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**Labor & Workforce Development  
Committee**

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**SB 5674**

**Brief Description:** Creating the aerospace training student loan program.

**Sponsors:** Senators Eide, Hobbs, Fain, Tom, Delvin, Kilmer, Shin, McAuliffe and White.

**Brief Summary of Bill**

- Establishes the Aerospace Training Student Loan Program for students at the Washington Aerospace Training and Research Center and the Spokane Aerospace Technology Center.

**Hearing Date:** 3/8/11

**Staff:** Jill Reinmuth (786-7134).

**Background:**

The Washington Aerospace Training and Research Center (WATR Center) was established in 2010 and is located on Paine Field in Everett. Offerings include customized training programs, as well as certificate programs. The WATR Center is operated by Edmonds Community College pursuant to a contract with the Aerospace Futures Alliance of Washington (Alliance).

The Spokane Aerospace Technology Center (SAT Center) is scheduled to open in 2011 and will be located at the Spokane International Airport. The SAT Center will offer various training programs, including the Spokane Community Colleges' aviation maintenance program.

The Alliance is an aerospace association of large and small aerospace companies. The Alliance is a nonprofit corporation.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Higher Education Coordinating Board (Board) provides strategic planning, coordination, monitoring, and policy analysis for higher education. It also administers various state and federal financial aid programs.

**Summary of Bill:**

The Aerospace Training Student Loan Program (Loan Program) for students at the WATR Center and the SAT Center is established.

The Board administers the Loan Program. In coordination with the Alliance, the Board selects and screens eligible students to receive student loans. The Board awards student loans to eligible students from funds appropriated or given to the Board for this purpose.

An eligible student is one who is registered for a course in the aerospace industry offered by the WATR Center or the SAT Center. An eligible student also must be making satisfactory progress as defined by the training program, and have a declared intention to work in the aerospace industry in Washington.

The student loan may not exceed one year of tuition and fees. The student loan must be repaid, with interest, within 36 months after completing the training program. The payments accrue quarterly beginning six months from the date the participant completes or discontinues the training program. The Board is required to adopt rules defining the terms of repayment, including interest rates, fees, and deferments, as well as other necessary rules. The Board also collects repayments and maintains all necessary records.

The Aerospace Training Student Loan Account (Account) is created. The Account is not subject to allotment, except for moneys used for program administration, and an appropriation is not required for expenditures. All moneys received for the Loan Program must be deposited into the Account, including appropriations, repayments, and other subsidies. The Account must be self-sustaining. Expenditures may be used solely for student loans and the Board's administrative costs.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.