
SUBSTITUTE SENATE BILL 5910

State of Washington 59th Legislature 2005 Regular Session

By Senate Committee on Early Learning, K-12 & Higher Education
(originally sponsored by Senators Kline, Jacobsen and Kohl-Welles)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to the University of Washington school of law
2 public service legal loan repayment assistance program; and adding a
3 new chapter to Title 28B RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 provide access to legal education and to ensure equal access to the
7 justice system for the residents of the state of Washington. The
8 University of Washington law school is the only law school in the state
9 and one of only a few top ranked public law schools that does not
10 currently have a loan repayment assistance program in place for
11 graduates who enter public interest law. The nationwide decline in the
12 percentage of new lawyers choosing to enter public interest law fields,
13 from 5.4 percent to 2.9 percent in the last thirty years, can be
14 substantially attributed to dramatic increases in higher education debt
15 coupled with wide discrepancies between public and private salaries for
16 new lawyers. Today, more than three-quarters of all low-income
17 households in Washington experience at least one civil legal problem
18 each year. Low-income residents face more than eighty-five percent of
19 their legal problems without help from an attorney.

1 Therefore, the legislature finds that it is in the best interest of
2 the state to contribute funding to create a loan repayment assistance
3 program at the University of Washington law school. It is the intent
4 of the legislature in enacting this legislation to provide for the
5 partial or full repayment of educational loans of University of
6 Washington law school graduates who provide legal services in a public
7 service area of the law.

8 NEW SECTION. **Sec. 2.** The definitions in this section apply
9 throughout this chapter unless the context clearly requires otherwise.

10 (1) "Applicant" means an individual who applies for assistance from
11 the University of Washington public service legal loan repayment
12 assistance program.

13 (2) "Eligible educational debt" includes school-approved
14 undergraduate, graduate, and law school loans owed to government and
15 commercial lending institutions or educational institutions.
16 Educational loans extended by a private individual or family are not
17 considered eligible educational debt for purposes of this chapter.

18 (3) "Eligible employment" means those areas of legal practice
19 determined by the joint administrators to serve the public interest,
20 including but not limited to providing legal assistance to low-income
21 persons through a nonprofit organization or legal services as an
22 employee of a local, state, or federal governmental entity.

23 (4) "Endowment" means the University of Washington public service
24 legal loan repayment assistance endowment created in section 7 of this
25 act and established at the University of Washington to support the
26 University of Washington public service legal loan repayment assistance
27 program.

28 (5) "Joint administrators" means the University of Washington
29 school of law's public interest law association board of directors and
30 the dean of the University of Washington school of law.

31 (6) "Licensed lawyer" means a lawyer licensed to practice law in
32 the state of Washington.

33 (7) "Participant" means a lawyer who is receiving loan repayment
34 assistance through the University of Washington public service legal
35 loan repayment assistance program.

36 (8) "Program" means the University of Washington public service
37 legal loan repayment assistance program.

1 (9) "Total income" includes income from sources identified by the
2 joint administrators as income.

3 NEW SECTION. **Sec. 3.** The University of Washington public service
4 legal loan repayment assistance program is created at the University of
5 Washington. The program shall provide loan repayment assistance to
6 lawyers who graduated from the University of Washington school of law
7 and practice in public service positions, as defined by the joint
8 administrators of the program. The program shall provide loans to
9 participants for the purpose of repaying educational loans and, upon a
10 participant's completion of the required service obligation, shall
11 forgive the loans. The program shall be jointly administered by the
12 dean of the University of Washington school of law and the University
13 of Washington school of law's public interest law association board of
14 directors.

15 NEW SECTION. **Sec. 4.** The joint administrators shall adopt rules
16 necessary to implement this chapter. The rules shall establish:

17 (1) Eligibility criteria for participation in the program based
18 upon the following:

19 (a) The applicant's need, which shall be based on salary, total
20 income, and eligible educational debt as defined in section 2 of this
21 act;

22 (b) The applicant's eligible employment, as defined in section 2 of
23 this act;

24 (c) The applicant must be a member in good standing of the bar of
25 the state of Washington;

26 (2) Guidelines pertaining to:

27 (a) Maximum amount of annual assistance to be provided by the
28 endowment to each participant;

29 (b) Maximum amount of cumulative total assistance for program
30 participants;

31 (c) A procedure and schedule for the provision of program
32 assistance to participants;

33 (3) Any other rules necessary to implement this chapter.

34 NEW SECTION. **Sec. 5.** Participants in the program who are awarded

1 loan repayment assistance shall receive amounts from the program for
2 the purpose of repaying both principal and interest on eligible
3 educational debt.

4 (1) Participants shall agree to meet the required service
5 obligation by providing legal services in eligible employment, as
6 defined by the joint administrators.

7 (2) Participants shall sign a promissory note setting forth their
8 obligation to the program to repay assistance loans that are not
9 subsequently forgiven.

10 (3) Participants shall agree to allow the joint administrators to
11 review loan records and to obtain information from lenders necessary to
12 verify eligibility and to determine assistance payment amounts.

13 (4) Payment of loan repayment assistance under this chapter shall
14 begin no later than ninety days after an individual becomes a
15 participant. Provided that there is sufficient funding in the
16 University of Washington public service legal loan repayment assistance
17 endowment, assistance payments shall be made quarterly to the
18 participant until eligible educational debt is repaid or until the
19 participant is no longer engaged in eligible employment, whichever
20 comes first.

21 (5) Assistance payments under the program shall cease on the date
22 that the participant discontinues eligible employment. The joint
23 administrators shall determine the amount owed to the program by
24 participants who serve less than the required service obligation.

25 NEW SECTION. **Sec. 6.** (1) The program is intended to enhance, and
26 not to replace, existing loan repayment programs from other sources.
27 An applicant must first apply for any educational loan assistance from
28 his or her employer or other sources for which he or she may qualify.
29 Only if an applicant has received no loan repayment assistance, or only
30 partial assistance, from other sources, may he or she apply to the
31 program for assistance in repaying the balance of his or her eligible
32 educational debt.

33 (2) A participant shall contribute at least five percent of his or
34 her monthly salary toward the repayment of his or her loans. The exact
35 percentage obligation shall be determined by the joint administrators.

1 NEW SECTION. **Sec. 7.** The University of Washington public service
2 legal loan repayment assistance endowment shall be established by the
3 joint administrators at the University of Washington to fund the
4 University of Washington public service legal loan repayment assistance
5 program created in this chapter. Money in the endowment may be spent
6 without appropriation and only to fund the program and the
7 administration of the program.

8 (1) The joint administrators shall deposit in the endowment account
9 all money received for the program. The endowment account shall be
10 self-sustaining and consist of funds appropriated by the legislature
11 for the program and private contributions to the program.

12 (2) If the program's mission ever changes, all private
13 contributions in the endowment must be transferred to a nonprofit
14 organization with a mission similar to the program or returned to the
15 private donors.

16 (3) With the exception of the operating costs associated with the
17 management of the endowment, the endowment account shall be credited
18 with all investment income earned by the endowment account.

19 (4) In addition to any funds specifically appropriated for the
20 program, all moneys received from any other source such as
21 contributions or supplements for the program and any interest or income
22 earned shall be paid into the endowment.

23 (5) Money in the endowment account may be spent only for the
24 purposes of the program as specified in this chapter. Disbursements
25 from the endowment account shall be made only on the authorization of
26 the joint administrators.

27 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
28 a new chapter in Title 28B RCW.

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