a half percent per year. The Commission feels this is inappropriate. We believe a catch up effort should be made at this point in time. An eight percent increase now would mean an average increase over the last six years of slightly over four percent, a relatively conservative figure. The two years of zero increase necessitate the eight percent at this point in time. To do anything less would only burden the future with a higher cost.

We have taken a different approach concerning the Magistrates. We believe, over the last three to five years, there has been an ever increasing load upon these individuals with the expansion of their jurisdiction and increased delegation of responsibility. Unless we change the lawyers' compensation, we are not going to be able to continue to attract quality people. For that reason, we are recommending the lawyers' salary be changed to $24,000.00 and the non-lawyers' salary to $20,000.00. The distinction here is that there are now several matters that only lawyers can perform the services. These are also the services that are requiring more and more time of the Magistrates.

Our second area of concern is the senior judge and the retirement program. There were no judges who retired during the last fiscal year. This was fortunate since as of now, if a judge retires and elects to become a senior judge, they receive less of a pension then if they would completely retire.

We are at a crossroads in the legal system now. If the senior judge program continues to be so fiscally unattractive, judges are not going to participate. If we do not have the senior judge program, then the judicial system is going to face a crisis. Unless there are senior judges available to handle cases, cases will be rescheduled at increasing numbers because of the unavailability of a judge to handle the matter.

Respectfully submitted,

M.W. Liebbe
Chair, Judicial Compensation Commission

MWL:slm
Encl.