Survey on Loan Repayment Assistance Programs (LRAPs): 2016 Update
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Section 1

Introduction — Goals and Definitions:

At the request of the Public Service Section’s LRAP/CCRAA Work Group, in the early part of 2016, NALP surveyed law school members about their school-based Loan Repayment Assistance Programs (LRAPs). The survey was distributed to public interest career development professionals at all NALP member law schools. Of the 84 surveys received, 67 provided substantive information about their LRAP programs.

The work group was interested in the evolution of LRAPs since 2006, when Equal Justice Works collected some basic LRAP information for their publication *Financing the Future*. The NALP survey sought additional information about the structure and administration of the programs, and sought to determine whether the changing landscape for federal student loan repayment had caused LRAP programs to make modifications.

LRAPs provide law school graduates with financial assistance in repaying their student loans. The programs are typically designed to help students who take low to moderate income employment upon graduation, and many have the goal of enabling graduates to pursue careers in public interest and the government. In a school-based LRAP, graduates can apply for and receive funds from the program to help with repayment of educational loans.

Section 2

Demographics of Respondents:

For context on the programs, it is helpful to know some characteristics of the responding law schools. The following tables describe the region, size, and public/private status of these schools.
Table 2.1 2015-2016 NALP Regions of Responding Law Schools

Table 2.2 JD Enrollment (2014-2015 Academic Year) of Responding Law Schools
The number of responding schools with LRAPs is spread relatively evenly across the country. The majority of responding schools are private institutions. Just over 50% of the schools report fewer than 550 students. Slightly more than 50% are in metropolitan areas with a population of 1 million or more. In general, the majority of respondents are smaller schools in larger metropolitan areas, with more than half of them identifying as private institutions.
Section 3

Structure:

A key question the survey sought to answer is, what changes (if any) have there been in the structure of law school-based LRAPs since the 2006 Equal Justice Works data collection?

At the outset, it is helpful to know what criteria schools use to award loan repayment assistance. Type of employer and type of position were the top two criteria reported, though salary, amount of loan debt, and type of loan were also reported as award criteria by a significant number of schools. Comparable information was not collected in the 2006 study.

Table 3.1 Award Criteria Identified by Responding Law Schools

*Note: Percentages add to more than 100 because more than one criterion could be chosen.

Type of position and type of employer were the most frequently cited criteria. When the responses are considered along with the responses to the question about which employers constitute qualifying employers reported in Table 3.4 below, it is evident that a large number of these programs prioritize supporting public sector lawyers.

Qualifying Loans:

Law school loans constitute the majority of loans covered by these programs. Beyond law school loans, some programs also cover bar study, undergraduate, and postgraduate
loans other than law school. Programs report covering both federal and private loans, though it is much more common for programs to cover federal loans.

Table 3.2 Qualifying Loans Reported by Responding Schools

In 2006, law school loans (99%) were also the most prevalent loan type covered by responding programs and undergraduate loans (46%) were covered at approximately the same rate as reported in 2016. However, a smaller number of programs covered bar study loans at 43% in 2006.\(^1\)

**Income cap:**

Since their beginning, programs have had qualifying income requirements, many with extensively varying criteria. The 2006 study looked at the qualifying income for the 2004-2005 academic year.\(^2\) Of the 53 reporting schools that had set salary caps:

- 17% set the ceiling between $35,001 - $40,000
- 38% set the ceiling between $40,001 - $45,000
- 23% set the ceiling between $45,001 - $50,000
- 13% set the ceiling between $50,001 - $55,000
- 9% set the ceiling between $55,001 - $60,000.

In the twelve years since, salary caps have risen, reflecting the marginal increase in public interest salaries overall. It is also interesting to note the greater ranges of salary caps,

\(^2\) Id at p. 13
which likely reflect the corresponding increase in the number of years participants can stay in the program. Because schools are allowing graduates to stay in programs longer, the salary caps have had to rise to keep pace.

Table 3.3  
Salary Cap Reported by Responding Schools

Using the most prevalent salary cap ($60,000 - $65,000), according to NALP’s latest Public Sector & Public Interest Salary Report\(^3\), a lawyer with a civil legal services organization will cap out just after 10 years. The average public defender and prosecutor will cap out after about 5 years. By comparison, using the most prevalent salary cap ($40,001 - $45,000) from the 2006 data, according to NALP’s 2006 Public Sector & Public Interest Salary Report, a lawyer with a civil legal services organization would have capped out after only 5 years. The average public defender and prosecutor would have capped out in their first year of employment.\(^4\)

**Qualifying Employers:**

In the 2006 survey, 100% of reporting schools considered nonprofits [(501(c)(3)s] qualifying employers. Eighty-two percent of responding schools allowed some or all government employment to meet the criteria. A small percentage of responding schools (13%) considered JAG as a separate qualifying employer, with only 11% of responding schools considering judicial clerkships and the legal academy qualifying employers.\(^5\)

The current study highlights some significant changes to LRAPs with regard to qualifying employers. One hundred percent of respondents had a qualifying employer requirement.

\(^3\) NALP 2014 Public Sector & Public Interest Attorney Salary Report
\(^4\) NALP 2006 Public Sector & Public Interest Attorney Salary Report
However, there is a greater variety of employers, and the data demonstrate a broadening of the definition of qualifying employer.

Table 3.4 Qualifying Employers Reported by Responding Schools

While 501(c)(3)s are still the primary qualifying type of employer, the data demonstrate how programs have expanded, especially around government agencies. Some programs have additional requirements that the work be legally-related or serve those who cannot otherwise afford legal services, or have geographic restrictions. One program allows policy or lobbying work to be included, and two programs consider other types of employment on a case-by-case basis. As the programs have grown, and more students seek assistance, so too has the number of qualifying employers.

*Years of Participation in Program:*

A small number (24%) of respondents do not limit the amount of time an eligible graduate can participate in the program. For those that do place limits on participation, the most common timeframe is 10 years.
In 2006, 45 schools reported limiting the total number of years a qualifying graduate could participate in the program. The most common timeframe reported was 5 years or less (53%). Thirty-eight percent of responding schools capped their program at 10 years. Two schools limited participation to 6-8 years and two schools allowed participation up to 15 years. Interestingly, in 2016, the percentage of schools reporting a 10-year timeframe (38%) is the same; however, now it is the most commonly reported timeframe.

Time Between Graduation and First Application to the Program:

Schools have also implemented limits on the amount of time between graduation and the first application made to the program. Fifty-four percent of schools require students to apply to the program for the first time within a set period of time.

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6 Id at p. 13
Table 3.6  Time Between Graduation and First Application to the Program

<table>
<thead>
<tr>
<th>Time Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1 - 4 years</td>
<td>61%</td>
</tr>
<tr>
<td>5 - 9 years</td>
<td>17%</td>
</tr>
<tr>
<td>10 years</td>
<td>22%</td>
</tr>
</tbody>
</table>

The majority of schools require students to apply to the program soon after graduation. Many schools allow students who were not initially eligible for the program immediately after graduation to apply later. Based on comments, most commonly, students need to apply to the program for the first time within 2 to 3 years after graduation.

Effect of Income-Based Repayment Options:

The survey also asked schools about how LRAPs have changed in response to income-based repayment options for federal student loans, as those options were not available for the programs assessed in the 2006 survey. Interestingly, the current survey results suggest the majority of programs do not require a graduate to be enrolled in an income-based repayment plan to be eligible for the program.
However, the comments show a clear picture as to how the IBR plans have influenced the structure of the programs. Most of the commenters (11/15) noted that the awards are either based on the lowest payment a graduate would be expected to pay under an IBR, take the IBR formulas into account in determining awards, or are looking at changing the program to align with IBR guidelines. These comments, along with the quarter of responding schools that do require graduates to be enrolled in an income-based repayment plan in order to be eligible for the program, demonstrate the integral nature of IBRs to the LRAPs.

Similarly, respondents were asked directly if income-based repayment plans affected their LRAPs, and if so, how. Slightly less than half of the respondents (43%) stated IBR has affected their programs. The comments reveal two main reasons why. Half of the fourteen commenters stated their programs changed to require students to be enrolled in an IBR, allowing schools to provide subsidies that match more precisely the actual repayment obligations of the graduates (rather than prior practices which often included awarding lump sums that may not have matched actual repayment obligations). The other half specifically mentioned IBR has enabled their programs to fund more graduates. These comments demonstrate how IBRs have allowed schools to stretch their resources to be more responsive to graduates' needs.
Section 4

Administration:

For schools contemplating changes to their LRAPs or starting new programs, information about how other schools administer their programs can be helpful. Schools were asked to identify the office with primary responsibility for administering the LRAP program.

Table 4.1 Office of Primary Responsibility for LRAP Administration

<table>
<thead>
<tr>
<th>Office of Primary Responsibility</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Financial Aid Office</td>
<td>47.4%</td>
</tr>
<tr>
<td>Career Services Office</td>
<td>18.4%</td>
</tr>
<tr>
<td>Public Interest/Service Office</td>
<td>18.4%</td>
</tr>
<tr>
<td>Another Office of the Law School</td>
<td>13.2%</td>
</tr>
<tr>
<td>An Office Outside the Law School</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

The majority of programs are administered in the financial aid office or in conjunction with financial aid professionals, allowing students to explore all their student debt repayment options in one place. The alumni and development office and the Dean of Students or Academic Affairs are the most common other offices in the law school cited.

Asking about who decides who receives assistance and who decides about changes to the programs yielded some interesting results. In both cases, the responses were split between an individual and a committee. For decisions about awards, most were made by committee (67%). For decisions about changes to the program, those decisions also rested with a committee, but in smaller numbers (58%). Decisions about awards are most commonly vested in committees made up of faculty, financial aid, public interest (either dedicated counselors, pro bono people or clinical faculty), and associate or assistant deans. In a few cases, students are part of the committee, with the most common being student leaders of public interest organizations, especially funding groups. In one case, the committee is composed exclusively of alumni. Where individuals made decisions, it is most commonly either the director of financial aid or the head of the public interest or pro bono office. With respect to changes to the programs, the make-up of the committees is similar to those for making award decisions except the Dean of the law school is a member of more committees or makes the final decision him or herself.
Section 5

Funding:

In 2006, Equal Justice Works reported data from 78 schools, with 68% reporting funding from more than one source. The majority reported funding source was operating expenses (56%), with endowments (46%) and law school fundraising (41%) the next highest sources of funding. Student fundraising (27%) and student fees (5%) were the least used sources of funding.\(^7\)

Ten years later, the data indicate an increase in the sources of funding and many more schools are using multiple sources of funding. Comments also indicated there are a few programs funded by outside sources such as nonprofits. This is a new funding source as state-wide or hybrid (school and outside organization) programs have developed.

Table 5.1 2015-2016 Funding Sources

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Law School Operating Budget</td>
<td>60%</td>
</tr>
<tr>
<td>Alumni Donations</td>
<td>20%</td>
</tr>
<tr>
<td>Endowment</td>
<td>10%</td>
</tr>
<tr>
<td>Outside Grantor, Foundation Gift, etc.</td>
<td>5%</td>
</tr>
<tr>
<td>Student Fundraising</td>
<td>5%</td>
</tr>
<tr>
<td>Student Fees</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Note: Percentages add to more than 100 because more than one funding source could be chosen.

When asked specifically if their funding sources have changed since 2006, 18% of respondents said yes. The most cited reason for the change is the establishment of an endowment.

The takeaway here is that schools seem to be prioritizing loan forgiveness and are looking for additional ways to fund the program long-term. Both in 2006 and 2016, the most common source of funding for LRAP programs has been law school operating budgets, alumni donations, and endowments. Since 2006, law schools seem to be turning to additional funding sources to supplement these three traditional pools of money.

\(^7\) Id at p. 9
Section 6

Changes:

The last area of exploration was whether the respondents had plans to change or anticipated change to their program based on market or legislative factors. First, respondents were queried as to whether a drop in enrollment had affected their programs. Ninety-four percent of respondents either didn't have a drop in enrollment (28%) or said that any drop did not affect their program (66%). This issue was only significant to programs that relied largely on student fees as a source of funding.

The bigger and more uncertain question is what, if any, effect the proposed cap on or elimination of Public Service Loan Forgiveness would have on these programs. While most schools (57%) don’t anticipate a change in the program, almost half do. All the commenters pointed to an anticipated increase in the number of applications for their program, with a corresponding decrease in their ability to fully fund all the students who apply. Some potential changes expressed were lowering their salary cap, cutting the amount of time a graduate could participate in the program, cutting the amount of awards to each graduate, pushing for more targeted fundraising, or in the worst case, turning away needy candidates.

Lastly, are schools anticipating changes to their programs for other reasons? The majority (73%) said no, but for those who are, rising student debt versus limited funds is of most concern. Some programs have expanded eligibility, which has put a strain on funds, while others have seen a drop in overall funding. All respondents expressed a concern about being able to fully fund everyone who needs assistance.

Conclusion:

LRAPs are a vital tool schools have employed to assist graduates with rising debt and only modestly rising salaries. The 2016 data demonstrate the changing landscape of these programs. Law schools are using their LRAP programs to fund a larger number of graduates in a broader range of jobs than they were ten years ago. This has required creative thinking as to funding sources. Given the financial challenges facing many law schools, the continued support for, and even broadening of, LRAP programs, seems to recognize the fundamental importance of supporting law school graduates who choose public sector careers.