Making a Public Service Career Affordable

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By Laurie W. Jones

Most students attend law school because they want to make a difference in the lives of others, and they understand that a law degree will allow them to have more of an impact in their communities. And yet, the continually rising costs of undergraduate and graduate education, coupled with the persistently modest salaries in the public and non-profit sector, can dissuade motivated and committed law school graduates from public service.

Many law school graduates simply cannot afford to take the kinds of jobs they are passionate about in the kinds of organizations they care about. Access to justice is lost when high student debt prevents lawyers from serving in governmental and non-profit organizations.

In 1993, less than one-third of all four-year college graduates left school with student debt; by 2004, that number was two-thirds. Since 2008, student loan debt (undergraduate and graduate combined) has swelled by $434 billion to a total outstanding student loan debt in the United States of somewhere between $902 billion and $1 trillion.

In the last two years, student loans accounted for 91 percent of the increase in overall consumer credit. More than 80 percent of law students borrow for their law degree, with $75,728 the average amount financed at a public institution and $124,950 the average amount financed at a private institution for students graduating in 2011. As well as limiting employment opportunity, student debt can negatively impact an individual's ability to take on other consumer debt, and thus student debt places a drag on the national economy.

The College Cost Reduction and Access Act of 2007 is one of the most significant efforts in a generation to address student loan debt and public service. The act provides for income-based repayment, which can reduce monthly payments to help make educational debt manageable. Monthly payments are calculated on actual income rather than on amount owed. Thus, the graduate who begins work at the public defender's office with a salary of $42,000 a year will have a monthly payment that is considerably less than a classmate who enters private practice with a salary of $80,000, though both borrowed $100,000 during law school.

The act also offers loan forgiveness after ten years of public service employment. A law school graduate who makes 120 qualifying loan payments on Federal Direct loans while working full-time in a qualifying public service position will have his loan balance forgiven at the end of 10 years of service.

Other available debt relief programs to encourage public service include public interest scholarships, loan repayment assistance programs and post-graduate public interest fellowship programs. Loan repayment assistance programs may be available from a variety of sources.
including law schools, bar foundations, and state and federal governments.

A loan repayment assistance program (LRAP) provides financial aid to law school graduates typically working in the public interest or government sector. This aid usually takes the form of a new and forgivable loan to help them pay their annual educational debt. Upon completion of a required service obligation, the LRAP administrator forgives or cancels the new loan to program participants. Most LRAPs contain limits on the amount of income a recipient can earn while participating in the program.

South Dakota recently enacted legislation establishing an LRAP to improve access to justice in rural counties. On March 21, 2013, Gov. Dennis Daugaard signed into law House Bill 1069, which is designed to provide legal service in rural counties and offers substantial tuition repayment for attorneys who agree to practice law in an eligible rural county for five years. The qualifying attorney is entitled to receive payments in five annual installments, each in an amount equal to 90 percent of resident tuition and fees at the University of South Dakota School of Law as determined on July 1, 2013. Interested counties apply to participate in the program, and funding is provided by the county, the state bar and the judicial system through legislative appropriations.

Law student debt, its impact on career choices, and the consequent scarcity of legal services are access to justice issues. Solving these issues will take consideration, creativity, and will on the part of all stakeholders. It’s one item on the Access to Justice Committee’s agenda this year, and we welcome your ideas.

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1. In a study conducted in 2002, law school debt prevented 66 percent of student respondents from considering a public interest or government job. ABA Commission on Loan Repayment and Forgiveness, Lifting the Burden: Law Student Debt as a Barrier to Public Service (Chicago 2003).  
4. American Bar Association Section of Legal Education and Admissions to the Bar, annual report for 2010-11.