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HOUSE BILL 1830

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State of Washington                      65th Legislature                      2017 Regular Session

By Representatives Hudgins, Manweller, and Haler

Read first time 01/31/17. Referred to Committee on Higher Education.

1            AN ACT Relating to the creation of the cybersecurity conditional  
2 loan program; and adding a new chapter to Title 28B RCW.

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

4            NEW SECTION.    **Sec. 1.**    The legislature finds that cybersecurity  
5 is an emerging industry with the potential for large growth and  
6 increasing demand for qualified employees as agencies, industries,  
7 and businesses invest in technology infrastructures and networks that  
8 store sensitive and confidential information and provide essential  
9 services. The legislature recognizes that due to the increasing use  
10 of large technology infrastructure and networks, investing in  
11 individuals interested in cybersecurity is vital to supplying the  
12 increasing demand for these highly skilled individuals. The  
13 legislature intends to support students interested in cybersecurity  
14 while helping the state remain competitive in attracting and  
15 retaining talent.

16            NEW SECTION.    **Sec. 2.**    The definitions in this section apply  
17 throughout this chapter unless the context clearly requires  
18 otherwise.

1 (1) "Conditional loan" means a loan that is forgiven in whole or  
2 in part if the recipient graduates with a certificate or degree in  
3 cybersecurity and completes the service requirement.

4 (2) "Council" means the student achievement council.

5 (3) "Cybersecurity" means measures taken to protect a computer or  
6 computer system, network, program, and data against unintended or  
7 unauthorized access, change, or attack.

8 (4) "Eligible place of work" means any public entity with  
9 cybersecurity needs, including state agencies, cities, towns,  
10 counties, port districts, commissions, and school districts.

11 (5) "Eligible student" means a student who is registered for at  
12 least twelve quarter credit hours or the equivalent, is maintaining  
13 satisfactory progress, is a resident student as defined by RCW  
14 28B.15.012(2), and has declared an intention to complete a  
15 certificate or degree program in the field of cybersecurity.

16 (6) "Equalization fee" means the additional amount added to the  
17 principal of a loan under this chapter to equate the debt to that  
18 which the student would have incurred if the loan had been received  
19 through the federal subsidized Stafford student loan program.

20 (7) "Forgiven" or "to forgive" or "forgiveness" means to render  
21 service at an eligible place of work in the field of cybersecurity in  
22 lieu of monetary repayment.

23 (8) "Participant" means an eligible student who has received a  
24 conditional loan under this chapter.

25 (9) "Satisfied" means paid in full.

26 NEW SECTION. **Sec. 3.** The cybersecurity conditional loan program  
27 is created. The program shall be administered by the council.

28 (1) In administering the program, the council has the following  
29 powers and duties:

30 (a) To publicize the program;

31 (b) To select students each year to receive conditional loans;

32 (c) To award loans to eligible students if moneys are available;

33 (d) To collect and manage repayments from students who do not  
34 meet the service obligations under this chapter;

35 (e) To solicit and accept grants and donations from public and  
36 private sources for the program; and

37 (f) To adopt necessary rules and guidelines.

38 (2) The council shall select participants based on an application  
39 process conducted by the council. The council shall establish a

1 selection committee for screening and selecting recipients for the  
2 cybersecurity conditional loans.

3 (3) The council shall award conditional loans to eligible  
4 participants from the cybersecurity conditional loan account based on  
5 the level of funding available and the number of applicants. The  
6 amount of the conditional loan awarded to a participant shall not  
7 exceed the amount of tuition and fees, minus any additional financial  
8 aid received, at the institution of higher education attended by the  
9 participant or resident undergraduate tuition and fees at the most  
10 expensive institution of higher education in the state per academic  
11 year for a full-time student, whichever is lower. Participants are  
12 eligible to receive conditional loans for a maximum of two years.

13 (4) To receive additional disbursements under the cybersecurity  
14 conditional loan program under this chapter, a participant must be  
15 considered by his or her institution of higher education to be  
16 maintaining satisfactory progress.

17 NEW SECTION. **Sec. 4.** (1) Participants in the cybersecurity  
18 conditional loan program incur an obligation to repay the conditional  
19 loan, with interest and an equalization fee, unless they graduate  
20 from an institution of higher education with a major in the  
21 cybersecurity field and are employed full time at an eligible place  
22 of work following graduation. Participants who are employed at an  
23 eligible place of work shall have one year of loans forgiven for one  
24 year of full-time work, or the equivalent one to one ratio of loan to  
25 service time if the participant works less than one year of full-time  
26 employment.

27 (2) The interest rate shall be determined annually by the  
28 council. Participants who fail to complete the service requirement  
29 shall incur an equalization fee based on the remaining unforgiven  
30 balance of the loan. The equalization fee shall be added to the  
31 remaining balance and repaid by the participant.

32 (3) The minimum payment shall be set by the council. The maximum  
33 period for repayment shall be ten years, with payments of principal  
34 and interest accruing quarterly commencing six months from the date  
35 the participant completes or discontinues the course of study.  
36 Provisions for deferral of payment shall be determined by the  
37 council.

38 (4) The entire principal and interest of each payment shall be  
39 forgiven for each payment period in which the participant works at an

1 eligible place of work until the entire repayment obligation is  
2 satisfied. Should the participant cease to work in the cybersecurity  
3 field at an eligible place of work before the participant's repayment  
4 obligation is completed, payments on the unsatisfied portion of the  
5 principal and interest shall begin the next payment period and  
6 continue until the remainder of the participant's repayment  
7 obligation is satisfied.

8 (5) The council is responsible for collection of repayments made  
9 under this section and shall exercise due diligence in such  
10 collection, maintaining all necessary records to ensure that maximum  
11 repayments are made. Collection and servicing of repayments under  
12 this section shall be pursued using the full extent of the law,  
13 including wage garnishment if necessary. The council is responsible  
14 to forgive all or parts of such repayments under the criteria  
15 established in this section and shall maintain all necessary records  
16 of forgiven payments.

17 (6) Receipts from the payment of principal or interest or any  
18 other subsidies to which the council as administrator is entitled,  
19 which are paid by or on behalf of participants under this section,  
20 shall be deposited in the cybersecurity conditional loan account and  
21 shall be used to cover the costs of granting the conditional loans,  
22 maintaining necessary records, and making collections under  
23 subsection (5) of this section. The council shall maintain accurate  
24 records of these costs, and all receipts beyond those necessary to  
25 pay such costs shall be used to grant conditional loans to eligible  
26 students.

27 (7) The council shall adopt rules to define the terms of  
28 repayment, including applicable interest rates, fees, and deferments.  
29 The council is encouraged to adopt rules consistent with similar  
30 programs to the extent feasible.

31 NEW SECTION. **Sec. 5.** The council shall report to the  
32 appropriate committees of the legislature by December 1, 2027, in  
33 accordance with the reporting requirements in RCW 43.01.036, on the  
34 cybersecurity conditional loan program. The report must include data  
35 on:

36 (1) How many students applied for the program and how many  
37 received conditional loans under the program;

38 (2) How many participants fulfilled their service obligation;

- 1           (3) What was the average time spent for a participant in a  
2 cybersecurity position at an eligible place of work;  
3           (4) The total dollar amount of loans forgiven under the program;  
4 and  
5           (5) Any other metrics or data the council determines appropriate.

6           NEW SECTION.   **Sec. 6.**   (1) The cybersecurity conditional loan  
7 account is created in the custody of the state treasurer. The account  
8 is subject to allotment procedures under chapter 43.88 RCW, but an  
9 appropriation is not required for expenditures.

10          (2) The council shall deposit in the account all moneys received  
11 for the cybersecurity conditional loan program. The account shall be  
12 self-sustaining and consist of funds appropriated by the legislature  
13 for the cybersecurity conditional loan program, private contributions  
14 to the program, and receipts from participant repayments from the  
15 program.

16          (3) Expenditures from the account may be used solely for  
17 conditional loans to participants in the cybersecurity conditional  
18 loan program established by this chapter and costs associated with  
19 program administration by the council.

20          (4) Disbursements from the account may be made only on the  
21 authorization of the council.

22           NEW SECTION.   **Sec. 7.**   Sections 1 through 6 of this act  
23 constitute a new chapter in Title 28B RCW.

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