

Aerospace Training Student Loan Program: 2015 Annual Report

November 2016

BACKGROUND

This report is submitted pursuant to the requirements of RCW 28B.122.060(2), which directs the Washington Student Achievement Council (WSAC) to collaborate with the state's aerospace training and research programs to provide annual reports to the Legislature on the Aerospace Training Student Loan Program.

DESIGN AND IMPLEMENTATION

The Aerospace Loan Program (ALP) provides low-interest loans to students for tuition. ALP loans provide students with the opportunity to obtain training in an aerospace-related industry in less than two quarters.

Aerospace Loan Program Partners

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

- **Washington Aerospace Training and Research (WATR) Center:** Coordinates aerospace short certificate training programs. Currently provides training at Edmonds Community College and Renton Technical College.
- **Edmonds Community College Business Training Center:** Has administrative oversight of the WATR Center. Assists in registering ALP recipients into the WATR Center training certificate programs. All payments for the training modules are sent to the Business Training Center.
- **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.
- **Aerospace Futures Alliance (AFA):** Composed of aerospace industry members. Represents the concerns and issues of its members and provides industry advice as it relates to the design of loan recipient eligibility requirements.
- **Aerospace employers:** Includes Boeing and other aerospace suppliers. Act as consultants, particularly in regard to hiring practices and the design of loan recipient eligibility requirements.
- **Renton Technical College:** Has been an active participant under an agreement with Edmonds Community College and the WATR Center, but has now expanded their role as a full participant with expanded training capacity.
- **Everett Community College:** Was authorized in the 2015 Legislative Session to participate as a site but has not done so.

To protect the state's fiduciary interests, available funds are prioritized to the lowest-risk applicants (average-to-high credit scores or no credit). Those with credit issues are required to submit a cosigner application.

Eligibility Criteria for ALP Loans

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.
- Have no felony convictions.
- Meet satisfactory academic progress program requirements to receive additional loan installments.
- Submit a cosigner application if 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.
 - Is not current on child support payments.

* Non-citizen eligibility:

- U.S. nationals (including natives of American Samoa or Swain's Island) are **eligible**.
- U.S. permanent residents who have an I-151, I-551, or I-551C (Permanent Resident Card) are **eligible**.
- Persons having only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464) are **not eligible**.
- Persons in the United States on certain visas, including an F1 or F2 student visa, or a J1 or J2 exchange visitor visa are **not eligible**.
- Persons with G series visas (pertaining to international organizations) are **not eligible**.

APPLICATION PROCESS

ALP application materials are available at www.readysetgrad.org/ALP. Completed applications are mailed to WSAC. Loans are made on a first-come, first-served basis to eligible applicants who submit completed applications.

Students with other financial aid resources, such as veterans benefits or employer assistance, are not eligible for ALP. Credit reports and criminal background checks are run on all ALP applicants in order to determine eligibility. Applicants who have derogatory credit must secure a cosigner to continue pursuing the loan. Applicants who have a felony are not eligible for the loan.

Table 1 shows application history for ALP. Of all completed applications submitted through 2014-15 (n = 693), 60 percent have received a loan (n=413).

Table 1: ALP Application History

Academic Year	Loan Applicants Funded*	Loan Applicants not Funded	Total Loan Applications
2011-12	50	63	113
	44%	56%	
2012-13	185	140	325
	57%	43%	
2013-14	62	25	87
	72%	28%	
2014-15	116	52	168
	69%	31%	

*Reasons applicants were not funded include: depletion of available funds (2011-12 only); declined awards or failure to enroll; other.

APPLICANT PROFILES

Table 2 provides demographic information for the students who submitted ALP applications from 2011-12 through 2014-15.

- The majority of applicants were younger than age 36 and were predominantly Caucasian males located in King and Snohomish Counties.
- Among those whose employment status could be determined at the time of application, 37 percent were unemployed.
- Applicants were less likely to have dependents.

Table 2: Demographic Profiles of ALP Applicants

Number of Applicants	2011-12	2012-13	2013-14	2014-15
Total Applications	50	325	88	169
Age				
18–25	48%	41%	55%	44%
26–35	18%	35%	22%	36%
36–45	28%	16%	17%	14%
46 and over	6%	8%	7%	6%
Gender				
Male	86%	84%	91%	74%
Female	14%	16%	9%	26%
Dependent Status				
With Dependents	n/a	29%	17%	22%
Without Dependents	n/a	71%	83%	78%
Average # of Dependents Reported	n/a	1.8	1.7	1.7
Ethnicity				
African-American	16%	7%	8%	9%
Alaska-Native	2%	1%	0%	1%
Asian-Pacific Islander	8%	8%	6%	12%
Chinese	0%	1%	1%	1%
Filipino	10%	4%	2%	8%
Korean	4%	4%	6%	5%
Vietnamese	2%	6%	6%	9%
White Caucasian	48%	40%	47%	41%
Other	2%	6%	10%	6%
No Response	8%	23%	15%	8%
Employment Status at Time of Application				
Working - full time	18%	33%	33%	38%
Working - part time	2%	23%	34%	22%
Not working	0%	43%	32%	3%
No Response	80%	0%	1%	37%
Disability	0%	1%	0%	0%

EMPLOYMENT STATUS AFTER CERTIFICATION

WSAC conducted an employment survey of ALP program certificate recipients in December 2015. The survey was sent to 163 borrowers who received loans between 2013 and 2015 and who were in repayment or who had been in their grace period for a minimum of three months. Forty-nine percent (n=80) responded to the survey. Of the respondents, 79 percent (n = 63) were employed. Of those who were employed, 39 percent (n = 32) had secured employment in the aerospace field.

Table 3 shows the type of work performed, employment status, and wage ranges for the 32 loan recipients employed in aerospace. For borrowers unable to obtain employment, the key challenges were noted—including the lack of job experience and lack of job openings—as shown in Table 4.

Table 3: Employment Characteristics of Surveyed ALP Borrowers Working in Aerospace as of December 2015

Aerospace Job Categories		
Assembly Mechanic	19	59%
Electrical	4	13%
Tooling	2	6%
Quality Assurance	1	3%
Other Aerospace	6	19%
Wages		
Less than \$30,000	40	63%
Greater than \$30,000, less than \$60,000	22	35%
Greater than \$60,000	1	2%
Employment Status		
Full Time	47	75%
Part Time	15	23%
Other	1	2%
Employers		
Boeing	4	25%
Other Aerospace	28	75%

Table 4: Examples of Employment Barriers from Survey Responses

Employment Barriers (multiple choices allowed)		
Lack of job experience	21	25%
Certification not enough to be competitive in job market	16	19%
Jobs they qualified for offered wages that were too low	15	18%
Lack of job openings	20	24%
Other	12	14%

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