

SENATE BILL REPORT

SB 5953

As Reported By Senate Committee On:
Higher Education, February 2, 2000
Ways & Means, February 8, 2000

Title: An act relating to a loan repayment and scholarship endowment program for attorneys who provide legal services in public interest areas of the law.

Brief Description: Creating the public interest attorney loan repayment and scholarship program.

Sponsors: Senators Kohl-Welles, Sheahan, Shin, Winsley and Thibaudeau.

Brief History:

Committee Activity: Higher Education: 2/22/99, 3/1/99 [DPS];1/31/00, 2/2/2000 [DP2S].
Ways & Means: 2/8/2000 [w/o Rec].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Second Substitute Senate Bill No. 5953 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Bauer, Horn, Jacobsen, McAuliffe, Sheahan and B. Sheldon.

Staff: William Bridges (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That it be referred without recommendation.

Signed by Senators Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Kline, Kohl-Welles, Long, Rasmussen, B. Sheldon, Snyder, Spanel and Winsley.

Staff: Karen Barrett (786-7711)

Background: The Washington Legislature created the Health Professional and Future Teachers Conditional Loan Scholarship Programs. These programs offer incentives to individuals who serve in shortage areas in the state of Washington, such as rural areas in need of health professionals and areas in need of quality teachers.

Areas of the law that serve the public interest, such as poverty law and public defense law, often experience shortages because the debt load of many attorneys following law school prevents them from practicing in these areas which traditionally pay substantially less than other areas of the law.

Summary of Second Substitute Bill: Intent. A loan repayment and conditional scholarship endowment program is created to encourage outstanding law students and attorneys to practice in public interest areas of the law.

Definitions. Various terms are defined. "Public interest area of the law" is determined by the Higher Education Coordinating Board (HECB), but must include providing direct or indirect legal services at a legal services organization, prosecuting attorneys' association, or criminal public defender association.

Administration. The HECB administers the program, with the guidance of at least two committees: the select committee and the review committee. The committees may include representatives from the Washington State Bar Association, the Access to Justice Board, and up to two representatives from each of the state's law schools. The review committee must have at least one law student representative.

Program. HECB may grant annual awards of up to \$15,000 in loan repayments to qualifying licensed attorneys or scholarships to qualifying law students. In exchange for one year of loan repayment or scholarship, the attorney or law student must agree to practice in a public interest area of the law for one year. Individuals may participate for up to five years. Attorneys or law students who do not fulfill their obligations under the program must repay to the program an amount equal to twice the amount of the award.

Funding. The fund is set up as an endowment and may receive funds appropriated by the Legislature, private contributions, and receipts from participant repayments. One-half of each appropriation received must be set aside in an account to be maintained by the State Investment Board. If the fund receives appropriations, state contributions would cease once the endowment account becomes self-sustaining.

Substitute Bill Compared to Original Bill: The appropriation clause is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The median debt load for law graduates is \$33,000, and the average loan payment is \$400 a month. Many law students have higher debt loads, and in some cases their loan payments are higher than their rent payments. With such high loan payments they cannot afford to work in public interest law. Only 2.6 percent of law graduates go into public interest law. The shortage of public interest lawyers means low income people and people who speak English as a second language are unable to get adequate legal services.

Testimony Against: None.

Testified: PRO: Senator Kohl-Welles, prime sponsor; Tom McBride, Washington Association of Prosecuting Attorneys; Dana Gold, Government Accountability Project and Seattle University School of Law; Mike Gotham, University of Washington School of Law; Sharma Rice; Sara Ainsworth; Jennie Laird; Diana Saguchi; Shirley Battan.