



February 19, 2026

Senator Jamie Pedersen, Majority Leader  
Senator John Braun, Minority Leader  
Senator Robinson, Chair, Ways & Means  
Committee  
Senator Gildon, Ranking Member, Ways & Means  
Committee

Representative Laurie Jenkins, Speaker of the  
House  
Representative Joe Fitzgibbon, Majority Leader  
Representative Drew Stokesbary, Minority Leader  
Representative Ormsby, Chair, Appropriations  
Committee  
Representative Couture, Ranking Member,  
Appropriations Committee

RE: LEOFF 1 restatement proposal

Legislative Leaders,

Cities and counties appreciate the legislature's commitment to our state's pension system and ensuring that they are adequately and responsibly funded. We are proud of our state's pension systems that are models around the country.

As you know, cities and counties have a vested interest in the future of the LEOFF 1 system. Cities and counties invested significant contributions in the system over the years. Historically, employers made about 11.5% of the contributions into the LEOFF 1 fund and cities employed about 75% of the employees in the LEOFF 1 system. Based on this data we estimate that nearly \$300 million of the estimated \$3.3 billion would be attributed to these city contributions. Accordingly, the county share, based on 25% of the employees in the LEOFF 1 system, would be roughly \$99 million.

Additionally, cities and counties as employers of LEOFF 1 retirees have been designated by the legislature as the responsible party for providing necessary medical care to disabled LEOFF 1 retirees. When that responsibility was given to city and county employers in the 1970s few could have imagined how those medical and long-term care costs would have grown. The most recent actuarial study estimates those costs at \$2 billion.

As the legislature considers restating the LEOFF 1 system and removing the excess funding in the process, cities and counties ask that our contributions and costs are recognized and mitigated.

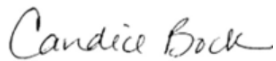
We are pleased to learn that there is consideration of using a portion of the excess funds to transfer the responsibility from local governments to the state for the cost of medical care for disabled LEOFF 1 retirees. For some local governments the cost of providing medical care for LEOFF 1 retirees can actually exceed the costs for providing medical benefits to active duty first responders.

Cities and counties support the concept of transferring this responsibility to the state to be paid for with excess funds. We join together to ask that the legislature include in HB 2034, restating the LEOFF 1 system, a provision proactively establishing a process for a transfer of LEOFF 1 retiree medical care in process. By including provisions in the bill directing the Department of Retirement Systems and other relevant agencies to develop a plan for setting up a transfer, it will demonstrate the commitment and speed the process. These costs are significant for local communities and time is of the essence to help reduce the financial burden and take advantage of this opportunity. It will also provide more certainty and clarity for the retirees and their families.

Additionally, cities and counties respect the legislature's commitment to all public sector retirees and the interest in providing a cost-of-living increase for the members of the PERS 1 pension system. However, as we have noted previously there is a concern that new unfunded cost of living increases will result in increasing the unfunded liability in this program and result in more costs to city and county employers at the expense of providing crucial community services. We support efforts to provide a cost-of-living increase that is fully prefunded. The excess funds from the LEOFF 1 restatement are an appropriate source of funding for cost-of-living increases.

AWC and WSAC appreciate your efforts to balance the responsibility to our commitments to our retirees with using all funds to their highest and best use. We also are grateful for your engagement of cities and counties as stakeholders in this critical conversation about the future of the LEOFF 1 pension system and excess funds. We look forward to continuing to work with you to ensure that these funds are used to both meet our pension obligations and meet other important needs in our state and communities.

Sincerely,



Candice Bock  
AWC, Government Relations Director



Paul Jewell  
WSAC, Government Relations Director