
Higher Education Committee

2SSB 5336

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

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Horn, Shin, McAuliffe, B. Sheldon, Constantine and Kline).

Brief Summary of Second Substitute Bill

- Establishes a loan repayment program funded exclusively by private endowments for attorneys who practice public interest law.
- Authorizes the Higher Education Coordinating Board to adopt rules to implement the program.
- Creates a public interest attorney loan repayment endowment account in the state treasury.

Hearing Date: 2/27/02

Staff: Sydney Forrester (786-7120).

Background:

The Washington Legislature has created assistance programs to encourage students to enter teaching and the health care professions. 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.

Personal finances are often a factor when a law student is deciding what type of law to practice and where to work. Average debt burdens for law degree-granting institutions in Washington range from \$40,000 to \$70,000, not including undergraduate debt. This type of debt load prevents some attorneys from accepting offers for public interest law jobs because the salaries are substantially less than in other areas of the law. As a result, there may be attorney shortages in areas of the law representing the public interest.

Summary of Bill:

The attorney loan repayment endowment program is created for the purpose of encouraging outstanding law students and attorneys to pursue the practice of public interest law. The Higher Education Coordinating Board is directed to adopt rules to implement the program. Only non-state and private funds may be used to fund loan repayment and the cost of administering the program. Once the program account balance reaches five hundred thousand dollars from private endowments, the board shall establish an advisory committee consisting of representatives from the state bar association, the access to justice board, and Washington law schools, including at least one law student from each school.

The board shall establish loan repayments for licensed attorneys in exchange for a commitment and obligation to practice public interest law. Loan repayment may not exceed \$15,000 per year for a maximum of five years. Loans from private and government sources are eligible for repayment. Attorneys shall be selected based on criteria that may include financial need, a demonstrated commitment to practice public interest law, scholastic achievement, and the demand for the type of public interest work the applicant seeks to perform. A participant who does not serve the required obligation must repay the program twice the amount paid on his/her behalf under the program.

The public interest attorney loan repayment endowment account is created in the custody of the State Treasurer. The account shall retain interest on earnings and shall be self-sustaining and consist of non-state and private contributions to the program and receipts from participant repayments. Except for program administration costs, disbursements from the account are exempt from appropriations. The board shall annually establish the total amount of funding to be awarded for loan repayments, and allocation shall be established based upon the best use of funding.

Appropriation: None.

Fiscal Note: Requested on February 25, 2002.

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