

Amended Loan Forgiveness Proposal with proposed 2013 Amendment

In order to successfully recruit new attorneys to the County Attorney's Office, the Gila County Attorney proposes modifying its existing loan forgiveness program as follows:

1. The program would provide up to \$84,000.00 ~~per year every~~ six months to qualifying deputy county attorneys before tax withholding. ~~All of the money after tax withholding would go directly to their student loan creditors- to assist in the repayment of their student loans.~~

2. Payments would be made approximately June 30 and December 31 of each year for all deputy county attorneys continuously employed by the office ~~from July 1 of the previous year for the six months~~ immediately preceding and concluding with either June 30 or December 31. Alternatively, deputy county attorneys can request that payments be deferred for up to ~~twelve~~ six months. If such a deferral is approved by the County Attorney, the payments may be divided into multiple smaller payments so long as the sum of the smaller payments equals the lump sum payment. Divided payments will not be paid ~~not~~ more frequently than once a month. Any deputy county attorney whose employment is terminated shall have all ~~remaining~~ remaining deferred payments paid in a lump sum at or near the time of termination.¹

3. Deputy county attorneys hired after July 1 or January 1 would qualify for the program on a prorated basis by taking the number of complete months worked during the ~~year~~ six month period divided by ~~6~~ 12 and then multiplying that quotient times the full payment available for deputy county attorneys continuously employed throughout the ~~year~~ six month period. Deputy county attorneys must be employed at least on a thirty hour per week basis in order to qualify for this program. Qualifying deputy county attorneys who work on less than a forty hour per week basis will have their annual loan forgiveness benefit reduced by a percentage equal to the percentage of hours they work less than forty hour per week.

4. The maximum cumulative benefit an attorney ~~could~~ can receive under this program is \$80,000.00 before taxes.

¹ The County Attorney's Office has ~~at least one current~~ had deputy county attorneys who ~~participate~~ is participating in another loan forgiveness program. ~~This program that~~ provides that if the attorney makes certain monthly payments for a period of ten years, the balance of her loan will be forgiven. ~~Under the current procedure, a~~ A lump sum payment ~~once~~ twice a year would only help ~~this attorney~~ attorneys on this program ~~once~~ twice a year. Assuming ~~she~~ the attorneys on this program stays with office for ten years, ~~the~~ semi-annual lump sum payments would effectively pay loan balances that would otherwise be forgiven, essentially wasting program funds. ~~The proposed change gives the program the added flexibility that will enable it to help attorneys in this kind of program each month of the year and help them over a ten year period to completely reduce their student loans thereby increasing the possibility that they will stay with the office longer.~~

5. Deputy county attorneys qualify for this program if they have outstanding student loans. Payments to deputy county attorneys under this program cannot exceed outstanding student loan balances except that if the outstanding student loan balance is less than \$4,000.00 and the deputy county attorney is otherwise entitled to a full \$4,000.00 payment, the County may gross out the payment to account for the tax withholdings in order to pay off the outstanding balance up to the full \$4,000.00 payment.² Only student loans or consolidated loans that only contain student loan debt qualify for repayment under the program. In other words, consolidated loans that commingle student loans and other non-student loan debt would not qualify for repayment.

6. The cost of the program would be budgeted each year from non-general fund county attorney's office funds and would be subject to funding availability.

This program has proven to be an effective recruiting tool. This proposed modification would not alter the cost of the program since the County Attorney's Office is already budgeting for the potential that all new attorneys may are likely to have student loans.

² For example, if the outstanding student loan balance for a deputy county attorney is \$2,000.00 and he is entitled to a \$4,000.00 payment and it would take a check for \$3,000.00 to enable the attorney to receive a check after withholdings of \$2,000.00, the County may make a payment to the attorney for \$3,000.00 before withholding (\$2,000.00 after withholdings) even though the outstanding balance of the deputy county attorney's loans is only \$2,000.00.