



School Law FYI

July 1, 2026 CPI Set at 2.63%, Plus Act 10 Litigation Updates

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The Wisconsin Department of Revenue (DOR) has advised the Wisconsin Employment Relations Commission (WERC) that the CPI-U increase applicable to one-year collective bargaining agreements with a term beginning on July 1, 2026, is 2.63%. Some of you may still be negotiating your 2025 – 2026 agreement (where the CPI-U was 2.70%) or might be planning for 2025 – 2026 negotiations. Therefore, we thought a couple of reminders might be useful.

This CPI rate is **only** applicable to bargaining units for which the bargaining representative was recertified during this past November election conducted by the WERC. Unless designated by board policy, it does not apply to any other group or individual and does not apply to setting new hire wages.

This CPI rate is a cap. Unless approved by referendum, a school board is prohibited from making any change in total base wage that exceeds this percentage change in CPI. Offers and settlements can still be negotiated or implemented at a level below CPI. An employer may issue non-base wage pay increases that result in total compensation increases in excess of the CPI-U figure, but any decision to do so must be made unilaterally by the district and cannot be bargained for by either side.

Total base wage is the only mandatory subject of bargaining. Districts are required to negotiate both the amount of total base wage increase offered and its distribution. All other subjects of bargaining are prohibited. Districts may “meet and confer” with bargaining representatives about other subjects, but it is not required, and it should not evolve into “bargaining.” There is a difference between bargaining and meet and confer, and that difference should be respected.

Total base wage increase means the maximum increase to the sum of all base wages in the applicable bargaining unit; it does not refer to the base wage for individuals.

Distribution of the total base wage increase in a proposal does not have to occur on an equal dollar or equal percentage across-the-board basis. Individuals or groups of employees can, if not discriminatory, be provided different levels of base wage increases. It is common for districts to offer an equal dollar distribution (even if that means an individual within the bargaining unit may receive an individual percent increase above CPI).

Some districts may be considering declaring impasse and unilaterally implementing the board's final offer if an agreement cannot be reached after good faith bargaining. If any districts have questions about bargaining or implementation, please reach out to a member of the [School Law Practice Group](#).

Act 10 Update

We have been getting a number of inquiries regarding the status of the Act 10 litigation. There has not really been any new activity in the Act 10 litigation. For our latest update, see [Preparing for Potential ICE at School & Updates on Act 10](#).

The last brief was filed on July 8, 2025. In total, more than ten briefs have been filed with the Wisconsin Court of Appeals. On October 28, 2025, the Wisconsin Court of Appeals sent the decision to a three-judge panel of the Court of Appeals for the Second District to make its decision. This means that all briefs have been filed and the Court of Appeals, at least at this point, has not requested or scheduled any oral argument. The Court of Appeals could decide the case without oral arguments.

It is not known exactly when the Court of Appeals will issue its decision, but it will likely be a number of months. Once issued, the losing party can ask the Supreme Court to hear an appeal. The Supreme Court is not required to hear any appeal, but most observers believe it is likely the Supreme Court will hear the case at some point. It is unlikely that a final decision in this matter will be rendered anytime in 2026.

Until all appeals are exhausted, school districts should continue to operate as usual with respect to bargaining. Act 10 continues to cover any open negotiations with certified unions.

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