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**SUBSTITUTE HOUSE BILL 1455**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House College & Workforce Development (originally sponsored by Representatives Dent, Slatter, Dye, Chapman, Ybarra, Hoff, Sells, Eslick, Lovick, and Jenkin)

1 AN ACT Relating to workforce development to address the shortage  
2 of workers in the aeronautics industry by increasing the training and  
3 employment of commercial pilots, airline transport pilots, avionics  
4 technicians, aircraft maintenance technicians, and certified flight  
5 instructors in Washington; and adding new sections to chapter 28B.77  
6 RCW.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.77  
9 RCW to read as follows:

10 (1)(a) The commercial aeronautics loan and loan forgiveness  
11 program is created.

12 (b) The program must be designed in consultation with  
13 representatives of aeronautics employers and representatives from  
14 aeronautics training and education programs.

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

1 (d) The program must be funded exclusively with private funding.  
2 State funding may be used for the administration of the program.

3 (2) The council shall administer the program and has the powers  
4 and duties to:

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

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

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

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

17 (i) Be accepted into an eligible program; and

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

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

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

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

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

39 (f) Collect and manage repayments on loans;

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

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

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

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

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

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

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

32 (3) For the purposes of this section:

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

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

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

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

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.77  
6 RCW to read as follows:

7 (1) The commercial aeronautics transfer account is created in the  
8 custody of the state treasurer to be used solely and exclusively for  
9 the commercial aeronautics loan and loan forgiveness program created  
10 in section 1 of this act. No appropriation is required for  
11 expenditures from the account for loans and loan forgiveness. An  
12 appropriation is required for expenditures from the account for costs  
13 associated with program administration.

14 (2) The council's executive director shall deposit into the  
15 account all moneys received for the commercial aeronautics loan and  
16 loan forgiveness program. The account shall consist of moneys  
17 received for the program by the council's executive director and  
18 receipts from participants' repayments, including principal and  
19 interest.

20 (3) Only the council's executive director or the executive  
21 director's designee may authorize expenditures from the commercial  
22 aeronautics transfer account. Expenditures from the account may be  
23 used solely for commercial aeronautics loans and loan forgiveness and  
24 for costs associated with program administration.

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