

SUBJECT: Law school loan repayment assistance for attorneys for indigent

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 5 ayes — Rangel, Farabee, J. Jones, Uher, West
1 nay — F. Brown
3 absent — Goolsby, Morrison, E. Reyna

WITNESSES: For — John Jones, State Bar of Texas; Nelson Mock; Teresa Neet; Kelley Pharr
Against — None

DIGEST: HB 2323 would create a loan repayment assistance program for attorneys who were employed by non-profit, tax-exempt organizations that provided legal services to indigent individuals.

The Texas Higher Education Coordinating Board (THECB) would administer the program. Eligible attorneys could receive up to 10 years of assistance, but no more than half than the total amount of their loans could be paid by the program. No assistance could be provided for a loan in default at the time of application.

THECB could appoint an advisory board to assist it with performing its duties under the subchapter and could solicit gifts, grants, and donations for the purposes of the subchapter. Not later than December 1, 2001, THECB would have to adopt rules governing the administration of the program. The board also would have to distribute copies of its rules and other pertinent information to each accredited Texas law school and to appropriate state agencies and professional associations.

The bill would take effect September 1, 2001.

SUPPORTERS SAY: By helping non-profit legal aide organizations attract and retain qualified attorneys, HB 2323 would be one part of the solution for the serious problem of a lack of legal representation, both criminal and civil, for those without the means to afford an attorney.

The starting salary for legal aide attorneys ranges from \$26,400 to \$35,400. But the average lawyer leaves law school with about \$80,000 in debt. Even at public schools like The University of Texas at Austin, students' loans upon graduation average about \$40,000. Because of this, some legal aide organizations spend their scarce resources to help their attorneys pay off law school loans so that they can live on what they make. Only about 350 attorneys provide representation in civil cases to the 3.5 million Texans living below the poverty level. If the state helped attorneys in these organizations with loans, the organizations would have more money to hire attorneys.

Texas already helps teachers, doctors, dentists, and other professionals who take low-paying public service jobs. The need for legal representation when a child needs protection from an unfit parent, when an abused spouse needs a protective order, or when a family needs to defend against an unfair eviction is just as important to the health, safety, and welfare of poor Texans as access to health care and a good teacher. Thus, Texas should help ensure access to such representation by encouraging lawyers to work for the organizations that provide it.

OPPONENTS
SAY:

This program is projected to cost the state \$1.4 million over the next biennium to assist 280 legal aide attorneys. There is no money for this program in the current budget cycle.

The Legislature is receiving more and more requests to help graduates with their educational loans. There are too many worthy professions to choose between them all, so the state should not fund loan forgiveness for any of them.

NOTES:

A contingency rider that would provide over \$1 million to THECB for this program has been proposed to the conference committee working on reconciling the House and the Senate versions of SB 1 by Ellis, the fiscal 2002-03 general appropriations bill.

A related bill, HB 2553 by Uher, which would implement loan repayment assistance for rural district and county attorneys, failed to pass on second reading in the House on May 2. HB 2677 by Delisi and its companion HB 792 by Ellis, which would implement a similar loan repayment assistance

plan for lawyers with the Attorney General's Office, both passed to engrossment on May 3 in their respective houses.