

PA SPECIAL SESSION OF 2006 ACT 1 INDEX

Average of the Percentage Increase in the SAWW and ECI

SAWW INDEX (PA)		ECI INDEX (US)		ACT 1 INDEX (PA)		
Calendar Year	% Incr	2nd Qtr Ended	% Incr	Calculated Index	PDE Index	For Use In
2000	4.0%	June 30 2001	2.9%	3.5%		FY02-03*
2001	2.7%	June 30 2002	3.2%	3.0%		FY03-04*
2002	2.3%	June 30 2003	4.1%	3.2%		FY04-05*
2003	3.3%	June 30 2004	3.1%	3.2%		FY05-06*
2004	4.2%	June 30 2005	3.5%	3.9%		FY06-07*
2005	2.9%	June 30 2006	4.0%	3.5%	3.4%	FY07-08
2006	4.2%	June 30 2007	4.5%	4.3%	4.4%	FY08-09
2007	4.6%	June 30 2008	3.6%	4.1%	4.1%	FY09-10
2008	2.7%	June 30 2009	3.1%	2.9%	2.9%	FY10-11
2009	0.9%	June 30 2010	1.9%	1.4%	1.4%	FY11-12
2010	2.1%	June 30 2011	1.3%	1.7%		FY12-13

Ten year average

June 30 2001 June 30 2010

3.3%

* Act 1 became mandatory in fiscal year 07-08. Indices for prior years are for trend purposes only.

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SAWW Info:

<http://www.paworkstats.state.pa.us/gsipub/index.asp?docid=380>

The SAWW base is from the December year end of preceeding year, taken from the Pa DOL calendar year schedules. For FY1213 Act 1 calculation purposes, the calendar year data for year ended Dec 31, 2010 is used. The data for December year end is typically published early in September by Pa DOL. (eg. the SAWW index for Dec 2010 was published Sept 6 2011).

ECI Info:

<http://www.bls.gov/news.release/eci.toc.htm>

The ECI base is from the current second calendar quarter. For FY 1213, the quarter ended June 30 2011 data is used for Act 1 calculation purposes. At the BLS website, use the "not seasonally adjusted total compensation for civilian workers by occupation group Table 7 (Elem.-Sec. School). The data for June year end is published late in July.

Act 1 Info:

Act 1 directs PDE to annually calculate the Act 1 Index by August 15th and to publish the index by Sept 1. (More recently, the index has been published in the Pa. Bulletin by mid-September). The SAWW for calendar year 2005 and the June 2006 ECI (FY 2005-06) were used to calculate the first index certified by the PA Department of Education on August 26 2006. The resulting index was first used for fiscal year 2007-08.

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

A school district must submit its proposed 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.

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.

**Pennsylvania Statewide Average Weekly Wage (SAWW) Calendar
Year Calculation Unemployment Compensation and Covered
Employment**

Calendar Year	Average Weekly Wage (\$)	% Increase
1988	410.09	
1989	426.00	3.9%
1990	447.36	5.0%
1991	464.91	3.9%
1992	491.49	5.7%
1993	500.50	1.8%
1994	513.61	2.6%
1995	532.19	3.6%
1996	552.25	3.8%
1997	575.58	4.2%
1998	603.25	4.8%
1999	625.24	3.6%
2000	650.17	4.0%
2001	668.04	2.7%
2002	683.37	2.3%
2003	705.81	3.3%
2004	735.30	4.2%
2005	756.34	2.9%
2006	788.47	4.2%
2007	824.79	4.6%
2008	846.71	2.7%
2009	854.55	0.9%
2010	872.08	2.1%

Data Source: Unemployment Compensation Covered Employment and Wages, Center for Workforce Information & Analysis, PA Dept of Labor & Industry, as provided by Pa. Workers Comp. Law

US EMPLOYMENT COST INDEX (ECI)

TOTAL COMPENSATION FOR ELEMENTARY AND SECONDARY SCHOOLS

CALENDAR YEAR	ECI Index Score:		CALENDAR YEAR	Yr to Yr Change:	
	JUNE30 QTR2			Qtr Ended June 30 12 MONTH % CHANGE	
2001	84.3				
2002	87.0		2002	3.2%	
2003	90.6		2003	4.1%	
2004	93.4		2004	3.1%	
2005	96.6		2005	3.4%	
2006	100.5		2006	4.0%	
2007	105.0		2007	4.5%	
2008	108.8		2008	3.6%	
2009	112.2		2009	3.1%	
2010	114.3		2010	1.9%	
2011	115.8		2011	1.3%	

History:

Source: ECI table 7, "Current Dollars", not "Constant Dollars" history.

ECI update as of: July 29 2011

Note: The annual percent change in the ECI for the fiscal year was calculated by comparing the QTR2 data to the prior year QTR2.

ECI total compensation is composed of wages and salaries plus benefits

Data provided by U.S. Department of Labor, Bureau of Labor Statistics

**Pennsylvania Average Weekly Wage
 by Calendar Year**

Calendar Year ^{1/}	Average Weekly Wage ^{2/}	% Change
1970	\$137.79	5.55%
1971	\$145.69	5.73%
1972	\$153.71	5.50%
1973	\$163.62	6.45%
1974	\$179.40	9.64%
1975	\$192.85	7.50%
1976	\$206.44	7.05%
1977	\$220.33	6.73%
1978	\$232.17	5.37%
1979	\$251.22	8.21%
1980	\$273.70	8.95%
1981	\$296.77	8.43%
1982	\$312.79	5.40%
1983	\$326.11	4.26%
1984	\$340.89	4.53%
1985	\$354.51	4.00%
1986	\$369.59	4.25%
1987	\$389.05	5.27%
1988	\$410.09	5.41%
1989	\$426.00	3.88%
1990	\$447.36	5.01%
1991	\$464.91	3.92%
1992	\$491.49	5.72%
1993	\$500.50	1.83%
1994	\$513.61	2.62%
1995	\$532.19	3.62%
1996	\$552.25	3.77%
1997	\$575.58	4.22%
1998	\$603.25	4.81%
1999	\$625.24	3.65%
2000	\$650.17	3.99%
2001	\$668.04	2.75%
2002	\$683.37	2.29%
2003	\$705.81	3.28%
2004	\$735.30	4.18%
2005	\$756.34	2.86%
2006	\$788.47	4.25%
2007	\$824.79	4.61%
2008	\$846.71	2.66%
2009	\$854.55	0.93%
2010	\$872.08	2.05%

^{1/} Calendar Year begins January 1 and ends December 31.

^{2/} Excludes Federal Government.



Economic News Release

Table 7. COMPENSATION (NOT SEASONALLY ADJUSTED): Employment Cost Index for total compensation, for State and local government workers, by occupational group and industry

Table 7. Employment Cost Index for total compensation(1), for State and local government workers, by occupational group and industry

Occupational group and industry	Indexes (Dec. 2005 = 100)			Percent changes for-					
	Jun. 2010	Mar. 2011	Jun. 2011	3-months ended-			12-months ended-		
				Jun. 2010	Mar. 2011	Jun. 2011	Jun. 2010	Mar. 2011	Jun. 2011
State and local government workers									
All workers.....	114.7	116.6	116.7	0.2	0.3	0.1	1.7	1.8	1.7
Occupational group									
Management, professional, and related....	114.2	115.9	116.0	.2	.3	.1	1.5	1.7	1.6
Professional and related.....	114.2	115.9	115.9	.2	.3	.0	1.6	1.7	1.5
Sales and office(2).....	115.2	117.1	117.3	.2	.4	.2	2.1	1.8	1.8
Office and administrative support.....	115.6	117.5	117.7	.3	.5	.2	2.2	1.9	1.8
Service occupations.....	116.2	118.5	118.6	.3	.4	.1	2.1	2.3	2.1
Industry									
Education and health services.....	114.2	115.9	115.9	.2	.3	.0	1.6	1.7	1.5
Education services.....	113.9	115.5	115.5	.1	.2	.0	1.6	1.5	1.4
Schools(3).....	113.9	115.5	115.5	.1	.2	.0	1.6	1.5	1.4
Elementary and secondary schools...	114.3	115.8	115.8	.2	.2	.0	1.9	1.5	1.3
Health care and social assistance(2)(4)	116.3	119.0	119.2	.3	.9	.2	1.5	2.7	2.5
Hospitals.....	115.6	118.2	118.3	.4	1.0	.1	1.9	2.7	2.3
Public administration(2).....	115.4	117.5	117.6	.3	.6	.1	1.8	2.1	1.9

1 Includes wages, salaries, and employer costs for employee benefits.

2 Some estimates from June 2009 through September 2010 for this series were corrected on January 18, 2011. For further information, see: www.bls.gov/bls/eci_corrections_111910.htm.

3 Includes elementary and secondary schools; junior colleges; colleges, universities, and professional schools.

4 Includes ambulatory health care services and social assistance, not shown separately.

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Last Modified Date: July 29, 2011

Table 7. Employment Cost Index for total compensation,¹ for State and local government workers, by occupation and industry
Continuous occupational and industry series — Continued

(Not seasonally adjusted)

Occupational group and industry	Indexes (Dec. 2005 = 100)				Percent changes for—								
	Mar.	June	Sep.	Dec.	3-months ended—				12-months ended—				
					Mar.	June	Sep.	Dec.	Mar.	June	Sep.	Dec.	
Schools⁵													
1992	65.5	65.7	67.3	67.7	0.3	0.3	2.4	0.6	3.1	3.1	3.5	3.7	
1993	67.9	67.9	69.2	69.4	.3	.0	1.9	.3	3.7	3.3	2.8	2.5	
1994	69.6	69.7	71.1	71.3	.3	.1	2.0	.3	2.5	2.7	2.7	2.7	
1995	71.6	71.8	73.1	73.3	.4	.3	1.8	.3	2.9	3.0	2.8	2.8	
1996	73.4	73.6	74.9	75.3	.1	.3	1.8	.5	2.5	2.5	2.5	2.7	
1997	75.3	75.4	76.6	76.9	.0	.1	1.6	.4	2.6	2.4	2.3	2.1	
1998	77.1	77.2	78.5	79.0	.3	.1	1.7	.6	2.4	2.4	2.5	2.7	
1999	79.2	79.4	81.0	81.7	.3	.3	2.0	.9	2.7	2.8	3.2	3.4	
2000	82.0	82.2	83.7	84.1	.4	.2	1.8	.5	3.5	3.5	3.3	2.9	
2001	84.6	85.0	87.2	87.4	.6	.5	2.6	.2	3.2	3.4	4.2	3.9	
2002	87.6	87.7	90.1	90.7	.2	.1	2.7	.7	3.5	3.2	3.3	3.8	
2003	91.1	91.5	93.0	93.3	.4	.4	1.6	.3	4.0	4.3	3.2	2.9	
2004	93.7	93.9	95.5	96.2	.4	.2	1.7	.7	2.9	2.6	2.7	3.1	
2005	96.7	97.0	98.9	100.0	.5	.3	2.0	1.1	3.2	3.3	3.6	4.0	
2006	100.2	100.5	103.5	104.1	.2	.3	3.0	.6	3.7	3.7	4.7	4.1	
2007	104.6	104.9	107.4	108.0	.5	.3	2.4	.6	4.4	4.4	3.8	3.7	
2008	108.4	108.8	111.0	111.2	.4	.4	2.0	.2	3.6	3.7	3.4	3.0	
2009	111.8	112.1	113.5	113.7	.5	.3	1.2	.2	3.1	3.0	2.3	2.2	
Elementary and secondary schools⁶													
1981	—	33.5	35.6	36.2	—	—	6.3	1.7	—	—	—	—	
1982	36.5	36.6	38.6	39.0	.8	.3	5.5	1.0	—	9.3	8.4	7.7	
1983	39.2	39.3	41.3	41.4	.5	.3	5.1	.2	7.4	7.4	7.0	6.2	
1984	41.9	42.0	44.2	44.7	1.2	.2	5.2	1.1	6.9	6.9	7.0	8.0	
1985	44.9	45.0	47.1	47.5	.4	.2	4.7	.8	7.2	7.1	6.6	6.3	
1986	47.8	47.9	49.9	50.3	.6	.2	4.2	.8	6.5	6.4	5.9	5.9	
1987	50.3	50.4	52.3	52.8	.0	.2	3.8	1.0	5.2	5.2	4.8	5.0	
1988	53.1	53.3	55.3	56.3	.6	.4	3.8	1.8	5.6	5.8	5.7	6.6	
1989	56.6	56.8	59.4	59.9	.5	.4	4.6	.8	6.6	6.6	7.4	6.4	
1990	60.5	60.9	63.1	63.7	1.0	.7	3.6	1.0	6.9	7.2	6.2	6.3	
1991	64.1	64.2	65.7	66.0	.6	.2	2.3	.5	6.0	5.4	4.1	3.6	
1992	66.3	66.5	68.1	68.6	.5	.3	2.4	.7	3.4	3.6	3.7	3.9	
1993	68.6	68.6	69.9	70.2	.0	.0	1.9	.4	3.5	3.2	2.6	2.3	
1994	70.3	70.3	71.8	71.9	.1	.0	2.1	.1	2.5	2.5	2.7	2.4	
1995	72.2	72.4	73.8	73.9	.4	.3	1.9	.1	2.7	3.0	2.8	2.8	
1996	74.0	74.1	75.3	75.6	.1	.1	1.6	.4	2.5	2.3	2.0	2.3	
1997	75.6	75.7	77.0	77.2	.0	.1	1.7	.3	2.2	2.2	2.3	2.1	
1998	77.3	77.4	78.9	79.1	.1	.1	1.9	.3	2.2	2.2	2.5	2.5	
1999	79.3	79.5	81.2	81.9	.3	.3	2.1	.9	2.6	2.7	2.9	3.5	
2000	82.1	82.2	83.7	84.1	.2	.1	1.8	.5	3.5	3.4	3.1	2.7	
2001	84.4	84.7	86.8	87.0	.4	.4	2.5	.2	2.8	3.0	3.7	3.4	
2002	87.2	87.3	89.6	90.2	.2	.1	2.6	.7	3.3	3.1	3.2	3.7	
2003	90.6	90.9	92.6	93.0	.4	.3	1.9	.4	3.9	4.1	3.3	3.1	
2004	93.4	93.5	95.5	96.1	.4	.1	2.1	.6	3.1	2.9	3.1	3.3	
2005	96.5	96.8	98.9	100.0	.4	.3	2.2	1.1	3.3	3.5	3.6	4.1	
2006	100.2	100.5	103.6	104.2	.2	.3	3.1	.6	3.9	4.0	4.9	4.2	
2007	104.7	105.0	107.4	108.0	.5	.3	2.3	.6	4.5	4.5	3.7	3.6	
2008	108.3	108.8	111.1	111.4	.3	.5	2.1	.3	3.4	3.6	3.4	3.1	
2009	112.0	112.2	114.0	114.1	.5	.2	1.6	.1	3.4	3.1	2.6	2.4	

See footnotes at end of table.

Employment Cost Index Historical Listing



Continuous Occupational and Industry Series September 1975 – December 2009 (December 2005=100)

Note: Tables in this listing are numbered to be consistent with the numbering scheme used in the other ECI Historical Listings and the ECI News Release. This listing is limited to those non-seasonally adjusted tables that have industry and occupational series that are continuous between the former industry and occupational classification systems (used from September 1975 through December 2005) and the current classification systems (from March 2006 to the present). See Technical Note on page 2 for further information.

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Technical Note

Beginning with estimates for March 2006, several changes were introduced to the Employment Cost Index. These include changes to the industry and occupational classification systems, reweighting employment counts, and rebasing the index numbers. For more information, see “Change has come to the ECI” at (bls.gov/ncs/ect/sp/ecsm0001.htm).

The classification changes included switching from the Standard Industrial Classification (SIC) System to the North American Industry Classification System (NAICS) for classifying establishments by industry. For occupational classification, the switch was made from the Occupational Classification System (OCS) to the Standard Occupational Classification (SOC). For more information on these changes, see “Employment Cost Index publication plans” (bls.gov/opub/mlr/2006/04/contents.htm) in the April 2006 issue of the Monthly Labor Review.

This listing contains all ECI not seasonally adjusted industry and occupational series determined to be continuous between the old and new classification systems. These official estimates use the SIC and OCS series from the beginning of each series through December 2005. From March 2006 to the current reference month, the NAICS and SOC estimates are used. The 12-month percent changes for the 2006 reference periods were calculated using the NAICS and SOC index numbers for 2005 and 2006, thus, these percent changes may vary from calculations using the SIC and OCS index numbers for 2005 found in this listing.

Beginning in March 2006, estimates were weighted to 2002 fixed employment counts. For March 1995 through December 2005, ECI estimates were weighted on 1990 fixed employment counts. From June 1986 through December 1994, 1980 fixed employment counts were used, while prior to June 1986, they were based on 1970 employment counts. A report on the 1990 reweighting, “Introducing 1990 Weights for the Employment Cost Index,” from the June 1995 issue of Compensation and Working Conditions is available upon request.

Beginning in March 2006, the ECI base was changed to December 2005=100. Prior to this, the base was June 1989=100, which was used from March 1990 through December 2005. Before March 1990 the base was June 1981=100. December 2005=100 indexes were calculated by dividing the June 1989=100 index values for each series by the December 2005 index value for that series and then multiplying by 100. 3- and 12-month percent changes were then calculated from the rebased indexes. These percent changes may differ from those calculated from the June 1989=100 indexes because of rounding. The change to the June 1989=100 base is explained in the technical note, “Employment Cost Index Rebased to June 1989,” in the April 1990 issue of the Monthly Labor Review (bls.gov/opub/mlr/1990/04/rpt1full.pdf).

When using the ECI for escalation contracts, users should review the fact sheet “How to Use the Employment Cost Index for Escalation” (bls.gov/ncs/ect/escalation.htm).

More detailed information on the ECI is available from several sources. These include: “National Compensation Measures,” in the BLS Handbook of Methods (bls.gov/opub/hom/pdf/homch8.pdf), and several articles published in the Monthly Labor Review (bls.gov/opub/mlr/mlrhome.htm) and Compensation and Working Conditions (bls.gov/opub/cwc/home.htm). These articles, and other descriptive pieces, are also available by calling (202) 691-6199 or sending e-mail to NCSinfo@bls.gov. In addition, the April 2006 issue of the Monthly Labor Review is devoted to a series of articles detailing these changes (bls.gov/opub/mlr/2006/04/contents.htm).

Four additional historical listings have estimates for the Employment Cost Index. Two listings provide estimates for March 2001 through the current reference month—one provides current-dollar estimates and the other provides constant-dollar estimates (using the Consumer Price Index to deflate the ECI). Both use the NAICS, SOC, and 2002 weights. The other two listings provide data for 1975-2005 and are based on the old SIC, OCS, and the earlier employment weights. Again, one listing provides current-dollar estimates while the second provides constant-dollar estimates. All four historical listings are available at: bls.gov/ncs/ect/home.htm#tables.