

SB 1040 Update

SB 1040 has now passed the House and the Senate. The Senate did not approve the House-passed version before leaving for a month-long recess, leaving the issue hanging. The Senate is [expected to](#) act on that bill when the legislature returns on July 18.

Although the House-passed version increases what school employees pay and reduces benefits for both current and future retirees, it is substantially better than what the Senate had originally passed in a number of ways:

- Employee contributions were even higher under the Senate-passed version.
- The cost-sharing for retirees' health care is even more burdensome in the Senate-passed version.
- The Senate version removes longevity and employer-paid tax-sheltered annuities from the final average compensation
- While the House-passed version addresses two of the causes of increasing employer contribution costs—outsourcing school employees' jobs and failure to prefund retiree healthcare—the Senate just shifts those increased costs to employees.
- The House-passed version reduces school district and community college costs, whereas the Senate version actually INCREASES THEM!