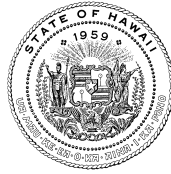


DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY
ON
HOUSE BILL NO. 1531, H.D. 1

February 18, 2016
2:00 p.m.

RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE

House Bill No. 1531, H.D. 1, establishes the Public Service Legal Loan Repayment Assistance Program, under the Hawaii Justice Foundation and the University of Hawaii's William S. Richardson School of Law, to support eligible lawyers in pursuit of public interest work in Hawaii. House Bill No. 1531 also creates the Public Service Legal Loan Repayment Assistance Fund for the repayment program that would generate revenues through legislative appropriations, private contributions, and investment earnings. The bill appropriates an unspecified sum of general funds for FY 17 for deposit into the new fund.

The Department of Budget and Finance takes no position on the establishment of a loan repayment program to stimulate public interest legal work and servicing of indigent persons within Hawaii. However, the department does have concerns with the Public Service Legal Loan Repayment Assistance Fund. As a matter of general policy, the department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-52.4, HRS. Special or revolving funds should: 1) serve a need as demonstrated by the purpose, scope of

work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining.

In regards to House Bill No. 1531, H.D. 1, it is difficult to determine whether the proposed fund would be self-sustaining.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Judiciary
Thursday, February 18, 2016 at 2:00 p.m.

By
Robert Bley-Vroman, Chancellor
And
Aviam Soifer, Dean
William S. Richardson School of Law
University of Hawai'i at Mānoa

HB 1531 HD1 – RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE.

Chair Rhoads, Vice Chair San Buenaventura, and Members of the Committee:

The University of Hawai'i and the William S. Richardson School of Law (WSRSL) is in strong support of HB 1531 HD1, provided that its passage does not replace or adversely impact priorities as indicated in our BOR Approved Budget. The proposed law addresses an important need in our community—to provide access to justice by assisting licensed attorneys with burdensome student loan debt.

The need for legal services for everyone is an ongoing issue in Hawai'i. In 2008, the Access to Justice Commission was formed by the Hawai'i Supreme Court to address the lack of sufficient legal service providers for those unable to afford legal representation. Our many students often graduate owing an average of \$80,000 in student loans, for law school alone.

Students and Administrators from WSRSL participated in a task force formed by SCR 116 during the 2014 Legislature. SCR 116 brought together legislators, legal providers for indigents in our community, students and current practitioners, and the Judiciary's Access to Justice Commission. HB 1531 HD1 is the second result of this collaboration.

It is important to note that SCR 116 started with a bill introduced by law students of William S. Richardson School of Law. Richardson students have strongly demonstrated their commitment to public service in many forms, such as their formation of Advocates for Public Interest Law (APIL in 1985; creating and implementing a substantial pro bono requirement in areas dedicated to serving the most needy in our community.

There is a clear need for greater access to justice and addressing the serious burdensome debt that students face after graduation. HB 1531 HD1 would be a vital supplement to current federal loan forgiveness programs for public service already in existence, and finally would allow more of our graduates to do the kind of public service so many of them want to do.

Thank you for the opportunity to comment on this matter.



TESTIMONY IN SUPPORT OF
H.B. 1531 – RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE

by
Khara Jabola-Carolus
Hawai‘i Coalition for Immigrant Rights

House Committee on Judiciary
February 18, 2016, 2:00 p.m., Conference Room 325

Dear Chair Rhoads, Vice Chair San Buenaventura, and Members of the Committee:

On behalf of the Hawai‘i Coalition for Immigrant Rights, the immigration arm of Faith Action for Community Equity (FACE), I would like to thank the Committee for this opportunity to testify. We would like to thank the Committee for hearing this bill and for the opportunity to testify in SUPPORT of H.B. 1531. H.B. 1531, if enacted, would establish a loan repayment program for licensed lawyers who practice in an area of law related to public service.

We strongly support H.B. 1531, because this measure responds to the lack of legal services providers accessible to low-income members of our community. Public interest lawyering is not limited to non-profit organizations. Dedicated lawyers also serve the public in government and for-profit entities that seek to offer affordable representation. Accordingly, I submit the following amendment to create a more expansive program that reflects the full spectrum of public interest lawyering in Hawai‘i:

§304A–D Definitions.

“Eligible employment” means those positions providing direct legal assistance to or policy advocacy on behalf of indigent persons [~~through a nonprofit organization~~] in Hawaii.

We request that your Committee PASS the Bill with favorable consideration of our suggested amendment. Thank you again for the opportunity to provide testimony.

Sincerely,

Khara Jabola-Carolus

February 16, 2016

LATE

House Committee on Judiciary

Hawaii State Capitol

415 South Beretania Street

Honolulu, Hawaii 96813

Wednesday, February 10, 2016, 9:00 a.m.

**RE: Support of H.B. 1531
Relating to Public Service Legal Loan Repayment Assistance**

Dear Chair Kharl Rhoads and the House Judiciary Committee Members:

My name is Brandon Marc Higa; I am the President of the Student Bar Association (SBA) at the William S. Richardson School of Law's ("Richardson") student government that serves as the official voice of the student body. **I write in support of H.B. 1531 Relating to Public Service Legal Loan Repayment Assistance.**

H.B. 1531 would create a state loan repayment assistance program whose benefits are twofold -- by reducing considerable student debt, and incentivizing law school graduates who seek employment in the public sector.

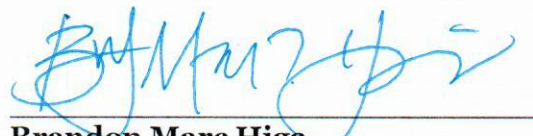
Over 80% of law students currently attending the William S. Richardson School of Law are financing their legal education through loans to cover tuition and other law school related expenses. These students incur average student debt of \$80,000 over the course of their legal education, which exceeds the average salary of entry level legal positions in Hawaii's public sector.

There is a growing interest among Student Bar Association members in careers in public interest law and the public sector. The Advocates for Public Interest Law (APIL) is among the student organizations that provide professional development opportunities for law students who aspire to enter the public sector. Furthermore, federal, state, and municipal agencies are an attractive choice for law students to participate in clerkships, externships, or pro bono volunteer opportunities as a means to seek careers in the public sector.

To further affirm my support of H.B. 1531, I will collaborate with the student body to identify a representative from the study body to serve on the advisory board to establish guidelines to administer the program, and to promote student awareness of this program.

Thank you for consideration of the Student Bar Association's testimony in support of H.B. 1531 for its merits in addressing student debt among law students, and for providing incentives for SBA members seeking employment in the public sector.

Signed: February 16, 2016



Brandon Marc Higa
President, Student Bar Association

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2016 10:36 PM
To: JUDtestimony
Cc: wctanaka@gmail.com
Subject: Submitted testimony for HB1531 on Feb 18, 2016 14:00PM

HB1531

Submitted on: 2/15/2016

Testimony for JUD on Feb 18, 2016 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Tanaka	Individual	Support	No

Comments: Justice should not be a commodity, yet legal services are so out of reach for too many hardworking people. Please support access to legal services for all Hawai'i residents, by allowing our young attorneys to pursue careers in the underserved fields of public interest law. Mahalo nui!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY IN SUPPORT OF
H.B. 1531 – RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT
ASSISTANCE

House Committee on Judiciary
February 18, 2016, 2:00 p.m., Conference Room 325

Dear Chair Rhoads, Vice Chair San Buenaventura, and Members of the Committee:

I would like to thank the Committee for hearing this bill and for the opportunity to testify in SUPPORT of H.B. 1531. H.B. 1531, if enacted, would establish a loan repayment program for licensed lawyers who practice in an area of law related to public service. I strongly support H.B. 1531, because this measure responds to the lack of legal services providers accessible to low-income members of our community. Public interest lawyering is not limited to non-profit organizations. Dedicated lawyers also serve the public in government and for-profit entities that seek to offer affordable representation. Accordingly, I submit the following amendment to create a more expansive program that reflects the full spectrum of public interest lawyering in Hawai'i:

§304A-D Definitions. . . .

"Eligible employment" means those positions providing direct legal assistance to or policy advocacy on behalf of indigent persons [~~through a nonprofit organization~~] in Hawaii.

I request that your Committee PASS the Bill with amendments. Thank you again for the opportunity to provide testimony.

Sincerely,

Mychal E. Menor Ozoa
J.D. Candidate, 2017
William S. Richardson School of Law
University of Hawai'i at Mānoa

TESTIMONY IN SUPPORT OF

H.B. 1531 – RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE

House Committee on Judiciary

February 18, 2016, 2:00 p.m., Conference Room 325

Dear Chair Rhoads, Vice Chair San Buenaventura, and Members of the Committee:

I would like to thank the Committee for hearing this bill and for the opportunity to testify in SUPPORT of H.B. 1531. H.B. 1531, if enacted, would establish a loan repayment program for licensed lawyers who practice in an area of law related to public service.

As a third year law student coming from a low-income family have relied on loans to help fund my law school. I do not have any interest to work at a big firm or in the private sector as I see that there is a need in my own community.

I strongly support H.B. 1531, because this measure responds to the lack of legal services providers accessible to low-income members of our community. Public interest lawyering is not limited to non-profit organizations. Dedicated lawyers also serve the public in government and for-profit entities that seek to offer affordable representation. Accordingly, I submit the following amendment to create a more expansive program that reflects the full spectrum of public interest lawyering in Hawai'i:

§304A–D Definitions. . . .

"Eligible employment" means those positions providing direct legal assistance to or policy advocacy on behalf of indigent persons [through a nonprofit organization] in Hawaii.

I request that your Committee PASS the Bill. Thank you again for the opportunity to provide testimony.

Sincerely,

Sai

--

Saisamoa "Sai" F. Grey Price

J.D. Candidate 2016

William S. Richardson School of Law

**Testimony of
Gary M. Slovin
on behalf of
SCR 116 Task Force in support of H.B. 1531, HD1**

DATE: February 17, 2016

TO: Representative Karl Rhoads
Chair, Committee on Judiciary
Submitted Via JUDtestimony@capitol.hawaii.gov

RE: **H.B. 1531, HD1 – Relating to Public Service Legal Loan Repayment Assistance**
Hearing Date: Thursday, February 18, 2016 at 2:00 p.m.
Conference Room: 325

Dear Chair Rhoads and Members of the Committee:

I am Gary Slovin testifying in support of H.B. 1531, HD1. This bill is the product of the Task Force established by the Legislature during the 2014 Session through SCR 116. SCR 116 called for a task force to study the establishment of a Legal Loan Repayment Assistance program. The task force submitted a report to the Legislature prior to the 2015 Session that supported the establishment of the program that is the subject of H.B. 1531. The bill includes very specific criteria that would establish and guide such a program.

If established, the program would meet two specific and important objectives. First, many law school students enter law school with substantial loans. Those students, a majority at the Richardson School of Law, then are faced with additional loans to complete their educations and to then take the bar examination. Such persons face a significant financial burden after they graduate that impacts upon their career choices. Second, the agencies that provide legal assistance to the indigent are not able to offer competitive compensation to law school graduates which makes both hiring and retention difficult. Providing assistance in the repayment of their law school loans in the form of grants will provide an incentive for graduates to work for the agencies that serve the indigent.

The task force members believe this program will help to meet these two important goals. The bill seeks seed money from the Legislature. Such seed money will help to get the program underway and will lay a base for securing additional funding from grants and private sources.

The recovery from the recession was an uneven one. The need for legal services for indigent residents has grown. This program would help to meet that need.

We very much appreciate the willingness of the committee to hear this bill. Thank you for your consideration of this matter.

Gary M. Slovin

999 Bishop Street, Suite 1400
Honolulu, HI 96813
(808) 539-0840

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2016 1:43 PM
To: JUDtestimony
Cc: cleveland@hawaii.edu
Subject: Submitted testimony for HB1531 on Feb 18, 2016 14:00PM

HB1531

Submitted on: 2/17/2016

Testimony for JUD on Feb 18, 2016 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Mahesh Cleveland	Individual	Support	No

Comments: I am writing in STRONG SUPPORT of HB 1531. This bill offers incentives for newly-minted lawyers to enter public service. As a current law student myself, I have had to take on several loans to fund my education. Offering the incentive of assistance with loan repayment to new attorneys will increase the likelihood of those attorneys seeking employment in the public sector. In order to attract the most able young legal minds, the public sector must offer viable financial alternatives to private practice. It is my belief that HB 1531 will be major step in the right direction toward attracting the best and brightest young legal minds. Please vote in favor of HB 1531. Thank you.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY IN SUPPORT OF
H.B. 1531 – RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT
ASSISTANCE

House Committee on Judiciary
February 18, 2016, 2:00 p.m., Conference Room 325

Dear Chair Rhoads, Vice Chair San Buenaventura, and Members of the Committee:

I would like to thank the Committee for hearing this bill and for the opportunity to testify in SUPPORT of H.B. 1531. H.B. 1531, if enacted, would establish a loan repayment program for licensed lawyers who practice in an area of law related to public service. I strongly support H.B. 1531, because this measure responds to the lack of legal services providers accessible to low-income members of our community. Public interest lawyering is not limited to non-profit organizations. Dedicated lawyers also serve the public in government and for-profit entities that seek to offer affordable representation. Accordingly, I submit the following amendment to create a more expansive program that reflects the full spectrum of public interest lawyering in Hawai'i:

§304A—D Definitions. . . .

“Eligible employment” means those positions providing direct legal assistance to or policy advocacy on behalf of indigent persons [~~through a nonprofit organization~~] in Hawaii.

I request that your Committee PASS the Bill. Thank you again for the opportunity to provide testimony.

Thank you,

Chantrelle Wai‘alae
J.D. Candidate, Class of 2016
William S. Richardson School of Law
University of Hawai‘i at Mānoa

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2016 8:23 PM
To: JUDtestimony
Cc: karateng@hawaii.edu
Subject: Submitted testimony for HB1531 on Feb 18, 2016 14:00PM

HB1531

Submitted on: 2/17/2016

Testimony for JUD on Feb 18, 2016 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kara	Individual	Support	No

Comments: HB1531 states: "Given the high cost of law school and the debt that law school graduates often incur [...], the legislature finds that few lawyers can afford to provide legal services to the indigent because the compensation associated with these services can be substantially lower than the pay in other areas of practice, including legal employment in government agencies." As a current law student in Hawaii, I can confirm HB1531 is absolutely correct, and vehemently support passing this bill. The cost of law school is extremely high. As a Hawaii resident, my tuition for law school is roughly \$20,000 per year. As I am full-time, I do not have a full-time job and rely exclusively on student loans to pay my tuition. These loans are unsubsidized and accrue interest the moment I take them out. Additionally, I do not live with my family, so I take out another \$18,000 of loans per year to cover rent and living expenses. By the time I graduate from law school, I will have over \$100,000 in debt just from law school. The high cost of law school makes it impossible for law students to pursue public interest work. Governmental agencies and non-profits typically pay less than private firms. I have many recently-graduated friends who worked for the government or non-profits helping Hawaii's most vulnerable populations) but had to leave their jobs for a private firm job to make ends meet. One friend was being paid under \$30,000/year as a licensed attorney at a non-profit. Because of her immense student loan debt, she was forced to quit her job serving Hawaii's poor and underprivileged and find work at a corporate firm. It is undeniable Hawaii has a host of community issues, like homelessness, that need to be addressed. If the brilliant minds whose responsibility it is to solve these problems cannot afford to do so, then something about this system needs to change. Otherwise, none of Hawaii's problems will ever be solved. Please support HB1531 and allow law students pursuing public service careers to enter into a repayment assistance program. This bill will support our students, our community, and the quality of living within our state.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

Charlotte Mukai
3512 Akaka Place
Honolulu, HI 96822

HB1531
RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE.

House Committee on Judiciary
Public Hearing – February 18, 2016
2:00 p.m., State Capitol, Conference Room 325

By
Charlotte Mukai, 2L, William Richardson School of Law

I support this bill to provide a public service legal loan repayment assistance program for licensed lawyers. The program is designed to assist lawyers, working in a nonprofit organization serving the underserved, with their student loan payments. It fosters public service and provides an incentive for lawyers to work in public interest law.

Hawaii has one of the highest cost of living standards in the nation. With the high cost of housing, food, and medical care, assistance with student loan payments could be the difference between being able to accept work in a nonprofit organization or not. This bill would encourage those who want to serve in a nonprofit to do so and offer encouragement and relief to those who already practice in a nonprofit.

Thank you for allowing me to comment on this bill.