Like nearly every other organization, the Hawaii Justice Foundation (HJF) has been negatively impacted by COVID-19 and the economic downturn. Prior to March, 2020, HJF was in its best financial condition ever. As described below, after March, 2020, income sources have been substantially reduced. HJF has a strong team with its Board, officers, auditors, accountants, and management. HJF has deep and positive relationships with the Judiciary, legal service providers, IOLTA banks, HSBA, School of Law, and the general legal community. HJF has sufficient financial reserves to meet its mission, but the financial improvements enjoyed prior to 2020 are no longer the situation.

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. Starting in late 2015, the federal funds target rate began increasing, but in March, 2020 the federal funds target rate returned to 0.25%, where it still remains. Grant awards distributed through IOLTA in recent years are: 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; 2017 $207,500; 2018 $362,500; 2019 $725,000; 2020 $660,000; and 2021 $658,500. Awards for 2022 are planned to be $662,500, through the use of some of HJF’s financial reserves.

The Continuation of Funding through The Bretzlaff Foundation. In addition to IOLTA grants, each year HJF distributes a minimum of $100,000 to the ten Bretzlaff grantees, due to the generosity of The Bretzlaff Foundation of Reno, Nevada. In 2021, a total of $144,000 was awarded.

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 ILAF, HJF has served as the ILAF Administrator. ILAF funds are distributed in cooperation with the Hawaii State Judiciary, the legal service providers, and HJF. In recent years, these sums have been $1,000,000/year. Currently ten legal service grantees receive funds under ILAF. 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 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 for this event. The Conference is always the yearly highlight of access to justice activities. Unfortunately, the Conference had to be cancelled in 2020 due to COVID-19 concerns, but 275 people attended the virtual conference in 2021.

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 all wait for better economic times in 2022. Much work remains to be done to achieve the ideal and goal of achieving “justice for all.”
2021 Bretzlaff Foundation Grants Total $144,000

Note: The amount distributed each year is 5% of the corpus value of HJF’s Bretzlaff Endowment at the start of the calendar year.

Big Brothers/Big Sisters of Honolulu, Inc.
$14,000 to fund one-on-one mentoring programs for children at risk

Boys & Girls Club of Hawaii
$14,000 to assist with direct personnel costs for its “Spalding House” program

Community Association of Hawaii
$14,000 to assist and support youthful offenders and their families through the Juvenile Anger Management Program

Foster Grandparents
$12,000 to develop improve ability to engage in virtual learning situations between volunteers and youth

Hale Kipa
$14,000 to fund the Ho’okala Attendant Care Program to help locate the legal guardian of arrested teens

Hawaii Foodbank
$18,000 to help collect, inspect and distribute over 10.7 million pounds of food on Oahu for children and the elderly, who are the two groups most at risk of hunger in Hawaii

Kids First Program (Through Friends of Kids First)
$10,000 to fund five programs that otherwise would not be funded through traditional state funding. Funds are used for costs for recognition of volunteers, program supplies, safety equipment (PPE), incentives for teens, and membership fees

The Mediation Center of the Pacific, Inc.
$18,000 to support for the Custody Mediation Program and the Landlord-Tenant Mediation 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
$18,000 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
2021 IOLTA GRANTS TOTAL $660,000

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 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 Access to Justice Commission Support
Provide support for the Hawaii Access to Justice Commission on various projects

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

Hawaii Disability Rights Center
Provide support for advocacy for people with physical and mental disabilities

Kapiolani Community College Paralegal Program
Provide funding for an estate planning clinic utilizing paralegal students

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

THE CADES FOUNDATION FUNDING FOR THE YEARLY ATJ CONFERENCE
$7,500 Grant Received

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 has generously provided funding for this Conference. In 2019 more than 275 attended the event, and the Conference is always the yearly highlight of access to justice activities. Unfortunately, in 2020 due to COVID-19 considerations, the Conference could not be held. In 2021, the access to justice conference was offered in hybrid and virtual form, with more than 275 people attending.

JUSTICE FOR ALL PROJECT
$99,520 and $116,763 Grants Received

For 2017, Hawaii was named one of seven jurisdictions from twenty-five applicants for an award of $99,520 from the National Center on State Courts to develop plans for providing some form of access to justice for each Hawaii resident. HJF and the Access to Justice Commission worked diligently on this project. Hawaii received a continuation grant for 2018-2019 in the amount of $116,763. HJF contributed $50,000 supplemental funding for this project in 2019-20. The project was completed in 2020, with further implementation underway.

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. In 2021, the final remaining funds were awarded to Legal Aid for its foreclosure project.

FY 2019-20 AND 2020-2021 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, with the Hawaii Justice Foundation acting as Administrator for these funds. ILAF funds are distributed in cooperation with the Hawaii State Judiciary, the low-income service providers, and HJF. ILAF is a critical part of funding for legal services. The Legislature is to be commended for its creation and support of this valuable program that is a partnership between the Judiciary, HJF, and the participating legal service providers. Currently ten legal service providers are receiving critical funding through ILAF.

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 surcharge rate increase. In FY 2012-13, the amount distributed was $472,039; for FY 2013-14 $1,400,000; for FY 2014-15 $1,425,000; for FY 2015-16 $1,300,000; for FY 2016-17 $1,000,000; for FY 2017-18 $1,100,000; for FY 2018-19 $1,000,000; for FY 2019-2020 $1,000,000; for FY 2020-21 $1,000,000; and for FY 21-22 $1,000,000.

Summary and Conclusion: HJF is currently experiencing serious income decreases due to low interest rates for the IOLTA program. However, HJF has significant financial reserves. Through careful management of our existing resources and continued efforts to minimize operational costs, HJF will continue to be a valuable and essential contributor to Hawaii’s access to justice efforts. HJF has a strong team with its Board, officers, auditors, accountants, and management. HJF has deep and positive relationships with the Judiciary, legal service providers, IOLTA banks, HSBA, School of Law, and the general legal community.