

COMMISSION ON JUDICIAL COMPENSATION

REPORT TO THE GENERAL ASSEMBLY

January 2021

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I. INTRODUCTION

The Commission on Judicial Compensation, pursuant to its charge under $\underline{CGS \ \$ \ 51-47c}$, is pleased to submit this report of its findings, in accordance with $\underline{CGS \ \$ \ 11-4a}$, to the Governor, the Secretary of the Office of Policy and Management, the General Assembly, the Chief Justice of the Supreme Court, and the Chief Court Administrator.

II. EXECUTIVE SUMMARY

This document is the Commission's final report and includes the Commission's recommendations.

The statute requires the Commission to take into account "all appropriate factors," including seven factors specifically identified. Some of those factors are financial, including the overall economic climate in the state (Factor 1) and the state's ability to fund increases in compensation (Factor 7).

The Commission is aware of the state's financial condition, which is made more uncertain due to the coronavirus pandemic. We understand that to some people, the budget situation is the beginning and end of the discussion and that there should be no consideration of raises.

But the legislature directed the Commission to consider all the factors, not just one or two. Those other factors include the rate of inflation (Factor 2), comparisons with the judges in federal courts and judges in other states (Factor 3), the compensation of other attorneys in public service and the private sector (Factor 4), the state's interest in attracting highly qualified and experienced attorneys to serve in judicial capacities (Factor 5), and raises for other state employees (Factor 6).

Each Factor is discussed in detail in its own section below. In those sections, the report aims to present the key data available to the Commission, without limiting the discussion to data that supports a particular outcome.

Among the data assembled by the Commission is historical information.

The last time that the General Assembly addressed judicial compensation was in 2017, when it rescinded a raise that took effect on July 1, 2017 and reinstituted it effective July 1, 2019.

During the five years in which judges received one raise, inflation has been approximately 8.2% (See Factor 2).

During the same period, other unionized state employees have received raises. If judges had received the same raises as Executive Branch unionized employees since 2016, a Superior Court judge's salary would now be approximately \$177,152 (See Factor 6).

The Commission looked at a variety of benchmarks as required by the statute. Not surprisingly, those benchmarks varied considerably. They are explained in the substantive sections of the Report, but the following table illustrates some of the key ones.

<u>Benchmark</u>	Benchmark Salary	<u>Report Section</u>
Superior Court judge's current salary (since 7/1/19)	\$172,663	
2020 salary if adjusted for inflation since 2015	\$183,439	Factor 2
Federal trial judges	\$216,400	Factor 3
2020 salary necessary for CT judges to become 26 th out of 50, adjusted for cost-of-living differences between states	\$198,393	Factor 3
Junior partners, CT largest firms	\$160,000 - \$250,000	Factor 4
Tenured faculty, UConn Law School	\$194,053	Factor 4
2020 salary if adjusted at rate of Executive Branch unionized employees since FY 16	\$177,152	Factor 6
2020 salary if adjusted at rate of Judicial Branch unionized employees since FY 16	\$177,324	Factor 6
2020 salary if adjusted at rate of Legislative non- partisan employees since FY 16	\$174,907	Factor 6
2020 salary if adjusted at rate of Judicial Branch non- unionized employees since FY 16	\$175,080	Factor 6
2020 salary if adjusted at rate of Executive Branch non-unionized employees since FY 16	\$173,871	Factor 6

On October 29, 2020 the Chief Justice submitted to the Commission a report containing data related to the seven statutory factors and proposing salary adjustments. The Chief Justice proposed an increase in salaries of 4.5%, effective July 1, 2021 (FY 22). For the three subsequent fiscal years (FYs 23, 24 & 25) the Chief Justice recommends raises consistent with the preceding year's Consumer Price Index for All Urban Consumers (CPI-U), with a floor of 2.5%.

The Commission considered the Chief Justice's proposal along with all the data assembled under all seven statutory factors. In light of all these factors, the Commission concludes that the Chief Justice's recommendations are appropriate.

The Commission believes the Chief Justice's proposal was thoughtful and balanced and that the raises he sought were limited and fair. The Commission also felt there was persuasive evidence that the relatively low pay for judges has made it difficult to attract experienced lawyers, particularly from private practice. That although the proposed salary increases would not fully bridge the salary gap, it is a measurably positive first step.

III. THE STATUTE: ITS CHARGE TO THE COMMISSION

The Commission on Judicial Compensation was formed pursuant to <u>CGS § 51-47c</u>. The statute charges the Commission with "examining and making recommendation with respect to judicial compensation" and requires a report from the Commission with its recommendations no later than January 2, 2021. The members were, by statute, appointed by the Governor, the Chief Justice, and six leaders of the Legislature.

The statute states that, in conducting its examination, the Commission should take into account "all appropriate factors" including the following seven specific factors identified in the law:

(1) the overall economic climate in the state;

(2) the rate of inflation;

(3) the levels of compensation received by judges of other states and of the federal government;

(4) the levels of compensation received by attorneys employed by government agencies, academic institutions, and private and nonprofit organizations;

(5) the state's interest in attracting highly qualified and experienced attorneys to serve in judicial capacities;

(6) compensation adjustments applicable to state employees during applicable fiscal years; and

(7) the state's ability to fund increases in compensation.

The Commission organized its work around those factors, and this report sets out the Commission's findings as to each of them.

IV. THE COMMISSION'S PROCESS

The Commission held its first meeting on October 22, 2020 and worked intensively through the fall of 2020 to conduct background research, invite public input, and perform the deliberations necessary to arrive at its recommendations.

The Commission held five meetings over Zoom: on October 22, October 29, November 12, November 24, and December 17. The Commission sought input from all organizations interested in its work. This includes an initial report by the Chief Justice which he presented at the October 29, 2020 meeting.

The Commission also invited presentations by interested organizations at its November 12 meeting. Those making presentations to the Commission were:

- Neil Ayers, Office of Fiscal Analysis
- Dr. William Raftery, National Center for State Courts
- Judge Leo Diana, Judges' Association
- Charles Tiernan, Judicial Selection Commission
- Chief Judge Stefan Underhill, U.S. District Court for Connecticut
- Amy Lin Meyerson, Connecticut Bar Association
- Stephanie Roberge, Connecticut Trial Lawyers Association
- Erika Amarante, Connecticut Defense Lawyers Association
- Frank Riccio, Connecticut Criminal Defense Lawyers Association

In response to the Commission's invitation, others provided written submissions regarding the Commission's charge, including: the George Crawford Black Bar Association and the Connecticut Asian Pacific American Bar Association.

In addition to these presentations and submissions, members of the Commission took the initiative to research and investigate a multitude of issues related to our charge. Those included research into the state's economy, inflation rates, and compensation paid to other lawyers in the public and private sectors. The Commission also submitted multiple inquiries to state bodies, including the Judicial Branch, the Office of Legislative Research, the Office of Fiscal Analysis, and the Commission on Judicial Selection, and made use of the information provided by those entities.

The Commission was fortunate to have both the support and prompt input from all of these sources and to have members selected by the appointing authorities who proactively sought out the information needed to address the issues in our charge from the legislature.

V. DISCUSSION OF THE SEVEN STATUTORY FACTORS

As noted above, the statute creating the Commission specifies the factors that must be considered. Each factor is discussed separately below.

The material provided under each factor includes information provided by the Judicial Branch but also includes substantial additional information provided at the request of the Commission from the Judicial Branch, the Offices of Fiscal Analysis, the Office of Legislative Research, and other public agencies and resources. In addition, individual commissioners compiled data available to them in their individual or professional capacity and, in some cases, were able to request and obtain relevant data from other sources. The sources of all the data presented are identified in the text or in footnotes.

The material included under each factor below is the Commission's good faith effort to be comprehensive, rather than selective. In other words, the Commission has not limited the information to only those items which support the recommendation. Rather, the Commission has also included information which some readers could reasonably point to as supporting a different conclusion. The members of the Commission have reviewed this information individually and have discussed it collectively in public meetings in an effort to understand, analyze, and synthesize all the data to produce an overall recommendation.

Factor 1. Connecticut's Overall Economic Climate

As of this writing, Connecticut's overall economic climate can best be described as "uncertain."

Before the pandemic struck with shut-downs in mid-March, forecasts were mixed but marginally positive for the Connecticut economy. As set forth in Connecticut's Department of Labor, "<u>Short Term Employment Outlook 2019-2021</u>," even before the pandemic "the Connecticut economy began to send mixed signals...". The state had emerged from the 2009 "Great Recession" with "the longest business cycle expansion in history." Non-farm employment had increased eight straight years until 2019. Starting 2020 (in January and February) further increases in non-farm employment and increases in real personal income were occurring until the onset of the pandemic.

In the late summer of 2020, as the effects of the pandemic waned, there was a "bounce back" in non-farm employment as Connecticut recovered more than 60% of the total jobs lost at the beginning of the pandemic. Wholesale trade and retail trade sectors had recovered 90% and 70% of jobs, respectively. Moody's indicated in September of 2020, that the Connecticut economy was back to 86% of its pre-pandemic levels.¹ In addition, revenues collected by the State were surprisingly good. Many state revenue sources (real estate conveyance taxes; home improvement taxes; online taxes; and alcohol and cigarette taxes) led, in part, to an unexpected surplus in the budget of \$38.7 million as reported by the non-partisan Office of Fiscal Analysis (OFA) in its Fiscal Accountability Report (11/20/2020). OFA further reported that the pandemic's effect on the economy as reflected in revenues for fiscal year 2020 had been "muted by several factors" and that "the downturn triggered by the coronavirus thus far has been relatively narrow: centered on low wage employment in the leisure and hospitality industry." Nonetheless, OFA projected significant revenue shortfalls in 2021, 2022, 2023, and 2024.

Many prognosticators have asserted that the pandemic will have a long-term deleterious effect on the Connecticut economy. UConn issued a bleak forecast that the economy might contract as much as 7.5% or 8.5% (or \$23 billion).² Reports of business (mostly restaurant) closures are currently in the news as the pandemic surges.

¹ See Hartford Business Journal: <u>Report: CT economy operating at 86% of pre-pandemic levels</u>

² See Hartford Courant, <u>UConn report forecasts bleak economic outlook for Connecticut as it emerges from COVID-</u> <u>19</u>

OFA's report also noted that there is "significant uncertainty" as to how the virus as a factor in the economy will play out. OFA asked the ultimate question:

"Will the economy (and state revenues) bounce back quickly or will the recovery be long and slow like Connecticut's recovery from the 2009 recession? Some indicators suggest the downturn will not turn out to be as severe as originally feared, however as the pandemic continues there is significant risk of further economic decline." (p. 25)

Almost every day news reports are broadcast that may affect, positively or negatively, the answer to the question posed above. We are currently undergoing a significant surge in virus cases both nationally and in Connecticut. On the other hand, in the past few weeks alone, multiple pharmaceutical companies have reported high efficacy rates for vaccines that will come to market imminently. Some economists have predicted a "boom" fueled by deployment of the vaccines combined with large amounts of funds currently being held in reserve by private equity companies (estimated at \$2.5 trillion). Economists at the University of Michigan forecasting the "US Economic Outlook for 2021" estimate that once the vaccine rollout occurs, the recovery will be "pretty vigorous" and that national gross domestic product will rise 4.2% in calendar year 2021.³ Additionally, according to an AP report, in a recent National Association for Business Economics survey, 73% of those surveyed believe the economy will return to pre-pandemic levels by late 2021 once vaccines are widely distributed.⁴ If correct, the economy would recover the 31.4% it lost between April through June 2020.

Not to be lost in this analysis is that Connecticut remains in the top five states in per capita and median household income, so, arguably, the state's economy rests on a solid foundation of consumer spending strength. Sooner or later, in the near term (likely in 2021) vaccines will be available to quell the pandemic and positively affect the economy.

Factor 2. Rate of Inflation

At the time of the last judicial compensation commission <u>report in 2013</u>, Superior Court judges had not received a raise since 2007 (a six-year hiatus). At that time, the Commission found that the rate of inflation had grown by an aggregate of 13.2% since the last raise in judges' salaries. Because of that lag or shortfall, a significant component or building block of the 2013 Commission's recommendations was eliminating that inflationary gap, to be phased in over a four-year period of annual increases. Ultimately, the 2013 Commission recommended four annual 5.3% increases in judges' salaries to take effect on July 1 of 2013, 2014, 2015, and 2016. In part (although the math was not a straight correlation – other factors were considered and accounted for as well), that annual increase level was designed to recover the 2007-2012 shortfall at the rate

³ See University of Michigan News, <u>U-M economists see US growth slowing until coronavirus vaccine becomes</u> <u>broadly available</u>

⁴ AP News, <u>Survey: Business economists see full recovery by end of 2021</u>

of 3.3% per year (3.3% x 4 years = 13.2%) PLUS an estimated 2% per annum of inflation over the future years until 2016.

The General Assembly did not approve all of the 2013 Commission's recommendations. While it approved the first two 5.3 % increases which took effect in 2013 and 2014, it reduced the 2015 and 2016 increases to just 3%, and then delayed the final increase from 2016 to 2017. Further, it then decided to rescind the final 3% increase entirely, but reinstated that final increase effective July 1, 2019. All of these changes greatly complicate figuring out the true magnitude of the historical inflationary gap affecting judicial salaries at this time. It could be argued that if only inflation were considered (ignoring the other statutory factors) there remains today an unrecovered 4.6% from the 2007-2012 time period, plus little or no recovery for inflation in the years 2013 through 2020.

Effective Date of Increase	Recommended Amount	Actual Amount	Aggregate Shortfall	CPI-U	
July 1, 2013	5.3%	5.3%	0		
July 1, 2014	5.3%	5.3%	0		
July 1, 2015	5.3%	3.0%	2.3%		
July 1, 2016	5.3%	0	7.6%	0.8%	
July 1, 2017		0	7.6%	1.7%	
July 1, 2018		0	7.6%	2.9%	
July 1, 2019		3.0%	4.6%	1.8%	
July 1, 2020		0	4.6%	1.0%	
Shortfall			4.6%	8.2%	12.8%

Historical Inflation Gap Table

So, effectively, if one treats the belated 2019 increase as being part of the 2013 Commission's recommendations, judges have received no increases whatsoever for any current inflation which has occurred since July 1, 2016 (the projected date of the last increase recommended in 2013 by the Commission).

The benchmark for determining inflation over time is the Consumer Price Index (CPI), and, more specifically for judges, the CPI-U ("U" for "all urban consumers" as opposed to the CPI-W for "wage earners") bears the closest correlation to their occupation. Furthermore, the CPI-U is

Judicial Compensation Commission FINAL REPORT Page 9 of 21 compiled by geographic region – there is a Northeast Region which encompasses the New England and Middle Atlantic states. The data for the annual increases in the CPI-U for the Northeast Region measured as of July 1 of each year since 2016 is as follows: 0.8% for 2016, 1.7% for 2017, 2.9% for 2018, 1.8% for 2019, and 1.0% for 2020. This calculates to an aggregate rate of inflation of 8.2% since July 1, 2016.⁵

In conclusion on the "rate of inflation factor", it can be argued that judges will need to receive an aggregate increase of 12.8% (4.6% + 8.2%) just to "catch up" to past inflation. Furthermore, as inflation continues inexorably in the future, an additional increase for future inflation should be added annually based on the CPI-U, or an estimate of its likely increase.

Factor 3. Levels of Compensation Received by Judges of Other States and of the Federal Government

Comparing the compensation of Connecticut judges with judges of other states and the federal judiciary is difficult because although the raw numbers for base salary are available, there are variations in the cost of living and in the total benefit packages. Accordingly, a purely mathematical comparison is not possible from available data. The Commission therefore presents the best data available to it.

State Judicial Salaries at a Glance

According to <u>National Center for State Courts</u>, as of July 2020, unadjusted for cost of living, Connecticut ranks 19th for its highest court, 16th for its intermediate appellate court, and 20th for its trial court. However, adjusted for cost of living, Connecticut ranks 40th for trial court judges' salary. Using a 127.1 cost of living factor, Connecticut's compensation for judges adjusts to \$135,866.

Federal Judicial Compensation

The table below sets forth federal judicial salaries since 2018.⁶ The level of federal judicial compensation is substantially higher than Connecticut. Moreover, federal district judges have a personal staff of three full time law clerks or judicial assistants, their own deputy clerk, their own court reporter, and their own permanent court room. Connecticut judges do not have access to this level of staff or resources.

⁵ Note that this data differs from Chief Justice Robinson's inflation calculation of 9.1% (see the table on page 8 of his report) because he measured annual inflation increases on a calendar year basis. This analysis used the State's fiscal year (when the increases actually kick in); so he effectively measured inflation from January 1, 2015 through December 31, 2019, while this analysis measured it from July 1, 2016 through June 30, 2020.

⁶ U.S. Courts, *Judicial Compensation*

Year	District Judges	Circuit Judges	Associate Justice	Chief Justice	
2020	\$216,400	\$229,500	\$265,600	\$277,700	
2019	\$210,900	\$223,700	\$258,900	\$270,700	
2018	\$208,000	\$220,600	\$255,300	\$267,000	

Factor 4. Levels of Compensation Received by Attorneys Employed by Government Agencies, Academic Institutions, and Private and Nonprofit Organizations

This section of our report considers whether judges are paid appropriately in comparison to lawyers who have not become judges. We first consider those lawyers who are employed by the state, and thus have comparable pension and health benefits to judges. We then consider the compensation of lawyers employed elsewhere to evaluate the degree to which Connecticut's judges are paid at a level commensurate with the skills and responsibilities of their positions.

Although there is no requirement that candidates seeking judicial office have a minimum number of years of experience practicing law, most newly appointed judges have many years of experience. For example, the last group of 31 lawyers who Governor Malloy nominated to the Superior Court in April 2018, had on average, 25 years of legal experience before being appointed.⁷

Lawyers Employed by The State

Many lawyers at senior levels of state service are paid more or close to the salaries of Superior Court judges. There are lawyers employed by the State whose salaries are comparable or more than Superior Court Judges. These lawyers include the state's Chief State's Attorney (\$177,822),⁸ legislative caucus chief counsels (between \$142,720 and \$207,513), and senior employees of the Judicial Branch (between \$160,089 and \$203,757).⁹ They also include certain Commissioners of Executive Branch departments.

⁷ Chief Justice Richard A. Robinson, <u>Submission to the Connecticut Commission on Judicial Compensation</u>, October 29, 2020, page 13

⁸ Division of Criminal Justice, <u>Chief State's Attorney posting</u>

⁹ Information on the salaries of legislative branch employees provided by Legislative Management and of Judicial Branch employees by Judicial Branch.

The majority of senior lawyers employed by the State earn salaries slightly below the salaries of judges, including senior lawyers of the State's Attorneys and Public Defenders for each Judicial District, senior members of the Office of the Attorney General, and in some cases other personnel in the Judicial Branch itself.

As a result, judges' compensation has been approached or even exceeded by that of other lawyers, while traditionally judges would have been paid substantially more. Had the judges received the increases recommended by the 2012 Commission on Judicial Compensation, they would currently be earning at least \$180,000.

There is no principled basis for this reversal. There has been no change in relative responsibilities of judges compared to these other lawyers in state service.

Lawyers in Academic Institutions

Tenured law professors average \$157,485 in the northeast, and average \$194,053 at the UConn Law School. 10

Lawyers in the Private Sector

The compensation levels of lawyers in private practice is relevant because the State must consider the compensation that would be surrendered by a qualified lawyer leaving private practice to join the bench. To the extent that a differential grows between compensation levels in private practice and judgeships, skilled lawyers will be discouraged from becoming judges. (See Factor 5, The State's Interest in Attracting Highly Qualified and Experienced Attorneys to Serve in Judicial Capacities.)

Large Firms

We have identified several trends regarding the compensation of lawyers in private practice in Connecticut. The legal profession is segmenting, with partners in top firms making more than ever, while many other lawyers are under financial pressure to find law practice business models that provide income at past levels. Small firm compensation varies from well over \$1 million for successful practices, including personal injury, to many others who are barely able to stay afloat. Unlike judicial salaries that are set by statute, law firm salaries have to be obtained by surveys and from other sources. We have been able to assemble the following information:

- <u>Connecticut Associates</u>. Among medium and large sized firms in Connecticut, compensation for new associates range from \$90,000 to \$165,000, and associates frequently get raises of up to \$60,000 over their eight to 10 years in that job.
- <u>Connecticut Partners</u>. There is also some level of reported data on Connecticut partner salaries. Junior partners are paid in the range of \$160,000 to over \$250,000, and more senior partners from \$250,000 to over \$1,000,000. Compensation is based on two principal factors, the revenue generated from hours worked and the clients the attorney originates

¹⁰ Society of American Law Teachers, "2018-19 SALT Salary Survey," <u>SALT Equalizer</u> Vol. 2019, Issue 1, November 2019.

for the firm. Partners are expected to bill significant hours and work to attract clients. Many also have leadership and administrative roles within the firms. Law firms do not provide pensions, requiring partners to fund their retirements through 401(k) plans and the like. Partners must also pay for their health insurance.

In-house Salaries

In-house positions for lawyers of such experience rarely pay below \$180,000, and most are in the \$200,000 to \$250,000 range, plus bonus and/or equity or options. General counsels at major companies in Connecticut earn much higher salaries, with greater bonus and/or equity or options potential.

Relevance of these Comparisons

These comparisons are relevant because the state, including the business community in particular, sees a need for diversity of background and experience on the bench. If we are to attract individuals to the bench who are experienced and skilled at handling important corporate and commercial matters, we need to make the job at least somewhat attractive to individuals we might call upon to leave private employment for the bench.

While judges with background in state service bring valuable knowledge and experience to the bench, the state needs a mix of skills and experience among its judges.

Factor 5.The State's Interest in Attracting Highly Qualified and Experienced
Attorneys to Serve in Judicial Capacities

The Commission believes that it is in the State's best interest to attract highly qualified and experienced attorneys to serve in judicial capacities. In order to ensure the public's trust and confidence in the rule of law, judicial candidates must be as diverse as the population the judiciary serves. These backgrounds include the public sector, large law firms, solo practitioners, and law school professors. The issue is whether that goal is adversely affected by the current compensation. As such, it is essential that their salaries keep up with inflation, to attract and retain a judiciary that is comprised of a diverse group of individuals with varied backgrounds and experiences.

Because of the unique process by which lawyers become judges in Connecticut, a traditional labor market analysis cannot be performed. Candidates for the judiciary are self-selecting. They must complete a lengthy questionnaire and submit a formal application to the Judicial Selection Commission. The Judicial Selection Commission then decides whether the candidate is qualified. If qualified, the candidate is placed on a list. The governor must appoint, and the legislature must confirm, judges from that list.

Pursuant to <u>CGS § 51-44a</u>, the investigations, deliberations, files, and records of the Commission are confidential. Accordingly, this Commission was not able to get statistical information about the applicants, nor about the applicants who were approved by the commission, nor about the individuals who are on the list of approved candidates.

The only hard data is about the individuals who actually become judges. That is the "output." There is no available statistical information about the "input." In other words, there is no

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Accordingly, the following information was obtained primarily from testimony, not underlying data.

According to the Judicial Selection Commission, there are currently 267 lawyers whose applications have been approved as candidates for judicial office.

As of December 1, 2020, the Judicial Selection Commission's list of approved candidates reflects a diverse group of qualified lawyers.

Of the current list of 267 approved lawyer candidates of the Judicial Selection Commission, no candidate has withdrawn or asked that his/her name be removed as a candidate for judicial office.

Of the current list of 267 approved lawyer candidates, the annual income for each ranges from "modest" to "higher private firm attorneys."

The Judicial Selection Commission interprets its statistics to reveal no shortage of qualified applicants for judicial office. Nevertheless, several speakers commented that they have found it increasingly difficult to attract applicants from the senior ranks of private practice. As noted below, over the last several decades there has been a noticeable drop in judges that have come from the private sector.

The Crawford Black Bar Association, the Connecticut Hispanic Bar Association, the Connecticut Asian Pacific American Bar Association (CAPABA), and the South Asian Bar Association of Connecticut conducted a joint survey in the last compensation cycle. ¹¹ In <u>CAPABA's</u> submitted testimony to the Commission, it concluded the survey showed that inadequate salary is a deterrent to minority lawyers' application to judicial office.

During the decade of the 1990's there were 115 new judges of whom 26 or 23% were from the public sector and 89 or 77% were from the private sector. During the decade of the 2000's, there were 98 new judges of whom 38 or 39% were from the public sector and 60 or 61% were from the private sector. Between 2007 and 2012, 44 new Judges were appointed; 15 or 34% were from the public sector and 29 or 66% of these new Judges came from the private sector. Between 2012 and 2018 (the last time that new appointments for Superior Court judges occurred), there were 90 new judges of whom 53 or 59% were from the public sector and 37 or 41% were from the private sector.¹²

¹¹ Letter & testimony about survey conducted by the Affinity Bar Associations, November 20, 2012.

¹² Updated numbers from the Judicial Branch and <u>*Report to the General Assembly*</u>, Commission on Judicial Compensation, January 2013, p. 32.

Factor 6. Compensation Adjustments Applicable to State Employees During Applicable Fiscal Years

This factor requires a historical examination of the compensation of other state employees to provide perspective regarding the current compensation afforded judicial officers, and any future adjustments thereto.

The Commission's report to the General Assembly in 2013 makes three points that contextualized its recommendations. First, it notes that "[j]udges received raises in 3 of the 11 years from FY 2003 through FY 2012," with the last occurring in 2007.¹³ This was compared against the nine increases received by the state's unionized employees and the eight increases received by non-union employees in the same time period. Second, it notes that the average annual increase for judges was 1.65%, while the average state employee annual increase was 3.52%.¹⁴ Third, it recognized that almost all state union and non-union employees were expected to receive 3% cost-of-living adjustments (COLA) in FYs 14, 15, and 16 under State Employees Bargaining Agent Coalition (SEBAC) 2011, as well as merit increases estimated between 1.1% and 2.9%.¹⁵

As a result, it concluded that "[d]uring the last decade, there has been an increasing discrepancy between judges and other state workers."¹⁶ With this background and placing "substantial weight" on the need to "preserve the Judiciary as an equal branch of government", the 2013 Commission on Judicial Compensation sought to remedy these inequities and recommended 5.3% annual increases for judges over the FYs 14 through 17.¹⁷

The General Assembly did not adopt these recommendations in full. The General Assembly approved the recommended increases for FYs 14 and 15.¹⁸ In June 2015, it approved annual increases for judges of 3% in FYs 16 and 17.¹⁹ However, in May 2016, the General Assembly delayed the FY 17 increase until FY 18.²⁰ The General Assembly implemented the FY 18 increase on July 1, 2017, but <u>PA 17-2</u>, June Sp. Sess., subsequently rescinded it effective November 1,

¹⁴ Ibid.

¹⁵ *Id.*, at p. 34.

¹⁶ *Id.*, at p. 38.

¹⁷ *Id.*, at pp. 38-39.

¹⁸ <u>PA 13-247</u>.

¹⁹ <u>PA 15-5</u>, June Sp. Sess.

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¹³ <u>Report to the General Assembly</u>, Commission on Judicial Compensation, January 2013, p. 33.

²⁰ <u>PA16-3</u>, May Sp. Sess.

2017 and reinstituted it effective July 1, 2019. No further increases were contemplated or scheduled.

In this intervening time period, the state renegotiated the 2011 agreement with SEBAC. Under the SEBAC 2017 agreement, almost all state union and non-union employees experienced a wage freeze for FYs 17 and 18. In FY 19, SEBAC 2017 authorized the greater of \$2,000 or top-step lump sum payments plus \$1,000. For FYs 20 and 21, union employees received 3.5% annual increases, together with any applicable merit increases. The General Assembly extended these wage increases to non-partisan, non-union legislative employees.²¹ Most labor contracts expire June 30, 2021,²² and no additional wage increases are scheduled.^{23,24} Wage increases are currently being negotiated by SEBAC.²⁵

In sum, since the Commission's last report, wage adjustments for judges have only marginally kept pace with the COLA increases afforded to other state employees. In the past eight years, judges have received an annualized average wage increase of 2.075%. Unionized employees received an annualized average wage increase of 2%. However, this does not include the annual merit increases for union employees which were authorized under SEBAC 2011 and 2017 and detailed in the respective bargaining agreements for each bargaining unit.

Based on the forgoing, we conclude that not only have judges' salaries continued to fail to keep pace with other state employees since the Commission's prior recommendation, the disparity has been exacerbated.

Factor 7. The State's Ability to Fund Compensation Increases

As noted in Factor 1, Connecticut's economy faces uncertain and difficult times, partially due to the pandemic. According to OFA, revenue projections have improved by \$750 million since April,

²³ Ibid.

²¹ <u>PA 19-117</u>.

²² "Current Connecticut Labor Contracts", *State of Connecticut Office of Policy & Management* (available at <u>https://portal.ct.gov/OPM/OLR-Publications/Contracts/Office-of-Labor-Relations-Contracts</u>) [last visited December 7, 2020]

²⁴ *Fiscal Accountability Report*, State of Connecticut Office of Fiscal Accountability, November 20, 2020, p. 44 ("Growth of 1% in FY 22 is assumed based on: (1) the 2017 SEBAC agreement, (2) individual bargaining unit's contracts, and (3) non-union wage adjustments. Almost all union contracts expire on June 30, 2021; the State Police and Judicial Information Technology and Legal Services' contracts expire on June 30, 2022. Except for the annualization of these FY 22 contract increments, no other wage increases are projected in FY 23 and FY 24.")

²⁵ Chief Justice Richard A. Robinson, <u>Submission to the Connecticut Commission on Judicial Compensation</u>, October 29, 2020, p. 12.

but continues to remain \$1.4 billion below estimated FY 21 revenues from the adopted 20-21 Biennial Budget.²⁶

Additionally, based on preliminary General Fund projections, FY 21 will have a deficit of almost \$855 million, FY 22 will have almost \$2.1 billion, and FY 23 will have over \$2.2 billion.

While recognizing these economic difficulties, the Commission believes the state can afford to raise judicial salaries. The estimated cost to fund the recommendations in FY 22 is \$1,905,581, which is based on authorized positions including vacancies.²⁷ Of these positions, 153 are currently filled and not all vacancies are presently funded. This represents 0.35% of the Judicial Branch's General Fund budget and 0.009% of the state's General Fund budget.

VI. CONCLUSIONS

A Superior Court judge's salary is \$172,663. The Commission concludes that Judicial Salaries should be raised by 4.5% in FY 22 and then increased based on the CPI-U in the next three fiscal years, with a floor of 2.5%.

Undoubtedly some readers will look at the state budget and the economy (Factors 1 and 7) and conclude that based on those factors alone, there should be no raises. Conversely, if a reader were to look only at the compensation of partners in large private firms (a part of Factor 6), one might conclude that judicial salaries should increase by \$100,000 or more.

Neither approach is appropriate. The statute charged the Commission to look at all seven factors, not just one or two. The Commission had a clear consensus that salaries should be raised, but there was a question as to how much.

Since the last Commission report, judicial wage adjustments have only marginally kept pace with the COLA increases afforded to other state employees and has not kept up with inflation.

Currently, Connecticut ranks 40th for trial court judges' salary when adjusted for cost-of-living. Using that same cost-of-living calculation, Connecticut's compensation for judges adjusts to \$135,866. According to this same survey, the salary of Connecticut Superior Court judges is ranked lower when adjusted for the cost-of-living factor than the salaries of trial court judges in New York, Massachusetts, Rhode Island, and New Jersey.

Through the testimony of many speakers, the Commission believes that salary differentials are making it harder to attract more senior lawyers from private practice. That a growing percentage of lawyers applying to be judges come from public sector or early years of private practice where

²⁶ OFA Presentation, November 12, 2020

²⁷ Chief Justice Richard A. Robinson, <u>Submission to the Connecticut Commission on Judicial Compensation</u>, October 29, 2020, pg 7.

they are getting raises as a judge or not taking much of pay cut. The pay cut from more experienced attorneys was a substantial disincentive for them to become judges.

The clear consensus of the Commission was that the Chief Justice's proposal was thoughtful, balanced, and fair, and should be the basis of the Commission's recommendation. His proposal moves judicial salary in a positive direction and keeps it there by linking future raises to cost of living adjustments. This approach balances the state's fiscal needs with judicial salaries.

VII. RECOMMENDATIONS

The Commission recommends that the Legislature during the 2021 Session, increase the salaries for Superior Court Judges by 4.5% (FY 22) and then in the subsequent three fiscal years (FYs 23, 24 & 25) increase the salaries based on CPI-U with a floor of 2.5%. The Commission views positively the existing statutory commission structure for re-evaluating judicial compensation, and strongly urges that a commission be convened every four years. However, should no commission be convened in 2024, such as in 2016, then this Commission recommends that cost-of-living adjustments should be maintained until such time as a commission is convened and issues its report.

The Commission further recommends that the salaries and per diem rates of all Judicial Officers under its charge be increased by the same 4.5%. (To do otherwise would require evaluating the relative merits of different judicial officers and that is beyond the Commission's role.) The following table shows the full proposed set of salary recommendation. (These are the same numbers as the proposed adjustments on p. 19 of the Chief Justice's Report.)

Position	Current Compensation	FY 22	FY 23	FY 24	FY 25
Family Support Magistrate	\$143,060	\$149,498	Increase based on CPI-U	Increase based on CPI-U	Increase based on CPI-U
Chief Family Support Magistrate	\$150,314	\$157,078	Increase based on CPI-U	Increase based on CPI-U	Increase based on CPI-U
Superior Court Judge	\$172,662	\$180,460	Increase based on CPI-U	Increase based on CPI-U	Increase based on CPI-U
Deputy Chief Court Administrator (if a judge)	\$176,277	\$184,209	Increase based on CPI-U	Increase based on CPI-U	Increase based on CPI-U

Recommended Judicial Salary Changes

			-	-	-
Appellate Court	\$179,552	\$187,663	Increase	Increase	Increase
Judge			based on	based on	based on
			CPI-U	CPI-U	CPI-U
Appellate Court	\$189,063	\$197,571	Increase	Increase	Increase
Chief Judge			based on	based on	based on
8			CPI-U	CPI-U	CPI-U
			0110	0110	0110
Supreme Court	\$191,178	\$199,781	Increase	Increase	Increase
Associate Justice	,	,	based on	based on	based on
			CPI-U	CPI-U	CPI-U
			0110	0110	0110
Chief Court	\$198,545	\$207,480	Increase	Increase	Increase
Administrator (if			based on	based on	based on
a judge or			CPI-U	CPI-U	CPI-U
justice)					
Justice)					
Supreme Court	\$206,617	\$215,915	Increase	Increase	Increase
Chief Justice	. ,	. ,	based on	based on	based on
			CPI-U	CPI-U	CPI-U
					0110
Chief	\$1,177 in	\$1,230 in	Increase	Increase	Increase
Administrative	addition to	addition to	based on	based on	based on
Judge and	judicial salary	judicial	CPI-U	CPI-U	CPI-U
Administrative	5	salary			
Judge		J			
Judge					
Family Support	\$223 per day	\$233 per	Increase	Increase	Increase
Referee	1 J	day	based on	based on	based on
		5	CPI-U	CPI-U	CPI-U
					0110
Senior Judge or	\$259 per day	\$271 per	Increase	Increase	Increase
Judge Trial	· · · · · · · · · · · · · · · · · · ·	day	based on	based on	based on
Referee		Luj	CPI-U	CPI-U	CPI-U
					0.10
				I	

VIII. <u>CLOSING</u>

The Commissioners are grateful to have had the opportunity to contribute to this important project. We hope that the Executive, Legislative and Judicial Branches find the information and analysis helpful.

The Commissioners are deeply indebted to the staff support we received, including from Duke Chen from the Office of Legislative Research; Deborah Blanchard, the Judiciary Committee Administrator; and Emily Westerberg the office manager for Chairman George Jepsen's law

Judicial Compensation Commission FINAL REPORT Page 19 of 21 practice. The Commissioners also want to express our thanks to the various staff offices of the Legislature who assisted our research, in particular OFA's Director, Neil Ayers.

Although not every Commissioner necessarily agrees with each and every statement in the Report, and some felt that the recommended salary increases should be either higher or lower, the undersigned Commissioners unanimously endorse the Report and the recommendations as evidenced by our signatures below.

Each Commissioner is identified by his or her professional affiliation and the appointing authority. Following the Chair, they are listed alphabetically.

[Signatures begin on the following page]

2020 COMMISSION ON JUDICIAL COMPENSATION



George Jepsen, Chair Partner, Jepsen Rowthorn LLP (Appointee of the Governor)

Seandor a. Dolphi

Leander Dolphin Partner, Shipman & Goodwin (Appointee of the Governor)

Monte Frank Member, Pullman & Comley (Appointee of the Chief Justice)

Russell Jarem Of Counsel, JacksonLewis (Appointee of the House Majority Leader)

Gary Klein Partner, Carmody, Torrance, Sandak, Hennessey LLP (Appointee of the Senate Majority Leader)

Muchal

Michael Pollard Chief of Staff, City of Stamford (Appointee of the Chief Justice)

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Jennifer Amara VP, Human Resources, Aetna (Appointee of the Governor)

William F. Dow, III <u>Partner, Jacobs & Dow, LLC</u> (Appointee of the Senate President Pro Tempore)

Ross Hollander CEO, Hartford Distributors, Inc. (Appointee of the Governor)

John J. Kennedy, Jr. Partner, Kennedy, Johnson, Schwab & Roberge, LLC (Appointee of the Senate Minority Leader)

the Marne

Anthony Marone President & CEO, United Illuminating (Appointee of the House Minority)

and Work

Lincoln Woodard Partner, Walsh Woodard LLC (Appointee of the House Speaker)

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