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# A BILL FOR AN ACT

RELATING TO PUBLIC INTEREST ATTORNEYS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that public interest  
2 nonprofit law firms in Hawaii provide much-needed free and low-  
3 cost civil legal services to low-income persons. These firms  
4 rely heavily on grants and donations to pay their staff and  
5 cover the overhead necessary to provide these free and low-cost  
6 civil legal services. Due to limited funds, the average  
7 starting attorney salary is barely above \$40,000 per year, a far  
8 cry from starting salaries in government employment that average  
9 nearly \$50,000 and those in the private market that average  
10 \$80,000.

11           Low salaries make it difficult for public interest  
12 nonprofit law firms to recruit and retain attorneys from the  
13 William S. Richardson School of Law. In the last five years on  
14 average, only one graduate went to work in a public interest law  
15 firm after graduation. One of the most cited reasons for not  
16 being able to take a public interest job is the high cost of a  
17 legal education. Numerous law students graduate with enormous  
18 amounts of debt from the costs of their education.



1 The purpose of this Act is to encourage and enable  
2 attorneys to practice public interest law by establishing a loan  
3 repayment assistance program for eligible, licensed attorneys  
4 who practice public interest law in Hawaii.

5 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is  
6 amended by adding a new section to be appropriately designated  
7 and to read as follows:

8 **"§304A- Public interest law loan repayment program;**  
9 **special fund; established.**

10 (a) There shall be established a public interest law loan  
11 repayment program to be:

12 (1) Developed and maintained by the University of Hawaii  
13 William S. Richardson School of Law; and

14 (2) Administered by the administrator.

15 (b) To be considered for loan repayment assistance under  
16 the public interest law loan repayment program, an attorney  
17 shall:

18 (1) Have graduated from the William S. Richardson School  
19 of Law of the University of Hawaii;

20 (2) Be licensed to practice law in the state under chapter  
21 605; and



1       (3) Practice law in the public interest in the state, as  
2           determined by the administrator in consultation with  
3           the advisory committee.

4       (c) For purposes of this section, public interest shall  
5 include:

6           (A) A legal services organization in which more than  
7           seventy per cent of the clients served are low-  
8           income, according to applicable federal income  
9           guidelines; or

10          (B) A nonprofit organization under Section 501(c)(3)  
11          of the Internal Revenue Code of 1986, as amended.

12       (d) The administrator shall make loan repayment assistance  
13 available to eligible attorneys on an annual basis. As a  
14 condition of receiving assistance, the attorney shall enter into  
15 a contract with the public interest law loan repayment program  
16 to practice in a qualifying organization for a minimum of three  
17 years. In addition, the attorney shall notify the administrator  
18 in writing within thirty days of the date that the attorney:

19           (1) Terminates the employment with the qualifying  
20           organization; or

21           (2) Takes a leave of absence from the qualifying  
22           organization.



1       The contract for loan repayment assistance shall include  
2 penalties for breach of contract, as allowed by law.

3       (e) In consultation with the advisory committee, the  
4 administrator shall:

5       (1) Determine the total amount of annual loan repayment  
6 assistance available under the public interest law  
7 loan repayment program; and

8       (2) Establish selection criteria for eligibility for the  
9 program based upon need and merit.

10       (f) The administrator shall use but not be limited to the  
11 following criteria in determining the priority and amount of  
12 loan repayment assistance; provided:

13       (1) The demonstrated need of the applicant, which shall be  
14 based on the applicant's salary, personal resources,  
15 and amount of law school debt;

16       (2) The applicant's commitment to public interest law,  
17 which shall be determined by reviewing the applicant's  
18 record of employment and volunteer service, taking  
19 into consideration an applicant's need for  
20 remunerative employment while attending law school;



1       (3) The applicant's declared interest in practicing in  
2       areas in the state where the need for public interest  
3       attorneys is high; and

4       (4) The applicant's record of academic achievement.

5       The applicant shall provide to the information listed in  
6       paragraphs (1) through (4), and other information as required,  
7       in an application form to be prepared by the program.

8       (g) The advisory committee shall consist of nine members  
9       appointed by the administrator and shall include:

10       (1) Attorneys licensed to practice law in the state,  
11       particularly those practicing law in the public  
12       interest;

13       (2) Faculty of the William S. Richardson School of Law of  
14       the University of Hawaii; and

15       (3) Members of the general public.

16       (h) Nothing in this section shall be construed to create  
17       the right of any attorney to any law loan repayment assistance  
18       or any specific amount of assistance offered under the public  
19       interest law loan repayment program.

20       (i) There shall be established a special fund to be known  
21       as the William S. Richardson School of Law public interest law  
22       loan repayment program special fund, into which all



1 appropriations, donations, and gifts shall be deposited. The  
2 administrator may expend any amount of the moneys in the special  
3 fund to provide eligible attorneys with loan repayment  
4 assistance. Upon determination by the administrator, the fiscal  
5 officer of the William S. Richardson School of Law of the  
6 University of Hawaii shall disburse payments to eligible  
7 attorneys. The administrator shall submit an annual report to  
8 the legislature no later than twenty days prior to the convening  
9 of each regular session of an accounting of the program and the  
10 fund."

11 (j) As used in this section:

12 "Administrator" means the dean of the William S. Richardson  
13 School of Law of the University of Hawaii.

14 "Advisory committee" means the committee established in  
15 subsection (h) responsible for proposing policy and guideline  
16 recommendations for approval by the administrator.

17 "Eligible loans" means all need-based federal, university,  
18 and educational loans incurred during the recipient's law school  
19 education that are not eligible for forgiveness or repayment  
20 assistance through another source. Eligible loans include loans  
21 owed to government agencies, commercial lending institutions, or  
22 educational institutions, which were used to pay law school



1 tuition and other reasonable expenses associated directly with  
 2 the costs of a law school education, such as books, equipment,  
 3 fees, room and board, and other expenses determined by the  
 4 administrator. Educational loans extended by a private  
 5 individual or family member are not considered eligible loans  
 6 for the purposes of this section.

7 SECTION 3. There is appropriated out of the general  
 8 revenues of the State of Hawaii the sum of \$1 for fiscal year  
 9 2007-2008 and the same sum for fiscal year 2008-2009 to be  
 10 deposited into the William S. Richardson School of Law public  
 11 interest law loan repayment program special fund.

12 SECTION 4. There is appropriated out of the William S.  
 13 Richardson School of Law public interest law loan repayment  
 14 program special fund the sum of \$1 or so much thereof as may be  
 15 necessary for fiscal year 2007-2008 and the same sum or so much  
 16 thereof as may be necessary for fiscal year 2008-2009 for the  
 17 public interest law loan repayment program.

18 The sums appropriated shall be expended by the University  
 19 of Hawaii.

20 SECTION 5. New statutory material is underscored.

21 SECTION 6. This Act shall take effect on July 1, 2007.



**Report Title:**

Public Interest Attorneys; Loan Repayment Assistance Program

**Description:**

Creates and appropriates funds to establish and maintain the University of Hawaii William S. Richardson School of Law public interest law loan repayment program for eligible, licensed attorneys who practice public interest law in Hawaii. (HB681 HD1)

