SENATE BILL REPORT SB 6039

As Reported By Senate Committee On: Higher Education, February 21, 2007

- **Title:** An act relating to the University of Washington school of law public service legal loan repayment assistance program.
- **Brief Description:** Regarding the University of Washington law school loan repayment assistance program.
- **Sponsors:** Senators Kline, Weinstein, Shin, Kohl-Welles, Hobbs, Kauffman, Rockefeller, Kilmer, Murray, Delvin, Marr, McAuliffe, Jacobsen and Tom.

Brief History:

Committee Activity: Higher Education: 2/21/07 [DP-WM].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Kilmer, Vice Chair; Delvin, Ranking Minority Member; Berkey and Sheldon.

Staff: Aldo Melchiori (786-7439)

Background: Personal finances are a factor when a law student is deciding what type of law to practice and where to work. According to the University of Washington School of Law, 178 students graduated with a Juris Doctor degree in the 2005-06 academic year. Of those graduates, 131 took at least one law school loan. The average law school loan debt for those students upon graduation was \$59,000. The Public Interest Law Association (PILA) is a Washington State nonprofit organization operated entirely by University of Washington School of Law students for the purpose of promoting legal work that serves the public. The PILA works to raise awareness about the need for pro-bono and full-time public interest legal work. In January 2006, the University of Washington and the PILA entered into an agreement to establish the Loan Repayment Assistance Program Endowment Fund at the School of Law. The purpose of the fund is to provide student loan repayment assistance to students and/or former students with demonstrated educational debt and financial need. According to the PILA, the fund presently has a balance of approximately \$75,000, which allows for \$3,750 to be given annually to eligible students.

Summary of Bill: Funds from the state General Fund are appropriated to the Loan Repayment Assistance Program Endowment Fund (Endowment Fund) at the University of Washington School of Law. The law school is required to report to the Legislature by

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December 1, 2008, and every two years thereafter, concerning the status of the Endowment Fund and the Loan Repayment Assistance Program. The school is required to make provisions for cases of hardship or exceptional circumstances. The program must be available to graduates who work in positions with nonprofit organizations or governmental agencies in Washington.

Appropriation: \$500,000 for the first year and up to \$500,000 each subsequent year.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Not all law school graduates want to go to large law firms where the pay can be substantial. Many students are willing to sacrifice personal wealth to serve a greater public purpose. This will help students choose public service. High debt limits students career choices. This program would benefit the people of the state by making good legal representation more available.

Persons Testifying: PRO: Senator Kline, prime sponsor; Tom Graham, Hania Younis, Chelsea Spector, Sonja Jacobsen, Adrian Madrone, Kelly Canany, Catherine Borden, University of Washington Law School; Gaurab Bansal, University of Washington Law School, Student Bar Association.