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OFFICE OF THE PUBLIC DEFENDER

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY
ON
HOUSE BILL NO. 2656, H.D. 1

LATE

February 10, 2020
2:05 p.m.
Room 325

RELATING TO ACCESS TO JUSTICE

The Department of Budget and Finance offers comments on House Bill (H.B.) No. 2656, H.D. 1.

H.B. No. 2656, H.D. 1, establishes the Hawai'i Justice League Program (HJLP) and the Hawai'i Justice League Revolving Fund (HJLRF) under the administration of the University of Hawai'i William S. Richardson School of Law and appropriates an unspecified sum of general funds for deposit into the HJLRF.

Funds from HJLRF would be used to provide loan repayments on behalf of a lawyer who agrees to serve at least five consecutive years pursuing the practice of law in rural areas in Hawai'i. Revenues would be derived from funds appropriated from the Legislature; gifts, donations, and grants from public agencies and private persons; reimbursements of loan payments under the Hawai'i Justice League Loan Assistance Repayment Program; proceeds of the operations of HJLP; and interest earned or accrued on moneys deposited into the fund.

As a matter of general policy, the department does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. 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. Regarding H.B. No. 2656, H.D. 1, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.



To: Chair Lee
Vice Chair San Buenaventura
Members of the Committee
Fr: Nanci Kreidman, M.A.
Chief Executive Officer
Re: HB 2656

LATE

Aloha. This would be a very important initiative in support of community based civil legal service programs. The capacity for recruitment and retention, currently, by organizations is limited by funding. It has become an enormous challenge as the compensation available for staff attorneys is low, in comparison to private and government payranges.

We would ask your consideration for participation in the loan forgiveness program to include Oahu, as well as rural areas. It is, of course, more difficult to recruit in rural communities, but the challenges are real in Honolulu, as well.

Law school loans and the cost of living are factors for every potential applicant, and ultimately their employment is ended because they are unable to meet their expenses and the opportunities to earn more are many.

Creating a partial loan forgiveness program would be a factor for consideration for young attorneys who would enjoy continued employment in a public interest practice. This would be a boon to civil

DOMESTIC VIOLENCE ACTION CENTER
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legal service providers, whose costs for recruitment, training and supervision are real and unending with the turn-over.

Thank you for your favorable action on this measure.

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SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

LATE

DATE: February 10, 2020

TO: Representative Chris Lee
Chair, Committee on Judiciary
Submitted Via Capitol Website

FROM: Gary Slovin

RE: **H.B. 2656, HD1 Relating to Access to Justice**
Hearing Date: Monday, February 10, 2020 at 2:05 p.m.
Conference Room: 325

Dear Chair Lee and Members of the Committee on Judiciary,

I am Gary Slovin, testifying in support of H.B. 2656, HD1. For many years I have been involved in efforts to raise funds to support legal services for indigent Hawaii residents and have also been involved in supporting the Richardson School of Law. I believe H.B. 2656, HD1 is important to both of these causes.

We know that individuals who become involved in the judicial system but cannot secure legal representation, can see their lives very negatively affected. More lawyers are needed to assist such persons, particularly in the rural areas of the state. But the fact is, many law students graduate from law school with huge debts. While Richardson is a bargain by national standards, it is still expensive and, it is not unusual for law graduates to face debts of \$100,00.00 and more. What is probably obvious is that the positions available to lawyers who desire to do public service work do not pay nearly as well as positions in the private world.

The program that would be established by H.B. 2656, HD 1 would encourage young lawyers to work for agencies that assist the indigent by providing modest relief to them as they face the burden of repaying their law school loans. We believe the assistance provided would enable more graduates to seek work in the agencies that do public service legal work.

The program proposed is modeled after similar programs that have been adopted in many other states. These programs have proven themselves in those states, and we believe, because of the high cost of living in Hawaii and the pressures that can create on indigent residents, that such a program would also reap benefits in Hawaii.

Thank you for your consideration.

HB-2656-HD-1

Submitted on: 2/8/2020 2:57:13 PM

Testimony for JUD on 2/10/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Karin Nomura	Individual	Support	No

Comments:

After several instances where a lawyer could not be obtained, and it would have not only served to prevent injustice and danger to myself & family, would have also benefited others had it been pursued. I hope that more justice programs are developed, and while may be needed, but more diverse topics that are needed, especially by parties who may not have the financial ability to pursue the claim otherwise.

HB-2656-HD-1

Submitted on: 2/9/2020 10:45:32 AM

Testimony for JUD on 2/10/2020 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

I write in support of House Bill 2656, House Draft 1.

The financial disincentives for new attorneys to pursue public interest work in Hawai'i are many. We know these positions pay low, and pay lower than most equivalent positions in the continental U.S., and that today's new attorneys face exorbitantly high student debts.

This measure establishes a remedy, the Hawaii justice league program. This measure would fund partial loan repayments, which seems reasonable but not extravagant given the State's scarce coffers.

Again, I support HB2656 HD1.

Thank you,
Dylan P. Armstrong

HB-2656-HD-1

Submitted on: 2/9/2020 9:39:04 PM

Testimony for JUD on 2/10/2020 2:05:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Eileen M Gawrys	Dr. Eileen Gawrys. Board Member, Domestic Violence Action Center	Support	No

Comments:

Encourages the important work for non-profits and for those in need.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Judiciary
Monday, February 10, 2020 at 2:05 p.m.

LATE

By
Dean Aviam Soifer
William S. Richardson School of Law
And
Michael Bruno, PhD
Provost
University of Hawai'i at Mānoa

HB 2656 HD 1– RELATING TO ACCESS TO JUSTICE

Chair Lee, Vice Chair San Buenaventura, and members of the committee:

The William S. Richardson School of law strongly supports HB 2656 HD1, provided that its passage does not impact priorities as indicated in our BOR Approved Budget. This bill combines two very important elements of our mission as it promises to bring legal representation to those in need of access to justice in Hawai'i's rural areas, while it also somewhat relieves the very heavy loan burden that our graduates face.

Though our in-state tuition is among the lowest tuitions of any law school in the country, it is still substantial. Moreover, the cost of textbooks and other required materials, when added to the all-too-familiar very high cost of living on O'ahu, make our graduates' loan burden startlingly high. Here are the numbers for law school loan debt in recent years:

- **2018-19 graduates:** 58 out of 82 graduating students (70.7%) borrowed at least one loan. The average amount borrowed by the 58 graduates was **\$102,492**.
- **2017-18 graduates:** 68 out of 95 graduating students (72%) borrowed at least one loan. The average amount borrowed by the 68 graduates was **\$91,368**.
- **2016-17 graduates:** 75 out of 108 graduating students (69%) borrowed at least one loan. The average amount borrowed by the 75 graduates was **\$84,295**.
- **2015-16 graduates:** 62 out of 80 graduating students (78%) borrowed at least one loan. The average amount borrowed by the 62 graduates was **\$82,510**.

As you can see, the trend is ominous. Our most recent graduates, the class of 2019 owe on average over \$100,000 from their law school loans. And those burdened with loans constitute a significant majority of the entire graduating class: 70.7% of that class of 2019 are within this group of borrowers.

The Hawai'i Justice League Revolving Fund proposal will help a small number of those graduates whose loan exposure it will reduce, while it simultaneously will help meet the many unserved legal needs of rural parts of our state. In following a number of other

states that have already adopted such plans, Hawai'i thus will spend a very limited amount to bring legal representation to areas where it is very badly needed while also aiding graduates who otherwise must forego such rural legal practice because of their need to begin to pay down their law school loans with higher salaries available in Hawai'i's urban areas.

We urge you to seed the Hawai'i Justice League's limited loan forgiveness program and we would be pleased to supply additional details and to answer any questions.