

April 25, 2023

The Honorable María Elena Durazo
Chair, Senate Budget and Fiscal Review Committee, Subcommittee 5
1020 N Street, Room 502
Sacramento, CA 95814

Re: California Access to Justice Commission State Budget Act LRAP Request

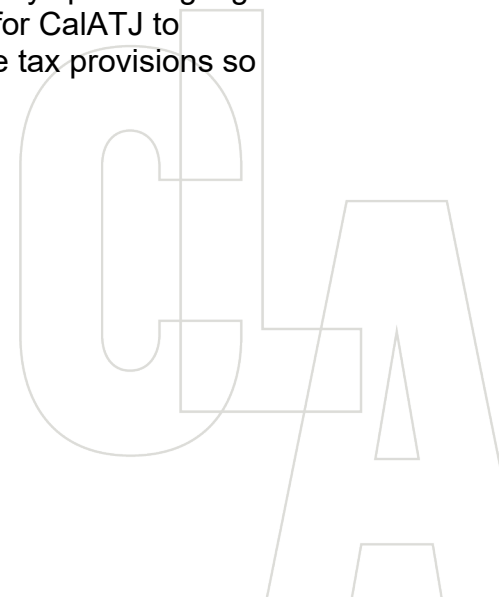
Dear Senator Durazo:

I am writing on behalf of the California Lawyers Association (CLA) in support of the request of the California Access to Justice Commission (CalATJ) pertaining to Loan Repayment Assistance Programs (LRAPs) in the State Budget Act. LRAPs are a critical part of addressing the recruitment and retention crisis in legal aid and thereby strengthening the civil legal safety net in our state.

CLA has nearly 80,000 members, including lawyers in private practice, in-house counsel, government lawyers, judges, law professors, and others affiliated with the legal profession who are not lawyers. Our members practice throughout the State of California in virtually all areas of the law. Our mission is promoting excellence, diversity, and inclusion in the legal profession and fairness in the administration of justice and the rule of law. CLA is proud to lend its voice to advocate for equal access to justice for all Californians through a combination of legislative and policy support, resource development, pro bono opportunities, and convenings.

- **CalATJ's request addresses the workforce crisis in California's legal aid system.**

CalATJ has requested Budget Act language that would (a) allow legal aid nonprofits that now face a crisis in recruiting and retaining lawyers to use money from the existing, legislatively-created Equal Access Fund (EAF) for LRAPs for attorneys providing legal services to low-income Californians and (b) appropriate \$250,000 for CalATJ to administer a voluntary pilot LRAP that takes advantage of available tax provisions so the benefits would not be taxable to the participating lawyers.



- **Increasing the availability of free civil legal services in our state to meet demand requires recruiting and retaining lawyers to provide those services.**

There is significant need for legal help, with 60 percent of individuals in low-income households facing a civil legal issue each year.¹ However, they received inadequate or no legal help for 86 percent of their legal issues.² Part of the issue is that it is difficult for legal aid to keep up with this demand. Legal aid nonprofits are only able to fully resolve 30 percent of the approximately 450,000 civil legal problems that people seek help with.³ There are around 5,700 eligible clients for each legal aid lawyer.⁴ Keeping up with demand necessitates having enough lawyers to provide services to resolve these important legal issues, and that is where recruitment and retention come in.

- **There is a recruitment and retention crisis in legal aid.**

We need to bring more lawyers into legal aid and keep the talented attorneys we already have, but the legal aid community is facing significant challenges with astronomically high law school debt burdens, low salaries in comparison to private practice, and other financial concerns. According to the Legal Aid Association of California's 2020 recruitment and retention report, *Justice at Risk*, low salaries are the number one reason legal aid lawyers gave for leaving soon.⁵ Low salaries are tied to the impact of educational debt, with more than 60 percent of lawyers facing a median educational debt amount between \$125,000–\$149,000.⁶ Further, debt is a crucial reason why law students “drift” from public interest law, thereby shrinking the recruitment pipeline into legal aid on the front-end.⁷ LRAPs makes a career in legal aid more financially feasible by dealing with one of the biggest impediments: educational debt. In turn, this makes LRAPs a core piece of any solution to increase the availability of free civil legal services. Although there is a federal loan forgiveness program, the program does not cover all student debt, and if a legal aid attorney must leave employment for personal reasons, even after nine years of legal aid work, nothing is forgiven. Meanwhile, the loan balance has ballooned because of income-based repayment plans.

¹ THE STATE BAR OF CALIFORNIA, *THE CALIFORNIA JUSTICE GAP: MEASURING THE UNMET CIVIL LEGAL NEEDS OF CALIFORNIANS 7* (2019).

² *Id.*

³ *Id.* at 43.

⁴ On file with LAAC.

⁵ LEGAL AID ASSOC. OF CALIFORNIA, *JUSTICE AT RISK ii* (2020).

⁶ *Id.* at ii–iii.

⁷ STATE BAR OF CALIFORNIA, *PUBLIC INTEREST DRIFT: FINDINGS FROM THE 2019 CALIFORNIA LAW STUDENT SURVEY* (2019).

- **CalATJ's two-part plan, as proposed here, provides a thorough solution to making LRAPs as efficacious a tool as possible for legal aid.**

Utilizing a tax advantaged LRAP for legal aid lawyers, administered by an entity with nonprofit status (here, CalATJ), can maximize the benefits and impact of such a program in terms of recruitment and retention. This serves to stretch important state dollars by allowing their use for loan repayment, rather than taxable income. This improves LRAPs currently offered by legal aid to employees and makes it easier for those without LRAPs to offer them, incentivizing attorneys to continue working in legal aid. Ultimately, CalATJ's request to allow legal aid to use EAF funds and for CalATJ to administer a voluntary pilot LRAP combine to use LRAPs comprehensively and strategically to impact recruitment and retention and, consequently, strengthen the civil legal safety net.

CLA strongly supports CalATJ's request as a critical step toward increasing access to justice.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy M. Evans', with a stylized, cursive script.

Jeremy M. Evans
President

cc: Senator Josh Newman
Senator Kelly Seyarto
Nora Brackbill, Budget Consultant on Public Safety, Corrections, and the
Judiciary