



Judicial Compensation Commission

2007 Report to the

Legislative Finance Committee

and the

Department of Finance and Administration

September 1, 2007



Introduction

In 2004, the Legislature enacted Senate Bill 263 creating the Judicial Compensation Commission, an independent six-member Commission charged with recommending to the Legislative Finance Committee and the Department of Finance and Administration a compensation and benefits plan for New Mexico judges. In its second annual report in 2006, the Judicial Compensation Commission made the following recommendations on judicial compensation for FY08. The legislative results appear in *italics* following each recommendation.

The Commission is comprised of:

Dennis Burn, President of Burn Construction Company, appointed by the President of the New Mexico State Bar;

Jim Hinton, President and CEO for Presbyterian Healthcare Services, appointed by the Governor of New Mexico;

Honorable J. C. Robinson, Sixth Judicial District Judge, appointed by the President Pro Tempore of the New Mexico Senate;

Honorable Sam Sanchez, Eighth Judicial District Judge, appointed by the Speaker of the New Mexico House of Representatives;

Bill Fulginiti, Executive Director of the New Mexico Municipal League, appointed by the Chief Justice of the New Mexico Supreme Court;

Suellyn Scarnecchia, Dean of the University of New Mexico School of Law, statutorily designated as the chair of the Commission.

Update on 2007 Legislative Session

In its second annual report in 2006, the Judicial Compensation Commission made the following recommendations on judicial compensation for FY08:

Recommendation No. 1: Adopting the average of the 9-state region, excluding New Mexico, as a formula for determining the salary of a Supreme Court justice, the Commission recommends raising judicial pay to meet the average of the 9-state region, excluding New Mexico (\$131,394). *The House Appropriations and Finance Committee (HAFC) endorsed the 9-state region but rejected the proposed salary increase in Recommendation No. 1. The Legislature provided a 5% increase in judicial salaries, increasing the salary of a Supreme Court justice to \$120,792.00. The Governor signed the legislation providing this increase.*

Recommendation No. 2: Increase the stipend for the Chief Justice of the Supreme Court, District and Metropolitan Court Chief Judges and certain Presiding Magistrates from \$2,000 to 5 percent. *Recommendation No. 2 passed the House but died on the Senate floor just prior to the end of the legislative session.*

Recommendation 3: The Commission renewed its recommendation to amend NMSA 1978 Section 34-1-9 to raise the percentage of a metropolitan court judge's salary from 90 percent to 95 percent of a district court judge's salary. *Recommendation No. 3 was approved by the Legislature and signed into law by the Governor.*

2008 Salary Computation

In 2007, the Judicial Compensation Commission reviewed judge salary data for the 9-state region currently being used by the HAY Group to compare New Mexico state employee salaries for the Executive Branch as the comparison market upon which to base its judicial salary recommendations. It was decided by the Commission that salaries to be in effect on January 1 of the next legislative session will be used each year when the Commission meets. The HAY data for FY 2008 results in an average salary for a Supreme Court Justice of \$134,589.

HAY Comparison States	
	Supreme Court Justice Salary as of 1/1/08
Texas	\$ 150,000
Arizona	\$ 142,300
Nevada	\$ 140,000
Utah	\$ 138,450
Kansas	\$ 132,590
Oklahoma	\$ 131,100
Colorado	\$ 122,972
New Mexico	\$ 120,792
Wyoming	\$ 119,300
Average of States Excluding NM	\$ 134,589

Recommendation for FY 2008

Recommendation: Applying the average of the 9-state region, excluding New Mexico, as a formula for determining the salary of a Supreme Court justice, the Commission recommends as a one-time corrective measure raising the pay of a Supreme Court Justice to \$134,589 for FY09, to meet the average of the 9-state region, excluding New Mexico. While this would be an increase of 11.43% from the current salary of \$120,792, the HAY average formula adopted by the Judicial Compensation Commission means that, once the average is achieved, it is expected that future recommendations will be a significantly smaller percentage of current salary. The average for the HAY states over the past five years has increased at a rate of less than 3% per year, with the highest single increase in FY06 at 5.6% and the smallest at .2% in FY04. If the pay of a Justice had been set at \$131,394 as the Commission recommended for FY08, the recommendation for FY09 would be an increase of \$3,200, or 2.435%. The HAY average for FY 2003 through FY 2008 is shown below, followed by a chart showing the cost of implementing the Commission's salary recommendation for FY09.

HAY AVERAGE JUSTICE SALARY FY03 – FY08			
Fiscal Year	Salary	Percentage Increase	Dollar Increase
FY03	\$116,498		
FY04	\$116,712	.18%	\$ 214
FY05	\$118,871	1.8%	\$2,159
FY06	\$125,564	5.6%	\$6,693
FY07	\$131,394	4.6%	\$5,830
FY08	\$134,894	2.4%	\$3,200

Recommendation: Move Supreme Court Justice Salary to \$134,594

	No.	Current Rate	New Rate	Diff	Benefits	Total	Percent Increase
Chief Justice	1	\$ 122,792	\$ 136,594	\$ 13,802	\$ 2,892	\$ 16,694	11.2%
Justice	4	\$ 120,792	\$ 134,594	\$ 13,802	\$ 2,892	\$ 66,774	11.4%
Chief Judge COA	1	\$ 116,652	\$ 129,764	\$ 13,112	\$ 2,747	\$ 15,859	11.2%
COA Judge	9	\$ 114,752	\$ 127,864	\$ 13,112	\$ 2,747	\$ 142,730	11.4%
Chief District Judge	13	\$ 110,820	\$ 123,276	\$ 12,456	\$ 2,610	\$ 195,857	11.2%
District Judge	75	\$ 109,015	\$ 121,471	\$ 12,456	\$ 2,610	\$ 1,129,943	11.4%
Chief Metro Judge	1	\$ 105,279	\$ 117,112	\$ 11,833	\$ 2,479	\$ 14,313	11.2%
Metro Judge	18	\$ 103,564	\$ 115,398	\$ 11,833	\$ 2,479	\$ 257,627	11.4%
Presiding Magistrate	2	\$ 78,959	\$ 87,834	\$ 8,875	\$ 1,771	\$ 21,291	11.2%
Magistrate Judge	64	\$ 77,673	\$ 86,548	\$ 8,875	\$ 1,771	\$ 681,325	11.4%
Hear Off/ Spec Comm	11.5	\$ 87,212	\$ 97,177	\$ 9,965	\$ 2,545	\$ 143,866	11.4%
Totals	199.5					\$ 2,686,278	

Judicial Retirement Account

The Judicial Compensation Commission is concerned that, for FY 2006, ending June 30, 2006, the fund status for the JRA was 77.7%, a decrease from 78.9% in FY05. Data for FY07, when the contributions from judges rose to 7.5% of salary and the state contribution rose to 12% of salary, was not available to the Commission at the time of this report. If the FY07 data does not demonstrate recovery in the funding level of the JRA, the value of judicial salaries appears to be threatened by a declining fund level in the JRA. The Commission urges the Judiciary and the Legislature to look closely at FY07 data when it becomes available to determine if a funding change for the JRA is warranted.



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