

SENATE BILL REPORT

SB 5027

As of February 24, 2025

Title: An act relating to establishing a loan repayment program for public defense attorneys and prosecutors.

Brief Description: Establishing a loan repayment program for public defense attorneys and prosecutors.

Sponsors: Senators Torres, Dhingra, Dozier, Frame, Gildon, Harris, Hasegawa, Holy, King, Krishnadasan, Lias, Nobles, Riccelli, Saldaña, Salomon, Slatter, Trudeau and Warnick.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/20/25, 1/30/25 [DPS-WM].

Ways & Means: 2/24/25.

Brief Summary of First Substitute Bill

- Creates a law school loan repayment program for public defenders and prosecutors.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5027 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nobles, Chair; Hansen, Vice Chair; Warnick, Ranking Member; Boehnke and Slatter.

Staff: Kellee Gunn (786-7429)

SENATE COMMITTEE ON WAYS & MEANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Michele Alishahi (786-7433)

Background: State Programs for Loan Repayment Under the Washington Health Corps. Washington State offers loan repayment for certain licensed health professionals if certain conditions are met, such as providing care at approved sites in critical shortage areas or teaching an approved nursing program. Awardees must commit to a minimum of three years and may receive a maximum award amount of \$75,000. Default penalties may be equal to the unsatisfied portion of the service obligation or the total amount paid, whichever is less, plus interest. Eligibility requirements vary for site and provider.

The Washington Student Achievement Council (WSAC) administers the Washington Health Corps loan repayment programs.

Summary of Bill (First Substitute): A law school loan repayment program for public defenders and prosecutors is established, subject to appropriation.

To qualify for the program, the applicant must be an attorney licensed in Washington State and practicing full time in public defense or as a prosecutor in Washington State.

Participants shall agree to serve at least three years, which may be extended for additional three years if program funding allows. The maximum repayment assistance a participant may receive is \$20,000 per year, up to a total amount of \$120,000.

Loan repayment assistance must be provided on a quarterly basis payable after the participant has completed the service obligation for each quarter. Loans eligible to be repaid include those used for educational and living expenses and shall include principal and interest.

Loans from both government and private sources may be repaid by the program. Participants must give WSAC access to loan records and the ability to acquire information from lenders. Loans may not be renegotiated with lenders to accelerate repayment. Repayment of loans begins no later than 90 days after the individual has become a participant.

If the participant's employment or contract status changes and makes them ineligible, payments against the loans shall cease. Participants who serve less than the required service obligation must repay to the program an amount equal to the unsatisfied portion of the service obligation, or the total amount paid by the program on their behalf, whichever is less. This amount is due and payable immediately. Those unable to pay in full must enter into a payment arrangement with WSAC. The amount owed may include interest, and must be paid within ten years. WSAC is responsible for collection of payments, and may use wage garnishment if necessary.

Full time for a public defense attorney is defined as the equivalent of at least 80 percent of a

public defender caseload standard endorsed by the Washington State Bar Association. WSAC may adjust the participants' service obligation if they remain engaged in public defense or prosecution.

If funding provided is insufficient to cover all applicants, WSAC shall give priority to public defense attorneys or prosecutors practicing in rural areas.

Public defense attorney is defined as an individual who is either directly employed or contracted, including supervisors and trainers. Prosecutor is defined as an individual employed by a city or county prosecuting office, including as a supervisor or trainer.

A Law School Loan Repayment Program for Public Defenders and Prosecutors account is created in the custody of the state Treasury.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute):

- Makes programmatic changes to this loan repayment program to align it with other loan repayment programs administered by WSAC.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Higher Education & Workforce Development): *The committee recommended a different version of the bill than what was heard.* PRO: We have a public defender shortage. This will help attract and retain them. Public defense is not a glamorous job. It makes it very hard for counties to attract and retain these individuals. This will help people get representation. I have been a public defender for 28 years. There is a crisis in this sector. Student loan repayment is a huge part of helping this sector. Attraction and retention is crucial in rural areas of the state. This will improve the quality of public defenders available to low-income Washingtonians.

Many lawyers would love to go into public defense but can't afford it. It is impossible for many because of the amount of student debt owed. If we don't take these steps, such as loan repayment, the criminal legal system will suffer. We encourage new attorneys to take public defense jobs in rural counties. The need for rural attorneys is jarring. When speaking to law students, the high cost of law school and low pay in these public interest law jobs makes it difficult for these attorneys to make the choice to take these positions.

I currently owe \$140K, not including what I owe on undergrad. I am a 3L, in my last year of law school, and it is becoming abundantly clear it is going to be incredibly difficult to make ends meet if I take a job in the public sector. This bill will make it possible for people like me to take a job as a public defender or prosecutor.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Nikki Torres, Prime Sponsor; Jacob Schmitt, Just Us Solutions, LLC; Natalie Wilkins; Rachel Cortez, Washington State Office of Public Defense; Ramona Brandes, Washington Defender Association/Washington Association of Criminal Defense Lawyers; Russell Brown, WA Association of Prosecuting Attorneys; LaDon Linde, Yakima County Commissioner.

Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: We're really excited about a mild investment that we think will pay huge dividends by getting more prosecutors and more defense attorneys into our counties. Counties struggle to find qualified attorneys for public service as both prosecutors and defense attorneys. We hear that these are a calling for a lot of people, but if we can remove the barriers to hiring them, we would actually be more successful in filling already funded positions. There aren't enough attorneys who are able and willing to go through law school and take on significant debt and then come to your community and practice at what is often a reduced cost. Passing SB 5027 would give students and recent grads a critical financial incentive to work in public service in a community that desperately needs them. SB 5027 will go a long way, not only to encourage attorneys to live in rural communities, but also retain those experienced attorneys who are already practicing in those communities.

In Yakima County, we have a severe shortage of public defenders and prosecutors. We have made efforts to compensate or remedy this by increasing pay to public service attorneys by 45 percent in the last three years with a limited budget. Yet it is still difficult when law school grads come out and look at the compensation of private versus public law practice. They cannot stay in public defense, particularly in rural areas where the pay is far outpaced by their debt that they need to repay. The average loan debt is \$130,000. The federal program does not cover contract attorneys. This program will grant access to debt relief for law school, for attorneys practicing in small jurisdictions as contract attorneys who are not eligible for the federal program.

Persons Testifying (Ways & Means): PRO: Mark Johnson, Washington Retail Association; Derek Young, Washington State Association of Counties; Rachel Cortez, Washington State Office of Public Defense; LaDon Linde, Yakima County; Russell Brown, WA Association of Prosecuting Attorneys; Ramona Brandes, Washington Defender Association/Washington Association of Criminal Defense Lawyers.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.