LEGISLATIVE EDUCATION STUDY COMMITTEE BILL ANALYSIS

Bill Number: <u>SB 349</u>

51st Legislature, 1st Session, 2013

Tracking Number: <u>.191956.1</u>

Short Title: Public Service Attorney Loan Repayments

Sponsor(s): Senator Peter Wirth

Analyst: James Ball

Date: February 5, 2013

<u>Bill Summary</u>:

SB 349 amends the *Student Loan Act* by extending eligibility for the Public Service Law Loan Repayment Program (PSLLRP) for attorneys in public service employment positions from individuals making less from \$45,000 per year to those making less than \$55,000 annually.

Fiscal Impact:

SB 349 does not contain an appropriation.

Fiscal Issues:

The Higher Education Department (HED) states, however, funds are available in the program that cannot be awarded due to the current salary cap.

Substantive Issues:

HED reports that entry level attorneys at:

- public defender offices now earn \$47,600 annually;
- nonprofits earn an annual salary of approximately \$40,000; and
- district attorneys' offices in the thirteen judicial districts of New Mexico exceed the current \$45,000 salary cap by the second year of their employment.

By increasing the salary cap to \$55,000 approximately 35 public defender attorneys and an unknown number of assistant district attorneys would become eligible to apply for the PSLLRP.

Background:

According to HED, the purpose of PSLLRP is to improve access to the justice system in New Mexico by encouraging newly-licensed attorneys to serve in public law fields by granting educational loan forgiveness incentives. During FY 12 HED received 15 applications for the program. Of those, only 10 awards were made. The average award amount is \$4,380 annually.

HED also notes that the average loan debt for attorneys after completion of their professional studies is \$56,617. Current tuition at UNM Law School is more than \$18,000 per year.

Committee Referrals:

SEC/SJC

Related Bills:

HB 53 Teacher Loan Repayment Act