

ARIZONA STATE LEGISLATURE
Fifty-second Legislature – First Regular Session

SPECIAL JOINT MEETING
SENATE COMMITTEE ON PUBLIC SAFETY, MILITARY AND TECHNOLOGY
AND
HOUSE COMMITTEE ON MILITARY AFFAIRS AND PUBLIC SAFETY

Report of Special Meeting
Thursday, June 25, 2015
House Hearing Room 1 -- 10:00 a.m.

Convened 10:06 a.m.

Recessed

Reconvened

Adjourned 12:33 p.m.

Members Present

Senators:

McGuire

Ward

Smith, Chairman

Representatives:

Andrade

Campbell

Kern

Mach

Pratt

Borrelli, Chairman

Members Absent

Senators:

Burges

Contreras

Kavanagh, Vice-Chairman

Representatives:

Cardenas (exc)

Farnsworth E

Finchem, Vice-Chairman

Presentations

Name

Jim Norton

John Stonecipher

Patrick Needham

Richard Merritt

Organization

Axiom Public Affairs

Guidance Aviation

self

Elliott D. Pollack and Company

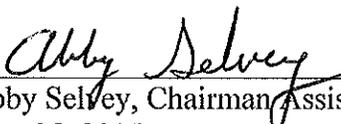
Attachments (Handouts)

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Abby Selvey, Chairman Assistant
June 25, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

William Wayland

I got out of the United States Army on September 19th 2014. I enrolled at Yavapai College for the summer of 2015. I purchased a travel trailer and was 2 weeks away from moving to Arizona when I found out the VA canceled the tuition. I scrambled to find a local job pushing a shovel just to make ends meet, since I am no longer going to Arizona. My household goods are still in storage, because I figured I would be moving to AZ and have them shipped. My wife and family are none too happy. I am out a lot of time and money thanks to the VA.

Aaron Rishel

I joined the Air Force in 2010 as an Enlisted Aviator with the 50th AS at Little Rock Air Force Base, Arkansas. I have proudly flown with this country's top Combat Airlift Squadron all over the world, including two deployments to Afghanistan in support of Operation Enduring Freedom. I have earned numerous awards and commendations, including 5 Air Medals from over 100 combat missions overseas.

Nearing the end of my enlistment last fall, I was chosen to go to Air Force Special Operations Command, and I needed to make the heavy decision that all Servicemen and women come to in their careers- whether to sign a commitment to the military for another enlistment, or to separate and pursue options back in the civilian world. A decision that cannot be taken lightly, and a transition that can be challenging for many Veterans.

The addition of flight training benefits as part of the Post 9/11 GI Bill was a major factor in creating my future plans. Hanging up my flightsuit and helmet was not easy, but knowing I would have a structured path and the support to move from military to commercial aviation was re-assuring and gave me a positive goal to work towards.

After being accepted into the Rotary Wing training program, and weeks before my much awaited move to Arizona, myself and the other acceptees from across the country received an email from the V.A. stating that our benefits were no longer going to be available. In just one email, the preparations and planning of Veterans all across the country were destroyed.

Without the support from the V.A., this dream would never be possible for me, or for many others who have left their military careers to utilize the GI Bill benefits we have earned from our sacrifice and service to this great country.

Josh Assure

Hello my name is Joshua Assur. I am a navy veteran of six years and continued to serve our armed forces as an engineer for Lockheed Martin. I recently did research on helicopter flight schools and flew out to Prescott to tour guidance Aviation. I was very impressed with the school, facility, and staff. Shortly after I applied for the program using my G.I. Bill. I was accepted to the program, resigned from a very good job, rented my house out for two years, packed up my stuff and drove from Virginia to Arizona. Upon arrival I went to a meeting and was informed that our class that was accepted was no longer allowed to start. I spent two weeks sitting around Prescott waiting for a verdict before packing up and driving back to Virginia. I was fortunate enough to get my old job back but I estimate this little adventure



Guidance Aviation Professional Helicopter Pilot Training

Yavapai College in Prescott, Arizona

Since 2010, 72 students have graduated with Yavapai College's helicopter A.A.S. degree. The graduation rate has been 41.8% - twice as high as the national average of 21% for community colleges.

Also since 2010, the average cost to students to obtain an Associate of Applied Science degree with a concentration in helicopters has been approximately \$167,367. Although this number may seem high, please know that the operating cost of training helicopters is significant. In addition, a portion of the revenue is used by the college to administer the program and to follow federal and state regulations.

As of January 2014, graduates of this degree had a job placement rate of 83%. Those students continuing their education account for an additional 7%. Graduates who continue with internships as pilot instructors with Guidance Aviation and then move into the private sector start at a salary considerably above the national average. For example, for the three most recent pilot instructors that have found employment in industry their average starting salary was over \$70,000.

The existing cap set by the Post 9-11 GI Bill to *private* colleges is just over \$20,000 per year. At *public* colleges with a pilot training program, after subtracting tuition and normal fees from the \$20,000, there would be too little remaining to cover the costs of pilot training. Although the Yellow Ribbon program exists, it only works when students sit in traditional classrooms where the extra cost for a Veteran to sit in on classes is minimal. A cap to pilot training programs, even with the Yellow Ribbon program, cannot cover pilot training costs for veterans.

Guidance Aviation believes there are alternatives to H.R. 475 as it is currently written that will allow student veterans to continue to enjoy the benefits of a career in helicopter aviation. Items that should be considered are, but not limited to:

- The discontinued use of turbine helicopters in pilot training
- A study performed on the pilot training industry performed by the GAO
- A working group of industry leaders and the Veterans Administration to find a reasonable monetary cap for pilot training programs.

To shut down professional pilot training, as the caps in H.R. 475 will do, is unjust to the veterans currently in pilot training programs, unjust to the veterans currently employed at college pilot programs who will lose their apprenticeships necessary for future employment, and unjust to the thousands of veterans that will be denied careers as a professional pilots. We should consider all options prior to moving legislation that will have such a dramatic effect on our student veterans.

HR 476

H.R. 476 introduced by Congressman Brad Wenstrup, Chairman of the House Veterans Affairs Committee on Economic Opportunity will terminate all helicopter flight training programs for veterans by making flight schools at public institutions of higher learning the only academic degree program not eligible for full reimbursement under the Post 9/11 GI Bill.

Flight Training Under the Post-9/11 GI Bill

Effective October 1, 2011 flight training reimbursement was approved under the Post-9/11 GI Bill. There are three types of programs eligible:

1. Veterans enrolled in any degree program that consists of flight training at a public institution of higher learning can be reimbursed up to the resident in-state cost of the training.
2. A veteran enrolled in any degree program that consists of flight training at a private institution of higher learning can be reimbursed up to the full cost of the training or \$20,235.02 per academic year, whichever is less.
3. A veteran enrolled in any type of vocational flight training can be reimbursed up to the full cost of training or \$11,562.86 per academic year, whichever is less.

HR 476 Provisions

HR 476 seeks to limit all aviation programs to the same cap that applies to private institutions, \$20,235.02. The effect of this change will be termination of benefits to veterans attending flight schools one year from enactment. Due to the cost of aircraft, it is not possible for a helicopter training program to operate at this level. Hundreds of student veterans will be denied the ability to complete their degrees.

Current law provides that veterans are reimbursed for the actual net cost for in-state tuition and fees. HR 476 sets a dangerous precedent by creating an arbitrary ceiling for those seeking to become pilots. The intent of the Post 9/11 GI Bill is to provide student veterans with the flexibility to choose the institution and degree program that best fits their career goals. Provided the academic program meets the necessary state and federal standards veterans should be allowed to choose aviation as a career.



DEPARTMENT OF VETERANS AFFAIRS
VA REGIONAL OFFICE
PO BOX 8888
Muskogee, OK 74402-8888

April 7, 2015

In Reply Refer To: 351/22

VAVAPAI COLLEGE
PENELOPE H. WILLS PRESIDENT
1100 EAST SHELDON STREET
PRESCOTT AZ 86301

Dear Dr. Wills:

This letter is in response to your letter dated March 27, 2015, to the Arizona Education Liaison Representative requesting answers to two questions.

Yavapai College sent approximately 40 letters to prospective students advising that they had been accepted into your AAS Aviation Technology degree. Classes are set to begin on May 11, 2015. You asked whether the College's certifying officials may submit enrollment certifications for VA students attending the summer term in programs with concentrations, which exceed the 85/15 percent enrollment limit. The school also asked if currently enrolled students could continue to be certified for VA education benefits.

Statute (CFR 21.4201 (g)(2)(i)) is specific in that no benefits will be paid when that computation establishes that the course:

(2) Except for those enrollments with a beginning date before or the same as the date the school completed the most recent computation, no benefits will be paid under 10 U.S.C. chapter 1606 or under 38 U.S.C. chapter 30, 32, 33, or 36, when that computation establishes that the course:

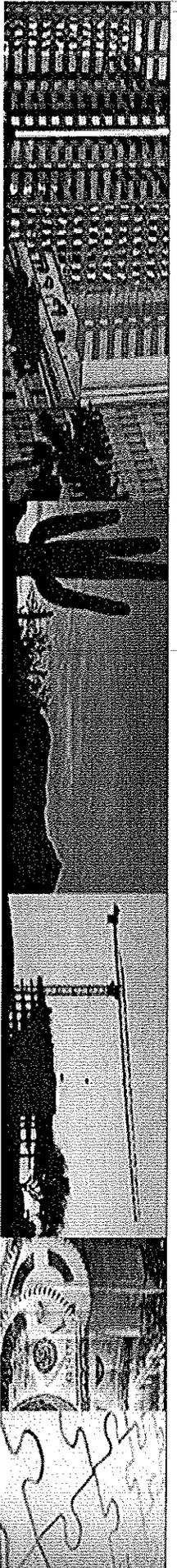
(Authority: 10 U.S.C. 16136(b); 38 U.S.C. 3034(a), 3241(a), 3323(a), 3680A(d))

(i) Neither has a satisfactory 85-15 percent ratio, nor

(ii) Is exempt under paragraph (c)(4) of this section.

(Authority: 10 U.S.C. 16136(b); 38 U.S.C. 3034(a), 3241(a), 3323(a), 3680A(d))

Students currently enrolled in the AAS Aviation Technology degree and who were included in the last 85/15 computation submitted to VA will be allowed to continue in the program and be paid. No new students can be certified in the AAS Aviation Technology.



Helicopter Pilot Career Benefits & Return on Investment

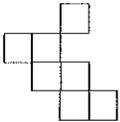
Prepared For:



Presented By:
Richard Merritt
President, Elliott D. Pollack & Company



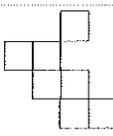
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Elements of Study

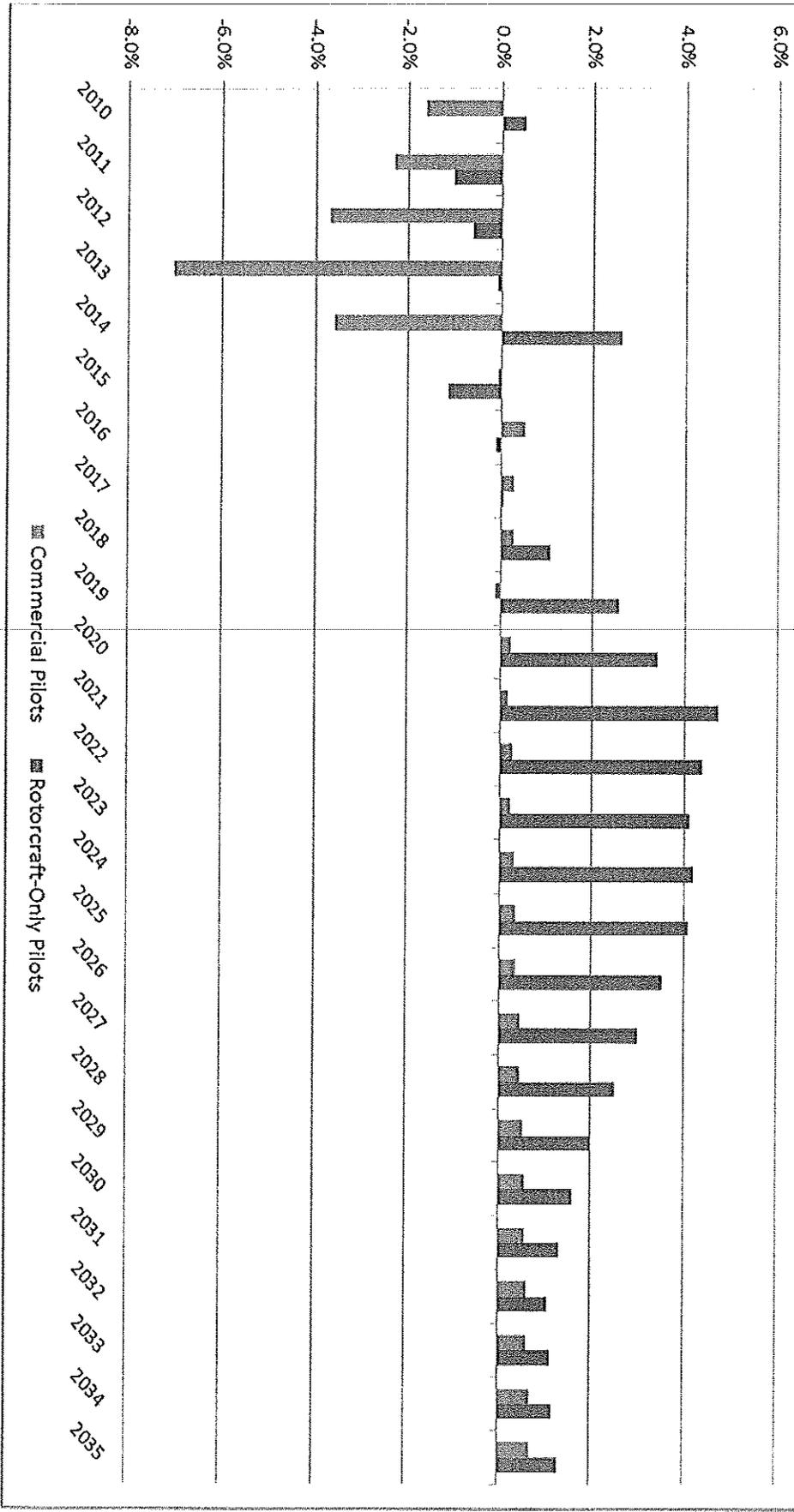
- **Overview of job outlook for pilots.**
- **Determine the median wage and range of wages of helicopter pilots.**
- **Estimate return on investment (ROI) for pilots.**



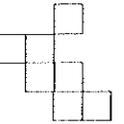


Forecasted Percent Increase in Demand for Commercial and Rotorcraft Pilots 2015 - 2035

Source: FAA



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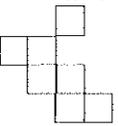
Synthetic Work-Life Earnings by Educational Attainment

Educational Attainment	Synthetic Work-Life Earnings
None to 8th Grade	\$936,000
9th to 12th Grade	\$1,099,000
High School Graduate	\$1,371,000
Some College	\$1,632,000
Associate's Degree	\$1,813,000
Bachelor's Degree	\$2,422,000
Master's Degree	\$2,834,000
Professional Degree	\$4,159,000
Doctorate Degree	\$3,525,000

Source: U.S. Census Bureau, 2011 American Community Survey



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Comparison of Helicopter Wage Data

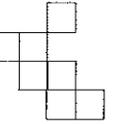
	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
Bureau of Labor Statistics	\$35,250	\$52,450	\$75,620	\$104,160	\$141,210
Salary.com	\$61,168	\$73,113	\$86,232	\$110,918	\$133,397
Conklin & de Decker Survey	\$60,000	\$65,000	\$80,000	\$95,000	\$120,000

Sources: BLS, Salary.com, Conklin & de Decker

Median earning of Bachelor Degree graduate: \$64,400

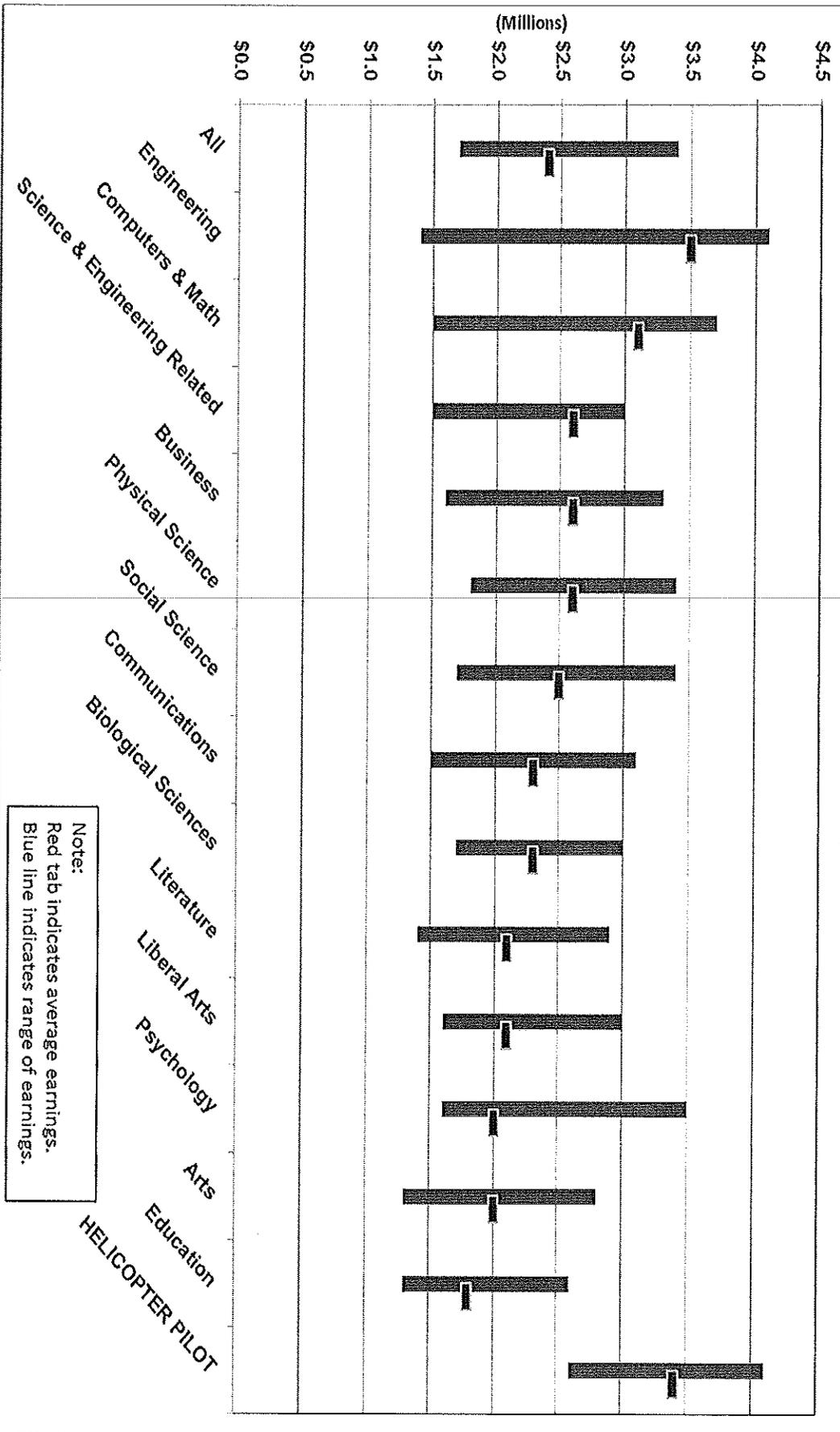


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Synthetic Lifetime Earnings for Bachelors Degree Earners by Major

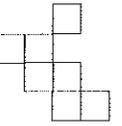
Source: U.S Census; Elliott D. Pollack & Co.; Salary.com; Payscale.com;



Note:
Red tab indicates average earnings.
Blue line indicates range of earnings.



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Return on Investment Associate's and Bachelor's Degrees and Helicopter Pilot Certification

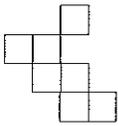
Educational Attainment	Average Lifetime Earnings	Average Cost of School	Net Earnings
Associate's Degree	\$1,813,000	\$5,600	\$1,807,400
Bachelor's Degree (Public)	\$2,422,000	\$32,300	\$2,389,700
Bachelor's Degree (Private)	\$2,422,000	\$98,100	\$2,323,900
Helicopter Certification	\$3,412,000	\$155,000	\$3,257,000

Source: U.S. Census Bureau, 2011 American Community Survey; Guidance Aviation; Elliott D. Pollack & Co.; Payscale.com;

Salary.com; U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System



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Conclusions

- ROI for helicopter pilot training is substantial.
- ROI is equal to a professional degree (engineering, law)
- Veterans have the opportunity to earn an above average wage in growing field.

