

# SENATE BILL REPORT

## 2SHB 1201

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As Reported By Senate Committee On:  
Commerce & Labor, April 4, 1997

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

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

**Sponsors:** 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).

**Brief History:**

**Committee Activity:** Commerce & Labor: 3/31/97, 4/4/97 [DP].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Franklin, Heavey and Newhouse.

**Staff:** Patrick Woods (786-7430)

**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 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.

The array of services provided to individuals of communities in timber and salmon impacted areas include:

- A. Extended Unemployment Insurance Benefits. Dislocated workers that have exhausted their regular unemployment benefits and who are participating in retraining, are provided an additional benefit eligibility period. The regular and additional benefits cannot exceed two years. An additional 13 weeks of benefits are provided for individuals that 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, and (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.
- B. 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.
- C. 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.
- D. 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.

In addition, the program provides business assistance services, employment opportunities, mortgage and rental assistance, and social support services.

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 of Bill:** 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 will continue.

The following 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.

- A. Extended Unemployment Insurance Benefits. Eligibility for additional unemployment benefits is modified for dislocated natural resource workers pertaining to retraining. Dislocated workers must now (1) reside in or be employed in a rural natural resource impact area, and (2) have earned wages for at least 680 hours in either the forest

products or the fishing industry. The dislocated worker must also have received notification of job termination or layoff. 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.

- B. Supplemental Enrollment/Tuition Waivers. The requirement for the tuition waivers is revised so that the dislocated worker or spouse may get all or part of the tuition waived up 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.
- C. 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 is allowed to expire.

- D. 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 designed to build local capacity for sustainable economic development is repealed.

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.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency and takes effect on July 1, 1997.

**Testimony For:** This program is vitally important to timber and fishing workers along with the communities in which they live.

The current version of unemployment benefits is supported by the business community representatives due to the traditionally high cost of the program to the state's unemployment insurance trust fund.

**Testimony Against:** None.

**Testified:** Jeff Johnson, WSLC (pro with concerns); Harold Abbe, AWPPW (pro); Jody Hoiness (pro).