

HOUSE BILL REPORT

HB 1304

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to economic and employment impact of natural resources harvest variation in rural communities.

Brief Description: Redefining the program to aid rural natural resources impact areas.

Sponsors: Representatives Buck, Kessler, Johnson, Hatfield, Sheldon, Basich and Schoesler; by request of Governor Lowry.

Brief History:

Committee Activity:

Trade & Economic Development: 2/2/95, 2/8/95, 2/16/95 [DPS].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Ballasiotes; Hatfield; Hickel; Mason; Sherstad; Skinner and Valle.

Staff: Kenny Pittman (786-7392).

Background: In 1990, Washington's timber supply was dramatically reduced due to federal action limiting harvest on U.S. Forest Service lands. This severely impacted the state's timber industry, resulting in the loss of 15,000 jobs and economic dislocation throughout numerous rural communities over the past four years.

In an effort to coordinate state assistance to impacted areas, Governor Gardner established the Timber Task Force. In 1991, the Legislature further refined the Timber Assistance Program and increased state resources to impacted areas. In 1993, the Clinton administration adopted a new Forest Management Plan, which reduced historical timber harvest levels on U.S. Forest Service lands. To mitigate the impact of reduced harvest levels, the federal government provided \$1.2 billion over five years to assist timber-dependent communities in the Northwest.

The state's approach to address the needs of timber impact areas is based on a strategy of job training, worker and family assistance, local economic diversification, and responses to reductions in the timber supply.

In April 1994, the U.S. Department of Commerce closed the ocean salmon fishing season. The following May, Governor Lowry proclaimed a state of emergency in those affected counties and requested federal assistance. The Timber Task Force began coordinating the delivery of federal disaster-relief funds to areas affected by the closure of the salmon fishing season. The Timber Task Force also assumed responsibility for identifying state funds needed to complement the federal effort.

The Timber Task Force and its assistance programs are scheduled to terminate on June 30, 1995.

Summary of Substitute Bill: The state's targeted assistance programs to workers in timber impact areas are reauthorized for a 2-year period and expanded to include workers affected by the closure of the salmon fishing season.

The following changes are made to reflect the expanded focus: (1) The Timber Task Force is renamed the Rural Community Assistance Task Force; (2) The Timber Recovery Coordinator is renamed the Rural Community Assistance Coordinator; (3) Rural Natural Resources Impact Areas are defined for both nonmetropolitan counties and nonurbanized areas of metropolitan counties; (4) The Rural Community Assistance Task Force is expanded to include the state Department of Agriculture; and (5) The Washington State Rural Development Council is directed to provide input on assistance efforts.

Extended Unemployment Insurance

The extended unemployment insurance benefits provided to dislocated workers in timber impact areas involved in training programs (up to two years of regular and additional unemployment insurance benefits) is extended to rural natural resources impact areas and all dislocated timber and salmon workers on a state-wide basis. An additional 13 weeks of benefits are available to individuals that participate in a training program that is expected to last at least one year.

Supplemental Enrollment/Tuition Waivers

Participating community, technical, or upper division colleges receive supplemental enrollment allocations and funds to support direct costs for dislocated workers from rural natural resources impact areas. Tuition waivers are provided to a limited number of dislocated workers or spouses for full-time study for up to two years.

Infrastructure Financing

Rural natural resources impact areas are given preference for infrastructure/public works projects funded through the Community Economic Revitalization Board (CERB) and Timber Public Works Trust Fund. At least 50 percent of the funds are targeted to rural natural resources impact areas.

Local Economic Development

Local governments and economic development organizations in rural natural resources impact areas are provided with technical assistance in developing and implementing economic development strategies.

Business Assistance Programs

Rural natural resources impact areas are given preference for job creation projects funded through the Washington State Development Loan Fund (DLF). Technical assistance through the Small Business Export Finance Assistance is expanded to businesses in rural natural resources impact areas.

An entrepreneurial training program is expanded to assist dislocated workers in rural natural resources impact areas. State agencies are directed to expedite the issuance of permits necessary for economic development projects in rural natural resources impact areas.

Employment Opportunities

The on-the-job training program for environmental restoration and enhancement is expanded to include dislocated workers in rural natural resources impact areas.

Mortgage and Rental Assistance

The emergency loans and grants program is expanded to include payments on behalf of dislocated workers in rural natural resources impact areas who cannot make current mortgage or rental payments due to lack of income.

Social Services

Emergency food and medical assistance, crisis intervention, counseling, and child care services is expanded to include dislocated workers in rural natural resources impact areas.

The Economic Recovery Coordination Board and the study on air transportation options in timber impact areas are repealed.

The Rural Community Assistance Task Force must prepare a study on salmon preservation and recovery efforts and likely impacts on certain industries to the Legislature by January 1996.

Substitute Bill Compared to Original Bill: The expiration date of the rural community assistance coordinator and agency rural community assistance task force is moved from June 30, 1999 to June 30, 1997.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: The state programs and efforts to assist timber impacted communities have been successful. These programs provided a safety net to people and help put many people back to work. Now we need to include workers affected by the closure of the salmon fishing season. The complex problems of these areas can not be solved with a simple response. It takes time to restructure the local economy away from timber and salmon. It can only be done with assistance of the state.

Testimony Against: None.

Testified: (Pro) Representative Buck, sponsor; Representative Basich; Fran Bresser, Stevens County Commissioner; Burt Phillips, Clallam County Economic Development Council; Paul Youmans, Grays Harbor Resources Council; James Stewart and Frank Johnson, Posey Manufacturing Company; Skip Wilson, Pacific County Commissioner; Don Hayes and Kenneth Nelson, Centralia College; Nancy Arnold, Randell Business Development, Inc; Harriette Buchmann, North Olympic Timber Action Committee; Heidi Tarabochia, Wahkiakum County Human Resources; Jan Jackson and Dan Comisia, Harbor Churches/Lutheran Policy; Jim Coates, Community Outreach; Carl Hemenway, Lewis County Commissioner; Lorrie Milford, Brenda Johnson, and Carolyn Eslick, Sky Valley Community Resource Center; Kurt Danison, Washington Rural Development Council; Tony McManus; Jack Brooks, Grays Harbor College; Ernie Reed, Clallam-Jefferson Reemployment Support Center; Sandra Kint, Forks Economic Development Council; Melissa Carlson-Price, Skamania County; Harvey Wolden, Skagit County; Skip Wilson, Pacific County; Don Wick, Gary Arentzen, and Rory Deuovan, Economic Development Association of Skagit County; John Fratt, Port of Kalama; Heidi Rehl, Port of Chehalis; Rev. Irene Martin, Saint James Episcopal Church; and Kay Bernethy, Humptulips Food Bank.