

HOUSE BILL REPORT

HB 2895

As Reported By House Committee On:
Natural Resources

Title: An act relating to creating a program for employing affected natural resource workers in habitat restoration and enhancement.

Brief Description: Creating a program for employing affected natural resource workers in habitat restoration and enhancement.

Sponsors: Representatives Doumit, Buck, Regala, Hatfield, Kessler, Ericksen, Rockefeller, DeBolt, Stensen, Anderson, Eickmeyer, O'Brien, Constantine, Cody, Kenney, Edwards, Linville, Ogden, Lantz, Conway, Kagi, Haigh, Lovick, Santos and Hurst.

Brief History:

Committee Activity:

Natural Resources: 2/1/00, 2/4/00 [DPS].

Brief Summary of Substitute Bill

- Creates the Watershed Restoration and Jobs program to provide jobs for affected natural resource workers.

HOUSE COMMITTEE ON NATURAL RESOURCES

Staff: Josh Weiss (786-7129).

Background:

The Legislature created the Jobs for the Environment (JFE) program in 1993 through the Environmental Restoration Jobs Act. The legislation was enacted as a way to create jobs for workers who had been displaced from natural resource based industries, and to improve water quality and habitat through environmental restoration and enhancement projects.

The act created an environmental enhancement and job creation task force within the Governor's office and created an environmental and forest restoration account.

Moneys in the account could be used to make grants or loans to implement environmental and forest restoration projects. The statutes also impose a lid on the administrative costs of the program at 5 percent of the annual revenues to the account. The act was never implemented or funded.

The JFE program has been funded and implemented through budget proviso. The Department of Natural Resources has received funding in this manner to implement the program, while the Department of Ecology has not received funding since the 1993-95 biennium. Sources for funding have included: the state general fund, the watershed restoration partnership program, the wildlife account, the resource management cost account, and the federal general fund. These budget provisos have given the program varying directions over the history of the program. Recent case law makes it unlikely that the program will be able to operate solely through budget proviso.

In November 1998 the Joint Legislative Audit and Review Committee (JLARC) reviewed the Environmental Restoration Jobs Act and the JFE program. The report found that because the environmental and forest restoration account was never funded, loans were never offered, and the specific percentages of funding for certain activities were not adhered to. The program generally complied with legislative intent, but due to the fact that the program never operated under the direction provided by the Environmental Restoration Jobs Act, it was difficult to track legislative intent and identify criteria to which the program should be held accountable. The JLARC recommended amending the Environmental Restoration Jobs Act, and that the Legislature should provide long-term monitoring of the program. The report also found that the program had directed about \$16 million towards wages for affected natural resources workers.

In the last legislative session, the Legislature determined that the JFE program should be funded through the Salmon Recovery Funding Board. 2ESSB 5595 specifically earmarked funding for the JFE program. However, because the Governor vetoed much of section 22 of 2ESSB 5595, the Salmon Recovery Funding Board is not required to fund the JFE program. The board did approve \$3 million of the \$6.3 million requested for the program in August 1999. The board did not fund the remainder of this request at its January 21, 2000, meeting.

Summary of Substitute Bill:

The Legislature finds that the JFE program has provided family-wage jobs to displaced natural resource workers while completing important conservation projects. It is important that the program be updated and that the Legislature provide policy guidance on the continued operation of the program. In order to accomplish this goal, the Watershed Restoration and Jobs (WRJ) program is created.

The provisions of the Environmental Restoration Jobs Act that were never implemented are repealed.

"Affected natural resource worker" is defined to include workers eligible to receive wages and benefits through the WRJ program, and includes workers previously employed in the JFE program, workers in a qualified training program, displaced forest products and salmon fishing workers and other workers with a two-year work history in a fisheries or timber-dependent community. "Conservation" means activities that support critical watershed functions, including field assessments and activities associated with stream typing. "Watershed restoration" means providing water quality and habitat for healthy, diverse populations of fish and wildlife, within a watershed.

A maximum of 15 percent of the funds available to the WRJ program may be used for administrative purposes, including technical assistance provided by the Department of Fish and Wildlife and Department of Ecology. Funds may not be used to hire permanent state employees, or for other specifically listed activities.

The watershed restoration and jobs program task force is created within the Department of Natural Resources. The task force includes seven members who represent: the Commissioner of Public Lands, the Department of Fish and Wildlife, the Department of Ecology, the Work Force Training and Education Coordinating Board, the Governor's Rural Community Assistance Team Coordinator, Native American tribes, and federal agencies. The task force must also include an additional nine to 11 members representing community and nongovernmental interests that must include: rural community economic development organizations, conservation districts, small business interests, fishing and shellfishing, organized labor, the construction industry, the timber industry, environmental organizations, and nonprofit watershed restoration organizations. The Department of Natural Resources must provide staff support to the task force.

The task force is responsible for evaluating and recommending proposals for funding watershed restoration and conservation projects that employ affected natural resource workers. Priority must be given to projects from habitat project lists developed by lead entities that provide family wages and benefits to affected natural resource workers. Jobs that avoid redislocating natural resource workers receive added consideration. The task force must also consider whether improvements to water or habitat quality will be quantifiable. Whether projects are eligible for matching funds must also be considered.

The task force must submit a biennial report to the Legislature. The Department of Natural Resources must also provide a report to the Legislature by January 1, 2002, evaluating the implementation of the WRJ program. The report must include specific

information relating to the numbers of workers employed, and types of projects funded.

The Department of Fish and Wildlife and Department of Ecology must provide technical assistance to the program.

The Employment Security Department is required to refer eligible affected natural resource workers to employers hiring under the WRJ program. Such employers must consider the list of workers developed by the Employment Security Department before conducting interviews or making hiring decisions.

Substitute Bill Compared to Original Bill: The substitute bill adds a provision clarifying that the findings warrant the creation of the Watershed Restoration and Jobs program.

The substitute bill eliminates unnecessary definitions, and clarifies that the definition of "affected natural resource worker" includes dislocated forest products and salmon fishing workers as defined elsewhere in statute.

The substitute bill eliminates the Watershed Restoration and Jobs fund, and makes an appropriation of \$3,330,000 for the Department of Natural Resources from the Salmon Recovery account.

The substitute bill adds a representative of the construction industry to the Watershed Restoration and Jobs Task Force.

The original bill provided extended unemployment benefits for persons receiving training under the program. The substitute bill eliminated these provisions and adds a requirement that the Employment Security Department refer eligible affected natural resource workers to employers hiring under the WRJ program. Employers under the WRJ program must consider the list of workers developed by the Employment Security Department before conducting interviews or making hiring decisions.

Appropriation: The sum of \$3,330,000 or as much as is necessary is appropriated for the biennium ending June 30, 2001, from the Salmon Recovery account to the Department of Natural Resources for the purposes of the act.

Fiscal Note: Requested on January 27, 2000.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2000.

Testimony For: (Substitute bill) The Jobs for the Environment program was created in 1993 during the spotted owl controversy, when the timber industry was being

substantially reorganized. Subsequently, it hasn't been coordinated very effectively through the limiting factors analysis process. The program is a great success story, where displaced timber workers are completing meaningful restoration work. It's important that this program isn't lost. This accomplishes hard, dangerous work that requires trained crews. Everyone wins through this bill because it provides jobs and benefits for dislocated workers and accomplishes good work. The Department of Fish and Wildlife consults for the Department of Natural Resources by providing biologists and engineers on these projects. The program has created just over 1000 jobs since it's creation, has replaced over 300 culverts, and opened 180 miles of fish habitat. The title is an improvement and more clearly describes the purposes of the program. The administrative fees cap needs to be higher, though that depends on the appropriation. The benefits of this legislation won't occur unless the fund is actually funded. This is an opportunity to put minimum security crews of jail residents to work. The Employment Security Department supports the proposed substitute bill. This department connects employers with employees. This is another opportunity to give dislocated workers work rather than collect unemployment. This program trains people with skills that contractors are looking for. There needs to be some transition from natural resources dependent economies.

Testimony Against: None.

Testified: Representative Mark Doumit; Jim Walls, Columbia-Pacific Rural Conservation and Development District; Harold Abbe, Association of Pulp and Paper Workers; Greg Hueckel, Washington Department of Fish and Wildlife; Randy Acker, Department of Natural Resources; Jill Will, Jail Industries; Chris Webster and Tammy Fellin, Employment Security Department; Willie O'Neil, Associated General Contractors; and Ron Schultz, Audubon Society.