

SPECIAL SESSION ACT 1 INDEX

Average of the Percentage Increase in the SAWW and ECI

SAWW CAL YEAR	%INC SAWW	ECI FY	% INC ECI	INDEX (unadjusted)	FOR USE IN
2000	4.0%	FY00-01	2.9%	3.5%	FY02-03
2001	2.7%	FY01-02	3.2%	3.0%	FY03-04
2002	2.3%	FY02-03	4.1%	3.2%	FY04-05
2003	3.3%	FY03-04	3.1%	3.2%	FY05-06
2004	4.2%	FY04-05	3.5%	3.9%	FY06-07
2005	2.8%	FY05-06	4.0%	3.4%	FY07-08
2006	4.3%	FY06-07	4.5%	4.4%	FY08-09
2007	4.6%	FY07-08	3.6%	4.1%	FY09-10
2008	2.65%	FY 08-09	3.0%	2.83%	FY 10-11

Preliminary

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According to Section 302 Definitions of Act 1, the Index is the average of the percent increase in the Statewide Average Weekly Wage and the Employment Cost Index. However, for school districts whose market value/personal income aid ratios (AR) are greater than .4000, the Index is calculated as follows: **Adjusted SD Index = Index * (.75 + Prior year AR)**

Act 1 directs PDE to annually calculate the Index by August 15th and to annually publish the Index in the PA Bulletin by September 1st. The SAWW for calendar year 2008 and the ECI for FY 2008-09 will be used to calculate the Index certified by the PA Department of Education in September 2009. The resulting Index will be used for property taxes for FY 2010-11.

- For ECI data See <http://www.bls.gov/news.release/eci.htm> (Table 4)
- For SAWW data See <http://www.paworkstats.state.pa.us/gsipub/index.asp?docid=380> (Calendar Year)

Act 1 section 333 Public Referendum Requirements for increasing certain taxes, prohibits school districts from increasing their tax rate by more than the Index unless voters have approved the increase through a referendum.

A School District must submit their tax rate to the PDE to verify that the rate of increase is less than the Index. Under certain circumstances which are specified in the legislation, the rate of a School Districts tax increase may exceed the Index.