

Preliminary Projection of the Act 1 Index for 2012-13

The final data has been released for the two indices that are used to calculate the Act 1 Index for property tax increases. The Statewide Average Weekly Wage (SAWW) for calendar year 2010 is 2.06%. The SAWW rebounded from 2009 when it sunk to an historical low of .90%. The Employment Cost Index (ECI) for Elementary and Secondary Education which uses national data was 1.3% a continuation of the ECI decline since 2006. Last year the ECI was 1.9%.

The Act 1 Base Index is the SAWW plus the ECI divided by two or **1.7%** by PASBO's calculation. **This is a preliminary and unofficial projection of the Act 1 Index.** Districts with Aid Ratios greater than .4000 will get a slightly higher adjusted index. The formula is for calculating the adjusted index is

$$\text{Adjusted SD Index} = \text{Base Index} * (.75 + \text{Prior year AR})$$

By law PDE is required to publish the Act 1 Base Index in the PA Bulletin on September 1.