

JAN 16 2014

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# A BILL FOR AN ACT

RELATING TO ACCESS TO JUSTICE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. This Act shall be known as the Hawaii Justice  
2 League Act of 2014.

3           The legislature finds that there is a lack of access to  
4 justice within the State in both civil and criminal contexts.  
5 The supreme court of Hawaii access to justice commission,  
6 established in 2008 to increase access to justice in civil legal  
7 matters for low- and moderate-income residents, found that one  
8 of the reasons for the severe disparity among citizens'  
9 abilities to access the judicial system is the insufficient  
10 number of attorneys choosing to practice public interest law.

11           The legislature finds that few new lawyers are able to  
12 practice public interest law due to the high cost of attending  
13 law school, the debt that law school graduates incur to finance  
14 their legal education, the high cost of living in Hawaii, and  
15 the compensation which is much lower than in other practice  
16 areas. Because of these circumstances, new lawyers pursuing  
17 public interest jobs often cannot service their student loan  
18 debt. Lawyers that choose to serve in public interest law can



1 only do so by maintaining a "no-frills" subsistence level  
2 lifestyle. The increasingly high cost of attending law school  
3 requires lawyers to seek out higher paying jobs that allow for  
4 repayment of student loans.

5 The legislature further finds that twenty-six other  
6 jurisdictions nationwide have loan repayment assistance programs  
7 to encourage lawyers to pursue public interest work within their  
8 jurisdiction. Additionally, the legislature finds that the  
9 current federal programs, although helpful, are inadequate to  
10 incentivize public interest work in Hawaii because it is more  
11 economically feasible for lawyers to live in jurisdictions that  
12 offer a lower cost of living and higher salary levels.

13 Loan repayment programs have been successfully used in  
14 Hawaii to increase the number of educators serving in hard-to-  
15 fill teaching positions, and the legislature believes that loan  
16 repayment programs can also be used to encourage and enable  
17 lawyers to pursue public interest work in the State.

18 The legislature finds that encouraging law students and  
19 lawyers to practice public interest law is essential to ensuring  
20 access to the justice system. Therefore, it is the intent of  
21 the legislature in enacting this legislation to provide for the



1 partial repayment of student loans of lawyers who provide public  
2 interest legal services.

3 The purpose of this Act is to establish the Hawaii justice  
4 league, under the University of Hawaii William S. Richardson  
5 school of law, to provide student loan repayment for lawyers who  
6 agree to pursue public interest work in Hawaii.

7 SECTION 2. The Hawaii Revised Statutes is amended by  
8 adding a new chapter to be appropriately designated and to read  
9 as follows:

10 **"CHAPTER**

11 **HAWAII JUSTICE LEAGUE**

12 **§ -1 Definitions.** As used in this chapter, unless the  
13 context requires otherwise:

14 "Lawyer" means a person admitted to practice law as  
15 required by the rules of the supreme court of Hawaii.

16 "Loan repayment" means the payment, per year, of up to  
17 twenty per cent of a Hawaii justice league program participant's  
18 legal training costs, including but not limited to the cost of  
19 in-state tuition at the William S. Richardson school of law, for  
20 a maximum of five years.



1 "Participant" means a lawyer who is receiving loan  
2 repayment assistance through the Hawaii justice league loan  
3 repayment assistance program.

4 "Public interest work" means work for an organization that  
5 has been granted tax exempt status as a charitable organization  
6 by the Internal Revenue Service pursuant to section 501(c)(3),  
7 501(c)(4), 501(c)(5), or 501(c)(6) of the Internal Revenue Code  
8 of 1986, as amended; local, state, or federal government; Native  
9 Hawaiian public interest organizations; and low-income community  
10 based private practice.

11 **§ -2 Hawaii justice league program established.** The  
12 Hawaii justice league program is established to encourage  
13 lawyers to pursue public interest work in Hawaii. The program  
14 shall be administered by the University of Hawaii William S.  
15 Richardson school of law. In administering the program, the  
16 University of Hawaii William S. Richardson school of law shall:

- 17 (1) Adopt rules and develop guidelines to administer the  
18 program;
- 19 (2) Identify and designate areas of the State with  
20 greatest need for public interest work;



- 1           (3)   Establish criteria and a certification process for
- 2                    what constitutes eligible "community based private
- 3                    practice" for public interest work;
- 4           (4)   Establish criteria for the selection by the University
- 5                    of Hawaii William S. Richardson school of law of
- 6                    lawyers to participate in the program;
- 7           (5)   Define and determine compliance with the service
- 8                    commitments of the program;
- 9           (6)   Collect and manage reimbursements from participants
- 10                   who do not meet their service commitments under the
- 11                   program;
- 12           (7)   Publicize the program, particularly to maximize
- 13                   participation by individuals who live in areas of the
- 14                   State where there is greatest need for public interest
- 15                   work; and
- 16           (8)   Solicit and accept grants and donations from public
- 17                   and private sources for the program, including
- 18                   maximizing the use of federal matching funds.

19           **§ -3 Hawaii justice league loan repayment assistance**  
20 **program.** (a) There is created within the Hawaii justice league  
21 program, the Hawaii justice league loan repayment assistance  
22 program to be administered by the University of Hawaii William



1 S. Richardson school of law, in partnership with a lending  
2 financial institution whose operations are principally conducted  
3 in Hawaii. The Hawaii justice league loan repayment assistance  
4 program shall provide loan repayments to lawyers who make the  
5 service commitment under subsection (b). The University of  
6 Hawaii William S. Richardson school of law shall make loan  
7 repayments directly to the financial institution under  
8 subsection (a) to offset the loan repayment for which the Hawaii  
9 justice league program recipient would otherwise be liable. The  
10 University of Hawaii William S. Richardson school of law shall  
11 prioritize loan repayments in accordance with the greatest need  
12 for public interest work.

13 (b) The Hawaii justice league program shall provide loan  
14 repayments on behalf of a lawyer who agrees to serve for at  
15 least five consecutive years as a lawyer pursuing public  
16 interest work in Hawaii; provided that eligible lawyers, as  
17 applicable, shall have graduated from a duly accredited law  
18 school within the United States; provided further that  
19 preference shall be given to graduates of the University of  
20 Hawaii William S. Richardson school of law, as applicable.

21 (c) Eligible participants in the program shall be  
22 determined by the University of Hawaii William S. Richardson



1 school of law on a competitive basis and in accordance with  
2 subsection (b).

3 (d) If a Hawaii justice league program participant fails  
4 to satisfy the recipient's service commitment under subsection  
5 (b), the Hawaii justice league program participant shall be  
6 liable for the repayment of the outstanding balance of the loan  
7 to the lending financial institution under subsection (a). In  
8 addition, the University of Hawaii William S. Richardson school  
9 of law may seek reimbursement for any loan repayment made by the  
10 university on behalf of the Hawaii justice league program  
11 participant.

12 (e) In accordance with chapter 103D, the University of  
13 Hawaii William S. Richardson school of law may enter into  
14 written contracts with collection agencies to collect delinquent  
15 reimbursements of loan repayments. All payments collected,  
16 exclusive of a collection agency's commissions, shall revert and  
17 be credited to the Hawaii justice league revolving fund. A  
18 collection agency that enters into a written contract with the  
19 University of Hawaii William S. Richardson school of law to  
20 collect delinquent reimbursements of loan repayments pursuant to  
21 this section may collect a commission from the debtor in



1 accordance with the terms of, and up to the amounts authorized  
2 in, the written contract.

3       **§ -4 Rules.** The University of Hawaii William S.  
4 Richardson school of law shall adopt rules to administer this  
5 chapter. The rules shall be adopted pursuant to chapter 91, but  
6 shall be exempt from public notice and public hearing  
7 requirements.

8       **§ -5 Hawaii justice league revolving fund.** (a) There  
9 is established in the treasury of the State the Hawaii justice  
10 league revolving fund, which shall be administered by the  
11 University of Hawaii William S. Richardson school of law, and  
12 into which shall be deposited:

- 13       (1) Any funds appropriated by the legislature for the  
14       Hawaii justice league program;
- 15       (2) Gifts, donations, and grants from public agencies and  
16       private persons;
- 17       (3) Reimbursements of loan repayments under the Hawaii  
18       justice league loan repayment assistance program;
- 19       (4) Proceeds of the operations of the Hawaii justice  
20       league program; and
- 21       (5) Interest earned or accrued on moneys deposited into  
22       the fund.





1 (b) The University of Hawaii William S. Richardson school  
2 of law may expend moneys from the fund for the purposes of this  
3 chapter, including the operational expenses of the Hawaii  
4 justice league program."

5 SECTION 3. The University of Hawaii William S. Richardson  
6 school of law shall implement the Hawaii justice league program  
7 no later than June 30, 2015.

8 The dean of the University of Hawaii William S. Richardson  
9 school of law shall report to the legislature on the status of  
10 the Hawaii justice league program no later than twenty days  
11 prior to the convening of each regular session beginning with  
12 the regular session of 2016.

13 SECTION 4. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ or so  
15 much thereof as may be necessary for fiscal year 2014-2015 for  
16 deposit into the Hawaii justice league revolving fund.

17 SECTION 5. There is appropriated out of the Hawaii justice  
18 league revolving fund the sum of \$ or so much thereof  
19 as may be necessary for fiscal year 2014-2015 for the purposes  
20 of establishing and administering the Hawaii justice league  
21 program.



1           The sum appropriated shall be expended by the University of  
2 Hawaii for the purposes of this Act.

3           SECTION 6. This Act shall take effect on July 1, 2014.

4

INTRODUCED BY: 



# S.B. NO. 2255

**Report Title:**

Hawaii Justice League; Loan Repayment; Public Interest; Access to Justice; Appropriation

**Description:**

Establishes the Hawaii justice league program to provide loan repayments on behalf of eligible lawyers that pursue public interest work in Hawaii. Provides for loan repayments by the University of Hawaii William S. Richardson school of law. Creates the Hawaii justice league revolving fund.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

