December 18, 2003

The Honorable James E. McGreevey
Governor of the State of New Jersey
State House
P.O. Box 001
Trenton, New Jersey 08625

The Honorable Deborah T. Poritz
Chief Justice, Supreme Court of New Jersey
Hughes Justice Complex
25 West Market Street, P.O. Box 970
Trenton, New Jersey 08625

The Honorable John O. Bennett
Co-President of the State Senate
41 Center Street
Freehold, New Jersey 07728

The Honorable Richard J. Codey
Co-President of the State Senate
449 Mount Pleasant Avenue
West Orange, New Jersey 07052

The Honorable Albio Sires
Speaker of the General Assembly
303 58th Street
West New York, New Jersey 07093

The Honorable Paul DiGaetano
Assembly Minority Leader
71 Union Avenue
Rutherford, New Jersey 07070

Re: CORRECTED Final Report of the Public Officers Salary Review Commission

Dear Sirs/Madam:

At the request of the members of the Public Officers Salary Review Commission, I am transmitting a corrected version of the Majority Report. The recommended salary for the President and members of the Board of Public Utilities on page 2 contained a typographic error and has been change to reflect the Majority’s recommendation.

Very truly yours,

Mark J. Fleming
Deputy Chief Counsel to the Governor

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Enclosure
Pursuant to N.J.S.A. 52:14 - 15.115, the following represents the report required on the Commission’s review of the statutorily specified salaries and its proposed recommendations concerning changes in some of those salaries.

The Commission met on December 8 and 15 in Trenton to hear testimony, review written submissions, and consider its recommendations, and on December 17 by telephone conference call to adopt this report.

The Commission adopts and reiterates the "findings" set out in the December 7, 1999 Report of its predecessor Commission that are attached as Exhibit A.

Judicial and Executive Branch salaries were last increased in January 2002 based on recommendations made in 1999. By statute, this Commission will not be convened again until 2007 so that, absent proposed recommendations in this report, the specified public officials face the prospect of not receiving a salary change over a period of six years, an undesirable outcome.

The Commission received substantial testimony regarding judicial salaries and, for the following reasons, recommends that the salaries for Superior Court trial and tax court judges be set at $158,100, for Assignment Judges at $166,000; for Appellate Division Judges at $170,750; for Associate Justice of the Supreme Court at $180,250; and for the Chief Justice at $186,600; all such salaries to be effective July 1, 2004.

- Parity with Federal District Court judges has long been a guideline for state court trial judges’ compensation and the Commission finds this a desirable and appropriate goal. Federal District Court Judges will earn $158,100 effective January 2004.

- Although New Jersey's trial judges rank 4th among the States in current salaries, when those salaries are adjusted for relative costs of living, New Jersey judges rank 37th in compensation. It is estimated that, in real dollars adjusted for inflation, trial judges today earn 20% less than they did in 1970.

- New Jersey is one of only four states whose judges may not engage in any outside income generating activities. That prohibition is embedded in our State Constitution and is deemed by this Commission to be a desirable restriction. However, it puts our judges at a compensation disadvantage relative to their peers in other states and to their colleagues on the federal bench.
While we believe comparisons with other judicial personnel are directly relevant, we also recognized that judges are compensated far less well than attorneys in private practice or in corporate settings.

The New Jersey bench is among the most widely respected in the country. Its reputation serves to engender public respect for the rule of law and creates an environment beneficial to our citizens and to businesses located in our State.

New Jersey judges work hard. On a national basis, they have the 4th highest rate of filings per judge and yet they have decreased the backlog of cases from 57,700 in 1999 to 28,952 in 2003. They are clearly a productive Judiciary.

A number of other officers have generally been compensated on a relative scale to trial court judges, and we recommend that, effective July 1, 2004, their salaries reflect the current ratio to trial court salaries:

- County prosecutors at $158,100
- Administrative Law Judges at $134,400 (85% of $158,100)
- Workers’ Compensation Judges at $134,400 (85% of $158,100)

With respect to the Legislative Branch, the Commission recommends that effective July 1, 2004 their salaries be adjusted by an amount which is equal to the increase in the 2003 Northeast Regional CPI over 2002 and on July 1 of each year thereafter the salary be adjusted by a comparable amount.

With respect to the Executive Branch, the Commission recommends that salaries be set as follows effective July 1, 2004:

- Governor: up to $200,000
- Members of Cabinet: up to $158,100 (to maintain their current parity with trial court judges)
- President and Members of Board of Public Utilities: up to $158,100
- Casino Control Commission: no changes are recommended as it appears that current compensation is already well below that which is authorized.

In conclusion, this Commission is mindful of the challenges currently confronting the Legislature and the Governor with respect to the State Budget. We do not regard it as within our statutory purview to advise them on the means to achieve the recommended salaries. It is also not within our purview to make recommendations with respect to county officials; that is a matter for the Governor and Legislature to determine. That said, we believe that the
recommended salary revisions are absolutely critical to ensure fairness and equity in the compensation of our public officials.

The foregoing represents the position of the majority of the Commission members (Ms. Farber, Mr. Critchley, Mr. Degnan and Mr. Horn).