

midpointsalaryschedule

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Midpoint Salary Schedule

The Midpoint method provides the district with the flexibility of determining different percentage increases for each pay grade and pay type. Since the employees within that group all receive the same amount of increase, it is easy for a district to determine the impact on the budget by multiplying the increase amount by the number of employees assigned to the pay grade and the number of days or hours employed by that group. If the table is set up accurately, a majority of the employees in each pay grade would be clustered around the midpoint range.

- The first step is to determine the group of employees that will be placed on each pay grade. For example:
  - For pay type 1 employees: Pay Grade 1 = Superintendent and Asst. Superintendent; Pay Grade 2 = Principals and Asst. Principals; Pay Grade 3 = Directors.
  - For pay type 2 employees: Pay Grade 1 = Special Education Aides; Pay Grade 2 = Classroom Aides; Pay Grade 3 = Library Aides.
- The second step would be to determine the highest, the lowest, and the average amount paid to the employees within the Pay Grade group.
  - Range maximum represents what the work produced in a particular job is worth to the district. What is the highest amount paid to an employee assigned to the pay grade?
  - Range minimum represents the minimum value placed on the work. Often rates below the minimum are used for trainees. What is the lowest amount paid to an employee assigned to the pay grade?
  - Range midpoints reflect the pay policy line of the district in relationship to external competition. It can represent a district determined percentage difference between the minimum and maximum and does not need to be the same difference. This rate can also represent the average amount paid employees within the pay grade.
- If employees are paid above the range maximum, these rates are called red circle rates. Most employers freeze red circle rates until the ranges are shifted upward by update adjustments so that the rate is back within the range. If red circle rates become common throughout the district, the design of the ranges and the evaluation of the jobs should be reexamined. Rates below minimum are known as green circle rates. These may occur if employees receive a number of rapid promotions to another pay grade and the rate adjustments for the pay grade have not kept up.
- Pay increases for the pay grade and pay type are generally based on the midpoint amount. The midpoint amount is multiplied by a district determined percentage, and this amount is given to all employees attached to the pay grade and pay type.
- Update adjustments to the schedule are made by multiplying the minimum, midpoint, and maximum by a district determined percentage rate. The goal of the adjustment is to prevent employee salaries from being frozen because they have reached the maximum of the schedule. **Example**: If the district is suggesting a 1-2% increase based on midpoint, it would be prudent to adjust the schedule by 3-5%.

Example:

Minimum	Midpoint	Maximum
$100.00	$125.00	$160.00 (old rates)
X 5%	X 5%	X 5%
$105.00	$131.25	$168.00 (new rates)

Percentage increase for employees: $131.25 x 2% = $2.625 times number employees in pay grade (5) and number of days worked (187) = $2,454.375 budget impact for salary increase.