

HOUSE BILL REPORT

HB 1455

As Reported by House Committee On:
College & Workforce Development

Title: An act relating to workforce development to address the shortage of workers in the aeronautics industry by increasing the training and employment of commercial pilots, airline transport pilots, avionics technicians, aircraft maintenance technicians, and certified flight instructors in Washington.

Brief Description: Concerning the aeronautics industry.

Sponsors: Representatives Dent, Slatter, Dye, Chapman, Ybarra, Hoff, Sells, Eslick, Lovick and Jenkin.

Brief History:

Committee Activity:

College & Workforce Development: 1/30/19, 2/20/19 [DPS].

Brief Summary of Substitute Bill

- Creates the commercial aeronautics loan and loan forgiveness program for Washington student residents pursuing careers as commercial pilots, airline transport pilots, avionics technicians, aircraft maintenance technicians, and certified flight instructors.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Hansen, Chair; Leavitt, Vice Chair; Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Bergquist, Kraft, Mead, Paul, Ramos, Rude, Sells, Slatter, Sutherland and Young.

Minority Report: Do not pass. Signed by 1 member: Representative Pollet.

Staff: Trudes Tango (786-7384).

Background:

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.

At the federal and state level there are various student loan programs for postsecondary education, some of which target specific fields. For example, the Aerospace Loan Program (ALP) provides low-interest loans to Washington students who have been accepted into the Washington Aerospace Training and Research Center (WATRC) program, which was created to help meet the demand for skilled entry-level aerospace workers in Washington. The WATRC currently provides training at the Edmonds Community College. Participants may borrow up to \$8,900 for 20 weeks of training to earn certificates or enhance job skills in various aerospace fields. Participants have up to four years to repay their loans after completion of their program.

Student loan repayment programs provide for a student loan to be forgiven or paid in exchange for service in a specified field. For example, the Health Professionals Loan Repayment Program awards state funds up to \$75,000 with a minimum three-year service obligation.

Summary of Substitute Bill:

The commercial aeronautics loan and loan forgiveness program is created for Washington resident students pursuing careers as commercial pilots, airline transport pilots, avionics technicians, aircraft maintenance technicians, and certified flight instructors. In designing the program, the Washington Student Achievement Council (WSAC) must consult with representatives of aeronautics employers and representatives from aeronautics training and education programs.

The WSAC must establish selection criteria, create terms of repayment, collect repayments, advertise the program, and solicit private donations. The WSAC may contract with a third party to administer and run the program. The program must be funded exclusively with private funding, except state funding may be used for the administration of the program.

The loan program must include the following elements:

- Loans will have a low-interest rate that is comparable or more favorable than the federal loan program, with interest beginning once the student leaves or finishes the program.
- A student's annual loan limit may not to exceed the student's estimated cost of attendance and may not exceed \$75,000 total.
- To be eligible for a loan, an applicant pursuing a pilot career path must have completed initial training and a solo flight. An applicant pursuing an avionics technician or aircraft maintenance technician career path must have completed one academic quarter or semester of initial training. Applicants must also provide a letter of recommendation.

The loan forgiveness program must include the following elements:

- Twenty percent of the student's total loan amount will be forgiven for the first full year the student is employed full-time as a certified flight instructor in an eligible program, or a technician or pilot with an eligible employer.

- After the first year, for each full year the student continues to be employed full-time with the eligible program or eligible employer, an additional 10 percent of the original total loan amount will be forgiven, up to a maximum of 60 percent of the total loan amount.
- Loans that are subject to forgiveness are loans the student receives under the loan program created by the bill.

The WSAC must establish criteria for determining "eligible employers." At a minimum, the employer must be located in Washington and have been engaged with or have demonstrated support for the loan and loan forgiveness program.

An account is created in the custody of the State Treasurer for the executive director of the WSAC to receive all moneys for the loan and loan forgiveness program.

Substitute Bill Compared to Original Bill:

The original bill allowed for state funding and required the private sector to contribute an amount equal to 20 percent of the state funds appropriated for each fiscal year as a prerequisite to state money being disbursed. The original bill required the Washington State Department of Transportation (WSDOT) to administer the program.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There is a major shortage in aviation positions across the state. There is a need for over 80,000 pilots to cover the number of baby boomers who are retiring. Stakeholders have provided a lot of feedback on this bill, and this program will be partly funded by private enterprises. Aviation programs are different and more expensive because the flight training adds costs. Students have to spend thousands of dollars for their training, and this bill will encourage young people to get into the industry. The aviation industry depends on a strong talent pipeline. Barriers to entering aviation include cost and time commitment requirements. This program will increase the number of pilots enter the industry and create incentives for students to in the field and work in the state.

(Opposed) None.

(Other) The WSAC, rather than the WSDOT, is better equipped to administer a loan program.

Persons Testifying: (In support) Representative Dent, prime sponsor; Scott Kennedy, Alaska Airlines; Steve DuPont, Central Washington University; Claire Korschinowski, Clover Park Technical College; and John Dobson, Washington State Aviation Alliance.

(Other) David Fleckenstein, Washington State Department of Transportation.

Persons Signed In To Testify But Not Testifying: None.