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MEETING THE EXPERIENTIAL CHALLENGE:
A FEE-GENERATING LAW CLINIC

Harold J. Krent* and Gary S. Laser**

I. INTRODUCTION

EXPERIENTIAL learning in law schools is all the rage, and with good reason. From the Carnegie Foundation Report\(^1\) to the Wall Street Journal,\(^2\) commentators have questioned why law schools have not done more to prepare students for the complex demands of law practice. The perceived deficiency in legal education is even more troubling given that the private sector, and to some extent the public sector, is devoting considerably fewer resources to training than in years past. And, in light of the rise in the number of graduates practicing by themselves or in very small firms,\(^3\) the concern for lack of training is more pronounced. As the Carnegie Foundation Report lamented, “Unlike other professional education, most notably medical school, legal education typically pays relatively little attention to direct training in professional practice. The result is to prolong and reinforce the habits of thinking like a student rather than an apprentice practitioner.”\(^4\)

Law schools must teach students how to think and how to communicate, but they also must teach how to relate to clients, how to use technology in law practice, and so much more. To fill the gap, law schools have pursued a number of approaches to provide students with greater experiential training. New classes, or at least instruction in project and technology management, have been introduced, the number of externships has increased, and workshops on professionalism have proliferated.

Clinics, however, arguably remain the best training ground for students to link doctrinal and skills training and assimilate the ethical standards of the profession. As the Carnegie Foundation Report stressed, ethical and professionalism concerns “‘come alive’ most effectively when the ideas are

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4. Stuckey, supra note 1, at 14 (quoting Sullivan et al., supra note 1).
introduced in relation to students’ experience of taking on the responsibilities incumbent upon the profession’s various roles.”

The best law school setting in which to acquire knowledge of, what one of us has termed, the “art of lawyering”—defined as grappling with issues of uncertainty, uniqueness, and value conflict—is a real-client, in-house clinical education program: real client—because the indeterminacies exist only in the context of real life events; and in house—because the practicing lawyers, in addition to being selected for their excellence at practice, are employed by a law school and are part of an educational community. The educational setting is vital because the art of lawyering is taught through reflective learning, which a real-client, in-house clinic is set up to provide. To this end, most law schools devote substantial financial resources to in-house clinics. Students work alongside professor-practitioners to learn the craft of lawyering and, at the same time, serve the communities in which their schools are located.

Too many schools, however, have brushed aside the possibility of enhancing or supplementing their traditional clinical efforts by transforming their legal clinics into in-house law offices. Although a fee-generating model may seem an anathema, given the social justice roots of law clinics, the call to train “apprentice practitioners” provides a new reason to reexamine the costs and benefits of the fee-generating model. Accordingly, in this Essay, we review the purpose of in-house clinical education and sketch how the fee-generating model, which one of us launched 35 years ago, fills a gap in experiential training that traditional clinics cannot. We then assess the saliency of possible objections, concluding that, in many settings, establishing fee-generating clinics is well worth the costs.

II. FEE-GENERATING CLINICS

A. One Law School’s Experience

At IIT Chicago-Kent College of Law, 8 of 10 clinical faculty members educate student interns through their in-house, fee-generating practices, collectively termed “the Law Offices.” Six clinicians focus principally on

5. SULLIVAN ET AL., supra note 1.
7. Id. at 255-64.
9. See Laser, supra note 6, at 285-86.
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litigation; one exclusively on transactional issues, and another straddles the fence. Each fee-generating clinical faculty member is obligated to generate fees equal to her salary.\textsuperscript{11} The school subsidizes their practices by providing fringe benefits, malpractice insurance, certain operating costs, and office space. The school also funds salaries and fringe benefits for a director of clinical education, who is a tenured faculty member; two non-fee-generating clinical faculty members; and the Law Offices’ support staff.

In the last five years, we have permitted each fee-generating clinician to hire staff lawyers, paralegals, and legal assistants to enhance their practices as long as they agree to be contractually obligated for the salaries, fringe benefits, and additional operating costs of such personnel. As a consequence, the Law Offices have almost doubled in size in that time period, and the sophistication of the practices has increased as well.

\textbf{B. Goals of a Fee-Generating Model}

The fee-generating model shares almost all of the goals of the traditional legal clinic. It is in the educational setting of an in-house clinic, whether fee generating or not, that students can most effectively be taught the art of lawyering\textsuperscript{12} through a reflective learning process.\textsuperscript{13}

Although, to solve clients’ legal problems, lawyers must know the relevant legal doctrine and fundamental lawyering skills and values, such knowledge is not sufficient. For lawyers to be competent, ethical, and socially responsible practitioners, they need to acquire an additional body of knowledge that lawyers use when applying legal doctrine, skills, and values in the real world of practice. We have called that body of knowledge the art of lawyering.\textsuperscript{14}

The art of lawyering is tacit knowledge, not easily described; it is the “knowledge acquired from prior lawyering practice”\textsuperscript{15} and is essential to deal with the indeterminacies inherent in the practice of law. These indeterminacies—which can be summarized as uncertainty, uniqueness, and value conflict—exist in virtually every legal matter handled by a lawyer. Addressing these indeterminacies is done through using the art of lawyering, for example, deciding how to frame the issue in light of the uncertainty wrought by varying accounts of the facts or inconsistencies in the law.

How can a student be taught the art of lawyering in an in-house clinic? In the beginning stages of the students’ internships, students know very little about

\textsuperscript{11} Fee-generators receive as a bonus most of any fees in excess of their salaries that they generate. Although this happens rarely, if the fee-generating clinical faculty member generates fees less than her salary for a fiscal year, the difference is a debt owed to the law school, which the fee-generating clinical professor is obligated to pay back to the law school during the next fiscal year.

\textsuperscript{12} See Laser, supra note 6, at 278.

\textsuperscript{13} In this article, Professor Laser wrote in depth about the art of lawyering and why it is best taught to students in an in-house clinical education program. Id. at 278-80. In this Essay, much of what we say about the art of lawyering is taken from that article. We are indebted to Donald Schon who wrote extensively about the “art of practice.” Id. at 250.

\textsuperscript{14} Id. at 250-60.

\textsuperscript{15} Id. at 256.
the practice of law. Thus, they have very little tacit knowledge about lawyering
to call upon while they engage in their lawyering assignments. Yet, to solve
the professional problems with which they are presented, they will need to use tacit
knowledge because such problems will contain elements of “uncertainty,
uniqueness, or value conflict.”16

Because the students lack this tacit knowledge, their ability to seek
solutions to the indeterminacies of their lawyering assignments will most likely
be quite sophomoric. Their ability to thoughtfully reflect on their experiences, if
reflection occurs at all, will happen at a very rudimentary level. In drafting a
complaint, for example, the degree of detail may be contingent upon a resolution
of the indeterminacies. The student will need the assistance of his or her clinical
professor to resolve them properly as well as how to learn from the experience by
reflecting on it.

Thus, especially throughout the initial clinical semester, the clinical professor
will regularly engage in reflective activity with the student, while the student is
working on the lawyering activity assigned. This interaction is the start of the
reflective learning process. For example, if the clinical professor has asked the
student to draft a response to a motion for summary judgment, the clinical professor
will confer with the student on a regular basis, while the student is researching and
drafting it. In the conferences, the clinical professor may communicate information
about, for example, the law of summary judgment, but the professor will mostly aid
the student to solve problems or aspects of problems that lie in the indeterminate
zone by demonstrating, advising, questioning, and criticizing.17

Questions will arise that are in the indeterminate zone of practice and
cannot be resolved by simply using traditional knowledge. Why did the student
frame the issue in the way he or she did, in light of the legal and factual
uncertainties? Did the student simply use the movant’s description of the issue,
and is the movant’s characterization based on a different resolution of factual or
legal uncertainties than is favorable to the student’s client? How did the student
deal with uncertainty concerning the facts? Can the movant’s factual assertions
be refuted by the record, or does the student need to plan and implement a fact-
gathering strategy? What is likely to be this particular client’s unique response to
a discussion of the weaknesses in her case brought out by the movant’s motion?
Does the motion demonstrate that our case is teetering on the thin line between
legitimate and frivolous litigation and, thus, opposing it could subject the clinical

16. This year, we are launching a program under which first-year students in their second
semester can rotate through three clinics. The clinical professor’s pedagogical approach will have
to adjust, but we hope that the participating first-year students will begin to synthesize doctrinal and
skills education at an earlier date. Moreover, the students should be more prepared to benefit from
externships in the summer.

17. Laser, supra note 6, at 261 (internal footnotes and quotation marks omitted). “Students
may learn the concepts and theories underlying the skills associated with drafting a motion for
summary judgment as well as the skill of drafting such a motion in their legal writing courses;
however, such courses do not educate students in the art of lawyering. For that, students need live-
client clinical education.” Id. at 261 n.98.
lawyers to sanctions under Rule 11? If the client still wishes to pursue the litigation, how is this values conflict best discussed with this client and most appropriately resolved?

Satisfactory answers to most of the above questions are beyond the capability of the novice student. However, the clinical professor is experienced in the art of lawyering, i.e., has acquired that additional knowledge necessary to solve problems involving uncertainty, uniqueness, and value conflict. Thus, the clinical professor will use her own tacit knowledge of the practice of law to assist the student in answering the above questions. She will use her knowledge of problem-framing to criticize the student’s characterization of the issue. She will use her knowledge of implementation to explain to the student how to plan a factual investigation. And she will use her knowledge of handling matters involving value conflict to assist the student in determining what to do when the situation may present a conflict between the student’s role as zealous advocate for her client’s interests and the student’s role as officer of the court. In this way, the clinical teacher is teaching reflection as the method to address issues involving uniqueness, uncertainty, and value conflict.

The student will attempt to understand the clinical professor’s communications by reformulating the legal issue, by acquiring the necessary facts, and by drafting the response. The clinical professor will review the draft of the response, in which the student will have attempted to incorporate the professor’s suggestions. In so doing, the clinical professor will again critique the response, and the student will again seek to understand the criticisms until a draft is submitted which both the student and clinical professor consider a competent performance. This is a continuation of the reflective learning process.

After the student completes the assignment, the clinical professor will expose the student to the later steps of the reflective learning process. The clinical professor will ask the student to reflect on what she did to complete the response to the motion for summary judgment and how she used tacit knowledge to deal with any elements of uncertainty, uniqueness, or value conflict which arose in the assignment. In other words, the clinical professor will ask the student what she did to resolve the factual uncertainty, and how the student resolved the potential value conflict raised by the Rule 11 question.

As a result of the student’s reflective learning, the quality of her future performances in the zone of indeterminacy will improve. First, the performance will improve because the student has acquired tacit knowledge for dealing with uncertainty, uniqueness, and value conflict, i.e., those aspects of lawyering problems situated in the indeterminate zone. Second, her performance will improve because, through reflection and the assistance of the clinical professor, the student has acquired a method—reflective learning—that she will use to acquire more knowledge of the art of lawyering in the future. She is becoming a

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19. “Students may learn the ‘skills’ associated with resolving these issues through classroom or simulated education, but learning the ‘art’ requires the uncertainty, uniqueness, and value conflict of real life situations.” Laser, supra note 6, at 262 n.100.
reflective practitioner. Thus, whether under either a fee-generation or traditional clinical model, the reflective learning approach remains the paradigm.  

C. Advantages of a Fee-Generating Model

1. Plugging Students into the Financial Realities of Law Practice

Our fee-generating model builds on the premise that immersing students in fee-based cases adds critical educational benefits. In most areas of law practice, the fact that a client is charged a fee triggers important aspects of the lawyering experience. By charging fees, our fee-generating clinical faculty members are subject to the same fee concerns as are lawyers in a private practice, and it is in the fee context that so many of the inescapable ethical and social issues that pervade the practice arise. Our fee-generating clinicians need to make economically sound case selection decisions in deciding which cases to accept; they need to consider economic factors in evaluating their cases for disposition; and they are required to manage their cases efficiently. In addition, students learn how to deal with fee-paying clients and manage their expectations, and those expectations may well be different than those of clients in traditional clinics. Many new practitioners lack these experiences.

To help ensure that students learn these skills, they record the hours expended on particular matters, and clinical faculty often will discuss with students how many of those hours would have to be written off if they were in a firm. Students also are exposed to the challenge of collecting fees and the need to renegotiate fee structures should the scope of representation change. In short, by exposing students to the finances of a law practice, students can learn some of the very skills that the Carnegie Foundation Report and, earlier, the MacCrate Report, advocated.

Moreover, in addition to witnessing and participating in such cost-benefit analysis, students in a fee-generating clinic can gain added insights into professionalism. The very pressures and intensity existing in a fee practice are beneficial for students to witness and discuss. Because our clinical professors are educators, they must be models of professional responsibility and ethics. Lawyers are constantly faced with the temptation to earn their fees at the expense of their clients’ interests. For example, lawyers may do more work than is absolutely required if a client has sufficient funds and is paying on an hourly basis; in a contingent case, they may settle the case quickly and thereby assure

21. See Patricia Pierce & Kathleen Ridolfi, The Santa Clara Experiment: A New Fee-Generating Model for Clinical Legal Education, 3 CLINICAL L. REV. 439, 448-63 (1997) (arguing that reflective learning can take place in fee-generating clinics just as in traditional clinics but warning of the incentive effects of tying a clinician’s salary to the fees earned).

22. This article builds on insights developed by Professor Laser in Gary S. Laser, Significant Curricular Developments: The MacCrate Report and Beyond, 1 CLINICAL L. REV. 425 (1994), and assesses developments in our fee-generating clinic over the past 20 years.

themselves a speedier fee; they may cut corners when the fee has been fixed in advance. In their grossest form, these ethical lapses are quite avoidable for the ethical practitioner.

But, in every practice, issues like these arise in subtle forms. Cases often take more time than anticipated, and a client’s funds may be limited. No one may be at fault, but the lawyer is faced with deciding how much uncompensated time he or she should spend to prepare the case for trial. He or she may conclude that not spending the time will probably not have a negative impact on the client’s case, but, then again, it might, and, if a fee were available, he or she would recommend spending the time. The professionally responsible resolution of these frequent and important dilemmas can only be experienced in the fee context. Thus, a fee-generating in-house clinical program, in which the clinical faculty is expected to practice law with the highest ethical standards, will enhance a student’s education in these aspects of professional responsibility and ethics.

Students who have received their in-house clinical education in our fee-generating office will not need to abandon the model of lawyering they have learned in the clinic on the grounds that it is unrealistic in the world of fee practice. Students should learn from—not be protected from—the economics of law practice as early as possible. Thus, the goal of the *Carnegie Foundation Report*, improving the quality of practice through the formative clinical lawyering experience, can be better advanced by the fee-generating model.

Moreover, the recent growth of our clinic provides yet another benefit to students. Currently, they interact, not only with professor-practitioners as in all clinics, but with the clinicians’ associates (staff lawyers and paralegal-legal assistants) as well. They witness the partner-associate relationship—one that they may relive after graduation—and can learn from such interactions. Students view different personalities and work styles and learn that varying approaches to interrogatories or witness preparation are possible. And, we hope that students will internalize the need for a partner to respect subordinate personnel even when criticizing their performance.

Because they must generate fees, our clinicians need to market themselves. Some rely on websites; others market to organizations; and still others rely on social media. Our criminal defense attorneys rely on relationships with the judiciary to receive fee-paying appointments from courts. All these examples help students prepare for the realities of most law practices: Marketing is critical, whether in a large or small firm.24

We are aware, however, that in a program that has as its objective the teaching of the art of lawyering through reflective learning, neither the clinical professors nor their students should experience all the pressure and intensity of private practice. The fee-generating in-house clinic must allow space and time for the reflective learning process. Because our fee-generating clinicians are

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24. Two years ago, we established an incubator for recent graduates to help them form their own law firms ethically and efficiently. Clinicians have mentored those recent grads and, of course, marketing is one component. *Solo and Small Practice Incubator, IIT Chicago-Kent C.L.*, https://www.kentlaw.iit.edu/alumni/solo-and-small-practice-incubator (last visited July 2, 2015).
subsidized with law school funds, they are not under the same intense economic pressure of private practice. We require them to devote sufficient time to supervise their students closely and share views, not only on the lawyering needed in a particular case, but also on the financial and marketing dimensions as well.

2. Incentives to Attract Experienced Clinical Faculty

A second educational benefit of the fee model is that it is staffed by clinical professors who are experienced in their fields and who have longevity. Often, law school legal clinics are staffed by young clinical educators who are intelligent, highly motivated, and competent, but who have simply not been practicing or teaching long enough to be either senior practitioners or experienced clinical educators. In many cases, these talented individuals do not remain long enough in their positions to attain either status. This turnover occurs in large part because the salary scale for clinical educators is usually less than the salaries of traditional tenure-track faculty.25 We recognize that clinicians are paid on the same scale as doctrinal faculty at some schools, but we suspect that is the exception. Moreover, many clinicians are funded by short-term grants and thus live an uncertain academic existence.

Through our fee model, we have enticed high-quality lawyers to become clinical professors, and the financial model provides enough security and opportunity to persuade them to stay. We have been successful in doing so, in large part, because the salaries of the Chicago-Kent in-house clinical professors are linked to the fees they generate. Linking a clinical professor’s compensation to her fees is important to the success of our model because it enables successful clinical professors to receive much higher salaries than are usually earned by clinical professors and, in some cases, higher than the salaries earned by tenure-track professors. Thus, it enables our experienced expert practitioners to stay employed as clinical professors for a long period of time and become experienced clinical teachers as well. We have been lucky to employ several clinicians for over 25 years.

As in all in-house clinical programs, fee-generating attorneys must be outstanding practicing lawyers in their fields and dedicated clinical educators. They must adhere to the highest ethical standards, have a great deal of patience, and enjoy a sense of accomplishment as their students acquire skill in solving legal problems. But, as fee generators, even more is required. They must be entrepreneurial, efficient, and able to incorporate fee-generation into their teaching, and they must make sound economic judgments.

25. See Deborah J. Merritt, Core Faculty, L. SCH. CAFÉ (Mar. 24, 2013, 8:58 PM), www.lawschoolcafe.org/thread/core-faculty (“These writing and clinical professors are paid less, usually lack tenure, and bear fewer expectations for scholarly research.”).
3. **Financial Advantages**

We have left until last the most obvious benefit, which is that a fee-generating model permits schools to employ a greater number of clinicians who, in turn, afford students more opportunities to gain the type of experiences that the Carnegie Foundation Report urges. At our law school, the salaries of the eight fee-generating clinical faculty members and the entire cost of the seven staff attorneys are funded through fees. During the 2013-2014 academic year, the clinical faculty generated fees of $2,100,000. The law school provided funding to the Law Offices in the amount of $1,400,000, and the Law Offices received a grant of $50,000. Even though the Law School funded the Law Offices with $1,400,000, without the $2,100,000 in fees it would not have been economically feasible for the law school to have funded a director, ten full-time clinical educators and seven staff attorneys at the Law Offices. The fee-generating model dramatically reduces the cost to the law school of providing in-house clinical education. The marginal cost of a clinical hire is much less than for any other faculty member.

In short, the fee-generating model responds to the Carnegie Foundation Report’s call for practice-ready and professionally sophisticated graduates more completely than can other clinics. In the atmosphere of a fee-generating clinic, students learn not only how to size up the financial dimensions of a case, but also to understand the tricky professional pressures that lawyers must face in deciding how much time to spend on research issues or discovery. They can also absorb more clearly the dimensions of surviving within the hierarchy of a law firm.

**D. Potential Drawbacks to the Fee-Generating Model**

We recognize that there are possible costs as well as benefits to the fee-generating model.26 Depending upon the mission and location of schools, law schools may decide to stick with the traditional model, despite the advantages discussed above.

First, the fee-generating model strays from the social justice tradition of legal clinics. If a law school’s mission is to operate a community clinic and not charge fees, then a fee-generating clinic would not be appropriate.

Although law schools should continue to enhance their social justice agenda, clinical education and poverty law are not joined at the hip. Nothing prevents a law school with a fee-based clinic to serve social justice in other ways. For instance, our law school has operated clinics in the past to benefit those who are poor, and currently operates our Access to Justice and Technology Center, which facilitates access to justice at courthouses around the country through

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Students also volunteer countless hours for public interest organizations in the area. There is no reason to assume that law schools serve the public interest primarily through traditional clinics.

Moreover, a fee-generating clinic is not incompatible with social justice. Our clinicians provide representation in pro bono cases, and we encourage them to do so. Students may work on a pro bono basis as well as on fee-generating cases. By working with lawyers who take their pro bono obligations seriously, students thereby gain a sense of the tradeoffs that they will confront later in their practices—pursuing pro bono at the expense of fee generation—and we expect that they will come away from the clinical experience with a conviction that pro bono is an essential part of their future practice.

In addition, we note that most of the clients served by our clinics are of modest means. Fees charged by most clinicians are below rates that would be charged by comparably experienced counsel in firms. Thus, the clinic serves individuals and small businesses that otherwise might not be able to afford such accomplished counsel.

Second, fee-generating clinicians may have less time to interact with other faculty members, for each hour of committee work is an hour not devoted to a client or clinic supervision. We acknowledge that it is difficult to impose too many committee responsibilities on clinicians, yet we recognize that traditional scholars also may slight committee work because of competing demands on their time. We are fortunate that a number of clinicians have proved our assumption wrong by participating actively in the daily life of the school. Clinicians serve on at least one committee and have participated on task forces addressing admissions, curriculum, and the honor code.

Third, to some extent, clinicians compete for clients with attorneys in the local community. Fortunately, we have encountered no backlash from the practicing community. Indeed, our clinicians are active in the local bar and have earned respect for their skill. In some geographic communities, however, we could conceive that establishment of a fee-generating practice might elicit antipathy in markets oversaturated with attorneys.

Finally, some might object to the fee-generating model on the ground that the financial motive might interfere with the reflective teaching model that underlies all clinical education. We have seen no evidence that fee-based clinicians are more likely to shortcut the reflective learning process than clinicians in poverty law clinics. One of the principal goals of the clinic director is to ensure the highest quality of education. Close supervision, after all, is critical in both traditional and fee-generating clinics. The director regularly visits with the clinicians, communicates with students, and reads all student evaluations to ensure that the students receive quality education. The director convenes regular clinical faculty meetings, which are generally attended by all clinicians, so that they can discuss clinic-wide concerns and share issues arising in their

practices, including strategy to deal with the occasional difficult student or strategy to teach particular skills.

Of course, one of the principal goals in hiring any clinician is to ensure that he or she is committed to the goals and methodology of clinical education. Most of our clinical faculty could have earned much more money in the private sector. Therefore, it seems clear that those who accept employment as clinical professors in our fee-generating clinic have committed to forego the extra income they could have earned in private practice because they are generally delighted to be part of the academy and consider clinical teaching a calling. This goes a long way toward explaining why so many of our clinicians stay employed at the Law Offices for such a long time and why they are often recognized as outstanding clinical teachers.

In short, although the financial incentives may undercut the time devoted to institutional service, the clinical teaching that results more directly instills the kind of professionalism that was the focus of the *Carnegie Foundation Report*. Only in the setting of fee-generating practices can students experience firsthand, with supervision, some of the most fundamental tradeoffs that arise in the profession.

### III. CONCLUSION

Although the fee-generating clinic may strike some as a contradiction in terms (because the word “clinic” generally refers to serving poor people), we believe that it can fulfill the goals of experiential learning more completely than the traditional model. Students can learn not only the requisite skills of lawyering, but also some of the challenges inherent in earning a livelihood. Clinicians teach students how to market their legal services, project the costs of a particular case, and ensure a steady flow of fees. At the same time, students in the fee-generating clinic are exposed to many of the ethical issues arising due to the financial realities of practice. Although one size never fits all, more schools should transform their traditional clinics into a fee-based clinic to afford a larger number of clinical opportunities and a more holistic clinical education for their students.