



STATE COURT ADMINISTRATION

Iowa Judicial Branch Building
1111 East Court Avenue
Des Moines, IA 50319

ROBERT D. GAST
State Court Administrator

December 7, 2023

Kraig Paulsen
Department of Management
State Capitol
LOCAL

Tim McDermott
Legislative Services
State Capitol
LOCAL

Sen. Amy Sinclair
Iowa Senate President
State Capitol
LOCAL

Rep. Pat Grassley
Speaker of the House
State Capitol
LOCAL

Sen. Julian Garrett
Chair, Senate Justice System Appropriations Committee
State Capitol
LOCAL

Rep. Brian Lohse
Chair, House Justice System Appropriations Committee
State Capitol
LOCAL

Dear Director Paulsen, Mr. McDermott, Senators and Representatives:

Pursuant to Iowa Code section 602.1301(2)(a), I hereby submit, on behalf of the Iowa Supreme Court, the FY25 budget request for the Iowa Judicial Branch. We respectfully request this budget request be forwarded to the legislature as submitted to illustrate the needs of the judicial branch.

Iowa Judicial Branch employees demonstrate perseverance, adaptability, and great resolve every day. Our workforce has adapted to the accelerated implementation of new technologies and work process innovations to provide timely, necessary services for all Iowans. As we move forward, it is indeed my pleasure to lead this team of dedicated public servants as we continue to improve our ability to serve Iowans.

These new processes and innovations would not be possible without the incredible team of committed judicial officers and professionals within the judicial branch. Our ability to retain and recruit these quality judicial officers and employees has been affected by the rising cost of inflation and the stagnation of judicial branch salaries. The appropriation for FY24 helped the branch focus on investment in our existing professionals, but additional resources are necessary to retain and recruit judicial officers and professionals to our branch.

We continue to hold fast the importance of investing in communities to bring about improvements in the delivery of justice for all Iowans. The following requests for FY25 will help the judicial branch maintain and increase the level of service to communities across the state.

Investing in Human Capital – Existing Personnel

Iowans in all 99 counties benefit from the services provided by approximately 1,700 judicial officers and employees. These judicial officers and employees are members of every community and resolve disputes to provide justice to Iowans who need assistance in more than 700,000 cases filed every year. The education, skills, and experience of these individuals are the strongest assets of the judicial branch. Maintaining a total compensation package that is consistent with other positions in state and municipal government allows for greater organizational and individual success. This leads to a more responsive justice system for Iowans.

The request includes the negotiated across-the-board (ATB) contract increase of 3% and the equitable extension of the same ATB increase to non-contract employees, a 3.2% in-grade (step) increase for both contract and non-contract employees, and an anticipated increase in the cost of health insurance for FY25. This request totals \$5,033,839.

Stagnant salaries for judicial officers have been compounded by inflation and we are seeing the overall number of applicants for judicial officer positions decline. Over the past 14 years, judicial officers have received only five salary increases and the inflation adjusted salary of judicial officers has decreased by over 17%. In the past 20 years, the number of judicial applicants has decreased by 64% and fewer of those applicants are in private practice. It is important to have judicial officers from a variety of legal practice backgrounds to resolve the wide range of legal cases presented for judicial resolution. We believe non-competitive compensation to be a primary reason for the decline of applicants for judicial officer positions.

For judicial officers, we are requesting the equivalent of the Social Security Cost of Living Adjustment for 2024 of 3.2% coupled with a 3% increase to account for the recommended but not

received increase in FY2024 for a total of 6.2%. The total amount of this increase for judicial officer salaries is \$2,989,931.

Investing in Human Capital - New Personnel

The individual judicial districts continue to evaluate their workforce needs. In order to strengthen the delivery of services in individual judicial districts, we request additional funding for new positions, a total of \$223,253.

Judicial Retirement

Good benefits, including a pension at a reasonable cost, are necessary to attract qualified judicial candidates. The recent change to funding the Judicial Retirement System (System) through variable contribution rates makes the position of judicial officer less attractive.

Iowa Code section 602.9104 requires that once the System reaches “fully funded status” the contribution rates for both the state and judges changes from a fixed amount to a variable amount. For the first time, the System’s funded ratio exceeded 100% in the July 1, 2021, actuarial report. As a result, beginning in FY23 and each succeeding year, variable contribution rates are based on the actuarial contribution rate as of July 1st of the previous year. Although the System is no longer 100% funded, the contribution rates do not revert to a fixed contribution rate.

The Iowa Judicial Branch and the Iowa Judges Association worked together with the System’s actuary to conduct analysis on the variable rate structure required by statute. This analysis shows that the variable rate structure is statistically expected to continue to show large fluctuations from year to year, not only for the judges’ individual contribution to the System, but to the state’s contribution as well. According to the System’s actuary, the higher a pension system is funded, the more volatile the contribution rate is based on market performance. Because the System is well-funded, the contribution calculation is very susceptible to market return volatility. The Branch and the Association believe it is in the best interests of the state and judges to have certainty in budget predictions. To resolve this issue, the judicial branch has filed a policy bill which would return the contribution for both judges and the state to a fixed rate.

Our judicial officers and employees are dedicated to furthering justice in our state. The salary requests and new positions outlined in our request help to ensure the judicial branch will have a steadier platform on which to base continued business improvements for the administration of justice.

Thank you for your consideration of these requests. The Iowa Judicial Branch values its continued partnership with Governor Reynolds and the legislature in providing the services that all Iowans deserve from their justice system.

Sincerely,



Robert D. Gast