

HAWAII JUSTICE FOUNDATION
P. O. Box 1230
Honolulu, Hawaii 96807-1230
(tel.) 808•537-3886 (fax) 808•528-1974
E-Mail: [hjff@hawaii.rr.com](mailto:hjf@hawaii.rr.com) Website: www.hawaiijustice.org

THE HAWAII JUSTICE FOUNDATION 2016 ANNUAL REPORT

In 2016, the Hawaii Justice Foundation (HJF) experienced positive financial increases in key income areas. HJF faced many of the same financial difficulties faced by other charitable foundations during the years 2009 through 2015. HJF is very pleased to be able to report that 2016 has been a year of substantial improvement in HJF's income.

The Increase in the Interest on Lawyer Trust Accounts (IOLTA) Interest Rates. HJF's primary source of income is through the Interest on Lawyer Trust Accounts (IOLTA) Program. The amount of income from IOLTA varies directly with interest rates, which dropped from 5.25% in September 2007 to 0.25% in December, 2008. In late 2015, the federal funds target rate increased to 0.50%. Hawaii's banks have been cooperative in implementing these higher rates for IOLTA accounts, which has allowed HJF to increase its IOLTA grants. Sums distributed through IOLTA in recent years are: 2004, \$70,000; 2005, \$70,000; 2006, \$155,000; 2007, \$278,000; 2008, \$410,000; 2009, \$345,000; 2010, \$175,000; 2011, \$152,050; 2012 \$124,650; 2013 \$104,000; 2014 \$100,000; 2015 \$125,000; 2016 \$155,000; and 2017, \$225,000.

The Continuation of Funding from The Bretzlaff Foundation. In addition to IOLTA grants, each year HJF distributes a total of \$100,000 to the ten Bretzlaff grantees, due to the generosity of The Bretzlaff Foundation of Reno, Nevada.

The Indigent Legal Assistance Fund (ILAF). ILAF is a process where surcharges are collected on certain filing fees in the State of Hawaii Judicial System. These funds are retained by the Judiciary for distribution to qualified low-income service providers under the statutory formula. From the inception of the Program, HJF has served as the ILAF Administrator. ILAF funds are distributed in cooperation with the Hawaii State Judiciary, the low-income service providers, and HJF. In FY 2015-16, ILAF distributed \$1,300,000 to nine legal services grantees. This is a critical part of funding for legal services, and the Legislature is to be commended for its creation of this valuable program.

Bank of America Settlement Funds. Hawaii was not part of the litigation with the Bank of America, but all states received financial benefits from the funds involved in the settlement with the Bank of America arising from the foreclosure crisis. HJF has received a total of \$1,810,000 from this settlement, with the funds to be awarded to legal aid organizations for foreclosure prevention and community redevelopment legal assistance.

The Cades Foundation. Each year in June, the Hawaii Access to Justice Commission hosts its Access to Justice Summit Conference held at the Richardson School of Law. The Cades Foundation has generously provided yearly financial support to HJF to provide funds for this event. The keynote speaker for 2016 was Judge Jonathan Lippman, retired Chief Judge of the New York court system. More than 250 attended the event, and the Conference is always the highlight of access to justice activities.

Certainly we are all grateful that 2016 has shown economic improvement for HJF's income streams. Please be assured that HJF has sufficient operating income and reserves to ensure our continued ability to work for access to justice. We ask you to join with us in these efforts, and we are very optimistic for the financial outlook for 2017. Much work remains to be done to achieve the ideal and goal of achieving "justice for all."

2016 BRETZLAFF FOUNDATION GRANTS

2016 Bretzlaff Foundation Grants Total \$100,000

Big Brothers/Big Sisters of Honolulu, Inc.

\$10,000 to fund one-to-one mentoring programs

Boys & Girls Club of Hawaii

\$10,000 to provide basic STEM programs in the Youth Discovery Zone in the Spalding Clubhouse in Honolulu

Community Association of Hawaii (formerly known as John Howard Association)

\$10,000 to assist and support youthful offenders and their families through the Juvenile Anger Management Program

Foster Grandparents

\$9,000 to recruit foster grandparents in Maui County, including Molokai, Lanai, and rural Maui

Hale Kipa

\$10,000 to fund Hale Kipa's School Success Program

Hawaii Foodbank

\$10,000 to help feed children and elderly statewide in 2016 by distributing 12 million pounds of food.

Kids First Program (Through Friends of Kids First)

\$4,000 to fund four programs that otherwise would not be funded through traditional state funding. Funds are used for costs for recognition of volunteers, honoraria for training, incentives for teens, and web design

The Mediation Center of the Pacific, Inc.

\$15,000 to support mediation training for the Divorce and Paternity Mediation Program, the Kupuna Pono Program, and the Landlord/Tenant Program

Court Appointed Special Advocates (CASA) Program (fka GAL Program)

\$10,000 to provide five programs that otherwise could not be funded through state funds to help provide special advocates for children involved in family court issues

Waikiki Health Center

\$12,000 to provide operational support to enable the Center to provide quality and affordable medical care, health education, and social services that are accessible to the needs of individuals and the community

2016 IOLTA GRANTS

2016 IOLTA Grants Total \$155,000

Advocates for Public Interest Law

Fund summer internships for law students working in public interest law firms

Big Island Mediation, Inc., dba West Hawaii Mediation Center

Provide quality mediation, conciliation, and advocacy services to individuals and organizations with limited access to legal-related services in West Hawaii

Domestic Violence Action Center

Provide legal advice and representation for low-income persons who are in imminent danger of harm in domestic abuse situations

Ethnic Education Foundation of Hawaii

Provide general legal information to large numbers of the ethnic poor by translating legal information into various languages and broadcasting the translations on KNDI Radio

Hale 'Opio Teen Court Project (Kauai)

Provide funding for a diversion program built on restorative justice principles for first-time misdemeanor or status offending youth.

Hawaii Appleseed Center for Law and Economic Justice (LEJ)

Provide funding for class action lawsuits, policy research, and legislative advocacy on behalf of Hawaii's low-income people

Kauai Economic Opportunity, Inc., dba Mediation Services

Provide quality mediation, conciliation, and advocacy services to individuals and organizations with limited access to legal-related services in Kauai

Kuikahi Mediation Services (Hilo)

Provide quality mediation, conciliation, and advocacy services to individuals and organizations with limited access to legal-related services in East Hawaii

Legal Aid Society of Hawaii

Provide legal information, advice, and representation to low-income clients

Mediation Services of Maui

Provide quality mediation, conciliation, and advocacy services to individuals and organizations with limited access to legal-related services in Maui

University of Hawaii Elder Law Program (UHELP) William S. Richardson School of Law

General support of legal services for Hawaii's low-income elderly

University of Hawaii Medical/Legal Partnership William S. Richardson School of Law

Establish a partnership between legal service providers and a medical clinic to provide legal assistance at early stages for low-income clients

Volunteer Legal Services Hawaii

Fund general operations to match pro bono attorney and paralegal volunteers with available cases and to provide other legal services for low-income clients

Economic and Social Benefits Study

Award partial funding for a study of the economic and social benefits derived from providing legal services to those of limited income, with the study to be conducted through cooperation of several of Hawaii's legal services organizations

Incubator Project—U H School of Law, Legal Aid, VLSH, & HSBA

Fund an innovative project to prepare new attorneys for working with "gap-group" clients

ACCESS TO JUSTICE COMMISSION

HJF \$58,650 SPECIAL FUNDING (2009 UNTIL EXPENDED)

CADES FOUNDATION FUNDING FOR THE YEARLY ATJ CONFERENCE

\$58,650 was awarded by HJF in 2009 for special funding from reserves for the start-up and initial operating costs of the Hawaii Access to Justice Commission. This grant provides funding for 2009 until funds are expended, and to date about 25% of these funds remain. Each year the ATJ Commission hosts an access to justice conference held at the Richardson School of Law on a Friday in June. The Cades Foundation for the past several years (including 2016) has generously provided funding for this Conference. The keynote speaker for 2016 was Judge Jonathan Lippman, retired Chief Judge of the New York court system, and more than 250 attended the event. Each year, HJF collects the tuition income from CLE credit requests and saves these funds for future use at the discretion of the ATJ Commission.

BANK OF AMERICA SETTLEMENT FUNDS

In 2016, HJF awarded Bank of America Settlement Funds for two foreclosure projects. The Native Hawaiian Legal Corporation was awarded \$36,500. The Legal Aid Society of Hawaii was awarded \$162,812. Hawaii was not a party to the initial litigation with Bank of America, but the settlement agreement provided various forms of funding to each jurisdiction, including Hawaii, and HJF got a portion of these funds.

2015-2016 ILAF PROGRAM

2014-15 ILAF Grants Total \$1,425,000

2015-16 ILAF Grants Total \$1,300,000

The Indigent Legal Assistance Fund (ILAF) is a process where surcharges are collected on certain filing fees in the State of Hawaii Judicial System. These funds are retained by the Judiciary for distribution to qualified low-income service providers. The Hawaii Justice Foundation acts as administrator for these funds. ILAF funds are distributed in cooperation with the Hawaii State Judiciary, the low-income service providers, and HJF.

The amount available in ILAF funds varies each year, depending upon the number of eligible cases filed and the rate of the surcharge. The ILAF program has seen significant growth from earlier years, due to the increase in the surcharge rate. In FY 2012-13, the amount distributed was \$472,039; for FY 2013-14 \$1,400,000; for FY 2014-15 \$1,425,000; and for FY 2015-16 \$1,300,000.