
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 or 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 expenses necessary to provide these free or
6 low-cost civil legal services. Due to limited funds, the
7 average starting attorney salary is barely above \$40,000 per
8 year, a far cry from starting salaries in government employment
9 that average nearly \$50,000 and those in the private market that
10 average \$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 part V to be appropriately
7 designated and to read as follows:

8 "§304A- Public interest law loan repayment program;
9 special fund; established. (a) There shall be established a
10 public interest law loan repayment program to be:

11 (1) Developed and maintained by the William S. Richardson
12 school of law of the University of Hawaii; and

13 (2) Administered by the administrator.

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

17 (1) Have graduated from the William S. Richardson school
18 of law of the University of Hawaii;

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



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

4 (c) The administrator shall make loan repayment assistance
5 available to eligible attorneys on an annual basis. As a
6 condition of receiving assistance, the attorney shall enter into
7 a contract with the public interest law loan repayment program
8 to practice in a qualifying public interest law organization for
9 a minimum of three years. In addition, the attorney shall
10 notify the administrator in writing within thirty days of the
11 date that the attorney:

12 (1) Terminates the employment with the qualifying public
13 interest law organization; or

14 (2) Takes a leave of absence from the qualifying public
15 interest law organization.

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

18 (d) In consultation with the advisory committee, and
19 pursuant to rules adopted according to chapter 91, the
20 administrator shall:



- 1 (1) Determine the total amount of annual loan repayment
- 2 assistance available under the public interest law
- 3 loan repayment program; and
- 4 (2) Establish selection criteria for eligibility for the
- 5 program based upon need and merit.
- 6 (e) The administrator shall use but not be limited to the
- 7 following criteria in determining the priority and amount of
- 8 loan repayment assistance:
- 9 (1) The demonstrated need of the applicant, which shall be
- 10 based on the applicant's salary, personal resources,
- 11 and amount of current or foreseeable law school debt;
- 12 (2) The applicant's commitment to public interest law,
- 13 which shall be determined by reviewing the applicant's
- 14 record of employment and volunteer service, taking
- 15 into consideration an applicant's need for financial
- 16 aid or remunerative employment while attending law
- 17 school;
- 18 (3) The applicant's declared interest in practicing in
- 19 areas in the state where the need for public interest
- 20 attorneys is high; and
- 21 (4) The applicant's record of academic achievement.



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

4 (f) The advisory committee shall consist of nine members
5 appointed by the administrator and shall include:

6 (1) Attorneys licensed to practice law in the state,
7 particularly those practicing law in the public
8 interest;

9 (2) Faculty of the William S. Richardson school of law of
10 the University of Hawaii; and

11 (3) Members of the general public.

12 The advisory committee shall be responsible for proposing policy
13 and guideline recommendations for approval by the
14 administrators.

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

19 (h) There shall be established a special fund to be known
20 as the William S. Richardson school of law public interest law
21 loan repayment program special fund, into which all
22 appropriations, donations, and gifts that relate to the public



1 interest law loan repayment program 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 (i) 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 (g).

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



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

6 "Public interest law organization" means:

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

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

12 SECTION 3. There is appropriated out of the general
 13 revenues of the State of Hawaii the sum of \$ or so much
 14 thereof as may be necessary for fiscal year 2007-2008 and the
 15 same sum or so much thereof as may be necessary for fiscal year
 16 2008-2009 to be deposited into the William S. Richardson school
 17 of law public interest law loan repayment program special fund.

18 SECTION 4. There is appropriated out of the William S.
 19 Richardson school of law public interest law loan repayment
 20 program special fund the sum of \$ or so much thereof as
 21 may be necessary for fiscal year 2007-2008 and the same sum or
 22 so much thereof as may be necessary for fiscal year 2008-2009



1 for the purposes of the public interest law loan repayment
2 program.

3 The sums appropriated shall be expended by the University
4 of Hawaii.

5 SECTION 5. New statutory material is underscored.

6 SECTION 6. This Act shall take effect on January 1, 2050.



Report Title:

Public Interest Attorneys; Loan Repayment Assistance Program

Description:

Creates and appropriates funds to establish and maintain the William S. Richardson School of Law public interest law loan repayment program at the University of Hawaii for eligible, licensed attorneys who practice public interest law in Hawaii.
(HB681 HD2)

