

# HOUSE BILL REPORT

## 2SSB 5336

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**As Reported by House Committee On:**  
Higher Education

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

**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 History:**

**Committee Activity:**

Higher Education: 2/27/02 [DP].

**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.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 8 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Chase, Gombosky, Jarrett, Lantz and Skinner.

**Staff:** Sydney Forrester (786-7120).

**Background:**

The Washington Legislature has created assistance programs to encourage students to enter the teaching and 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 often are 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 in these fields are substantially less than in other areas of the law. As a result, there may be attorney shortages and high turnover rates in areas of the law representing the public interest.

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### **Summary of Second Substitute 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. Only private endowments and non-state funds may be used to fund loan repayment and the cost of program administration. 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. Any administrative costs incurred prior to the establishment of the account may be reimbursed.

Once the program account balance reaches \$500,000 from private endowments, the Higher Education Coordinating 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 is directed to adopt rules to implement the program.

The board shall award loan repayments for licensed attorneys in exchange for a commitment and obligation to practice public interest law for a specified term. Loan repayment under the program may not exceed \$15,000 per year, for a maximum of five years. Loans from private and government sources are eligible for repayment. Payments against eligible loans may be made quarterly, or more frequently if deemed appropriate by the board. 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. An attorney who does not fulfill his/her service obligation must repay the program twice the amount paid on his/her behalf under the program, except when failure to serve the full obligation results from circumstances beyond the attorney's control.

The board shall annually establish the total amount of funding to be awarded for loan repayments, and allocations shall be established based upon the best use of funding. Except for program administration costs, disbursements from the account are exempt

from appropriations. After consulting with the board, the Governor may transfer administration of the program to another agency with an appropriate mission.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Despite a strong desire to work in the public sector, many law students and new attorneys don't accept those positions or don't stay in them for long because of heavy debt burden. Students who elect to practice public interest law in order to improve access to justice may earn as little as \$21,000 annually in the public interest and legal services fields.

This program does not cost the state any money, but instead allows private individuals to support and promote public interest law. It is an example of law students and the universities helping themselves to achieve greater attorney participation in public interest law.

Many rural areas across the state have a need for public interest attorneys, but the economic analysis drives many students into the private sector instead. The loan repayment program would encourage good attorneys to go to these areas and to stay in those fields.

This bill also would change the incentive structure and bring better attorneys into the state's criminal justice system thereby reducing multiple appeals. The state would benefit by being able to attract the best and brightest attorneys who also could reduce the prospect of big civil damage awards against the state.

The high turnover rates in prosecutors' offices means a reduced ability to prosecute crimes efficiently. Brand new attorneys may be assigned hard cases that would be better handled by experienced attorneys. The value of retaining skilled prosecuting attorneys should go hand-in-hand with the investment in training new prosecutors.

Public defenders' offices also face high turnover and often cannot retain experienced attorneys. This bill would help to level the playing field between the public and private sector and allow both prosecutor and defender to attract and retain good attorneys.

Civil legal services also are critical to our justice system. The need for legal representation for the poor is always high. This bill makes a major step toward supporting the desire of attorneys who want to serve the public interest by giving something back to the community.

**Testimony Against:** None.

**Testified:** Ishbel Dickens, Justin Anderson, Rob O’Niel, Amit Ranade, Sumeer Singla, University of Washington Law School; Bruce Botka, Higher Education Coordinating Board; Tom Verge, Skagit County Prosecutor; Michael Laws, Yakima County Prosecutor’s Office; Sherry Appleton, Washington Defenders Association and the Washington Association of Criminal Defense Lawyers; Jon Zimmerman, Veronica Smith-Casem, and Tina Lemker, Seattle University Law School students; Michael Smith, King County Prosecutor’s Office;- and Ima Cumbo, University of Michigan law student.