



Adjust Administrative Law Judge (ALJ) Salary



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On Behalf of the CPUC ALJ Rank & File

California Public Utilities Commission

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Presentation Overview

- Background: Salary Differentials
- Why Salary Disparity Occurred
- Difference in Salary among Peers and Why
- Impact of Salary Differential on ALJ Retention
- Pathway Forward
- Process
- Conclusion





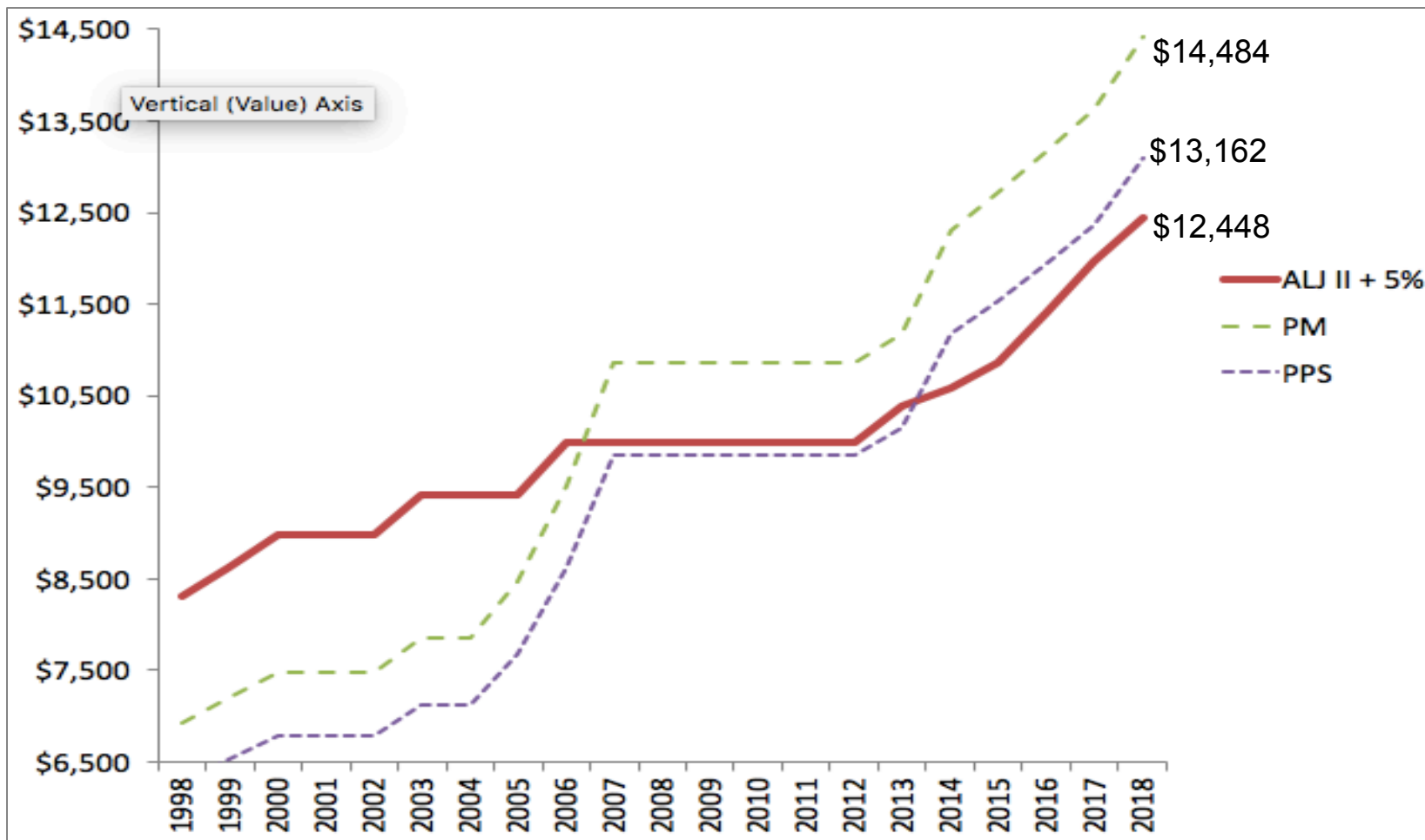
Background: Salary Differentials in 1998

Administrative Law Judge II	\$8,301	\$99,612
Program Manager (PM)	\$6,919	\$83,028
Program, Project Supervisor (PPS)	\$6,274	\$75,288





Salary Differentials in 2018





2018 Difference in Salaries

JOB POSITION	ANNUAL SALARY	DIFFERENCE FROM ALJ SALARY
PROGRAM MANAGER (PM)	\$173,808	+\$24,432
PROGRAM PROJECT SUPERVISOR (PPS)	\$157,944	+\$8,568
ADMINISTRATIVE LAW JUDGE II WITH 5% SALARY DIFFERENTIAL	\$149,376	





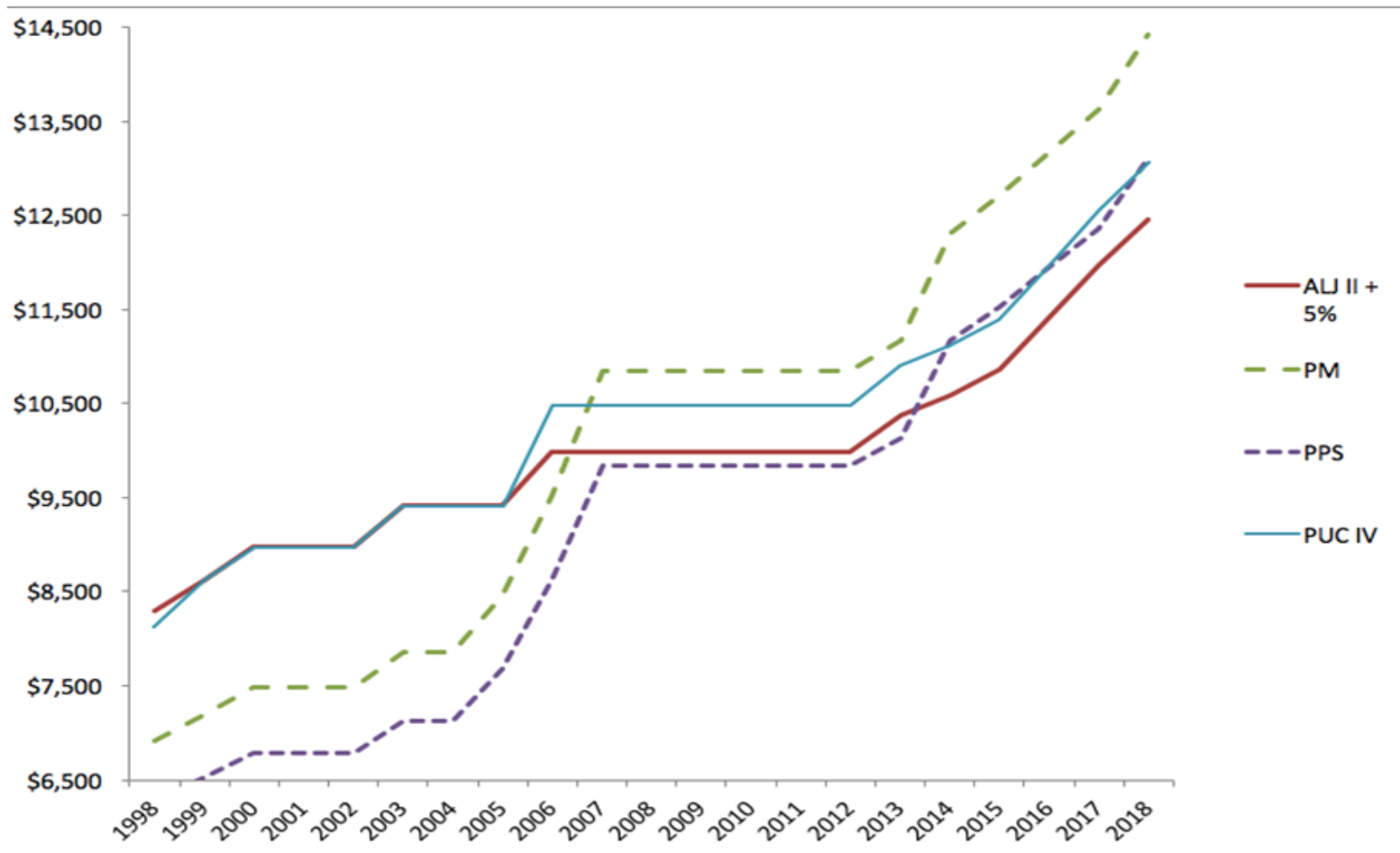
How Did This Happen?

- **Arbitrary Salary Differentials Due to Different Union Membership**
 - ALJs belong to California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE).
 - PMs and PPSs belong to Professional Engineers in California Government (PECG). Every time PECG negotiated a raise for the engineers, PMs and PPSs got the same raise.
- **Arbitrary Salary Differentials Within the Same Union**
 - In 2005, Legal Counsel received at 5% salary increase but ALJs were left out.





2018 Salary Differential Showing PUC IV





ALJ II v. PUC IV Salary Differential

POSITION	MONTHLY	ANNUAL
PUC IV	\$13,062	\$156,744
ALJ II WITH 5% SALARYDIFFERENTIAL	\$12,488	\$149,856 (ALJs earn \$6,888 less than PUC IV)





Impact of Salary Differential on ALJ Retention: High Turnover

	2014	2015	2016	2017	2018*	Past 57 Months
Rank & File ALJs (as of Jan, 2018)	36	32	32	31	39	36
Retirements	4	4	0	2	0	10
Departures, internal movement	1	1	4	3	2	11
Departures, left agency	0	2	2	1	1	6
Total Departures (% Loss)	5 (14%)	7 (22%)	6 (19%)	6 (19%)	3 (8%)	27 (75%)*

*The over-all turnover rate for rank-and-file ALJs is at 53% for the last 57 months. This excludes rank-and-file ALJs that received internal ALJ promotions to Assistant Chief or Chief ALJ.





ALJs Will Continue to Seek Other Job Opportunities

- **Options for Attorney ALJs**

- PUC IV
- Other Promotions within the CPUC
- Outside Legal Jobs
 - Other government agencies
 - Private law firms

- **Options for Non-Attorney ALJs**

- PM
- PPS
- Other Promotions within the CPUC
- Other Government Positions





CPUC Should Support ALJ Pay Parity During Bargaining

- **Difficulty in Retaining Experienced ALJs**
 - 2015 Internal Audit that the Commission ordered found that the ALJs should be among the CPUC's most capable and experienced staff, and that the pay should be consistent with that expectation and in parity with other senior staff positions.
 - Auditor also found that the compensation disparity makes ALJ positions unattractive to some well-qualified candidates, and gives an incentive to experienced ALJs to leave the ALJ Division.
 - The Auditor's concerns are borne out by the high turnover rate for ALJ Division.





CPUC Should Support ALJ Pay Parity During Bargaining

- **The Important Role that ALJs Play at the Commission**
 - **Presiding Judges:** ALJs assist the Commission in carrying out its independent regulatory function (preside over several hundred proceedings opened annually).
 - **ALJ's Advise the Commissioners:** It is essential for Commissioners to rely on the assigned judge's knowledge, experience, and judgment.
 - **Need to Retain Experienced ALJs:** It takes an ALJ about 5 years to become capable of handling the most complicated matters. But if the senior ALJs keep leaving, that is a drain on the Division and the Commission.





Process & Timing

Fall 2018: proposal submits

Winter 2019: prime proposal for bargaining

Spring 2019: bargaining at the table





Conclusion

- Without fairly compensating ALJs, California risks its ability to timely implement:
 - Current and proposed state legislation and mandates, including safety mandates;
 - That help ensure safe and reliable service at just and reliable rates for California ratepayers.
- Please support the ALJ's pursuit for pay parity during bargaining.





Thank you!

