

2026 End of Session Report

Although it was a short session – only 60 days compared to 2025's 100-day session, its impact was felt. The good news is that we ended the session in a much better position than when we started it, thanks to all the work by YOU, the RPEC membership. Your self-advocacy efforts were noted not only by legislators, but by our partner organizations. Your outstanding number of sign-ins to bill hearings in various committees made others stand up, take notice, and follow suit. Your voices were heard!

RPEC's Advocacy Efforts

RPEC actively monitored 80 bills during the legislative session. RPEC's advocacy efforts by members, RPEC leadership and Council Office include:

- Testified on the preliminary budgets proposed by each legislative chamber on the dire need for a cost-of-living adjustment (COLA) for PERS/TRS 1 retirees.
- Mobilized members to sign in on or provide written testimony on 6 bills pertaining to property tax reform, affordable healthcare, voting rights, pensions, healthcare premium subsidies, and Medicare.
- An average of 300 RPEC members participated in each "call to action," while more than doubling that average on just the Plan 1 COLA issue.
- Wrote and submitted written testimony on several bills, in addition to testimony on the budget bills provided by RPEC's President and Executive Director.
- Submitted letters of support and opposition on several bills.
- Signed onto three partner letters urging the Legislature to provide a one-time COLA for Plan 1 retirees, provide for an ongoing COLA for Plan 1, and to protect and maintain the Medicare Explicit Subsidy at \$183.
- RPEC's 2026 Legislative Week, in partnership with WEA-Retired, resulted in 76 meetings with legislators and legislative staff by almost 200 registered attendees.

The State's Budget

Following last year's projected \$15 billion budget deficit, lawmakers began the 2026 Legislative Session facing an almost \$7 billion budget deficit. Washington is the only state that requires our state budget to be balanced 4 years out. This requirement (placed into statute in 2012) can only be suspended if certain criteria are met: a) state economic growth is under 1% and b) transfer is made from the Budget Stabilization Account into the general fund. Washington met these criteria: a) the November economic forecast showed 0% growth, and b) Gov. Ferguson transferred \$1 billion out of the Budget Stabilization Account. This suspended the 4-year requirement, lowering the budget deficit from \$7 billion to \$2.3 billion. The Governor proposed a 2-year supplemental balanced budget that included the transfer of \$1 billion from the Budget Stabilization Account into the general fund, \$797 million savings in program reductions, \$391 million savings in revenue shifts and closing tax loopholes, and \$123 million in other funding. With all this said, legislative fiscal committee leaders still maintained that no bills with a fiscal note would be entertained outside of mandatory spending. This left us concerned about the ability to move any of RPEC's legislative priorities forward in this session.

RPEC's Legislative Victories

Thanks to the hard work of our members, our committees and Council, these priority bills were signed into law:

- **SSB 5862:** Provides a one-time 3% COLA with a \$110/mo. cap. This bill will be effective July 1, 2026.
- **ESHB 2242:** Preventative health services - ensures that Washingtonians continue to have access to preventive health services—such as vaccines, cancer screenings, and well-child visits—with no out-of-pocket costs.
- **SJM 8002:** Filed with the Secretary of State. This bill is a resolution to the U.S. President, Congress, and Sec. of Health & Human Services urging Congress to preserve Medicare funding and level the playing field by expanding benefits like those found in Medicare Advantage plans - such as dental, vision, and hearing.
- **E3SHB 1710, E2SHB 1750 & ESHB 1916:** Voting rights/protections. HB 1710 strengthens the Washington Voting Rights Act by requiring "preclearance" for changes to local election systems. HB 1750 strengthens the Washington Voting Rights Act (WVRA). HB 1916 tightens the rules for challenging voter registrations in Washington state to prevent frivolous or mass challenges.
- **The Medicare Explicit Subsidy** was maintained at \$183/month for those who obtain their healthcare insurance through the Public Employees Benefits Board (PEBB).

Bills No Longer in Play

RPEC also monitored and/or led advocacy efforts on the following bills:

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. This bill did NOT pass session.

Property tax exemptions

- **HB 1004/HJR 4200:** Extended the property tax exemptions for seniors from \$15,000 to \$50,000. RPEC supported these bills. These bills did NOT pass session.
- **HB 1165:** Expanded property tax exemptions for seniors with lower incomes from pensions/Social Security. RPEC supported this bill. This bill did NOT pass session.
- **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. This bill did NOT pass session.

Medicare

- **HB 1603, HB 1754:** 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. These bills did NOT pass session.

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. These bills did NOT pass session.
- **SSB 5085:** Created a 'legacy plan' by merging LEOFF 1, PERS 1, and TRS 1. Funded a one-time and recurring COLA without increasing costs to employers like the State of Washington. RPEC supported this bill. This bill did NOT pass session.
- **HB 1474:** Identical to SSB 5862, this bill provided a one-time 3% COLA with a \$110/mo. cap. This bill was endorsed by the Select Committee on Pension Policy (SCPP) for reintroduction this session. RPEC supported this bill. This bill did NOT pass session.

End of Life Benefits/Dept. of Retirement Systems

- **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. These bills did NOT pass session.

Note: Any bills from the 2025-2026 legislative biennium that did not make it through full passage are no longer in play and cannot be reintroduced. Any potential similar legislation would need to be introduced NEW in 2027-2029 for consideration.

The Medicare Explicit Subsidy

The Medicare Explicit Subsidy was maintained at \$183/month for those who obtain their healthcare insurance through the Public Employees Benefits Board (PEBB). The subsidy reduces the cost of the premiums for the most expensive healthcare plans offered by PEBB.

The Senate budget proposal, late in the session, took aim at reducing this subsidy to only \$150 per month, while the House budget proposal maintained it at its current level of \$183 per month. Immediately upon hearing rumors of the Senate's planned reduction of the subsidy, RPEC mobilized its members to provide and submit written testimony to the fiscal committee hearings being held that very same afternoon. Thank you to all who participated with almost 300 written testimonies submitted!

The Senate rapidly passed its budget (SB 5998) out of the chamber, sending its version to the House. The House responded with a striking amendment, replacing the Senate version with their own (HB 2289), voting to pass it, and returning it to the Senate.

The Senate refused the changes made by the House, prompting a conference committee consisting of three fiscal or ranking leaders from each chamber – Senators Robinson, Stanford, and Gildon, and Representatives Ormsby, Gregerson, and Couture. The conference committee spent only about a day and a half sequestered and came to a resolution, concurring with yet another striking amendment. The final version of ESSB 5998 that was approved by the Senate and the House maintained the Medicare Explicit Subsidy at \$183 per month for 2026 and 2027.

Next Steps Towards an Ongoing PERS/TRS 1 COLA

The Legislature in 2025 had referred two bills back to the Select Committee on Pension Policy (SCPP) for additional study during the 2025-2026 interim – SB 5085, which essentially merged

the assets, liabilities, and membership of the LEOFF Plan 1, TRS Plan 1 and PERS Plan 1 retirement systems into the new Legacy Retirement System; and HB 2034, which was the termination and restatement of the LEOFF 1 plan, with its estimated \$3.5 billion surplus placed into the Pension Funding Stabilization Account, and at direction of the Legislature, transferable by the Treasurer to the general fund for the state's use. HB 2034 was sent back to the Legislature by the SCPP with 'no recommendation.'

HB 2034 was amended in its House Appropriations hearing to include \$569 million extracted from the overage of funds in the LEOFF 1 pension fund prior to those funds being placed into the Pension Funding Stabilization Account, to be accessed later by the Legislature. The House floor action was quite lively with numerous proposed amendments offered and much heated debate. Part of the heated debate centered on maintaining pension funds within the pension system, and that the excess funds should be used to support the ongoing COLA for Plan 1 PERS and TRS. That proposal never received an approving vote. Eventually, it passed the House with one small additional amendment included. This debate did, however, not only evoke the disappointment of RPEC leadership that was monitoring it, but also Washington Federation of State Employees (WFSE) leadership. Over the course of the weekend, we drafted a joint letter to Senate Ways & Means (where the bill was headed next) requesting an amendment to fund an ongoing COLA for PERS/TRS Plan 1 members.

No such amendment was made by Ways & Means, which wasn't a surprise. The desired COLA for Plan 1 recipients would be complex, as it would ideally mirror the COLAs found in Plans 2 & 3. However, Senator Robinson made an amendment to send the overage of funds NOT to the Pension Funding Stabilization Account, but to a new account called the Pension Surplus Holding Account. See, when the funds go to the Pension Funding Stabilization Account, they can only be used for employer contributions to the pension funds, and never towards any new benefit enhancements. But the new Pension Surplus Holding Account has NO restrictions as to the use of the funds. Granted, the Legislature would love to get their hands on the surplus of funds to use in the general fund towards budget deficits, but this path that Sen. Robinson created grants us a funding mechanism for a permanent Plan 1 COLA as we move toward the 2027-2029 biennium.

With that said, we have some serious work ahead of us during the interim working with the SCPP to get legislation lined up to take advantage of this pathway afforded us.