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**College & Workforce Development  
Committee**

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**HB 1455**

**Brief Description:** Concerning the aeronautics industry.

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

**Brief Summary of 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.

**Hearing Date:** 1/30/19

**Staff:** Trudes Tango (786-7384).

**Background:**

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.

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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 Washington State Department of Transportation (WSDOT) is directed to encourage, foster, and assist in the development of aeronautics in this state. "Aeronautics," as defined in the WSDOT statutes means, among other things, the science and art of flight, including but not limited to, transportation by aircraft and the operation, construction, repair, or maintenance of aircraft.

### **Summary of 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 WSDOT must consult with the Washington Student Achievement Council, representatives of aeronautics employers, and representatives from aeronautics training and education programs.

The WSDOT must establish selection criteria, create terms of repayment, collect repayments, advertise the program, and solicit private donations. The WSDOT may contract with a third-party to administer and run the program.

The source of funds for the program must be a combination of state funds and private donations. No loan disbursement or forgiveness may be made unless there is an investment from the private sector that is equal to at least 20 percent of the amount the state has appropriated for the program each fiscal year.

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 application 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:

- 20 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 WSDOT 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.

A non-appropriated account is created where the Secretary of WSDOT will receive all moneys for the loan and loan forgiveness program.

**Appropriation:** None.

**Fiscal Note:** Requested on January 22, 2019.

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