

Application Score Sheet

Proposed Project: Northwest Florida State College, Aviation Center of Excellence (#216)

Project/Program County: Okaloosa

Board of County Commission Support:

Total Projected Project Cost: \$18,960,318

Match Provided: \$9,308,168

Triumph Funds Requested: \$8,782,065 (46%)

Triumph Funds Recommended by Staff: \$8,782,065

Score: A-

ROI: \$11 per dollar of Triumph cost

Economic Impact Analysis and Score

The Northwest Florida State College (NWFSC) proposal requests a Triumph award of \$8,782,065 over seven years to establish and implement an Aviation Center of Excellence focused on meeting demand for airframe and powerplant technicians and commercial pilots. The proposal specifies that by 2030, a minimum of 1,255 industry-recognized certifications will have been awarded. This represents a cost to Triumph of \$6,998 per cert.

The proposal specifies that NWFSC partner match will provide \$4,300,000 in the first year of the project, in the same year that it is proposed that Triumph provide \$2,109,861. Using these funds, the NWFSC will renovate an existing 25,000 square foot building located on the Northwest corner of the Bob Sykes airfield in Crestview. In subsequent years from FY2020 until FY 2029, student tuition and fees are projected to provide a total of \$4,697,666 and CAPE funds are projected to provided \$310,500. On top of the funds, NWFSC commits to provide \$870,087 in funding over that same time. Thus, the proposed Triumph funding of \$8,782,065 represents 46.3 percent of total project expenditures.

Given the high number of contact hours per cert that are needed in these programs, the cost per cert is competitive with others that Triumph has funded. Staff note that the proposed match provided by NWFSC from its own funds for this program of instruction are somewhat low, at 4.6 percent of total project funding.

At a reimbursement rate of \$3,370 per certification, the discounted total increase in household incomes expected from the program will be \$11 per dollar of Triumph cost, which is high but still competitive with other Triumph CTE awards. Staff concerns noted above notwithstanding, staff rate this program "A-" in terms of economic impact.

Project Summary (based on information provided by the applicant)

Northwest Florida State College is requesting a grant for \$8,782,065 from Triumph for the Aviation Center of Excellence (ACE) at the Crestview Technology Air Park, situated at the Bob Sikes Airport. The Crestview Technology Air Park is designed to promote education and workforce training in STEM related professions focused on building a pipeline of middle-skilled workers for the targeted industry clusters of Aerospace & Defense and Transportation, Distribution & Logistics. The ACE will provide world-class training to meet the demand for airframe and powerplant technicians and commercial pilots. By 2030, a minimum of 1,255 industry-recognized certifications will be awarded at a cost of \$6,998 per certification.

The airpark's 8,000-foot runway and laboratories provide expansion opportunities for programs, training, and industry partnerships. Airframe & Power Plant programs will be housed in one of the 25,000 sq. foot buildings at the Crestview Technology Air Park. A second 25,000 sq. foot building has available hangar space, which could be used as a base for flight training. Renovations to both spaces are necessary to build-out classrooms, lab areas, and instructor offices. Decommissioned planes could be fully maintained at this location as well.

The Northwest Florida Forward Strategic Report (2017) and the West Florida Regional Planning Council Comprehensive Economic Development Strategy Report (CEDS 2018) identify growth in aviation and aerospace industries, indicating that this development of skilled workers will contribute to the economic transformation of our region.

Aerospace, outside of the defense sector, continues to grow in the economy with demand for skilled workers heightened by the departure of baby boomers from the industry. The national aviation industry estimates that in five years the demand for mechanics will start outpacing supply, and the gap is projected to continue widening at least through 2027, when it is expected to reach 9 percent. The Florida Panhandle region is home to three growing commercial airports serving 3.3M passengers annually, and all three airports are categorized as strategic growth airports for the state. Furthermore, companies such as Boeing are citing the need for increased commercial pilots to help accommodate the growing demand for air travel. Boeing projects demand for 790,000 new commercial pilots over the next two decades, an increase the company labeled the “most significant demand” in the nine-year history of its Pilot and Technician Outlook.” Commercial pilots serving Panhandle airports are often based out of larger airports, such as Atlanta or Orlando, but they frequently reside within the Triumph region.

The Triumph grant would be used to establish three new programs — Airframe, Powerplant, and Pilot Technology – within Northwest Florida State College’s Aviation Center of Excellence. The Airframe and Powerplant Mechanic programs support the industry cluster of Aerospace & Defense with transferrable skills to the Transportation, Distribution, & Logistics industry cluster. These programs provide training for high-wage careers in aircraft maintenance and industrial maintenance. The Professional Pilot Technology Program will meet the growing demand for commercial pilots.

Aviation technicians are a linchpin in the aviation industry, ensuring that planes are ready for takeoff on time and all safety precautions are met. The ACE features a Federal Aviation Administration Airframe and Powerplant (A&P) Mechanic Program that provides the necessary

certifications for an A&P mechanic with an average salary of \$61,880, compared to the average annual wage in the area of \$42,276.

According to Boeing's 2018 Pilot and Technician Outlook, America will need approximately 10,000 commercial pilots per year and 9,000 airplane technicians a year for the next 20 years to meet market demand. For 2018, only 4,437 technicians and approximately 5,000 American based commercial pilots were produced. Each year, the demand for trained aviation technicians outpaces the number of completions by thousands. Funding from Triumph Gulf Coast for the ACE project would establish programs that can begin to address this worker gap.

Separating military personnel represent a skilled and professional talent pool for the Professional Pilot Technology and Airframe and Powerplant programs. While there are a significant number of separating military personnel with airframe and powerplant mechanic skill sets, they do not hold industry-recognized credentials. NWFSC's ACE program seeks to provide competency-based testing and targeted training to assist this distinguished workforce in securing industry-recognized credentials for meaningful employment within the field.

Aviation Airframe Mechanics (PSAV) certification offers entry into the aviation industry or the opportunity to boost an existing career. A qualified aviation maintenance technician maintains aircrafts to be ready for flight. The program prepares students to earn Federal Aviation Administration (FAA) Certification in Aviation Mechanics, their FAA Airframe rating, and to be ready for an aviation job in the commercial and general aviation industries. The program provides aviation technical skill proficiency and competency-based applied learning that contributes to gains in academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, and general employability skills. The Aviation Airframe Mechanics program consists of 1,350 clock hours and typically takes three semesters to complete. Graduates receive a technical certificate.

Aviation Powerplant Mechanics (PSAV) certification gives aviation maintenance professionals an in-demand credential that can open doors to higher earnings and greater career possibilities. The Powerplant portion of this program typically comes after general and airframe coursework. This sequencing allows students to focus on the two main segments of the program – Airframe certification and Powerplant certification – one at a time. Students with general aviation maintenance and Airframe education or experience may choose to take Powerplant certification courses alone. The Powerplant program consists of 1,350 hours that provide students with training concerning the theory, construction, and operation of aircraft reciprocating engines and the physical laws and characteristics governing propeller operation. Lab work in the program provides students with hands-on experience in inspecting, installing, removing, troubleshooting, and repairing aircraft engines. Instruction is designed to prepare students for Federal Aviation Administration (FAA) license examinations for a Powerplant rating. The Aviation Powerplant Mechanics Program consists of 1350 clock hours and typically takes three semesters to complete. Graduates receive a technical certificate. Students completing the Aviation Airframe Mechanics program reduce their program hours by 450.

The Professional Pilot Technology program provides the foundational certification to pursue careers as a charter, regional, or major airline pilot. A number of commercial pilot jobs are

projected to increase across various industries, especially in nonscheduled aviation services such as ambulance services, where pilots are needed to transfer patients to healthcare facilities. The average annual wage for commercial pilots (excluding national and international airline pilots) is \$114,494.15 for the eight-county Triumph region, according to EMSI. Airline pilots are among the occupations listed on the regional and statewide demand occupations list. No other colleges in the Panhandle offer an Associate in Science degree in Professional Pilot Technology; the closest program is located in Jacksonville. Those who qualify to gain employment as airline pilots can expect salaries that are considerably higher, with an average hourly wage of \$56.06. EMSI reported no completions in the Panhandle for professional pilots. Classes, flight simulators, and flight training for the Professional Pilot Technology program would be offered at the ACE through this project

The Professional Pilot Technology program offers an Associate in Science and prepares students for entry-level positions as flight instructors or transporting people, freight, or mail. The 64-credit-hours training includes FAA approved 141 Flight Training for Private Pilot, Instrument Rating, and Commercial Pilot Multi-Engine, along with all the requirements to be Restricted-ATP eligible (Airline Transport Pilot ATP). Students obtain flight experience requirements sooner to secure their first airline job. They gain knowledge, skills, and in-flight experience to qualify for the Commercial Pilot certificate with single-engine, multi-engine, and instrument airplane privileges, and Certified Flight Instructor certificates with single-engine, multi-engine, and instrument airplane privileges.

The Commercial Pilot College Credit Certificate program prepares students to meet the Federal Aviation Administration's Commercial Pilot certification requirements. Students gain knowledge on safe and efficient work practices, FAA pilot certification procedures, aircraft systems and components, flight safety, and instrumentation. The program stresses an understanding and demonstration of the commercial pilot industry including flight planning, managing commercial flight operations, flight safety, and environmental issues. The Commercial Pilot program consists of 24 credit hours.

All programs will take place in Okaloosa County. Training for the ACE programs will be offered in traditional classroom formats. The ACE also provides hands-on training labs for experiential learning. Students will be able to obtain some of their FAA-required hours through the use of a simulator, reducing cost for students. The simulator will also be used to generate interest in aviation and flight fields, furthering the talent pipeline. In addition to on-site offerings, all general education curriculum is available fully online, benefiting students whose schedules make it inconvenient to enroll in traditional format classes.

The College also partners closely with Okaloosa and Walton County K-12 institutions through dual enrollment and with other higher education institutions through articulation agreements. The airframe, powerplant and professional pilot credentials earned at NWFSC will articulate directly into a baccalaureate degree opportunities. The College has an existing articulation agreement for current courses and programs to Embry-Riddle Aeronautical University with an expectation to further strengthen this partnership to include articulation of Airframe and Powerplant, and Professional Pilot Technology programs.

The final component of the ACE project is the established articulation agreements with other four-year institutions that the College holds to provide a clear path for advanced educational achievement and careers. NWFSC has an established articulation with Embry-Riddle Aeronautical University and will move to include the new programs in the articulation agreement.

The College's proposal includes partnerships with the Okaloosa County Airport Board to provide funds to build a student parking lot at the facility and CareerSource Okaloosa Walton to help link employers and job seekers to the workforce training programs offered through the Aviation Center of Excellence.

The College is requesting Triumph Gulf Coast funds to support expenses, such as equipment, curriculum development, and staff. Although the College's tuition and fees are among the lowest in the state, these revenues along with new student enrollment across the institution will sustain the ACE. Working with its partners, including CareerSource Okaloosa-Walton, the ACE expects to see a steady flow of individuals interested in aviation careers. The College will continue to solicit donations and grants in support of these programs, with aviation industry companies being a primary source of potential gifts. The College has already received \$200,000 in donations from aviation entities.

The College has secured \$10,178,255 in matching funds. Much like the requested Triumph Gulf Coast funding, other match funds are supporting the establishment of the programs. Sources include: Okaloosa County Aviation Board, College resources, and gifts to the College, including a \$175,000 Sabreliner aircraft and a \$25,000 cash gift from the National Defense Industry Association. The partners are requesting 46% (\$8,782,065) from Triumph Gulf Coast, Inc., based on a total project cost of \$18,960,318. The College is requesting primarily start-up funding to accommodate new equipment, and the addition of faculty/staff to provide instruction and curricula design for the new programs. Considerable funding from Triumph is needed in the first two years relative to the scope of the project to support launching the new programs quickly to meet demand and generate ROI in a shorter timeframe.

NWFSC has budgeted funds for lease payments. The College currently holds a 20-year lease with the Crestview Technology Airpark, which represents the location for the Aviation Center of Excellence. The College commits to maintain this location for the life of the grant period.

Funding and Budget (as provided by the applicant)

(See next page)

A. Project/Program Costs

The College's primary sources of revenue include state appropriations and the collection of tuition and fees from students. There is regional need for the College to expand the number of aviation programs. This project totals \$18,960,318 for the College portion and external funding is necessary to ensure a high-quality project. The College's fiscal year is July 1 to June 30 and project budgets were built based on the College's fiscal year (e.g. FY20 refers to period of July 1, 2019, to June 30, 2020).

Table 6 NWFSC Project Budget

Expenses	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	
Personnel	\$457,215	\$487,240	\$587,735	\$602,870	\$618,531	\$634,693	\$651,329	\$668,548	\$686,277	\$704,584	
Equipment	\$2,285,021	\$1,999,000	\$322,800	\$353,200	\$381,600	\$404,400	\$430,400	\$0	\$0	\$0	
Contractual (lease)	\$100,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
Renovation	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Operating Expenses	\$67,625	\$135,250	\$135,250	\$135,250	\$135,250	\$135,250	\$135,250	\$135,250	\$135,250	\$135,250	
Total Costs	\$6,409,861	\$2,821,490	\$1,245,785	\$1,291,320	\$1,335,381	\$1,374,343	\$1,416,979	\$1,003,798	\$1,021,527	\$1,039,834	\$18,960,318

B. Other Project Funding Sources

Table 7 NWFSC Project Funding Sources

Revenue	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	Totals
Student Tuition	\$0	\$96,862	\$194,717	\$261,277	\$344,477	\$427,678	\$460,958	\$477,598	\$494,237	\$494,237	\$3,252,041
Student Fees	\$0	\$39,375	\$78,750	\$180,000	\$180,000	\$180,000	\$180,000	\$202,500	\$202,500	\$202,500	\$1,445,625
CAPE Funds	\$0	\$0	\$27,000	\$40,500	\$40,500	\$40,500	\$40,500	\$40,500	\$40,500	\$40,500	\$310,500
NWFSC Partner Match	\$4,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,300,000
Triumph	\$2,109,861	\$2,685,253	\$945,318	\$809,543	\$770,404	\$726,165	\$735,521	\$0	\$0	\$0	\$8,782,065
NWFSC Investment								\$283,200	\$284,290	\$302,597	\$870,087
Total Revenue	\$6,409,861	\$2,821,490	\$1,245,785	\$1,291,320	\$1,335,381	\$1,374,343	\$1,416,979	\$1,003,798	\$1,021,527	\$1,039,834	\$18,960,318
8. Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The College has identified multiple funding sources to ensure the project's success. As the Aviation Center of Excellence programs become fully operational, the College will begin to generate revenue through tuition and fees. College tuition and fees contribute directly to the funding of this project beginning in FY21. The College provides an additional investment of \$870,087 in years 8-10 of the project. This investment will come from revenue generated by increased enrollment in general education coursework to complete associate degrees in north Okaloosa County. Additionally, the College will actively pursue additional funding for the program from the aviation industry as well as other resource development initiatives to support the college investment.