

SENATE BILL REPORT

HB 1069

As Reported by Senate Committee On:
Labor & Commerce, February 23, 2026
Ways & Means, March 2, 2026

Title: An act relating to allowing collective bargaining over contributions for certain supplemental retirement benefits.

Brief Description: Allowing collective bargaining over contributions for certain supplemental retirement benefits.

Sponsors: Representatives Fosse, Low, Peterson, Griffey, Bronoske, Timmons, Nance, Goodman, Cortes, Volz, Ormsby, Scott, Mena, Davis, Macri, Stonier, Alvarado, Doglio, Bernbaum, Ryu, Ramel, Berry, Reed, Callan, Obras, Farivar, Ortiz-Self, Simmons, Street, Pollet, Fey, Berg, Lekanoff, Salahuddin, Reeves, Donaghy and Hill.

Brief History: Passed House: 1/22/26, 72-19.

Committee Activity: Labor & Commerce: 3/14/25, 3/28/25 [DPA-WM, DNP, w/oRec];
2/23/26 [DPA-WM, DNP, w/oRec].

Ways & Means: 4/05/25, 4/08/25 [DPA (LC), DNP, w/oRec]; 2/26/26, 3/02/26 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Requires bargaining over contributions for supplemental retirement benefits for Department of Corrections Employees administered by, or on behalf of, an employee organization.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Saldaña, Chair; Alvarado, Vice Chair; Conway, Vice Chair; Hunt and Stanford.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator MacEwen.

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Cleveland, Conway, Dhingra, Hansen, Hasegawa, Kauffman, Pedersen, Riccelli, Saldaña, Wagoner, Wellman and Wilson, C..

Minority Report: Do not pass.

Signed by Senator Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Boehnke, Braun and Muzzall.

Staff: Amanda Cecil (786-7460)

Background: The Personnel System Reform Act. The Personnel System Reform Act (PSRA) provides for collective bargaining for classified employees of state agencies and institutions of higher education. Matters subject to bargaining under the PSRA include wages, hours, other terms of conditions of employment, and the negotiation of any question arising under a collective bargaining agreement. The employer is not required to bargain over health care benefits or other employee insurance benefit, except the dollar amount expended on behalf of each employee for health care benefits is subject to bargaining. The employer is also not required to bargain over any retirement system or retirement benefit.

Management Rights. The PSRA prohibits an employer from bargaining over management rights, which include:

- the functions and programs of the employer, the use of technology, and the structure of the organization;
- the employer's budget and the size of the agency workforce, including determining the financial basis for layoffs;
- the right to direct and supervise employees;
- the right to take whatever actions are deemed necessary to carry out the mission of the state and its agencies during emergencies; and
- retirement plans and benefits.

Summary of Amended Bill: The prohibition on bargaining over management rights in the PSRA does not prevent the employer from bargaining over contributions for supplemental retirement benefits for Department of Corrections (DOC) employees, including medical plans, administered by, or on behalf of, an employee organization that represents DOC employees. Contributions for supplemental retirement benefits for DOC employees administered by, or on behalf of, an employee organization are a mandatory subject of bargaining but are excluded from interest arbitration. Contributions for supplemental retirement benefits are excluded from provisions requiring bargaining over the dollar amount expended on behalf of each employee for health care benefits.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Makes contributions for supplemental benefits administered by, or on behalf of, an employee organization a mandatory subject of bargaining.
- Limits the application of the bill to Department of Corrections employees.
- Excludes supplemental retirement benefits from interest arbitration.
- Excludes contributions for supplemental retirement benefits from provisions requiring bargaining over the dollar amount expended on behalf of each employee for health care benefits.

EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S):

- Makes contributions for supplemental benefits administered by, or on behalf of, an employee organization a mandatory subject of bargaining.
- Limits the application of the bill to Department of Corrections employees.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on House Bill (Labor & Commerce) (Regular Session 2025): *The committee recommended a different version of the bill than what was heard.* PRO: Workers that are eligible for early retirement are unable to retire because they are not eligible for Medicaid. The union can offer them supplemental plans. The bill will help workers with demanding jobs retire. The bill does obligate the state to fund these plans, just bargain over them.

OTHER: The legislation is broader than its stated intent. There is no guarantee it will not increase the costs to the state. It may obligate the state to fund two separate pensions. At the local level, the result tends to be the employer participating in the union pension at taxpayer

expense.

Persons Testifying (Labor & Commerce): PRO: Representative Mary Fosse, Prime Sponsor; Brenda Wiest, Teamsters117.

OTHER: Maxford Nelsen, Freedom Foundation.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.

Staff Summary of Public Testimony on Bill as Amended by Labor & Commerce (Ways & Means) (Regular Session 2025): PRO: This will allow Teamster members at the Department of Corrections to retire significantly earlier, which is important for this difficult jobs. This benefit is already available to local government corrections employees. The fiscal note to this bill is puzzling because OFM already bargains with these employees and it will probably be the same team.

Persons Testifying (Ways & Means): PRO: Brenda Wiest, Teamsters117.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.

Staff Summary of Public Testimony on House Bill (Labor & Commerce) (Regular Session 2026): No public hearing was held.

Persons Testifying (Labor & Commerce): N/A

Persons Signed In To Testify But Not Testifying (Labor & Commerce): N/A

Staff Summary of Public Testimony on House Bill as Amended by Labor & Commerce (Ways & Means) (Regular Session 2026): *The committee recommended a different version of the bill than what was heard.* PRO: This bill was narrowed in committee to only cover the Department of Corrections. We are happy to work with OFM to offer further amendments to reduce the fiscal note. The Teamsters Retiree Medical Plan has been around for decades and covers hundreds of employees. Under the state's retirement plan some employees will need to work 45 years before they are eligible to retire with full retirement. The PEB plan that is offered to them to budget the time from their eligibility and when they would like to retire is so unaffordable that many are working into their 70s.

Persons Testifying (Ways & Means): PRO: Brenda Wiest, Teamsters117.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.