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**HOUSE BILL 1455**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Representatives Dent, Slatter, Dye, Chapman, Ybarra, Hoff, Sells, Eslick, Lovick, and Jenkin

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; adding new sections to chapter 47.68 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature recognizes that the aeronautics industry is vital to Washington's economy and way of life. The legislature also recognizes that for Washington's aeronautics industry to continue to thrive and remain vibrant, both the public sector and the private sector must commit to investing in students entering the aeronautics industry.

NEW SECTION. **Sec.**  A new section is added to chapter 47.68 RCW to read as follows:

(1)(a) Subject to availability of amounts appropriated for this specific purpose, the commercial aeronautics loan and loan forgiveness program is created.

(b) The program must be designed in consultation with the student achievement council, representatives of aeronautics employers, and representatives from aeronautics training and education programs.

(c) Loan disbursements and loan forgiveness under the program are limited to Washington state resident students pursuing careers as commercial pilots, airline transport pilots, avionics technicians, aircraft maintenance technicians, and certified flight instructors, enrolled in aviation training and education programs in the state. Loans disbursed may only be used for eligible expenses.

(d) The source of funds for the program must be a combination of private donations, grants, and contributions and state funds.

(e) Before any loan disbursement is made or any loan forgiveness is granted to any student, an investment from the private sector, by way of private cash donations and contributions, must be made that equals at least twenty percent of the amount the state has appropriated specifically for this purpose each fiscal year.

(2) The secretary shall administer the program and has the powers and duties to:

(a) Design and implement a low-interest commercial aeronautics student loan program with the following elements:

(i) A low-interest rate, comparable to or more favorable than the federal direct loan program, that begins once the participant leaves or finishes his or her aeronautics training and education program; and

(ii) An annual loan limit not to exceed the participant's estimated cost of attendance in an eligible program, as determined by his or her program and a total loan limit not to exceed seventy-five thousand dollars maximum;

(b) Establish eligibility criteria for applicants to qualify for a loan. At a minimum, an applicant must:

(i) Be accepted into an eligible program; and

(ii)(A) For students pursuing a pilot career path, demonstrate the ability to succeed by having successfully completed initial training and a solo flight and provide a letter of recommendation from a certified flight instructor of an established flight school in Washington state; or

(B) For students pursuing an avionics technician or aircraft maintenance technician career path, demonstrate the ability to succeed by having successfully completed one academic quarter or semester of initial training at a Washington state aviation maintenance school certified under 14 C.F.R. Sec. 147 et. seq. and provide a letter of recommendation from an aviation maintenance instructor of that aviation maintenance school;

(c) Determine which aeronautics training and education programs are eligible programs. Eligible programs must include programs in the state that offer training and certification and degrees to become a commercial pilot, airline transport pilot, avionics technician, aircraft maintenance technician, or certified flight instructor;

(d) Establish a selection and notification process for awarding loans;

(e) Define the terms of repayment, including applicable interest rates, fees, and deferments;

(f) Collect and manage repayments on loans;

(g) Establish a loan forgiveness program that provides for part of a student's total loan amount to be forgiven if certain criteria are met. The loan forgiveness program must provide that twenty percent of the student's total loan amount is forgiven for the first full year the student is: (i) Employed full-time as a certified flight instructor in an eligible program; or (ii) employed as a full-time commercial pilot or airline transport pilot with an eligible employer; or (iii) employed full-time as an avionics technician or aircraft maintenance technician 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 ten percent of the original total loan amount is forgiven, up to a maximum of sixty percent of the total loan amount. The loans that may be forgiven are loans the student received under the program created by this section;

(h) Establish criteria for determining which employers are eligible employers for purposes of the loan forgiveness program. The criteria must, at a minimum, require that the employer be located in Washington and have been engaged with or have demonstrated support for the commercial aeronautics loan and loan forgiveness program;

(i) Solicit and accept grants and donations from public and private sources for the commercial aeronautics loan and loan forgiveness program;

(j) Exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;

(k) Publicize the commercial aeronautics loan and loan forgiveness program;

(l) If appropriate, contract with a third-party entity or organization to implement the commercial aeronautics loan and loan forgiveness program; and

(m) Adopt rules necessary to implement the commercial aeronautics loan and loan forgiveness program.

(3) For the purposes of this section:

(a) "Eligible expenses" means reasonable expenses associated with the cost of acquiring an education, such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator.

(b) "Eligible programs" means programs in the state that offer training, certification, and degrees to become commercial pilots, airline transport pilots, avionics technicians, aircraft maintenance technicians, and certified flight instructors.

(c) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate and who has been accepted into an eligible program.

(d) "Resident student" has the same meaning as in RCW 28B.15.012.

NEW SECTION. **Sec.**  A new section is added to chapter 47.68 RCW to read as follows:

(1) The commercial aeronautics transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the commercial aeronautics loan and loan forgiveness program created in section 2 of this act.

(2) The secretary shall deposit into the account all moneys received for the commercial aeronautics loan and loan forgiveness program. The account shall consist of moneys received for the program by the secretary and receipts from participants' repayments, including principal and interest.

(3) No expenditures from the commercial aeronautics transfer account may be made except upon receipt of proof, from the commercial aeronautics loan and loan forgiveness program administrator to the secretary, of private donations and contributions to the commercial aeronautics loan and loan forgiveness program that meet the requirements of section 2 of this act.

(4) Only the secretary of the department or the secretary's designee may authorize expenditures from the commercial aeronautics transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under this section.

(5) Once moneys are deposited in the commercial aeronautics transfer account, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the commercial aeronautics transfer account are not considered state money, common cash, or revenue to the state.

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