BERWICK AREA SCHOOL DISTRICT

Community Report on Collective Bargaining

August 21, 2026

The Berwick Area School Board values the teachers and other professional employees who serve our students every day. The Board's goal in collective bargaining is to reach a successor agreement that fairly compensates those employees, helps the District recruit and retain excellent educators, protects the District's long-term financial stability, and preserves the educational programs and services our students deserve.

The Board also has an obligation to the entire Berwick Area community. Employee wages and benefits are paid with public funds, and any new agreement must be sustainable for the families and taxpayers who support our schools.

The Board believes it can achieve those objectives and remains committed to reaching a fair and sustainable agreement.

Where Negotiations Stand

The Board and the Berwick Area Education Association have held 16 bargaining sessions since negotiations began. The parties met on December 4, 2025; January 8, 15, and 22; February 5, 19, and 26; March 17; April 8 and 22; May 6, 12, and 27; June 1; July 16; and August 13. Additional bargaining dates are being scheduled.

Those meetings have produced progress. The parties have reached agreement on numerous provisions for a successor collective bargaining agreement. Important economic issues remain unresolved, however, including salaries, longevity compensation, and retirement benefits.

The Association presented the Board with a Final Offer on June 8, 2026.

The Board then presented the Association with a Best & Final offer on June 16, 2026 and two additional salary options on August 13, 2026, as the Board continued to negotiate in good faith. Each providing a different compensation option as described below.

Three Compensation Alternatives

All three Board offers maintain the District's current health-care structure. The alternatives principally differ in how compensation is allocated among salaries, longevity payments, and the contractual retirement incentive.

Board Offer 1 maintains the current health-care program and retirement incentive and increases the longevity payment to $2,000.

Board Offer 2 maintains the current health-care program, eliminates the longevity payment, and phases out the contractual retirement incentive over five years. It places additional

compensation into the salary schedules. The following scale outlines the reductions to the retirement incentive based on which year the Association would select to phase out the benefit.

Sunset at the end of year 1 - no reduction

Sunset at the end of year 2 - 36.5% reduction

Sunset at the end of year 3 - 57.7% reduction

Sunset at the end of year 4 - 68.2% reduction

Sunset at the end of year 5 - 74.6% reduction

Board Offer 3 maintains the current health-care program and eliminates both the longevity payment and contractual retirement incentive. It places still more compensation directly into the salary schedules.

The alternatives give the Association different choices about how available compensation dollars are allocated—between increases in annual salary and continuation of longevity and retirement-related benefits.

What the Proposed Salary Schedules Mean for Teachers

Understanding the Board's salary proposals requires more than simply comparing a particular salary cell from one year to the next. Berwick's salary schedule provides annual step movement. Except for teachers who have already reached the top step, a teacher ordinarily advances one step each year. An individual teacher's salary increase therefore generally reflects both movement to the next step and the increased value of the salary schedule. Teachers may also move to a higher education column as they earn qualifying graduate credits or degrees.

An example illustrates how this works. Under Board Offer 1, a teacher at Step 1 with a bachelor's degree during 2025–26 earns $52,637. For 2026–27, that teacher would ordinarily advance to Step 2, where the proposed bachelor's salary is $56,037. The teacher's salary would therefore increase by $3,400 in one year, or 6.4%.

If that teacher then advances to Step 3 for 2027–28 and earn a master's degree, the proposed salary would be $61,037. In that example, the teacher's salary would increase from $52,637 to $61,037—an increase of $5,000, or an 8.9% increase. This teacher would have an approximate 16% increase in just two years.

The existing agreement also provides salary advancement when employees earn approved graduate credits beyond the bachelor's degree.

Teachers at other points on the schedule likewise generally receive the combined benefit of annual step movement and increases incorporated into the proposed salary schedules. Teachers who have reached the top step do not receive additional step movement, but receive negotiated

increases applicable to that step and, depending upon the compensation alternative, may also receive longevity and retirement-related benefits.

More Than Salary: A Substantial Employee Benefit Package

Salary is only one part of the compensation Berwick provides its professional employees. The collective bargaining agreement includes a substantial package of health insurance, dental and vision coverage, life insurance, paid sick and personal leave, other paid leaves, educational benefits, additional compensation opportunities, retirement benefits, and workplace benefits.

The cost of those benefits is part of the total compensation provided to employees and ultimately must be supported by public resources.

Health Insurance

The District provides employees with a choice of medical plans through the Central Susquehanna Region School Employees' Health and Welfare Trust. Employees may choose the plan that best fits their needs and those of their dependents.

The District makes a substantial contribution toward that coverage. Under the current agreement, the base contribution for some family plans exceeds $2,300 per month. More significantly, the contract requires the District to pay its established contribution plus 80% of increases in medical-plan costs each year.

That protection is especially valuable in the current health-care environment. Mercer reports that employer health-benefit costs are projected to increase 6.7% in 2026, the highest increase in 15 years, while KFF recently reported that insurers in the small-group market are seeking a median 14% premium increase for 2027. Those national figures are not projections of Berwick's particular future rates, but they demonstrate the significant upward pressure facing employers that provide health coverage.

Many employers are responding to rising costs by shifting more of those expenses to employees. Mercer reports that nearly half of large employers expect plan changes in 2027 that will result in higher employee out-of-pocket costs.

The Board's three offers do not take that approach. They preserve the existing health-care structure under which the District bears the great majority of increases in plan costs.

Those increased District costs must ultimately be financed through the District's budget, including the tax revenues paid by the community.

Dental, Vision, Life Insurance, and Flexible Spending

The District also provides:

- family dental insurance;
- family vision insurance;

- $40,000 in group term life insurance, including accidental death and dismemberment coverage; and

- an IRS Section 125 flexible spending program permitting employees to pay qualifying medical and dependent-care expenses with pre-tax dollars.

Employees who have other health insurance available and waive District medical coverage may receive annual payments ranging from $2,500 to $7,500, depending upon participation levels. Employees may receive additional payments for waiving dental or vision coverage.

Sick Leave

Professional employees receive 10 paid sick days for each year they work. Unused days accumulate for future use. The agreement also gives accumulated leave additional economic value. When an employee's accumulated sick leave exceeds 150 days, days above that threshold are paid out annually at the contractual sick-day payout rate. The 150-day provision therefore functions as a payout threshold, rather than eliminating the value of additional sick days.

Unused personal days above the amount permitted to remain as personal leave also convert to sick leave. The agreement maintains a sick leave bank through which employees may contribute credited sick days for use by other employees under the bank's rules.

At retirement, eligible employees receive $100 for each unused sick or personal day, deposited into a 403(b) or 457 tax-sheltered account.

Personal, Bereavement, and Other Leave

Employees receive four personal days each school year. Unused personal days above the contractual carryover amount convert to sick leave. The agreement also provides substantial paid bereavement leave:

- up to 10 paid days following the death of a spouse/significant other or child;

- up to five paid days following the death of an immediate relative; and

- paid funeral leave following the death of other specified relatives.

- The Board may extend paid bereavement leave when circumstances warrant.

Other contractual leave provisions include military leave; childbearing and child-rearing leave; applicable paid sick leave associated with pregnancy and childbirth; paid leave for qualifying quarantine; paid jury and subpoenaed-witness leave; family-illness leave; certain maternity-related family leave; a paid day to receive a college degree; a paid day when an immediate family member or significant other undergoes surgery; and additional leave that may be granted by the District.

Paid Sabbatical Leave

Eligible professional employees may take sabbatical leave for restoration of health or study.

During a qualifying sabbatical, the employee receives one-half of regular salary and continues to receive District-provided fringe benefits. The agreement also protects the employee's return to the same or a comparable position following the leave.

Graduate Education and Salary Advancement

The District supports employees who pursue additional professional education.

Eligible employees may receive 100% reimbursement for qualifying graduate coursework completed with a grade of B/3.0 or better, subject to contractual eligibility requirements and credit limits.

Employees may receive a second economic benefit from that education because approved additional graduate credits can move an employee to a higher education column on the salary schedule and thereby increase annual salary.

National Board Certification

The District separately supports employees pursuing National Board Certification. Benefits include:

- reimbursement for up to six additional graduate credits;
- reimbursement of application, processing, testing, and renewal expenses up to $4,500 when those expenses are not otherwise covered; and
- placement on the doctoral salary column for employees who obtain and maintain National Board Certification.

Additional Compensation and Professional Expenses

Employees may earn compensation beyond their regular salaries through department-head and team-leader stipends, qualifying special-education assignments, mentor-teacher compensation, additional instructional and non-instructional work, class coverage during preparation periods, and work exceeding specified contractual limits.

The District also pays qualifying professional expenses, including registration, reasonable meals, lodging, and mileage for approved conferences and workshops, as well as mileage for required travel between District buildings.

Work Year, Workday, and Preparation Time

The agreement provides a 185-day work year and a 7½-hour workday, including a 30-minute duty-free lunch. Professional employees also receive a daily planning period at least as

long as a scheduled class period, with contractual protections governing the use of that preparation time.

PSERS: A Significant Retirement Benefit

The value of employment with Berwick also includes retirement benefits provided through the Pennsylvania Public School Employees' Retirement System (PSERS).

PSERS is one of the largest public pension systems in the United States and has provided retirement benefits to Pennsylvania public school employees for more than a century. For employees participating in its defined-benefit classes, retirement benefits are determined by a statutory formula based upon factors including years of credited service and final average salary, rather than simply the amount accumulated in an individual investment account. PSERS describes those benefits as providing members a safe, secure, guaranteed retirement payment.

Pennsylvania's statewide defined-benefit retirement programs have also historically been recognized as among the more favorable statewide public retirement plans in the nation.

While this fantastic benefit is justified, the benefit carries a substantial employer cost. For the fiscal year beginning July 1, 2026, PSERS has certified an employer contribution rate of 33.59% of payroll. The rate was 34.00% in 2025–26. Pennsylvania's retirement system requires this contribution, and the PSERS Board certifies the annual rate based on actuarial calculations. To put that number in perspective, the gross PSERS employer contribution associated with:

- a $60,000 salary is approximately $20,154;
- a $75,000 salary is approximately $25,193; and
- a $90,000 salary is approximately $30,231.

These amounts are in addition to the employee's salary and other benefits and are subject to the Commonwealth's statutory reimbursement provisions. The 33.59% rate consists of several components. PSERS reports that 32.52% of payroll is devoted to pension costs, including 27.31% for payment toward the system's unfunded liability. Another 0.56% is allocated to premium assistance, and an estimated 0.51% represents the employer contribution associated with the Act 5 defined-contribution component.

Employees themselves also contribute to PSERS. Depending upon membership class, PSERS reports employee contribution rates ranging from 5.25% to 10.30% of pay.

The point for the community is straightforward: a teacher's salary is not the full cost of that employee's compensation. For every dollar of PSERS-covered payroll, the District presently must make a gross PSERS employer contribution equal to approximately another 33.6 cents, before applicable state reimbursement.

Additional Contractual Retirement Benefits

PSERS is separate from the additional retirement benefits contained in the collective bargaining agreement. Eligible employees also may receive:

- $100 for each accumulated unused sick or personal day, deposited into a tax-sheltered account; and
- a separate District-funded early-retirement incentive based upon the value of the District's single medical premium contribution, subject to the contractual eligibility and payment provisions.

Depending upon the employee's age at retirement, those contractual District contributions may extend over several years.

The Entire Compensation Package Matters

Public discussion of collective bargaining often focuses primarily on the salary schedule. Salary is important, but it does not capture the full compensation provided to Berwick's professional employees.

In addition to salary, professional employees receive 10 paid sick days each year, four personal days, extensive additional leave benefits, substantial health-insurance contributions, family dental and vision insurance, life insurance, graduate tuition reimbursement, salary advancement for additional education, National Board Certification benefits, paid sabbaticals, additional compensation opportunities, professional expense reimbursement, PSERS retirement benefits, and additional contractual retirement benefits.

The costs are substantial. Health-care costs are rising rapidly, yet the Board proposes to continue a health-care structure under which the District bears the great majority of those increases. The District also faces a PSERS employer contribution rate of 33.59% of covered payroll in 2026–27.

A fair assessment of the Board's proposals therefore must consider total compensation—not salary alone.

Berwick's Financial Reality

The Board must consider this entire compensation package in light of the financial resources available in the Berwick Area community. Pennsylvania uses a measure known as the Market Value/Personal Income Aid Ratio to measure a school district's relative local wealth and ability to fund public education from its own resources. Berwick's current aid ratio is 0.6308.

The number matters less than what it means. A higher aid ratio reflects lower local wealth and a more limited ability to generate the revenues necessary to support schools from the local tax base. According to PDE's calculation, this means that Berwick Area School District ranks third from the bottom of the 16 districts within the Central Susquahanna Intermediate Unit when

assessing local wealth. Berwick therefore must provide competitive wages and benefits while recognizing that the community has limited financial resources from which to support those costs.

The Board must consider not merely the immediate cost of a proposal but the recurring cost over the life of an agreement and beyond. Salary increases become part of future salary bases. Step movement increases individual salaries. Health-care costs continue to rise. PSERS requires substantial employer contributions tied directly to payroll. Other contractual benefits also create continuing financial obligations.

Ultimately, the District must pay those obligations through its budget. Increased costs compete for the same public resources used for classroom instruction, special education, transportation, student services, staffing, facilities, and the District's other educational responsibilities. Responsible bargaining therefore requires consideration of both fair compensation for employees and the ability of the community to sustain that compensation over time.

Progress on Other Contract Terms

Although significant economic issues remain, negotiations have produced substantial progress. The parties have reached tentative agreement on numerous provisions of a successor collective bargaining agreement affecting employee working conditions and benefits. That progress shows the bargaining process has worked on many issues and that the parties can resolve their differences through negotiation. The Board believes the remaining differences can likewise be resolved at the bargaining table.

Work-to-Rule and Student Services

The Association has notified the District of work-to-rule initiatives. Some unions contend that work-to-rule activity is a lawful form of concerted action. The District disagrees and believes that coordinated refusals to perform customary duties may constitute an unlawful strike and may subject participating employees to discipline. But the legal characterization is not the most important point for the community. Whatever label is applied, actions that reduce services or disrupt normal school operations ultimately affect students and families. The District therefore is planning accordingly and will take the steps necessary to maintain appropriate student supervision, transportation, and the orderly operation of its schools.

The Board respects the Association's right to advocate for its members. At the same time, the Board believes the parties' remaining differences are best resolved through continued collective bargaining and remains prepared to meet for that purpose.

The Board's Commitment

The Board believes its proposals provide a strong overall compensation package while recognizing the financial realities of the Berwick Area community. The three proposals provide meaningful alternatives. Each preserves the current health-care structure while offering a different balance among salary increases, longevity compensation, and the contractual retirement incentive. Each builds upon a comprehensive package that already includes substantial insurance coverage, paid leave, educational benefits, PSERS retirement benefits, additional contractual retirement benefits, and opportunities for additional compensation.

Sixteen bargaining sessions demonstrate the considerable time both sides have devoted to this process. Important differences remain, but the Board believes they can and should be resolved through continued negotiations. The Board will continue to bargain in good faith, protect the District's long-term financial stability, and keep the community informed.

The goal remains a fair and sustainable agreement—one that recognizes and rewards Berwick's educators, protects educational opportunities for students, and respects the ability of Berwick families and taxpayers to pay for it.