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**HOUSE BILL 2244**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Hudgins, Magendanz, and Stanford

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

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

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

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

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

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

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

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

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

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

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

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

(9) "Satisfied" means paid in full.

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

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

(a) To publicize the program;

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

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

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

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

(f) To adopt necessary rules and guidelines.

(2) The council shall select participants based on an application process conducted by the council. The council shall establish a selection committee for screening and selecting recipients for the cybersecurity conditional loans.

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

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

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

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

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

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant works at an eligible place of work until the entire repayment obligation is satisfied. Should the participant cease to work in the cybersecurity field at an eligible place of work before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  Sections 1 through 5 of this act constitute a new chapter in Title 28B RCW.

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