



Aerospace Training Student Loan Program Annual Report - December 2023

BACKGROUND

The Washington Student Achievement Council (WSAC) is submitting this report pursuant to the requirements of RCW 28B.122.060, which directs WSAC to collaborate with the state's aerospace training and educational programs to provide annual reports to the Governor and Legislature on the Aerospace Training Student Loan program.

DESIGN AND IMPLEMENTATION

The Aerospace Loan Program (ALP) provides low-interest loans to Washington students enrolled in an eligible training program. Currently, there is only one participating program: the Washington Aerospace Training and Research (WATR) Center program located at Edmonds College.

To earn the WATR Center Aerospace Certification, students must complete a four-week online segment, followed by an eight- to twelve-week on-site classroom segment specializing in one of four areas: assembly mechanic, composites, electrical, or tooling. Upon completing the Aerospace Certification program, students have the option of enrolling in a third segment to earn a Quality Assurance Certification.

Students typically request and receive up to \$5,700 to complete their Aerospace Certification, which includes up to \$2,500 for the online segment and up to \$3,200 for the on-site segment. In addition, students may request and receive up to \$3,200 for the Quality Assurance Certification, bringing the maximum loan amount to \$8,900. Payments for each subsequent segment are issued only upon successful completion of the preceding segment and verification of satisfactory academic progress. WSAC may reduce the loan amount if the student has other financial resources that lower the cost of attendance, such as veterans benefits, employer assistance, or scholarships.

The student/borrower has six months from the date of the certification program completion to begin repaying the loan. Borrowers are required to make payments monthly. The student/borrower has up to four years to repay the loan.

AEROSPACE LOAN PROGRAM PARTNERS

Multiple entities were instrumental in establishing ALP and play critical roles in its operation:

- **Washington Student Achievement Council (WSAC):**
 - Serves as ALP program administrator.
 - Screens and selects applicants for the loan, collects and manages repayments, defines loan amounts and repayment terms, and sets the loan interest rate and annual loan limit.
- **Washington Aerospace Training and Research (WATR) Center:**
 - Coordinate's aerospace short certificate training programs.
 - Provides training at Edmonds College.
- **Edmonds College Business Training Center:**
 - Has administrative oversight of the WATR Center.
 - Assists in registering ALP recipients into WATR Center training certificate programs.
 - Receives and processes ALP payments for training modules.
- **Aerospace Futures Alliance (AFA):**
 - Is composed of aerospace industry members.
 - Represents the concerns and issues of its members and provides industry advice.
- **Aerospace employers:**
 - Include Boeing and other aerospace suppliers.
 - Act as consultants, particularly regarding hiring practices and the design of loan recipient eligibility requirements.
- **Everett Community College:**
 - Was authorized in the 2015 Legislative Session to participate as a site but has not done so.
- **Renton Technical College:**
 - Enrolled ALP participants at their campus in 2016, but currently does not offer any programs that qualify for ALP.

APPLICATION PROCESS AND 2022-23 APPLICATION CYCLE

Students who wish to participate in ALP may access the application materials online at <https://wsac.wa.gov/aerospace-loan-program>. The application process consists of completing a program application and a promissory note and mailing the completed materials to WSAC. An internal committee reviews the application and runs a credit report to verify eligibility. Applicants who have derogatory credit must secure a cosigner to continue pursuing the loan. There is no application deadline; rather, WSAC staff reviews applications on a rolling basis throughout the year. WSAC awards loans on a first-come, first-served basis to eligible applicants who submit completed applications.

Table 1 shows the application and award history over the ten years of program operation, from 2011-12 through 2022-23. In total, ALP has received 973 completed applications, of which 569 (or 58 percent) received a loan. The program received the largest number of applications in 2012-13, at 334. In 2016-17, the program experienced a sharp drop in the number of applications, receiving only 38 applications. Numbers remained low through 2022-23.

Table 1: ALP Application and Award History

Academic Year	2018-19	2019-20	2020-21	2021-22	2022-23
Completed applications received (#)	49	31	6	14	9
Applicants funded* (#)	39	16	3	5	5
Applicants funded* (%)	79%	52%	50%	36%	56%

*Reasons applicants were not funded include declined awards, failure to enroll, failure to obtain a requisite cosigner, and other.

ELIGIBILITY CRITERIA FOR ALP LOANS

To protect the state's fiduciary interests, funds are awarded to applicants who meet credit criteria (average-to-high credit scores or no credit history). Those with credit issues are required to submit a cosigner application.

An applicant must:

- Be a United States citizen or an eligible non-citizen. *
- Be 18 years of age or older.
- Be a high school graduate or have a GED.
- Have at least an 8th grade level of reading and math skills.
- Declare intent to work in the state of Washington in the aerospace industry.
- Meet satisfactory academic progress program requirements to receive additional loan installments.
- Submit a cosigner application if the applicant:
 - Has a credit history that falls below 600.
 - Has any open collection accounts.
 - Has a current lien(s).
 - Has filed for bankruptcy within the last seven years.
 - Is delinquent on any state or federal debt.

*Acceptable non-citizen statuses for eligibility may include:

- Deferred Action for Childhood Arrivals (DACA)
- Permanent Resident (Alien Registration Receipt Card)
- Conditional Permanent Resident (I-551C)
- Arrival-Departure Record (I-94)
- Victim of Human Trafficking
- Designation as:
 - Refugee, Asylum Granted, Indefinite Parole, Humanitarian Parole, Cuban-Haitian Entrant.
 - Citizen of Republic of Palau, Citizen of Republic of the Marshall Islands, Citizen of Micronesia.

DEMOGRAPHIC PROFILES

Table 2 provides demographic information for the students who submitted complete ALP applications from 2011-12 through 2022-23. Most applicants were male and between the ages of 18 and 35.

The racial group with the largest representation was Caucasian followed by Asian-Pacific Islander.

Table 2: Demographic Profiles of ALP Applicants (N = 973) *

*In 2011-12, demographic data were not available for all 113 applicants, therefore, this academic year was excluded from the table.

Age at time of application	Percent
18–25	6%
26–35	49%
36–45	26%
46 and over	19%
No Response	0%
Gender	
Male	79%
Female	20%
No Response	1%
Race	
African American	10%
Asian-Pacific Islander	16%
Caucasian	39%
Other (Includes Alaska Native)	23%
No Response	12%

PROGRAM COMPLETION AND LOAN REPAYMENT

According to data provided by the WATR Center, about 95 percent of all ALP participants (2011-12 through 2022-23) completed the Aerospace Certification program.

Table 3: Number of Students Completing Certificate

Academic Year Started Program	2018-19 (n=39)	2019-20 (n=16)	2020-21 (n=3)	2021-22 (n=5)	2022-23 (n=5)
Completed & Received Certificate	36	13	3	5	3
In School	0	0	0	0	2
Did Not Complete	3	3	0	0	0
Percentage Completed	92%	81%	100%	100%	60%

Completion numbers provided by WATRC.

ALP recipients begin making monthly payments on their loan within six months of their program completion date. If a recipient is over 90 days behind on making a payment, their account is in default status and the account transfers to collections.

Current account status for the 569 students who have received ALP loans since 2011-12 is as follows: 64 percent (n = 364) have paid off the loan in full; 15 percent are in repayment (n = 83) (repayment and default statuses); 21% percent are in collections (n = 122).

There is a six-month grace period before ALP loans are transferred into repayment.

Table 4: Current Account Status

Academic Year Started Program	2018-19 (n=39)	2019-20 (n=17)	2020-21 (n=3)	2021-22 (n=5)	2022-23 (n=5)
In repayment	49%	65%	100%	100%	80%
In Collections	0%	0%	0%	0%	0%
Paid in full	44%	18%	0%	0%	0%

*It should be noted that the Aerospace Loan program has a high default rate, with over one-quarter of all recipients going into collections at some point during their repayment period.

EMPLOYMENT STATUS AFTER CERTIFICATION

WSAC conducted an annual employment survey of ALP recipients in October 2023. The survey was sent to 3 borrowers who received loans between 2022 and 2023 who had left their program either through completion or withdrawal. All three (100 percent) responded to the survey, as shown in Table 5. According to the WATR Center, COVID-19, and Boeing’s issues with the 737 Max had a major impact on the aerospace industry in Washington State, which may have impacted employment opportunities.

Table 5: Employment Status of Surveyed ALP Borrowers (N = 3)

Employment Status	Number	Percent
Employed	1	33%
Unemployed	2	67%
Unknown	0	0%

Table 6: Employment Characteristics for Employed Survey Respondents (N = 3)

New or same job (N = 3)	Number	Percent
Have new job since completing the certification	1	33%
Have same job as before	0	0%
Full- or part-time (N = 3)		
Full-time	1	33%
Part-time	0	0%
In aerospace industry (N = 3)		
Yes	1	33%
Estimated gross annual income (N = 3)		
Less than \$30,000	0	0%
Greater than \$30,000, less than \$60,000	3	33%
Greater than \$60,000	0	0%

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