



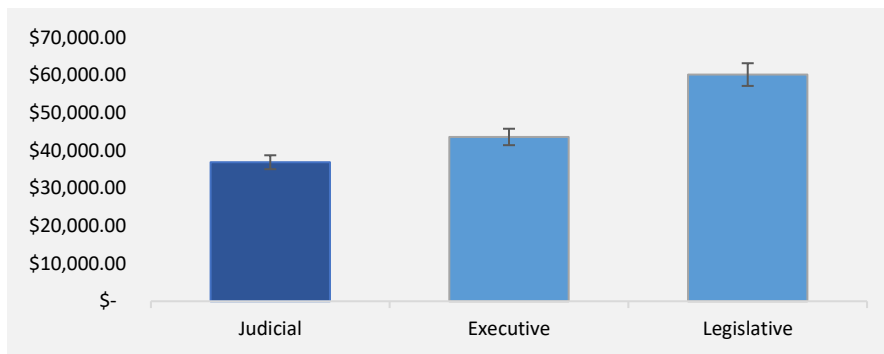
Kentucky Court of Justice Compensation Plan

Employee Retention Crisis Leading to Knowledge Gap

The Kentucky Court of Justice (KCOJ) has experienced a substantial increase in employee turnover, exceeding 40 percent in urban areas and among key statewide positions. Decreased retention, along with the lack of candidates to fill open positions, has caused a deficiency in the employee capital necessary to provide judicial services required per law. One-third of the KCOJ workforce has exited in the last four years; 73 percent of those who left had less than four years of service. For this reason, one thousand employees—a third of the KCOJ employee population—have less than four years of experience.

State Government Wage Gap

The Personnel Cabinet reported 30,837 combined executive, legislative and judicial branch state employees as of November 2021, with an average salary of \$45,040.¹ But salaries of non-elected employees in the judicial branch average around \$36,000, lagging far behind those in the executive and legislative branches.

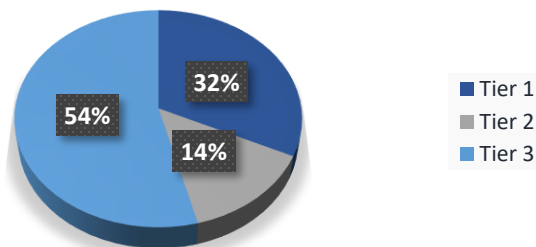


¹Dustin Pugel and Pam Thomas, "A Decade Without Raises and Weakened Benefits Have Created a State Workforce Crisis. Addressing it Adequately Should Be a Top Priority in the New Budget", Kentucky Center for Economic Policy, January 13, 2021

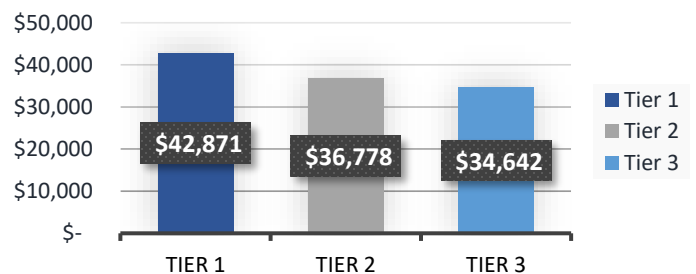
Retirement Effects on Employee Retention

54 percent of the KCOJ workforce participates in the Tier 3 hybrid cash balance retirement plan. Tier 3 employees working 30 years with an average of salary of \$30,000 can expect to receive \$11,000 less per year in retirement benefits as compared to a Tier 1 employee, and \$7,500 less per year compared to a Tier 2 employee. Because of this difference, retirement benefits are not attractive to less experienced employees who make up the majority of our workforce. This is evidenced by the fact that 73 percent of our recent turnover is among Tier 3 employees.

KCOJ Non-elected Employees Employee Count by Retirement Tier



KCOJ Non-elected Employees Average Salary by Retirement Tier



Summary of Budget Request

The Kentucky Court of Justice is requesting a flat dollar increase of \$10,000 for each full-time employee and an adjusted increase for each part-time employee. This increase will bring judicial branch salaries more in line with the executive and legislative branches. An across-the-board percentage increase does not significantly impact our lowest-paid employees in positions that are experiencing the highest turnover.