

SENATE BILL REPORT

E2SSB 5342

As Passed Senate, March 9, 1995

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: Senate Committee on Ways & Means (originally sponsored by Senators Snyder, Swecker, Hargrove, Owen, Spanel and Rasmussen; by request of Governor Lowry).

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/26/95, 2/7/95 [DPS].

Ways & Means: 3/2/95 [DP2S].

Passed Senate, 3/9/95, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5342 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Patrick Woods (786-7430)

Background: In 1990, Washington's timber supply was dramatically reduced due to federal action limiting harvests on Forest Service lands. This severely impacted the timber industry, resulting in dramatic job losses and economic dislocation throughout numerous rural communities. In an effort to coordinate state assistance to impacted areas, Governor Gardner established the Timber Team. In 1991, the Legislature further refined the Timber Assistance Program and increased state resources. In 1993, the federal administration adopted a new Forest Management Plan, which reduced historical timber harvest levels on Forest Service lands. In addition, they provided \$1.2 billion for a five year program to assist the Northwest's timber dependent communities.

The Timber Team currently operates under a four-part strategy to address the needs of workers, businesses and communities. This includes:

1. Job Training: Up to two years of unemployment insurance benefits are provided to dislocated workers who are enrolled in an educational or job training program. On-the-job training is provided through the Departments of Natural Resources, Ecology, and Fish and Wildlife. In addition, placements are provided at community colleges and other higher education Institutions.

2. Worker and Family Assistance: State human resources are provided to dislocated workers and families including income support, rent and mortgage assistance, emergency food, medical care, and counseling services.

3. Economic Diversification: Funding for public works projects is provided for economic development to empower local people and organizations to undertake economic revitalization initiatives. This includes businesses involved in value added woods products.

4. Timber Supply: The team advocates a balance solution to federal forest management and promotes a ban on state timber exports to help increase supply for in-state processors.

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. In addition, the Governor integrated the state's disaster relief efforts into the Timber Team.

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

Summary of Bill: The Timber Team is renamed the Rural Community Assistance Team. The team and its assistance programs are reauthorized with the following modifications:

1. Salmon Fishing Communities/Focus: In addition to its timber focus, the team is required to address salmon related problems in communities throughout the state. The following list of assistance programs presently available to timber impacted workers and areas are extended to Salmon impacted communities.

a. Extended Unemployment Insurance: Workers are eligible to receive up to two years of their regular unemployment insurance benefits provided they are in training. An additional 13 weeks of benefits are provided for individuals that are participating in training programs that are expected to last one year or longer.

b. Public Works Projects: Impacted communities are given a preference for public works projects funded through the Community Economic Revitalization Board (CERB).

c. Mortgage and Rental Assistance: Emergency loans and grants are provided on behalf of dislocated workers who cannot make current mortgage or rental payments.

d. Community Outreach/Economic Development: Impacted communities are provided with technical assistance in developing and implementing economic development plans.

e. Tuition Waivers/Supplemental Enrollment: Community, upper division or technical college tuition waivers are provided to a limited number of dislocated workers or spouses for full-time study for up to two years. Participating colleges receive supplemental enrollment allocations and funds to support direct costs for these students.

f. Social Services: Emergency food and medical assistance, crisis intervention, counseling, and child care are provided.

g. Employment Opportunities: Funds to employ impacted workers in natural resource based occupations are provided.

h. Business Assistance Programs: Gap financing on favorable terms is provided to firms that are creating or retaining jobs. Exporters are assisted with marketing and financing services. Technical assistance is provided to businesses engaged in value added industries.

"Timber impact area" is modified to "rural natural resources impact area," and the definition is changed in order to target community assistance to rural areas.

A study of salmon preservation and recovery efforts and likely impacts on certain industries must be presented to the Legislature by January 1996.

The rural assistance program terminates under the sunset process on June 30, 1997. The Rural Community Assistance Task Force must develop a performance measurement system in consultation with the Legislative Budget Committee and Washington Performance Partnership. Assessment of the results derived from the performance measurement system must be a component of the sunset review.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The bill is needed in order to reauthorize existing timber assistance programs and provide needed services to communities affected by the downturn in the salmon fishing industry.

Testimony Against: None.

Testified: Melissa Carlson-Price, Skamania County (pro); Richard A. Kinsman, Eric D. Stubb, Darrel B. Pickett, Grays Harbor Community College [displaced mill workers] (pro); Kenneth Nelson (pro); Phyllis Shrauger, Mayor, City of Hoquiam (pro); James M. Stewart, Posey Mfg. Co. (pro); Bill Stinchfield, Posey Mfg. Co. (pro); Kay Bernethy, Humptulips Food Bank Director (pro); Bob Paylor, Grays Harbor County (pro); Kent Martin, Columbia River Fishermen's Protection Union (pro); Jan Jackson, Harbor Churches Timber Outreach (pro); Rev. Dan Comsia, Lutheran Public Policy Office (pro); Kim Braaten (pro); Debby Libby, THCC (pro); Sandra Pearson, RSC (pro); George Shaw, Peninsula College (pro); Betty Joyce Leach, Long Beach Food Bank (pro); Steve Gray, Northwest Gillnetters Association (pro).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5342 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Finkbeiner, Fraser, Hargrove, McDonald, Pelz, Sheldon, Snyder, Spanel, West, Winsley and Wojahn.

Staff: Tracy Cox (786-7437)

Testimony For: The bill is needed in order to reauthorize existing timber assistance programs and provide needed services to communities affected by the downturn in the salmon fishing industry.

Testimony Against: None.

Testified: PRO: Phyllis Shrauger, Mayor, City of Hoquiam; Dean Judd, Team Timber Coordinator; Diane Ellison, Chehalis Fisheries Task Force; Seth Dawson, Luther Child Center; Gary Arentzen, Economic Development Association of Skagit County; Kurt Danison, WSRDC Okanogan; Mike Pedersen, Tubafor Mill; Kenneth Nelson, Jack Brooks, displaced mill workers; Jim Coates, Community Outreach.

House Amendment(s): The House amendments include:

1. Technical changes to reference appropriate statutes that are scheduled for termination in 1997.
2. The sunset review and termination dates are extended to 1998 and 1999 respectively.