
SENATE BILL 5674

State of Washington

62nd Legislature

2011 Regular Session

By Senators Eide, Hobbs, Fain, Tom, Delvin, Kilmer, Shin, McAuliffe, and White

Read first time 02/04/11. Referred to Committee on Higher Education & Workforce Development.

1 AN ACT Relating to the aerospace training student loan program; and
2 adding a new chapter to Title 28B RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Aerospace training or educational program" means a course in
7 the aerospace industry as offered by the Washington aerospace training
8 and research center, Spokane aerospace technology center.

9 (2) "Aerospace worker" means a worker whose employment
10 qualifications require training as offered at the Washington aerospace
11 training and research center.

12 (3) "Board" means the higher education coordinating board.

13 (4) "Eligible student" means a student who is registered for an
14 aerospace training or educational program, is making satisfactory
15 progress as defined by the program, and has a declared intention to
16 work in the aerospace industry in the state of Washington.

17 (5) "Participant" means an eligible student who has received an
18 aerospace training student loan.

1 (6) "Student loan" means a loan that is approved by the board and
2 awarded to an eligible student.

3 NEW SECTION. **Sec. 2.** The aerospace training student loan program
4 is established. The program shall be administered by the board. In
5 administering the program, the board has the following powers and
6 duties:

7 (1) To screen and select, in coordination with the Aerospace
8 Futures Alliance, eligible students to receive an aerospace training
9 student loan;

10 (2) To adopt necessary rules;

11 (3) To collect and manage repayments from students who do not meet
12 their obligations under this chapter; and

13 (4) To solicit and accept grants and donations from public and
14 private sources for the program.

15 NEW SECTION. **Sec. 3.** To remain an eligible student and receive
16 continuing disbursements under the program, a participant must be
17 considered by the aerospace training or educational program to be
18 making satisfactory progress.

19 NEW SECTION. **Sec. 4.** The board may award aerospace training
20 student loans to eligible students from the funds appropriated to the
21 board for this purpose, or any other funds given to the board for this
22 program. The amount of the student loan awarded an individual may not
23 exceed one year of tuition and fees for the program of study.

24 NEW SECTION. **Sec. 5.** (1) A participant incurs an obligation to
25 repay the student loan, with interest, within thirty-six months after
26 completing the program.

27 (2) The interest rate shall be determined annually by the board.

28 (3) The minimum payment shall be set by the board. Payments of
29 principal and interest shall accrue quarterly commencing six months
30 from the date the participant completes or discontinues the course of
31 study. Provisions for deferral of payment shall be determined by the
32 board.

33 (4) The board is responsible for collection of repayments made
34 under this section and must exercise due diligence in such collection,

1 maintaining all necessary records to ensure that maximum repayments are
2 made. Collection and servicing of repayments under this section must
3 be pursued using the full extent of the law, including wage garnishment
4 if necessary.

5 (5) Receipts from the payment of principal or interest or any other
6 subsidies to which the board as administrator is entitled, that are
7 paid by or on behalf of participants under this section, must be
8 deposited in the aerospace training student loan account and must be
9 used to cover the costs of granting the student loans, maintaining
10 necessary records, and making collections under subsection (4) of this
11 section. The board must maintain accurate records of these costs, and
12 all receipts beyond those necessary to pay such costs must be used to
13 grant student loans to eligible students.

14 (6) The board shall adopt rules to define the terms of repayment,
15 including applicable interest rates, fees, and deferments.

16 NEW SECTION. **Sec. 6.** (1) The aerospace training student loan
17 account is created in the custody of the state treasurer. No
18 appropriation is required for expenditures of funds from the account.
19 The account is not subject to allotment procedures under chapter 43.88
20 RCW except for moneys used for program administration.

21 (2) The board shall deposit into the account all moneys received
22 for the program. The account shall be self-sustaining and consist of
23 funds appropriated by the legislature for the aerospace training
24 student loan program, and receipts from participant repayments.

25 (3) Expenditures from the account may be used solely for student
26 loans to participants in the program established by this chapter and
27 costs associated with program administration by the board.

28 (4) Disbursements from the account may be made only on the
29 authorization of the board.

30 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
31 a new chapter in Title 28B RCW.

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