

DELAWARE COMPENSATION COMMISSION

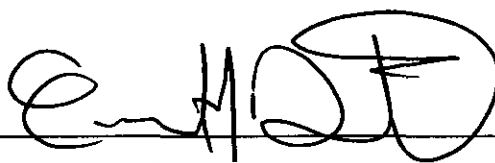
2009

Report and Recommendations

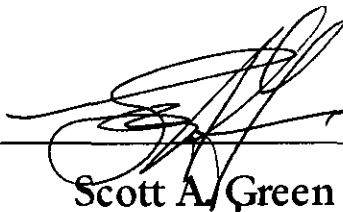
January 13, 2009

A handwritten signature in cursive script, appearing to read "Peter M. Ross", written over a horizontal line.

Peter M. Ross, Co-Chair

A handwritten signature in cursive script, appearing to read "Ernest Dianastasis", written over a horizontal line.

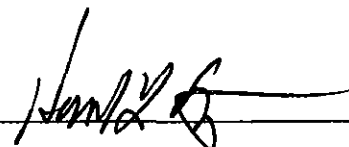
Ernest Dianastasis, Co-Chair

A handwritten signature in cursive script, appearing to read "Scott A. Green", written over a horizontal line.

Scott A. Green

A handwritten signature in cursive script, appearing to read "Dennis Loftus", written over a horizontal line.

Dennis Loftus

A handwritten signature in cursive script, appearing to read "Harold L. Slatcher", written over a horizontal line.

Harold L. Slatcher

A handwritten signature in cursive script, appearing to read "Michael Jackson", written over a horizontal line.

Michael Jackson, Ex-Officio

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Creation of Commission

In July 1984, Governor duPont approved a law (29 Del. C. Sections 3301- 3304) creating the Delaware Compensation Commission (hereinafter referred to as the "Commission").

In January 1985, the first Commission (hereinafter referred to as the "1985 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 Commission hereinafter referred to as 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.

The report of this Commission, referred to as the "2009 Commission," has the force and effect of law as of the first day of July following submission (July 1, 2009) unless the General Assembly, by joint resolution, rejects the report in its entirety within 30 days following commencement of its 2009 session. The effective date of the 2009 Commission report was changed from February 1 to July 1 in the FY 2009 Budget Epilogue, Section 35.

Members

This Commission consisted of six members and was co-chaired by Peter Ross, appointed by the Governor, and Ernest Dianastasis, Chair of the Delaware Business Roundtable. Other members included Scott A. Green, Esq., appointed by the Governor; Harold Slatcher, appointed by the President Pro Tempore of the Senate; and, Dennis L. Loftus, Ph.D., appointed by the Speaker of the House. Michael Jackson, Acting Director, Office of Management and Budget, served as an Ex-Officio and non-voting member.

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 13, 2009, establishing "remuneration" for these public officials.

Meetings and Hearings

The Commission met on November 24 and December 15, 2008. In addition, the Commission held a public hearing on December 15, 2008 in Dover, Delaware. The following individuals testified at the public hearing and/or provided written comments: Chief Justice Myron T. Steele, Supreme Court; President Judge James T. Vaughn, Jr., Superior Court; Chief Judge Chandlee Johnson Kuhn, Family Court; Chief Judge Alex J. Smalls, Court of Common Pleas; Chief Magistrate Alan G. Davis, Justice of the Peace Court; Mark Vavala, Commissioner of the Superior Court; Mike Parkowski, Esq., Parkowski, Guerke & Swayze, P.A.; Department of Justice, Attorney General's Office; Delaware Magistrates' Association; and The Delaware State Senate. Given the current economic climate, salary increases were not requested for July 1, 2009 by those who testified and/or provided written comments to the Commission.

The Human Resource Management Section of the State's Office of Management and Budget conducted surveys of the salaries of a number of states and local jurisdictions including New Castle County, DE, the University of Delaware and Delaware Technical and Community College. Commission members were provided detailed descriptions of each position

surveyed, as well as the most recent budget submissions for the departments controlled by those positions.

Attracting and Retaining Talent

The 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 Commission argued that government salaries should parallel those in the private sector, the 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.

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%. All positions have received the interim 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 Commissions 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.

Unique Circumstances Affecting the Work of the 2009 Commission

As the 2009 Compensation Commission began its deliberations, the Commission noted the current emergency situation impacting the national, state, and local economic climate. Also considered was the possibility of re-organizations in state government that might be needed to meet financial obligations and balance the budget which could result in major changes in the responsibilities of the positions under consideration by the Commission. In addition, the Commission was faced with the unpleasant reality that financially the State would not likely be able to implement any recommendations to increase salaries of positions covered by the Commission. The 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, while considering the worldwide financial crisis and the probable immediate lack of State funds to address this goal.

Recommendations of the Commission

After consideration of the comments received from the public hearing on December 15, 2008 and based on the economic condition of the State's budget and the national economic climate, the Commission's recommendations are as follows:

1. The Commission does not recommend July 1, 2009 salary increases for positions covered by this report.
2. To fulfill its role to measure, compare, and set competitive salaries for positions covered in this report the Commission will reconvene at the call of the co-chairs for the purpose of issuing a report on January 12, 2010, the first day of legislative session in 2010. The report shall be implemented in accordance with 29 Del. C. § 3304.

Acknowledgement

The Commission wishes to thank Dana Jefferson and her staff for their assistance in preparing background information, briefing materials, and staff support for the Commission's meetings.