

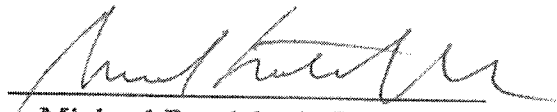
The 2013 Commission submitted its report and recommendations on January 8, 2013; however, per House Joint Resolution No. 2, signed 1/30/13, the General Assembly voted to reject the report in its entirety.

DELAWARE COMPENSATION COMMISSION

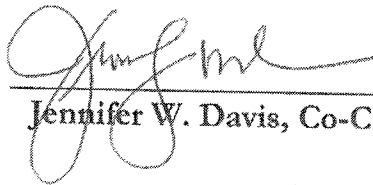
2013

Final Report

January 8, 2013



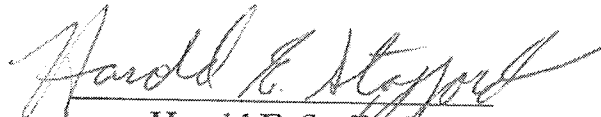
Michael Ratchford, Co-Chair



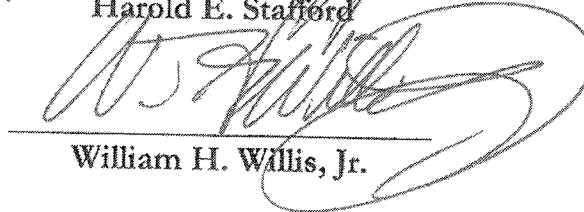
Jennifer W. Davis, Co-Chair



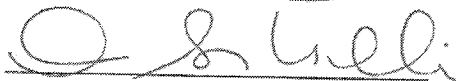
Donald J. Puglisi



Harold E. Stafford



William H. Willis, Jr.



Ann Visalli, Ex-Officio

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INTRODUCTION

Creation of Commission

In July 1984, Governor DuPont approved a law (29 Del. C. Sections 3301- 3304) creating the Delaware Compensation Commission.

In January 1985, the first Commission submitted its recommendations as required under the statute, and the recommendations became effective on February 1, 1985. In December 1988, in accordance with the statute, the 1989 Commission submitted its report and recommendations, which became effective on February 1, 1989.

In January 1993, the 1993 Commission submitted its report and recommendations. By joint resolution, the General Assembly rejected the report of the 1993 Commission. In April 1993, the General Assembly passed legislation adjusting salaries for members of the Judiciary, General Assembly, other Elected Officials, and the Cabinet.

In January 1997, the 1997 Commission submitted its report and recommendations, which became effective February 1, 1997. Likewise, in January 2001, the 2001 Commission submitted its report and recommendations, which became effective February 1, 2001. In January 2005, the 2005 Commission submitted its report and recommendations, which became effective February 1, 2005. In January 2009, the 2009 Commission submitted its report and recommendations, which became effective July 1, 2009. Due to comments received from the public hearing and based on the economic condition of the State's budget and the national economic climate, the 2009 Commission did not recommend salary increases for any of the positions covered by this report. The effective date of the Commissions' reports was changed from February 1 to July 1 in the Fiscal Year 2009 Budget Act Epilogue, Section 35.

The report of this Commission, referred to as the 2013 Commission, has the force and effect of law as of the first day of July following submission (July 1, 2013) unless the General Assembly, by joint resolution, rejects the report in its entirety within 30 days following commencement of its 2013 session.

Members

The 2013 Commission consisted of six members and was co-chaired by Michael Ratchford, appointed by the Speaker of the House, and Jennifer W. Davis, appointed by the President Pro Tempore of the Senate. Other members included William Willis, Chair of the Delaware Business Roundtable; Harold E. Stafford, appointed by the Governor; and Donald Puglisi, appointed by the Governor. Ann Visalli, Director of the Office of Management and Budget, served as an Ex-Officio and non-voting member. Meaghan Brennan, Deputy Director of Budget Development, Planning and Administration, attended for Ms. Visalli.

Authorization

Under its enabling statute, the Commission was authorized to study the "remuneration" of key office holders within the Executive, Judicial, and Legislative branches of state government. It was also authorized to issue a report no later than January 8, 2013, establishing "remuneration" for these public officials.

Meetings and Hearings

The 2013 Commission met on November 19, 2012, November 27, 2012, December 13, 2012, December 18, 2012, and January 3, 2013. In addition, the 2013 Commission held a public hearing on December 13, 2012 in Dover, Delaware. The following individuals testified at the public hearing and/or submitted written comments: Chief Justice Myron Steele, Supreme Court; Michael Parkowski, Esq., on behalf of the Delaware Bar Association's Compensation Committee; Michael Barlow, Chief of Staff for Governor Jack Markell; and James McGiffin, member of the public and attorney in Delaware. The Republican caucuses in the State Senate and House of Representatives sent a letter to the 2013 Commission on December 11, 2012 requesting that the 2013 Commission not recommend salary increases for Members of the General Assembly.

The 2013 Commission members were provided with information showing a historical view of salaries, budgets, positions, and general salary increases from Fiscal Year 2005 to the present, along with current organizational charts, and agency descriptions.

Michael Nadol, Managing Director of Public Financial Management, Inc. was engaged as a consultant to the 2013 Commission, providing and interpreting salary survey data requested by the 2013 Commission.

Further, the reports of the 2005 and 2009 Commissions, and both verbal and written remarks received from the December 13, 2012 public hearing, were reviewed and considered. Based on the information received and the 2013 Commission members' own deliberations and experience, the 2013 Commission submits unanimously the following findings and determinations.

Attracting and Retaining Talent

The 2013 Commission, as was the case with the previous Commissions, believes strongly that the quality of State government depends largely on its ability to attract and retain highly talented individuals to lead its various programs and activities. While no member of the 2013 Commission argued that government salaries should parallel those in the private sector, the 2013 Commission concluded that reasonable compensation, set by an impartial body such as the Commission, would play an important role in attracting and retaining top talent.

This is particularly the case for Delaware government leadership positions since many services are offered statewide in Delaware that are either not offered by other government entities or that are offered in other states at a local level. We have a nationally respected, fair, high quality, and efficient court system, a responsive state legislature and a dedicated and effective Executive Branch of state government. The people who agree to represent the people in those positions, in order to attract and retain the best, are entitled to earn competitive and appropriate wages.

Past Commissions' Recommendations

It is believed that the determinations of the 1985, 1989, 1997, 2001, and 2005 Commissions, which were accepted by the state legislature, improved considerably the compensation for most of the positions that this report evaluates. Delaware is most fortunate to be able to continue to attract highly qualified individuals to the three branches of government. The Compensation Commission was created in 1984, in large part, to remove deliberations on executive level salaries from the political arena.

After rejecting the 1993 Commission report, the General Assembly passed legislation providing 4% increases for members of the Judiciary, 3% for members of the General Assembly and other Elected Officials, and an average of 4.1% increases for members of the Cabinet. The legislation also increased legislative supplements for members of the General Assembly by 3%.

Due to the economic condition of the State's budget and the national economic climate, the 2009 Commission did not recommend any salary increase for any of the positions covered by the Commission.

All positions have received the same general salary increases given to other State employees. The exception to this rule is the Governor, whose position is restricted, by law, from receiving these increases. Through the work of the Commission and the Legislature, much progress has been made in providing more appropriate compensation to those within the Commission's jurisdiction. This Commission is of the firm view that its role is and should be a periodic review to assure that the salaries of the affected positions are appropriate and competitive in view of events and developments over the previous four years. The Commission's role is to analyze the positions, not the people currently in those positions. Decisions on the appropriate level of remuneration for a position are a reflection of the Commission's view of the value and responsibility of that position, not a performance assessment of the individual currently serving in that position. In order to maintain further appropriate compensation, it is essential that regular general salary increases made for other State employees also continue to be extended to all of those covered by this report.

Compensation Comparisons with Other States

The 1989, 1993, and 1997 Commissions compared Delaware salaries for the offices under review with the states of New Jersey, Pennsylvania, Maryland, Virginia, New York, North Carolina, and Massachusetts. Although there is no requirement to do so, the 2013 Commission also decided to look at the seven state comparisons as one of our references. Because of its concern as to the significant demographic differences between some of the States in this comparative group of states, the 2001 Commission felt it appropriate to examine other states of comparable size. Consequently, the 2001 Commission identified and

considered salary data from three states with similar budgets (Rhode Island, New Hampshire, and Vermont), as additional references. We want to emphasize, however, that throughout our deliberations and in this report we were not constrained by rigid comparisons, as statewide comparisons can be difficult because of the numerous differences among the states. The 2013 Commission also considered salary survey data from local entities in Delaware, Maryland, and Pennsylvania.

Unique Circumstances Affecting the Work of the 2013 Commission

As the 2013 Commission began its deliberations, the Commission noted that while the emergency situation impacting the national, state, and local economic climate faced by the 2009 Commission had improved somewhat, recovery has been slow, and revenues are generally flat. December revenue projections from the Delaware Economic and Financial Advisory Committee (DEFAC) anticipate revenues to be \$73.4 million less in Fiscal Year 2014 than Fiscal Year 2013, with projected spending outpacing revenues into Fiscal Year 2015. As anticipated by the 2009 Commission, re-organizations in state government have taken place to meet financial obligations and balance the budget, which resulted in major changes in the responsibilities of some of the positions under consideration by the Commission, particularly among the Cabinet Secretaries. The 2013 Commission considered a variety of courses of action in an effort to balance their strong commitment to maintain competitive and fair salaries to attract and retain the highest caliber of top state management officials with a consideration of the slow economic recovery. If it were not for flat state revenues and the inability of the State to more modestly increase salaries for all State employees, the 2013 Commission would wholeheartedly endorse moderate salary increases for all positions covered by this report.

The salary increases in this report are to be effective July 1 of the Fiscal Year in which they are recommended on Table A.

Conceptual Framework for Analysis

Before beginning its deliberations on specific salary recommendations, the 2013 Commission discussed compensation for State executives and agreed upon the following principles:

1. The Governor need not be the highest paid member of the Executive Branch but should be the highest paid Elected Official;
2. DEFAC revenue projections need to be given considerable weight;
3. Executive Branch tiers should be collapsed into fewer tiers;
4. Executive Branch tier placement should consider changes in FTEs, budgets, responsibility, risk, and span of control since 2005;
5. The relationship between the Secretary of Education's salary and the salaries of the public school district superintendents needs to be re-assessed;
6. Some phasing-in of salary increases should be considered due to economic realities;
7. Salaries need to be kept competitive and should be focused on recruitment of top talent;
8. The Governor should continue to have flexibility in making salary offers to cabinet secretaries;
9. In determining salary increases, market data, median salaries, and internal equity need to be considered;
10. The judicial salary hierarchy changes made by the 2005 Commission from those of the 2001 Commission need to be reviewed;
11. Judicial salaries need to be reviewed with an emphasis on attracting a diverse applicant pool;
12. Some members of the Judiciary may be paid more than the Governor;
13. The concept of a supplement for administrative duties is valid for leadership positions within the Judiciary and Legislature;
14. Consideration should be given to all public comments by legislative leaders and written comments received from the Republican caucuses, the Judiciary, the Delaware Bar Association, the Governor's Office, and private citizens in determining compensation;
15. A balance between the need for salaries attractive for recruitment and retention and the State's financial climate needs to be addressed; and
16. General salary increases provided to other State employees have been and should continue to be applied to all of the positions covered by this report with

the exception of the Governor who by law cannot receive a mid-term salary increase or decrease.

EXECUTIVE BRANCH

The 2013 Commission concludes that the salaries for the Executive Branch should be as established in Table A. The recommended tiers for the various offices within the Executive Branch are a reflection of each office's level of responsibility and authority. The 2013 Commission also took into consideration the comparisons of Delaware salaries with comparable positions in other states and local governments in Delaware, the general salary increases that have been provided to state officials, and the recommendations of the Governor.

Governor

The 2013 Commission believes, unlike prior Commissions, that the Governor, the highest executive officer in Delaware, need not be the highest paid executive official in the State. The 2013 Commission further believes the Governor should be the highest paid Elected Official in the State. In order to maintain such, this Commission recommends that when the Governor takes office in 2017, the salary should reflect the current base salary of \$171,000 plus the sum total of the amount of general salary increases provided to state employees over the next four years. Delaware's Constitution prohibits the Governor from receiving any salary increases or decreases during the period for which he or she shall have been elected (Article III§7.)

The 2001 Commission, in its report of January 2001, proposed a salary of \$132,500, effective when the Governor takes office in 2005. That Commission also strongly suggested the General Assembly entertain, prior to January 16, 2001, legislation to increase the Governor's salary to \$122,500. This, in effect, raised the salary of the Governor to be the highest Elected Official at that time. As continues to be the case, under the Delaware Constitution, the Governor is prohibited from receiving any salary increase during an elected term. The 2005 Commission, in its report of January 2005 proposed a salary that was 10% above the highest base salary (\$155,450) paid to an Executive Branch official (agency heads of the Department of Technology & Information and Department of Education), effective when

the Governor took office in 2009 which resulted in a salary of \$171,000. That Commission also recommended that prior to January 18, 2005, the General Assembly entertain legislation to increase the salary of the incoming Governor to \$165,702 (10% above \$150,638, the recommended salary for the highest paid Executive Branch official).

Due to economic conditions, the 2009 Commission did not recommend any salary increases to any of the positions covered by this report.

Cabinet

Cabinet members currently receive salaries that fall into four tiers. The salaries were clustered into those four tiers by prior Commissions based upon a combination of factors including the size of the agency as measured by budget and personnel employed, and the impact of the agency on the citizens and economy of the State. The 2013 Commission recognizes the advantages of such a tiered pay scale and believes that, in general, all cabinet members should be placed in an appropriate tier. The 2013 Commission also gave consideration to other factors such as risk, 24/7 operations, and major organizational changes. In addition, the 2013 Commission recommends a two-tier system as shown in Table A below.

After reviewing the size of the agencies as measured by budget and personnel employed, the impact of the agencies on the citizens and economy of the State, the events of the last eight years, flat revenue projections, salaries paid to comparable positions in the surrounding states, and the recommendations of the Governor, the 2013 Commission does not recommend any salary changes effective July 1, 2013 (Fiscal Year 2014.) However, effective Fiscal Year 2015, the changes that follow are recommended:

- Due to significant changes in responsibilities in the following departments, the 2013 Commission recommends that the salaries of these cabinet secretaries increase on July 1 as shown in Table A below over Fiscal Year 2015, Fiscal Year 2016, and Fiscal Year 2017. These increases are consistent with the spirit of the language in Section 10 (c) (ii) of the Fiscal Year 2013 Budget Act Epilogue and recommendations of the Governor.

- Department of Health and Social Services - implementing Affordable Care Act reforms, administering the State's largest department of over 4,300 employees in 12 divisions, including the Delaware Psychiatric Center (130 patients), three long-term care facilities (289 beds), and the Stockley Center (54 beds) for developmentally-disabled persons, with a total budget exceeding \$2 billion, and overseeing a significant information technology implementation.
 - Department of State - the Division of Corporations generates almost one-third of the State's revenues and additionally, legal-related businesses bring in tens of millions of dollars in addition to state and local taxes; administration of the State's Veteran's Home (150 positions), and the addition of 76 positions in Professional Regulation, the Public Service Commission, the Public Advocate, the Merit Employees Relations Board, the Public Employment Relations Board, and the Public Integrity Commission from the disbanded Department of Administrative Services.
 - Department of Transportation - greenways planning and development, right of way section restructuring, internal restructuring of tolls administration, and continued emphasis on multi-modal forms of transportation.
 - Department of Services for Children, Youth and Their Families - serving at-risk children and families; administering 24/7 crisis operations, suicide prevention programs, child abuse intervention, and five secure-care youth facilities; the fourth largest department by positions; and overseeing the development and implementation of an integrated, department-wide, client-based information system.
- The 2013 Commission believes that the current tier system created some unintended consequences. Despite changes in the level of experience or education, and despite changes to the responsibilities or circumstances surrounding a cabinet post, those salaries could only be reviewed every four years. The 2013 Commission believes it appropriate to establish cabinet salaries as ranges, not a fixed number. This is consistent with salaries for such positions in most of the private and public sectors.
 - The 2013 Commission believes that Governors should have some flexibility to set the salaries of cabinet officials to ensure the recruitment and retention of talented people. The 2005 Commission report provided the Governor the flexibility to pay cabinet officials a salary that is within a range of 5% below to 5% above the recommended salary of the position. In order to provide the Governor increased flexibility, effective July 1, 2013, for new hires or appointments only, the 2013 Commission recommends that the Governor be able to pay cabinet officials a salary that is within a range of 10% below to 10% above the recommended salary for the position, provided that the maximum of the

range does not exceed the 20% cap required by law. Per 29 Del Code, Chapter 33, §3303 (b), salary increases applied to the salaries of positions covered by the Delaware Compensation Commission, cannot exceed 20% of the salary received in the fiscal year in which the report is submitted. Absent action by the Governor, the July 1, 2013 salary shall be the recommended salary for each position. All positions should continue to receive regular general salary increases approved by the legislature for other State employees. Please see Table A for the recommendations of the 2013 Commission.

- Prior Commissions based the salary of the Secretary of Education on the average of the three highest salaries paid to school district superintendents in the State. The 2013 Commission believes that this approach is no longer appropriate and that the Secretary of Education's salary should be established consistent with other Cabinet members.

Other Elected Officials

The 2013 Commission does not recommend any salary changes for the Lieutenant Governor, the Attorney General, the State Auditor, the State Treasurer, and the Insurance Commissioner. Please see Table A.

JUDICIAL BRANCH

The 2013 Commission concludes that the salaries of the Judicial Branch should be as listed in Table A.

Impact of the Judiciary on Delaware

The 2013 Commission recognizes that Delaware has gained a national and increasingly international reputation for its outstanding courts and highly qualified Judiciary. The Delaware Judiciary adjudicates sensitive issues faced by Delaware citizens in their daily lives and renders decisions of major importance that affect corporate governance, stockholders' rights, and the business marketplace in the United States and around the world. Therefore, recruiting and retaining outstanding, diverse, and high caliber judges is essential to the quality of life and economic well being of the people of Delaware. Further, 20% to 30% of the State's revenues can be attributed to Delaware's renowned legal system and Judiciary, in addition to the key role played by the Secretary of State's Office.

Judicial Salaries

In addition to the stature and reputation of Delaware's Judiciary, the 2013 Commission considered the thoughtful and uniform approach explained in the December 13, 2012 presentation of Chief Justice Myron Steele along with the recommendations of the Delaware State Bar Association's Committee on Judicial Compensation report also presented to the Commission on December 13, 2012. The Delaware State Bar Association Committee Report compares Delaware to not only those states in geographic proximity to Delaware, but also to those states that compete with Delaware as commercial litigation jurisdictions, namely New York, New Jersey, Illinois, California, Florida, and Georgia.

The 2013 Commission recommends, effective July 1, 2013, that the salaries of the Supreme Court Justices be set \$500 above the salaries of the Chief Judges of the Chancery, Superior, and Family Courts in order to recognize the position of the Supreme Court in the hierarchy of the State's judicial system. In addition, recognizing the significant contributions of Delaware's Judiciary and its outstanding national reputation, the 2013 Commission

recommends a 3% salary increase effective Fiscal Year 2015 and a 3% salary increase effective Fiscal Year 2016 for all members of the Judiciary.

The 2013 Commission recognizes that its recommended salary increases are less than the Judiciary requested. However, the 2013 Commission believes its recommendations are fair and reasonable based on the information and the data it examined, particularly in light of the State's forecasted financial conditions. The 2013 Commission's recommendations address the significance of recognizing the hierarchy within Delaware's Judiciary.

LEGISLATIVE BRANCH

The 2013 Commission recommends that the salaries, supplements, and expense allowances of the Legislative Branch be as established in Table A.

The 2013 Commission recommends no adjustments to the base salaries, supplements, and expense allowances of the Legislative Branch. This recommendation is consistent with public comments by legislative leaders and written comments from the Republican caucuses concerning salary increases, is appropriate given revenue projections for the next two fiscal years, and is consistent with the salary treatment given to other Elected Officials.

The 2013 Commission is not recommending any changes in pension benefits for the Legislature.

It is recommended that legislative salaries continue to be subject to the same general percentage pay increases that may be approved for other state employees.

Expense Allowances

The 2013 Commission recommends Expense Allowances for the General Assembly continue to be set at \$7,334.

**TABLE A
RECOMMENDATIONS**

(Salary increases below are effective July 1 of the Fiscal Year in which they are recommended)

GOVERNOR		FY 2018 Salary = Current Salary (\$171,000) + any general increases in FY 2014 through FY 2017				
LEGISLATURE		No increases in salary or other emoluments; no change to pension				
OTHER STATE ELECTED OFFICIALS		No increases in salary				
CABINET		FY 2014	FY 2015	FY 2016	FY 2017	FY 2017 Salary***
Tier 1	Current Salary					***does not reflect gsi
Education	\$ 160,145					\$ 160,145
Chief Information Officer	\$ 160,145					\$ 160,145
Health and Social Services *	\$ 147,370		3.0%	3.0%		\$ 156,345
Office of Management and Budget	\$ 147,370					\$ 147,370
Correction	\$ 147,370					\$ 147,370
Finance	\$ 147,370					\$ 147,370
State	\$ 127,590		3.0%	3.0%	3.0%	\$ 139,421
Services for Children, Youth and Their Families	\$ 132,741		3.0%	3.0%		\$ 140,825
Transportation	\$ 137,995		3.0%	3.0%		\$ 146,399
Tier 2						
Safety and Homeland Security	\$ 132,741					\$ 132,741
Delaware Economic Development Office	\$ 127,590					\$ 127,590
Natural Resources and Environmental Control	\$ 127,590					\$ 127,590
Adjutant General	\$ 121,821					\$ 121,821
Agriculture	\$ 119,040		2.336%			\$ 121,821
Labor	\$ 119,040		2.336%			\$ 121,821
Delaware State Housing Authority	\$ 119,040		2.336%			\$ 121,821

JUDICIARY	Current Salary	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017 Salary***
Chief Justice Supreme Court	\$200,631		3.0%	3.0%		***does not reflect gsi \$ 212,850
Supreme Court Justice	\$190,639	\$191,860 (\$500 above Chief Judges - Superior, Family, Chancery Courts)	3.0%	3.0%		\$ 203,544
Chancellor -- Court of Chancery	\$191,360		3.0%	3.0%		\$ 203,014
President Judge Superior Court	\$191,360		3.0%	3.0%		\$ 203,014
Vice Chancellor -- Court of Chancery	\$180,233		3.0%	3.0%		\$ 191,209
Associate Judge -- Superior Court	\$180,233		3.0%	3.0%		\$ 191,209
Chief Judge -- Family Court	\$191,360		3.0%	3.0%		\$ 203,014
Associate Judge -- Family Court	\$180,233		3.0%	3.0%		\$ 191,209
Chief Judge -- Court of Common Pleas	\$189,196		3.0%	3.0%		\$ 200,718
Associate Judge -- Court of Common Pleas	\$173,949		3.0%	3.0%		\$ 184,542
Justice of the Peace 3rd term	\$ 77,832		3.0%	3.0%		\$ 82,572
Justice of the Peace 2nd term	\$ 75,462		3.0%	3.0%		\$ 80,058
Justice of the Peace 1st term	\$ 72,887		3.0%	3.0%		\$ 77,326
Chief Magistrate	\$125,427		3.0%	3.0%		\$ 133,066
Commissioners - Superior Court	\$111,275		3.0%	3.0%		\$ 118,051
Commissioners - Family Court**	\$107,398		3.0%	3.0%		\$ 113,939
Commissioners - Court of Common Pleas	\$107,398		3.0%	3.0%		\$ 113,939

NOTES:

1. For cabinet new hires/appointments only, the Governor may offer a salary 10% above/below recommended salary, provided that the maximum of the range does not exceed the 20% cap required by law.

2. All positions are eligible for any general salary increases (gsi)

* If the Secretary of Health and Social Services holds a State Medical License, the salary listed in Section 10 (a) of the FY Budget Act shall be increased by \$12,000. Additionally, if the Secretary of Health and Social Services is a Board Certified Physician, a \$3,000 supplement shall be added to the annual salary listed in Section 10 (a) of the Budget Act

** Salary adjustment pending

SUMMARY

The 2013 Commission recognizes that it is not feasible to compensate our public officials at levels commensurate with those paid to individuals of similar experience and ability in the private sector. To a great extent, people who choose public service typically do so for reasons other than the salary. No public official appearing before the 2013 Commission, commenting to the 2013 Commission, or writing to the 2013 Commission expressed a different view. However, as stated by the 1985 Commission, "It is important, however, that compensation be provided to avoid unreasonable sacrifice by these public servants." The 2013 Commission feels strongly that the recommendations presented in this report reflect this tenet tempered by flat or decreasing revenue projections for the next two fiscal years. The 2013 Commission sincerely hopes that when economic conditions significantly improve, the salaries of the positions covered by this report, in addition to the salaries of other state employees, can be increased by more substantial amounts.

While the Compensation Commission is charged by statute to examine and make salary recommendations on a quadrennial basis, the 2013 Commission also recognizes that market forces affect certain positions and the Governor and General Assembly should remain aware of the need to address these forces as appropriate.

Quality performance requires quality people with reasonable compensation. As a result of our fact-finding, analysis, deliberations, and judgment, the 2013 Commission is of the unanimous opinion that the remuneration and levels found in Table A of this report, and incorporated in this report by this reference, should take effect on July 1 of the Fiscal Year indicated. Furthermore, to maintain appropriate compensation, it is essential that regular general salary increases authorized for other State employees continue to be extended to all of those covered by this report.

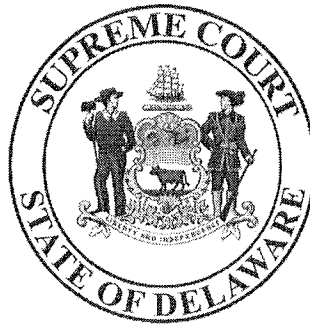
If any provision of this Report or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Report which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

ACKNOWLEDGEMENTS

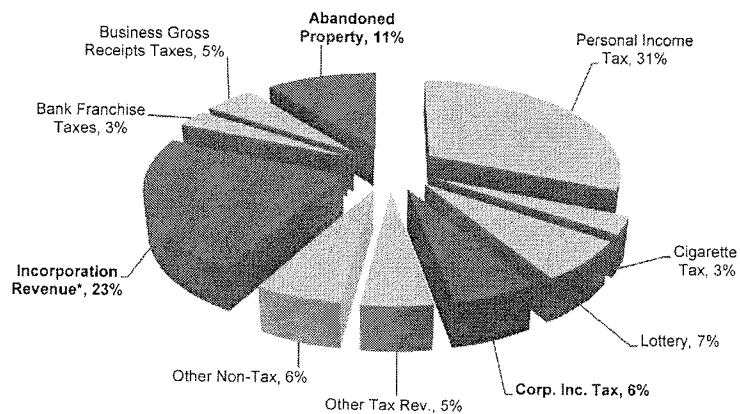
The Commission wishes to thank Ann Visalli and Linda McCloskey and their staff, Meaghan Brennan, Lisa Allison, Abbey Feierstein, Debra Gerardi, and Lisa Wingfield for their assistance in preparing background information, briefing materials, and staff support for the Commission's meetings and to thank Mike Nadol for his assistance in providing and interpreting salary survey data.

THE DELAWARE JUDICIARY'S PRESENTATION TO THE DELAWARE COMPENSATION COMMISSION

DECEMBER 13, 2012

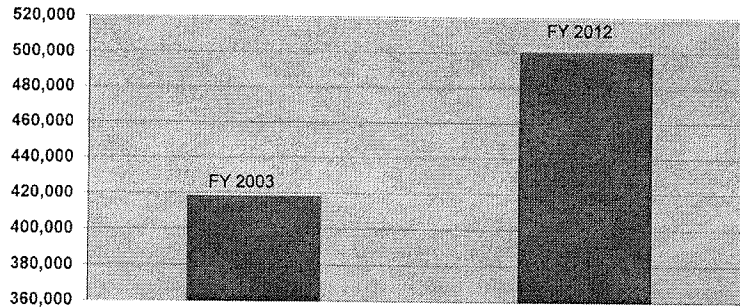


FY 2011 STATE OF DELAWARE REVENUE SOURCES (JUDICIARY- RELATED IN GREEN)



*Includes Corporate Franchise Taxes, Business Entity Fees, Limited Partnerships and Limited Liability Corporations, and UCC filings.

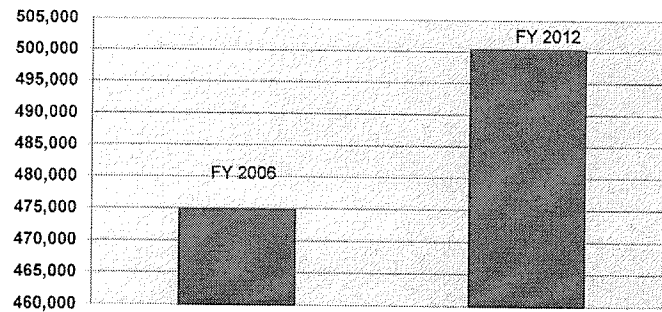
CHANGE IN TOTAL COURT FILINGS* FY 2003 - FY 2012



	Total Filings		% Change
	2003	2012	
SUPREME COURT	681	757	+11%
COURT OF CHANCERY	3,935	4,249	+8%
SUPERIOR COURT	219,393	20,676	+7%
FAMILY COURT	53,490	51,568	-4%
COURT OF COMMON PLEAS	94,983	119,753	+26%
JUSTICE OF THE PEACE COURT	245,444	303,310	+24%
TOTAL	417,926	500,313	19.7%

*Criminal filings are included by defendant.

CHANGE IN TOTAL FILINGS* FY 2006 - FY 2012



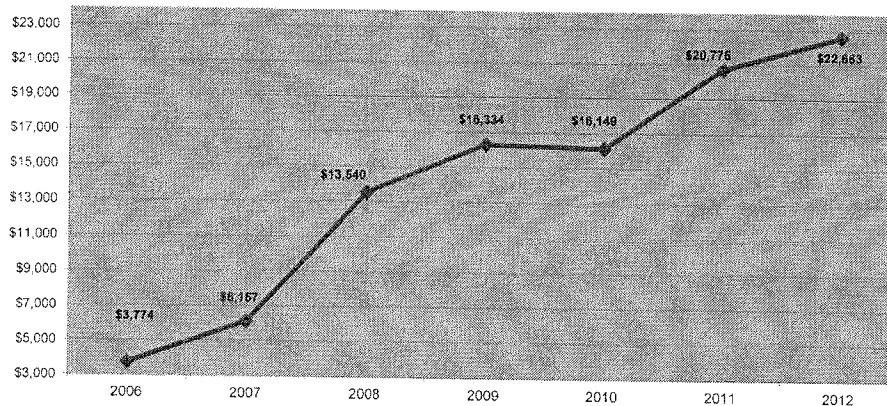
	Total Filings		% Change
	2006	2012	
SUPREME COURT	688	757	+10%
COURT OF CHANCERY	4,057	4,249	+5%
SUPERIOR COURT	20,977	20,676	+0%
FAMILY COURT	56,062	51,568	-8%
COURT OF COMMON PLEAS	100,814	119,753	+19%
JUSTICE OF THE PEACE COURT	292,015	303,310	+4%
TOTAL	474,613	500,313	+5%

*Criminal filings are included by defendant.

RECENT JUDICIARY HIGHLIGHTS

- **Racial Justice Improvement Project**
- **Supreme Court's Task Force on Criminal Justice and Mental Health**
- **Problem-solving courts focus on reducing recidivism and ensuring defendants' access to services:**
 - *Drug Courts*
 - *Mental Health Courts*
 - *Reentry Courts*
 - *Veteran's Treatment Court*
 - *Gun Court*
 - *Trauma-informed Probation Court*
 - *Truancy Courts*
- **Supreme Court and Court of Chancery: *Directorship's* top 100 influential in corporate governance for 6 years in a row**
- **Delaware Courts, with the focus on Superior Court proceedings, named #1 in the country for 9th consecutive time (U.S. Chamber Institute for Legal Reform)**

CUMULATIVE JUDICIAL COMPENSATION LOSS DUE TO INFLATION*



*Based upon Supreme Court Justice's compensation with salary increases factored in, since the 2005 Compensation Commission Report.

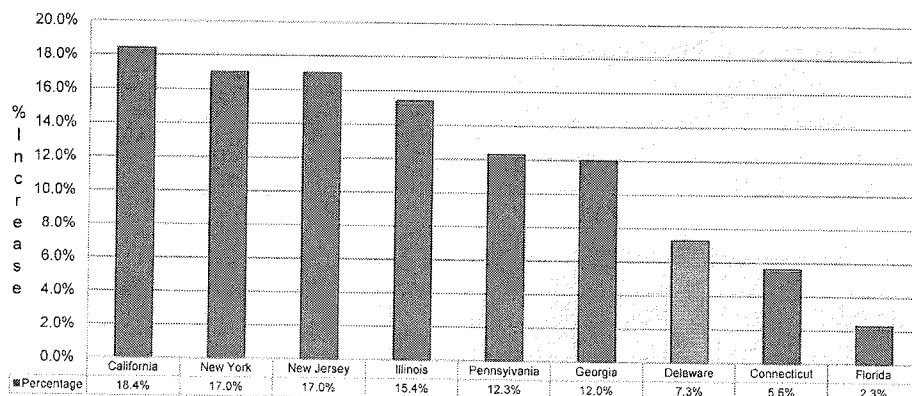
	2006	2007	2008	2009	2010	2011	2012	2013
Inflation Rate	4.10%	1.70%	3.99%	-.99%	2.60%	2.50%	2.0%	N/A
Salary Increases (fiscal year)	2%	\$750	-	-2.50%**	Salary restoration	-	2%***	1%

** Voluntary reduction consistent with state employee salary reduction.
 *** Implemented 1/1/12

Recent Increases to State Employee Annual Health Insurance Costs

Insurance Type		FY 2007	FY 2013	Annual Cost Difference	% Difference
Aetna HMO	Family	\$ 660	\$1,102	\$ 442	+ 67%
	Employee & Spouse	\$ 544	\$ 883	\$ 339	+ 62%
	Employee	\$ 181	\$ 419	\$ 238	+131%
Comprehensive PPO Plan	Family	\$1,545	\$2,423	\$ 878	+ 57%
	Employee & Spouse	\$1,235	\$1,938	\$ 703	+ 57%
	Employee	\$ 583	\$ 934	\$351	+ 60%

COMPARISON OF JUDICIAL SALARY INCREASES* FOR COMMERCIAL LITIGATION JURISDICTIONS



*Compensation comparisons are for general jurisdiction court judges reflecting salary changes between July 1, 2006 and July 1, 2012.

COMPARATIVE SALARIES OF DELAWARE STATE GOVERNMENT PROFESSIONAL POSITIONS

Chief Psychiatrist	\$229,671
Medical Director	\$229,671
Asst. Med. Examiner	\$220,579
Psychiatrist III	\$210,697
Psychiatrist II	\$204,466
Chief Justice	\$200,631
Chief Physician	\$198,240
Dental Director	\$198,240
Medical Admin Research & Training	\$198,240
Chancellor	\$191,360
Justice - Supreme Court	\$190,639
President Judge - Superior Court	\$191,360
Chief Judge - Family Court	\$189,196
Chief Judge - Court of Common Pleas	\$189,196
Psychiatrist I	\$188,022
Vice Chancellor	\$180,233
Judge - Superior Court	\$180,233
Judge - Family Court	\$173,949
Judge - Court of Common Pleas	\$173,949
Dental Administrator	\$169,500
Physician	\$169,500
Dentist	\$152,664
Chief Magistrate	\$125,427

PROPOSED JUDICIAL SALARY PLAN

- Increasing the salaries of the Chief Justice and trial court judges in two 4% steps, one 4% increase to take effect on July 1, 2013 and another 4% increase on July 1, 2014, plus any salary increase given generally to State employees.
- To respect the Supreme Court's role in the judicial system, paying the Supreme Court Justices \$500 more than the Chief Judges of the Chancery, Superior, and Family Courts.
- In recognition of the Chief Magistrate's substantial responsibilities in the court system, setting as a goal to increase the salary of the Chief Magistrate over time to reach the amount of a Court of Common Pleas judge's salary, by
 - Increasing the Chief Magistrate's salary in two 6% steps, one 6% increase on July 1, 2013 and one 6% increase on July 1, 2014, plus any salary increase given generally to State employees, and
 - Encouraging the General Assembly to fund future increases needed to reach the goal.

PROPOSED JUDICIAL SALARY PLAN

(CONTINUED)

•Setting as a goal increasing the salaries of Masters and Commissioners over time to 75% of their Court's judges' salaries, by

•Leveling up the Family Court Commissioners to the Superior Court Commissioners and Masters in Chancery,

•Increasing the Masters' and Commissioners' salary in two 6% steps, one 6% increase on July 1, 2013 and one 6% increase on July 1, 2014, plus any salary increase given generally to State employees, and

•Encouraging the General Assembly to fund future increases needed to reach the goal.

PROPOSED JUDICIAL SALARIES

	FY 2013 Salaries	First year Increases	Salary w/ 1st Increase	Second year Increase	Salary w/ 1 st & 2 nd Increase
Chief Justice	\$200,631	\$8,025	\$208,656	\$8,346	\$217,002
Justices	\$190,639	\$8,875	\$199,514	\$7,981	\$207,494
Chancellor	\$191,360	\$7,654	\$199,014	\$7,961	\$206,975
Vice-Chancellors	\$180,233	\$7,209	\$187,442	\$7,498	\$194,940
President Judge	\$191,360	\$7,654	\$199,014	\$7,961	\$206,975
Superior Court Judges	\$180,233	\$7,209	\$187,442	\$7,498	\$194,940
Superior Court Commissioners	\$111,275	\$6,677	\$117,952	\$7,077	\$125,029
Family Court Chief Judge	\$189,196 \$191,360	\$7,654	\$199,014	\$7,961	\$206,975
Family Court Judges	\$173,949 \$180,233	\$7,209	\$187,442	\$7,498	\$194,940
Family Court Commissioners	\$107,398	\$10,554	\$117,952	\$7,077	\$125,029

PROPOSED JUDICIAL SALARIES

	FY 2013 Salaries	First year Increases	Salary w/ 1st Increase	Second year Increase	Salary w/ 1 st & 2 nd Increase
CCP Chief Judge	\$189,196	\$7,568	\$196,764	\$7,871	\$204,634
CCP Judges	\$173,949	\$6,958	\$180,907	\$7,236	\$188,143
CCP Commissioners	\$107,398	\$6,444	\$113,842	\$6,831	\$120,673
Chief Magistrate	\$125,427	\$7,526	\$132,953	\$7,977	\$140,930
Magistrates – 3 rd term	\$77,832	\$3,113	\$ 80,945	\$3,238	\$84,183
Magistrates – 2 nd term	\$75,832	\$3,033	\$ 78,865	\$3,155	\$82,020
Magistrates – 1 st term	\$72,887	\$2,915	\$ 75,802	\$3,032	\$78,834

^[1] Salary increase to level salaries up to Court of Chancery and Superior Court judges' salaries will occur on January 1, 2013

^[1] Same as above

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REPORT TO THE DELAWARE COMPENSATION COMMISSION

**Delaware State Bar Association
Committee on Judicial Compensation**

December 11, 2012

A. Executive Summary

The Delaware Compensation Commission ("Commission") is charged by statute with the responsibility for recommending the level of compensation for various public officials in all three branches of State government on a quadrennial basis. The Report of the Compensation Commission becomes the basis for compensation unless rejected by the Legislature within thirty days following the commencement of the legislative session. Paraphrasing prior Commission Reports, the function of the Commission is to assure that compensation levels are not inadequate in Delaware from a national, regional, local, and marketplace perspective. One of the driving forces supporting the importance of the Commission's Report is the need to attract and retain highly qualified public officials. The Delaware Judiciary comprises approximately two-thirds of all persons affected by the Commission's work.

The Judiciary in Delaware continues to play a unique and expanding role of a national and international importance. In the commercial world, major corporations rely on the quality, consistency and speed with which the Delaware Supreme Court, Court of Chancery and Superior Court render decisions that affect corporate governance, stockholders' rights and the business marketplace in the United States and the world. In this capacity of domestic and international leadership, the Delaware Judiciary has been the keystone of corporate law for more than a century and is widely recognized as the nation's preeminent forum for the determination of disputes involving the internal affairs of more than 850,000 Delaware corporations and other business entities through which a vast amount of the world's commercial affairs are conducted. The confidence of 63% of the Fortune 500 companies is firmly rooted in the quality of the Delaware Judiciary. Delaware is home to more than half of all U.S. firms trading on the NYSE and

NASDAQ. The reward for the State of Delaware from the Court system is the annual taxes, fees and abandoned property from business entities registered in Delaware paid to the State, as well as the substantial economic activity generated by those in the private sector who represent Delaware business entities. The current FY2013 is based on income from corporate, LLC, business entities and UCC filings totaling \$798.2 million, exclusive of corporate income taxes. These amounts represent 22% of the State Operating Budget. Abandoned property of business entities registered in Delaware is budgeted at \$484 million to the Division of Revenue, representing an additional 14% contribution to the State Operating Budget attributable to Delaware business entities. Additionally, the Delaware Court System makes significant annual contributions in excess of \$25 million through filing fees, cost payments and assessments paid by litigants.

Of equal importance are the "people's courts" of Delaware which render justice to the great majority of the citizens of the State. Currently the Family Court, Court of Common Pleas and Justice of the Peace Courts collectively handled 505,392 filings in 2011. This represents 95% of the total caseload of all of the Delaware Courts. The quality of the judges, commissioners and magistrates in these courts is of no less importance to the citizens of the State than those who serve the justice needs of the nation and the world. The personal health and welfare of Delaware's citizens depends upon and deserves the high quality of justice administered by these critical courts and their judicial officers.

Due to the emergency situation impacting the national, state, and local economic climate, the 2009 Compensation Commission was unable to make recommendations on adjustments for the last four years. The 2005 Compensation Commission, in setting

judicial compensation levels favorably received the Delaware State Bar Association's recommended approach for evaluating the status of compensation of the Delaware judiciary. As in 2005, given the commercial importance of the Delaware Court system, it is appropriate to compare Delaware to those states that attempt to compete with Delaware as national and international business centers, namely California, Illinois, New York, New Jersey, Florida and Georgia ("Competitive Commercial Litigation Jurisdictions" or "Commercial Jurisdictions"). This comparative approach served the last three Commissions well as Delaware not only maintained, but also further enhanced its recognition across the nation as a model judiciary.

Additionally, in past years the Commission has inquired of the Delaware State Bar Association representatives about employing a percentage scale to set levels of compensation within the judicial branch. This report employs the methodology used by the 2005 Compensation Commission setting the Supreme Court compensation at the average of the top two commercial states as the basis with percentage supplements for the chief judicial officer of each court. Percentages are applied against the highest court to establish a recommended level for the trial courts from which direct appeal is taken to the Supreme Court. Similarly, a percentage is applied to those courts from which appeals are taken to other trial courts.

Delaware's status as a national leader in all areas of the justice system should be reflected in the compensation awarded to its judges. Judicial compensation in Delaware needs to be adjusted to appropriately reflect the status and stature of the Delaware judicial system and to take into account the fact that the members of the Delaware Judiciary have sacrificed and continue to sacrifice the opportunity to pursue economically lucrative

careers in the private sector. The Delaware State Bar Association recommends that the 2013 Commission Report once again employ the average of the top two Commercial Jurisdictions as the benchmark for the Delaware Supreme Court and, in 2013, employ a percentage approach to recommend compensation for each of the trial court judges, chief judges, commissioners, and magistrates to ensure that our justice system remains a leader across the nation.

The inherent difficulty in a quadrennial review is to find a common point for comparison as the States adjust salaries on different cycles. The most recent study of all States' judicial salaries with a common base is the July 2012 report from the National Center for State Courts (see Attachment A). Using this report as a baseline to derive the average compensation of the top two Commercial Jurisdictions for their highest courts and separately for their trial courts of general jurisdiction, Delaware can establish a reliable basis for equitable salary levels for all of its courts over the next four years. The salary levels recommended for Supreme Court Justices based upon the average salaries of justices on the highest courts of top two Commercial Jurisdiction States and applying the current Delaware average of 5% supplement for the chief judge of each court are:

DELAWARE SUPREME COURT

Chief Justice	\$ 224,533
Supreme Court Justices	\$ 213,814

The Court of Chancery, Superior Court, and Family Court are the three Delaware courts from which appeal is taken directly to the Supreme Court. Delaware, in this regard differs from other states within the Commercial Jurisdiction comparison states, as well as most states in the country, as there is no intermediate court of appeals. Presently, these three courts are compensated at 95% of the level of the Supreme Court. Continuing the 95% level approach and a 5% supplement for the chief judge, results in the salary recommendations for the Court of Chancery, Superior Court, and Family Court:

COURT OF CHANCERY/SUPERIOR COURT/FAMILY COURT

Chancellor/President Judge/Chief Judge	\$ 213,306
Vice Chancellors/Judges	\$ 203,148

The Court of Common Pleas handled 117,253 cases in 2011. Appeal from all Court of Common Pleas cases are taken to the Superior Court. Continuing the 95% level approach and the 5% supplement for the chief judge, results in the salary recommendations for the Court of Common Pleas:

COURT OF COMMON PLEAS

Chief Judges	\$ 202,648
Judges	\$ 192,991

Statistics on salary levels for Commissioners are not comparable to Delaware Commissioners largely due to the higher qualifications and standards in Delaware. Past approaches have been largely unsuccessful in reaching an adequate schedule of compensation such that the commissioners in Delaware presently receive less

compensation that the State attorneys that appear before them. Appeals from commissioners' decisions are taken to the judges in the same court in which the commissioner serves. This report recommends, for the current Compensation Commission's term, setting the compensation for commissioners at 65% of a judge of the same court for 2014, and increasing the percentage by 2% in each of the next three years. While the most comparable rate in a national review would be 75%, the recommended 65% in this report will bring the commissioners to parity with the midpoint of Level V Deputy Attorney General and Public Defender. Subsequent Commissions should consider an additional increases in the percentage applied to more adequately compensate these important judicial officers. The recommendation with respect to the Commissioners and Masters in Chancery is that salaries be set at 65% of the level of the judges of the same court for 2014, and increasing the percentage by 2% in each of the next three years, resulting in the following salary levels for 2014:

COMMISSIONERS
(Superior Court, Family Court, Court of Common Pleas, and Masters in Chancery)

Master in Chancery	\$ 132,047
Superior and Family Court Commissioner	\$ 132,047
Court of Common Pleas Commissioner	\$ 125,444

Percentage methodology can be applied to the Chief Magistrate of the Justice of the Peace Courts and the Justices of the Peace in a similar manner. Appeals from

decisions in the Justice of the Peace Court are taken to the Court of Common Pleas. The current compensation for a Level III Magistrate is 45% of the compensation of a Court of Common Pleas judge. The Chief Magistrate should receive 75% of the compensation of a Court of Common Pleas judge. Such an adjustment would yield the following:

JUSTICES OF THE PEACE

Chief Magistrate	\$ 144,743
Level III	\$ 86,846
Level II	\$ 84,846
Level I	\$ 81,846

Since the 1996 Commission Report, judges have received annual increases when afforded all State employees. Such incremental increases have allowed Delaware to reduce the loss in salaries compared to other state jurisdictions over the four-year period. However, in the most recent four-year period (2009-2012), the economic climate has largely prevented the incremental adjustments that mitigate the difference in compensation levels with comparison states in intervening years.

Ideally, the Compensation Commission should have to make minor adjustments at the end of each quadrennial cycle to realign Delaware with the other comparable jurisdictions. In order to make this possible, it is desirable to maintain the annual incremental increases afforded to all State employees on an annual basis into the future so that the Delaware Judiciary does not experience slippage during the ensuing four years.

The standing of the Delaware Courts in the legal community, the large percentage of State revenues (36%) generated based on the Judiciary's stability, and the significance of the courts to the citizens of Delaware argue strongly for the recommended increases in

the compensation levels for the judges in all of the Courts. The Delaware State Bar Association Committee on Judicial Compensation recommends that the Compensation Commission ensure that the Delaware Courts maintain their proper status and proposes salary levels commensurate with the national and international status of the Courts that ensure that the personal, corporate, and financial health of Delawareans will be maintained.

B. BACKGROUND

The Delaware Compensation Commission ("Commission") is authorized by Chapter 33, Title 29 of the Delaware Code, and is charged with the duty to

"...make a study of the salaries, emoluments, mileage, per diem, travel and other expense allowances and reimbursements ... of the members of the General Assembly, the Governor, members of the Governor's cabinet, the Lieutenant Governor, the State Auditor, the State Treasurer, the Attorney General, the Insurance Commissioner, the Justice of the Supreme Court, the Chancellor and Vice Chancellors of the Court of Chancery and all judges, associate judges and court commissioners of the Superior Court, the Court of Common Pleas and the Family Court, the Chief Magistrate, and justices of the peace and the Public Defender."

29 Del. C. § 3303(a).

The historical function of the Commission is to assure that compensation levels are not inadequate in Delaware from a national, regional, local, and marketplace perspective. One of the driving forces supporting the importance of the Commission's Report is the need to attract and retain highly qualified public officials. Although the Commission's recommendations focus on public officials from all three branches of government, the majority of the Commission's charge centers on the 137 justices, judges, commissioners and magistrates of the Delaware Judiciary.

The Report of the Compensation Commission becomes the basis for compensation unless rejected by the Legislature within thirty days following the commencement of the legislative session. 29 Del. C. § 3304. Past Commission reports have been enacted with the notable exceptions of the 1993 and 2009 Reports that nevertheless resulted in appropriate increases in compensation for the Judiciary outside the Commission process. In 2011, House Bill No. 159 introduced changes to the Delaware Compensation Commission. While the legislation was not enacted, it indicates

that a methodological approach to setting compensation is highly desirable. In response to the apparent desire for change, this report modified both the group of comparison states and proposes specific percentages to employ in setting levels for the various courts and judicial officers.

Over the twenty-seven years of the Commission's existence, compensation for public officials has been subject to an objective review on a quadrennial basis. This review has been successful in reestablishing compensation levels consistent with the marketplace, comparable states, and Delaware's financial health. The recommendations of the Commission are essential to ensuring that the compensation level for public officials (and most notably for judges) remains appropriate with respect to comparable states in the interim between Commission reviews. The annual incremental increase afforded to all state employees has been applied traditionally to public officials, thereby reducing the comparative decline in compensation for these critical positions. These annual incremental increases have enabled the Commission to "fine tune" compensation levels every four years rather than having to recommend increases that would dramatically affect Delaware's fiscal year budgets. The flagging economic environment since the last Commission report has resulted in erosion of the compensation level of the Delaware judicial branch in comparison to the other States. In the most recent four-year period (2009-2012), the economic climate has largely prevented the incremental adjustments that mitigate the difference in compensation levels with comparison states in intervening years. Adjustment at the present time with the proposed methodology is essential simply to return Delaware to its position at the time of the last report.

Since 2001, The Delaware State Bar Association Committee on Judicial Compensation's recommendations has employed a methodology based on comparisons to states with comparable judicial jurisdictions based on marketplace dynamics which have direct bearing on recruitment and retention of the highest quality judges for each court in Delaware. This report employs the methodology used by the 2005 Compensation Commission setting the Supreme Court compensation at the average of the top two commercial states as the basis with percentage supplements for the chief judicial officer of each court. Percentages are applied against the highest court to establish a recommended level for the trial courts from which direct appeal is taken to the Supreme Court. Similarly, a percentage is applied to those courts from which appeals are taken to other trial courts.

The 2013 Delaware State Bar Association Committee on Judicial Compensation report builds upon the work and precedent of the last two Compensation Commissions to recommend levels of compensation that maintain the status quo for Delaware courts in relation to the comparable courts in comparable states.

C. Preeminence of Delaware Judiciary

The Delaware Courts were ranked first in the nation by the United States Chamber of Commerce and the Institute for Legal Reform for each of the seven years of that organization's surveys. Delaware has consistently topped the list as the best system for overall treatment of tort and contract litigation; having and enforcing meaningful venue requirements; treatment of class action suits and mass consolidation suits; punitive damages; timeliness of summary judgment or dismissals; and discovery matters. Most importantly, Delaware is the most respected state in the nation in the key areas of Judges' Impartiality and Judges' Competence. This recurring recognition continues the longstanding status of Delaware as having the predominant business courts in the nation for the last two centuries.

In addition to the ranking of the Delaware Judicial Branch as a whole, individual judges have garnered national recognition. Chief Justice Myron T. Steele and Chancellor Leo E. Strine, Jr. have consistently been named to the 100 most influential individuals and institutions that shape boardrooms in America.

The Court of Chancery as the court of equity, the Superior Court as the court of law, and the Supreme Court as the court of last resort have placed the Delaware Courts in a unique role as a national and international entity. In this capacity of domestic and international leadership, the Delaware Judiciary has been the keystone of corporate law in the last century.

The Court of Chancery over the last two centuries has been the forum for the major corporate decisions affecting the economic health of business entities. The 850,000 corporations and other business entities domiciled in Delaware include 63% of

the Fortune 500 companies and 50% of the corporations listed on the New York Stock Exchange and NASDAQ. The growing strength of Delaware's national reputation is evidenced by ever-increasing percentage of Fortune 500 companies incorporated in Delaware. The reward for the State of Delaware from the Court system is the annual taxes, fees and abandoned property from business entities registered in Delaware paid to the State. The current FY2013 is based on income from corporate, LLC, business entities and UCC filings totaling \$798.2 million, exclusive of corporate income taxes. These amounts represent 22% of the State Operating Budget. Abandoned property of business entities registered in Delaware is budgeted at \$484 million to the Division of Revenue, representing an additional 14% contribution to the State Operating Budget attributable to Delaware business entities. Additionally, the Delaware Court System makes significant annual contributions in excess of \$25 million through filing fees, cost payments and assessments paid by litigants.

The Delaware Supreme Court leads the Delaware judiciary, strengthening and enhancing the reputation of excellence of the Court of Chancery, Superior Court, and Family Court through its swift review and consistent interpretation of Delaware law and rulings in direct appeals from these courts. Strict internal guidelines for hearing and deciding appeals from all of the Courts provide the corporate and personal worlds with confidence that disputes will be resolved quickly with minimum impact on corporate operations and its citizens' lives.

The Court of Chancery is a state treasure and a national ideal. Its members have the responsibility to issue more formal opinions each year than state and federal appellate courts. That duty is made all the more challenging due to the complexity of the court's

caseload and the regular burden to turn out opinions within days in high-profiled, expedited corporate matters. As important, trends in commercial litigation have increased the mix of the Court's caseload that consists of trials, increasing the difficulty for the judges of balancing their opinion-writing and trial responsibilities.

Although elite in corporate stature, the Court of Chancery serves the ordinary citizen with equal diligence and care, yearly handling thousands of important equity matters - such as guardianships, will contests, property disputes, and expedited requests for injunctions - on top of its corporate and commercial caseload. In sum, Chancery judges must produce opinions of the quality and quantity of a federal appeals court while handling a demanding caseload comprised of complex cases and a high-volume of smaller matters, and continues to do so with a dispatch and with a commitment to quality that is unparalleled by any comparison court, state or federal.

The Superior Court of Delaware plays an equally important role in the external operations of corporations and has earned its national reputation for the efficient handling of complex litigation. Judge William C. Carpenter, Jr. was elected Chair of the National Conference of State Trial Judges by the delegates to that Conference from across the United States. The handling of complex litigation on a special docket was a model for the nation and inspired similar processing across the country.

Each of these business courts has a reputation of individual as well as collective excellence. Competing states are modeling their business courts after the Court of Chancery. The Chancellor is routinely requested to provide technical assistance to other states interested in mimicking the Court of Chancery. The Superior Court of Delaware has received national acclaim for its handling of complex litigation. Notably, the

Superior Court and the Supreme Court must combine their responsibilities as business courts with their critical role as the courts that handle felony criminal cases - a responsibility of the utmost importance in maintaining our citizen's sense of security and in protecting the legitimate rights of criminal defendants.

Every Delaware judge values greatly the Delaware Judiciary's position of prominence and willingly accepts the responsibility that such standing requires. Justices of the Delaware Supreme Court continue a legacy of national leadership. During the last three years, the Chief Justice has served a three-year term on the Board of Directors of the Conference of Chief Justices, most recently as the chair of the Conference, and was appointed to the Federal Judicial Conference's Committee on Federal-State Jurisdiction by United States Supreme Court Chief Justice Roberts. A current Justice served as the president of the American Inns of Court. The international prowess of the Court is evidenced by the naming of a Delaware Justice to the prestigious and centuries-old lawyer organization Lincoln's Inn in England as only the third American judge to recently receive this prestigious award. The other two are United States Supreme Court justices. The current Chief Justice, Justices of the Supreme Court, the Chancellor, and Vice Chancellors regularly respond to invitations to speak at high profile shareholder, corporate counsel and business leaders' meetings throughout the United States and internationally, all the while maintaining the rigorous standards for case management. The Chief Justice alone, by way of example, has appeared and delivered remarks in London at the International Bar Association's Annual Meeting and at a joint meeting of scholars from the London School of Economics and New York University; in Dallas at Southern Methodist's Corporate Law Symposium; in New Orleans at the Mid Year Meeting of the Negotiated Acquisitions Committee of the ABA; and, in Washington,

D.C. at the joint meeting of the Securities Litigation and Business and Corporate Litigation Committee of the ABA. Other members of our business courts regularly attend similar meetings and present papers or talks before national and international corporate and business decision makers, a process which both promotes our law and courts and exposes our judges to real-world issues affecting business litigation.

Of equal importance as courts of corporate and fiscal significance are the "people's courts" of Delaware which render justice to the great majority of the citizens of the State. Currently the Family Court, Court of Common Pleas and Justice of the Peace Courts collectively handled 505,392 filings in 2011, representing 95% of the total caseload of all of the Delaware Courts. The quality of the judges, commissioners and magistrates in these courts is of equal importance to the citizens of the State as the "corporate courts" are to the corporate citizens in serving the justice needs of the nation and the world.

These personal matters comprise the heart and soul of Delaware families at the most difficult times of their lives and are the matters most critical to the personal health of our State. The cases cover the life and death of Delaware citizens from the newborn to the aged. The dissolution of marriage, domestic violence, child abuse and neglect, termination of parental rights, drug and alcohol abuse, tragic personal injury, housing, welfare, and child support are but a sampling of the matters that the judges, commissioners, and magistrates decide on a daily basis. To the average Delaware citizen, the ability to provide for their daily needs is significantly more important than the extent of disclosure in a proxy statement. Our government exists to serve our citizens, and they deserve the same quality of justice as the corporations that enable Delaware to thrive.

The collective and individual excellence of these courts is equal in prominence to that of the business courts. The Family Court of the State of Delaware is the leading family court in the nation. Only one of three unified family court systems, Delaware has been touted as a model by the American Bar Association, National Council of Juvenile and Family Court Judges, National Center for State Courts, State Justice Institute and the Association of Family and Conciliation Courts. The Family Court regularly serves as a study site and pilot for programs of national importance including the frequently cited Family Court Performance Standards and Measures, programs for the self-represented litigant, full faith and credit for domestic violence protection orders, and alternative dispute resolution programs. Individual judges have received national recognition, and have served as trustees of national organizations including the National Council of Juvenile and Family Court Judges. In the intervening years since the last Compensation Commission report, the Family Court of the State of Delaware has implemented the Delaware Girls' Initiative, and the Juvenile Detention Alternatives Initiative sponsored by the national Annie E. Casey Foundation. Delaware Family Court's initiatives have been cited in the annual reports of the Federal Advisory Committee on Juvenile Justice over the last six years.

The Court of Common Pleas' attention to efficiency has maintained the court's reputation for excellence in conducting its affairs, most notably in its success in collection of fines, costs and restitution. Along with the Justice of the Peace Courts, the Court of Common Pleas has implemented an electronic filing and docketing system providing Delaware litigants with increased service.

The Justice of the Peace Court, through its 60 magistrates in 15 courts, serves as the gateway to justice for the majority of citizens, with a broad jurisdiction affecting the daily lives of Delawareans. The Justice of the Peace Court has led the way in a problem-solving approach to truancy and in the development of unique programs and processes that improve service to the public and provide system-wide cost savings.

The Delaware Judiciary's efficiency is most notable in comparison with other states. Employing a two-tiered system of appellate and trial courts, Delaware has avoided the need for intermediate appellate courts that increase costs to the State and decrease the speed at which cases can be resolved. In contrast to many other states, Delaware assigns appellate responsibility to each court in varying degrees. The Superior Court, Court of Chancery and the Family Court all have appellate functions under the Administrative Procedures Act, as well as handling appeals from other administrative boards including, but not limited to, the Public Employee Relations Board, Board of Pension Trustees, and Unemployment Insurance Appeals Board.

The Court of Common Pleas has appellate jurisdiction through *de novo* trial appeals from cases originating in the Justice of the Peace Courts. Three-judge panels in the Justice of the Peace Courts handle appeals in landlord-tenant actions. Sharing of these appellate responsibilities permits the Supreme Court to review decisions with finality in a swift manner.

The use of Commissioners has increased the efficiency of all of the Delaware trial courts immeasurably. Court Commissioners are assigned high volume and expedited cases providing access to the courts in unprecedented time. This highly trained group of judicial officers serves the trial courts in disposing of routine matters, thereby freeing the

judges of their respective courts to grapple with more difficult and complex legal matters. Appeals from Commissioners are taken to the judges of the court providing quick resolution of disputed results. Fewer than 3% of Commissioners' orders are appealed to judges with an insignificant number of the cases being reversed upon review. Delaware Commissioners differ significantly from counterparts in other states not only in the importance of cases assigned, but also in the appointment process that requires nomination by the Governor and approval by the Senate. The burden of volumes of filings in each court is manageable only in concert with the expert work of Commissioners.

The expansive use of alternative dispute resolution techniques in the Delaware trial courts has enabled the courts to deal with the high volume of cases in an expeditious manner. Mediation and arbitration are employed in these courts with great success. By way of example, mediation has been used in the Family Court for a quarter-century and resolves nearly three-quarters of the cases referred to court-employed mediators. Mandatory alternative dispute resolution in the Superior Court has allowed litigants to settle their claims in short order with reduced legal fees. Mediation in the Court of Chancery and Court of Common Pleas is used regularly to narrow, focus and resolve issues short of trial with remarkable results.

The financial and personal health of the State are highly dependent upon the individual and collective Delaware Courts, each of which has earned its position of prominence to form an efficient and effective system recognized as the finest in the country.

D. Comparisons with Other States

In setting judicial compensation levels, the early Commissions focused on salaries in a study group of states in geographic proximity to Delaware. The 2001 Commission expanded its perspective by adding states of similar size and similar budgets. Although these states may have some significance in comparing salaries for Executive and Legislative branches of government, the comparison is inappropriate for the Delaware judiciary. Given the commercial importance and national ranking of the Delaware Court system, the Delaware State Bar Association Committee on Judicial Compensation suggested that it would be more appropriate and useful to compare Delaware to those states that attempt to compete with Delaware as national and international business centers, namely New York, New Jersey, Illinois, California, Florida and Georgia ("Competitive Commercial Litigation Jurisdictions" or "Commercial Jurisdictions"). The ranking as first in quality in comparison with all fifty states supports the approach for national comparison for compensation purposes.

The 2005 Commission considered and adopted the Competitive Commercial Litigation Jurisdictions comparison methodology. The Delaware State Bar Association Committee on Judicial Compensation suggests that the 2013 Commission follow the precedent. Commercial Jurisdictions provide the best basis for accurate comparison as the group is in direct competition with the Delaware courts for the specialized business that provides nearly one-third of the annual State Budget. In sharp contrast to the states in the study group bearing few comparative similarities to the Delaware Judiciary other than geographic proximity, the Commercial Jurisdiction approach looks to those states that are attempting to compete with the Delaware Courts in those areas in which

Delaware has been the national leader. Delaware corporations with principal places of business in the competing Commercial Jurisdiction states regularly litigate cases in Delaware Courts. Consequently, these states have great interest in creating their own systems to compete with Delaware's expertise and accordingly offer the best comparisons for study. It is equally important to note that each of the competing Commercial Jurisdiction states continues to contact the various Delaware courts for technical assistance from both the business and personal courts.

A strong argument can be made for ranking Delaware first among the Competitive Commercial Litigation Jurisdictions in light of its position of prominence in the legal community. However, in light of the recommendations of past Commissions and the economic realities continuing to face Delaware, the Delaware State Bar Association on Judicial Compensation suggests that a consistent approach would be to compensate the Supreme Court at a level equal to the average of the top two Competitive Commercial Litigation Jurisdictions with a 5% supplement for the Chief Justice as shown in Table 1.

Table 1. Average of top two Commercial Jurisdictions – Highest Court

	Delaware (1/1/13 level)	Recommended
Chief Justice	\$200,631	\$224,533
Supreme Court Justices	\$190,639	\$213,841

Based on the salary levels established by the last three Compensation Commissions, the trial court salary is 95% of the appellate court salary. This percentage can be applied to reach recommended compensation for the Court of Chancery, Superior

Court, and Family Court from which appeals are taken directly to the Supreme Court. The recommended compensation for the trial courts as a percentage of the court to which appeal is taken is shown in Table 2.

Table 2. Trial Courts as a Percentage of Court of Direct Appeal

	Delaware (1/1/13 level)	Recommended
Chief Judges	\$191,630	\$213,306
Vice Chancellors, Superior Court Judges and Family Court Judges	\$180,233	\$203,148

The Court of Common Pleas handled 117,253 cases in 2011. Appeal from all Court of Common Pleas cases are taken to the Superior Court. Continuing the 95% level approach and a 5% supplement for the chief judge, results in the salary recommendations for the Court of Common Pleas as shown in Table 3.

Table 3. Court of Common Pleas as a Percentage of Court of Direct Appeal

	Delaware (1/1/13 level)	Recommended
Chief Judge	\$189,196	\$202,648
Court of Common Pleas Judges	\$173,949	\$192,991

Appeals of decisions by Commissioners and the Masters in Chancery are handled by the judges of the court in which the commissioner or master serves. This report recommends, for the current Compensation Commission's term, setting the compensation for commissioners at 65% of a judge of the same court for 2014, and increasing the

percentage by 2% in each the next three years. While the most comparable rate in a national review would be 75%, the recommended 65% in this report will bring the commissioners to parity with the midpoint of Level V Deputy Attorney General and Public Defender. Subsequent Commissions should consider an additional increase in the percentage applied to more adequately compensate these important judicial officers. The recommendation with respect to the Commissioners and Masters in Chancery is that salaries be set at the levels shown in Table 4.

Table 4. Commissioners and Masters in Chancery

Master in Chancery	\$ 132,047
Superior and Family Court Commissioner	\$ 132,047
Court of Common Pleas Commissioner	\$ 125,444

Appeals from decisions of the magistrates in the Justice of the Peace Courts are taken to the Court of Common Pleas. Level III Magistrates currently are compensated at 45% of the level of the Court of Common Pleas Judge. The Delaware State Bar Association Committee on Judicial Compensation recommends that Delaware Compensation Commission maintain that percentage for Level III Magistrates as well as the \$2,000 differential between Levels III/II and a \$3,000 differential between Levels III/I Magistrates. The Chief Magistrate of the Justice of the Peace Courts should maintain the 75% level of the Court of Common Pleas judge. The recommended compensation for the Justice of the Peace Courts is shown in Table 5.

Table 5. Justices of the Peace

	Delaware (17/13 level)	Recommended
Chief Magistrate	\$ 125,427	\$ 144,743
Level III	\$ 77,832	\$ 86,846
Level II	\$ 75,832	\$ 84,846
Level I	\$ 72,887	\$ 81,846

E. Recommendations

In light of the status of the Delaware Courts, comparisons with the Competitive Commercial Litigation Jurisdictions, and the precedent of prior Compensation Commissions, The Delaware State Bar Association Committee on Judicial Compensation recommends the following:

1. Compensate the Delaware Supreme Court at the average of the top two Commercial Jurisdictions' highest courts as shown below in Table 6.

TABLE 6. DELAWARE SUPREME COURT

Chief Justice	\$ 224,533
Supreme Court Justices	\$ 213,841

2. Compensate the Court of Chancery, Superior Court, and Family Court, at the current percentage (95%) of the court to which appeals are taken (Supreme Court) as shown below in Table 7.

TABLE 7. COURT OF CHANCERY, SUPERIOR COURT, FAMILY COURT

Chancellor, Presiding Judges	\$213,306
Vice Chancellors and Judges	\$203,148

3. Compensate the Court of Common Pleas at the same percentage (95%) of the court to which appeals are taken (Superior Court) as shown below in Table 8.

TABLE 8. COURT OF COMMON PLEAS

Chief Judge	\$202,648
Court of Common Pleas Judges	\$192,991

4. Compensate Commissioners and Masters in Chancery at 70% of the level of the Trial Courts as shown below in Table 9.

TABLE 9. COMMISSIONERS AND MASTERS IN CHANCERY

Master in Chancery	\$ 132,047
Superior and Family Court Commissioner	\$ 132,047
Court of Common Pleas Commissioner	\$ 125,444

5. Compensate the Justice of the Peace Court, at the current percentage (45%) of the court to which appeals are taken (Court of Common Pleas), with current differentials between Levels II, II, and I; and compensate the Chief Magistrate at the current percentage (75%) of the Court of Common Pleas Judge as shown below in Table 7.

TABLE 10. JUSTICES OF THE PEACE

Chief Magistrate	\$ 144,743
Level III	\$ 86,846
Level II	\$ 84,846
Level I	\$ 81,846

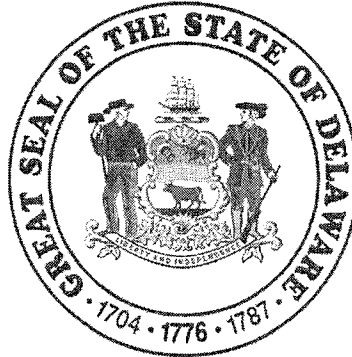
6. Continue to give the judiciary the annual incremental increases awarded to State employees.

Ideally, the Compensation Commission should have to make minor adjustments at the end of each quadrennial cycle to realign Delaware with the other comparable jurisdictions. In order to make this possible, it is essential to maintain any annual incremental increases as afforded to all State employees on an annual basis into the future in order to mitigate differentials between the Delaware Judiciary and comparison states in the years between Delaware Compensation Commission Reports. Continuation of any annual incremental increases is desirable to maintain the effectiveness of the present Commission's recommendations and future Commissions' reviews.

F. Conclusion

The first-place ranking of the Delaware Courts in the national legal community, the percentage of revenues generated based on the Judiciary's stability, and the significance of the courts to the citizens of Delaware argue strongly for significant increases in the compensation levels for all of the Courts. Recognizing the precedent of the prior Compensation Commission and the current economic climate, the Delaware State Bar Association Committee on Judicial Compensation recommends that the Compensation Commission adopt the proposed salary levels commensurate with the national and international status of the Courts that ensure the personal, corporate, and financial well-being of all Delawareans and the financial well-being of the State of Delaware will be maintained.

State of Delaware
Office of the Governor



Compensation Commission

December 2012

Agenda



- General Considerations
- Gubernatorial Compensation
- Cabinet Compensation
- Conclusions



- Attracting Talent
- Fiscal Realities
- Total Compensation



Pension Compensation

	Secretary of Education	Superior Court Judge
Vesting	10 years at age 65, but as at will employee	12 years at age 62
Salary	\$160,145	\$180,233
Annual pension contribution	(\$7,707)	(\$6,628)
Expected annual pension benefit after 12 years	\$35,552 or ~ 22%	\$90,116 or ~ 50%
Expected annual pension benefit after 24 years	\$71,104 or ~ 44%	\$135,173 or ~ 75%

Gubernatorial Compensation



Governor

\$171,000

- Comparable to surrounding states
- Comparable to federal delegation
- Does not need to be 10% greater than the cabinet
- No request sought

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Cabinet Compensation



Tier 1	Secretary of Education Chief Information Officer, DTI	\$160,145
Tier 2	Secretary of Finance Secretary of Health and Social Services Commissioner of Correction Director, Office of Management and Budget	\$147,370
Tier 3	Secretary of Transportation Secretary of Services for Children, Youth and their Families Secretary of Safety and Homeland Security Director, DEDO Secretary of Natural Resources and Environmental Control Secretary of State Adjutant General	\$121,821 - \$137,995
Tier 4	Director, Delaware State Housing Authority Secretary of Agriculture Secretary of Labor	\$119,040

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Cabinet Compensation



Secretary of Education \$160,145

Implied Salary – 2005 Report \$180,627

12.8%

District	Compensation
Colonial School District	186,400.00
Christina School District	180,000.00
Brandywine School District	175,481.00

Not Proposed

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Cabinet Compensation



Secretary of Education \$160,145

Implied Salary - 2005 Report \$180,627
12.8%

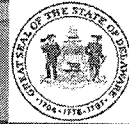
Governor \$171,000

Implied Salary - 2005 Report \$198,690
16.2%

Not Proposed

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Cabinet Compensation



Secretary of Education

\$160,145

District	Compensation	
Colonial School District	186,400.00	
Christina School District	180,000.00	Avg. of top 3
Brandywine School District	175,481.00	180,627.00
Red Clay School District	171,560.00	
Capital School District	168,341.80	
Indian River School District	163,986.16	
Caesar Rodney School District	159,884.00	Avg. of top 8
Seaford School District	152,271.00	169,740.50
Appoquinimink School District	150,900.00	
Cape Henlopen School District	150,469.71	
Smyrna School District	148,894.52	
Milford School District	146,213.00	
Lake Forest School District	145,676.64	
Laurel School District	138,000.00	
Woodbridge School District	135,000.00	Average
Delmar School District	128,945.00	156,376.43

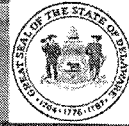
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Cabinet Compensation



Tier 1	Secretary of Education Chief Information Officer, DTI	\$160,145
Tier 2	Secretary of Finance Secretary of Health and Social Services Commissioner of Correction Director, Office of Management and Budget	\$147,370
Tier 3	Secretary of Transportation Secretary of Services for Children, Youth and their Families Secretary of Safety and Homeland Security Director, DEDO Secretary of Natural Resources and Environmental Control Secretary of State Adjutant General	\$121,821 - \$137,995
Tier 4	Director, Delaware State Housing Authority Secretary of Agriculture Secretary of Labor	\$119,040

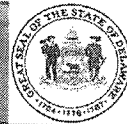
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**Secretary of Health
and Social Services**

\$147,370

- 12 Divisions
- 4,310 employees
- \$1.1 billion budget, GF
- \$2+ billion budget, all funds
- Birth to Death Services



**Secretary of Health
and Social Services**

\$147,370

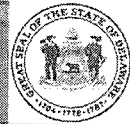
- Health Care to 1 in 4 Delawareans
- 130 patients at DPC
- 289 beds at 3 long-term care facilities
- 54 beds at the Stockley Center
- Health Care Reform



**Secretary of
Transportation**

\$137,995

- 1,800 employees
- \$350 million budget, TTF
- ~\$700 million budget, all funds
- Delaware Transit Corporation
- Projects that re-shape Delaware, e.g.,
U.S. 301, I-95 & U.S. 1



Secretary of State

\$127,590

- Administers almost \$1 billion in taxes
- Corporate Governance and Banking
- Doubled # of Employees since 2005
- Delaware Veterans Home
- Professional Regulation

Cabinet Compensation



Secretary of Labor	\$119,040
Secretary of Agriculture	\$119,040
Director, DSHA	\$119,040

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Cabinet Compensation



Tier 1		\$160,145
	Secretary of Education Chief Information Officer, DTI Secretary of Health and Social Services	
Tier 2		\$147,370
	Secretary of Finance Commissioner of Correction Director, Office of Management and Budget Secretary of Transportation Secretary of State	
Tier 3		\$121,821 - \$137,995
	Secretary of Services for Children, Youth and their Families Secretary of Safety and Homeland Security Director, DEDO Secretary of Natural Resources and Environmental Control Adjutant General Director, Delaware State Housing Authority Secretary of Agriculture Secretary of Labor	

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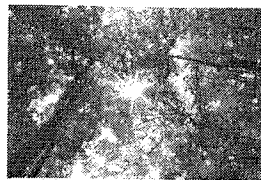
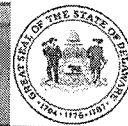
Conclusions



- Not proposing across-the-board increases for the executive branch
- Consider delaying or phasing in any increases over multiple years due to fiscal realities

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Conclusion



Thank you!



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DELAWARE GENERAL ASSEMBLY
STATE OF DELAWARE
LEGISLATIVE HALL
DOVER, DELAWARE 19901

December 11, 2012

Mr. Michael Ratchford
Chairman, Delaware Compensation Commission
c/o Office of Management and Budget
122 William Penn St.
Suite 301
Dover, DE 19901

Dear Mr. Ratchford,

We appreciate that the Delaware Compensation Commission is scheduled to submit recommendations in January regarding the base salaries of legislators, judges and top officials in the executive branch.

We respectfully ask that the commission not recommend to the General Assembly a salary adjustment for lawmakers that would result in increased pay.

It is the opinion of the Senate Republican Caucus and the House of Representatives' Republican Caucus that the current compensation levels for members of the Delaware General Assembly are appropriate.

We thank the members of the commission for their hard work and consideration of this request.

Sincerely,

State Senators

Gary Simpson, Minority Leader
Greg Lavelle, Minority Whip
Colin Bonini
Catherine Cloutier
Gerald Hocker
Dave Lawson
Ernesto Lopez
Brian Pettyjohn

State Representatives

Daniel Short, Minority Leader
Deborah Hudson, Minority Whip
Donald Blakey
Timothy Dukes
Harvey Kenton
Bobby Outten
Michael Ramone
Steve Smyk
Ruth Briggs King
Ronald Gray
Joseph Miro
Jack Peterman
David Wilson
Jeff Spiegelman

Remarks to the Compensation Commission

December 13, 2012

I wish to address the issue of judicial compensation. I understand that the Compensation Commission has a broader charge, but I am not moved to address salaries in the Executive and Legislative branches if government. Folks who work in those branches of government can advocate for themselves.

I am concerned with judicial compensation. I am concerned about falling behind. I am aware that the Commission has not made a substantive recommendation in this regard since 2005. Allowing this opportunity to pass would be a mistake.

The Delaware Judiciary is among the state's most valuable assets. It is held in the highest regard by business and legal interests around the country and around the world. The Delaware Judiciary is responsible for billions of dollars in state revenue every year. In many ways it is our state Court system that allows Delaware to thrive, even now as the economy has been so challenging nationally.

This is why I encourage you to take the long view. This is the genius of the compensation commission process. It is in the best interests of all Delawareans to attract and keep the people who make the Delaware Judiciary such a great asset. I recognize that this year's state budget presents challenges. I frankly cannot recall a year when the state budget did not present challenges. That is the problem with taking the short view. When we focus exclusively on how to get through this year we lose sight of the that which we need to get us through every year.

If the Compensation Commission does not do the right thing by the Delaware Judiciary at this opportunity it will be even more difficult at the next opportunity, four years from now.

Some of the members of the General Assembly apparently want to allow their own compensation questions to be decided through the political process. I certainly won't argue with that. And I take no position on the compensation for people in the Executive Branch. I don't know very much about that. But I have practiced law in Delaware for about 27 years, in every Court in our state, and I know a great deal about the quality and commitment of the Delaware Judiciary. I know that it would be wrong to fail to address judicial compensation now.

Respectfully submitted,

James G. McGriffin, Jr.
500 N State St.
Dover, DE 19901-3843

EXECUTIVE BRANCH AND OTHER ELECTED OFFICIALS

I. Comparative Factors

When comparing salaries across states for Executive Branch functions, multiple contextual factors may be relevant for interpreting the differences found, including, but not limited to:

- Differences in organizational structure, scale, and scope of responsibilities and functional duties for similar positions across governments;
- Regional labor market differences;
- Timing of when compensation changes are made in different organizations relative to the survey data;
- Tenure, performance, recruitment considerations, and other factors that may contribute to the specific salary provided to an individual incumbent where appointing authorities have the discretion to provide pay within a designated range, and,
- Differences in non-salary compensation.

The state-level Executive Branch survey data presented in this preliminary background material is drawn from *The Book of the States 2012*, published by the Council of State Governments, based on surveys and data collection conducted in April 2012. In addition to such salary information, *The Book of the States* also includes information regarding differences in functional responsibilities, method of selection, and other considerations that may be relevant for contextualizing comparative pay.

Detailed excerpts from *The Book of the States* are included as an attachment to this summary, and the complete resource for 2012 and prior years may be found at the following link: <http://knowledgecenter.csg.org/drupal/view-content-type/1219>

II. State Comparisons

The charts below compare Delaware salaries for (A) Executive Branch and (B) Other Elected Officials with the salaries reported in *The Book of the States 2012* for the seven (7) neighboring states identified as key reference points by past Delaware Compensation Commissions (Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, and Virginia), and also note Delaware's ranking among all 50 states. In some cases, multiple survey positions are shown when several titles that fall within the scope of responsibility for a Delaware position that is broader in character. Due to the April 2012 timeframe used for this survey, salaries for Delaware do not include the 1.0% general increase provided in July 2012. In the charts below, however, we report the current Delaware salaries that include this 1.0% increase. Among the comparison states, there may be others that have similarly provided increases since April 2012 not reflected in the available data.

	DE	NI	PA	MD	VA	NY	NC	MA	DE Rank of 8	DE Rank of 50
Governor	\$171,000	\$175,000	\$183,255	\$150,000	\$175,000	\$179,000	\$139,550	\$139,832	5 of 8	7
Secretary of Education	\$160,145	\$141,000	\$142,310	\$195,000	\$175,467	\$212,500	\$123,198	\$154,500	4 of 8	23
Chief Information Officer of Technology and Information	\$160,145	\$130,380	\$136,998	\$166,082	\$157,500	\$169,214	\$153,227	\$140,000	3 of 8	7
Secretary of Finance	\$147,370	\$133,507	\$149,497	\$166,082	\$160,433	\$151,500	\$153,000	\$150,000	7 of 8	15
Secretary of Health and Social Services	\$147,370	\$141,000	\$146,579	\$166,082	\$191,906	\$136,000	\$211,251	\$142,363	4 of 8	20
Social Services			\$146,579		\$147,000	\$136,000	\$117,193	\$140,718		
Mental Health			\$125,184		\$191,672		\$145,000			
Welfare		\$127,200	\$146,579		\$147,000	\$136,000		\$141,110		
State Budget Director	\$147,370	\$133,507	\$149,497	\$166,082	\$157,500	\$169,100	\$92,700	\$150,000	5 of 7	14
Administrative Services			\$144,275	\$138,374	\$152,793	\$169,100	\$120,363	\$125,000		
General Services			\$139,250		\$148,293	\$136,000	\$120,363	\$125,000		
Personnel		\$141,000	\$139,013	\$117,416	\$137,955	\$120,800	\$120,363	\$142,127		
Commissioner of Correction	\$147,370	\$141,000	\$146,579	\$166,082	\$150,000	\$136,000		\$140,000	3 of 7	13
Secretary of State	\$127,590		\$131,992	\$87,500	\$152,793	\$120,800	\$123,198	\$130,262	4 of 7	8
Director, Delaware Development Office	\$127,590	\$186,600	\$139,750	\$155,000	\$260,500	\$1	\$101,702	\$150,000	6 of 8	28
Secretary of Natural Resources and Environmental Control	\$127,590	\$125,000	\$139,250	\$148,778	\$152,793	\$136,000	\$130,363	\$150,000	6 of 8	21
Environmental Protection		\$141,000	\$146,579		\$157,729	\$136,000	\$113,410	\$130,000		
Fish & Wildlife		\$105,783	\$119,257		\$130,977	\$136,000	\$105,000	\$126,690		
Parks & Recreation		\$102,000	\$116,675	\$115,000	\$128,000	\$127,000	\$106,974	\$130,000		
Solid Waste		\$98,229	\$115,013	\$114,167	\$157,729	\$136,000	\$140,105	\$130,000		
State Personnel Director	\$141,000	\$139,013	\$117,416	\$137,955	\$120,800	\$120,800	\$120,363	\$142,127		
Adjutant General	\$121,821	\$141,000	\$131,992	\$130,560	\$132,880	\$120,800	\$103,657	\$151,347	6 of 8	29
Secretary of Services for Children, Youth and their Families	\$132,741		\$146,579		\$147,000	\$138,000	\$117,193	\$140,718	5 of 6	24
Secretary of Safety and Homeland Security	\$132,741									
Emergency Management		\$132,300	\$135,003	\$127,500	\$120,363	\$136,000	\$97,284	\$133,900		
State Police		\$132,300	\$139,250	\$166,082	\$153,075	\$121,800	\$117,406	\$209,888		
Secretary of Transportation	\$137,995	\$141,000	\$146,579	\$166,082	\$160,433	\$136,000	\$120,363	\$150,000	6 of 8	24
Director of Delaware State Housing Authority	\$119,040									
Secretary of Agriculture	\$119,040	\$141,000	\$131,992	\$130,050	\$120,000	\$120,800	\$123,198	\$123,600	8 of 8	21
Secretary of Labor	\$119,040	\$141,000	\$146,579	\$158,974	\$110,250	\$127,000	\$123,198	\$90,000	6	22

Source: The Council of State Governments, *The Book of States 2012*, Chapter 4: State Executive Branch, Table 4.11 – Selected State Administrative Officials: Annual Salaries by Region
 Notes: Chief Information Officer of Technology and Information is linked to the "Information Systems" position; Secretary of Health and Social Services to "Health"; Director, Delaware Development Office to "Economic Development"; Secretary of Natural Resources and Environmental Control to "Natural Resources"; Secretary of Services for Children, Youth and their Families to "Social Services."

	DE	NJ	PA	MD	VA	NY	NC	MA	DE Rank of 8 States	DE Rank of 50 States
State Treasurer	\$113,374	\$141,000	\$152,443	\$125,000	\$157,249	\$127,000	\$123,198	\$130,915	8 of 8	19
State Auditor	\$108,532	\$139,000	\$152,443		\$167,902	\$151,500	\$123,198	\$137,425	7 of 7	26
Insurance Commissioner	\$108,532	\$130,000	\$131,922		\$149,547	\$127,000	\$123,198	\$123,500	7 of 7	29
Attorney General	\$145,207	\$141,000	\$152,443	\$125,000	\$150,000	\$151,500	\$123,198	\$133,544	4 of 8	10
Lieutenant Governor	\$78,553	\$141,000	\$153,907	\$125,000	\$35,321	\$151,500	\$123,198	\$124,295	7 of 8	29

Source: The Council of State Governments, The Book of States 2012, Chapter 4: State Executive Branch, Table 4.11 – Selected State Administrative Officials: Annual Salaries By Region
 Note: No match reported at the state level within this survey for the Public Defender position.

III. Supplemental Reference Points

Along with State comparisons, compensation levels among other regional public employers may provide relevant reference points. Again, however, such comparisons are inherently imprecise, and require contextualization based on factors including organizational structure, scale and scope of responsibilities, differences in non-cash compensation, and localized economic and labor market factors.

The following is preliminary and partial data, which may be supplemented in the weeks ahead.

City of Wilmington, DE

The City of Wilmington Code provides as follows:

Sec. 40-296. - Appointed service—Salaries of department heads.

(a) The mayor, in his or her annual budget submission to city council, shall set forth a declared salary rate for all department heads, which may be adjusted annually and/or as approved by city council.

(b) When the mayor appoints a department head, the mayor shall evaluate the qualifications of the appointee, including experience, training and familiarity with the job, and from this evaluation determine the initial salary of that individual. Except under extraordinary circumstances, the salary shall not be greater than the declared rate as set forth above, and in no event shall be less than 80 percent of the declared rate. More specifically, the salary shall be determined as follows:

- (1) Minimum acceptable qualifications for the position, 80 percent of the declared rate.
- (2) Maximum qualifications, including familiarity with position, 100 percent of declared rate.
- (3) Qualifications between minimum and maximum, 80 percent to 100 percent of the declared rate.

Delaware Compensation Commission 2012

(4) If a potential appointee for the position of department head presents extraordinary qualifications, the mayor may, with councilmanic approval, increase the pay rate for that individual above the declared rate as stated in the budget ordinance.

(c) If the mayor establishes an initial salary for an individual department head which is less than 100 percent of the declared rate, the mayor shall have the discretion to adjust this salary upward to the declared rate, in increments of not greater than ten percent of the declared rate, at intervals of not less than six months.

(d) If city council authorizes a general pay adjustment that, by its terms, is applicable to appointed personnel, the respective declared rates and compensation of department heads shall be adjusted in accordance with the general pay adjustment.

(Ord. No. 04-010(sub 1), § 1, 4-15-04)

In the City's adopted FY2013 Budget, the declared salary rates for department heads are as follows (actual rates may be lower, but not higher):

- Mayor: \$114,523
- Chief of Staff: \$112,813
- City Treasurer: \$112,017
- City Solicitor: \$110,754
- Director of Finance: \$109,271
- Chief of Police: \$109,271
- Director of Public Works: \$109,271
- Chief of Fire: \$107,613
- Director of Economic Development: \$107,206
- Commissioner of Licenses and Inspections: \$104,622
- Director of Human Resources: \$104,014
- City Auditor: \$104,014
- Director of Parks and Recreation: \$101,291
- Director of Planning: \$101,291
- Director of Real Estate and Housing \$101,291

Delaware Compensation Commission 2012

New Castle County, DE (Sussex and Kent County pending)

The following reflects the pay plan ranges for non-union unclassified service employees as adopted by New Castle County to be effective for FY2012 (Ordinance 11-061). Confirmation is pending regarding any subsequent adjustments (none identified).

Chief Financial Officer	\$92,344 - \$143,255
County Attorney	\$92,344 - \$143,255
Chief of Police	\$92,344 - \$143,255
Special Services (Public Works) General Manager	\$92,344 - \$143,255
Chief Administrative Officer	\$89,706 - \$138,464
County Solicitor	\$87,947 - \$136,433
Chief Human Resources Officer	\$83,759 - \$129,936
Chief of Administrative Services	\$83,759 - \$129,936
Community Services General Manager	\$83,759 - \$129,936
Director of Public Safety	\$83,759 - \$129,936

Regional Housing Authorities

In 2012, the U.S. Department of Housing and Urban Development (HUD) published a study of compensation at Public Housing Authorities nationally in calendar year 2010. For Region 3 that includes Delaware (as well as Pennsylvania, Virginia, West Virginia, Maryland, and Washington, DC), reported salaries for the highest paid employee at each large authority (1,250 units and above) were as follows:

- 25th Percentile: \$92,644
- Median: \$116,666
- 75th Percentile: \$145,303

JUDICIAL BRANCH

I. Comparative Factors

Much as with the Executive Branch functions outlined above, many of the same contextual factors can be relevant for interpreting the differences found in compensation for judicial positions across states – including differences in organizational structure, scale, and scope of responsibilities and functional duties, regional labor market differences, timing factors, and differences in non-salary compensation. Of particular note with regard to the Judiciary, past Delaware Compensation commissions have taken note of the State's role as a major center for corporate activity and the importance of maintaining a highly qualified Delaware Judiciary in maintaining this position.

In the state comparisons to follow, judicial salary data is drawn from the *Survey of Judicial Salaries* conducted by the National Center for State courts based on pay levels as of January 1, 2012. More detailed information may be found on-line at the NCSC Judicial Salary Resource Center: http://www.ncsconline.org/d_kis/salary_survey/home.asp In addition, the Council of State Governments' *The Book of the States 2012* (which relies on NCSC data for judicial salary comparisons) includes information regarding differences in functional responsibilities, method of selection and retention, legal credential requirements, and other considerations that may be relevant for contextualizing comparative pay. Again, excerpts from *The Book of the States* are included as an attachment to this summary, and the complete resource for 2012 and prior years may be found at the following link: <http://knowledgecenter.csg.org/drupal/view-content-type/1219>

II. State Comparisons

Again, the charts below compare Delaware judicial salaries with the salaries reported in *Survey of Judicial Salaries* for the seven (7) neighboring states identified as key reference points by past Delaware Compensation Commissions: Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, and Virginia, and also present Delaware's ranking among the 50 states. In addition, consistent with the approach taken by the 2005 Delaware Compensation Commission, data is also included for those states that compete with Delaware as national and international business centers – adding Illinois, California, Florida, and Georgia to the neighboring states of New York and New Jersey within this category. In the NCSC data, due to the January timeframe for their survey, salaries for Delaware do not include the 1.0% general increase provided in July 2012. In the charts below, however, we report the current Delaware salaries that include this increase. Among the comparison states, there may be others that have similarly provided increases since January 2012 not reflected in the available data.

Delaware Compensation Commission 2012

	DE	NJ	PA	MD	VA	NY	NC	MA	IL	CA	FL	GA	DE Rank of 12 States	DE Rank of 50 States
Chief Justice - Supreme Court ¹	\$200,631	\$192,795	\$200,909	\$181,352	\$195,104	\$182,600	\$142,623	\$151,259	\$211,228	\$228,536	\$157,976	\$167,210	4	4
Associate Justice - Supreme Court ²	\$190,639	\$185,482	\$195,309	\$162,352	\$188,839	\$177,000	\$136,886	\$145,984	\$211,228	\$218,237	\$157,976	\$167,210	4	5
Chancellor - Court of Chancery ³	\$191,360	\$171,731	\$172,951	\$91,700	\$125,899	\$108,500	\$120,492	\$135,092	\$109,321	\$156,724	\$93,111	\$102,139	1	1
President Judge - Superior Court ⁴	\$191,360	\$171,731	\$172,951	\$91,700	\$125,899	\$108,500	\$120,492	\$135,092	\$109,321	\$156,724	\$93,111	\$102,139	1	1
Vice Chancellor - Court of Chancery ⁵	\$180,233	\$165,000	\$169,541	\$140,352	\$158,134	\$136,700	\$125,875	\$129,694	\$182,429	\$178,789	\$142,178	\$148,891	2	3
Associate Judge - Superior Court ⁶	\$180,233	\$165,000	\$169,541	\$140,352	\$158,134	\$136,700	\$125,875	\$129,694	\$182,429	\$178,789	\$142,178	\$148,891	2	3

Source: The National Center for State Courts, Judicial Salary Resource Center, queries of COLR Associate Justices, COLR Chiefs, General Jurisdiction Judges, and General Jurisdiction Presiding Judges
The following positions in the Delaware Judiciary do not have a reported match in the NCSC survey: Family Court and Court of Common Pleas positions, Justice of the Peace, Chief Magistrate, and Commissioners.

With regard to recent trends in judicial salary increases, the NCSC 2012 *Survey of Judicial Salaries* noted the following:

The average annual percent change for the four judicial positions, and the state court administrators analyzed by the Survey, is .55% for 2011. As indicated in the table below, this increase is far less than the pre-recession (2003-2007) average increase of 3.24%. The lower 2008/2009 average increase of 1.67% was not unexpected as the nation's economy, and by extension government revenues, was mired in the vast economic recession. The 2011 average increase of .55% continues the downward trend. The ongoing impact of the sluggish economic recovery on tax revenue and on state budgets is anticipated to level off or possibly get worse before substantial improvement is seen. The following table summarizes current salaries for the major judicial positions.

	Mean	Median	Range	Pre-Recession		
				2003-07	2008-09	2010-11
Chief, Highest Court	\$157,759	\$152,200	\$115,160 to \$228,856	3.19%	1.58%	0.67%
Associate Justice, Court of Last Resort	\$152,606	\$146,917	\$112,530 to \$218,237	3.21%	1.88%	0.64%
Judge, Intermediate Appellate Courts	\$146,887	\$140,732	\$105,050 to \$204,599	3.20%	1.60%	0.36%
Judge, General-Jurisdiction Trial Courts	\$137,151	\$132,500	\$104,170 to \$180,802	3.30%	1.91%	0.58%
State Court Administrators	\$136,547	\$130,410	\$89,960 to \$211,272	3.30%	1.38%	0.89%
Average				3.24%	1.67%	0.83%

Source: The National Center for State Courts, *Survey of Judicial Salaries*, Vol. 37 No. 1, As of January 1, 2012

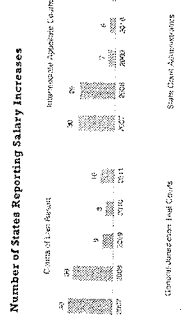
¹ Grouped with "COLR Chiefs" by The National Center for State Courts
² Grouped with "COLR Associate Justices" by The National Center for State Courts
³ Grouped with "General Jurisdiction Presiding Judges" by The National Center for State Courts
⁴ Grouped with "General Jurisdiction Presiding Judges" by The National Center for State Courts
⁵ Grouped with "General Jurisdiction Judges" by The National Center for State Courts
⁶ Grouped with "General Jurisdiction Judges" by The National Center for State Courts

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Judicial Salaries
 18th Edition

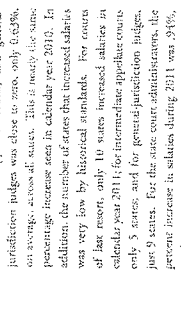
The *Survey of Judicial Salaries*, published for nearly 40 years by the National Center for State Courts (NCSC), with the support of the state court administrative offices across the United States, serves as the primary source of compensation for state judicial officers and state court administrators.

This issue of the *Survey of Judicial Salaries* reports salary data as of January 1, 2012. This cutoff date is important because states implement salary changes at various points during the year. However, a standard and unambiguous cutoff date must be established to publish salary data in a timely and predictable fashion. Various tables and graphics show the number of states with salary increases, salary reductions across states, and the impact of cost-of-living indices on judicial salaries.

Beginning in 2009, only a handful of states have reported judicial salary increases.



Number of States Reporting Salary Increases



Through January 1, 2012, the average annual percent increase in salaries for the courts of last resort, the intermediate appellate courts, and general jurisdiction judges was close to zero, only 0.09%, on average, across all states. This is nearly the same percentage increase seen in calendar year 2010. In addition, the number of states that increased salaries was very low by historical standards. For courts of last resort, only 10 states increased salaries in calendar year 2011; for intermediate appellate courts, only 5 states; and for general jurisdiction judges, just 9 states. For the state court administrators, the percent increase in salaries during 2011 was 0.46%, nearly the same as the 2010 increase. Twelve states increased salaries for state court administrators during 2011. The bar charts here summarize the number of states increasing judicial salaries over the past five years.

Note: The color pattern in the indicator was set of the *Survey of Judicial Salaries*, Vol. 37, No. 1.

Salaries and Rankings for Appellate and General-Jurisdiction Judges - (by State)

The table below has the salaries and rankings for appellate and general-jurisdiction judges by state. The average salary of appellate judges is \$177,899 and the average salary of general-jurisdiction judges is \$142,742. The average salary of appellate judges is \$177,899 and the average salary of general-jurisdiction judges is \$142,742. The average salary of appellate judges is \$177,899 and the average salary of general-jurisdiction judges is \$142,742.

State	Appellate Salary	Appellate Rank	General-Jurisdiction Salary	General-Jurisdiction Rank
Alabama	\$178,870	9	\$134,943	25
Alaska	\$198,752	4	\$132,648	24
Arizona	\$155,000	20	\$120,500	31
Arkansas	\$145,204	25	\$90,135	48
California	\$162,742	22	\$120,500	31
Colorado	\$138,660	34	\$107,200	40
Connecticut	\$152,527	11	\$120,500	31
Delaware	\$184,400	7	\$120,500	31
Florida	\$167,870	19	\$120,500	31
Georgia	\$151,118	23	\$120,500	31
Hawaii	\$189,500	6	\$120,500	31
Idaho	\$119,500	48	\$120,500	31
Illinois	\$171,000	12	\$120,500	31
Indiana	\$131,500	37	\$120,500	31
Iowa	\$147,500	14	\$120,500	31
Kansas	\$130,500	40	\$120,500	31
Kentucky	\$135,500	35	\$120,500	31
Louisiana	\$150,772	24	\$120,500	31
Maine	\$142,947	19	\$120,500	31
Maryland	\$162,522	10	\$120,500	31
Massachusetts	\$145,864	27	\$120,500	31
Michigan	\$137,443	34	\$120,500	31
Minnesota	\$145,931	24	\$120,500	31
Mississippi	\$112,500	51	\$120,500	31
Missouri	\$141,434	29	\$120,500	31
Montana	\$142,760	32	\$120,500	31
Nebraska	\$149,517	20	\$120,500	31
Nevada	\$145,482	26	\$120,500	31
New Jersey	\$172,534	8	\$120,500	31
New Mexico	\$117,500	49	\$120,500	31
New York	\$152,200	22	\$120,500	31
North Carolina	\$137,269	36	\$120,500	31
North Dakota	\$131,819	41	\$120,500	31
Ohio	\$119,400	52	\$120,500	31
Oklahoma	\$137,655	35	\$120,500	31
Oregon	\$150,412	23	\$120,500	31
Pennsylvania	\$132,603	39	\$120,500	31
Rhode Island	\$139,000	33	\$120,500	31
South Carolina	\$139,000	33	\$120,500	31
South Dakota	\$131,771	43	\$120,500	31
Tennessee	\$132,741	38	\$120,500	31
Texas	\$167,978	11	\$120,500	31
Utah	\$145,900	25	\$120,500	31
Vermont	\$122,245	44	\$120,500	31
Virginia	\$152,687	13	\$120,500	31
Washington	\$185,222	7	\$120,500	31
West Virginia	\$142,500	18	\$120,500	31
Wisconsin	\$136,000	42	\$120,500	31
Wyoming	\$131,500	41	\$120,500	31
Average	\$177,899		\$142,742	
Median	\$146,917		\$112,500	
Range	\$112,500 to \$212,237		\$104,179 to \$163,602	

Using the ACCRA Cost-of-Living Index

The Council for Community and Economic Research (C2ER) reports the ACCRA cost-of-living index, the most widely accepted source for cost-of-living indices, with nearly 100 years of historical data. The cost-of-living index is used to adjust wages developed by examining the average cost of goods and services for the three basic housing cost categories. The three major categories of the reporting index are a particular rate that, after cost-of-living index for Virginia is the average of the cost-of-living index for each reporting jurisdiction in Virginia. More detailed information can be found at www.c2er.org.

Salaries and Rankings for Appellate and General-Judicative Judges Listed in Order of State Rank

The table below lists the basic (not adjusted) or the maximum (the post-adjunct) judicial salaries of active state appellate courts and judges of general-judicative courts in each state in 2012. Where possible, the salary figure is shown as a range. The salary figure is shown as a range when the salary is not fixed by statute, but rather is set by a commission or other authority. The salary figure is shown as a range when the salary is not fixed by statute, but rather is set by a commission or other authority. The salary figure is shown as a range when the salary is not fixed by statute, but rather is set by a commission or other authority.

	Highest Court	Intermediate Appellate Court	General-Judicative Trial Court	Annualized for Cost of Living
Alabama	\$118,240	\$118,240	\$118,240	\$118,240
Alaska	\$118,240	\$118,240	\$118,240	\$118,240
Arizona	\$118,240	\$118,240	\$118,240	\$118,240
Arkansas	\$118,240	\$118,240	\$118,240	\$118,240
California	\$118,240	\$118,240	\$118,240	\$118,240
Colorado	\$118,240	\$118,240	\$118,240	\$118,240
Connecticut	\$118,240	\$118,240	\$118,240	\$118,240
Delaware	\$118,240	\$118,240	\$118,240	\$118,240
District of Columbia	\$118,240	\$118,240	\$118,240	\$118,240
Florida	\$118,240	\$118,240	\$118,240	\$118,240
Georgia	\$118,240	\$118,240	\$118,240	\$118,240
Hawaii	\$118,240	\$118,240	\$118,240	\$118,240
Idaho	\$118,240	\$118,240	\$118,240	\$118,240
Illinois	\$118,240	\$118,240	\$118,240	\$118,240
Indiana	\$118,240	\$118,240	\$118,240	\$118,240
Iowa	\$118,240	\$118,240	\$118,240	\$118,240
Kansas	\$118,240	\$118,240	\$118,240	\$118,240
Kentucky	\$118,240	\$118,240	\$118,240	\$118,240
Louisiana	\$118,240	\$118,240	\$118,240	\$118,240
Maine	\$118,240	\$118,240	\$118,240	\$118,240
Maryland	\$118,240	\$118,240	\$118,240	\$118,240
Massachusetts	\$118,240	\$118,240	\$118,240	\$118,240
Michigan	\$118,240	\$118,240	\$118,240	\$118,240
Minnesota	\$118,240	\$118,240	\$118,240	\$118,240
Mississippi	\$118,240	\$118,240	\$118,240	\$118,240
Missouri	\$118,240	\$118,240	\$118,240	\$118,240
Montana	\$118,240	\$118,240	\$118,240	\$118,240
Nebraska	\$118,240	\$118,240	\$118,240	\$118,240
Nevada	\$118,240	\$118,240	\$118,240	\$118,240
New Hampshire	\$118,240	\$118,240	\$118,240	\$118,240
New Jersey	\$118,240	\$118,240	\$118,240	\$118,240
New Mexico	\$118,240	\$118,240	\$118,240	\$118,240
New York	\$118,240	\$118,240	\$118,240	\$118,240
North Carolina	\$118,240	\$118,240	\$118,240	\$118,240
North Dakota	\$118,240	\$118,240	\$118,240	\$118,240
Ohio	\$118,240	\$118,240	\$118,240	\$118,240
Oklahoma	\$118,240	\$118,240	\$118,240	\$118,240
Oregon	\$118,240	\$118,240	\$118,240	\$118,240
Pennsylvania	\$118,240	\$118,240	\$118,240	\$118,240
Rhode Island	\$118,240	\$118,240	\$118,240	\$118,240
South Carolina	\$118,240	\$118,240	\$118,240	\$118,240
South Dakota	\$118,240	\$118,240	\$118,240	\$118,240
Tennessee	\$118,240	\$118,240	\$118,240	\$118,240
Texas	\$118,240	\$118,240	\$118,240	\$118,240
Utah	\$118,240	\$118,240	\$118,240	\$118,240
Vermont	\$118,240	\$118,240	\$118,240	\$118,240
Virginia	\$118,240	\$118,240	\$118,240	\$118,240
Washington	\$118,240	\$118,240	\$118,240	\$118,240
West Virginia	\$118,240	\$118,240	\$118,240	\$118,240
Wisconsin	\$118,240	\$118,240	\$118,240	\$118,240
Wyoming	\$118,240	\$118,240	\$118,240	\$118,240
Average	\$118,240	\$118,240	\$118,240	\$118,240
Range	\$118,240	\$118,240	\$118,240	\$118,240

Information in this table is based on data provided by the National Judicial Center. The data are for the year 2012. The data are not adjusted for cost of living. The data are not adjusted for inflation. The data are not adjusted for purchasing power. The data are not adjusted for any other factors.

LEGISLATIVE BRANCH

I. Comparative Factors

Much as with the Executive Branch and Judicial functions outlined above, many of the same contextual factors can be relevant for interpreting the differences found in compensation for legislators across states – including differences in organizational structure, scale, and scope of responsibilities and functional duties, regional labor market differences, timing factors, and differences in non-salary compensation. Of particular note with regard to Legislators, different states may have very different practices regarding the part-time vs. full-time status of legislators and the frequency and duration of legislative sessions. In parallel, non-salary payments for expenses may also vary significantly.

The state-level Legislative Branch survey data presented in this preliminary background material is again drawn from *The Book of the States 2012*, based on data from the National Conference of State Legislatures. In addition to such salary information, *The Book of the States* also includes information regarding differences legislative practices and non-salary compensation. Again, detailed excerpts from *The Book of the States* are included as an attachment to this summary, and the complete resource for 2012 and prior years may be found at the following link: <http://knowledgecenter.csg.org/drupal/view-content-type/1219>

II. State Comparisons

The charts below compare Delaware salaries for legislators and legislative leadership positions with the salaries reported in *The Book of the States 2012* for the seven (7) neighboring states identified as key reference points by past Delaware Compensation Commissions: Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, and Virginia. For rank-and-file legislators, Delaware’s ranking among the 50 states is also presented. In *The Book of the States 2012* full report, salaries for Delaware do not include the most recent pay increases. In the charts below, however, we report the current Delaware salaries. Among the comparison states, there may be others that have similarly provided increases since the National Conference of State Legislatures survey was completed not reflected in the available data.

	DE	NJ	PA	MD	VA	NY	NC	MA	DE Rank of 8 States	DE Rank of 50 States
State Representative	\$40,041	\$49,000	\$82,026	\$43,500	\$17,640	\$79,500	\$13,951	\$61,133	5 of 8	12
State Senator	\$44,041	\$49,000	\$82,026	\$43,500	\$18,000	\$79,500	\$13,951	\$61,133	5 of 8	12

Sources: The Council of State Governments, *The Book of States 2012*, Chapter 3: State Legislative Branch, Table 3.9 – Legislative Compensation and Living Expense Allowances During Sessions; Table 3.11 – Additional Compensation for Senate Leaders; Table 3.12 – Additional Compensation for House/Assembly Members

Leadership positions	DE	NJ	PA	MD	VA	NY	NC	MA	DE Rank of 8 States
Speaker	\$64,024	\$65,333	\$128,048	\$56,500	\$75,640	\$121,000	\$69,058	\$36,133	6 of 8
President Pro Temp of the Senate	\$64,024	\$65,333	\$128,048	\$56,500	\$18,000	\$121,000	\$69,058	\$76,133	6 of 8
House/Senate Majority Leader	\$56,417	\$49,000	\$118,845	\$43,500			\$38,991	\$83,633	3 of 6
House/Senate Minority Leader	\$56,417	\$49,000	\$118,845	\$43,500		\$114,000	\$38,991	\$83,633	4 of 7
House/Senate Majority Whip	\$51,835	\$49,000	\$109,968	\$43,500			\$13,951	\$76,133	3 of 6
House/Senate Minority Whip	\$51,835	\$49,000	\$109,968	\$43,500			\$13,951	\$76,133	3 of 6
Chair and Vice-Chair Joint Finance Committee	\$55,500	\$49,000	\$92,532	\$43,500	\$18,000		\$13,951	\$61,133	3 of 7
Member of Joint Finance Committee	\$53,667	\$49,000	\$82,026	\$43,500	\$18,000	\$79,500	\$13,951	\$61,133	4 of 8
Chair and Vice Chair of Capital Improvement Program Committee	\$48,619	\$49,000	\$93,532	\$43,500	\$18,000		\$13,951	\$61,133	4 of 7
Member of Capital Improvement Program Committee	\$47,893	\$49,000	\$82,026	\$43,500	\$18,000	\$79,500	\$13,951	\$61,133	5 of 8
Chair and Vice Chair of Joint Sunset Committee	\$48,619	\$49,000	\$93,532	\$43,500	\$18,000		\$13,951	\$61,133	4 of 7
Member of Joint Sunset Committee	\$47,893	\$49,000	\$82,026	\$43,500	\$18,000	\$79,500	\$13,951	\$61,133	5 of 8

Sources: The Council of State Governments, *The Book of States 2012*, Chapter 3: State Legislative Branch, Table 3.9 – Legislative Compensation and Living Expense Allowances During Sessions; Table 3.11 – Additional Compensation for Senate Leaders; Table 3.12 – Additional Compensation for House/Assembly Members

III. Supplemental Reference Points

In Wilmington, the annual salary of councilmembers is now fixed by Ord. No. 08-035(sub 1), adopted May 15, 2008, set as follows:

- President of Council: \$34,950
- Finance Committee Chair: \$32,500
- President Pro Tempore: \$31,400
- Council members: \$27,650

SUPPLEMENTAL COMPARATIVE SALARY DATA

As supplemental reference points to add to the state-level salary information provided in November from the Council of State Governments and National Center for State Courts, data has been collected from a set of other large public employers in the Mid-Atlantic region. In the summary that follows, this salary data is organized by state — first Delaware, and then Maryland, and Pennsylvania.

Delaware Comparisons

Within Delaware, supplemental salary information is provided for the three counties of Kent, New Castle, and Sussex, the City of Wilmington, and the Delaware River and Bay Authority (based in New Castle, DE). As context for the salary information shown, population data is provided as an indicator of the size of each jurisdiction (as applicable), and median household income is provided as an indicator of community wealth.

	Population	Median Household Income
The State of Delaware	897,934	\$58,580
The City of Wilmington	70,852	\$36,842
Kent County	162,310	\$54,391
New Castle County	538,479	\$63,462
Sussex County	197,145	\$52,116
The Delaware River & Bay Authority	N/A	N/A

Source: 2010 U.S. Census, 2009-2011 American Community Survey 3-Year Estimates.

New Castle County, DE

The following chart reflects the pay plan ranges for non-union unclassified service employees as adopted by New Castle County (Ordinance 11-061). The actual 2012 salaries within these ranges, as reported by the County Office of Human Resources, are also shown.

	Range	2012 Actual
Chief Financial Officer	\$92,344 - \$143,255	\$143,255
County Attorney	\$92,344 - \$143,255	\$143,255
Chief of Police	\$92,344 - \$143,255	\$129,936
Special Services (Public Works) General Manager	\$92,344 - \$143,255	\$129,936
Chief Administrative Officer	\$89,706 - \$138,464	--
County Solicitor	\$87,947 - \$136,433	\$136,433
Chief Human Resources Officer	\$83,759 - \$129,936	\$117,856
Chief of Administrative Services	\$83,759 - \$129,936	\$129,936
Community Services General Manager	\$83,759 - \$129,936	\$117,856
Director of Public Safety	\$83,759 - \$129,936	--

Notes: the duties of the Chief Administrative Officer are currently being performed by the County Attorney, and the duties of the Director of Public Safety by the Chief of Police.

Kent County, Sussex County, and the Delaware River & Bay Authority
 For the following public employers, salary information was collected for the primary executive position.

	Chief Administrative Officer
Kent County	\$119,737 County Administrator
Sussex County	\$110,047 County Administrator
The Delaware River & Bay Authority	\$190,000 Executive Director

Sources: the Public Information Officer at the Levy Court of Kent County, DE; the Director of Human Resources at Sussex County, DE; the Director of Human Resources at the Delaware River & Bay Authority.

The City of Wilmington, DE

In Wilmington, a "declared rate" is adopted in each year's Budget as the maximum for executive-level salaries. Except under extraordinary circumstances, the actual salary cannot be greater than the declared rate, but may range as low as 80% of the declared rate depending on an individual's qualifications and the determination of the Mayor.

As of 2012, the declared salary rates for department heads, as indicated in the City's adopted FY2013 Budget, and the actual current salary rates, as reported by the City's Human Resources staff, are shown in the following chart:

	Declared	2012 Actual
Mayor	\$114,523	\$113,016
Chief of Staff	\$112,813	\$111,363
City Treasurer	\$112,017	\$110,593
City Solicitor	\$110,754	\$109,371
Director of Finance	\$109,271	\$107,787
Chief of Police	\$109,271	\$107,939
Director of Public Works	\$109,271	\$107,939
Chief of Fire	\$107,613	\$106,335
Director of Economic Development	\$107,206	\$101,865
Commissioner of Licenses and Inspections	\$104,622	\$102,246
Director of Human Resources	\$104,014	\$101,934
City Auditor	\$104,014	\$101,113
Director of Parks and Recreation	\$101,291	\$98,077
Director of Planning	\$101,291	\$99,505
Director of Real Estate and Housing	\$101,291	\$97,323

Maryland Comparisons

Within Maryland, supplemental salary information is provided for public employers serving populations greater than 250,000 and located within the Baltimore-Towson Metropolitan Statistical Area geographically proximate to Delaware: Baltimore City, Anne Arundel County, Baltimore County, and Howard County. Again, as context for the salary information shown, population and median household income is provided.

	Population	Median Household Income
The City of Baltimore	620,961	\$39,561
Anne Arundel County	537,656	\$84,409
Baltimore County	805,029	\$64,814
Howard County	287,085	\$104,375

Source: 2010 U.S. Census, 2009-2011 American Community Survey 3-Year Estimates.

For these jurisdictions, salary data was collected for the Chief Executive, the Chief Financial Officer, and the Director of Economic Development (or equivalent).

	Chief Executive	Chief Financial Officer	Director of Economic Development
Baltimore City	\$159,380 Mayor (elected)	\$180,000 Director of Finance	
Anne Arundel County	\$130,000 County Executive (elected)	\$125,000 Controller	\$139,730 Director of Programming
Baltimore County	\$161,175 Chief Administrative Officer	\$99,580 Budget Officer	\$185,000 Director of Economic Development
Howard County	\$150,000 County Executive (elected)	\$161,892 Director, Office of Budget & Finance	\$120,827 Director of Housing and Community Development
	\$163,842 County Executive (elected)	\$184,496 Chief Administrative Officer	

Sources: the Classification and Compensation Division of the Department of Human Resources at the City of Baltimore, MD; the Office of Human Resources at Anne Arundel County, MD; the Office of Human Resources at Baltimore County, MD; the Office of Human Resources at Howard County, MD.

Pennsylvania Comparisons

Within Pennsylvania, supplemental salary information is provided for the following large public employers in the Southeast region of the state, geographically proximate to Delaware: City of Philadelphia, Chester County, and Delaware County. Again, as context for the salary information shown, population and median household income is provided.

	Population	Median Household Income
City of Philadelphia	1,526,006	\$35,956
Chester County	498,886	\$83,954
Delaware County	558,979	\$62,476

Source: 2010 U.S. Census, 2009-2011 American Community Survey 3-Year Estimates.

For these jurisdictions, salary data was collected for the Chief Executive, the Chief Financial Officer, and the Director of Economic Development (or equivalent).

	Chief Executive Officer	Chief Financial Officer	Director of Economic Development
City of Philadelphia	\$208,101 Mayor Managing Director	\$165,741 Finance Director	\$160,000 Commerce Director
Chester County	\$165,625 Chief Operating Officer	\$99,000 Director of Financial Services	
Delaware County	\$168,156 Executive Director	\$46,000 Controller (part-time, elected) \$80,515 Budget Director \$102,573 Treasurer	\$150,422 Director of Economic Development

Sources: Office of Labor Relations at the City of Philadelphia; the Compensation Supervisor at Chester County, PA; the Personnel Department at Delaware County, PA.

SUPPLEMENTAL COMPARATIVE SALARY DATA

Federal Judicial Salaries

The annual salaries of U.S. District Court Judges are set at levels equivalent to pay for U.S. Senators and Members of the House of Representatives: \$174,000 for 2012. No raises have been provided to the federal judiciary since the current salary levels were set in 2009.

Further, according to the Federal Judicial Center (www.fjc.gov):

- **U.S. District Court Judges:** the annual salaries of all U.S. District Court Judges have been equal since 1891, regardless of location.
- **Judges of Courts of Special Jurisdictions:** equal to the salary of all other District Court Judges.
- **Judges of the U.S. Court of Federal Claims:** since 1988, made equal to the salary of all other District Court Judges.
- **Bankruptcy Judges:** since 1987, Bankruptcy Judges receive a salary of 92% of the salary of District Judges.
- **U.S. Magistrate Judges:** since 1987, Magistrate Judges receive a salary, determined by the Judicial Conference, of up to 92% of the salary of District Judges.

Federal Judiciary Salaries 2005-2012

	2005	2006	2007	2008	2009	2010	2011	2012
U.S. District Court Judges	\$162,100	\$165,200	\$165,200	\$169,300	\$174,000	\$174,000	\$174,000	\$174,000
Judges of the Courts of Special Jurisdictions	\$162,100	\$165,200	\$165,200	\$169,300	\$174,000	\$174,000	\$174,000	\$174,000
Judges of the Court of International Trade	\$162,100	\$165,200	\$165,200	\$169,300	\$174,000	\$174,000	\$174,000	\$174,000
Judges of the U.S. Court of Federal Claims	\$162,100	\$165,200	\$165,200	\$169,300	\$174,000	\$174,000	\$174,000	\$174,000
Bankruptcy Judges	\$149,132	\$151,984	\$151,984	\$155,756	\$160,080	\$160,080	\$160,080	\$160,080
U.S. Magistrate Judges	\$149,132	\$151,984	\$151,984	\$155,756	\$160,080	\$160,080	\$160,080	\$160,080

Sources: Executive Order 13594 of December 19, 2011: *Adjustments of Certain Rates of Pay (Schedule 7)*, Federal Register, Vol. 76, No. 247; Federal Judicial Center, www.fjc.gov, "History of the Federal Judiciary."