

# ***HOUSE BILL ANALYSIS***

## ***HB 2895***

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***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.

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### **HOUSE COMMITTEE ON NATURAL RESOURCES**

***Meeting Date:*** February 1, 2000.

***Bill Analysis Prepared by:*** Josh Weiss, Counsel (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. 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 Bill:***

The Legislature finds that the JFE program has provided family-wage jobs to displaced natural resources 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.

The provisions of the Environmental Restoration Jobs Act that were never implemented are repealed. The Watershed Restoration and Jobs (WRJ) program is created.

"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, newly displaced natural resources 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. The definition of "impact areas" is consistent with that found in the rural natural resources impact area programs. "Watershed restoration"

means providing water quality and habitat for healthy, diverse populations of fish and wildlife, within a watershed.

The watershed restoration and jobs account is created in the state treasury. Moneys may be used to fund watershed restoration and conservation projects that employ affected natural resources workers. A maximum of 15 percent of the funds may be available for administrative and technical assistance 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.

The watershed restoration and jobs program task force is created within the Department of Natural Resources. The task force consists of 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 eight to 10 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 timber industry, environmental organizations, non-profit 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 from the watershed restoration and jobs account. 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 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 task force must give notification of new jobs to local employment security and other specified offices. The Department of Employment Security may recruit dislocated workers for WRJ jobs, and must certify and refer eligible workers to employers hiring under the WRJ program. Recipients of funds under the program

must consider lists of eligible workers developed by the Department of Employment Security. This department must audit employers to certify that dislocated workers are being utilized to the greatest extent possible. Persons receiving funding through the program are not considered state employees, though they may receive state health benefits and industrial insurance. The program may not result in the displacement of current state employees.

Workers who are successfully participating in a training program under this bill are eligible for unemployment insurance benefits while in training. A process is established to make it easier for workers who have completed a job funded under this law to qualify for unemployment insurance benefits. The Department of Labor and Industries is required to expedite administrative approval of the programs wages as prevailing wages.

***Appropriation:*** None.

***Fiscal Note:*** Requested January 28, 2000.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.

***Rulemaking Authority:*** None.