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## ***THE HAWAII JUSTICE FOUNDATION*** ***2006 ANNUAL REPORT***

**The Challenges HJF Has Faced.** The period after 9/11/01 involved both a major decline in the interest rates and the loss of value in the financial markets. The numerous reductions in the interest rates adversely impacted our Interest On Lawyer Trust Accounts (IOLTA) income, which traditionally has been HJF's major source of income. The drop in the value of the stock market caused our endowment and other investments to fall. For a period of time, HJF was expending substantially more funds than it was receiving, which was not a sustainable condition. We are very pleased to report that HJF has successfully resolved these serious financial issues by taking the steps described below.

**Reduction of Expenditures.** To meet these challenges, in mid-2003, HJF took proactive and significant steps. We reduced our office and staff expenditures by 75%. This required the Board to make hard choices, including closing our 810 Richards Street office and drastically reducing our payroll. HJF has gone from two full-time employees to primarily one person paid on a part-time contract basis to administer HJF. We have been able to sustain our level of service to our grantees through efficient use of technology and hard work. We have returned to financial stability, and our grant and operational expenses are less than our traditional income sources. The stock market values have significantly improved our investment portfolio. What is important is that HJF is now living well within our income. We have ensured that HJF will continue with its vital mission of helping to achieve civil justice for all of Hawaii's people.

**Increase in IOLTA Interest.** We have met with the various banks to seek increases in the interest rates offered on client trust accounts. The banks responded positively, either increasing the interest rates or offering compensating grants to HJF. Recently, general interest rates have risen, which has significantly increased our IOLTA income. Additional efforts are underway to increase our IOLTA income even further.

**Increase in Grants.** Because of the challenges described in the first paragraph, HJF's total IOLTA grants in 2003, 2004 and 2005 were only \$68,500, \$70,000, and \$70,000 respectively. In 2006, we awarded \$155,000 in regular and discretionary grants, which was our highest funding level since 2001. For 2007, we will award \$200,000 in IOLTA grants.

**Amounts Awarded in 2006.** HJF is extremely proud to announce that in 2006, we awarded \$560,000 to assist Hawaii's low-income communities through three sources of funds. First, through our IOLTA grants, we awarded \$155,000. Second, our Bretzlaff funds allowed us to award \$100,000 in total to the ten Bretzlaff grantees. Please note that these funds are limited to the ten Bretzlaff grantees designated by The Bretzlaff Foundation. This means that some of the Bretzlaff funds are awarded to non-profit groups who undertake assistance in areas other than low-income legal services. Third, in FY 2006-2007, HJF is working with the Judiciary to distribute \$305,000 to eight grantees through the Indigent Legal Assistance Fund (ILAF). HJF is optimistic that our financial progress will continue in 2007 for the benefit of all our grantees.

# ***2006 BRETZLAFF ENDOWMENT GRANTS***

## **Big Brothers/Big Sisters of Honolulu, Inc.**

*\$10,000 to serve underprivileged children and youth through one-to-one mentoring relationships at schools and work sites*

## **Boys & Girls Club of Hawaii**

*\$13,900 to provide adolescents with opportunities that foster responsibility, decision-making, and service to others*

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

*\$9,000 to assist and support youthful offenders and their families*

## **Foster Grandparents**

*\$9,000 to assist and support a program to provide foster grandparents to children at risk*

## **Hale Kipa**

*\$9,000 to support services to status offenders, run-a-ways, and other teenagers at risk*

## **Hawaii Foodbank**

*\$10,000 to assist Hawaii's poorest citizens with daily nourishment*

## **Kids First Program**

*\$5,000 to promote co-parenting relationships and effective communication through mandatory parent education programs*

## **The Mediation Center of the Pacific, Inc.**

*\$10,000 to help youth and their families resolve disagreements in a peaceful manner*

## **Volunteer Guardian Ad Litem Program**

*\$13,100 to recruit, train, and provide the services of volunteer guardian ad litem who will protect the best interests of the children of divorce*

## **Waikiki Health Center**

*\$11,000 to provide quality and affordable medical care, health education, and social services that are accessible to the needs of individuals and the community*

# ***2006 IOLTA GRANTS***

## **Advocates for Public Interest Law**

*Fund summer internships for law students working with low-income persons 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 Clearinghouse and Legal Services Hotline**

*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*

**Family Court Ho‘opaipai Program** *“Ho‘opaipai” means to promote, cheer on, or encourage. Provides various forms of positive assistance and rewards in Family Court cases involving potential termination of parental rights (experimental program)*

## **Kuikahi Mediation Services**

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

## **Kauai Economic Opportunity, Inc. Mediation Services**

*Provide mediation services for the elderly and disabled on Kauai*

## **Learning Disabilities Association of Hawaii**

*Provide one-to-one lay advocacy assistance to low-income parents who have children with a disability*

## **Legal Aid Society of Hawaii**

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

## ***2006 IOLTA GRANTS CONTINUED***

### **Mediation Center of Molokai**

*Provide mediation services and to continue peer mediation at Molokai's public schools*

### **The Mediation Center of the Pacific, Inc.**

*Provide mediation services throughout Honolulu and provide mediation training statewide to help parties resolve disagreements in a peaceful manner*

### **Mediation Services of Maui**

*Provide mediation services on Maui*

### **Na Loio**

*Fund legal representation to immigrants*

### **Native Hawaiian Legal Corporation**

*Provide legal advocacy for Native Hawaiians*

### **Volunteer Legal Services Hawaii**

*Fund general operations to facilitate attorney and paralegal assistance to low-income clients*

### **University of Hawaii Elder Law Project (UHELP) William S. Richardson School of Law**

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

## ***2006 ILAF PROGRAM***

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 are retained by the Judiciary for distribution to qualified low-income service providers. By statute, the Hawaii Justice Foundation acts as administrator for these funds. ILAF funds were 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. In FY 2005-2006, the amount distributed to the eight grantees was \$305,000, and in FY 2006-2007, the amount to be distributed to the grantees is \$305,000.