



Compensation matters relating to District Court employees

Executive Summary

Background: The Association of Clerks of the District Courts of Virginia began the discussion of compensation due to concerns of the Association membership regarding the lack of pay increases and the difficulty Clerks and Supervising Clerks have with compensating employees for the level of responsibility required of them. Additional concerns included: the disparity in levels of pay throughout the state, staffing levels and the amount of turnovers experienced in their courts. These discussions led to a meeting with the Office of the Executive Secretary and the formation of a Special Issues Committee by the Association to conduct research and prepare a proposal for presentation of the issues. This committee prepared and distributed a written proposal to address concerns regarding the Pay, Compensation and Classification issues identified and possible corrective action in August 2015.

Discussions: Discussions regarding the research of historical salary increases and some disparities noted for District Court employees with various members of the General Assembly brought District Court compensation to the attention of Senator Jill Vogel.

Historical Trends:

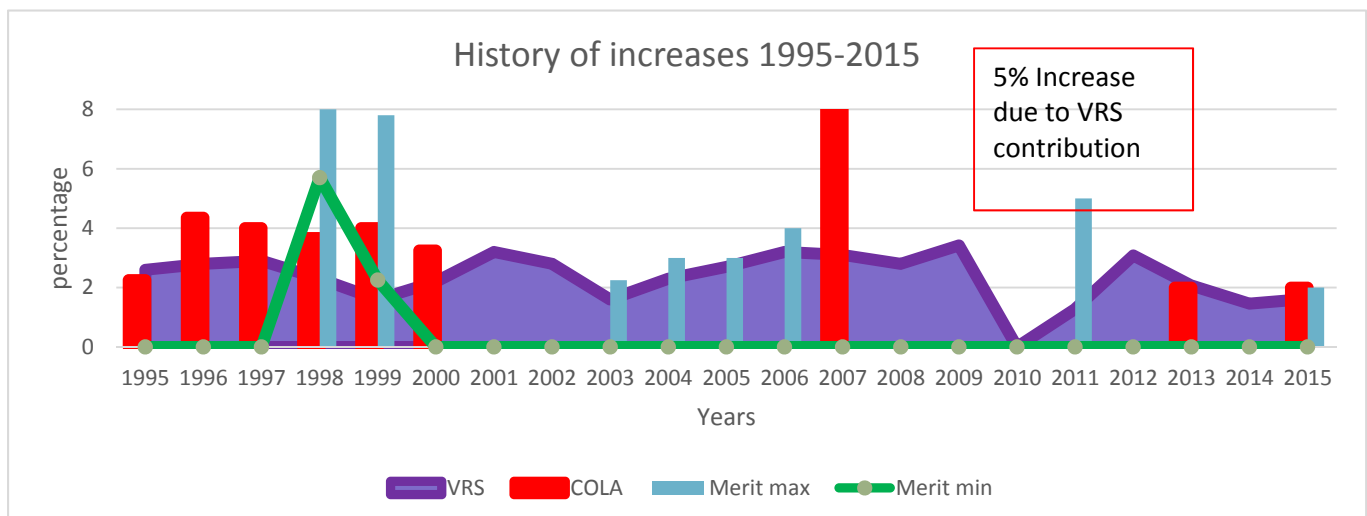
Consistent salary increases for District Court personnel have significantly declined in recent years. Cost of Living Allowance (COLA) increases and merit increases between 1986-1999 were significant compared to COLA or merit increases awarded after 1999.

As a result of the reduction of salary increases between 2008 and 2015, 45% of Deputy Clerks make less than \$30,000 a year; 81% make under \$35,000 a year (includes Northern Virginia rates).

A catch up raise of 8% was authorized in 2007 (9 years ago) since then District Court employees have only realized a 4% increase overall with an additional 2% authorized in 2015 for the 3 lowest grades of employees (an additional \$65 for each year of service between 5-30 years authorized in both 2013 and 2015). A 5% salary increase was authorized in 2011, however that increase was offset by a 5% VRS contribution that actually lowered every employees take home income.

Previous to the 2007 catch up raise, a 1998 3.67% overall scale adjustment plus an additional competitiveness increase of 5.7% for grade 11 and above and 8% for grades 6-10 was authorized.

Even VRS realized some level of annual COLA increases every year (except 2010) since 1979.



Effect on District Court employees:

In May 2015, the Association sent a survey to 1200 District Court employees asking for demographic information to give us a picture and examples of how they are living on their salaries. Over 1000 responses were received.

Highlights of the survey:

- Over 50% have 5 years or less of employment with the courts
- Over 20% have earned or are pursuing certificates related to Judicial Administration
- Over 95% are female
- Over 20% are commuting over an hour and driving 40 miles each day
- Over 75% are financially supporting other people on their salaries
- Over 50% are supporting children under 18 years old
- Over 30% are supporting people between the ages of 18 and 26
- 3% currently receive public assistance and 7% receive some kind of subsidy
- Over 13% have applied for public assistance, but do not qualify
- 20% qualify for Earned Income Tax Credit
- Over 20% receive financial assistance from family
- Almost 25% have a part-time job out of necessity to supplement their salary
- Over 50% are the primary source of income for their household
- Over 23% are paying an average of \$600 per month for childcare

Additionally, over 500 participants left comments. Common themes of the comments include:

- Salary increases for promotions to higher grades do not appear to account for years of experience within the court. Exceptions are made, but only with minimal annual amounts
 - o Clerk hired with 22 years court experience obtained \$300 annual exception
 - o Clerk receives \$2000 more a year than the senior deputy clerk
 - o Deputy clerk to Supervising deputy went up \$1000, another \$1500 year
- Employed 8 years and make less than \$30,000
 - o Deputy clerk 2% increase resulted in a .99 cent pay raise each payday
- Cannot afford essential living items
 - o Can't afford prescription medicines, glasses, going to the dentist etc.
 - o Can't afford to eat healthy; McDonalds is cheaper than fresh vegetables
 - o Divorce or death of spouse; forces employees to move in with parents or children
 - o 24-29 year olds still live at home, can't afford the expense of living on their own
- Love their jobs, other co-workers and believe they make a difference
 - o Don't want to leave, but given no choice
 - o New employees leave before 5th year, too much to do, too much responsibility for the pay, experience from District Court garners a much higher salary somewhere else

Federal Income Tax
Earned income credit
Rates for 2016

Survey Results:
**50% employees are
primary income source**

Earned Income and AGI Limits				
Earned income and adjusted gross income (AGI) must each be less than:				
If filing...	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single, Head of Household or Widowed	\$14,820	\$39,131	\$44,454	\$47,747
Married Filing Jointly	\$20,330	\$44,651	\$49,974	\$53,267

EARNED INCOME CREDIT AMOUNTS - 2015 Federal Income tax chart					
Additional tax refund amounts received by employees earning these starting salary rates if otherwise eligible		One Child claimed	Two Children claimed	One Child claimed	Two Children claimed
Dep Clerks	Current	Single/Head of Household		Married- filing jointly	
7	\$27,066	\$0	\$0	\$2,809	\$4,822
8	\$28,438	\$1,975	\$3,660	\$2,585	\$4,528
9	\$29,277	\$1,703	\$3,365	\$2,441	\$4,338
Supv Deputy		\$1,559	\$3,176	\$0	\$0
10	\$30,756	\$1,327	\$2,870	\$2,209	\$4,033
11	\$32,282	\$1,000	\$2,438	\$1,882	\$3,601
12	\$35,626	\$552	\$1,849	\$1,434	\$3,011
13	\$39,303	\$0	\$1,080	\$851	\$2,243
14	\$43,353	\$0	\$227	\$204	\$1,390
Clerks					
10	\$32,282	\$1,000	\$2,438	\$1,882	\$3,601
11	\$33,925	\$832	\$2,717	\$1,714	\$3,380
12	\$37,405	\$265	\$1,470	\$1,147	\$2,632
13	\$41,281	\$0	\$669	\$540	\$1,832
14	\$45,526	\$0	\$0	\$0	\$937

Examples of employee wages:

Actual Grade 8 employee with 10 years of service as a Deputy Clerk

2014 W-2

Block 1 Wages, tips, compensation: 24,059.21

Block 3 Social Security Wages: 25,779.77

2010 W-2

Block 1 Wages, tips, compensation: 25,504.53

Block 3 Social Security Wages: 25,504.53

Actual Grade 11 employee with 22 years of service as a Deputy Clerk/Supervising Deputy Clerk

2015 W-2:

Block 1 Wages, tips, compensation: 31,150.52

Block 3 Social Security Wages: 33,606.36

Conclusion:

If salaries would have increased a mere 2% every year since 2001 the lowest paid employee would be receiving an annual salary of: \$30,264 today.

If salaries would have increased at the same rate as the VRS every year since 2001, the lowest paid employee would be receiving an annual salary of: \$32,318 today (they would have reached a \$30,000 year milestone in 2012).

Recommendation:

Establish a percentage pay increase at a rate that the lowest paid employee in the District Court system receives an annual salary of at least \$30,000. This would require the same level of increase across the board for all employees at the minimum to prevent even more pay compression issues that have occurred throughout the years. The following chart identifies a percentage of increase and the resulting effect on STARTING SALARIES:

PERCENTAGE OF SALARY INCREASE TO OBTAIN THE GOAL OF \$30,000 FOR LOWEST PAID EMPLOYEE														
Grades	SALARY RATES as of 8/10/15													
Dep Clerk	Current	add 5%	add 6%	add 7%	add 8%	add 9%	add 10%	add 11%	add 12%	add 13%	add 14%	add 15%	add 16%	add 17%
7	27066	28419	28690	28961	29231	29502	29773	30043	30314	32114	32707	33305	33908	34517
8	28438	29860	30144	30429	30713	30997	31282	31566	31851	33742	34364	34993	35627	36267
9	29277	30741	31034	31326	31619	31912	32205	32497	32790	34737	35378	36025	36678	37337
Supv Deputy														
10	30756	32294	32601	32909	33216	33524	33832	34139	34447	36492	37166	37845	38531	39223
11	32282	33896	34219	34542	34865	35187	35510	35833	36156	38303	39010	39723	40443	41169
12	35626	37407	37764	38120	38476	38832	39189	39545	39901	42270	43050	43838	44632	45434
13	39303	41268	41661	42054	42447	42840	43233	43626	44019	46633	47494	48362	49239	50123
14	43353	45521	45954	46388	46821	47255	47688	48122	48555	51438	52388	53346	54313	55288
Clerks														
10	32282	33896	34219	34542	34865	35187	35510	35833	36156	38303	39010	39723	40443	41169
11	33925	35621	35961	36300	36639	36978	37318	37657	37996	40252	40995	41745	42501	43265
12	37405	39275	39649	40023	40397	40771	41146	41520	41894	44381	45200	46027	46861	47703
13	41281	43345	43758	44171	44583	44996	45409	45822	46235	48980	49884	50796	51717	52646
14	45526	47802	48258	48713	49168	49623	50079	50534	50989	54017	55014	56020	57035	58059
15	52752	55390	55917	56445	56972	57500	58027	58555	59082	62590	63746	64911	66088	67275