



# Delaware Public Attorney Student Loan Repayment Assistance Program

2024 Annual Report

*September 2024*

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**STATE OF DELAWARE  
EXECUTIVE DEPARTMENT  
CRIMINAL JUSTICE COUNCIL**

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September 2024

Dear Reader:

On October 24, 2022, Governor John Carney signed into law HB 380 of the 151st General Assembly establishing the Public Attorney Student Loan Program (PASLP) for attorneys employed with the State of Delaware working as attorneys. The program allows qualified applicants to apply for a payment from the State to the applicant's lending agency to pay a portion of the applicant's student loan debt. The purpose of the program is to improve recruitment and retention for legal service providers at a time when the state is having difficulty attracting attorneys passionate about public service.

The following report, including recommendations, is the inaugural annual report required by HB 380 and the Public Attorney Student Loan Program.

I would like to thank the members of the loan committee and Criminal Justice Senior Planner, Cary Smythe, the primary author of this report, for their effort and dedication in making this program successful.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Kervick", written over the word "Sincerely,".

Christian Kervick

Executive Director

## Loan Award Committee

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Pursuant to HB 380, the “Loan award committee,” referred to as the PASLRAP Committee, is composed of the following members:

- a) Executive Director of the Criminal Justice Council.
- b) The Chief Defender, or the Chief Defender’s designee.
- c) The Attorney General, or the Attorney General’s designee.
- d) The Chief Justice, or the Chief Justice’s designee.
- e) A member of the Delaware bar appointed by the Governor.

<b>Committee Position</b>	<b>Name</b>
Executive Director of the Criminal Justice Council	Christian Kervick
The Chief Defender, or the Chief Defender’s designee	Kevin O’Connell Proxy: Liz Evans
The Attorney General, or the Attorney General’s designee	Hon. Kathy Jennings Proxy: Dan Logan
The Chief Justice, or the Chief Justice’s designee	Chief Justice Collins J. Seitz, Jr. Proxy: Kyle Baranski
A member of the Delaware bar appointed by the Governor	Eric Hacker of Morris James Law Firm

## Executive Summary

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The Criminal Justice Council (CJC) is responsible under HB 380 for administer the Public Attorney Student Loan Repayment Assistance Program (PASLRAP). The CJC is proud to assist Delaware agencies in retaining and recruiting public attorneys by offering student loan repayment assistance. Student loan debt is consistently cited as the overwhelming reason why attorneys decline or leave the public and non-profit sectors. Delaware's new State Public Attorney Student Loan Repayment Assistance Program ultimately serves as an incentive to attract and retain quality legal services and better serve the citizens of Delaware. The Public Attorney Loan Award Committee, established by House Bill 380, was signed by Governor John Carney on October 24, 2022, and all appointments were completed by the Governor within three months of signage.

On April 18<sup>th</sup>, 2024, the PASLRAP Committee convened to finalize the application benefits selection process. The Committee opened the application acceptance period on February 15<sup>th</sup> and closed on April 12<sup>th</sup>, then extended to 17<sup>th</sup>. The Committee Members conducted direct outreach with agencies and individuals to encourage as many eligible applicants as possible to apply.

The allocation for State Fiscal Year 2024 was \$500,000. The Committee hoped to receive at least 100 applications from public attorneys saddled with educational loan debt. Once the CJC received all applications and screened for eligibility, the Committee met and approved all 52 applications in June 2024. Per the statute, benefits are split equally between all applicants. SFY 2024 benefits were in the amount of \$5,000 payments made directly to student loan servicers. In total, the eligible public attorneys received student loan repayment assistance totaling \$257,853.95 (two applicants had a smaller remaining balance than \$5,000.00 and were only paid the remaining balances on their accounts). The remainder will be spent out in the SFY2025 plan year to support additional attorneys.

## Background

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Two other Federal Programs exist to assist with student loan repayment for public attorneys. This section summarizes existing programs and provides insight on the development of the State's new Public Attorney Student Loan Forgiveness Repayment Program.

The ***Public Service Loan Forgiveness Program***, or PSLF, is available to individuals who work in public service for 10 years or more since 2007. Public service is defined as working at the federal, state, or local levels, tribal government, or at a non-profit organization. Applicants must make 120 qualifying payments while working for an eligible employer and carry federally-backed loans (i.e., Direct Loans, Direct PLUS Loans). Applicants with private student loans or mixed federal and private loans are only able to apply for forgiveness on federally-backed loans.

The American Bar Association (ABA) conducts surveys of young lawyers to determine the effects of student loan debt. In their 2021 report, they found that PSLF plays a crucial role for young attorneys in public service jobs. Specifically, 80% of the ABA surveyed attorneys who indicated they are pursuing PSLF reported that their employment in their chosen public service positions is specifically because of PSLF. If borrowers can afford to make qualifying payments for 10 years, PSLF offers a substantial incentive to public attorneys once they receive forgiveness of their loan balances through the program.

***John R. Justice Federal Grant Program:*** The John R. Justice (JRJ) Grant Program to Assist Public Defenders and Prosecutors in their student loan repayment has been in existence since 2010. This program is open exclusively to Delaware Public Defenders employed by the Office of Defense Services and Department of Justice attorneys with 75% or more of a criminal caseload. This repayment program is restricted to certain types of federally-backed educational loans. Payments are only available as lump-sums, paid directly to the student loan servicer. Participation in the JRJ program requires an initial 3-year commitment to stay in an eligible position at ODS or DOJ. Once the 3-year service term is complete, eligible attorneys may apply for additional rounds of funding, but they

must agree to stay for an additional year in an eligible position. Over the years, JRJ allocations for Delaware Public Defenders and Prosecutors has ranged from \$30,000 to \$100,000. Applicants with private student loans or mixed federal and private loans are only able to apply for forgiveness on federally-backed loans.

Participation in the program is capped at \$60,000 per applicant, and no more than \$10,000 per year per applicant. The award amount for successful applicants is \$2,400.00 in benefits paid to their loan servicer on their behalf. Since Delaware began receiving the formula grant, JRJ recipients have received payments to their lender ranging from \$525.00 to \$7,500. The highest total an applicant has received to date is \$26,121.00 in repayment assistance over 12 grant award years.

### **Delaware's Public Attorney Student Loan Repayment Assistance Program**

(PASLRAP) was created through the passage of HB 380 in 2022. The goal of the Program is to attract and retain quality attorneys working in the public sector—government and legal aid. This Program serves as an incentive for attorneys to preserve and protect legal rights while serving some of the most vulnerable and marginalized residents of the State of Delaware. The ABA's 2021 summary report on their student loan survey indicates that 90% of early-career lawyers have student loans, averaging \$130,000. Further, the survey found that Black/African American borrowers accumulated more debt to obtain their law degree compared to other borrowers of other racial/ethnic backgrounds, and that most young lawyers who borrowed for their education reported that their debt caused them to delay or forego pursuing traditional life milestones, such as purchasing a home, marriage, and starting a family. An overwhelming majority of borrowers indicated their debt influenced their choice of job or career in some way. More specifically, the study found that almost a third of young attorneys made career decisions resulting in a *shift away from public service due to their debt*. While other programs exist to incentivize public service for young attorneys, this new Program offered by the State of Delaware offers immediate repayment assistance for borrowers employed for at least a year with the State or one of its Legal Aid agencies.

In Delaware, the Office of Defense Services and the Department of Justice employ the majority of attorneys working for the state. They found that student loan debt was an

enormous burden for their attorneys, who reported monthly payments between \$500 and \$1,000 to pay down debts often exceeding \$100,000. The rising costs of university and law school tuition caused the current student loan crisis, which is exacerbated by the sizable salary pay gaps between the state and private sector. These factors have created recruitment and retention issues in the legal sector of state government and the non-profit legal aid organizations. As such, the State moved to create and implement this Program to ensure and improve access to justice for those visiting or living in the State of Delaware.

This Act establishes a Student Loan Repayment Program for attorneys employed by the State of Delaware and select Legal Aid Organizations whose primary job function is the practice of law. The Program allows qualified applicants to apply for Program benefits where the State makes a direct payment to the applicant's lending agency to pay a portion of the applicant's student loan debt. The amount of the award shall be equally allocated across all eligible applicants in an amount no less than \$2,500 and no more than \$5,000. Applicants are permitted to apply up to 10 times when the Program is annually renewed. Applicants with a salary over \$110,000 are ineligible for the Program. The application process and benefits payments are administered by the Criminal Justice Council and overseen by a committee of stakeholders defined in the statute who represent the state's legal system. Benefits paid to the lender on behalf of the borrower may be made in a monthly or lump sum payment. This Program provides immediate benefits in repayment relief (unlike PSLF) and to a larger eligibility pool of applicants (unlike JRJ) to serve as an incentive to attract and retain qualified and skilled attorneys to state and non-profit legal aid agencies.

## **Applicant Demographics [Graphs for SLR Applicants ONLY]**

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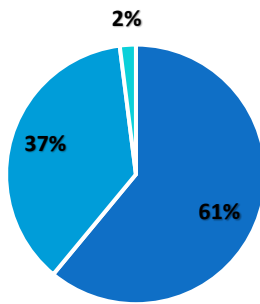
### **Agency**

The authorizing legislation designed this Program for public attorneys working for the State of Delaware and three civil legal organizations: Community Legal Aid Society, Inc. of Delaware, Legal Services Corporation of Delaware, and the Delaware Volunteer Legal Services. Of the 52 applicants, 27% (14) attorneys applied from non-state agencies,



including Community Legal Aid Society, Inc. of Delaware, Delaware Volunteer Legal Services, and Legal Services Corporation of Delaware. Of the 38 applicants who work for the state, the majority reported the Department of Justice (25), while the remainder are employed by the Office of Defense Services (10) and the General Assembly and Office of the Child Advocate (3).

### Gender



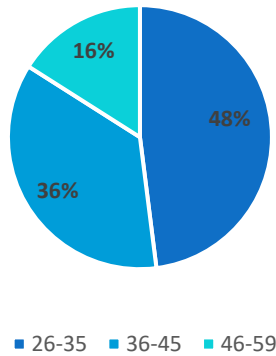
Applicants were asked to self-identify their gender and not choose from set categories. 29 or 56% of applicants are female, 22 or 42% are male, and 1 or 2% are nonbinary.

Table 1.

### Legal Area

Applicants were asked to name their legal area and not choose from set categories. 54% (28) of the attorneys work in criminal law, while 15% (8) reported working in public benefits law, and 13% (7) reported working in family law. The remaining 18% (9) attorneys reported a variety of specialties that serve the diverse needs of Delaware citizens, including child welfare, civil rights, elder abuse, environmental, fraud, housing, immigration.

## Age



Applicant attorneys were asked to report their age as of the date of their application submission. The average age of all SFY 2024 PASLRAP applicants is 37 years, with a range between 26 and 59 years old. 48% of the applicants were between the ages of 26 and 35 years old, 36% were between 36 and 45, and 16% of applicants were between the ages of 46 and 59.

*Table 2.*

## Race & Ethnicity

Applicants were asked to self-identify their race and ethnicity. A vast majority (85%) of the attorneys identified as White/Caucasian, while 10% identified as Black/African American, 4% identified as Asian, 2% Native Hawaiian or Other Pacific Islander, and 2% Hispanic or Latino.

## Total Student Loan Debt

Cumulative student loan debt was self-reported by attorneys on their applications. PASLRAP applicants reported carrying between \$3,737.00 and \$401,946.00 in cumulative student loan debt. The average cumulative balance of PASLRAP applicants is \$161,900, which is well above the annual salary of the attorneys. The median student loan debt, \$169,600, was higher than the average, indicating that many attorneys are carrying a significant debt burden as a result of attending undergraduate university and law school. To emphasize this point using Table 3: roughly a third [33%] of PASLRAP applicants carry loan debt under \$100,000, while under [31%] carries debt between \$100,000 and \$199,999, and a staggering [36%] of applicants carry a loan balance over \$200,000.

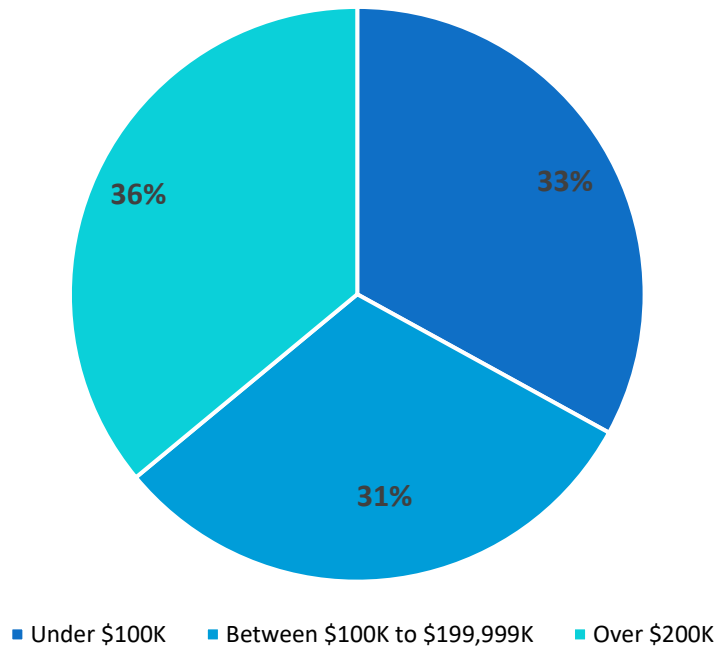


Table 3

## Recommendations

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1. The State should explore the following regarding the salary cap to attract and retain quality attorneys:
  - a. Increase the salary cap from \$110,000 to \$150,000.  
\*OR\*
  - b. Remove the salary cap altogether to expand the pool of eligible applicants to attract and retain the best attorneys in public service.
2. Adjust the timeline for application acceptance, processing, and payment schedule. If the application submission process were moved to begin within three months of the State Budget authorization, this would allow attorneys to opt into monthly payments and provide the most immediate relief to attorney borrowers. Monthly payments depend on the capacity of the CJC Fiscal team.
3. Continue working with the eTARP developer, Zeuslogic, to streamline issues and concerns with the eTARP system. System errors and limitations caused several delays to the application processing and approval timelines.

## **Conclusion**

The Criminal Justice Council submits these findings and recommendations for consideration by the General Assembly based on the applications the CJC received in Fall 2024 and anonymous survey feedback from public attorneys. Aside from disappointments due to eligibility and new system implementation delays, the Program was well received by those that were awarded repayment benefits. One recipient, among several who had favorable experiences, succinctly noted that: "Continue the program. Student loans are prohibitive for lawyers. There is so much debt to become a lawyer that the only jobs that are financially viable are "big law." The removes good attorneys from the pool available for public interest and government representation. These areas need quality representation, and these programs allow for more lawyers to come to public service." While multiple recipients expressed their gratitude for the program.

A common barrier that recipients cited was they prefer to receive monthly installments instead of having a lump sum payment into their account. This prevented the funds to be applied into more qualified payments that would allow the attorney to get

closer to have their loans forgiven. Another barrier applicants faced were delays with implementation with the new online application system. While it created a streamlined submission, the online site experienced technical issues that required the assistance of the web developer to solve. One applicant said, “I would like to see a comment section so that I could supply some additional context if necessary”.

As this Program is approved for continuation, the Criminal Justice Council will continue to engage in outreach to identify and encourage eligible attorneys to apply to participate in the Program. This work will be performed through the statutory mandated Loan Award Committee. The Council encourages members of the General Assembly or any interested parties who wish to comment on this report or who wish to have input on the process as we move forward to contact the Criminal Justice Council. For more information and updates on upcoming application acceptance periods, visit the Program website: <https://de.gov/paslrp>.