

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining
---	---

## Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	375,000	0	0	427,000	0	0	310,000
Office of Financial Management	0	0	1,588,000	0	0	846,000	0	0	846,000
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>1,963,000</b>	<b>0</b>	<b>0</b>	<b>1,273,000</b>	<b>0</b>	<b>0</b>	<b>1,156,000</b>

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.7	0	0	375,000	1.0	0	0	427,000	.7	0	0	310,000
Office of Financial Management	1.2	0	0	1,936,000	2.0	0	0	1,928,000	2.0	0	0	1,829,000
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Retirement Systems	.0	0	0	0	.0	0	0	0	.0	0	0	0
Public Employment Relations Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	.0	94,000	94,000	94,000	.0	107,000	107,000	107,000	.0	77,000	77,000	77,000
Actuarial Fiscal Note - State Actuary	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>1.9</b>	<b>94,000</b>	<b>94,000</b>	<b>2,405,000</b>	<b>3.0</b>	<b>107,000</b>	<b>107,000</b>	<b>2,462,000</b>	<b>2.7</b>	<b>77,000</b>	<b>77,000</b>	<b>2,216,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Retirement Systems	.0	0	0	.0	0	0	.0	0	0
Public Employment Relations Commission	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3073	<b>Date Published:</b> Final 3/25/2026
------------------------------------	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 100-Office of Attorney General
---	---	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Legal Services Revolving Account-State 405-1	149,000	226,000	375,000	427,000	310,000
<b>Total \$</b>	149,000	226,000	375,000	427,000	310,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	1.0	0.7	1.0	0.7
<b>Account</b>					
Legal Services Revolving Account-State 405-1	149,000	226,000	375,000	427,000	310,000
<b>Total \$</b>	149,000	226,000	375,000	427,000	310,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 03/06/2026
Agency Approval: Leah Snow	Phone: 360-968-4620	Date: 03/06/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/09/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1: Amending RCW 41.80.020. Provides that employers are not required to bargain for health care benefits or other employee insurance benefits, except as required in subsection (3) and RCW 41.80.040(2); provides that employers are not required to bargain for any retirement system or retirement benefit, except as required in RCW 41.80.040(2); defines “health care benefits” as not including contributions for supplemental retirement benefits under RCW 41.80.040.

Section 2: Amending RCW 41.80.040. Provides that the prohibition from employers bargaining over management rights, which include retirement plans and retirement benefits, does not prevent an employer from bargaining over contributions for supplemental retirement benefits administered by an employee organization that represents Department of Corrections (DOC) employees, including medical plans; provides that contributions for supplemental retirement benefits for DOC employees are a mandatory subject of bargaining, but are excluded from interest arbitration as an impasse procedure under RCW 41.80.200.

This bill is assumed effective 90 days after the end of the 2026 legislative session.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Office of Financial Management (OFM) and Department of Corrections (DOC).

The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

OFM and DOC will be billed for non-King County rates:

FY 2026: \$149,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1), which includes Special Assistant Attorney General (SAAG) contract costs of \$100,000

FY 2027 and FY 2028: \$226,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs of \$75,000

FY 2029 and FY 2030: \$201,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs of \$50,000

FY 2031 and in each FY thereafter: \$109,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs \$50,000

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Attorney General’s Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2026 legislative session.

Location of staffing is assumed to be in a non-King County office building.

Total workload impact for this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Labor and Personnel Division's (LPD) Legal Services for the Office of Financial Management (OFM) and Department of Corrections (DOC)

The AGO will bill OFM and DOC for legal services based on the enactment of this bill, including for the use of Special Assistant Attorney's General (SAAG) services for expertise related to Employee Retirement Income Security Act (ERISA) compliance and IRS issues, when required.

There is a potential that third party litigation could challenge the plan, and the State would be required to litigate. AGO is unable to determine the litigation costs associated with this bill at this time; however, there is a fairly significant likelihood that there will be litigation brought against the state, either by a third party, or by the union. This carries with it the risk of attorney's fees being awarded to the union.

LPD total workload hours:

FY 2026: 300 AAG hours

FY 2027 through FY 2030: 900 AAG hours

FY 2031 and in each FY thereafter: 360 AAG hours

LPD total non-King County workload impact:

FY 2026: \$149,000 for 0.2 AAG and 0.1 PL1, which includes SAAG contract costs of \$100,000

FY 2027 and FY 2028: \$226,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs of \$75,000

FY 2029 and FY 2030: \$201,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs of \$50,000

FY 2031 and in each FY thereafter: \$109,000 for 0.5 AAG and 0.3 PL1, which includes SAAG contract costs \$50,000

2. The AGO Social & Health Services Division (SHO) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Health Care Authority. This bill does not create legal obligations for HCA where they will need legal assistance from SHO. Although there may be some secondary fiscal and administrative issues for HCA, it does not appear to be HCA legal issues. New legal services are nominal, and costs are not included in this request.

3. The AGO Washington State University (AGO-WSU) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

4. The AGO University of Washington (UOW) has reviewed this bill, and it is limited in scope to DOC employees, and UOW determined it will not significantly increase or decrease the division's workload in representing the University of Washington (UW). New legal services are nominal, and costs are not included in this request.

5. The AGO Education Division (EDU) has reviewed this bill and determined it will not increase or decrease the division's workload. in representing the State Board for Community and Technical Colleges (SBCTC), Western Washington University (WWU), Central Washington University (CWU), Eastern Washington University (EWU) and The Evergreen State College (TESC) because the amended bill limits the scope of supplemental retirement bargaining authority to the DOC. Therefore, no costs are included in this request.

6. The AGO Revenue Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Office of Financial Management (OFM) and the Department of Retirement Services (DRS). The impact on OFM is being reported by LPD. This bill impacts OFM's role as state's human resources, a function LPD assists OFM with. This bill will have a minor impact on DRS' need for legal services. DRS will need REV's advice on how to work out questions like whether any negotiated supplemental plans constitutes compensation for purposes of pension calculations, whether participation causes membership exclusions, and any possible appeals that arise

from those decisions. REV anticipates that this will take around 30 hours of legal services total. New legal services are nominal, and costs are not included in this request.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
405-1	Legal Services Revolving Account	State	149,000	226,000	375,000	427,000	310,000
<b>Total \$</b>			149,000	226,000	375,000	427,000	310,000

#### III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	1.0	0.7	1.0	0.7
A-Salaries and Wages	35,000	106,000	141,000	212,000	148,000
B-Employee Benefits	9,000	28,000	37,000	56,000	39,000
C-Professional Service Contracts	100,000	75,000	175,000	125,000	100,000
E-Goods and Other Services	5,000	16,000	21,000	32,000	22,000
G-Travel		1,000	1,000	2,000	1,000
<b>Total \$</b>	149,000	226,000	375,000	427,000	310,000

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General	136,896	0.2	0.5	0.4	0.5	0.4
Management Analyst 5	98,040	0.1	0.2	0.2	0.2	0.2
Paralegal 1	73,284	0.1	0.3	0.2	0.3	0.2
<b>Total FTEs</b>		0.4	1.0	0.7	1.0	0.7

#### III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Labor & Personnel Division (LPD)	149,000	226,000	375,000	427,000	310,000
<b>Total \$</b>	149,000	226,000	375,000	427,000	310,000

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

### Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 105-Office of Financial Management
---	---	--

## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
OFM Labor Relations Service Account-Non-Appropriated 436-6	80,000	1,423,000	1,503,000	846,000	846,000
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6		85,000	85,000		
<b>Total \$</b>	80,000	1,508,000	1,588,000	846,000	846,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	2.0	1.2	2.0	2.0
<b>Account</b>					
OFM Labor Relations Service Account-Non-Appropriated 436-6	80,000	1,771,000	1,851,000	1,928,000	1,829,000
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	0	85,000	85,000	0	0
<b>Total \$</b>	80,000	1,856,000	1,936,000	1,928,000	1,829,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 03/23/2026
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 03/23/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/25/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This amended version of the bill limits the application of the bill to Department of Corrections employees and mandates that supplemental retirement benefits are a mandatory subject of bargaining. The change altered OFM's fiscal impact assumptions from the previous version.

This bill amends RCW 41.80.040, permitting bargaining over supplemental benefits for Department of Corrections employees. Supplemental benefits include retirement plans, retirement benefits, and medical plans.

Currently, bargaining over retirement plans, retirement benefits, and health care benefits are prohibited subjects of bargaining. This bill amends the statute by clarifying only those retirement benefits for Department of Corrections employees are excluded from bargaining.

During successor collective bargaining proceedings, OFM State Human Resource staff will bargain over supplemental benefits.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Expenses incurred in the OFM Labor Relations Service account are funded by quarterly billings to state agencies. Any assumed increase in the account would be matched by an increase in the rate charged by OFM, up to what is allowed per RCW 41.80.140.

OFM distributes statewide costs incurred in fund 472 Statewide Information Tech System M&O Revolving account through the central service model. Assumed state-wide costs incurred in the account would be matched by an increase in the OFM Enterprise Application Fee.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

NOTE - This fiscal note supersedes OFM's FN 25-020-1 as it includes updated assumptions based on a better understanding of the possible impacts of this bill after additional analysis after the 2025 Session. This bill would give any union the right to bargain for an employer-funded union-managed health care plan. These results in Taft Hartley trusts, which will require additional resources to:

- Understand how to bargain about those trusts,
- Know the implications for tax consequences,
- Understand the impacts on our PEB healthcare system,
- Know the DRS rules and regulations

This workload is new to OFM and will be challenging for OFM negotiators and will require creating specialists within our team to work specifically on these issues.

HB 1069 AMS WM S5775.1 :

The bill's impacts are complex and will require intricate, cross-agency analyses to determine their full effects on the state, including implementation and ongoing costs. An extensive study will be needed to determine the implementation,

feasibility, and ongoing impacts on the state, given current laws/rules/regulations/policies/etc. The comprehensive study should examine the legal conflicts with state and federal laws (AGO, OFM, HCA, DRS), determine impacts to HCA and DRS regulations/rules/policies as well as costs associated with making the proposed changes, determine what portions of both retirement and health care will be subject to bargaining and to what extent (OFM, AGO), fully assess impacts to agencies and IT systems (OFM, HCA, DRS, etc.), assess impacts to agencies, determine additional staff and resources required, substantial research and analysis (eligibility criteria, dispute resolution, etc.), and other factors that cannot be identify at this time without further study. As part of the study, an extensive survey should be conducted, in collaboration with a vendor, to identify as many of the complex issues surrounding the actual implementation, administrative oversight, and state human resource costs. The survey should examine similar types of supplemental benefit plans (both medical and retirement) in other states, challenges they face with their existing state policies and laws, human resources and associated costs, impacts to IT systems (payroll, accounting, budget, etc.), and other factors that are not identified at this time without further study.

The cost for a one-time study of this magnitude is estimated at least \$500,000, but likely closer to \$1 million, given the scope and complexity.

OFM will incur additional expenses from the Attorney General's Office (AGO) regarding ERISA implications. If the State makes employer contributions to a health plan or pension plan that is sponsored by a union, there is a possibility that the plan would be subject to the federal Employee Retirement Income Security Act (ERISA) and that the State, as a contributing employer, may have ERISA obligations that it currently does not have. For example, under 29 U.S.C. § 1059, “every employer shall . . . maintain records with respect to each of his employees sufficient to determine the benefits due or which may become due to such employees.” The AGO will bill OFM and DOC for legal services based on the enactment of this bill, including for the use of Special Assistant Attorney’s General (SAAG) services for expertise related to Employee Retirement Income Security Act (ERISA) compliance and IRS issues. Based on AGO's allocation methodology, 75 percent of these legal service costs are attributable to OFM and 25 percent to DOC. The amounts below represent OFM's 75% share of AGO legal service costs.

FY2027: \$348,000  
FY2028: \$522,000  
FY2029: \$560,000  
FY2030: \$597,000  
FY2031: \$386,000

The current compensation policy analysts within SHR cannot absorb the workload required to support these new types of bargaining.

- This bill will result in new bargaining in ambiguous and unknown areas with new variables. Bargaining involves a lot of work for Compensation Policy Analysts, including costing multiple scenarios. To arrive at solid financial projections, the analysis will have to be completed in conjunction with additional costs arrived at by HCA and DRS. Additional analysis of their figures will be needed. The Compensation Policy Analysts will need to create a new financial model(s) for costing, as this data does not live within the Compensation Impact Model (CIM).

- This bill includes bargaining over “medical plans”, without any explanation of what that means or the scope. The existing RCW does not mention "medical plans" at all, so the additional Compensation Policy Analysts will need to determine what those financial projections/models should look like to yield fair and reliable data points to enable the State to bargain.

- Salary surveys will have to take into consideration retirement and medical plans available in addition to those otherwise provided by state law. The supplemental retirement benefits and medical benefits in this bill would (likely) fall outside the primary pension system’s funding discipline. As negotiated subjects of bargaining, these benefits would not be subject to the same actuarial review, funding requirements, or legislative scrutiny as the state’s retirement plans, which

means OFM will need to perform some kind of review (similar to actuarial review/analysis and figure out the funding piece) for every proposal. This workload is shared with Labor Relations Negotiators.

- IT systems will be impacted. Compensation Policy Analysts provide business and technical expertise and guidance to HR systems for implementing the compensation terms of collective bargaining agreements or rules. The analyst would have to work with IT to identify HRMS/Payroll system changes needed to determine those additional costs, including the creation of new cost codes, to implement this bill.

The current Labor Relations Negotiators cannot absorb the workload required for these new types of bargaining. Additional resources are needed for bargaining, costing, survey costs, and contract changes, which will require training in areas that require a level of expertise not needed in the past.

- OFM would need to create/find a subject matter expert capable of bargaining these very complex areas of law. Substantial research time is required to create and review proposals for these two new subjects, which did not previously exist, and a substantial increase in bargaining time and preparation for bargaining is expected, including additional legal workload with AAG in creating and reviewing proposals.

- This bill could give labor organizations access to employee health information data and may violate federal HIPAA laws. Labor Relations Negotiators will need to conduct a study into how this may function to reduce risks to the state.

- Negotiators bargaining over supplemental benefits may potentially expand on the number of bargaining proposals and require bargaining to impasse on a mandatory subject of bargaining, which would require the decision to be presented to an arbitrator for interest arbitration tables and to a mediator for non-interest arbitration tables.

- While the bill is limited to DOC personnel at this time, it still falls under RCW 41.80, which covers many other unions. If DOC personnel were covered under a different statute, like the WSP and Marine employees, it is not anticipated to be much of an issue. But being under RCW 41.80 means other unions will want these provisions in their contracts as a benefit to the employees they represent.

To complete this work, additional staff would be required:

1 FTE – Labor Negotiator (ongoing, beginning 5/1/2026) - A negotiator with expertise on supplemental retirement and health care plans will be needed to assist with negotiations and hearings related to this new mandatory subject of bargaining. OFM does not currently have a negotiator with retirement expertise because it is not a mandatory subject of bargaining. This bill requires additional bargaining workload, including interest arbitration hearings and/or mediation proceedings.

1 FTE – Compensation Policy Analyst (ongoing, beginning 5/1/2026) - New survey information will be needed for bargaining related to supplemental retirement and health care plans, and to cost proposals on this new mandatory subject of bargaining. OFM does not currently have a Compensation Policy Analyst with experience in costing retirement plans because it is not a mandatory subject of bargaining.

Cost assumptions per FTE:

- o Goods and services: supplies, communications services, lease space, training, software licensing at \$5,000 per FTE annually.

- o Travel: travel associated with the positions at \$3,000 per FTE annually.

- o Capital Outlays: a workstation, furniture, and a computer at \$5,000 per FTE (one-time).

- o Shared Service Costs: administrative support, IT support, budget and accounting services, facilities support, and human resource assistance at \$30,000 per FTE annually.

Allowing collective bargaining for certain supplemental benefits will require modifications to HRMS and statewide human resource applications to add new medical/retirement plans, which involves several steps. These include configuring the plan in the benefits module, setting eligibility rules (hire date, location, etc.), defining premium rates, and linking it to payroll deduction codes for accurate payroll processing. The steps generally require accessing the benefits insurance plans area, creating the new plan record, and ensuring the start date aligns with coverage eligibility.

**Modifications to Application Data Structures:**

- o HRMS - Update the data schema to include new fields for the health plan details. Ensure compatibility with MyPortal and other statewide human resource applications by conducting integration tests. This step involves detailed technical adjustments to the database and should be performed by experienced personnel to ensure data integrity.
- o Washington Workforce Analytics - Update data structures to incorporate the new health plan information. This may involve creating new data fields, modifying existing ones, and ensuring that reports and analytics tools reflect the updated plan details accurately.
- o Business Process and End User Documentation - Update all relevant documentation to reflect the changes in the benefits system. This includes updating user manuals, training materials, and process guides. Ensure that all updates are clear and comprehensive to facilitate smooth transitions for end users.

Modifying the state enterprise human resource applications to add a new medical or retirement plan includes updating the data structure, workflows, and documentation. This work is estimated to cost \$8,497.00 per new medical or retirement plan. The estimate below assumes the creation of 10 new plans, given the unknown number of new plans needed, which will be determined by the results of bargaining, and are assumed to be one-time in FY27. The implementation cost for 10 new medical or retirement plans is estimated at \$84,955. OFM cannot absorb the implementation/development work. Therefore, OFM will use DES tier-two master contracts to procure contracted services for requirements gathering, application development/testing, and documentation.

- 60 Hours Business Analyst – Journey (\$181.17 per hour x 60 hrs = \$10,871)
- 60 Hours Project Manager – Senior (\$186.66 per hour x 60 hrs = \$11,200)
- 20 Hours HRMS ABAP Developer (\$187.76 per hour x 20 hrs = \$3,756)
- 250 Hours HRMS IT App Dev Senior (\$187.76 per hour x 250 hrs = \$46,940)
- 60 Hours IT Quality Assurance - Senior (\$203.13 per hour x 60 hrs = \$12,188)

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
436-6	OFM Labor Relations Service Account	Non-Appropriated	80,000	1,771,000	1,851,000	1,928,000	1,829,000
472-6	Statewide Information Tech System Maintenance & Operations Revolving Account	Non-Appropriated	0	85,000	85,000	0	0
<b>Total \$</b>			<b>80,000</b>	<b>1,856,000</b>	<b>1,936,000</b>	<b>1,928,000</b>	<b>1,829,000</b>

**III. B - Expenditures by Object Or Purpose**

	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
FTE Staff Years	0.3	2.0	1.2	2.0	2.0
A-Salaries and Wages	45,000	275,000	320,000	550,000	550,000
B-Employee Benefits	12,000	72,000	84,000	144,000	144,000
C-Professional Service Contracts		1,085,000	1,085,000		
E-Goods and Other Services	2,000	358,000	360,000	1,102,000	1,003,000
G-Travel	1,000	6,000	7,000	12,000	12,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	10,000	60,000	70,000	120,000	120,000
9-					
<b>Total \$</b>	<b>80,000</b>	<b>1,856,000</b>	<b>1,936,000</b>	<b>1,928,000</b>	<b>1,829,000</b>

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
Compensation Policy Analyst	134,000	0.2	1.0	0.6	1.0	1.0
Labor Negotiator	135,000	0.2	1.0	0.6	1.0	1.0
<b>Total FTEs</b>		<b>0.3</b>	<b>2.0</b>	<b>1.2</b>	<b>2.0</b>	<b>2.0</b>

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 107-Washington State Health Care Authority
---	---	--

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 03/06/2026
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 03/06/2026
OFM Review: Scott Hancock	Phone: (360) 890-2518	Date: 03/06/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

See attached narrative.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

See attached narrative.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

See attached narrative.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

### III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

See attached narrative.

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

## HCA Fiscal Note

Bill Number: **1069 HB AMS WM S5775.1** HCA Request #: 26-136

Title: **Supplemental retirement bargaining**

### Part I: Estimates

No Fiscal Impact

#### Estimated Cash Receipts:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

#### Estimated Operating Expenditures:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

#### Estimated Capital Budget Impact:

**NONE**

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

#### Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

# HCA Fiscal Note

Bill Number: **1069 HB AMS WM S5775.1** HCA Request #: 26-136 Title: **Supplemental retirement bargaining**

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This version of the bill strikes everything after the enacting clause of the previous version, and inserts the following impacts:

**Section 1** amends RCW 41.80.020 (State Collective Bargaining, Scope of Bargaining) to explicitly exclude supplemental retirement benefits, as detailed in section 2, from the list of items an employer is not required to bargain over and stipulates “health care benefits” do not include contributions for these supplemental retirement benefits.

**Section 2** amends RCW 41.80.040 (State Collective Bargaining, Management rights – Not subject to bargaining) to allow for collective bargaining over contributions for supplemental retirement benefits for department of corrections (DOC) employees; to include contributions for supplemental retirement benefits, medical plans, administered by or on behalf of an employee organization, and makes contributions for those supplemental plans a mandatory subject of bargaining, but excludes these benefits from interest arbitration.

### II. B - Cash Receipts Impact

Non-zero but indeterminate; see narrative below.

### II. C – Expenditures

#### Public Employee Benefits Board (PEBB) and School Employee Benefits Board (SEBB) Program Impacts

Indeterminate fiscal impact.

While this bill places no direct requirements on Health Care Authority (HCA) statutes, the following considerations could result in a fiscal impact based on HCA’s interpretation of the legislation as written:

1. HCA is the single state agent for purchasing health care benefits and risk pool stability
  - Under RCW 41.05.022 (State agent for purchasing health services – Single community-rated risk pool), since 1993 HCA has been designated as the single state agent for purchasing health care services offered to state employees and retirees. This bill provides authority for department of corrections (DOC) employees to bargain supplemental medical plans and/or health benefits not administered by the HCA, which appears to be in direct conflict with HCA’s authority as established under RCW 41.05.022. The creation of additional health care benefits outside of the scope of PEBB purchasing could result in risk pool instability for the state programs. As members move out of PEBB benefits and into other non-purchased state health plans, variations in the underlying populations, and a lack of predictable population dynamics, could result in variable cost impacts for employees and the state.
2. PEBB program eligibility considerations (WAC 182-12-205)
  - Under PEBB program rules, an employee is eligible to defer enrollment in PEBB medical coverage if they continuously enrolled in certain qualifying types of medical coverage while in “deferral status”. HCA assumes, under current rule, any supplemental medical plans to be bargained by employee organizations would not qualify under HCA’s current rules as qualifying medical coverage for deferral

## HCA Fiscal Note

Bill Number: **1069 HB AMS WM S5775.1** HCA Request #: 26-136 Title: **Supplemental retirement bargaining**

status. That is, should a DOC employee separate from state service and choose to enroll in a supplemental retirement health plan bargained by a DOC employee organization, they would not be eligible to return to PEBB coverage at any point, including when they reach Medicare eligibility. This includes forever forgoing access to any Medicare explicit subsidy offered by the state when they reach Medicare eligibility

- The eligibility for surviving spouses/dependents is directly related to the former employee's/retiree's eligibility. Thus, if the former employee/retiree loses their ability to return to PEBB coverage then their survivors would lose their ability for future PEBB coverage (and any Medicare explicit subsidy offered by the state), too.
- This could also impact the stability of the PEBB Medicare risk pool if individuals leave PEBB benefits for ancillary bargained supplemental retirement plans and are unable to later re-enter the PEBB risk pool. Most notably, the PEBB UMP Classic Medicare plan offering is a self-insured plan and is rated based on the costs of the enrolled retirees. As the overall covered population decreases retiree premiums could be impacted leading to the potential for premium volatility for those retirees who remain enrolled in PEBB benefits.

### 3. HCA staff support of Collective Bargaining

- Section 2 of this legislation expands the scope of bargaining to allow employee organizations to bargain supplemental retirement benefits, including medical plans, administered by or on behalf of employee organizations that represent DOC employees. As defined under RCW 41.80.005 (Collective bargaining – definitions) "Employee organization" means any organization, union, or association in which employees participate and exists for the purpose, in whole or in part, of collective bargaining with employers. HCA currently provides significant support at the singular health care bargaining table to the Office of Financial Management (OFM) during each state employee collective bargaining cycle. Section 1(3) stipulates contributions for supplemental retirement benefits are not considered "health care benefits" bargainable at the singular health care bargaining table; this may result in HCA support at additional bargaining table(s). Any additional support provided by HCA within the scope of this legislation is assumed to be provided within existing resources.

### 4. Employee Retirement Income Security Act (ERISA) and Internal Revenue Service (IRS) considerations

- ERISA and IRS Federal rules apply to specific types of employers and health plans offered to employees. Under this bill's authority, should additional supplemental health benefits be bargained by employee organizations, HCA assumes an employee organization that represents DOC employees will be required to ensure compliance under ERISA to avoid federal fines. Furthermore, if employer contributions are made to health plans sponsored by a union, it is unknown whether those would be considered pre- or post-tax contributions; currently, HCA ensures compliance with both ERISA and IRS Federal regulations. Internal subject matter experts ensure compliance for the singular purchased and centralized employee benefits administered by the PEBB and SEBB programs. HCA would not be able

## HCA Fiscal Note

Bill Number: **1069 HB AMS WM S5775.1** HCA Request #: 26-136 Title: **Supplemental retirement bargaining**

to provide compliance assistance to DOC or OFM for ancillary bargained supplemental benefits should support be required.

### **Apple Health impacts**

No impacts to Medicaid lines of business.

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditure**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### **III. B - Expenditures by Object Or Purpose**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### **III. C - Operating FTE Detail:**

NONE

### **III. D - Expenditures By Program (optional)**

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout:**

NONE

### **IV. D - Capital FTE Detail:**

NONE

## **Part V: New Rule Making Required**

NONE

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 124-Department of Retirement Systems
---	---	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Mike Ricchio	Phone: 360-664-7227	Date: 03/06/2026
Agency Approval: Marcus Ehrlander	Phone: 360-664-7303	Date: 03/06/2026
OFM Review: Scott Hancock	Phone: (360) 890-2518	Date: 03/06/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

#### SUMMARY OF CHANGES IN AMENDED BILL 1069 HB AMS WM S5775.1

The amended bill includes the changes addressed with regard to 1069 HB AMS LC S5253.1. Additionally, this amended version:

- excludes contributions for supplemental retirement benefits from provisions requiring bargaining over the dollar amount expended on behalf of each employee for health care benefits, and
- excludes bargaining over supplemental retirement benefits from interest arbitration.

These changes do not create an impact for DRS.

#### SUMMARY OF CHANGES IN AMENDED BILL 1069 HB AMS LC S5523.1

The amended bill limits the application of the bill to Department of Correction employees. Additionally, within that limited scope it makes contributions for supplemental benefits administered by, or on behalf of, an employee organization a mandatory subject of bargaining.

Language in the original house bill that expressly excludes benefits DRS administers is removed from the amended version. However, because the bill addresses only benefits administered by, or on behalf of, an employee organization, any bargaining under the bill would not be in relation to benefits administered by DRS. Accordingly, the amended bill does not create an administrative impact for DRS.

#### SUMMARY OF ORIGINAL HOUSE BILL

- Sec. 1(1)(e) clarifies that public employers shall not bargain over retirement plans and retirement benefits administered by the Department of Retirement Systems (DRS).
- Sec. 1(2) provides public employers with the ability to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an employee organization, including medical plans.

The language added by Sec. 1(2) will not have a fiscal impact on DRS because the language in Sec. 1(1)(e) excludes the benefits DRS administers.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 275-Public Employment Relations Commission
---	---	--

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Dario de la Rosa	Phone: 360-570-7328	Date: 03/03/2026
Agency Approval: Dario de la Rosa	Phone: 360-570-7328	Date: 03/03/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/04/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Civil Service employees working for state agencies and institutions of higher education enjoy collective bargaining rights under chapter 41.80 RCW. If the civil service employees at an agency or higher education institution form a union for purposes of collective bargaining, the employer is obligated to meet at reasonable times with the employees' exclusive bargaining representative and bargain in good faith to reach agreement with respect to the matters deemed mandatory subjects of bargaining, such as wages, hours, and terms and conditions of employment. The Public Employment Relations Commission (PERC) assists the parties in resolving disputes concerning mandatory subjects of bargaining through mediation or adjudication.

Under a traditionally labor law analysis, retirement benefits are considered wages and are therefore mandatory subject of bargaining. For example, employees working for cities, counties, and other municipal corporations in Washington State are not prohibited from bargaining over retirement plans and benefits. When the legislature passed chapter 41.80 RCW in 2002, "retirement plans and retirement benefits" were specifically listed as management rights and the state of Washington was under no obligation to bargain either retirement plans or retirement benefits with their civil service employees.

House Bill 1069 amends chapter 41.80 RCW to allow employees working for the Department of Corrections the opportunity to engage in bargaining over contributions for supplemental retirement benefits administered by, or on behalf of, an employee organization, including medical plans. The Department of Corrections contributions to such plans is also a mandatory subject of bargaining that is not subject to interest arbitration. PERC does not anticipate a significant increase in caseload because of HB 1069 and the provisions of HB 1069 can be implemented without additional funding.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

### **IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> 310-Department of Corrections
---	---	---

## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
<b>Account</b>					
General Fund-State      001-1	37,000	57,000	94,000	107,000	77,000
<b>Total \$</b>	37,000	57,000	94,000	107,000	77,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Jarrod Potter	Phone: 360-791-0201	Date: 03/09/2026
Agency Approval: Greg Scott-Braaten	Phone: 360-789-0278	Date: 03/09/2026
OFM Review: Kate LaBelle	Phone: (360) 480-0270	Date: 03/09/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

An act relating to allowing collective bargaining over contributions for certain supplemental retirement benefits; and amending RCW 41.80.040.

Section 1 amends RCW 41.80.020 to clarify that contributions for supplemental retirement benefits under RCW 41.80.040 are excluded from coalition health care bargaining provisions.

Section 2 amends RCW 41.80.040 to provide that, for Department of Corrections (DOC) employees, the employer may bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an employee organization. Contributions for supplemental retirement benefits for DOC employees are established as a mandatory subject of bargaining and are excluded from interest arbitration as an impasse procedure.

The effective date is assumed to be 90 days after adjournment of the session in which this bill is passed.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

None.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

DOC assumes this bill will have a fiscal impact greater than \$50,000 per Fiscal Year (FY).

Pursuant to Section 2, DOC Human Resources (HR) and Labor Relations staff will engage in collective bargaining activities related to supplemental retirement benefit contributions for DOC employees. Activities may include bargaining preparation, fiscal modeling, negotiations, coordination with the Office of Financial Management (OFM), development of agreement language, and implementation of any negotiated agreement. DOC assumes this workload can be absorbed within existing resources.

The Office of the Attorney General (AGO) has identified legal service costs associated with implementation of this legislation. AGO will provide legal advice and representation during collective bargaining and related implementation activities and will bill impacted agencies for services rendered.

Based on AGO's allocation methodology, 75 percent of legal service costs are attributable to OFM, and 25 percent are attributable to DOC. The amounts below represent DOC's 25 percent share of AGO legal service costs:

FY 2026: \$37,000  
FY 2027: \$57,000  
FY 2028: \$57,000  
FY 2029: \$50,000  
FY 2030: \$50,000  
FY 2031: \$27,000

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	37,000	57,000	94,000	107,000	77,000
<b>Total \$</b>			37,000	57,000	94,000	107,000	77,000

### III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	37,000	57,000	94,000	107,000	77,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	37,000	57,000	94,000	107,000	77,000

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Interagency Payments (600)	37,000	57,000	94,000	107,000	77,000
<b>Total \$</b>	37,000	57,000	94,000	107,000	77,000

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1069 HB AMS WM S5775.1	<b>Title:</b> Supp. retirement bargaining	<b>Agency:</b> AFN-Actuarial Fiscal Note - State Actuary
---	---	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/03/2026
Agency Preparation: Aaron Gutierrez	Phone: 360-786-6152	Date: 03/03/2026
Agency Approval: Michael Harbour	Phone: 360-786-6151	Date: 03/03/2026
OFM Review: Scott Hancock	Phone: (360) 890-2518	Date: 03/04/2026

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

As amended, this bill requires collective bargaining for certain supplemental retirement benefits for Department of Corrections employees, but otherwise excludes retirement, including plans administered by the Department of Retirement Systems. As a result, this bill has no impact to state pensions.

If for eligible employees future collective bargaining changes the Public Employees Benefits Board (PEBB) retiree medical benefits or subsidies, this could impact the Other Postemployment Benefits (OPEB) obligations accounted for by the state. To the extent that this occurs, the Office of the State Actuary (OSA) will update future OPEB actuarial valuations to reflect the impact of these changes on the Total OPEB Liability.

For additional context on these benefits under current law, please see OSA's website for the most recent PEBB OPEB report: <https://leg.wa.gov/studies-audits-and-reports/actuarial-reporting/other-postemployment-benefits-opeb/>

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*