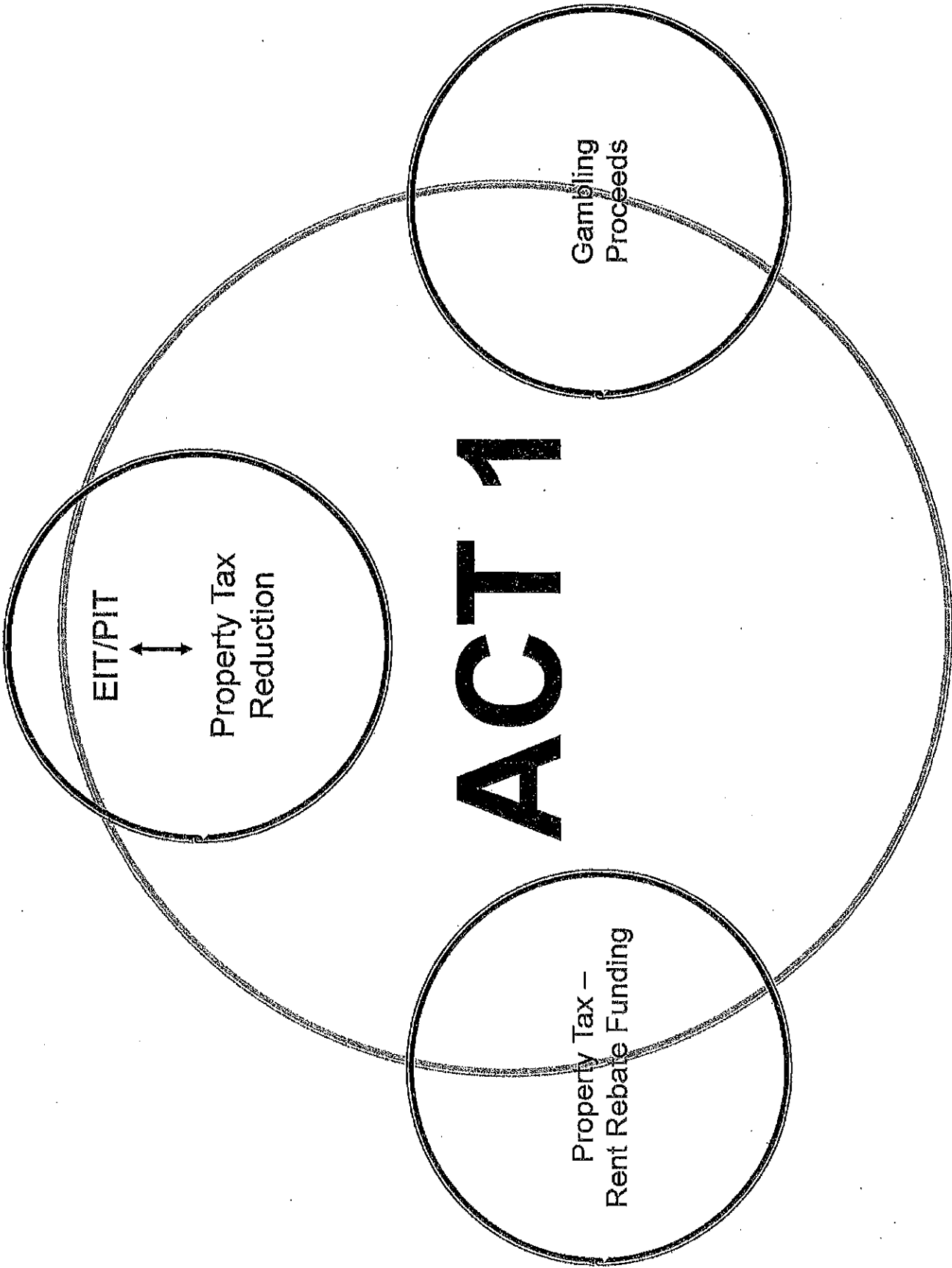


**A Review of Special Session  
ACT 1 of 2006 (SS HB 39)**

# What is Act 1 of 2006?

- Act 1 of 2006 – Taxpayer Relief Act complex, comprehensive law establishing:
  - Real estate tax relief
  - Referendum provisions
  - Property tax installment payments
  - Tax shifting opportunities
  - Economic index control features
  - New optional budget adoption features
  - Referendum exceptions
  - Utilization of gambling funds for additional property tax relief
  - Local Tax Study Commissions and
  - Repeals Act 72
  
- Signed June 27, 2006 and is effective immediately
  
- Impacts all public school districts in the Commonwealth



**The Index**  
**Special Session Act 1 of 2006**

For use in school year	2014-2015		2013-2014		2012-2013		2011-2012		2010-2011		2009-2010		2008-2009		2007-2008		2006-2007		2006-07		
	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	SAWW	ECI	
Statewide Average Weekly Wage	\$897.74	\$874.59	\$857.65	\$846.71	\$824.79	\$788.47	\$756.18	\$735.29	108.8	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6
Employment Cost Index	119.2	117.3	115.7	112.1	108.8	105.0	100.5	96.6	108.8	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6	100.5	96.6
Percent (%) Increase - SAWW	2.6%	2.0%	1.3%	2.1%	0.9%	2.7%	4.6%	4.3%	2.7%	4.6%	4.3%	2.8%	4.2%	4.3%	2.8%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Percent (%) Increase - ECI	1.6%	1.4%	1.3%	1.9%	1.9%	3.0%	3.6%	4.5%	3.0%	3.6%	4.5%	4.0%	3.5%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Base Index:	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%	211%

**Definitions:**

**Statewide Average Weekly Wage**

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(c)(2) of the act of December 5, 1936 (2nd Sp. Sess., 1937 P.L. 2897, No. 1), known as the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

**Employment Cost Index**

The most recent official figures, for the previous 12-month period beginning July 1 and ending June 30 for the Employment Cost Index Series for Elementary and Secondary Schools, reported by the Bureau of Labor Statistics of the Federal Department of Labor.

**Index**

- (1) Except as set forth in paragraph (2), the average of the percentage increase in the Statewide average weekly wage and the employment cost index.
- (2) For a school district with a market value/income aid ratio greater than 0.4000 for the school year prior to the school year for which the index is calculated, the value under paragraph (1) multiplied by the sum of:
  - (i) 0.75; and
  - (ii) the school district's market value/income aid ratio for the school year prior to the school year for which the index is calculated.

\* ECI data released in July 2006; base year changed to Dec. 2005; also, new industry classification system used

\*\* SAWW calculation changed by Act 6 of 2011 to a 36-month from 12-month

School District Adjusted Index History

2006-2007 through 2014-2014

Special Session Act 1 of 2006

Prepared by the Pennsylvania Department of Education

AUN	School District	County	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
103020603	Allegheny Valley SD	Allegheny	2.1%	1.7%	2.0%	1.7%	3.4%	4.1%	4.4%	3.4%	3.9%
103020753	Aronworth SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103021102	Baldwin-Whitehall SD	Allegheny	2.8%	2.2%	2.2%	1.8%	3.7%	5.2%	5.5%	4.3%	4.8%
103021252	Bethel Park SD	Allegheny	2.6%	2.1%	2.1%	1.7%	3.5%	5.0%	5.3%	4.1%	4.6%
103021453	Brentwood Borough SD	Allegheny	3.0%	2.5%	2.4%	2.0%	4.1%	5.8%	6.1%	4.7%	5.3%
103021603	Carlynton SD	Allegheny	2.7%	2.1%	1.7%	1.7%	3.6%	5.2%	5.4%	4.2%	4.6%
103021752	Chartiers Valley SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103021903	Chilton City SD	Allegheny	3.3%	2.7%	2.7%	2.2%	4.5%	6.4%	6.9%	5.3%	6.1%
103022103	Cornell SD	Allegheny	2.8%	2.3%	2.3%	1.8%	3.7%	5.1%	5.5%	4.1%	4.7%
103022253	Deer Lakes SD	Allegheny	2.7%	2.1%	2.1%	1.7%	3.6%	5.3%	5.8%	4.5%	5.2%
103022503	Duquesne City SD	Allegheny	3.4%	2.8%	2.8%	2.3%	4.6%	6.7%	7.1%	5.5%	6.2%
103022803	East Allegheny SD	Allegheny	3.1%	2.5%	2.5%	2.0%	4.2%	5.8%	6.2%	4.8%	5.3%
103023153	Elizabeth Forward SD	Allegheny	3.0%	2.4%	2.4%	2.0%	4.1%	5.8%	6.1%	4.7%	5.4%
103023912	Fox Chapel Area SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103024102	Gateway SD	Allegheny	2.5%	2.0%	2.0%	1.7%	3.4%	4.8%	4.4%	3.4%	3.9%
103024603	Hampton Township SD	Allegheny	2.5%	2.0%	2.0%	1.7%	2.9%	4.9%	5.1%	3.4%	4.5%
103024753	Highlands SD	Allegheny	3.0%	2.5%	2.5%	2.0%	4.2%	5.9%	6.3%	4.9%	5.5%
103025002	Keystone Oaks SD	Allegheny	2.4%	2.0%	2.0%	1.7%	3.4%	4.8%	5.2%	4.0%	3.9%
103026002	McKeesport Area SD	Allegheny	3.2%	2.6%	2.6%	2.1%	4.4%	6.2%	6.6%	5.1%	5.8%
103026303	Montour SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103026343	Moon Area SD	Allegheny	2.4%	2.0%	2.0%	1.6%	2.9%	4.1%	4.4%	3.4%	3.9%
103026402	Mount Lebanon SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103026852	North Allegheny SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103026902	North Hills SD	Allegheny	2.8%	2.3%	2.3%	1.9%	4.0%	5.6%	6.0%	4.6%	5.2%
103027352	Penn Hills SD	Allegheny	2.9%	2.4%	2.3%	2.0%	4.0%	5.8%	6.1%	4.7%	5.3%
103021003	Pine-Richland SD	Allegheny	2.5%	2.0%	2.0%	1.7%	3.4%	4.9%	5.1%	3.4%	3.9%
103027503	Plum Borough SD	Allegheny	2.9%	2.4%	2.3%	2.0%	4.0%	5.6%	6.0%	4.6%	5.3%
103027753	Quaker Valley SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103028203	Riverview SD	Allegheny	2.5%	2.1%	2.1%	1.8%	3.7%	4.8%	4.4%	4.2%	4.6%
103028302	Shaler Area SD	Allegheny	2.8%	2.3%	2.3%	1.9%	3.8%	5.4%	5.8%	4.5%	5.0%
103028653	South Allegheny SD	Allegheny	3.2%	2.6%	2.6%	2.1%	4.4%	6.2%	6.6%	5.1%	5.8%
103028703	South Fayette Township SD	Allegheny	2.7%	2.2%	2.1%	1.8%	3.5%	4.9%	5.1%	3.4%	4.5%
103028753	South Park SD	Allegheny	2.9%	2.4%	2.4%	1.9%	4.0%	5.6%	6.0%	4.6%	5.2%
103028833	Steel Valley SD	Allegheny	2.9%	2.4%	2.3%	1.9%	4.0%	5.7%	6.2%	4.7%	5.3%
103028853	Sto-Rox SD	Allegheny	3.3%	2.6%	2.6%	2.1%	4.4%	6.5%	6.5%	5.0%	5.7%
103029203	Upper Saint Clair Township SD	Allegheny	2.1%	1.7%	1.7%	1.4%	2.9%	4.1%	4.4%	3.4%	3.9%
103029403	West Allegheny SD	Allegheny	2.6%	2.1%	2.1%	1.7%	3.6%	5.0%	5.3%	4.0%	4.5%
103029553	West Jefferson Hills SD	Allegheny	2.7%	2.2%	2.2%	1.8%	3.7%	5.2%	5.5%	4.2%	4.8%
103029603	West Mifflin Area SD	Allegheny	2.9%	2.4%	2.4%	1.9%	4.0%	5.5%	5.8%	4.5%	5.0%
103029803	Wilkinsburg Borough SD	Allegheny	3.0%	2.4%	2.4%	2.0%	4.1%	5.8%	6.2%	4.9%	5.3%
103029902	Woodland Hills SD	Allegheny	2.8%	2.3%	2.2%	1.8%	3.8%	5.4%	5.8%	4.4%	4.9%

## Act 1 Index

# The Index Special Session Act 1 of 2006

This page contains information on the Act 1 index, which is used to determine the maximum tax increases for each tax the school district levies (without PDE exception or voter approval).

The *base index* is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. For example, if the base index is 2.1% and the school district's MV/PI AR is 0.6000, the school district's *adjusted index* is  $2.1\% \times (0.75 + 0.6000) = 2.8\%$ .

The following documents provide information on the base index and each school district's adjusted index for school year 2014-2015:

- [PA Bulletin Notice Regarding 2014-2015 Base Index](#)
- [2014-2015 School District Adjusted Index Listing \(Excel\)](#)

The following files contain historical index data for school years 2006-2007 through 2014-2015:

- [Base Index History \(PDF\)](#)
- [Adjusted Index History \(PDF\)](#)

For additional information, please contact:

Benjamin Hanft | Division of Subsidy Data and Administration  
Pennsylvania Department of Education - Bureau of Budget and Fiscal Management  
333 Market Street | Harrisburg, PA 17126-0333  
Phone: 717.787.54231 Fax: 717.772.4106 | TTY: 717.783.8445  
[bhanft@state.pa.us](mailto:bhanft@state.pa.us) | [www.education.state.pa.us](http://www.education.state.pa.us)

<http://www.portal.state.pa.us/portal/server.pt/community/proper>

## GLOSSARY

**ADM (Average Daily Membership)** Measure of the number of students in a district, based on average number of students in class each day over the course of the year.

**Aid Ratio (MVPI Aid Ratio)** Measure of a district's ability to raise funds locally for AIE (Actual Instructional Expenditures), based on the district's income and property tax base per pupil relative to the state average. This number varies between .1500 and 1.000, and can be understood as the target percentage of a district's AIE to be reimbursed by the state. The higher a district's aid ratio, the lower its relative ability to raise funds locally.

**AIE (Actual Instructional Expense)** Measure of expenditures on classroom instruction not otherwise reimbursed by the state or federal governments, calculated for each district by the POE. In theory, the state's basic education funding subsidy is to reimburse districts for this expense.

**BER (Back-End Referendum)** Ballot question presented by school districts in spring before the start of fiscal year asking for permission to raise a tax rate beyond the district's index for the fiscal year or to levy a new tax.

**CBA (Collective Bargaining Agreement)** Contract between a school district and its employees.

**ECI (Employment Cost Index)** Index number representing the relative cost of salaries and benefits for local public school teachers nationwide, calculated quarterly by the U.S. Department of Labor.

**EIT (Earned Income Tax)** Tax levied on wages, salaries, tips, and "net profits" of unincorporated businesses.

**FER (Front-End Referendum)** Ballot question presented by school districts in the fall before the start of fiscal year asking voters to determine the focal income and property tax mix.

**Homestead/Farmstead** Properties that qualify for homestead or farmstead exclusions. A homestead must be the primary residence of the property owner. A farmstead includes the outbuildings on a farm that is the primary residence of the farm owner. Homestead and farmstead exclusions are fixed dollar amounts subtracted from the assessed value of eligible properties.

**LTSC (Local Tax Study Commission)** Citizen group appointed by school boards to make recommendations on the local income and property tax mix (and hence on the structure of front-end referendum ballot questions).

**PIT (Personal Income Tax)** Tax levied on wages, salaries, tips, "net profits" (including Subchapter S enterprises), interest income, income from rental properties, dividend income, etc.. Most pension income is NOT taxed in Pennsylvania.

**PTRA (Property Tax Reduction Allocation)** Amount paid to a district from the Property Tax Relief Fund for the purpose of providing homestead/farmstead exclusions.

**SAWW (Statewide Average Weekly Wage)** Average weekly wage rate for Pennsylvania workers, calculated for a calendar year by the Pennsylvania Department of Labor and Industry, for use in unemployment compensation and workers' compensation claims.