

Joint Interim Hearing to Study State Judicial Salaries  
Written Testimony  
September 28, 2018



Office of Court Administration, Texas Judicial Council  
David Slayton  
Administrative Director

# Current Judicial Salaries in Texas

## Salaries of Elected State Judges

Justice/Judge –  
Supreme Court,  
Court of Criminal Appeals

Justice –  
Court of Appeals

Judge –  
District Court

State Salary	County Supplemental	Maximum Compensation
\$168,000*	-----	\$168,000
\$154,000*	Up to \$9,000	\$163,000
\$140,000	Up to \$18,000	\$158,000

\*Chief Justice of appellate court receives additional \$2,500

## County Supplements

	% of Judges Receiving Supplement	Average Supplement	Total Average Compensation
<b>Courts of Appeals Justice</b>	100%	\$8,963	<b>\$162,915</b>
<b>District Judge</b>	98.5%	\$16,120	<b>\$156,036</b>



# Judicial Salaries in Other States

Court	Texas State Salary	Average Salary of 5 Most Populous States	Percent Difference
Justice/Judge – Supreme Court and Court of Criminal Appeals	\$168,000	\$227,040	-35.1%
Justice – Court of Appeals	\$154,000	\$204,800	-33.0%
District Judge	\$140,000	\$190,000	-35.7%

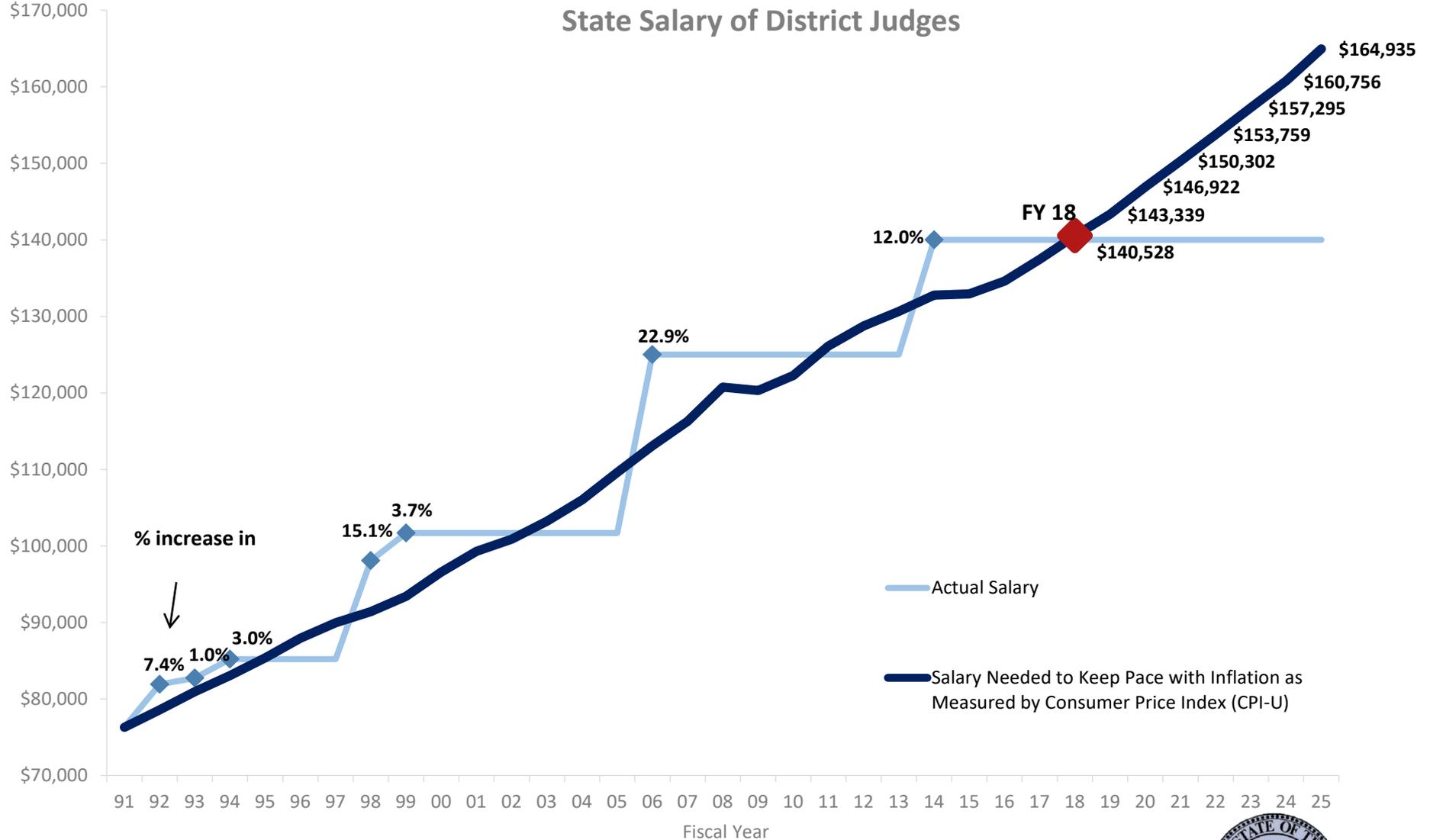
Percentage Change in State Salaries from 2013 to 2018	
California	13%
Pennsylvania	4%
Illinois	12%
New York	31%
Florida	33%
Texas	0%

Federal Judge Salaries	
District Judges	\$208,000
Appeals Court Judges	\$220,600
Supreme Court Justices	\$255,300
Chief Justice	\$267,000

*The state salary of Texas judges is at least 33 percent lower than the average salary of their counterparts in the five states closest to Texas in population.*



# State Salary Outpaced by Inflation



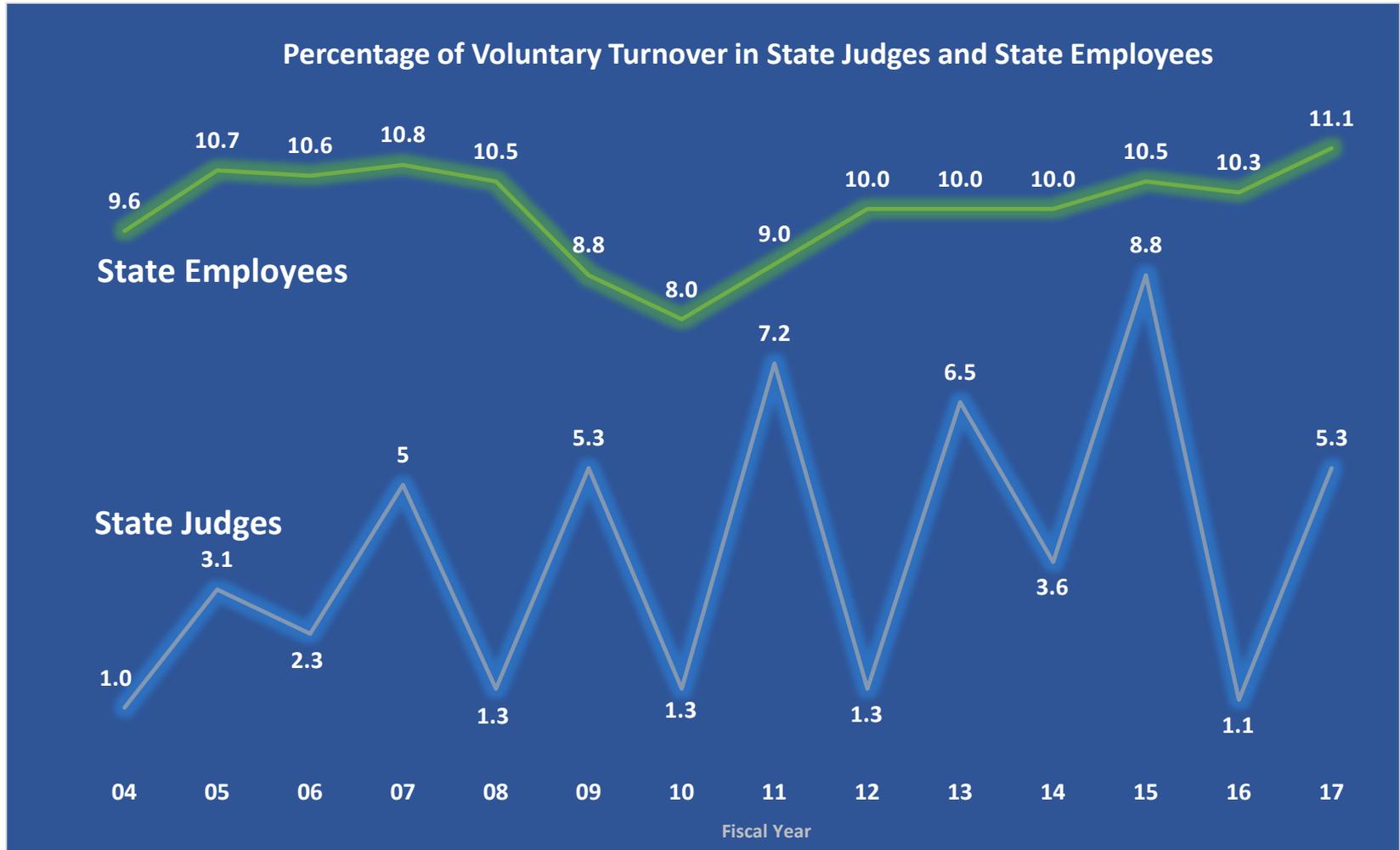
# Compensation Lags Attorney Salaries, Even with Significant Experience

2017 Experienced Private Practitioner Annual Wages			
Average Annual Wages	Statewide	Houston	Dallas
Lawyers	\$184,156	\$222,922	\$185,640

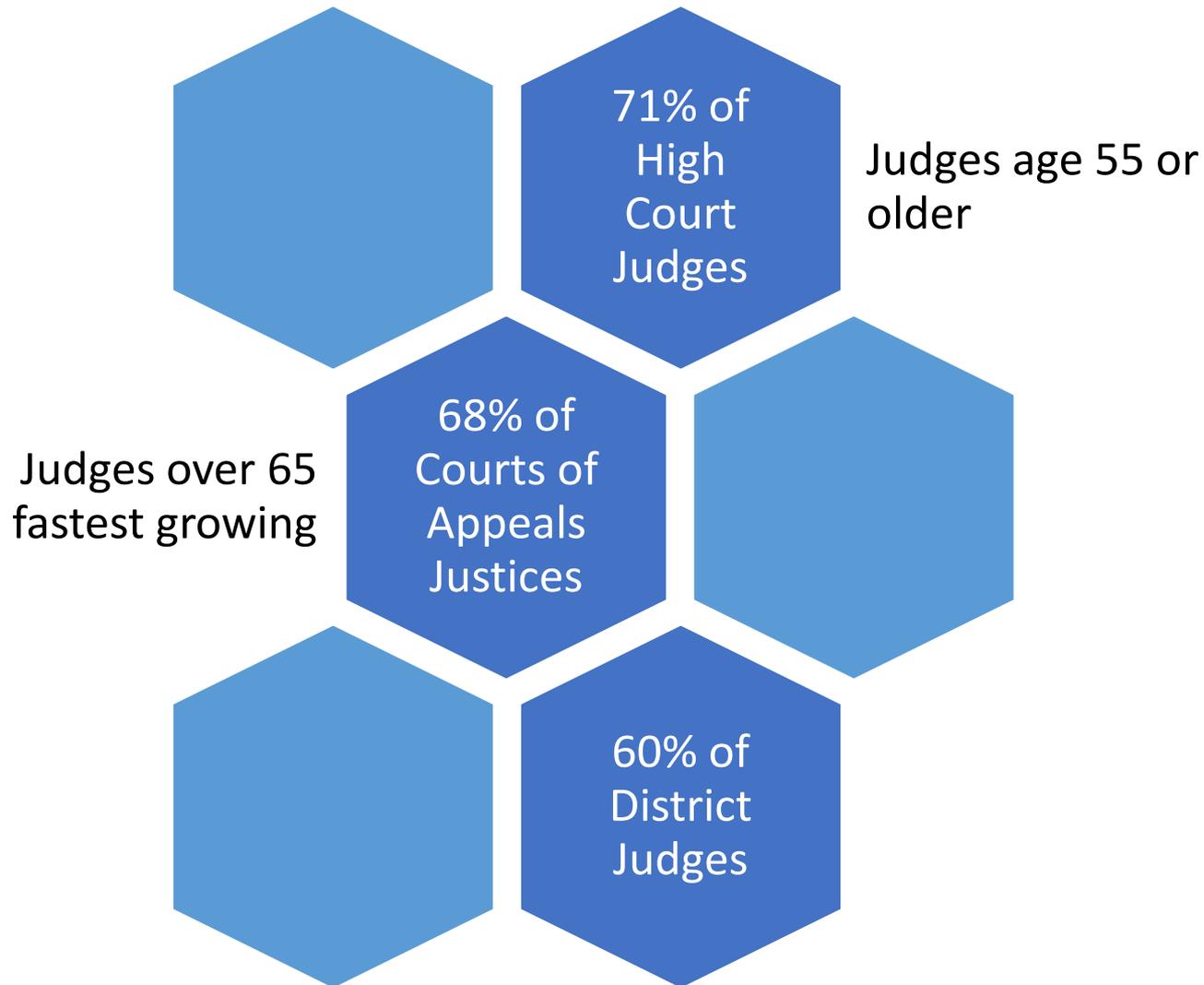
Average Year Judges Licensed	
Supreme Court	1986
Court of Criminal Appeals	1987
Court of Appeals	1987
District Courts	1990



# Judicial Turnover



# Age of Judges on Courts is Increasing



# Cost Factors

- State Judge Salary & Retirement Increases (57% of cost)
- Linked Salaries & Retirement Increases (43% of cost)
  - District Attorney Salaries
  - County Attorney Supplements
  - Statutory County Court Judge Salary Supplements
  - Constitutional County Court Judge Salary Supplements
  - Elected Class Retirement



# Cost Options

Proposal	15%	10%	5%
Biennial Cost	\$57,445,489	\$35,653,715	\$17,823,822

Proposal	1 Factor Formula	2 Factor Formula	3 Factor Formula
Biennial Cost	~\$101M	~\$109M	~\$87M

Proposal	Longevity (+15%)	Longevity (+10%)	Longevity (+5%)	Longevity (Current Salary)
Biennial Cost	\$2,627,916	\$2,445,691	\$2,263,465	\$2,072,840



# Judicial Retirement Benefits

- Almost all current judges are in Judicial Retirement System 2 (after 9/1/85)
  - Eligible after 10 years if 65 or older (currently in office)
    - Reduced benefit at age 60
  - Eligible after 12 years if 65 or older (not currently in office)
    - Reduced benefit at age 60
  - Eligible after 20 years at any age
  - Eligible after 12 years on appellate court at Rule of 70
- Retirement is 50% of state salary at retirement
  - Increased by 10% if still in office at retirement or if a visiting judge
  - Can increase by 2.3% per year if a member contributes after 20 years of service – maximum is 90%
- Judges who retire and then resume service (elected again or appointed) may not rejoin and annuity is suspended (not recalculated upon leaving office again)



# Judicial Retirement Contributions

- Judges currently contribute 7.5%
  - Increased from 6% prior to 2013 to 7.5% on September 1, 2017
  - No increase in compensation provided to cover increase in contribution

Actuarial Valuation Results as of August 31, 2017			
	ERS	LECOSRF	JRS 2
Actuarial Accrued Liability	\$37.6 B	\$1,399.9 M	\$463.6 M
Actuarial Value of Assets	\$26.4 B	\$924.0 M	\$420.9 M
Unfunded Accrued Liability	\$11.3 B	\$475.9 M	\$42.8 M
Funded Ratio	70.1%	66.0%	90.8%
Funding Period (Years)*	Never	Never	63
Estimated Depletion Date	2084	2044	None

Breakdown of Contribution Funding Gap (% of payroll)			
	ERS	LECOSRF	JRS 2
Normal Cost (Base Benefit)	13.95%	2.11%	20.57%
FY18 Contribution	19.50%	1.80%*	23.10%
Actuarially Sound Contribution (ASC) (Covers normal cost + paying off unfunded liability)	23.21%	3.67%	23.85%
Contribution Shortfall	(3.71%)	(1.87%)	(0.76%)



# Retirement Linkage

## Legislative Retirement Systems

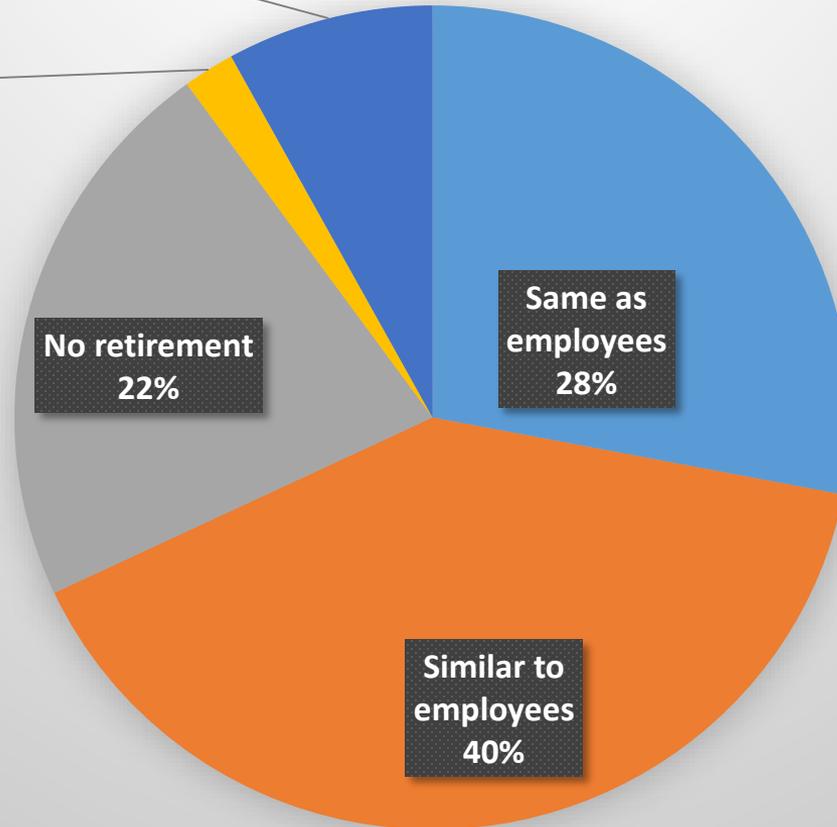
Different from employees  
8%

Linked to judicial salary  
2%

No retirement  
22%

Same as employees  
28%

Similar to employees  
40%



# State Legislator Salaries

