

FINAL BILL REPORT

2SHB 1201

C 367 L 97

Synopsis as Enacted

Brief Description: Providing for reauthorization of assistance to areas impacted by the rural natural resources crisis.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Buck, Johnson, Sheldon, Blalock, Regala, Linville, Hatfield, Kessler, Tokuda, Anderson, Morris, Zellinsky, Dunn, Conway, Doumit, Ogden, Grant, Mastin, Butler and Murray).

House Committee on Trade & Economic Development
House Committee on Appropriations
Senate Committee on Commerce & Labor

Background: Washington's natural resource-based communities have been impacted by reductions in timber and salmon harvests. In 1990, Washington's timber supply was dramatically reduced due to federal actions limiting harvest on U.S. Forest Service lands. This severely impacted the state's timber industry, resulting in the loss of approximately 20,000 jobs and economic dislocation throughout numerous rural communities over the past six years. In response to the timber harvest reductions, Governor Gardner established the Timber Task Force to coordinate state assistance to impacted areas.

In April 1994, the U.S. Department of Commerce closed the ocean salmon fishing season. The following May, Governor Lowry proclaimed a state emergency in those affected counties affected by the closure 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.

In 1995, the Legislature reauthorized the timber assistance programs and expanded the focus of the state's targeted assistance to include workers affected by the closure of the salmon fishing season. Other changes made to reflect the expanded focus were that (1) the Timber Task Force was renamed the Rural Community Assistance Task Force; (2) the Timber Recover Coordinator was renamed the Rural Community Assistance Coordinator; (3) a Rural Natural Resource Impact Area was defined to include both nonmetropolitan and nonurbanized areas of metropolitan counties; (4) the Rural Community Assistance Task Force was expanded to include the Washington

State Department of Agriculture; and (5) the Washington State Rural Development Council was directed to provide input on assistance efforts.

Extended Unemployment Insurance Benefits. Dislocated workers who have exhausted their regular unemployment benefits and who are participating in retraining, receive an additional benefit eligibility period. The regular and additional benefits can not exceed two years. An additional 13 weeks of benefits are provided for individuals who are participating in a training program that is expected to last one year or longer. To be eligible for the additional unemployment benefits the dislocated worker must (1) reside in or be employed in a rural natural resource impact area, or (2) have earned wages for at least 680 hours in either the forest products industry or the fishing industry. The period for new claims under the extended unemployment insurance benefits program for dislocated workers is scheduled to end July 1, 1997.

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 resource 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. The Department of Community, Trade and Economic Development must give preference to infrastructure/public works projects in rural natural resource impact areas funded through the Community Economic Revitalization Board (CERB) and Timber Public Works Trust Fund. At least 50 percent of the funds are targeted to those areas.

Local Economic Development. Local governments and economic development organizations in rural natural resource impact areas are provided with technical assistance in developing and implementing economic development strategies through various state agencies.

Business Assistance Programs. To assist communities in rural natural resource areas the Department of Community, Trade and Economic Development must give preference to loans made to individuals and firms that create or retain jobs in natural resource impact areas under the Washington Development Loan Fund. The department must also provide technical assistance through the Small Business Export Finance Assistance Program to businesses located in rural natural resource areas and provide entrepreneurial training to dislocated workers in rural natural resource impact areas. State agencies must expedite the issuance of permits necessary for economic development projects in rural natural resource impact areas.

Employment Opportunities. The Environmental Restoration and Enhancement program provides employment opportunities to dislocated workers in rural natural resource areas.

The Rural Community Assistance Task Force and Coordinator are scheduled to terminate on June 30, 1997. The associated rural natural resource impact area assistance programs are subject to the sunset review process and are scheduled to terminate on June 30, 1998.

Summary: The Rural Community Assistance Team, the Rural Community Assistance Coordinator, and the various state programs designed to assist dislocated workers and communities in rural natural resource impact areas and dislocated timber and salmon workers on a statewide basis are revised and extended.

The definitions for the purposes of the rural natural resource impact area are revised to (a) include a category for nonmetropolitan counties with a population under 40,000, based on 1990 U.S. Census data; (b) include portions of rural areas of some metropolitan counties; and (c) include a person in the finfish industry as a salmon worker.

Extended Unemployment Insurance Benefits. Dislocated natural resource workers eligibility for additional unemployment benefits based on retraining is modified. To be eligible, a dislocated worker must: (1) reside in a county with an unemployment rate for 1996 that is at least 20 percent or more above the state average and at least 15 percent above the county unemployment rate in 1988. The county of residence must have either a lumber and woods products employment or a commercial salmon fishing employment quotient that is at least three times the state average and must have experienced actual job losses in those industries of 100 jobs or more, or job loss of 50 or more in counties with a population of less than 40,000; (2) have earned wages for at least 1,000 hours; and (3) be classified as a displaced worker— by the Employment Security Department.

To receive extended unemployment insurance benefits, a dislocated worker in the forest products or fishing industry is required to have: (1) earned wages for at least 1,000 hours; (2) received notification of job termination or layoff; and (3) received a determination by the Employment Security Department that the worker is unlikely to return to the worker's principal occupation or previous industry due to diminishing demand in the labor market.

The Employment Security Department is required to redetermine the list of eligible and ineligible counties based on a comparison of 1988 and 1997 employment rates by April 1, 1998. Any changes in county eligibility status apply only to new claims for regular unemployment insurance effective after April 1, 1998.

The period for new claims under the extended unemployment insurance benefits program for dislocated workers is extended from July 1, 1997, to July 1, 2000.

Supplemental Enrollment/Tuition Waivers. The requirement for tuition waivers is revised. The dislocated worker or spouse may receive a waiver of all or part of tuition, to a maximum of 90 quarter hours or 60 semester hours within four years. The participant must enroll in a minimum of five credit hours per quarter or three credit hours per semester.

Infrastructure Financing. The Community Economic Revitalization Board (CERB) program is revised to (a) increase the amount of funds designated to distressed counties or rural natural resource impact areas from 50 percent to 75 percent of the allocation per biennium; and (b) extend the use of CERB funds in distressed counties and rural natural resource areas from June 30, 1997, to June 30, 2000.

The Public Works Trust Fund Rural Natural Resource program expires as previously scheduled on June 30, 1997.

Local Economic Development. The Department of Community, Trade, and Economic Development's assistance to communities impacted by reduction in timber harvests is expanded to include salmon fishing. The department must use existing technical and financial assistance resources to aid communities in developing high priority community economic development projects.

The department's community assistance program is terminated.

Sunset Review Extensions -- Programs. The sunset review date for rural natural resource impact area programs is extended from June 30, 1998, to June 30, 2000. The repeal date of the programs is extended from June 30, 1999, to June 30, 2001.

The extension of the sunset review date and associated repealer applies to: (a) the Rural Community Assistance Team and coordinator; (b) the extended unemployment insurance benefits program; (c) the supplemental enrollment/tuition waiver program; (d) the Department of Community, Trade and Economic Development's infrastructure financing programs and technical assistance to local communities; (d) the Department of Community, Trade and Economic Development's business assistance programs; (e) the Employment Security Department's training and services programs for rural natural resource impact areas and employment opportunities in environmental enhancement and restoration program; and (f) the state agency streamlined approval process for economic development projects in rural natural resource impact areas.

Votes on Final Passage:

House 76 22
Senate 49 0 (Senate amended)
House 66 31 (House concurred)

Effective: July 1, 1997