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Senate Ways and Means

Judicial Branch Testimony

K.J. Wall Justice, Kansas Supreme Court

Chairperson Billinger and members of the committee, thank you for the opportunity to appear today to discuss SB 214.

After I joined the Supreme Court in 2020, judges and attorneys began sharing reports of attorney shortages in rural Kansas with increasing frequency. I heard about rural Kansans who could not find attorneys in their home communities. Rural businesses that turned to larger communities to find legal counsel. Attorneys who were so busy that they turned away potential clients every week. Attorneys who were ready to retire but could not find anyone to take over their successful law practices and continue serving their communities. And judges who struggled to find attorneys to represent people in cases where the right to counsel is guaranteed.

Based on these reports, coupled with my connection to rural Kansas as a native of Scott City, I was eager to chair the Rural Justice Initiative Committee (RJIC), established by Chief Justice Luckert in December 2022. The RJIC validated the reports I had received. And the data it uncovered is alarming.

## The attorney shortage in rural Kansas is significant and impactful.

The distribution of attorneys across Kansas is disproportionate to the total population distribution. While there are 11,179 Kansas attorneys who are actively licensed to practice law, only 61 % (6,918 individuals) of them work in Kansas. Among

those attorneys working in Kansas, nearly 79% of them (5,157 individuals) work in urban Kansas counties. Only about 21% (1,401 individuals) work in rural Kansas counties. In fact, more active Kansas attorneys work in Kansas City, Missouri than in all of rural Kansas.

Worse yet, a significant portion of our attorney population is approaching retirement. Nearly one-third of active attorneys in our state are over 60. And the age gap is more pronounced in rural Kansas. In 2022, the median age for attorneys nationwide was 46. In urban Kansas, the median age of our active attorneys is 51. But in rural Kansas, the median age is 55. This data suggests the active attorney population in Kansas will continue to decline as more attorneys move to inactive or retired status in the coming years. And rural Kansas will be hit the hardest.

## The cost of tuition and education debt is a significant barrier to rural practice.

We must act now before the situation grows more severe. The RJIC examined the barriers to recruiting and retaining attorneys in rural Kansas. The data revealed that the costs of education and student loan debt are significant barriers. 93% of rural Kansas attorneys who have graduated since 2011 report graduating with student loan debt. And law school costs more than ever. These attorneys reported an average law school debt of \$98,032 and a total educational debt of \$124,614.

Law school graduates and practicing attorneys must service this substantial debt. And firms that offer higher guaranteed salaries are at a competitive advantage. But rural firms, on average, offer lower guaranteed salaries, and an attorney's income is more dependent on production. The average Kansas law firm salary for the class of 2022 was \$78,864.<sup>2</sup> But rural Kansas attorneys graduating after 2021 reported earning a median salary of \$60,000 and a mean salary of \$59,000. Thus, many attorneys choose to forego opportunities in rural Kansas altogether in favor of higher guaranteed salaries in urban areas. The guaranteed salary provides certainty and predictability, allowing the attorney to budget debt repayment. When they make this decision, rural Kansas loses not only future attorneys, but also a business owner, an asset to other local businesses, a prospective school or hospital board member, and much more.

<sup>&</sup>lt;sup>1</sup> U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, https://www.bls.gov/cps/cpsaat11b.htm (last visited Jun. 22, 2024).

<sup>&</sup>lt;sup>2</sup> National Association of Law Placement, Jobs & J.D.'s: Employment and Salaries of New Law Graduates — Class of 2022 125.

## Financial incentives targeting education costs are successful.

Despite this financial barrier, most Kansas law students indicated that they would pursue rural practice opportunities if there were financial incentives to offset tuition costs and education debt. SB 214 does just that by offering two different financial incentive programs promoting rural legal practice. Both programs are modeled after and build upon the success of programs the Legislature created to encourage veterinarians and physicians to practice in rural Kansas.

The attorney training program would offer law students a loan to cover law school costs and tuition. That loan would then be forgiven over time, provided the attorney practices law on a full-time basis in rural Kansas. Program requirements would include: (1) completing all coursework required for a juris doctor; (2) completing all required courses (including any required rural internship or mentorship requirements) in a curriculum designed to prepare students for rural practice; (3) passing the Kansas bar exam; and (4) actively practicing law on a full-time basis in a rural Kansas county within 90 days of passing the bar. If such requirements are fulfilled, we recommend that 1/3 of the participant's loan be forgiven for each year of full-time practice in rural Kansas.

This program is modeled after the Rural Veterinarian Training Program at Kansas State University—a program created and funded through the Legislature. This program has demonstrated incredible success in both recruiting and retaining large-animal veterinarians throughout rural Kansas. With over half of employed Kansas law school graduates leaving the state,<sup>3</sup> SB 214 will provide students a strong incentive to stay in Kansas and practice law in a rural community.

At the same time, SB 214's student loan repayment program will attract both instate and out-of-state attorneys to rural Kansas practices. Under the program, a qualifying attorney would receive an annual loan payment incentive for practicing law on a full-time basis in a rural Kansas county. Attorneys participating in the program would receive annual financial assistance of up to \$20,000 for each year they practice in a rural community, for a total contract benefit of \$100,000 over the five-year term. This financial incentive is available at a time when expenses are higher and revenues are lower—the initial start-up period. At the end of the five-year program, the attorney will have developed meaningful ties to the community, promoting retention.

This program is modeled after the rural physician loan reimbursement programs the Legislature has created in conjunction with the University of Kansas School of Medicine. Similar models have also been used for attorneys in South Dakota and North

<sup>&</sup>lt;sup>3</sup> National Association of Law Placement, Jobs & J.D.'s: Employment and Salaries of New Law Graduates — Class of 2022 110.

Dakota. And on a smaller scale in Kansas, the Kansas Farm Bureau Legal Foundation's Rural Law Practice Grant has demonstrated that the model can work here. Their success can be emulated and expanded statewide through SB 214.

SB 214 offers two strong financial incentives to live and practice in rural Kansas—the attorney training program and a student loan repayment program. By taking this dual approach, SB 214 helps to offset one of the biggest barriers attorneys encounter in pursuing a legal practice in rural Kansas.

I thank you for your support and consideration of this important initiative.