

# SENATE BILL REPORT

## ESHB 1846

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As of March 17, 2011

**Title:** An act relating to the aerospace training student loan program.

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

**Sponsors:** House Committee on Labor & Workforce Development (originally sponsored by Representatives Eddy, Smith, Morris, Probst, Sells, Springer, Warnick, Lias, Stanford and Maxwell).

**Brief History:** Passed House: 3/07/11, 80-16.

**Committee Activity:** Higher Education & Workforce Development: 3/16/11.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Kimberly Cushing (786-7421)

**Background:** The Washington Aerospace Training and Research Center was established in 2010 and is located at Paine Field in Everett. The center is operated by Edmonds Community College and offers short, hands-on, job-specific training to present and future aerospace workers. Students have the opportunity to enroll in a certificate program or enhance their skill sets through individual classes. Training is delivered through on-site, online, and hybrid formats at the center; through statewide community colleges; or through distance learning venues.

The Spokane Aerospace Technology Center is scheduled to open in 2011 and will be located at the Spokane International Airport. Community Colleges of Spokane is taking a lead in creating this new educational facility.

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 eligible students at certain aerospace training or educational programs is established.

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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.*

An aerospace training or educational program (training program) is a course in the aerospace industry offered by the Washington Aerospace Training and Research Center or the Spokane Aerospace Technology Center. The training program must have an advisory committee that includes at least one member representing aerospace employers and at least one member from organized labor representing aerospace workers.

An eligible student is one who is registered for a training program. 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 Board is required to administer the Loan Program, which must be designed in consultation with representatives of aerospace employers, aerospace workers, and the training programs.

The Board has the following powers and duties:

- to select and screen eligible students to receive student loans, in coordination with representatives of the training programs;
- to consider an eligible student's financial need;
- to issue low-interest student loans;
- to establish an annual loan limit equal to training costs minus other financial aid;
- to define repayment terms;
- to collect and manage repayments;
- to solicit and accept grants and donations for the program; and
- to adopt rules.

The Board is authorized to award student loans to eligible students from available funds. The student loans may not exceed one year of tuition and fees.

The Aerospace Training Student Loan Account (Account) is created. Appropriations are required for administrative costs, but not for student loans. All monies received for the Loan Program must be deposited into the Account. The Account must be self-sustaining. Expenditures may be used solely for student loans and administrative costs.

The Board, in collaboration with the training programs, must submit reports regarding the Loan Program to the Governor and appropriate legislative committees by December 1 of each year. Annual reports must describe the design and implementation of the Loan Program. Annual reports also must include information about applicants, participants, and jobs in which participants are placed.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 10, 2011.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: The clarifications in the House companion did not change the intent of the Senate bill. The House bill expands the consultation of the Board and includes an advisory committee. This is one of most important programs in the aerospace industry. If over 1300 students get through the program they will be hired by the end of the year. The Spokane center is supposed to open in late spring. We need to have students that can go through the program.

**Persons Testifying:** PRO: Linda Lanham, Aerospace Futures Alliance.