
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 the 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. Because of 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 University of Hawaii William S. Richardson school of law. In
14 the last five years on average, only one graduate went to work
15 in a public interest law firm upon graduation. One of the most
16 cited reasons for not being able to take a public interest job
17 is the high cost of a legal education. Numerous law students



1 graduate with enormous amounts of debt to pay for their
2 education.

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

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

10 "§304A- Public interest law loan repayment program;
11 special fund; established. (a) 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 responsible for
15 proposing policy and guideline recommendations for approval by
16 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 (b) There shall be established a public interest law loan
8 repayment program to be:

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

11 (2) Administered by the administrator.

12 (c) To be considered for loan repayment assistance under
13 the public interest law loan repayment program, an attorney
14 shall:

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

17 (2) Be licensed to practice law in the State under chapter
18 605; and

19 (3) Practice law in the public interest in the State, as
20 determined by the administrator in consultation with
21 the advisory committee.



1 (d) For purposes of this section, public interest shall
2 include:

- 3 (1) A legal services organization where more than seventy
4 per cent of the clients served are low-income,
5 according to applicable federal income guidelines;
6 (2) A nonprofit organization under section 501(c)(3) of
7 the Internal Revenue Code of 1986, as amended; or
8 (3) A government agency of this state or any of its
9 counties.

10 (e) The administrator shall make law loan repayment
11 assistance available to eligible attorneys on an annual basis.

12 As a condition of receiving assistance, the attorney shall enter
13 into a contract with the public interest law loan repayment
14 program to practice in a qualifying organization for a minimum
15 of three years. In addition, the attorney shall notify the
16 administrator in writing within thirty days of the date that the
17 attorney:

- 18 (1) Terminates the employment with the qualifying
19 organization; or
20 (2) Takes a leave of absence from the qualifying
21 organization.



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

3 (f) 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 (g) 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 public interest law loan
6 repayment program the information listed in paragraphs (1) to
7 (4), and other information as required, in an application form
8 to be prepared by the program.

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

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

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

16 (3) Members of the general public.

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

21 (j) There shall be established a special fund to be known
22 as the William S. Richardson school of law public interest law



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

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$200,000, 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 the William S. Richardson school of law public
17 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 \$200,000, 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 purpose of establishing and maintaining a loan repayment
2 program for certain public interest attorneys through the
3 University of Hawaii William S. Richardson school of law public
4 interest law loan repayment program and to encourage and enable
5 attorneys to practice law in the public interest.

6 The sums appropriated shall be expended by the University
7 of Hawaii for the purposes of this Act.

8 SECTION 5. New statutory material is underscored.

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



Report Title:

Public Interest Attorneys; Loan Repayment Assistance Program

Description:

Creates a loan repayment assistance program for licensed attorneys who practice public interest law in Hawaii. (SD1)

