

HAWAII JUSTICE FOUNDATION
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THE HAWAII JUSTICE FOUNDATION ***2009 ANNUAL REPORT***

In 2009, the Hawaii Justice Foundation (HJF) has experienced many of the same financial difficulties faced by other charitable foundations. Two major factors have contributed to these difficulties. First, the precipitous drop in the financial market adversely impacted HJF's Bretzlaff Endowment and Hawaii Justice Fund reserves, even though both these accounts are "balanced" investments. Recent months have seen a dramatic improvement in these reserves, although they certainly are not at their previous high levels. Second, our source of income through the Interest on Lawyer Trust Accounts (IOLTA) Program is totally dependent upon interest rates, which have dropped from 5.25% in September 2007 to 0.25% in 2009. In late June, 2008, the Hawaii Supreme Court adopted HJF's requested Rule 11 amendment, making Hawaii the twentieth state to have "rate comparability." This has helped with our income losses from IOLTA, but the reality is that until interest rates return to 2.00% or higher, IOLTA income will be severely impacted.

Fortunately, three previous actions of HJF have prepared us to meet these financial challenges. First, in 2003 we eliminated our office and changed from two full-time staff with benefits to one part-time person who is an independent contractor. This reduced our overhead to a minimum. Second, we have set aside financial reserves for difficult times such as these. We are relying on these financial reserves to sustain operations over the next several years. Third, HJF has diversified income streams and programs, so HJF is not totally dependent upon IOLTA income.

HJF is instrumental in the distribution of four sources of funds, which are IOLTA, Bretzlaff, Hart, and ILAF funds. Sums distributed through IOLTA in recent years are: 2003, \$68,500; 2004, \$70,000; 2005, \$70,000; 2006, \$155,000; 2007, \$278,000; 2008, \$410,000; 2009, \$345,000. For 2010, HJF anticipates awarding \$175,000 in IOLTA grants. In addition to IOLTA grants, each year HJF distributes a total of \$100,000 to the ten Bretzlaff grantees. Please note that these funds are limited to the ten Bretzlaff grantees designated by agreement with The Bretzlaff Foundation, meaning some of the Bretzlaff funds are awarded to non-profit groups who undertake assistance in areas other than low-income legal services. We are extremely pleased that commencing in 2007, for a three-year period, The Hart Foundation of Reno, Nevada, is funding HJF with \$50,000 per year for distribution in medical and legal areas. In FY 2009-10, in cooperation with the Hawaii State Judiciary, HJF will distribute \$330,000 to eight grantees through the Indigent Legal Assistance Fund (ILAF).

In 2009 HJF provided the necessary funding for the Access to Justice Commission and has actively participated in its various activities including the June 24, 2009 Access to Justice Summit held at the Richardson School of Law. HJF is also active on a national level with the ABA Access to Justice projects and the National Association of IOLTA Programs. HJF continues to work cooperatively with Hawaii's low-income legal service providers. **Certainly we all wish that times were better economically for all groups attempting to increase access to justice. 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.**

2009 BRETZLAFF ENDOWMENT GRANTS

Big Brothers/Big Sisters of Honolulu, Inc.

\$10,000 to fund a site-based mentoring program for underprivileged children and youth

Boys & Girls Club of Hawaii

\$10,000 to help fund a statewide Leaders in Training Project Coordinator position

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

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

Foster Grandparents

\$9,000 to provide one foster grandparent at the Hawaii Center for the Deaf & Blind and one foster grandparent at the Salvation Army Family Treatment Services

Hale Kipa

\$10,000 to support the Hui Malama Ohana Youth Service Center at Kawanakoa and Stevenson Intermediate Schools

Hawaii Foodbank

\$10,000 to help feed 32,965 children statewide

Kids First Program (Through Friends of Kids First)

\$4,000 to promote peaceful co-parenting relationships and effective communication through mandatory parent education programs in divorce and paternity cases

The Mediation Center of the Pacific, Inc.

\$15,000 to support youth mediation and foster effective communication between adults & youth

Volunteer Guardian Ad Litem Program

\$10,000 to recruit, screen, train, and supervise volunteer citizen guardians ad litem who will protect the best interests of the children involved in court proceedings

Waikiki Health Center

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

ACCESS TO JUSTICE COMMISSION SPECIAL FUNDING

\$58,650 for special funding from reserves for the start-up and initial operating costs of the Access to Justice Commission (funding for 2009-2010 years)

2009 IOLTA GRANTS

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 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

Hawaii Immigrant Justice Center

Provide legal representation for low-income immigrants

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

Learning Disabilities Association of Hawaii

Provide one-to-one lay advocacy assistance to low-income parents who have a disabled child

Legal Aid Society of Hawaii

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

Mediation Center of Molokai

Provide mediation services, anger management classes, and reactive problem remediation for residents of Molokai

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

Native Hawaiian Legal Corporation

Provide legal advocacy for Native Hawaiians

2009 IOLTA GRANTS CONTINUED

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

University of Hawaii Refugee & Immigration Law Clinic
Provide second-year funding for the Richardson School of Law clinic dealing with immigration and refugee issues

Volunteer Legal Services Hawaii
Fund general operations to facilitate attorney and paralegal assistance to low-income clients

2008 HART FOUNDATION PROGRAM

In late 2007, \$50,000 was given in grants made possible by The Hart Foundation of Reno, Nevada. HJF is extremely proud to have been selected by The Hart Foundation for a three-year partnership that enables HJF to make grant awards to help meet medical and legal needs of low-income people in the Islands. In 2008, these funds were distributed as follows:

Boys & Girls Club of Hawaii, \$10,000
Foster Grandparents Program, \$5,000
Hale Kipa, \$10,000
Hale 'Opio (Kauai), \$2,000
Hawaii Justice Foundation, \$500
Richardson School of Law Medical/Legal Partnership, \$7,500
Waikiki Health Center, \$15,000

An additional \$50,000 in funds will be distributed in December, 2009 to the groups listed above under this grant program. This will be the third and final year of this grant agreement.

2009 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 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. In FY 2008-2009, the amount distributed to seven grantees was \$320,000, and in FY 2009-2010, the amount to be distributed to eight grantees is \$330,000.