DELAWARE COMPENSATION COMMISSION OVERVIEW

2025 REPORT SALARY RECOMMENDATIONS

1. What is the Delaware Compensation Commission?

The Compensation Commission ("Commission") is a non-partisan body that makes salary recommendations for executive, cabinet, legislative, and judicial officers. The Commission is composed of six appointees who are required by law not to hold public office or receive compensation from the State for their duties. The Commission includes the Secretary of the Department of Human Resources, who serves as a nonvoting member.

Delaware's Compensation Commission primarily serves two purposes, which are:

- (1) To fairly assess salary data based on a position's requirements, thus removing political viewpoints from the discussion of compensation.
- (2) To use a framework that compares salary information within and outside the State to ensure high-quality talent is retained in Delaware's public offices.

2. What are the salary recommendations from the 2025 report?

Executive Branch

The Commission recommends an 11% salary increase for the Governor in Fiscal Year (FY) 2029. This increase allows flexibility in increasing Cabinet Secretary salaries, as the Governor's salary must be 1% above the highest paid Cabinet Secretary. The Commission used the salary market data provided by Willis Towers Watson as well as the historical view of salaries, budgets, positions, and general salary increases in its evaluation of salary recommendations for Delaware's Cabinet Secretaries. Per the Commission's recommendations, most Cabinet Secretaries will see a 12%-14% salary increase over 4 years, effective on the first day of the first pay period in July (FY 2026). However, the Secretary of the Department of Human Resources is recommended to receive a 17% salary increase over 4 years. This is due to the Commission's recommendation to reclassify the Department of Human Resources as a Tier 1 State Agency, recognizing the Department's statewide statutory responsibility and impact across multiple branches of State government. To see the compensation increases in their entirety, refer to Table A: Executive.

Other Elected Officials

The Commission recommends compensation increases for all Other Elected positions to bring them in line with comparable states. The Commission recommends a 2% salary increase for the Lieutenant Governor in FY 2026. For other elected officials (including State Treasurer, Auditor, Insurance Commissioner, Attorney General, and Defense Services) the Commission recommends a 4% increase each year starting FY 2026 to FY 2029. To see the compensation increases in their entirety, refer to Table B: Other Elected Officials.

Judicial Branch

The Commission used the salaries of Federal judges as an initial benchmark for setting the salaries of Delaware's judges. The Commission also considered compensation data from the states of Georgia, California, Florida, and Illinois, due to the similarity of their judicial structure for adjudicating corporate law, and North Dakota, Nevada, Texas, and Wyoming, which have business courts. The Commission recommended a 4% - 5% salary increase for the State's Judiciary each year from FY 2026 to FY 2029, with slightly higher increases for Commissioners. According to the Commission's reasoning, higher increases for Commissioners were recommended due to their current salaries not keeping pace with

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other members of the judiciary. In addition, the Commission recommends that the Legislature consider increasing compensation levels for the Court of Chancery and the Supreme Court. To see the compensation increases in their entirety, refer to <u>Table C: Judiciary</u>.

Legislative Branch

The Commission recommended a modest one-year increase for members of the Legislature. According to the Commission's reasoning, a multi-year increase was not endorsed due to absence of "strong comparable data" that would warrant suggested increases. The Commission recommended a one-year salary increase of 2% for members of the legislature for FY 2026. Regarding the Legislator Pension plan, the Commission recommended to enact legislative Code changes required to eliminate the minimum factor for legislators elected after July 2025. The Commission reasoned that this would better align Delaware's legislative pensions' structure to other state employees. To see the compensation increases in their entirety, refer to Table D: Legislative.

3. What enables the Commission to make budget adjustments?

<u>Chapter 33 of Title 29</u> of the Delaware Code is the enabling law that authorizes the Commission. The law requires an evaluation of salary data be made by the Commission to keep positions competitive and paid fairly. Every four years a "remuneration study" is released on the first day of session of a new General Assembly and becomes effective by law on July 1 if the General Assembly takes no action in response to the Commission's study within 30 days of the study's release. Legislators have the ability to reject the proposals in the remuneration study through a joint resolution, as seen in 2013 and 2017 with the passages of House Joint Resolution 2. However, any action taken by the General Assembly on the Commission's report must be made prior to the 5-week recess in February.

4. How does the assessment process typically work?

Usually, the Commission begins by developing a conceptual framework to guide their decision-making process. For example, the priorities from 2025 focus on recruiting and retaining top talent in the executive, legislative, and judicial branches of Delaware government overall, with an emphasis on reviewing other states' salaries for judicial officers in business and complex litigation courts comparative to Delaware.

The Commission then analyzes historic budget information including past allowances, reimbursements, salaries, per diem, and mileage amounts to determine if adjustments should be made.

Additional factors the Commission may look at are:

- A. Agency size (budget and number of employees).
- B. The positions' impact on citizens.
- C. Prevailing economic circumstances.
- D. Comparisons to salaries set by other state governments.

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