

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 2255

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Judiciary and Labor and Higher Education,
to which was referred S.B. No. 2255 entitled:

"A BILL FOR AN ACT RELATING TO ACCESS TO JUSTICE,"

beg leave to report as follows:

The purpose and intent of this measure is to increase low-
and moderate-income individuals' access to justice and encourage
and provide incentives for law school graduates to pursue public
interest work in Hawaii by:

- (1) Establishing the Hawaii justice league program to be administered by the University of Hawaii William S. Richardson School of Law (UH School of Law) and specifying duties and responsibilities of the UH School of Law to administer the Hawaii justice league program;
- (2) Establishing the Hawaii justice league loan repayment assistance program within the Hawaii justice league program to be administered by the UH School of Law to provide loan repayments to lawyers who agree to serve for at least five consecutive years as a lawyer pursuing public interest work in Hawaii;
- (3) Establishing criteria for the Hawaii justice league loan repayment assistance program for participation, eligibility, selection, and obligation;



- (4) Authorizing the UH School of Law to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, but exempt such rulemaking from public notice and public hearing requirements;
- (5) Establishing the Hawaii justice league revolving fund to be administered by the UH School of Law for the purposes of implementing the Hawaii justice league program and Hawaii justice league loan repayment assistance program and specifying the sources of funding required to be deposited into the fund;
- (6) Requiring the UH School of Law to implement the Hawaii justice league program no later than June 30, 2015, and requiring the Dean of the UH School of Law to report to the Legislature regarding the status of the Hawaii justice league program prior to each regular session beginning with the Regular Session of 2016;
- (7) Appropriating an unspecified amount from the general fund for fiscal year 2014-2015 for deposit into the Hawaii justice league revolving fund; and
- (8) Appropriating an unspecified amount from the Hawaii justice league revolving fund for fiscal year 2014-2015 for the purposes of establishing and administering the Hawaii justice league program.

Your Committees received testimony in support of this measure from the Hawaii Access to Justice Commission, Hawaii Appleseed Center for Law and Economic Justice, Community Alliance on Prisons, Student Bar Association of the University of Hawaii William S. Richardson School of Law, Students for Public Outreach and Civic Education, and thirty-five individuals. Your Committees received comments on this measure from the Department of Budget and Finance and University of Hawaii William S. Richardson School of Law.

Your Committees find that according to a study conducted in 2007, four out of five low-income Hawaii residents do not have their legal needs met and that legal service providers are only able to assist one in three individuals who contact them for assistance. The Hawaii Access to Justice Commission testified that to increase the delivery of legal services to low-income



Hawaii residents, more resources, including attorneys who practice public interest law, are needed.

Your Committees further find that many law students enter law school with the desire and passion to assist the public through public interest work. However, the chief barrier that deters these individuals from pursuing public interest work is the financial reality of paying off their student loan obligations. As a result, many law school graduates forego a career in public interest work for legal opportunities that offer higher financial incentives in the private sector. This measure increases the number of public interest attorneys in Hawaii by lessening a portion of law students' financial burdens through a loan repayment program.

However, your Committees recognize that for a loan repayment program to have a long-term impact on public interest work and thereby increase low- and moderate-income individuals' access to justice, the sources of funding for the Hawaii justice league revolving fund should be sustainable to avoid continual requests to the Legislature for funding. Your Committees find that a possible sustainable source of funding includes the interest earned or accrued on seed monies deposited into the fund. Preliminary projections indicate that the interest earned from a deposit of \$10,000,000 in seed money at approximately four percent interest could provide loan repayments to approximately forty eligible loan repayment program participants per year. Furthermore, your Committees recognize that the Student Bar Association of the University of Hawaii William S. Richardson School of Law are in ongoing discussions with the University of Hawaii Board of Regents to authorize the use of a portion of tuition monies for purposes of maintaining a loan repayment program and believes that this sustainable source of funding should be further explored. Lastly, your Committees believe that other alternative sustainable sources of funding for the loan repayment program merit further consideration by your Committee on Ways and Means.

Accordingly, your Committees have amended this measure by:

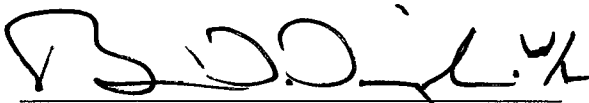
- (1) Clarifying that loan repayments will be provided to lawyers who agree to serve for a maximum of five years as a lawyer pursuing public interest work in Hawaii to conform with the definition of "loan repayment";



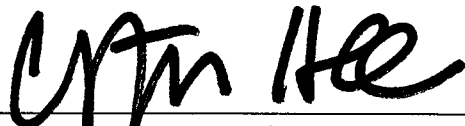
- (2) Changing the Hawaii justice league revolving fund to the Hawaii justice league special fund to appropriately reflect the specific purpose of this fund, which is to provide loan repayments;
- (3) Adding that monies in the Hawaii justice league special fund may include deposits from the University of Hawaii tuition and fees special fund;
- (4) Specifying the amount of \$10,000,000 to be appropriated out of the general fund for fiscal year 2014-2015 for deposit into the Hawaii justice league special fund to serve as seed money for the Hawaii justice league program to use the interest earned from this amount for the loan repayment program;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2255, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2255, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Higher Education,



BRIAN T. TANIGUCHI, Chair




CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

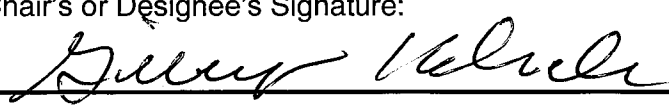
Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2255	Committee Referral: JDL HIRE, WAM	Date: 2/4/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)				✓
GABBARD, Mike	✓			
GALUTERIA, Brickwood	✓			
IHARA, Jr., Les				✓
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* SB 2255	Committee Referral: JDL/HRE, WAM	Date: 2-4-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
KAHELE, Gilbert (VC)	✓			
KEITH-AGARAN, Gilbert S.C.				✓
IGE, David Y.				✓
KIDANI, Michelle N.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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