

Sample State JRJ Program Guidelines Explanation and Instructions

The Sample State JRJ Program Guidelines provide the details about how the state program funded with John R. Justice funding will work. Below is an explanation of the guidelines and instructions for sections that need DSA decisions to finalize the guidelines.

Simple administration

The sample state JRJ program has been designed to meet the requirements of John R. Justice funding, while keeping the program as simple to administer as possible. The solicitation states that a state is "...strongly encouraged to consider replicating the methodology of existing, analogous loan repayment programs in their respective states." Many statewide loan repayment assistance programs have simplified their eligibility requirements and application processes since the programs began in the 1990's and find that a simpler program saves them money and time, while still assuring that the benefits are awarded effectively.

Explanation of some program design choices (numbers correlate with the numbers in the Sample Guidelines)

I. Amount of program funding and benefit amount. The BJA solicitation says that states are "...encouraged to maximize the number of beneficiaries who receive program benefits. It is recommended that DSAs have a set benefit of an amount between \$2,000 - \$4,000. A set benefit amount, rather than a range of benefit amounts, is the easiest to administer. A state could set a benefit amount in its JRJ program guidelines or it could keep a range and set the benefit amount after the number of applicants is known.

The \$2,000 - \$4,000 amount is recommended to ensure that the amount is enough to make a difference in recruitment and retention and to give a meaningful number of awards.

Surveys of civil legal aid attorneys have found that those who have educational debt have a median required annual payment amount of about \$6,000 on all their loans—federal and private. Prosecutors and public defenders are likely to have similar payment requirements. Generally, an attorney making \$40,000, who is in income-based repayment has an annual payment on their federal loans of about \$3,600.

For a state that has \$100,000 in JRJ funding and does not use any of it for administrative costs, 25 to 50 attorneys could receive benefits, with a benefit between \$2,000 - \$4,000.

III. Application Procedure. DSAs will need to complete this section with the date the application is due and to whom, and anything else needed about number of copies, etc.

IV. Selection of Beneficiaries.

Determining applicants with least ability to repay their loans. The solicitation mandates that a DSA must give priority to attorneys with the least ability to repay their loans. States are given

discretion and flexibility to identify the appropriate factors to determine the least ability to repay. States should include an assessment of educational debt, salary, and cost of living, and should use knowledge and expertise to determine a formula for assessing “least ability to repay.”

Ratio of educational debt to salary. The Sample Guidelines use a ratio of the applicant’s total eligible educational debt to the applicant’s salary. Equal Justice Works recommends an applicant’s salary be used instead of net or gross income as this is much simpler and can be verified easily with the employer.

Adjustment for Cost of Living. The Sample Guidelines leave the adjustment for cost of living language for the DSA to complete. In the Solicitation’s FAQs, BJA states that the DSA “has discretion on determining the ‘cost of living adjustment’ for applicants.”

Selection process. Using these three factors and the mandatory fair distribution based on geography and population density, (see Sample Guidelines), it is envisioned that the State JRJ Program manager could prepare a spreadsheet with each applicant’s ratio and city and put the applicants in order of the highest ratio, but if there is not widespread geographic and demographic distribution using strictly the ratio, then the applicant’s city could determine who is awarded benefits.

VI. Benefits Distribution

It is recommended that the State JRJ Program pay the benefits to the lenders in quarterly payments. This will decrease the amount of funding that may have to be reimbursed by beneficiaries that do not complete their service obligations.