Testimony Presented Before the
House Committee on Finance
Friday, February 21, 2020 at 11:00 a.m.
By
Dean Aviam Soifer
William S. Richardson School of Law
And
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HB 2656 HD1 – RELATING TO ACCESS TO JUSTICE

Chair Luke, Vice Chair Cullen, 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 Oʻahu, 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.

ON THE FOLLOWING MEASURE:

H.B. NO. 2656, H.D. 1, RELATING TO ACCESS TO JUSTICE.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, February 21, 2020 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Clare E. Connors, Attorney General, or

Lori N. Tanigawa, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to establish the Hawai'i Justice League Program within the University of Hawai'i William S. Richardson School of Law to provide partial loan repayments on behalf of eligible lawyers that pursue public interest work in Hawai'i.

Article X, section 6, of the Hawai'i Constitution, gives the University of Hawaii Board of Regents "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." We therefore suggest that the Legislature consider amending this bill to add a statement identifying this bill as a law of statewide concern.

Thank you for the opportunity to provide these comments.

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM

OFFICE OF THE PUBLIC DEFENDER

HAWAII EMPLOYER-LINION HEALTH BENEFITS TRUST FUND

CRAIG K. HIRAI DIRECTOR

ROBERT YU

DEPUTY DIRECTOR

ADMINISTRATIVE AND RESEARCH OFFICE

FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION

STATE OF HAWAII DEPARTMENT OF BUDGET AND FINANCE

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

WRITTEN ONLY

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

> February 21, 2020 11:00 a.m. **Room 308**

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 Hawaii 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.



DATE: February 20, 2020

TO: Representative Sylvia Luke

Chair, Committee on Finance Submitted Via Capitol Website

FROM: Gary Slovin

RE: H.B. 2656, H.D. 1 Relating to Access to Justice

Hearing Date: Friday, February 21, 2020 at 11:00 a.m.

Conference Room: 308

Dear Chair Luke and Members of the Committee on Finance,

I am Gary Slovin, testifying in support of H.B. 2656, H.D. 1. 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, H.D. 1 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, H.D. 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: 2/19/2020 8:41:09 PM

Testimony for FIN on 2/21/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Andrea Quinn	Individual	Support	No	

Comments:

Dear Honorable Committee Members:

Please support HB2656. Since early childhood learning scaffolds into what is learned at higher grade levels, in addition to the fact that studies show a child's behavior in preschool is one of the best indicators for whether that child ends up in the prison system, early childhood teachers are critical.

Unfortunately, early childhood education is one of the least enticing careers in teaching, so a stipend will help alleviate the supreme shortage we are seeing.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui





To: Chair Luke

Vice Chair Cullen

Members of the Committee

Fr: Nanci Kreidman, M.A.
Chief Executive Officer

Re: HB 2656

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



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.