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Financing the Future

Equal Justice Works 2004 Report on Law School Loan Repayment Assistance and
Public Interest Scholarship Programs

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Formerly the National Association for Public Interest Law

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acknowledgments

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Foreword

Amy started law school with a dream of returning to her hometown of Los Angeles upon graduation to provide legal assistance to the immigrant community. A local legal aid office offered her a \$37,500 salary — but her student debt was more than \$72,000. Her monthly loan payment of more than \$700 would consume more than one-third of her take-home salary. She could not possibly pay rent, utilities, transportation, food and insurance with the remainder — let alone afford clothing, medical care and inevitable emergencies. This forced Amy to accept a position with a private law firm so she could pay down her debt. She still hopes that someday she might be able to fulfill her dream of public service.

The story above demonstrates how staggering law school debt stands between many graduates and their pursuit of careers in public service. The rising cost of a legal education is forcing law students to borrow at increasingly higher rates. These skyrocketing debt burdens, combined with relatively stagnant starting public service attorney salaries, make it difficult for public interest and government employers to recruit and retain attorneys. As a result, millions of low-income people, already vastly underserved, are at risk of receiving even less legal assistance in the future. But there is hope. Some law graduates are able to pursue public service jobs as a result of loan repayment assistance programs (LRAPs) established by law schools, states, the federal government and employers, as well as through public interest scholarship programs available through law schools. These programs exist to break down one of the primary barriers to the pursuit of a career in public service — the enormous hurdle of debt facing many law graduates.

Financing the Future: The Equal Justice Works 2004 Report on Law School Loan Repayment Assistance & Public Interest Scholarship Programs details information about these programs, including their administrative structures, benefits and funding sources. This publication provides information about existing LRAPs and public interest scholarship programs; accents innovative approaches to such programs for both law students and law school officials working to create programs; and heightens awareness of the financial options available to prospective law students and graduates considering public interest careers. As the national leader in developing the next generation of lawyers committed to bringing justice to low-income individuals, families and communities, Equal Justice Works remains the only organization to compile and provide comprehensive information about law school LRAPs and public interest scholarship programs.

To gather this information, Equal Justice Works sent web-based surveys to the 187 American Bar Association-accredited and provisionally accredited law schools, as well as 56 law schools that are not currently accredited by the ABA. Eighty-nine ABA-accredited law schools and one non-accredited law school completed the LRAP survey and 48 ABA-accredited law schools and one non-accredited law school completed the public interest

scholarship program survey. Through the survey and subsequent research, Equal Justice Works staff found that 81 ABA-accredited law schools have loan repayment assistance programs, while 31 ABA-accredited law schools have public interest scholarship programs. Additionally, at least 22 ABA-accredited law schools are in the process of starting or are actively investigating the possibility of creating an LRAP.

The report that follows explores a variety of aspects of LRAPs and public interest scholarship programs. For further information on how to start a loan repayment assistance program at your school, please visit the Equal Justice Works website at www.equaljusticeworks.org and go to the Finance a Career section. Your comments and suggestions about the report are vital to Equal Justice Works' efforts in this area. We encourage you to call us at (202) 466-3686 or e-mail research@equaljusticeworks.org.

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Executive Summary

There is some good news to report about loan repayment assistance programs (LRAPs) and public interest scholarship programs:

- ❑ Since our last report in 2000, the number of law school LRAPs has increased by more than 50 percent.
- ❑ The total amount of LRAP funds disbursed by law schools has increased by almost 30 percent.
- ❑ The number of public interest scholarship programs has more than doubled.

However, still more work is needed.

- ❑ Less than one-half (42 percent) of ABA-accredited law schools currently have an LRAP and only 17 percent have public interest scholarship programs according to responses to the Equal Justice Works survey. None of the unaccredited law schools have either an LRAP or public interest scholarship program.
- ❑ At many of the schools that do have such programs, eligibility requirements are so stringent that only a small number of graduates qualify for assistance. For example, nearly one-quarter of the schools with LRAPs (19 schools) set the salary cap at \$45,000 or less, with no allowance for salary increases.

According to the National Association for Law Placement (NALP), the median starting salary for a public interest attorney from the class of 2003 was \$37,500 — \$42,500 less than the median starting salary for a private practice attorney (\$80,000). According to the ABA in 2002, a whopping 87 percent of law students borrowed to finance their legal education and the average amount borrowed in law school by a 2003 graduate was \$45,763 for a public school and \$72,893 for a private school. It is no surprise that, in a 2002 Equal Justice Works study, 66 percent of law student respondents said that law school debt prevented them from considering a career in public interest or government. Thus, the already significantly under-served population of low-income people in this country is at risk of obtaining even less legal assistance without a major increase in law school LRAPs and public interest scholarship programs to help dedicated young lawyers pursue public service careers.

Loan repayment assistance programs and public interest scholarship programs provide much-needed financial assistance to law students and graduates who choose careers in public interest law. LRAPs provide “back-end” financial aid to graduates in qualifying public interest employment while public interest scholarship programs generally provide financial assistance during law school and, as a result, lessen the amount a law student needs to borrow.

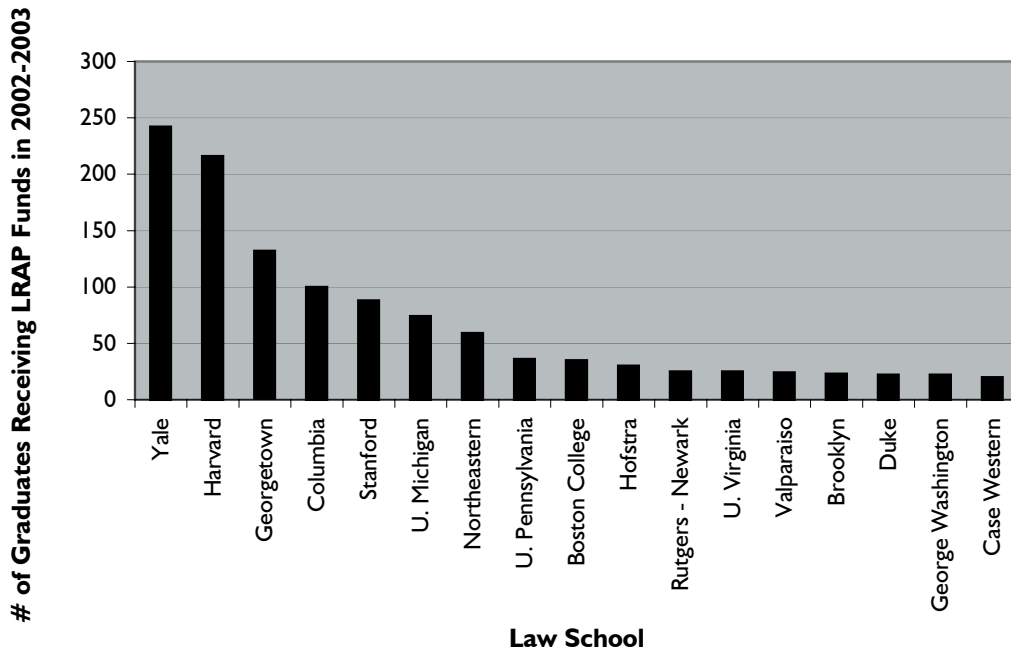
Findings

- ❑ Since our last report in 2000, the number of law school LRAPs has grown significantly, up from 47 in 2000 to 81 in 2004.
- ❑ The total amount of LRAP funds disbursed by law schools has increased by more than \$3 million. In 2000, \$7,579,858 in LRAP funds was disbursed by law schools. The amount of LRAP funds disbursed in 2002-03 increased to \$10,607,324.¹
- ❑ The number of public interest scholarship programs has risen from 14 in 2000 to 31 in 2004.
- ❑ At least 22 law schools are actively working on establishing an LRAP.
- ❑ Two of the three schools listed in the 2000 Financing the Future report that had eliminated their LRAPs — Boston University School of Law and Emory University School of Law — have reinstated their programs.
- ❑ Seven schools have increased the size of their LRAPs since 2000 by 10 percent or more, as measured by the total amount of LRAP funds disbursed. Those schools are: Rutgers University - Newark, Franklin Pierce, American University, George Washington University, Loyola - Los Angeles, Northeastern, and Harvard.

¹ As used in this report, the total amount of LRAP funds disbursed is based on the amounts reported by law schools that answered this question on the Equal Justice Works survey. The actual total amount of LRAP disbursements by all law schools is higher.

- 17 law schools provided LRAP funding to 20 or more graduates from all eligible graduating classes in 2002-2003.

Number of Graduates Receiving LRAP Funds in 2002-2003

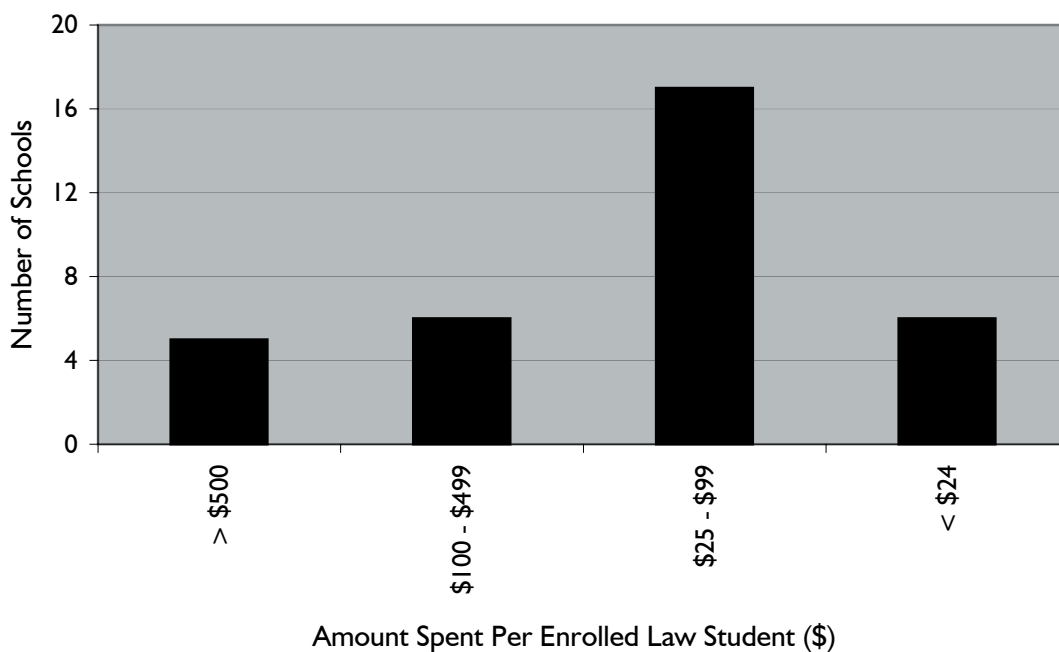


- ❑ Of the 34 private law schools providing information, 10 law schools — Columbia, Cornell, Duke, Georgetown, Harvard, New York University, Northeastern University, Stanford, the University of Pennsylvania and Yale — spend \$250 or more per student in LRAP (as measured by total LRAP disbursements divided by total J.D. enrollment).

Presenting information about spending per student is intended to help readers make comparisons among law schools. Only listing schools by the total amount of LRAP funds disbursed fails to take into account differences in the size of the school's student body, tuition and average debt load at graduation. The following two charts separate law schools into public and private schools to account for general tuition differences and then divides the total amount of LRAP disbursements by the J.D. enrollment to account for school size. The amount shown, therefore, is spending per enrolled student, not amount spent per participant in the LRAP.

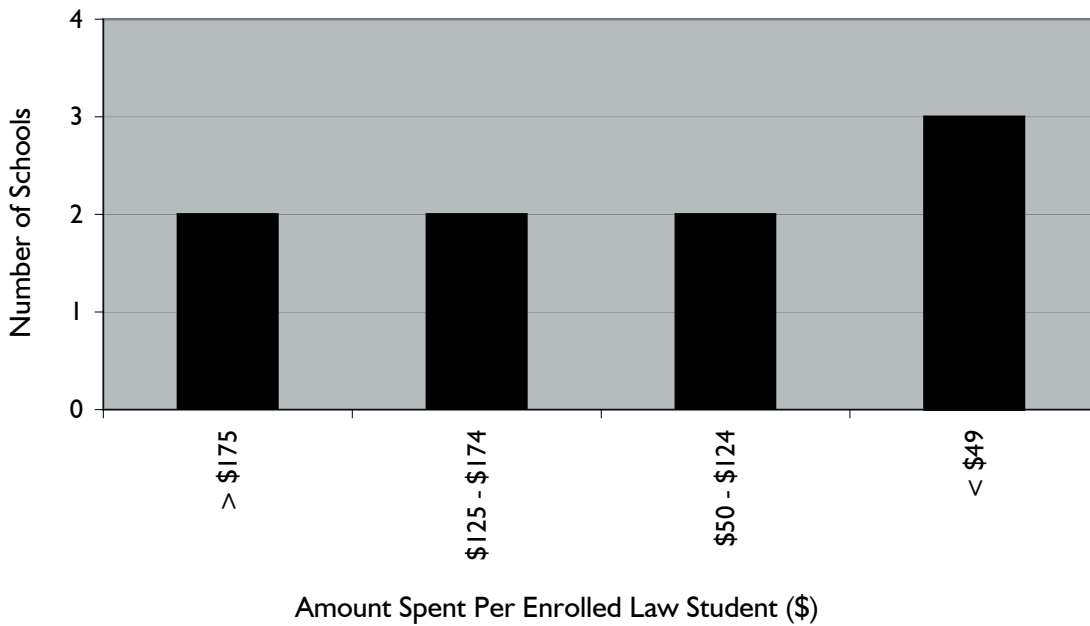
For example, if schools A and B each distributed \$100,000 during 2002-03, but school A has 1500 students and school B's total student body is only 600, looking at total disbursements alone incorrectly suggests the schools are making the same investment. However, proportionately, the smaller school is making a far greater contribution to its LRAP program.

LRAP Spending Per Student - Private Law Schools



- ❑ Of the nine public law schools providing information, four law schools spend more than \$125 per student in LRAP (as measured by total LRAP disbursements divided by total J.D. enrollment). Those schools are: Rutgers University – Newark, the University of California – Berkeley, the University of Michigan and the University of Virginia.

LRAP Spending Per Student - Public Law Schools





Purpose of the Report

This report is intended to provide information about LRAPs and public interest scholarship programs at law schools around the country. In particular, we hope to:

- (1) provide useful examples of programs for individuals and committees working to design and improve LRAPs and public interest scholarship programs at their law schools, as well as state, federal, employer and fellowship programs;
- (2) present objective data on existing LRAPs to prompt the creation and improvement of programs;
- (3) illustrate the impact educational debt has on career choice and the importance of LRAPs and public interest scholarship programs in order to assist advocates in “making the pitch” to law school decision-makers and potential supporters; and
- (4) heighten awareness of the financial options available to law schools to support their graduates pursuing public interest careers.

Background

High educational debt and relatively stagnant salaries have combined to make working in a public interest or public sector job increasingly difficult for law school graduates. The cost of attending law school has increased sharply over the last decade. From 1992 to 2002, the most recent year for which statistics are available, the average cost of tuition for a J.D. degree almost doubled across the board.

Law School Tuition²

Type of Tuition	1992	2002
Private Law School	\$13,730	\$24,920
Public Resident	\$ 4,015	\$ 9,252
Public Non-resident	\$ 8,850	\$18,131

In addition to skyrocketing legal education costs, the disparity between public and private sector salaries continued to grow. In 2003, public interest positions started at a median \$37,500 per year — \$42,500 less per year than their private sector counterparts.

National Median Salaries³

Type of Attorney	1993	2003
Public Interest Attorney	\$27,000	\$37,500
Government Attorney	\$31,600	\$43,000
Private Practice Attorney	\$48,000	\$80,000

In 2002, according to the ABA, almost 87 percent of law students borrowed to finance their legal education,⁴ and the average amount borrowed in law school by a 2003 law school graduate was \$45,763 for a graduate of a public school and \$72,893 for a private school law graduate.⁵ Based on that figure, the payment on loans on a 10-year repayment schedule is approximately \$450.82 a month for a public law school graduate and \$718.08 a month for a graduate of a private law school.⁶ These payments are about one-quarter to one-third of a starting public interest attorney's monthly take-home salary (assuming \$37,500 as a starting salary), leaving very little for necessities such as housing, food and transportation.

² ABA Section of Legal Education and Admissions to the Bar.

³ All salary information is from Jobs and J.D. Employment and Salaries of New Law Graduates Class of 2003, National Association for Law Placement (NALP), 2004.

⁴ Lifting the Burden: Law Student Debt as a Barrier to Public Service. The Final Report of the ABA Commission on Loan Repayment and Forgiveness, August 2003.

⁵ ABA Section on Legal Education and Admission to the Bar, ABA Annual Questionnaire.

⁶ Based on calculations done on FinAid.org website. Calculations assume a standard repayment of 10 years with fixed and equal payments and a 3.42 percent interest rate. Calculations are based on the average amount borrowed, not the average debt of law school graduates, which may be higher. The public school calculations assume only Stafford loans were used and the private school calculation assumes both Stafford loans and private loans were taken out. Private loans depend upon the lender and terms differ. Interest rates on loans are variable and subject to change.

Impact of Educational Debt on Career Choice

In 2002, Equal Justice Works in conjunction with the National Association for Law Placement and the Partnership for Public Service published *From Paper Chase to Money Chase: Law School Debt Diverts Road to Public Service*. This report presented compelling evidence that law school debt has a significant impact on career choice. Specifically, the report found:

- ❑ Law school debt prevents 66 percent of student respondents from considering a public interest or government job.
- ❑ 68 percent of public interest and government employers reported difficulty recruiting the attorneys they need. The vast majority of these employers cite low salaries (89 percent) and educational debt (88 percent) as the principal factors contributing to this problem.
- ❑ 62 percent of public interest and government employers reported difficulties retaining experienced attorneys. Retention problems are attributed to the same factors as recruitment problems with 92 percent indicating low salaries and 82 percent indicating educational debt.
- ❑ 69 percent of attorneys in public service jobs leave within five years of employment.

Thus, it is clear that educational debt has a huge impact not only on law school graduates but also on employers and the clients that public interest attorneys serve.

In recognition of this problem, the American Bar Association convened a diverse group of leaders in the legal profession to study educational debt and loan forgiveness for public interest attorneys. In August 2003, the ABA Commission on Loan Repayment and Forgiveness issued a report called *Lifting the Burden: Law Student Debt as a Barrier to Public Service*. The report outlined the status of efforts to create and improve loan repayment assistance programs at the law school, state, federal and employer levels. Among the recommendations made were calls for law schools to create programs such as LRAPs, public interest scholarship programs and post-graduate public service fellowships that help reduce student debt burdens and facilitate a student's decision to enter and remain in a public service job.⁷

These efforts are now more vital than ever. According to the U.S. Census Bureau, the official poverty rate in the United States rose from 11.7 percent in 2001 to 12.1 percent in 2002, while the number of Americans below the poverty level increased by 1.7 million to 34.6 million individuals in 2002.⁸ The American Bar Association recently reported

⁷ *Lifting the Burden: Law Student Debt as a Barrier to Public Service*. The Final Report of the ABA Commission on Loan Repayment and Forgiveness, August 2003. For a copy of the report go to: <http://www.abanet.org/legalservices/lrap/>.

⁸ U.S. Census Bureau Current Population Survey, 2002 and 2003 annual social and economic supplements, September 2003.

on studies in Massachusetts, Washington state and the District of Columbia that found a widespread lack of available legal assistance for poor families.⁹ The already significantly under-served population of low-income people in this country is at significant risk of obtaining even less legal assistance without a major increase in law school LRAPs and public interest scholarship programs to help dedicated young lawyers pursue public service careers.



Loan Repayment Assistance Programs

Loan repayment assistance programs (LRAPs) provide substantial aid to law school graduates working in the public interest sector. Whether they are referred to as debt management programs, loan relief programs, loan forgiveness programs or low-income protection plans, LRAPs share a common mission: offering grants or forgivable loans to graduates to help repay a portion of their annual educational debt. In general, in order to be eligible for program benefits, a graduate must be employed in a nonprofit organization, or local, state or federal government setting and must work in a law-related position.

The mere existence of an LRAP at a law school is not enough. The programs available at law schools range from large programs that offer extensive assistance to a large number of graduates to smaller programs that offer limited assistance to one or two graduates. In addition, many programs are not adequately funded, or they contain stringent eligibility requirements that prevent many public interest attorneys from qualifying for assistance. In evaluating or designing an LRAP, the key questions to ask include: How many career fields are covered? What is the average level of financial assistance provided by the LRAP? What types of loans will the LRAP cover? Does the program take into account the average debt burdens of graduates and the annual salary increases that can be anticipated over the course of participation in the LRAP? What are the funding sources for the LRAP? For a complete list of schools that have LRAPs, see Appendix A.

How Can LRAP Help? An Illustration

As described above, the dramatic increase in law school tuition over the past 10 to 15 years combined with near-dormant starting public interest attorney salaries has had a tremendous impact on the career choices of law school graduates. To illustrate this point, we will revisit the story of Amy presented in the Foreword, to show the impact that an LRAP can have on a law school graduate working in public interest law.

⁹ In Massachusetts, the state studied the legal needs of its poor citizens in 1993 and again in 2002. The study found that at least 53 percent of the poor households in the state had at least one unmet civil legal need. A September 2003 report by the District of Columbia Bar Foundation estimates that less than 10 percent of the need for civil legal assistance is being met in the District. Finally, in Washington state, a September 2003 study found that 87 percent of low-income households encounter a civil legal problem each year and that only 12 percent of these households are able to obtain assistance from a lawyer. Statistics are from the American Bar Association Division of Legal Services Dialogue magazine, spring 2004.

Amy entered law school with the express purpose of returning to her hometown of Los Angeles to provide legal assistance to the immigrant community. Upon graduation, she received an offer from a local legal aid office to pursue her dream legal career. However, with student loans in the amount of \$72,893¹⁰ and a starting salary of only \$37,500, she faced a \$718 monthly loan payment that would consume more than a third of her take-home pay. The remainder of her earnings could not begin to cover her rent, utilities, groceries, insurance and transportation expenses, let alone such costs as clothing, medical care and inevitable emergencies. Below is an illustration of the positive impact an LRAP could have on Amy's net income and career options.

Without LRAP Assistance

\$37,500	(salary)
- \$8,210.54	(approximate annual federal and state income taxes) ¹¹
- \$8,616.96	(annual loan repayment) ¹²
<u>\$20,672.50</u>	or \$1,722.71 per month left for basic living expenses such as housing, food, transportation, insurance and utilities.

With LRAP Assistance

According to the Equal Justice Works 2004 LRAP survey, the average LRAP award for a private law school is \$5,416.17 (based on responses of private law schools that answered this survey question).

\$37,500	(salary)
- \$8,210.54	(approximate annual federal and state income taxes)
- <u>3,200.79</u>	(\$8,616.96 (annual loan repayment) - 5,416.17 (average LRAP award))
\$26,088.67	or \$2,174.06 per month left for basic living expenses.

LRAP assistance provided an additional 21 percent in funds available to pay basic living expenses.

It is important to consider the example above in context. Please note that the figures used represent the average amount borrowed by a 2003 private law school graduate according to the ABA Section on Legal Education and the national median starting salary for a public interest attorney in 2003 according to the National Association for Law Placement (NALP). However, many law school graduates will leave school with much higher debt, and others,

¹⁰ \$72,893 is the average amount borrowed by graduates of private law schools in 2003, according to the ABA Section on Legal Education.

¹¹ Approximate annual federal and state income taxes based on 2004 income-tax rates for federal and assuming a state income tax rate of 5.5 percent (income-tax rates vary by state with some states being as low as 0 percent and some as high as 9 percent).

¹² Based on an average amount borrowed of \$72,893 and a 10-year repayment plan at 3.42 percent interest.

particularly resident students who attend public law schools, will owe less. Depending on the particular job, the starting salary may in fact be less than \$37,500 per year. In addition, the amount of LRAP assistance used in the example above represents the average private school LRAP award based on responses of private law schools that completed the Equal Justice Works survey. Thus, the amount of assistance available from a particular law school may be more or less depending on the program.

Regardless, the example shows how LRAP assistance can make a difference for public interest attorneys. Just a few thousand additional dollars a year can prevent an individual from going further into debt to meet his or her necessary living expenses. In this case, that additional income may be enough for Amy to meet her loan repayment obligations and pursue her lifelong dream of providing legal aid to immigrants in her community.

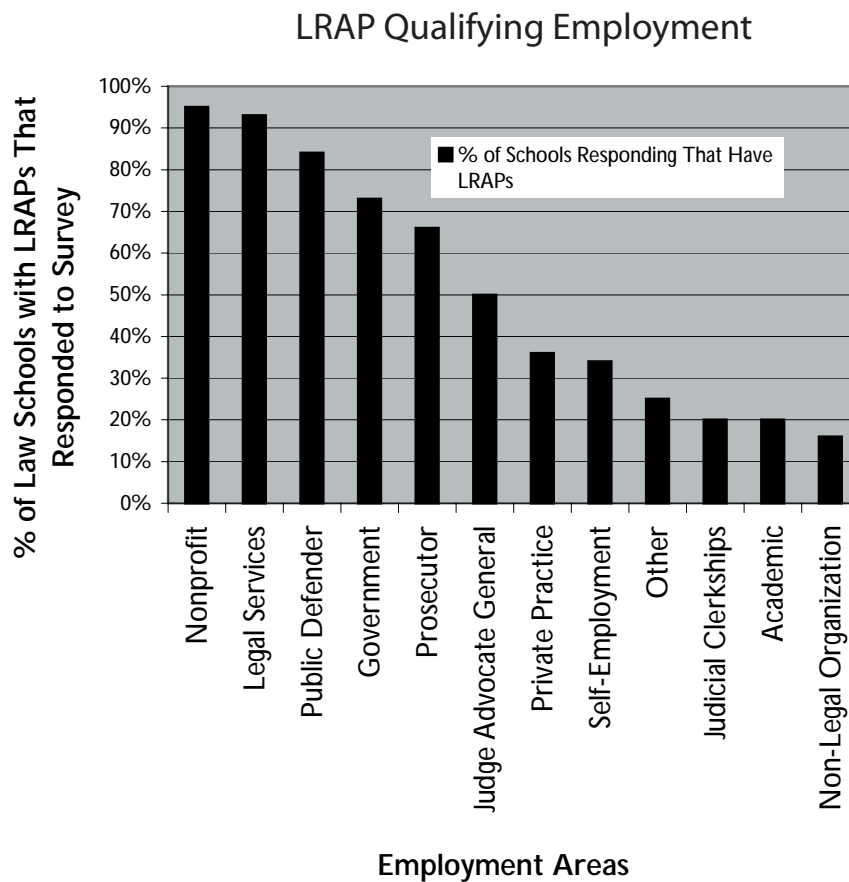
LRAP Policies and Characteristics

At many law schools, the LRAP policies are set by a committee that consists of some combination of faculty members, financial aid staff, students, alumni, career services staff and the dean or a member of the dean's staff. Some of the key policies that LRAP administrators and committee members must address include the type of employment that the LRAP will cover, the qualifying income level and whether or not the LRAP funds will be distributed as a grant or a forgivable loan. Having an identified and functioning LRAP committee at the law school is important not only in the design and implementation stages of the LRAP, but also in the operational stage to address issues that arise as the program grows.

An LRAP committee may also play an important role in gathering data on the law school's alumni. Law schools that have a solid understanding of the average debt of their graduates, the cost of living in the areas where most graduates practice and the average salary of alumni going into public interest law will be able to effectively design or expand an LRAP to meet the needs of graduates who choose public interest careers. In addition, once a law school has an understanding of the financial situation of its alumni, the school can make important calculations and decisions about how much money is needed to fund the LRAP and can set fundraising priorities accordingly.

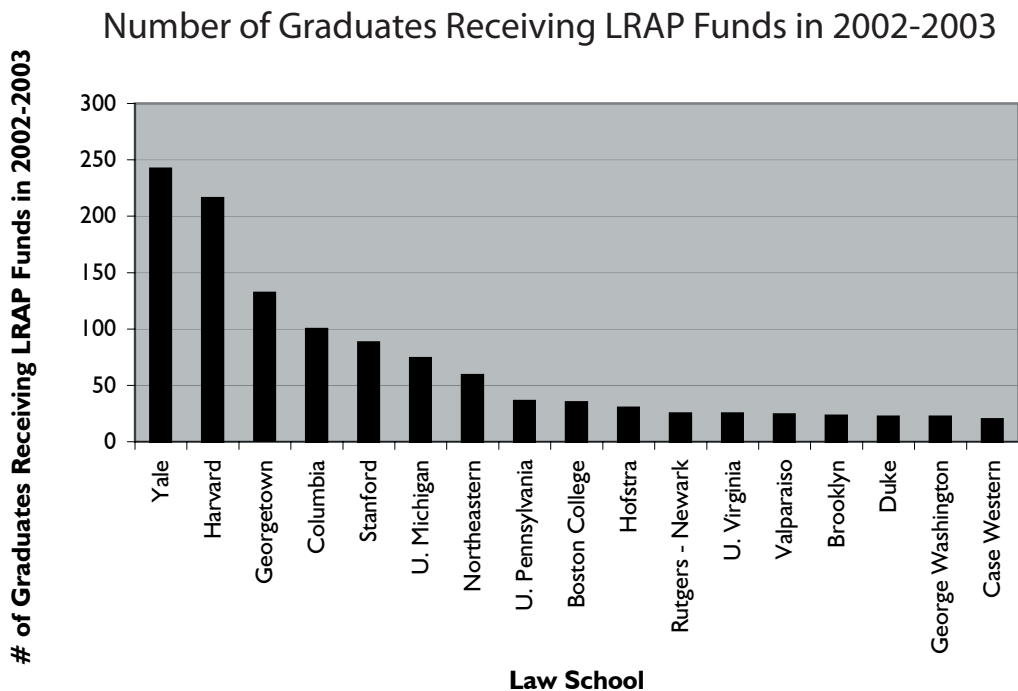
Qualifying Public Interest Employment

Students interested in receiving LRAP funding from their law school should research how qualifying public interest employment is defined and determine whether or not a particular public interest position meets the LRAP qualifications. Currently, more than 90 percent of law schools include in their definition of qualifying employment nonprofit and legal services positions (see below). For more information about how individual law schools define qualifying public interest employment for LRAP purposes, visit the Equal Justice Works website at www.equaljusticeworks.org and go to the Finance a Career section.



Number of Graduates Receiving LRAP Funds in 2002-2003

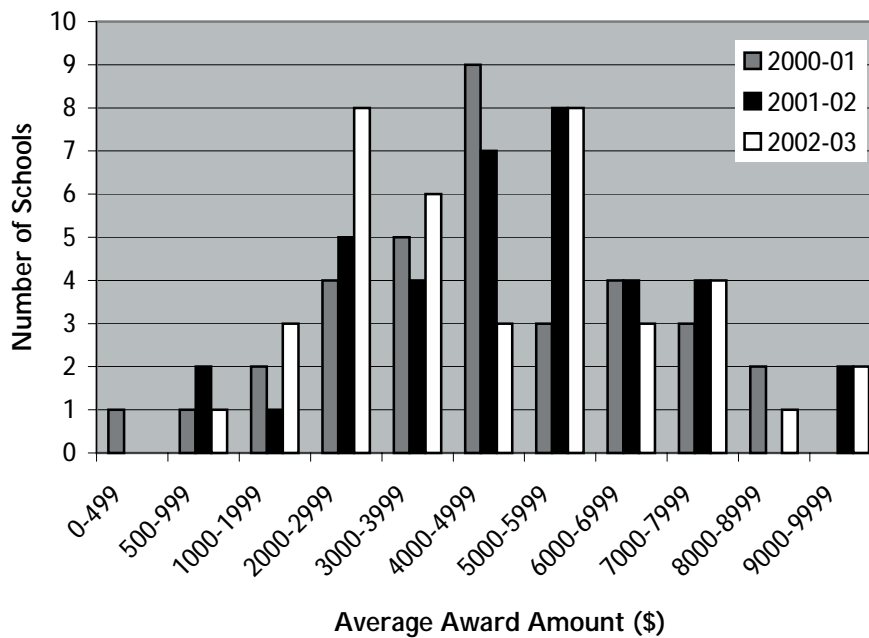
The number of graduates receiving LRAP funds from their law school varies tremendously. For example, Yale and Harvard each funded over 200 graduates in 2002-2003 while Seattle University, Ohio State University and Washington and Lee each funded 3 people and the University of San Diego School of Law provided LRAP funds to one person. Overall, 17 law schools provided LRAP funding to 20 or more graduates from all eligible graduating classes during 2002-2003 (see below).



Average LRAP Award

The amount of available funding drives the design and growth of law school LRAPs. In most cases, LRAPs start off small and, as funding for the program increases, the program expands to include more graduates in a greater number of legal practice areas, or schools expand the average LRAP award given to program participants. Overall, in the period from 2000 to 2003, of the schools that provided information on the average award per participant, 27 law schools either increased or had no change to the average LRAP award while 12 schools decreased the average award per participant during that time period.

Average LRAP Award



Grant Versus a Forgivable Loan

Another important consideration when designing or improving an LRAP is whether LRAP funds are given as a grant or a forgivable loan. Before 1997, payments made to participants in LRAPs were taxable as income. However, the Taxpayer Relief Act of 1997 made it possible for LRAPs to be structured so that the payments to the recipients are not taxable as income. Internal Revenue Code section 108(f) exempts from taxation student loans that are canceled for citizens in public service employment. The new law is a great benefit to graduates who participate in loan repayment assistance programs offered by their law schools and other nonprofit institutions.

The measure became effective upon enactment on August 5, 1997. The provision, which amended Internal Revenue Code §108 to add sub-section (f), contains three key elements:

Qualifying Recipients: Recipients must be employed in a governmental unit — federal, state or local — or by a nonprofit 501(c)(3) organization.

Qualifying Loans: The award must be made in the form of a loan to be canceled, a “forgivable loan,” rather than a grant. Generally, the loan refinances the original educational loans taken when the individual was a student. For example, the law school will give a loan to the participant so that the participant can make payments on his or her student loan. The participant must remain in qualifying employment for one year, at the end of which the loan will be forgiven.

Qualifying Lenders: The award must be made by an educational institution or by a tax-exempt organization. Furthermore, the recipient cannot be employed by the organization making the loan.

Before the tax law change, several schools awarded LRAPs as grants. Now, most schools are changing to forgivable loans so that their graduates will avoid the income tax on LRAP awards, increasing participants’ LRAP benefit by approximately 30 percent. Schools are also forgiving loans over shorter periods of time. For example, Northwestern University School of Law reduced the forgiveness period from 10 years to one year and the University of Chicago Law School reduced the time to forgiveness from three years to one year.

LRAP Disbursements

Law school LRAP disbursement figures alone are not a particularly accurate measure of the strength of an LRAP. Simply listing schools by the total amount of LRAP funds disbursed fails to take into account differences in school size (as measured by J.D. enrollment), tuition and average debt load at graduation. For this report, Equal Justice Works sought to present data in a way that accounts for the fact that smaller schools or public schools may not need to disburse as much in LRAP funds as larger or private schools in order to meet the needs of graduates. Thus, the following sections separate law schools into public and private schools to account for tuition differences and then divide the total amount of LRAP disbursements by the J.D. enrollment to account for school size. We are using total J.D. enrollment because the survey did not ask for the size of the graduating class. Each table lists schools alphabetically within tiers that distinguish among schools in terms of LRAP spending per enrolled student. Please note that the figures represent spending per student enrolled and not the amount spent per LRAP participant.

Public Law Schools – LRAP Spending per Enrolled Student¹³

Greater than \$175 per student

University of California – Berkeley School of Law
University of Michigan Law School

Between \$125 and \$174 per student

Rutgers University School of Law – Newark
University of Virginia School of Law

Between \$50 and \$124 per student

University of California – Davis, King Hall School of Law
University of Iowa School of Law

Less than \$49 per student

The Ohio State University Michael E. Moritz College of Law
University of California, Los Angeles School of Law
University of Minnesota School of Law

¹³ As measured by total LRAP disbursements for 2002-2003 divided by the total J.D. enrollment as of October 1, 2003. Note: According to our survey, 18 public law schools maintain LRAPs. Of those 18, 15 public schools responded to the Equal Justice Works survey. However, five of those schools — William and Mary, Penn State, Rutgers – Camden, the University of Maine and the University of Oregon — did not make LRAP disbursements in 2002-2003. The University of Maryland did not provide LRAP disbursement information. The University of California – Hastings, the University of Georgia and the University of Vermont did not complete the survey.

Private Law Schools – LRAP Spending per Enrolled Student¹⁴

Greater than \$500 per student

Columbia University School of Law
Harvard University Law School
New York University School of Law
Stanford University School of Law
Yale Law School

Between \$100 and \$499 per student

Case Western Reserve University School of Law
Cornell Law School
Duke University School of Law
Georgetown University School of Law
Northeastern University School of Law
University of Pennsylvania School of Law

Between \$25 and \$99 per student

American University Washington College of Law
Benjamin Cardozo School of Law
Brooklyn Law School
Creighton University School of Law
Fordham University School of Law
Franklin Pierce Law Center
George Washington University Law School
Golden Gate University School of Law
Loyola Marymount University – Los Angeles, Loyola Law School
Tulane University School of Law
University of Chicago Law School
University of Notre Dame Law School
University of San Francisco School of Law
University of Southern California Law School
Valparaiso University School of Law
Vanderbilt University School of Law
Washington University School of Law

Less than \$24 per student

Seattle University School of Law
St. Thomas University School of Law (Florida)
University of the Pacific, McGeorge School of Law
University of San Diego School of Law
Washington and Lee University School of Law
Whittier Law School

¹⁴ As measured by total LRAP disbursements for 2002-2003 divided by the total J.D. enrollment as of October 1, 2003. Note: The following law schools answered “not applicable/information not available” on the question asking for LRAP disbursements: Boston College, Hofstra, Loyola – Chicago, Loyola – New Orleans, Northwestern, Pace, Seton Hall and Widener. Catholic, Emory, Pepperdine and Willamette had not begun disbursing LRAP funds in 2002-03.

Schools That Increased the Size of Their LRAPs as Measured by Total Disbursements

Several schools increased the size of their LRAPs between 2000 and 2003 by 10 percent or more. The most significant increase was at Rutgers University – Newark, which increased its LRAP disbursements by 89 percent, or \$116,553 over the period due to a generous gift to the program.

Largest Percentage Increases in LRAPs Measured by Total Funds Disbursed

Law School	2000-01	2002-03	% increase
Rutgers – Newark	\$14,674	\$131,227	89%
Franklin Pierce	\$17,000	\$35,200	52%
American University	\$45,952	\$64,336	29%
George Washington University	\$84,132	\$115,443	27%
Loyola – Los Angeles	\$80,000	\$100,000	20%
Northeastern University	\$159,670	\$196,969	19%
Harvard University	\$1,250,807	\$1,456,364	14%

Schools That Expanded or Improved Their LRAPs in Other Ways

Many schools have expanded or improved their LRAPs by making changes to eligibility requirements or program structure. For example:

- ❑ American University Washington College of Law. The program has adjusted its salary cap to account for those living in high cost areas and also made changes in the program administration.
- ❑ Benjamin Cardozo School of Law. This year the law school doubled the size of its LRAP endowment and began forming a permanent LRAP committee. The committee will include the director of the Center for Public Service Law, the dean, Career Services staff, students, faculty and alumni. The group is already working on ways to increase the funding for LRAP by working with Development and Alumni Affairs. As funding increases, the law school hopes to increase the number and size of LRAP awards. Particularly, the program hopes to move from providing a one-time award to multiple annual awards sometime in 2004.

- ❑ Golden Gate University School of Law. Golden Gate has been working to change its LRAP from a grant to a forgivable loan. This change will effectively give recipients additional funding because the LRAP award will not be taxable.
- ❑ Northwestern University School of Law. The program has undergone a number of changes since 1984, including the length of time needed for forgiveness and the formula for calculating awards. Specifically, the time for forgiveness has been shortened to one year from the previous 10 years, the annual salary cap has been increased to \$60,000 and a broader variety of jobs are now eligible under the program.
- ❑ University of Chicago. The law school's recent improvements include: elimination of the family contribution, a rise in the income threshold and the lowering of the forgiveness period from three years to one year.

Up-and-coming Programs

A number of schools – including Catholic University, Creighton, Emory, Washington University in St. Louis, and William and Mary School of Law – are in the early years of their programs. Creighton began distributing LRAP funds in 2002 with assistance going to seven graduates. Washington University in St. Louis also began funding in 2002 and disbursed funds to 16 graduates in 2002-03. Emory, Catholic and William and Mary anticipate disbursing funds to qualifying alumni by spring 2005.

Many schools are hard at work getting their LRAPs up and running. Below are brief descriptions of some of the LRAP efforts occurring on law school campuses.

- ❑ At Catholic University, law students worked for about one year to put together a proposal that has been reviewed and refined by an administrative committee. Fundraising efforts are the current priority and the program will distribute its first funds to graduates by spring 2005.
- ❑ Chicago-Kent School of Law has formed a student loan repayment committee through the Student Bar Association. Students are currently working with the dean to get alumni involved and initiate interest among the student body.
- ❑ Depaul University has a draft LRAP program, which was written by a student who attended the Equal Justice Works' LRAP 101 training. The school recently decided to dedicate seed money to LRAP.

- ❑ At Gonzaga University School of Law, the public interest law organization raised \$7,000 and secured an additional \$20,000 to \$40,000 from the school's operating budget for the next two years to fund the LRAP.

- ❑ Howard University is actively pursuing the establishment of an LRAP in the near future. Dean Kurt Schmoke has expressed strong support for the program, while the law school's development office has designated LRAP as an area for alumni donations.

- ❑ At Indiana University – Indianapolis, students and administrators have designed a program and written a formal LRAP proposal. They are now working to secure funding and have a goal of raising at least \$100,000 to make the program operational.

- ❑ The University of Illinois College of Law created a fund earmarked for a future LRAP program and launched its premiere fundraising event in fall 2003. In addition, students overwhelmingly voted to add a voluntary student fee to support the LRAP program. The LRAP has begun to receive generous alumni donations, including a leadership gift by an alumnus. LRAP also was one of three funds targeted in the school's 2004 pledge campaign. Finally, publicity efforts led to a profile of the program in the Champaign-Urbana News-Gazette and an article in the Chicago Daily Law Bulletin.

- ❑ The University of Oregon has completed an LRAP plan and the law school expects to start disbursing LRAP loans in fall 2004. The LRAP has a very broad description of eligible careers, including nonprofit organizations such as Legal Aid or environmental law organizations, as well as public defenders, district attorneys, positions with federal agencies, and judicial clerkships, among others. The selection process is done on a points system that takes into account graduate and undergraduate debt, income and assets, marital status, dependents and exigent financial circumstances. Preference is given to those students with the highest debt-to-income ratio. Eligibility for the program requires employment in a qualifying public interest law position, a total gross income of less than \$45,000 a year and outstanding law school educational loans.



LRAP Alternatives

Law school-based LRAPs are not the only available funding option for public service attorneys. Currently, LRAPs are available in nine states, 15 federal government departments, 63 government agencies and through many public interest employers and fellowship programs.

State-sponsored LRAPs

Nine states currently have operational LRAPs. They are: Arizona, Florida, Maine, Maryland, Minnesota, New Hampshire, New York, North Carolina and Texas. The New York LRAP program is sponsored by the New York State Bar Association and the New York State legislature recently raised bar exam fees to help fund a new state-sponsored LRAP. In addition, seven states are in the process of researching, designing and establishing a statewide LRAP. Those states are: California, Indiana, Kentucky, Missouri, Montana, Pennsylvania, and Washington. For more detailed information about state LRAPs, go to the American Bar Association website at: <http://www.abanet.org/legalservices/lrap/state/stateprograms.html>.

Employer and Fellowship Programs

Many public interest employers and fellowship programs offer LRAP benefits to qualifying employees. For a list of some organizations offering LRAP benefits to employees, go to the Legal Services Corporation website at www.lri.lsc.gov/sitepages/management/management_lrap.htm or the Finance a Career section of the Equal Justice Works website at www.equaljusticeworks.org. You may also wish to contact an employer directly to find out if the office offers LRAP benefits.

For information about fellowship LRAP benefits, contact the fellowship program directly.

Federal

As noted above, 15 federal government departments and 63 agencies within those departments offer LRAP assistance to qualifying employees according to the FY 2003 Office of Personnel Management Report on the Federal Student Loan Repayment Program. The departments offering LRAP include: the departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury and Veterans' Affairs. For a complete list of the agencies offering LRAP, go to www.opm.gov/oca/pay/studentloan/html/fy03Report.pdf

In addition, graduates may opt to repay loans through the Income Contingent Repayment (ICR) option available through the federal government. ICR is a federal program that enables graduates to significantly reduce their monthly loan payments and provides for forgiveness of remaining debt after a 25-year period of repayment. ICR is a complicated program and repaying loans through ICR has both advantages and disadvantages. For more information about ICR, go to www.loanconsolidation.ed.gov or the Equal Justice Works website at www.equaljusticeworks.org.

Equal Justice Works LRAP Efforts

In addition to conducting research into educational debt issues, Equal Justice Works actively assists law schools in establishing or improving LRAPs. We provide training opportunities, such as the LRAP 101 training for schools interested in creating an LRAP and LRAP 201 for schools interested in expanding or improving an LRAP. Our staff attends conferences and speaks regularly on educational debt issues facing law students interested in pursuing a public interest career. For more information about LRAPs, including the answers to selected questions from the 2004 Equal Justice Works LRAP and Public Interest Scholarship Program surveys, go to the Equal Justice Works website at www.equaljusticeworks.org



Public Interest Scholarship Programs

A growing number of schools now offer public interest scholarship programs. Today, 31 schools offer such programs, up from 14 schools in 2000. The programs typically offer tuition reductions and, in some cases, summer stipends to students committed to practicing public interest law. Some programs include curricular benefits such as special seminars, lectures or conferences as well as other benefits, including specialized career counseling and mentoring. These scholarships are considered an effective recruitment tool for law schools. In evaluating a public interest scholarship program, questions may include: What is the total amount of scholarship money provided to each participant? What are the obligations of the scholarship recipient? And, what non-financial benefits are provided, such as special career counseling services, lectures, symposia and preferential entry into selected courses?

Many law schools offer several different scholarship programs to support public-interest-minded law students. For example, Hofstra University School of Law has two programs, the Child and Family Advocacy Fellowships and the Fellowships for the Equality of Lesbian, Gay, Bisexual Transgendered People. Both of these fellowships are available to incoming students and are renewable annually. The programs provide partial tuition reduction as well as a \$5,000 summer externship stipend. Other examples of public interest scholarship programs include:

- ❑ The University of Arizona law school class of 1999 created a public interest scholarship program that makes \$3,000 awards each spring to two third-year students who are taking positions in public service jobs.
- ❑ Golden Gate University awards five \$5,000 renewable scholarships annually to new students who have a demonstrated commitment to public service work. In addition to the scholarship monies, the students receive financial support for one full-time summer job.
- ❑ One of the oldest and best-known public interest scholarship programs is New York University School of Law's Root-Tilden-Kern scholarship program. Started in 1954, the program has provided funding to hundreds of NYU law students, many of whom have continued on to distinguished public interest legal careers. Currently, the program is in the process of closing a \$30 million fundraising campaign so that the amount of the scholarship will go from covering two-thirds tuition to full tuition and the number of scholars entering the program each year will increase to 20 for a total of 60 program participants each year.

Program Characteristics and Requirements

Many law schools require scholarship recipients to work in public interest jobs for a specified amount of time following graduation. For example, Villanova University School of Law and Hofstra University School of Law require scholarship recipients to work in public interest jobs for a specified period after graduation or the scholarship monies must be returned. At other schools, such as Boston College Law School, Georgetown University Law Center, Loyola Law School in Los Angeles, Northeastern University School of Law, the University of Pittsburgh School of Law and Roger Williams University, Ralph R. Papitto School of Law, students have a moral obligation to work in public interest jobs. At Georgetown for example, the moral commitment is to spend at least 51 percent of the graduate's career in public service or repay the scholarship funds.

In addition, several schools require scholarship recipients to maintain at least a B average to qualify for scholarship renewal. Those schools include: Georgetown University Law Center, Hofstra University School of Law, Gonzaga University School of Law, University of Pittsburgh School of Law and the University of Miami School of Law.

The average award amount for public interest scholarships ranged from less than \$500 a year to \$20,000 and more in 2003-04.

For a complete list of law schools with public interest scholarship programs, see Appendix B.



Conclusion

While the number of law schools offering LRAPs and public interest scholarships is steadily and significantly increasing, more needs to be done to assist law graduates who are dedicated to ensuring equal justice for the millions who receive inadequate or no legal assistance. Less than half of the 187 ABA-accredited schools offer an LRAP and many programs that do exist are small and grossly under-funded. The number of law schools offering public interest scholarships is even smaller, with only 31 schools providing this assistance, according to the Equal Justice Works survey. As a result, many graduates find their debt an insurmountable hurdle to the pursuit of a public service career and they succumb to the intense pressure to take higher-paying legal positions to pay off their student loans.

Law schools can and should do more to assist their graduates who dream of pursuing careers in the public interest. Equal Justice Works can help. We provide assistance to law schools interested in establishing or expanding LRAP and public interest scholarship programs.

Please visit our website at www.equaljusticeworks.org for more information.



Appendices

- A. Law Schools with Loan Repayment Assistance Programs (LRAPs)
- B. Law Schools with Public Interest Scholarship Programs
- C. Law Schools Working on Establishing an LRAP

Appendix A

Law Schools with LRAPs

Below is a list of schools that currently offer loan repayment assistance programs. Please note that schools not listed either do not have an LRAP or did not complete the Equal Justice Works survey. If your school is not listed, we encourage you to learn more about the status of efforts to start an LRAP on campus.

American University Washington College of Law
Benjamin N. Cardozo School of Law
Boston College Law School
Boston University School of Law
Brooklyn Law School
Case Western Reserve University School of Law
Catholic University of America – Columbus School of Law*
Columbia University School of Law
Cornell University Law School
Creighton University School of Law
Duke University School of Law
Emory University School of Law*
Fordham University School of Law
Franklin Pierce Law Center
George Washington University Law School
Georgetown University Law Center
Golden Gate University School of Law
Hamline University School of Law**
Harvard Law School
Hofstra University School of Law
Loyola Law School, Los Angeles
Loyola University, Chicago School of Law
Loyola University, New Orleans School of Law
Marquette University Law School
New York Law School
New York University School of Law
Northeastern University School of Law
Northwestern University School of Law
Northwestern School of Law at Lewis & Clark College
Ohio State University Michael E. Moritz College of Law
Pace University School of Law
Pennsylvania State University, The Dickinson School of Law
Pepperdine University School of Law
Regent University School of Law
Rutgers University School of Law - Camden
Rutgers University School of Law, Newark
Santa Clara University School of Law
Seattle University School of Law
Seton Hall University School of Law
Southwestern University School of Law

Stanford University Law School
St. Thomas University School of Law (FL)
Suffolk University Law School
Temple University James E. Beasley School of Law
Touro College: Jacob D. Fuchsberg Law Center
Tulane University School of Law
University of California, Berkeley School of Law
University of California, Davis School of Law
University of California, Hastings College of Law
University of California, Los Angeles (UCLA) School of Law
University of Chicago Law School
University of Denver College of Law
University of Georgia School of Law
University of Iowa College of Law
University of Maine School of Law
University of Maryland School of Law
University of Michigan Law School
University of Minnesota Law School**
University of North Carolina School of Law***
University of Notre Dame Law School
University of Oregon School of Law
University of the Pacific, McGeorge School of Law
University of Pennsylvania Law School
University of San Diego School of Law
University of San Francisco School of Law
University of Southern California Law School
University of St. Thomas School of Law**
University of Utah College of Law
University of Virginia School of Law
Valparaiso University School of Law
Vanderbilt University Law School
Vermont Law School
Wake Forest University School of Law
Washington and Lee University School of Law
Washington University School of Law
Whittier Law School
Widener University School of Law
William and Mary School of Law
William Mitchell College of Law**
Willamette University College of Law*
Yale Law School

*These law schools have established an LRAP and plan to begin disbursing funds to graduates by spring 2005.

**These law schools contribute funding to the Minnesota state LRAP (LRAP Minnesota)

***University of North Carolina School of Law contributes financially to North Carolina Legal Education Assistance Foundation (NCLEAF), the state LRAP. The school also appoints a staff member and a student to sit on the NCLEAF board.



Appendix B

Law Schools with Public Interest Scholarship Programs

Below is a list of schools that currently offer public interest scholarship programs. Please note that schools not listed either do not have a public interest scholarship program or did not complete the Equal Justice Works survey. If your school is not listed, we encourage you to learn more about the status of efforts to start a public interest scholarship program on campus.

American University Washington College of Law
Boston College Law School
California Western School of Law
Drake University Law School
Georgetown University Law Center
Golden Gate University School of Law
Gonzaga University School of Law
Hofstra University School of Law
Loyola Law School, Loyola Marymount University
Mercer University-Walter F. George School of Law
New York Law School
New York University School of Law
Northwestern University School of Law
Roger Williams University, Ralph R. Papitto School of Law
Seton Hall University School of Law
St. Thomas University School of Law
Texas Wesleyan University School of Law
University at Buffalo Law School, State University of New York
University of Akron School of Law
University of Arizona School of Law
University of Arkansas School of Law
University of Dayton School of Law
University of Illinois College of Law
University of Iowa College of Law
University of Miami School of Law
University of New Mexico School of Law
University of Oregon School of Law
University of Pittsburgh School of Law
University of Southern California Law School
Villanova University School of Law
Whittier Law School



Appendix C

Law Schools Working on Establishing an LRAP

Please note, this list is based on responses from law schools that completed the Equal Justice Works survey. If your law school is not listed, we encourage you to learn more about efforts to start an LRAP on campus.

Chicago-Kent College of Law
Depaul University College of Law
Duquesne University School of Law
Florida State University College of Law
Gonzaga University School of Law
Howard University School of Law
Indiana University – Indianapolis School of Law
Mercer University – Walter F. George School of Law
Northern Illinois University College of Law
Roger Williams University, Ralph R. Papitto School of Law
University of Connecticut School of Law
University of Florida Levin College of Law
University of Houston Law Center
University of Idaho College of Law
University of Illinois College of Law
University of Miami School of Law
University of Missouri – Columbia School of Law
University of Nebraska College of Law
University of Richmond School of Law
University of Tulsa College of Law
Villanova University School of Law
West Virginia University School of Law

