

ISSUE REVIEW

Fiscal Services Division January 6, 2017



Judicial Compensation

ISSUE

This *Issue Review* provides background and historical information regarding Iowa's judicial compensation system, reviews the national and regional judicial compensation rates, and provides a comparison to Iowa.

AFFECTED AGENCIES

Judicial Branch

CODE AUTHORITY

lowa Code sections 602.1501 and 602.9204

BACKGROUND

lowa's court system consists of a Supreme Court, a Court of Appeals, and the District Courts. The Supreme Court consists of one chief justice and six associate justices. The Court of Appeals consists of one chief judge and eight associate judges. Iowa has a unified trial court system at the District Court level, with jurisdiction over all types of civil, criminal, juvenile, and probate cases. There are eight judicial districts and each district has a chief judge. There are six types of judgeships within a District Court. Each judgeship level has a set salary based on the level of responsibility of each position:

- **District Judges** Hear any type of case within the District Court including felony criminal cases, dissolutions of marriage, personal injury cases, and business disputes.
- **District Associate Judges** Hear serious and aggravated misdemeanor cases, certain civil suits, and juvenile cases when the judge is sitting as a juvenile judge and has the same jurisdiction as magistrates.
- **Associate Juvenile Judges** Hear juvenile court matters including juvenile delinquency, child in need of assistance, termination of parental rights, and adoptions.
- Associate Probate Judges Hear probate cases, audit accounts, and perform judicial duties in probate.

¹ Iowa Code section <u>602.6101</u>.

- Magistrates Preside over simple misdemeanors, county and municipal infractions, small claims, issue search warrants, conduct preliminary hearings, and hear certain involuntary hospitalization matters.²
- **Senior Judges** Assigned to the district or appellate courts by the Iowa Supreme Court, these retired judges assist at every level of the court system and aid the Judicial Branch with its high volume of cases.

All judicial salaries are determined by the General Assembly, as required by lowa Code sections <u>602.1501</u> and <u>602.9204(1)(a)</u>. The salary levels are divided by court level and judgeship position within that level.³ Judicial salaries are supported by the general operating fund of the Judicial Branch, which receives appropriations from the State General Fund.

Supre	me Court	Court	of Appeals	District Court			
Chief	\$ 178,538	Chief	\$ 159,885	Chief Judge	\$ 149,226		
Justices	170,544	Judges	154,556	District Judges	143,897		
				District Associate	127,908		
				Juvenile Associate	127,908		
				Probate Associate	127,908		
				Magistrates	39,438		
				Senior Judges	8,527		

FY 2017 Iowa Judicial Salaries

RECENT HISTORY

Judicial Compensation Commission. In 1987, the lowa General Assembly established a Judicial Compensation Commission to review the salaries of judges. The Commission was composed of eight members, with four members appointed by the Governor and four members appointed by the Legislative Council. Duties of the Commission included the review of compensation and related benefits paid in comparison to other states, the federal government, and private enterprise. Based on its review, the Commission made recommendations to the Governor and the General Assembly. Prior to 1987, these duties were assigned to the Commission on Compensation, Expenses, and Salaries of Elected State Officials. The Judicial Compensation Commission provision of the lowa Code was repealed in 2008 and the Commission is no longer in place today.

ISBA Blue Ribbon Task Force. In 2005, a judicial compensation task force was formed by the lowa State Bar Association (ISBA) to review and make recommendations on judicial compensation levels in lowa. The task force considered several factors in its study, including the study of judicial responsibilities, education, and experience that gives rise to an appropriate

² Magistrates are appointed by a county nominating commission and serve a four-year term. Iowa Code section 602.6401(2) requires the state court administrator to apportion the 206 magistrate positions among Iowa's 99 counties every four years. For the allocation process, the state court administrator must consider county-based factors including geographical area and seasonal population changes.

³ 2013 Iowa Acts, ch. 140, §40, https://www.legis.iowa.gov/docs/publications/iactc/85.1/CH014.pdf

⁴ Iowa Code section <u>602.1514</u>, Code 2007.

⁵ *Judicial Compensation Commission – Biennial Report*, Legislative Services Bureau, February 1997, https://www.legis.iowa.gov/DOCS/Shelves/InterimCommFinal/1997/Judicial%20Compensation%20Commission.pdf

level of judicial compensation, and the incongruity between judicial salaries in lowa and those of other similarly situated State employees, and the incongruity between judicial salaries in lowa and judicial salaries in other states. It also provided an objective evaluation of the competency of the lowa court system.

The task force concluded in its report that an across-the-board increase to judicial salaries was necessary. The task force proposed a three-year plan to provide for salary increases. The recommendation for year one called for a 4.5% cost of living adjustment for all lowa judges in addition to pension enhancement. Years two and three would each factor in 50.0% of the proposed increase. Per those recommendations, the lowa Legislature implemented a 4.5% cost of living increase in FY 2006. The rest of the proposed increase was implemented from FY 2007 through FY 2009.⁶

	FY 2006	FY 2007	FY 2008	FY 2009
Chief Justice/Supreme Court	4.47%	13.10%	2.00%	11.59%
Supreme Court Justices	4.49%	12.50%	2.01%	11.10%
Chief Judge/Court of Appeals	4.53%	8.63%	1.99%	7.95%
Court of Appeals Judges	4.47%	8.89%	2.00%	8.16%
Chief District Court Judges	4.49%	7.38%	2.00%	6.87%
District Court Judges	4.49%	7.67%	2.00%	7.12%
District Associate Judge	4.50%	8.82%	1.99%	8.11%
Associate Juvenile Judges	4.50%	8.82%	1.99%	8.11%
Part-time Magistrates	4.47%	12.50%	1.99%	8.19%
Senior Judge	4.62%	4.41%	1.94%	12.74%

2016 Legislative Session. During the 2016 Legislative Session, a bill to modify how judicial salaries are determined was introduced in the House. House File 2432, as amended and passed by the House, proposed to change lowa Code section 602.1501 to allow the lowa Supreme Court to set the salaries of judicial officers. Under this new system, the Supreme Court could set the salaries within the bounds of the general operating moneys appropriated to the Judicial Branch by the General Assembly. In addition, if the Supreme Court were to approve a judicial salary increase, the action must be made a public record through court order and could not take effect until the general operating moneys for the Judicial Branch had been appropriated. HF 2432 passed in the House, but ultimately failed to gain full legislative approval.

In lowa, the Judicial Branch requested a 5.0% salary increase for all judges and magistrates during the 2016 Legislative Session. The 5.0% salary increase would have required an additional \$2.3 million be appropriated to the Judicial Branch operating fund. This request was not approved by the Legislature.

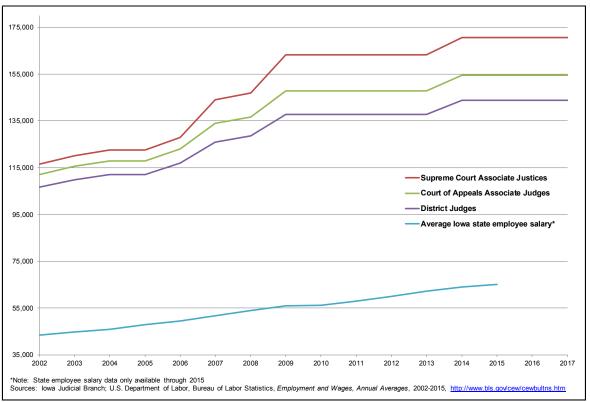
⁶ Judicial Compensation Commission, Recommendation for Iowa Judicial Compensation – Letter from the Task Force to the Iowa State Bar Association and Legislative Leaders, April 18, 2005.

۵

IOWA JUDICIAL SALARIES

Over the past 20 years, lowa judicial salaries have increased 11 times. The most recent increase was approved during the 2013 Legislative Session and remains in place today. The increase, implemented in FY 2014, increased salaries by 4.5% from the previous fiscal year. For a full listing of annual judges' salaries from FY 1984 to FY 2017, see **Attachment A**. The following chart compares the annual salaries of lowa judges from FY 2002 to FY 2017 to the average state employee salary during the same period.⁷

Annual Salaries in Iowa (FY 2002 – FY 2017)



The average State employee salary has increased steadily since FY 2002, while judicial salaries have increased more sporadically over the same time period. Between FY 2010 and FY 2017, the majority of Iowa State employees will have received a 14.1% across-the-board increase in their base pay (under current bargaining agreements). During the same period, judges will have received a 4.5% across-the-board increase in their salaries.

⁷ 2013 lowa Acts, ch. 140, §40. https://www.legis.iowa.gov/docs/publications/iactc/85.1/CH0140.pdf

⁸ Iowa Department of Administrative Services.

COMPARISON

National Judicial Salaries. The salary level for each judicial position varies significantly by state. The High Court⁹ salary ranges from \$130,136 in Maine to \$233,888 in California. The Intermediate Court salary ranges from \$124,616 in New Mexico to \$219,272 in California. The General Jurisdiction court salary ranges from \$118,384 in New Mexico to \$201,100 in the District of Columbia. The following chart contains the national salary level mean, median, and range for the High, Intermediate, and General Jurisdiction courts.

National Judicial Salary Averages - Iowa's Ranking

		National	lowa			
	Mean	Median	Range	Salary	National Rank	
Associate Justices of Highest Court	\$168,163	\$167,210	\$130,136 to \$230,750	\$170,544	20	
Associate Judges of Intermediate Appellate Court	\$162,306	\$162,488	\$124,616 to \$219,272	\$154,556	25	
District Judges of General Jurisdiction Courts	\$151,624	\$149,000	\$118,384 to \$201,100	\$143,897	32	

The Iowa Supreme Court Associate Justice salary ranks as the 20th highest nationally, the Appellate Associate Judge salary ranks as the 25th highest nationally, and the District Court Judge salary ranks 32nd. When adjusted for cost of living, the District Judges' salaries rank 16th nationally. ¹¹

National Salary Increases. During the period from July 1, 2015, through July 1, 2016, the national average annual percentage salary increase for Chief and Associate Justices of the Highest Court, Intermediate Appellate Court Judge, General Jurisdiction Judge, and the State court administrators ¹² was 1.7%. This increase remains below the prerecession average increase level of 3.24%. The following chart contains a historical overview of the national average percentage changes for the four judicial positions and State court administrators.

-

⁹ In most states, the high court is known as the Supreme Court. The intermediate court corresponds to the state's intermediate/appellate court, and the general jurisdiction classification refers to the state lowest court, typically known as a district court.

¹⁰ Survey of Judicial Salaries, Vol. 42 No.1, National Center for State Courts, October 2016.

¹¹ Survey of Judicial Salaries, Vol. 42 No.1, National Center for State Courts, October 2016.

¹² State court administrators oversee all aspects of the day-to-day operation of the State court system.

National Average Percent Change for Judicial and Administrative Positions

_	_	Average Ann	ual Percent C	Change
	Recession 2003-2007	Recession 2008-2009	Recession 2010-2011	Recovery 2012-2015
Chief, Highest Court	3.19%	1.58%	0.67%	2.19%
Associate Justice (cost of living adjustec	3.21%	1.88%	0.64%	2.18%
Judge, Intermediate Appellate Court	3.20%	1.60%	0.36%	2.21%
Judge, General Jurisdiction Trial Courts	3.30%	1.91%	0.58%	2.24%
State Court Administrators	3.30%	1.38%	0.89%	2.21%
Average	3.24%	1.67%	0.63%	2.20%

As of July 2015, there were six states that had experienced at least seven years without a salary increase for General Jurisdiction judges. Michigan has gone the longest, with the last increase occurring in 2002. In both 2011 and 2013, the Michigan Judicial Commission recommended increases for Michigan judges, but did not gain legislative approval. In 2015, the Michigan State Officers Compensation Commission recommended a 3.0% pay increase for the Supreme Court judges in 2017 and an additional 3.0% in 2018. Since the Michigan lower court judges receive a percentage of what the Supreme Court justices receive, the panel's recommendation would result in pay increases for all Michigan judges.

In Ohio, judges received the first of four salary increases on September 29, 2015. The four salary increases are proposed to be phased in over the next three years at 5.0% each. This is the first salary increase for Ohio judges since 2007. Prior to September 2015, Ohio ranked as 47th nationally in pay for its General Jurisdiction judges.¹⁵

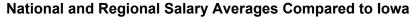
National and Regional Salary Averages. Both nationally and regionally, lowa's salary for the Associate Supreme Court Justices is above the average. Iowa's Associate Appellate and District Court judges' salaries are below the national and regional averages.

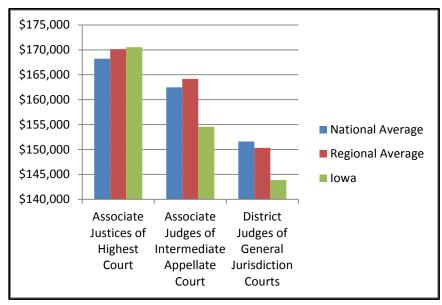
¹³ Survey of Judicial Salaries, Vol. 40 No. 2, National Center for State Courts, January 2016.

¹⁵ Survey of Judicial Salaries, Vol. 40 No. 2, National Center for State Courts, January 2016.

_

Egan, Paul, Panel recommends pay hike for Michigan judges, Detroit Free Press, May 13, 2015, http://www.freep.com/story/news/local/michigan/2015/05/13/state-officials-pay-panel-meets-lansing/27225487/





If lowa were to adopt the across-the-board 5.0% salary increase previously proposed by the Judicial Branch, the Associate Appellate judge salary would rise from \$154,556 to \$162,284, just below the national and regional averages of \$162,306 and \$164,187, respectively. The District Judge salary would rise from \$143,897 to \$151,092, slightly above the regional average of \$150,339, and below the national average of \$151,624.

Judicial Salaries in Neighboring States. Among the states sharing a border with Iowa, Illinois has had the highest salary levels for its General Jurisdiction and Supreme Court Associate Judges by a significant amount over the past 10 years.

Regional Salaries for General Jurisdiction Judges (2006 – 2015)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Illinois	\$157,824	\$163,348	\$169,555	\$174,303	\$178,835	\$180,802	\$182,429	\$184,436	\$187,018	\$190,758	\$194,001
lowa	126,020	128,544	137,700	137,700	137,700	137,700	137,700	143,897	143,897	143,897	143,897
Minnesota	121,712	125,363	129,124	129,124	129,124	129,124	129,124	134,289	138,318	143,851	149,605
Missouri	108,000	116,975	120,484	120,484	120,484	120,484	127,020	127,020	145,343	146,803	148,263
Nebraska	117,333	121,439	125,690	128,832	132,053	132,053	134,694	141,428	148,500	153,697	159,077
South Dakota	104,041	107,162	110,377	110,377	110,377	110,377	113,688	117,099	120,612	123,024	126,346
Wisconsin	119,605	124,744	125,992	128,600	128,600	128,600	128,600	129,887	131,187	131,187	131,187
Average	\$122,076	\$126,796	\$131,275	\$132,774	\$133,882	\$134,163	\$136,179	\$139,722	\$144,982	\$147,602	\$150,339

From 2006 to 2013, Iowa's District Court judge salaries consistently ranked second highest of the neighboring region. In 2014, Iowa's ranking dropped despite a salary increase due to large salary increases in neighboring states. In 2016, Iowa ranked fifth out of seven for General Jurisdiction judge salaries regionally, having a higher salary than only South Dakota and Wisconsin. Wisconsin has the lowest regional salary of \$131,187 for its District Court judges.¹⁶

¹⁶ Survey of Judicial Salaries, Vol. 42 No.1, National Center for State Courts, October 2016.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		2016
Illinois	\$182.739	\$189.135	\$196.322	\$ 201.819	\$ 207.066	\$209.344	\$ 211.228	\$ 213.552	\$ 216.542	\$ 220.873	\$	224.628
lowa	144,000	146,890	163,200	163,200	163,200	163,200	163,200	170,544	170,544	170,544	Ť	170,544
Minnesota	137,601	141,729	145,981	145,981	145,981	145,981	145,981	151,820	156,375	162,630		169,135
Missouri	123,000	133,043	137,034	137,034	137,034	137,034	147,591	147,591	168,636	170,292		172,017
Nebraska	126,847	131,285	135,881	139,278	142,760	142,760	145,615	152,895	160,540	166,159		171,975
South Dakota	111,389	114,731	118,173	118,173	118,173	118,173	121,718	125,370	129,131	131,713		135,270
Wisconsin	134,389	140,163	141,566	144,495	144,495	144,495	144,495	145,942	147,403	147,403		147,403
Average	\$137,138	\$142,425	\$148.308	\$ 149.997	\$ 151.244	\$151.570	\$ 154.261	\$ 158.245	\$ 164,167	\$ 167.088	\$	170.139

Regional Salaries for Supreme Court Associate Justices (2006 – 2015)

From 2006 to 2015, Iowa consistently had the second-highest salary for its Supreme Court Associate Justices in the neighboring region. In 2016, Iowa dropped to the fourth-highest salary due to increases in Illinois, Missouri, and Nebraska. South Dakota has the Iowest regional salary of \$135,270 for its Supreme Court Associate Justices. ¹⁷

FINDINGS

The issue of what constitutes sufficient judicial compensation has been a long-standing topic at both the state and federal levels. In 1780, John Adams wrote, "it is, therefore, not only the best policy, but for the security of the rights for the people, and of every citizen, that the…judges should have honorable salaries ascertained and established by standing laws." The issue that remains for the lawmakers to determine is what constitutes an "honorable salary."

The primary argument for a salary increase is to ensure a high quality of judging by attracting the best candidates from the private sector. Both United States Supreme Court Chief Justices William Rehnquist and John Roberts included the subject of federal judicial pay increases in several of their annual reports on the state of the judiciary. In his 2006 annual report, Chief Justice Roberts advocated for a salary increase for federal judges. He noted that a majority of federal judges are now coming from the public sector instead of the private sector due to the lower salary levels. The ISBA Blue Ribbon Task Force stated in its report that a fair judicial compensation system is "critical" because the salary is the only source of income for most judges. The Judicial Code of Conduct restricts judges from engaging in extrajudicial employment using their legal skills, except for wedding ceremonies and instruction, as long as those activities do not interfere with their duties.

The argument against the necessity of salary increases states that having higher salaries will not necessarily attract better judges. It is argued that individuals who are typically interested in becoming a judge want to perform a public service, and would likely still apply even if the salary is not competitive with the private sector. In addition, if salaries became too high, the applicant pool may expand to those individuals looking for prestige rather than to perform a public service.

¹⁷ Survey of Judicial Salaries, Vol. 42 No.1, National Center for State Courts, October 2016.

¹⁸ Curran, Dennis, "An Honorable Salary?" (2012), *quoting* Massachusetts Constitution, Article XXIX.

¹⁹ Entin, Jonathan, *Getting What You Paid For: Judicial Compensation and Judicial Independence*, http://www.epubs.utah.edu/index.php/ulr/article/viewFile/542/403

²⁰ Roberts, John, Chief Justice of the United States Supreme Court, *2006 Year-End Report on the Federal Judiciary*, January 1, 2007, https://www.supremecourt.gov/publicinfo/year-end/2006year-endreport.pdf

²¹ Judicial Compensation Commission, "Recommendation for Iowa Judicial Compensation – Letter from the Task Force to the Iowa State Bar Association and Legislative Leaders", April 18, 2005.

At this point, an effective screening system would need to be put into place to find and remove those candidates from the applicant pool.²²

Currently, the salary levels for the Iowa Supreme Court and the Intermediate Appellate Court rank in the top half of the nation, at 18th and 24th respectively. The District Court judges salary ranks 30th nationally, or 15th when adjusted for cost of living. If the Judicial Branch was to submit a request for a salary increase for all judicial officers, the Iowa Legislature could analyze the request by weighing the availability of additional funds from the State General Fund against Iowa's salary levels in comparison to the nation and the region, as well as any possible effects a status quo salary year may have on the quality of judging and the justice system as a whole.

STAFF CONTACT: Laura Book (515)725-0509 laura.book@legis.iowa.gov

_

²² Curran, Dennis, "An Honorable Salary?" (2012), http://www.ncsc.org/~/media/Files/PDF/Information%20and%20Resources/Budget%20Resource%20Center/An%20Honorable%20Salary %20(2012).ashx

²³ Survey of Judicial Salaries, Vol. 41 No.1, National Center for State Courts, July 2016.