

FINAL BILL REPORT

ESSB 5555

C 315 L 91

SYNOPSIS AS ENACTED

Brief Description: Providing assistance for timber harvesting areas.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Owen, Conner, Snyder, Metcalf, Jesernig, Amondson, Sutherland, Patterson, Hansen, Bailey, Rasmussen, von Reichbauer, Johnson, Pelz, West, Talmadge, A. Smith, Williams, L. Kreidler, Rinehart, Newhouse, Stratton, Gaspard, McMullen, Moore, Madsen, Bauer, Wojahn, Matson, Roach and L. Smith).

SENATE COMMITTEE ON WAYS & MEANS

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

HOUSE COMMITTEE ON APPROPRIATIONS

BACKGROUND:

Washington's timber supply has recently been impacted by federal action regulating the timber harvest on Forest Service lands. On June 23, 1990, the U.S. Fish and Wildlife Service designated the northern spotted owl a threatened species. A management plan was adopted to ensure the owl's future viability. That plan will lead to a reduction of timber harvest on national forests in Washington State of up to 50 percent, which is 10 to 15 percent of the total harvest from all public and private lands.

The impact of the reduction in harvest will be felt most by Washington communities whose economic base is primarily reliant on the timber industry. The decline in allowable timber sales is projected to have an adverse affect on small and medium sized mills and logging operations in these areas; currently there are more than 3,000 forest products companies employing five or more people in the state. The reduction may result in a loss of 6,000 logging and milling jobs, or 14 percent of total annual state employment in the industry. The loss of timber income could lead to the loss of an additional 12,000 indirect jobs.

Other factors could lead to further timber industry job loss through decreases in both timber supply and demand. Contemporary values which stress environmental protection are bringing pressure to reduce harvest on state and private lands. National demand for wood products is expected to decline over the next few years in the face of slumping

housing and paper products markets, weakened by a slower growing national economy.

SUMMARY:

Assistance is provided to timber impacted communities to help mitigate the affects of the loss of employment in the timber industry. Programs are coordinated through the Economic Recovery Coordination Board, the Timber Recovery Coordinator, and the agency timber task force. An evaluation of the programs is to be undertaken by the Washington State Institute for Public Policy by November 1993. The programs are contingent on specific funding being provided in the Omnibus Appropriations Act.

Assistance is provided in the following areas:

The Department of Employment Security shall provide enhanced retraining, support services and job search assistance for dislocated workers in impacted areas. The department may contract to provide training in such areas as entrepreneurial development, incubation of new businesses, agriculture, and tourism. The department may also train dislocated workers through the Self-Employment and Enterprise Development program (SEED). The services provided by the department shall include counseling for drug and alcohol abuse, credit difficulties, and other problems.

A program extending unemployment compensation for unemployed forest products workers is established. Unemployed workers in timber impact counties and unemployed forest products workers in all counties are eligible for the program. Workers must participate in approved training. Persons who meet the eligibility requirements may receive up to an additional 26 weeks of benefits.

A counter cyclical jobs program is created to provide training and job opportunities to dislocated timber workers in timber impact areas. Enrollees in the program will receive career orientation and training from the Department of Employment Security, and will then be placed in jobs offered by the Department of Natural Resources that improve the value of state lands and waters.

The natural resource worker project is created to provide employment and training opportunities for dislocated forest products workers in areas of fisheries, wildlife, recreation, and other natural resource professions. Workers in timber impact areas are eligible.

The Department of Community Development shall enhance the two existing reemployment centers in timber impact areas.

The State Board for Community College Education shall waive tuition and fees for eligible dislocated forest products workers or their spouses, up to the number of students authorized and funded in the appropriations act.

The State Board shall also provide training and retraining in timber dependent communities through grants to individual colleges for supplemental slots, pilot projects for literacy and employment training, targeted sector research, the promotion of value added manufacturing, and other programs.

The Higher Education Coordinating Board is authorized to establish an upper division program for placebound students in severely impacted timber counties not served by an existing program.

Enrollment under the Washington Basic Health Plan is extended to include dislocated workers. In making enrollment available, priority will be given to counties meeting criteria for severely impacted timber areas.

The Department of Social and Health Services is directed to establish a grant program for services to the unemployed in timber impact areas, including direct or referral services, establishment of service delivery programs, and coordination of service delivery. Grants may include family support centers, reemployment centers, and other local service agencies.

The Department of Community Development will establish and administer the emergency mortgage assistance program, to provide up to 24 months and \$20,000 of emergency assistance loans to households unable to make mortgage payments on their homes due to loss of employment in the timber industry. Rental assistance will also be available under the program.

VOTES ON FINAL PASSAGE:

Senate	48	1	
House	95	3	(House amended)
Senate			(Senate refused to concur)
House			(House refused to recede)

Conference Committee

House	97	0
Senate	43	0

EFFECTIVE: May 21, 1991