

THE NEED FOR STUDENT LOAN REPAYMENT ASSISTANCE FOR PUBLIC SERVICE LAWYERS IN PENNSYLVANIA

Staggering student loan debt is preventing many talented law graduates from entering public service and is driving out dedicated public servants at a time when they are most valuable to the public. Too often, prosecutors, public defenders, legal aid lawyers, and other public sector attorneys report that they must reluctantly leave public service because of high student loan debt. Senate Bill 860 and House Bill 1480 have been introduced in the General Assembly to address this serious problem. These bills have been referred to the Judiciary Committees in each Chamber, with the Senate Committee having favorably reported out its bill. If enacted, these bills would create a student loan repayment assistance program for public service lawyers. The prime sponsor of the Senate Bill 860 is Senator Stewart Greenleaf, with Senator Jay Costa second sponsor on the bill. The prime sponsor of House Bill 1480 is Representative Kathy Manderino, with Representative Kate Harper second on the bill.

WHY IS STUDENT LOAN REPAYMENT ASSISTANCE NEEDED?

Access to the justice system in Pennsylvania depends upon real and perceived fairness for all participants. Public service lawyers play a key role. Without them, the public would not be served by able prosecutors; criminal defendants would not be accorded fair representation; and victims of domestic violence, low-income homeowners in economic distress, and others in need of legal representation in our civil courts, but too poor to afford a lawyer, would not be able to secure legal help when it matters most.

The legislation now in circulation, creating the “Public Service Lawyers Loan Forgiveness Program Act,” would help assure these types of public service lawyers are available to the public.

Recently, the Pennsylvania Bar Association established a Task Force on Student Loan Forgiveness and Repayment Assistance which documented the serious problem of high student loan debt and its adverse impact upon public interest law. The PBA endorsed the recommendations of that Task Force, urging: 1. Establishment of a statewide Student Loan Repayment Assistance program; 2. Passage of legislation authorizing the Pennsylvania Higher Education Assistance Agency (PHEAA) to administer this statewide program; and 3. Development of a private-public partnership to fund this needed initiative. In making these recommendations, the Task Force observed:

- A survey of current students enrolled in Pennsylvania law schools revealed that 94.7% will graduate from law school with educational debt, with the average debt among these students being \$98,324. (To put this in perspective, a 1990 PBA study expressed concern that “the typical education debt carried by a new attorney contemplating a public service position now exceeds \$30,000”).
- Starting salaries for most public service lawyers in Pennsylvania now begin in the mid-\$30,000 range. So while salaries since 1990 have not even doubled, school debt has more than tripled, making it even more difficult to enter and remain in public service.

WHAT WOULD THE LEGISLATION DO?

The legislation would simply establish the legal framework needed to create a statewide student loan repayment assistance program for public service lawyers. Once the program is in place, it is anticipated that funding for this initiative will come from a close partnership among law schools, lawyers and their bar associations, the private sector, and governmental support, but the framework created by this legislation would allow for this program, no matter what funding sources are ultimately secured.

WHO WOULD BE ELIGIBLE FOR ASSISTANCE?

Prosecutors, public defenders, legal aid lawyers, and attorneys working for qualifying non-profit organizations serving poor and disadvantaged Pennsylvanians would qualify for assistance, under regulations established by PHEAA. These regulations will set maximum income levels to qualify, amount of individual assistance available, a definition of how long a person could receive assistance, and limits on the amount of annual assistance provided to each qualifying applicant.

HOW WOULD THE PROGRAM BE ADMINISTERED?

Twenty states have loan repayment assistance programs in place now and Pennsylvania can learn more specifics from them, but the PBA Task Force has already designed a mechanism under which this program could be administered. Generally, a lawyer working for a qualifying employer would apply for assistance and would submit detailed financial information about the amount of his or her loans, income, assets, and employment. Annual assistance would be offered to the extent funds were available for repayment assistance.

SHOULDN'T OTHERS BE HELPING OUT?

Yes, and in fact they are. Law schools in Pennsylvania already offer various scholarships and loan repayment assistance, there are some programs run by local bar associations, and some private foundation-funded fellowships provide student loan assistance. Recently, Congress passed new legislation that will also help, under limited circumstances and for certain types of federal loans. But the number of law graduates who can be reached through these channels of assistance falls well short of the number in need of help.

WHAT CAN I DO TO HELP?

Please support this important legislation and help Pennsylvania join twenty of its fellow states in creating a student loan repayment assistance program. Urge that every member of the General Assembly take immediate action to adopt Senate Bill 860 and House Bill 1480.

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