

# Why Do We Continue to Beat Up on Teachers?

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**MarketWatch Blog** by Alicia H. Munnell



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*Kentucky's highhanded shenanigans hurt the effort to reform public pension plans.*

Teachers are the most valuable members of society. They educate our children and help them grow up. Children probably spend more time with their teachers than with their parents. Teachers should be paid properly and treated with great respect.

Instead, we seem to be doing everything to undermine their financial security and to humiliate them. The recent shenanigans surrounding pension legislation for Kentucky's Teachers Retirement System is a startling case in point. My colleague **Caroline Crawford** attempted to summarize the play-by-play for me, but – in the end – wrote the following herself.

On Feb. 20, 2018, Kentucky State Senator Joe Bowen introduced Senate Bill 1 (SB 1), which proposed cuts to current state employees and retirees and moved new teachers into a cash balance plan. The benefit cuts detailed in SB 1 outraged many, resulting in weeks of legal review and public comment.

While the language was revised, the bill has not passed the Senate, and to date is still pending in the Senate committee on State and Local Government.

Just a few days earlier, on Feb. 15, Senator Bowen also introduced Senate Bill 151 (SB 151), titled “an act relating to the local provision of wastewater services” or, in other words, sewage. After passing the Senate and multiple readings in the House over the course of several weeks, on March 29 the House recessed at 2 p.m. for an impromptu meeting by the committee to discuss SB 151. In this meeting, the committee removed the sewage content of SB 151, replaced it with pension reform language, and changed the title to “an act relating to retirement.” That very day, the substituted SB 151 passed the House and the Senate. On April 10, Governor Bevin signed SB 151 into law.

Notably, the new content of SB 151 bears a striking resemblance to the amended provisions of the SB 1 pension reform. While some of the originally proposed cuts for current employees are removed, the bill limits current employees from applying sick days toward retirement eligibility, and for new teachers, raises the full retirement age to 65 and shifts employees into a cash balance plan. Not surprisingly, teachers across the state were outraged at this news. The following day, as many as 26 counties closed schools due to large-scale teacher absences, as an estimated 8,000 people gathered outside the capitol in Frankfort to protest.

On April 11, Kentucky’s Attorney General Andy Beshear filed a lawsuit against Bevin, legislative leaders, and the board of trustees in an effort to overturn the law. In the suit, Beshear alleges that the passage of SB 151 violates the Kentucky state constitution, which requires three readings over three different days for the passage of any bill, and that the provisions break the inviolable contract between employees and the state. Attorneys for

Governor Bevin unsuccessfully filed a motion to dismiss the suit given Beshear's involvement in the formulation of the SB 1 substitute provisions. The next hearing is set for June, and the Judge hopes to issue a ruling before mid-July, when some of SB 151's provisions would take effect.

Wherever one stands on pension reform, surreptitiously shifting pension legislation into a sewage bill is not the way to do it. Pension reform requires compromise, and highhanded manipulation of the legislative process makes future compromise all that more difficult.