

# Creating a System for LFE Wage Rates



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# Importance of a Wage Rate System

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- ▶ A Wage Rate System will standardize the assignment of employee wage rates.
- ▶ Employees will be assigned wage rates in an objective manner, rather than by a subjective opinion, which provides the following benefits:
  - ▶ Employee relationship with administration is strengthened
  - ▶ Administration stress is lowered
  - ▶ School Board confidence is increased



# Creating a System for Your School

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- ▶ **Step 1: Analyze the current wage rate situation**
    - ▶ What seems to be working well?
    - ▶ What could use some improvements?
    - ▶ Have you heard any complaints about wage rates?
  
  - ▶ **Step 2: Develop a general plan for the system**
    - ▶ What are the main objectives you would like to accomplish?
    - ▶ What will the basic structure of the system look like?
  
  - ▶ **Step 3: Specify the details of the plan**
    - ▶ What qualifications will merit a higher wage rate?
      - Education
      - Training/Certifications
      - Experience
    - ▶ How can we take into account the current market wage rates?
    - ▶ How will this affect my budget?
    - ▶ Are we maintaining objectivity?
  
  - ▶ **Step 4: Implementation**
    - ▶ Do I need to get the system plan approved before implementation?
    - ▶ When is the best time to implement this system?
    - ▶ How will I communicate this system to current and future employees?
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# Maintaining Your System

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- ▶ Whatever system you use, it is important to stay organized.
  - ▶ Keep a spreadsheet of all LFE information: Wage Rates, Hours, Benefits, etc.
    - LFE information will be easily accessible throughout the year
    - Easy to update from year to year, which helps with the budgeting process
    - Eliminates confusion
- ▶ Stay up to date
  - ▶ Make sure to check the market rates and minimum wage rate periodically



# Wage Rate System Example

LFE Pay Scale

# Pay Scale Categories

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## Level 3

- **Classroom Teachers**
  - Locally funded teachers who are responsible for their own classes
  - Positions: Music Teacher, Spanish Teacher

## Level 2

- **Directors**
  - Directly responsible for other employees and/or students
  - Positions: After School Care Director, Food Service Administrator

## Level 1

- **Other Employees**
  - Employees who are not directly responsible for students or other employees
  - Positions: After Care Assistants, Cafeteria Assistants, Teacher Assistants, Administrative Assistants

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▶ Employees will be placed into one of these three categories based on the requirements of the position in which they are employed.

# Pay Scale Rate Levels



▶ Within each category, employees will be placed in a rate level based on education/experience.

# Base Rates

Level 3 Pay Scale		Base Rate
Professional Rate	+15%	\$ 27.77
Standard Rate	+15%	\$ 24.15
Skill Rate		\$ 21.00

Level 2 Pay Scale		Base Rate
Professional Rate	+15%	\$ 15.44
Standard Rate	+15%	\$ 13.43
Skill Rate		\$ 11.67

Level 1 Pay Scale		Base Rate
Professional Rate	+15%	\$ 12.87
Standard Rate	+15%	\$ 11.19
Skill Rate		\$ 9.73

2019 Minimum Wage \$ 8.46

- ▶ The Level 3 base rate is set by administration and is subject to annual review.

- ▶ The Level 2 and Level 1 base rates are calculated off of the Minimum Wage Factor
  - ▶ The base amount will be adjusted as Minimum Wage changes
  - ▶ The Level 1 Pay Scale-Skill Rate is **15% higher** than Minimum Wage.
  - ▶ The Level 2 Pay Scale-Skill Rate is **20% higher** than the Level 1 Pay Scale-Skill Rate.

- ▶ The Standard and Professional Rates are each **15% higher** than the rate directly below them.



# Incremental Increase

Level 3

	Base Rate (Year 1)	Year 2	Year 3	Year 4	Year 5
Professional Rate	\$ 27.77	\$ 28.16	\$ 28.56	\$ 28.96	\$ 29.36
Standard Rate	\$ 24.15	\$ 24.49	\$ 24.83	\$ 25.18	\$ 25.53
Skill Rate	\$ 21.00	\$ 21.29	\$ 21.59	\$ 21.89	\$ 22.20

Level 2

	Base Rate (Year 1)	Year 2	Year 3	Year 4	Year 5
Professional Rate	\$ 15.44	\$ 15.66	\$ 15.88	\$ 16.10	\$ 16.32
Standard Rate	\$ 13.43	\$ 13.61	\$ 13.80	\$ 14.00	\$ 14.19
Skill Rate	\$ 11.67	\$ 11.84	\$ 12.00	\$ 12.17	\$ 12.34

Level 1

	Base Rate (Year 1)	Year 2	Year 3	Year 4	Year 5
Professional Rate	\$ 12.87	\$ 13.05	\$ 13.23	\$ 13.41	\$ 13.60
Standard Rate	\$ 11.19	\$ 11.34	\$ 11.50	\$ 11.66	\$ 11.83
Skill Rate	\$ 9.73	\$ 9.87	\$ 10.00	\$ 10.14	\$ 10.29

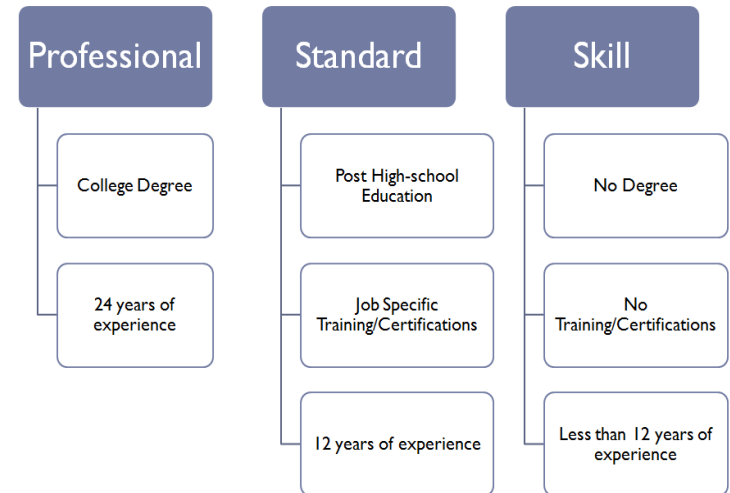
- ▶ Each year of employment comes with an incremental increase to an employee's wage rate (*example=1.4%*)
- ▶ Any new employees will be placed at the Base Rate (Year 1).
- ▶ Current employees will be paid at the rate of their respective years, unless that rate is lower than their current rate.
- ▶ Incremental increases will be applied on July 16 of every year.

▶ You could start new employees on higher years based on their years of experience, if desired.

# Example

- ▶ Job Position: After School Care Assistant
  - ▶ Level I Pay Scale
- ▶ Education/Experience:
  - ▶ No Job Specific Degree/Training
  - ▶ 5 Years Experience
  - ▶ Employee Receives “Skill Rate”
- ▶ Years at School: Aug 2015-Jun 2019
  - ▶ Starting Year 4
- ▶ Wage Rate = \$10.14

## Level 1 Pay Scale



Level 1	Base Rate (Year 1)	Year 2	Year 3	Year 4	Year 5
Professional Rate	\$ 12.87	\$ 13.05	\$ 13.23	\$ 13.41	\$ 13.60
Standard Rate	\$ 11.19	\$ 11.34	\$ 11.50	\$ 11.66	\$ 11.83
Skill Rate	\$ 9.73	\$ 9.87	\$ 10.00	<b>\$ 10.14</b>	\$ 10.29

▶ If this employee was already earning \$11.00 per hour, the wage rate would not change until the pay scale amount was greater than \$11.00.

# Questions?

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