In 2010, the Hawaii Justice Foundation (HJF) has experienced many of the same financial difficulties faced by other charitable foundations. 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 have dropped from 5.25% in September 2007 to 0.25% in 2009. In late June, 2008, the Hawaii Supreme Court adopted HJF’s requested Rule 11 amendment, making Hawaii the twentieth state to have “rate comparability.” This has helped with our income losses from IOLTA, but the reality is that until interest rates return to 2.00% or higher, IOLTA income will be severely impacted. HJF has a balanced approach to investing and rigorously rebalances its investments. This has resulted in HJF’s Bretzlaff Endowment and Hawaii Justice Fund reserves returning to nearly their previously high levels.

Fortunately, previous actions of HJF have prepared us to meet these financial challenges. First, in 2003 we have reduced our overhead to a minimum by eliminating our rented office and changing from two full-time staff with benefits to one part-time person who is an independent contactor. Second, we have set aside financial reserves for difficult times such as these. Third, HJF has diversified income streams and programs, so HJF is not totally dependent upon IOLTA income. HJF is instrumental in the distribution of several sources of funds, as are further described in this Annual Report. Sums distributed through IOLTA in recent years are: 2003, $68,500; 2004, $70,000; 2005, $70,000; 2006, $155,000; 2007, $278,000; 2008, $410,000; 2009, $345,000; and 2010, $175,000. For 2011, HJF anticipates awarding $147,000 in IOLTA grants. In addition to IOLTA grants, each year HJF distributes a total of $100,000 to the ten Bretzlaff grantees. Please note that these funds are limited to the ten Bretzlaff grantees designated by agreement with The Bretzlaff Foundation, meaning some of the Bretzlaff funds are awarded to non-profit groups who undertake assistance in areas other than low-income legal services. For 2007, 2008, and 2009, HJF received $50,000 per year from The Hart Foundation of Reno, Nevada. HJF has applied for Hart funds for 2010 and 2011, but this application is still pending. In FY 2010-11, in cooperation with the Hawaii State Judiciary, HJF will distribute $330,000 to seven grantees through the Indigent Legal Assistance Fund (ILAF). In 2010, HJF received a grant of $10,000 from The Cades Foundation to fund the creation of a website for the Access to Justice Commission and to cover expenses of the Annual Summit Conference on June 25, 2010.

In 2009 HJF provided the necessary funding for the Access to Justice Commission and has actively participated in its various activities including co-sponsorship of the June 25, 2010 Access to Justice Summit held at the Richardson School of Law. HJF is also active on a national level with the ABA Access to Justice initiatives and the National Association of IOLTA Programs. HJF continues to work cooperatively with Hawaii’s low-income legal service providers. Certainly we all wish that times were better economically for all groups attempting to increase access to justice. 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.
2010 BRETZLAFF ENDOWMENT GRANTS
$100,000 Total Grants for Bretzlaff Grantees

Big Brothers/Big Sisters of Honolulu, Inc.
$10,000 to fund school-based mentoring programs for underprivileged youth

Boys & Girls Club of Hawaii (BGCH)
$10,000 to fund the BGCH Club Enterprise to provide teens with universal job skills to be competitive in employment

Community Association of Hawaii (formerly known as John Howard Association)
$10,000 to assist and support youthful offenders and their families through the Hui Ola Residential Program and the Juvenile Anger Management Program

Foster Grandparents
$9,000 to recruit foster grandparents in underserved, isolated, and rural communities

Hale Kipa
$10,000 for the Haloa Transition House for Young Females Transitioning out of Foster Care

Hawaii Foodbank
$10,000 to help feed 32,965 children statewide. Children represent the largest group of the 131,862 people the Foodbank feeds each year.

Kids First Program (Through Friends of Kids First)
$4,000 to promote peaceful co-parenting relationships and effective communication through mandatory parent education programs in divorce and paternity cases. Funds are used for needed equipment, costs for recognition of volunteers, honoraria for training, and tax preparation costs for the 501(c)(3) organization.

The Mediation Center of the Pacific, Inc.
$15,000 to support Family, Divorce & Parenting Mediation Programs.

Volunteer Guardian Ad Litem Program
$10,000 to recruit, screen, train, and supervise volunteer citizen guardians ad litem who will protect the best interests of the children involved in court proceedings

Waikiki Health Center
$12,000 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

ACCESS TO JUSTICE COMMISSION
$58,650 SPECIAL FUNDING
$58,650 for special funding from reserves for the start-up and initial operating costs of the Access to Justice Commission (funding for 2009-2011 years)
2010 IOLTA GRANTS TOTAL $175,000

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 Clearinghouse and Legal Services Hotline
Provide legal advice and representation for low-income persons who are in imminent danger of harm in domestic abuse situations

Ethnic Education Foundation of 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

Hawaii Immigrant Justice Center (HIJC)
Provide transitional funding for maintenance of critical immigrant legal services. Financial difficulties forced HIJC to end its services 12/31/09, and the Legal Aid Society of Hawaii has hired some of the critical HIJC personnel to carry on this vital work.

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 legal information, advice, and representation to low-income clients

Mediation Center of Molokai
Provide mediation services, anger management classes, and reactive problem remediation for residents of Molokai

The Mediation Center of the Pacific, Inc.
Provide mediation services throughout Honolulu and provide mediation training statewide to help parties resolve disagreements in a peaceful manner

Native Hawaiian Legal Corporation
Provide legal advocacy for Native Hawaiians

2010 IOLTA GRANTS CONTINUED
University of Hawaii Elder Law Program (UHELP) William S. Richardson School of Law
General support of legal services for Hawaii’s low-income elderly

University of Hawaii Medical/Legal Partnership William S. Richardson School of Law
Establish a partnership between legal service providers and a medical clinic to provide legal assistance at early stages for low-income clients

Volunteer Legal Services Hawaii
Fund general operations to facilitate attorney and paralegal assistance to low-income clients

2009 HART FOUNDATION PROGRAM

In late 2007, $50,000 was given in grants made possible by The Hart Foundation of Reno, Nevada. HJF is extremely proud to have been selected by The Hart Foundation for a three-year partnership that enables HJF to make grant awards to help meet medical and legal needs of low-income people in the Islands. In December, 2009, an additional $50,000 of Hart funds was distributed as follows for use in 2009 and 2010:

- Boys & Girls Club of Hawaii, $10,000
- Foster Grandparents Program, $5,000
- Hale Kipa, $10,000
- Hale ‘Opio (Kauai), $5,000
- Hawaii Justice Foundation, $500
- Richardson School of Law Medical/Legal Partnership, $4,500
- Waikiki Health Center, $15,000

HJF has reapplied to The Hart Foundation for 2010 and 2011 funds, but no decision on this request has yet been made.

2010 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. The Hawaii Justice Foundation acts as administrator for these funds. ILAF funds are distributed in cooperation with the Hawaii State Judiciary, the low-income service providers, and HJF.

The amount available in ILAF funds varies each year, depending upon the number of eligible cases filed. In FY 2009-2010, the amount distributed to eight grantees was $330,000, and in FY 2010-2011, the amount to be distributed to seven grantees is $330,000.