

Regional Trends in Negotiations

Presented by:

Melissa Knapp, Esq., Partner
Thomas, Drohan, Waxman & Petigrow LLP

David Shaw Esq., Partner
Shaw Perelson, LLP

April 17, 2026

Introduction

Recent Collective Bargaining Agreements continue to be centered at or below 2%+step. However, inflation continues to have significant impact.

The cost of health insurance is significantly increasing, and employees and Districts alike are having difficulty absorbing such increases. Many settlements are seeing minimal increases in health insurance, if any, and some unions are taking the position that additional increases in contributions are simply untenable.

Many Districts are grappling with how to continue programs now that pandemic related monies are gone, and the uncertainty with future state aid – leading to serious consideration of shorter term agreements.

TRS and NYSLRS Rates

The rates charged for Teachers Retirement System eligible employees is set to decline for the 2026-27 school year:

2025-26 rate: 9.59%

2026-27 rate: 8.24%

The NYSLRS rates a/k/a ERS rates are set to increase for the 2026-27 school year:

2025-26 rate: 16.50%

2026-27 rate: 17.60%

[Note: Stock Market performance of over 7% is necessary to meet the actuarial assumptions of TRS. A multi-year sharp decline in the markets may cost spikes in these rates. Years ago, the TRS rate increased by 4.41% in one year or the equivalent then of a 3.0% salary increase.]

Health Insurance Cost Increases

The expected Health Insurance Premium Rate increases area school district are as follows:

NYSHIP 2026 9.6%

PNWHIC 2026-27 5%

SWCHIP 2025-26 9.1%

Evaluation

There has been no aggressive movement towards changing APPR evaluation systems from Education Law §3012-d to Education Law §3012-e evaluation processes.

When school districts segue to an Education Law §3012-e evaluation process in accordance with that statute, all evaluation provisions must be included within the parties' collective bargaining agreement. The vast majority of school districts have their APPR agreements free-standing and not subject to arbitration through their collective bargaining agreements.

A primary concern in moving to a §3012-e system will be whether or not the arbitration provision will be accessible to probationary classroom teachers and building principals, extending rights far beyond the Fair Dismissal law provisions of Education Law §3031.

The mandate to evaluate pursuant to §3012-e does not begin until the 2032-33 school year.

Medicare Part B

Retiree Health Insurance Costs continue to be a significant budgetary factor and remains a priority issue at the collective bargaining table

The Issues:

- ❖ Reducing the Medicare Part B reimbursement by Districts to the floor level without reimbursing at the higher tiers of the IRMAA (income-related monthly adjustment amount).
- ❖ Reimbursing only for the retiree and not a spouse
- ❖ Negotiations are limited to changes affecting prospective retirees and not those already retired

Medicare Part B

Standard or Floor	Joint Income
Premium share :	\$203/mo. \$203K
❖ First IRMAA Tier:	\$289 \$274K
❖ Second IRMAA Tier:	\$406 \$342K
❖ Third IRMAA Tier:	\$528 \$410K
❖ Fourth IRMAA Tier:	\$649 \$750K
❖ Fifth IRMAA Tier:	\$690 > \$750K +

Trends

Duration of Agreements - fewer long-term contracts

Increases to Employee HI Premium Share - few multi-year increases in excess of a fractional rate increase.

Off-Schedule Salary Payments – to those on freeze steps and in lieu of longevity pay.

Percentage Increases to Salary Schedules - few agreements with flat dollar applications to steps.

Benefit Trust Payments – often not increased.

The End

Questions?