

2025

End of Session Legislative Report

Special thanks to each RPEC member for your work this legislative session. From attending the virtual Legislative Week in early February to responding to our many "calls to action" regarding public hearings on our priority bills to attending the weekly Legislative Update Calls, your individual and our collective efforts are responsible for our progress on the legislative priorities.

State's Budget Deficit

From the moment the Legislature convened in January, the state's anticipated \$15 billion budget deficit impacted the progress on not only RPEC's key bills but also others that affect seniors and working families. The underlying budget assumptions used by each chamber to craft preliminary budgets were challenged by Governor Bob Ferguson, forcing the fiscal leaders from both legislative chambers to "go back to the drawing board" to make additional cuts and to identify other revenue sources.

The final operating budget, ESSB 5167, sponsored by Senator June Robinson (D-38), passed on partisan votes in both the House and Senate. The final \$77.98 billion budget document reflected over \$9 billion in new revenue and about \$6 billion in program reductions over the next 4 years. The largest amount of new revenue, \$5.6 billion, is raised through an increase in the State's business and operating tax. The Legislature also raised revenue from placing a higher rate on capital gains and estate tax. Despite Governor Ferguson's position on the wealth tax, on the last day of session the Senate brought forward ESB 5795, sponsored by Senator Noel Frame (D-26), up for a ceremonial vote. ESB 5795, which proposed taxing intangible assets to benefit public schools, passed off the Senate floor with a 26-21 vote. The House did not take any action on the bill. The final budget did not include the furloughs for state employees recommended by Governor Ferguson. It did include funding for the collective bargaining agreements.

RPEC's Advocacy

RPEC actively monitored more than 30 bills during the legislative session. Here is a summary of RPEC's advocacy efforts:

- Testified on the preliminary budgets proposed by each legislative chamber. As background, RPEC lobbied outgoing Governor Jay Inslee to ensure that a cost-of-living adjustment (COLA) for PERS/TRS 1 retirees and a \$183 Medicare Explicit Subsidy was included in his preliminary budget. The subsidy reduces the cost of the premiums for the most expensive healthcare plans offered by the Public Employees Benefits Board. Both priorities were included in his preliminary budget, which shaped the initial budget bills proposed by each chamber.
- Lobbied Governor Bob Ferguson regarding the Explicit Medicare Subsidy and the recurring COLA for PERS/TRS 1. He included the Explicit Medicare Subsidy as a budget priority.
- Mobilized members to sign in on 10 bills pertaining to healthcare access and affordability, senior care, pensions, cost-of-living adjustments, and Medicare.
- An average of 100 RPEC members participated in each "call to action."

- Wrote and coordinated testimony on 10 bills, in addition to testimony on the budget bills provided by RPEC's President and Executive Director.
- Orchestrated targeted mobilizations to the fiscal policy leaders regarding the final compromise budget.
- Submitted letters of support and opposition on six bills.
- Signed onto three partner letters urging the Legislature to minimize cuts to programs benefitting seniors and working families.

RPEC's Legislative Victories

Thanks to our collective work, these priority bills were signed into law:

- **E2SSB 5083:** Uses Medicare rates to cap the cost of hospitalization, primary care and behavioral health. The bill is especially beneficial to RPEC members who are not yet on Medicare.
- **SHB 1142:** Expands training for spouses, partners, family members, and professionals who provide in-home care for seniors. This training ensures that those providing in-home care for our aging RPEC members are well prepared for this task.
- **SJM 8004:** Urges Congress to make progress toward creating a national universal healthcare system. This has been a long-time priority for RPEC. The joint memorial will be sent to Congress for consideration.
- **HB 1936:** Enables public sector retirees to work up to 1,040 hours without compromising their pension benefits through 2030. The bill aims to address workforce shortages and can benefit RPEC members who wish to work part-time without compromising pension benefits.
- **SB 5493:** Requires greater hospital pricing transparency, so that patients are better prepared to cover costs not addressed by healthcare plans.

Other Key Bills

RPEC also led advocacy efforts on the following bills. In the 2026 legislative session, legislators may revisit these bills and consider action:

Healthcare

- **SB 5086:** Merged the Public Employees Benefits Board and the School Employees Benefits Board into a new governing body. RPEC's position was Other. The bill did allow for appropriate retiree representation on the merged governing board. However, the bill did not demonstrate how the merger would lead the state to implement universal healthcare.

Medicare

- **SJM 8002:** Urged congress to preserve Medicare funding and expand benefits. RPEC supported the joint memorial, testified, sent letters to Speaker and Senate Pro Temp, etc.
- **HB 1754, HB 1603 and HB 1639:** Extends guaranteed issuance during Medicare open enrollment for those who wish to purchase Medigap plans. RPEC supported these bills as it provides healthcare options for those who wish to withdraw from Medicare Advantage plans.

Property tax exemptions

- **HB 1004/HJR 4200:** Extended the property tax exemptions for seniors from \$15,000 to \$50,000. RPEC supported these bills.
- **HB 1165:** Expanded property tax exemptions for seniors with lower incomes from pensions/Social Security. RPEC supported this bill.
- **HB 1040:** This bill would have allowed seniors to receive additional tax exemptions for subletting a room to a person providing in-home care. RPEC supported this bill.

COLA for PERS/TRS 1

- **SB 5113/HB 1292:** Provided a one-time COLA and recurring COLA. RPEC helped to shape these bills through our work with the Select Committee on Pension Policy (SCPP). RPEC supported these bills with extensive mobilizations and lobbying.
- **SSB 5085:** Funded a one-time and recurring COLA without increasing costs to employers like the State of Washington. RPEC supported this bill with extensive mobilizations and lobbying.
- **HB 1474:** Provided a one-time COLA. RPEC supported this bill.

End of Life Benefits

- **SB 5114/HB 1312:** Enabled retirees in the last month of life to retain all medical and pension benefits, to reduce the fiscal burden on the retiree's survivors. RPEC supported these bills.

No one-time or recurring COLA for PERS/TRS 1

Despite RPEC's advocacy efforts, the Legislature chose not to provide a one-time cost-of-living adjustment for PERS/TRS 1 retirees, even though outgoing Governor Jay Inslee cited a one-time COLA in his preliminary budget (through RPEC's advocacy work) and three bills were introduced in the legislative session that funded a one-time COLA and recurring COLA. (Two of the three bills RPEC helped to initiate through our strategic work, dating back to 2023. Through our lobbying and advocacy efforts, the SCPP sponsored two companion bills that funded both a one-time and recurring COLA.)

Unfortunately, the Legislature also chose to approve ESSB 5357. This bill changes the amortization rate from 10 to 15 years for the pension benefit improvements (ad hoc COLAs) and actuarial rates of return, thereby saving the state money. All the savings from the implementation of this bill will be rolled into the State's operating budget to help reduce the projected \$15 billion deficit. The bills that RPEC supported, SB 5113/HB 1292, used the same formula to pay for the recurring COLA for PERS/TRS 1 retirees.

Next steps regarding PERS/TRS 1 COLA

The Legislature has directed the Select Committee on Pension Policy (SCPP) to "study the tax, legal, actuarial, pension policy, and administrative implications of merging the legacy pension systems as contemplated in Substitute Senate Bill No. 5085 (closed retirement plans) and terminating Plan 1 of the law enforcement officers' and firefighters' retirement system as contemplated in Substitute House Bill No. 2034 (LEOFF 1 restatement)." Not only will the SCPP consider the bills it sponsored in the last legislative session, but it also will consider these two additional bills.