
Report Prepared for Pennsylvania IOLTA Board, An organization of the Supreme Court of Pennsylvania
May 2012
Pennsylvania Interest on Lawyers Trust Account Board

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Contact Information  The Pennsylvania IOLTA Board
P.O. Box 62445 • Harrisburg, PA 17106-2445
Telephone 717-238-2001 • 888-PA-IOLTA (724-6582)
FAX 717-238-2003
Email: paiolta@pacourts.us

About This Report  This report, related to funding received as a result of the Access to Justice Act (42 Pa. C. S. Section 4901 et. seq.), was sponsored by the Pennsylvania IOLTA Board (PA IOLTA), with data provided by the Pennsylvania Legal Aid Network, Inc. (PLAN, Inc.). The report was produced for PA IOLTA by The Resource for Great Programs, Inc.

Data appendices to this report, and endnotes that provide additional information about data calculations used throughout the report, are available on the PA IOLTA web site www.paiolta.org/grants/grants_reportsindex.htm.
Introduction: Overview of the Access to Justice Act

In July 2002, Pennsylvania’s Access to Justice Act (AJA) was approved with strong, bipartisan legislative support and signed into law by then-Governor Mark Schweiker. The statute established a $2 surcharge on filings in state courts, with the resulting revenue designated to provide free civil legal assistance to low-income Pennsylvanians.

In 2006, AJA was extended for a second five-year period. The AJA statute is now scheduled to sunset on November 1, 2012, requiring action by the legislature to retain this vital source of support.

In addition, effective December 2009, under the leadership of the Supreme Court of Pennsylvania, a $1 supplemental filing fee was enacted for the AJA to help offset a significant decline in state IOLTA funding. Unlike the original $2 filing fee surcharge, however, the supplemental fee was not applied to traffic citations.

A legislative performance audit of AJA in May 2011 lauded the results achieved by Legal Aid providers with the funds and recommended that the General Assembly "consider making..."

(Continued on page 2)
AJA by the Numbers

Here is a summary of the history and impact of Access to Justice Act’s $2 court filing fee surcharge and $1 supplemental filing fee:

» Chronology:
  • 2002: $2 AJA filing fee began
  • 2004: AJA grants initiated
  • 2006: AJA renewed
  • 2009: $1 supplemental fee enacted for AJA
  • 2011 (July): AJA’s $1 supplemental fee extended
  • 2012 (November): AJA’s $2 filing fee expires
  • 2014 (December): AJA’s $1 supplemental fee expires

» AJA Funds awarded:
  • $11 million (FY ’11)
  • 22% of all PA Legal Aid funding (FY ’11)
  • $67 million (FY ’04-’11)

» People and Legal Cases:
  • 117,632 cases handled (FY ’04-’11)
  • 231,735 people directly benefitted (FY ’04-’11)

» Economic Impact (FY ’04-’11):
  • $66 million in cost savings to taxpayers and communities
  • $162 million in direct federal benefit payments to residents
  • $302 million economic multiplier effect on local and state economies
  • $530 million in total income and savings for residents and communities
  • 2,245 jobs for Pennsylvania workers

The supplemental fee was scheduled to sunset in January 2012, but in July 2011 the sunset provision was extended until December 2014, again led by the Supreme Court of Pennsylvania.

This report outlines the cumulative results of the Access to Justice Act (42 Pa. C. S. Section 4901 et. seq.) during the eight fiscal years since its passage — 2004 through 2011. In summary, the report finds that AJA has:

• Addressed and, in many cases, resolved critical legal problems for more than 230,000 low-income Pennsylvanians.
• Aided some of the Commonwealth’s most vulnerable residents: children, seniors, people with disabilities, victims of domestic violence, and veterans returning from service.
• Boosted the economy of communities across the state by more than a half-billion dollars.

AJA-funded legal assistance enabled low-income clients to secure $162 million in direct federal benefits for which they otherwise might have been denied. As these federal benefits were spent locally on necessities, the federal dollars circulated through local economies producing an additional $302 million in income for businesses and more than 2,245 jobs for working Pennsylvanians.

State and local taxpayers also have been spared an additional $66 million in costs that, without legal assistance, would have been incurred in providing emergency shelter for families facing eviction or foreclosure, and urgent medical care for victims of domestic violence. And AJA funding has enabled the civil court system to operate more smoothly by supporting legal assistance to low-income clients and assistance to self-represented litigants in navigating the court system.

Legal Aid is a cornerstone of the Pennsylvania civil justice system.

In fiscal years 2004 through 2011, Access to Justice Act funding supported work on 117,632 legal cases, directly benefitting low-income individuals and families who needed legal assistance for critical legal problems, such as domestic violence, foreclosure, eviction, utility shutoffs, denial of medical care, and loss of custody of their children. This legal assistance has been provided in every county of the Commonwealth. Funds are allocated across the state, primarily under a U.S. Census-based formula.

Legal assistance providers comprising the Pennsylvania Legal Aid Network (PLAN) have strategically applied AJA funds to maximize the benefits produced for low-income people, communities, taxpayers and courts across Pennsylvania.

In FY 2011, the most recent year for which data are available, 45,200 Pennsylvanians obtained direct benefits from Legal Aid as a result of AJA funding. The services they received include legal representation.
Introduction: Overview of the AJA (continued)

(Continued from page 2)
in court or administrative
proceedings, advice and counsel,
legal information, brief services,
such as a letter or telephone call on
the client’s behalf, and referrals to
other service providers.

The Access to Justice Act
provides a foundation of
stable funding for Legal Aid.
AJA has provided stable,
predictable funding totaling $11
million, or 22 percent of all
Pennsylvania Legal Aid funding, in
FY 2011 and a cumulative $67
million from fiscal years 2004
through 2011. This amounts to an
average of $8.4 million per year for
general assistance providers in
Pennsylvania.
AJA has enabled Legal Aid to
narrow the “justice gap” between
the legal needs that people face
every day and the legal resources
available to meet them.
Due to a shortage of resources
and increased demand in recent
years, however, Legal Aid still must
turn away one out of every two
people who is otherwise eligible and
applies for needed legal
representation, denying critical legal
help to thousands of people a year.

Without AJA Funding, the Legal Needs of Many Individuals and Families Would Go Unmet

Without a temporary or permanent extension of the Access to Justice Act, which is
set to expire in November 2012, thousands of low-income people would be harmed.
In total, at least 45,200 fewer people in Pennsylvania each year would directly
benefit from legal assistance, which include:

- At least 22,300 fewer low-income people would be protected from the loss of
  housing and assisted with other critical life problems.

- At least 12,800 fewer women and their children would be protected each year
  from domestic abuse or have their lives stabilized through Protection from Abuse orders, child custody, and
  family law representation.

- At least 3,700 fewer veterans, disabled persons, and seniors would receive legal help each year
  obtaining federal disability benefits, including access to federal medical programs, or moving from welfare
to work.

- At least 6,100 fewer low-income people would be protected from homelessness each year or have their
  substandard housing made safe and habitable.

- At least 300 fewer deserving children annually would have the child support and legal assistance they
  need to stay in school and have a decent chance at later success in life.
**Snapshot: Family Saved from Violent Father.** “Sheila,” a mother of two children, ages 6 and 2, lived in terror with the children’s father. One night in a rage, the father punched Sheila in the face several times, pulled her hair, kicked her with his steel-toed boots, then forced her and the children into his car. The father sped off recklessly with the family on board and told Sheila he would kill her. When he spotted police lights approaching, the father pulled the car over, jumped out and ran. Having recently been released from prison on bail, the father was charged with several crimes by the prosecutor. Legal Aid helped Sheila get a court order evicting the father from the home and protecting Sheila and the children from any further contact with the father. Sheila reports her children are starting to feel safe again in their own home, and she has hope for her family’s future.

**Snapshot: Foreclosure Set Aside and Home Saved.** “John” came to Legal Aid after receiving an ejectment notice from a bank that he was being kicked out of his foreclosed home. His Legal Aid lawyer reviewed the documents and discovered that the bank in the foreclosure proceeding failed to provide John with the required notice of the local county court’s mortgage diversion program, which is intended to help people stay in their homes. On that basis, Legal Aid filed a motion to set aside the foreclosure, and the bank conceded. After John attended the mortgage diversion counseling session, he qualified for mortgage assistance that helped refinance his loan, resulting in more affordable monthly payments and enabling him to keep his home and his equity.

**FAMILY: 5,728 Cases Closed in FY 2011**

- **Legal Problems Include:** Domestic abuse, divorce and child custody disputes.
- **Key Facts:**
  - Studies show that Legal Aid is an essential public service for reducing domestic violence.
  - Preventing domestic violence reduces the likelihood children will grow up to be abusers and saves taxpayers an estimated $3,400 per case in medical, counseling and law enforcement costs.

**AJA-Funded Cases Closed FY 2011: 16,960**

<table>
<thead>
<tr>
<th>Category</th>
<th>Cases Closed</th>
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</thead>
<tbody>
<tr>
<td>Family</td>
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<tr>
<td>Housing</td>
<td>22%</td>
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<tr>
<td>Public Benefits</td>
<td>15%</td>
</tr>
<tr>
<td>Consumer</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>19%</td>
</tr>
</tbody>
</table>

**HOUSING: 3,675 Cases Closed in FY 2011**

- **Legal Problems Include:** Landlord-tenant disputes, mortgage foreclosure, and subsidized housing disputes.
- **Key Facts:**
  - Legal Aid’s advocates help keep families in their homes.
  - Preventing homelessness for one family saves state taxpayers an estimated $14,800 per year in emergency shelter costs.
**Snapshot: Disabled Man Gets Back on His Feet.** “Stanley,” a disabled single man with a severe heart condition, went without natural gas service for more than 16 months due to an inability to pay. Because he relied upon natural gas for heat, hot water, and cooking, Stanley was forced to abandon his home. After suffering his fourth heart attack, Stanley contacted Legal Aid, which assisted him on several fronts. A Legal Aid advocate helped Stanley obtain medical benefits, secured assistance for him from the federal Low Income Home Energy Assistance Program, and helped him enter into the utility company’s customer assistance program. Stanley’s natural gas service was restored, he returned home, and his outstanding balance and future monthly natural gas payments were greatly reduced.

**Snapshot: Senior Overcomes Food Stamp Refusal.** “Bob” is an elderly man with renal cancer and other serious health problems who was going hungry because much of his income was spent on copays for medical expenses. Bob applied for government nutrition assistance and was notified that he would receive just $16 a month in food stamps based on his income. With nowhere else to turn, Bob contacted a Legal Aid attorney, who advised him to appeal the food stamps determination. After Legal Aid helped Bob document all of his medical expenses to a county assistance caseworker, his food stamp allowance was raised to $106 per month, and he received three months’ back benefits. Now Bob is able to purchase an adequate amount of food and can focus on getting healthy.

**PUBLIC BENEFITS:**

**2,627 Cases Closed in FY 2011**

- **Legal Problems Include:** Denial of benefits, including Medicaid or Medicare benefits, Temporary Assistance for Needy Families (TANF)/other welfare, Social Security and veterans’ benefits.
- **Key Facts:**
  - Using AJA funds, Legal Aid has increased federal benefit payments to low-income Pennsylvanians by $162 million since FY 2004.
  - Legal Aid’s success securing federal benefits for clients greatly reduces the need for state and local government assistance payments.

**CONSUMER:**

**1,760 Cases Closed in FY 2011**

- **Legal Problems Include:** Bankruptcy, debt collection, predatory lending, utility cutoffs, and health care denials.
- **Key Facts:**
  - Without help from Legal Aid, victims of consumer fraud — many of them elderly — could lose savings and income they desperately need for food and shelter, winding up on welfare rolls.
  - A little bit of legal help goes a long way. In many consumer cases, opposing parties back off as soon as a Legal Aid advocate makes a telephone call, writes a letter or files a legal action.
Pennsylvania Faces a Critical “Justice Gap”

Even with Access to Justice Act funds benefitting more Pennsylvanians, half the people who seek Legal Aid must be turned away for lack of resources, and many others do not even apply. Only one in five low-income Pennsylvanians having a critical legal problem receives legal help from any source. The remaining 80 percent face a “justice gap” in which they must face legal problems and navigate the court system on their own. Many people without legal assistance are overwhelmed and simply give up, losing their homes, income, health benefits, and custody of their children as a result.

Pennsylvanians — and Americans in general — support closing the “justice gap.” The Pennsylvania Bar Association, representing the state’s 30,000-member legal community, supports providing legal counsel whenever basic human needs are in jeopardy, such as shelter, sustenance, safety, health or child custody.

National polls consistently show that Americans strongly support the use of government funding to provide free legal help for civil matters to low-income people.

Closing the “justice gap” would strengthen Pennsylvania families by increasing their income, keeping them in their homes, preventing domestic violence, and keeping families intact. It would strengthen communities by securing tens of millions of dollars in federal benefits that are lost each year as a result of Legal Aid’s limited resources to serve more clients. And closing the “justice gap” would streamline the court system by reducing the number of people attempting to navigate the courts without lawyers to represent them.

AJA funding supports day-to-day legal assistance.

Because resources are so limited, civil legal assistance in Pennsylvania must be rationed. Each Pennsylvania Legal Aid Network (PLAN) program reviews its case-acceptance priorities on a regular basis to ensure that the most compelling legal needs in the area it serves are targeted. Community input is valued and sought regarding Legal Aid’s priorities through client surveys, interviews and meetings with representatives of partner agencies, such as human service providers, faith-based organizations, schools, job centers, bar associations and the courts.

In 2003, PLAN providers and PA IOLTA created a statewide vision and plan for the most effective use of AJA

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Specialized projects multiply the AJA’s impact.

As an important adjunct to locally derived priority setting, the plan for AJA-funded services launched two specialized projects that address growing levels of need in two legal specialty areas: employment law and public benefits law.

These projects provide specialized funding to regional service providers to ensure that clients everywhere in the state have access to representation in these critical substantive areas. In addition, PLAN’s specialized projects enhance the individual efforts of the eight regional service providers through coordination, training and sharing of best practices.

People in Poverty and Their Legal Needs

Poverty is pervasive across the urban and rural stretches of Pennsylvania:

- **Nearly two million people in Pennsylvania** — 811,000 households — are living on incomes less than 125 percent of the federal poverty level, which is about $13,600 a year for an individual or $28,000 for a family of four.

- **One in six** Pennsylvanians is eligible for free civil legal aid as a result of their poverty status.

- **One in four** residents in the city of Pittsburgh lives in poverty, as does **one in four** residents of rural Greene County.

- **About 819,000 legal problems** are experienced annually by low-income people in Pennsylvania, based on a national study by the American Bar Association indicating an average incidence of 1.01 legal problems per household per year. That study, as well as legal need studies conducted in several states, show that approximately half of low-income households experience at least one legal problem each year, and many experience two or more interconnected legal problems.
Legal Aid Produces Economic Impacts that Benefit Everyone in Pennsylvania

The economic impacts of Legal Aid ripple outward to benefit the entire community. The $67 million for Legal Aid awarded by AJA since 2004 (see chart on page 3) has lifted the state and local economies by more than half a billion dollars. During this period, AJA-funded legal assistance has produced federal benefit payments to low-income Pennsylvanians totaling $162 million. Through the “economic multiplier effect,” these dollars have further boosted the economies of local communities by $302 million (see graphic below). And Legal Aid has yielded an additional $66 million in cost savings for taxpayers and communities, greatly reducing the need for state and local government assistance payments.

Legal Aid could do much more with additional funding. The state’s economy loses tens of millions of dollars each year because unrepresented Pennsylvanians lose federal benefits, such as Social Security Disability and Supplemental Security Income, for which they are legally eligible but have been denied. State and local governments must step into the breach, spending tax funds that could otherwise address other pressing needs in their communities. In addition, hospitals, doctors and other health care providers must write off the cost of providing emergency care that otherwise could have been covered by federal Medicaid payments had eligibility been won for clients by Legal Aid.

Civil Legal Aid’s “Economic Multiplier Effect” in Pennsylvania

1. Legal Aid Secures Federal Benefits
   With AJA-funded Legal Aid, more than 7,000 Pennsylvanians obtained federal benefits for which they were eligible, but had been denied, from fiscal years 2004 through 2011:
   - $162 Million in Federal Benefits
     » Social Security Disability and Supplemental Security Income benefits
     » Federal share of Medicaid benefits

2. Federal Benefits Stimulate Local Economies
   Most of the money from federal benefits was spent immediately on necessities. In turn, these federal funds provided income for local businesses and wages for working Pennsylvanians.
   Necessities for Families:
   » Food and housing
   » Health care 
   » Prescriptions
   » Utilities
   » Transportation

3. Communities Experience a Big Multiplier Effect
   Each federal dollar circulated 1.86 times* ($162 million in federal benefits multiplied by 1.86) in local communities:
   - $302 Million* for Local Economies in Pennsylvania
     » Income for local businesses
     » 2,245 jobs for people across Pennsylvania

*Total impact was estimated by applying the widely accepted U.S. Department of Commerce "Regional Economic Multiplier" for payments to low-income families in Pennsylvania, indicating that every federal dollar brought into Pennsylvania circulates through local economies 1.86 times and every million dollars supports 13.84 jobs.
The total economic impact of AJA-funded legal assistance to the low-income community supported by the Pennsylvania Access to Justice Act from FY 2004–2011 was $530 million, a return on investment of nearly eight times the $67 million in AJA-allocated funds.

The Impacts Include:

- **$464 million in direct economic benefits for Pennsylvania's local communities.**
  
  The total economic benefits generated during the period FY 2004 through FY 2011 include:
  
  - **$115 million** in Social Security Disability benefits and Supplemental Security Income attained for low-income Pennsylvania residents;
  
  - **$47 million** in the federal share of Medicaid benefits attained for low-income and disabled Pennsylvania residents; and
  
  - **$302 million** for local communities through the economic multiplier effect (1.86 times the $162 million in federal funds listed in the bulleted items directly above).
  
  - **2,245 jobs** for Pennsylvania workers, with every million dollars in federal funds brought in supporting 13.84 jobs.

- **An additional $66 million in cost savings for Pennsylvania taxpayers and communities.**
  
  These savings include:
  
  - **$34 million** in savings in emergency shelter costs. During fiscal years 2004 through 2011, a total of 2,311 low-income Pennsylvania families successfully avoided homelessness thanks to legal help by AJA-funded Legal Aid. Studies show an average savings of $14,794 per family for taxpayers.
  
  - **$32 million** in savings in costs related to domestic abuse. Legal Aid advocates, supported by AJA, enabled 9,384 Pennsylvania families to be protected from domestic violence during fiscal years 2004–2011. Studies indicate an average savings of $3,462 per family in the costs of medical care for injured victims, targeted education and counseling services for affected children, and law enforcement resources.

Additional Benefits (not quantified):

- **Savings** linked to crime prevention and reduction in law enforcement assistance.
  
- **Savings** realized by keeping children in school whose attendance would otherwise have been interrupted by homelessness and/or domestic abuse.

- **Revenue** for Pennsylvania hospitals and other health care providers from Medicaid reimbursements for services they would otherwise have to write off.

- **Efficiencies** in Pennsylvania courts due to representation of clients and provision of training and materials for self-represented litigants on how to follow court procedures.

- **Additional tax revenue** from jobs preserved as a result of Legal Aid’s employment cases and from earnings of businesses and their workers supported by the “economic multiplier effect.”
Since fiscal year 2004 under the Access to Justice Act (AJA), an initial $2 surcharge on state court filings and a 2009 supplemental $1 surcharge on state court filings has generated $67 million to provide civil legal aid to low-income Pennsylvanians.

Prior to passage of the Access to Justice Act in 2002 and the supplemental fee in 2009, the Pennsylvania Legal Aid community struggled to keep up with the need for legal assistance in the face of rising costs and federal funding cuts, as well as a low level of state funding, which has remained flat for over 30 years. AJA funding has made a significant difference in that picture. Although the gap between legal needs and available resources is still great, AJA funding has enabled Legal Aid to continue progress in its effort to serve more clients, improve the quality of services, connect with hard-to-reach client segments, increase economic impacts, and in many other ways improve the lives of low-income Pennsylvanians across the state.

AJA funding sustains Legal Aid when other funding sources cannot.

In the eight years since its enactment, the AJA filing-fee surcharge has provided a stable, predictable funding stream that helps to even out the ebbs and flows of other funding sources. In FY 2009, AJA supplemental fee funding mitigated the impact of a 70-percent decrease in IOLTA funding caused by the national economic crisis and falling interest rates. Since then, IOLTA plummeted an additional 37 percent to $1.8 million in FY 2011, as a direct result of interest rates having dropped to their lowest levels in history.

In addition, a 14.8 percent cut in federal Legal Services Corporation (LSC) funding enacted by Congress in the FY 2012 budget would have had a devastating impact on Legal Aid.

(Continued on page 11)
AJA Provides Stable Funding for Legal Aid (continued)

(Continued from page 10) programs without the mitigating effect of the AJA. In Pennsylvania, the Congressional budget cut came on the heels of losses in per-capita LSC funding due to shifts nationally in the distribution of the poverty population between 2000 and 2010.

AJA dollars play a critical role in minimizing the need for layoffs and office closings in Legal Aid programs across the state. Without AJA funds, some 45,000 fewer Pennsylvanians would be able to receive legal assistance each year (See fact box on page 3 for details).

The roller-coaster effect in Legal Aid funding exacts a steep price in productivity and effectiveness of the state's civil justice system. The uncertainty in funding leads to a high turnover of Legal Aid advocates, with the cost to hire and train each new lawyer estimated to be about $45,000.

AJA funding leverages a significant private sector contribution from the private bar throughout Pennsylvania.

Not included in the funding chart shown on the previous page is a major in-kind contribution by Pennsylvania’s legal community. From FY 2004-2011, private attorneys and law firms donated 174,513 hours of pro bono services to Legal Aid clients, worth $26 million. These contributions were made in the context of organized pro bono programs operated by Legal Aid programs or in partnership with local bar associations, and leveraged, in part, with Access to Justice Act funds. Pro bono attorneys handled a total of 49,015 cases, about seven percent of the total cases handled for Legal Aid clients in fiscal years 2004-2011. ■
This report provides evidence that funding for Legal Aid from the Pennsylvania Access to Justice Act has produced dramatic results: preventing and resolving legal problems and increasing economic prospects for low-income people and communities across Pennsylvania, while reducing costs for state and local taxpayers.

The loss of funding from AJA, which will sunset in November 2012 without action by state lawmakers, would result in a significant setback for low-income Pennsylvanians and for legislators, bar leaders, courts and Legal Aid advocates striving to narrow the “justice gap” between the critical legal needs people encounter each day and the resources available to meet them.

The stable funding stream produced by the AJA filing-fee surcharge has been applied strategically by the legal assistance providers comprising the Pennsylvania Legal Aid Network (PLAN) to maximize benefits to low-income people and communities, which, in economic gains alone, has far exceeded the dollars invested. As outlined in this report, $67 million in AJA funds generated since FY 2004 has produced $530 million in total income and savings for residents and communities.

Even more vital are the intangible results. AJA-supported legal assistance stabilizes and sustains families, saves people’s homes from foreclosure, secures federal benefits denied eligible Pennsylvanians, maintains communities and makes society safer. It helps prevent legal problems that would further clog the court system. And legal assistance helps people become self-sufficient and participate fully and effectively in society.

Making the Access to Justice Act permanent would ensure the continuation of the legal, social, and economic benefits extending to every Pennsylvania community, as documented in this report. By enacting this important change, Pennsylvania’s lawmakers would demonstrate the state’s commitment to ensuring basic fairness for all Pennsylvanians that is the cornerstone of a civilized society.

Conclusion: AJA Funding is a Sound Investment
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Contact Information
Pennsylvania Legal Aid Network, Inc.
The Louise Brookins Building
118 Locust Street • Harrisburg, PA 17101-1414
Phone 717-236-9486 or 800-322-7572 • Fax 717-233-4088
Fourteen Legal Services Programs Comprise the Pennsylvania Legal Aid Network

Statewide Programs:
- Community Justice Project (CJP)
- Friends of Farmworkers (FOF)
- PA Health Law Project (PHLP)
- PA Institutional Law Project (PILP)
- Regional Housing Legal Services (RHLS)
  (includes PA Utility Law Project [PULP])

Northwestern Legal Services (NWLS)

North Penn Legal Services (NPLS)

Southwest Consortium:
- Neighborhood Legal Services Assoc. (NLSA)
- Laurel Legal Services (LLS)
- Southwestern PA Legal Services (SPLS)

MidPenn Legal Services (MPLS)

Legal Aid of Southeastern PA (LASP)

Philadelphia Programs:
- Community Legal Services (CLS)
- Philadelphia Legal Assistance (PLA)

Appendix I

Endnotes

May 1, 2012

Page 1

• Bar chart, “Cases Handled and People Benefitted by AJA-Funded Programs, FY 2004-2011” – "Each year’s ‘Cases Handled’ figure includes all cases completed in that fiscal year, and all cases that were still active at the end of that fiscal year. The cumulative total over the eight years of AJA funding was 117,632 cases, the sum of cases completed during the eight years, and the active cases carried into FY 2012. The cumulative total of people directly benefitted was 231,735.” The 117,632 figure comes directly from the statewide case reporting system maintained by PLAN, Inc. The total number of people directly benefitted was derived by multiplying the number of cases by 1.97, a figure derived by The Resource for Great Programs, Inc. for the average number of people directly benefitted per case. This multiplier was estimated through an analysis of 2010 outcomes data from 258,140 Legal Aid cases in New York State, in which The Resource maintains a statewide reporting system for the IOLTA funder. The data collected by that system includes mandatory reporting of the major benefits received by clients and the number of people directly benefitted by each case as a result of the legal assistance provided by IOLTA grant recipients.

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• Bulleted item, "Boosted the economy of communities across the state by more than a half-billion dollars.” – See Pages 8-9 endnotes below for source of economic and jobs data.

• “In FY 2011, the most recent year for which data are available, 45,200 Pennsylvanians obtained direct benefits from Legal Aid as a result of AJA funding.” AJA funding supported 22,945 cases handled in FY2011, according to the statewide case reporting system maintained by PLAN, Inc. The 45,200 people directly benefitted was derived by multiplying the number of cases by 1.97, a figure derived by The Resource for Great Programs, Inc. for the average number of people directly benefitted per case. See the Page 1 endnote above for additional detail.

• Text box, "AJA by the Numbers"
  o “AJA Funds Awarded” – The sources for AJA funding and total legal aid funding are the PA IOLTA Board (www.paiolta.org) and PLAN, Inc. (www.palegalaid.net).
  o “People & Legal Cases” – See the Page 1 endnote above.
  o “Economic Impact” – See the Pages 8-9 endnotes below.

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• “The Access to Justice Act provides a foundation of stable funding for Legal Aid.”
The sources for AJA funding and total legal aid funding are the PA IOLTA Board (www.paiolta.org) and PLAN, Inc. (www.palegalaid.net).

“Due to a shortage of resources and increased demand in recent years, however, Legal Aid still must turn away one out of every two people who is otherwise eligible and applies for needed legal representation, denying critical legal help to thousands of people a year.” Source: Sampling of intake data by PLAN programs, March 14 through May 13, 2005.

- Bar chart, “Impact of AJA on Total Legal Aid Funding, FY 2004-2011”. The sources for AJA funding and total legal aid funding are the PA IOLTA Board (www.paiolta.org) and PLAN, Inc. (www.palegalaid.net).

- Text box, “Without AJA Funding, the Legal Needs of Many Individuals & Families Would Go Unmet.” The figures were estimated using statistics from quarterly reports on cases handled, submitted to PLAN, Inc. by its grantees covering FY 2010-11, the most recent year for which statistics were available:
  - “45,200 fewer people in Pennsylvania each year would directly benefit from legal assistance.” This figure was derived by multiplying the number of cases handled in FY 2010-11 (22,945 cases) by the average number of people directly benefitted per case (1.97 people per case – see the Page 1 endnote above).
  - “At least 12,800 fewer women and their children would be protected each year from domestic abuse or have their lives stabilized through Protection from Abuse orders, child custody, and family law representation”. These figures represented the numbers of people directly benefitting from AJA-funded Legal Aid cases handled in FY 2010-11 addressing legal problems such as domestic violence, custody, and child support. The assumption here is that without AJA funding, the numbers of cases handled each year would be reduced proportionately.
  - “At least 3,700 fewer veterans, disabled persons, and seniors would receive legal help each year obtaining federal disability benefits, including access to federal medical programs, or being assisted in moving from welfare to work.” See explanation above for 2nd bullet.
  - “At least 6,100 fewer low-income people would be protected from homelessness each year or have their substandard housing made safe and habitable.” See explanation above for 2nd bullet.
  - “At least 300 fewer deserving children annually would have the child support and legal assistance they need to stay in school and have a decent chance at later success in life.” See explanation above for 2nd bullet.

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- “Snapshots,” Source of case vignettes of actual cases is content reported to PLAN, Inc. and PA IOLTA by Pennsylvania legal aid provider programs.


- Source of estimated cost savings from preventing certain legal problems and of estimated increases in federal benefits payments: See the Pages 8-9 endnotes below.
“Preventing domestic violence reduces the likelihood children will grow up to be abusers and saves taxpayers an estimated $3,400 per case in medical, counseling and law enforcement costs.”

“Preventing homelessness for one family saves state taxpayers an estimated $14,800 per year in emergency shelter costs.”

“Using AJA funds, Legal Aid has increased federal benefit payments to low-income Pennsylvanians by $162 million since FY 2004.”

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**Text box, “Measuring the “Justice Gap” in Pennsylvania”**

“Thousands of people a year are denied legal assistance, as Legal Aid intake workers – due to a lack of resources – must turn away one out of every two otherwise eligible people who applies for services. Many others in Pennsylvania do not even apply.” Source: Sampling of intake data by PLAN programs, March 14 through May 13, 2005.


“Even with Access to Justice Act funds benefitting more Pennsylvanians, half the people who seek Legal Aid must be turned away for lack of resources, and many others do not even apply. Only one in five low-income Pennsylvanians having a critical legal problem receives legal help from any source.” Sources: See the two bullets immediately above.

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**Text box, “People in Poverty & Their Legal Needs.”** Sources for the following three bulleted items are the Pennsylvania State Data Center (http://pasdc.hbg.psu.edu/) and http://pasdc.hbg.psu.edu/sdc/pasdc_files/census2010/Pennsylvania.pdf and U.S. Census Bureau, 2010 Census.

“Nearly two million people in Pennsylvania — 811,000 households — are living on incomes less than 125 percent of the federal poverty level, which is about $13,600 a year for an individual or $28,000 for a family of four.”

“One in six Pennsylvanians is eligible for free civil legal aid, as a result of their poverty status.”

“One in four residents in the city of Pittsburgh lives in poverty, as do one in four residents of rural Greene County.”

“About 819,000 legal problems are experienced annually by low-income people in Pennsylvania, based on a national study by the American Bar Association indicating an average incidence of 1.01 legal problems per household per year. That study, as well as legal need studies conducted in several states, show that approximately half of low-income households experience at least one legal problem each year, and many experience two or more interconnected legal
Page 8, “Legal Aid Produces Economic Impacts that Benefit Everyone in Pennsylvania” and Page 9, “Fact Sheet: $530 Million Economic Impact of AJA-Funded Legal Aid throughout Pennsylvania”

- “$67 million in AJA-allocated funds.” This is the total of AJA funding distributed to Pennsylvania Legal Aid providers over the eight fiscal years from 2004 through 2011. This total was compiled by PA IOLTA, based on its records as the fiduciary for AJA funds under the Access to Justice Act.

- “The total economic impact... was $530 million.” This is the sum of economic impacts attributable to AJA-funded legal services over the eight years covered by this report. The figure is comprised of two components:
  - “$464 million in direct economic benefits” stimulated by federal benefits. See “2” below.
  - “An additional $66 million in cost savings” produced by prevention of domestic violence and homelessness by AJA-funded legal assistance. See “6” below.

- “2,245 jobs for Pennsylvania workers, with every million dollars in federal funds brought in supporting 13.84 jobs.” See “5” below.

2. “$464 million in direct economic benefits for Pennsylvania’s local communities” from activity was stimulated by federal benefits achieved by AJA-funded legal aid.

   This figure is the sum of:

   - “$115 million in Social Security Disability and Supplemental Security Income” benefits received by legal aid clients over the eight-year life of the AJA. See “3” below.

   - “$47 million in the federal share of Medicaid benefits attained for low-income and disabled” clients over the eight-year life of the AJA. See “4” below.

   - “$302 million for local communities through the economic multiplier effect” – the economic activity generated as a result of the federal benefits being immediately spent by legal aid clients and subsequently circulated through the local and state economies. See “5” below.

3. $115 million in Social Security and Supplemental Security Income benefits was received by legal aid clients over the eight-year life of the AJA.

   a. Overview of method used to derive this figure. The $115 million figure was estimated using a financial model developed by The Resource for Great Programs, Inc. The model is based on a regression analysis of data from 15 general civil legal aid
organizations in New York State and Virginia,\(^1\) which collectively close more than 200,000 cases per year.

The multipliers derived from the NY-VA outcomes model and used as assumptions in our analysis consisted of the following:

- An average of 92 percent of all Social Security Disability (SSD) or Supplemental Security Income (SSI) cases closed by legal aid programs through “extended

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\(^1\) The key multipliers used to in this section of the report to compute the $115 million dollar figure were derived from a financial model developed by The Resource for Great Programs, Inc. This model applies a standard linear regression methodology to derive equations for estimating the average value of independent variables such as the success rate (92 percent) of SSD/SSI legal aid cases and the average back awards achieved from legal representation in SSD/SSI “extended representation” cases closed by a legal aid program in a sampled year ($10,008 in 2011 dollars).

The inputs for this model were outcome statistics from a sample of 15 New York and Virginia legal aid programs in 2010. In these two states, mandatory, statewide outcome reporting, using consistent categories and definitions, has been in place for almost two decades, overseen by the statewide funders, the IOLA Fund of the State of New York and the Legal Services Corporation of Virginia. This sample of programs and cases can be regarded as representative of “general” (but not specialized) civil legal aid practice in the continental United States.

Figures on the yearly output of AJA-funded SSD/SSI cases closed by extended representation were compiled from the statewide legal services database maintained by the Pennsylvania Legal Aid Network (PLAN). Each program reports quarterly to PLAN on all cases handled and completed during the quarter, including the numbers of cases attributed to each funding source.

The estimation model based on NY-VA data was used because detailed outcomes data suitable for computing these multipliers were not available for Pennsylvania directly. Legal aid programs report outcomes to PLAN for cases for which the resolution is known at the time of closing – for example, where the case is resolved by a court decision or a negotiated settlement among the parties. The outcome categories used for these reports is more general than those used in New York or Virginia; they consist of whether cases were won, lost, settled, withdrawn or advised. If a monetary settlement was involved, the amounts of back awards and/or monthly benefits generated for the client are reported.

Reporting of more detailed major benefits data – such as whether custody was achieved or an eviction was averted – is not required by the principal state funders, or by LSC, the federal funder. Seven Pennsylvania legal aid programs collect detailed client benefit data for their own internal purposes. However, there is significant variation in data categories and consistency of data collection across programs, and The Resource did not feel it understood that data sufficiently to use it in deriving multipliers for this analysis.

The Resource has maintained the reporting systems in New York and Virginia since assisting the state funders in design and implementation of their outcomes reporting systems in 1993 (NY) and 1997 (VA). Based on our experience with this data, we are confident that it provides a good measure of outcomes actually being achieved by legal aid programs in those states – and legal aid programs generally – for the following reasons.

In these two states, the statewide legal aid funders require their grantees to maintain data collection systems and report aggregated statistics on outcomes received by clients for all cases completed each year, including dollar awards. The outcomes are recorded in the data collection system by the advocate at the time the case is completed. Because it is mandatory as a condition of funding, and because the program leaders at the local level find the outcomes data to be useful for their internal purposes, the consistency of reporting is high.

The Resource’s regression model treats each legal aid program as an observation. The number of SSD/SSI cases closed during the period is the independent variable; the total SSD/SSI back awards achieved for clients of the program is the dependent variable. The slope of the regression line is the average back award per extended representation case. This method is used to derive the average values of the multipliers listed above. In our most recent analysis using 2010 data, the R-squared parameter, a measure of the degree of correlation between the independent and dependent variables, ranged from 0.88 to 0.90. (A perfect correlation is 1.00).
“Extended representation” are successful in achieving dollar benefits for their clients. (“Extended representation” cases consist of cases that are closed by the following “major reasons:” negotiated settlement, court decision or administrative agency decision.)

- The average back award achieved in successful SSD or SSI cases is **$10,008** per “extended representation” case. ²
- The average monthly benefit achieved in SSD or SSI cases is **$485 per month** per successful “extended representation case.

In our analysis of the outcomes of Pennsylvania AJA-funded legal aid, we applied the above multipliers to the numbers of AJA-funded SSD/SSI extended representation cases completed in fiscal years 2004 through 2011 by Pennsylvania legal aid programs. The computation had two components – the total of SSD/SSI back awards received by clients, and the cumulative total of monthly SSD/SSI benefits received by clients as a result of successful SSD/SSI cases completed by AJA-funded legal assistance over the eight-year life of the AJA.

**a. Total revenue from back awards.** Exhibit 1 below shows the computation of estimated back SSD/SSI awards produced through AJA-funded legal aid between 2004 and 2011. The total was **$34.5 million.**

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>8-Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSD and SSI (CSR codes 74 and 75)</td>
<td>258</td>
<td>497</td>
<td>548</td>
<td>540</td>
<td>418</td>
<td>439</td>
<td>307</td>
<td>442</td>
<td>$34,526,000</td>
</tr>
<tr>
<td>Back Award (2011 dollars)</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
<td>$10,008</td>
</tr>
<tr>
<td>Total Back Awards:</td>
<td>$2,586,000</td>
<td>$4,976,000</td>
<td>$5,489,000</td>
<td>$5,402,000</td>
<td>$4,186,000</td>
<td>$4,392,000</td>
<td>$3,069,000</td>
<td>$4,426,000</td>
<td>$34,526,000</td>
</tr>
</tbody>
</table>

**b. Total revenue from monthly benefit awards.** According to the Social Security Administration, the average duration of benefits from a SSD case is **9.7 years**, and the average for an SSI case is **10.5 years**. ⁴ This means that all of the AJA-funded SSD/SSI cases completed since 2004 – the first year of AJA funding – that were successful in producing dollar benefits continued to produce monthly benefit payments each year through June 2011, the end of the eight-year period covered by our analysis.⁵

With this assumption, and applying the average benefit amount indicated by the regression model ($485 per month) to the number of extended SSD/SSI cases attributed to AJA funding each fiscal year from 2004 through 2011, we created the economic

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² All figures on economic impacts of legal aid used in deriving the estimates on pages 8 and 9 in the report were adjusted for inflation to reflect 2011 dollars.

³ The figures in this table have been rounded for display.


⁵ For this analysis, we assumed that in its first year each cohort of cases produced, on average, six payments of $485 each, and in each subsequent year, 12 payments at $485 each (in 2011 dollars).
impact matrix shown in Exhibit 2 below. Each column in the matrix indicates the total benefit payments contributed by a “cohort” of cases in one year. The “Total” column at right indicates the sum of monthly benefits produced by all cohorts for each of the eight years of the AJA. The grand total at the lower right indicates that the cumulative total of monthly SSD/SSI benefits produced by AJA-funded legal assistance over the eight years was $80.6 million.

**Exhibit 2**

**Computation of Total Cumulative Monthly Benefits, 2004-2011**

<table>
<thead>
<tr>
<th>Year of AJA</th>
<th>Total Monthly Benefits Flowing Into State, By Cohort</th>
<th>Total From All Cohorts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$751,713</td>
<td>$751,713</td>
</tr>
<tr>
<td>2005</td>
<td>$1,503,426</td>
<td>$1,503,426</td>
</tr>
<tr>
<td>2006</td>
<td>$2,892,519</td>
<td>$2,892,519</td>
</tr>
<tr>
<td>2007</td>
<td>$3,191,042</td>
<td>$3,191,042</td>
</tr>
<tr>
<td>2008</td>
<td>$3,191,042</td>
<td>$3,191,042</td>
</tr>
<tr>
<td>2009</td>
<td>$3,191,042</td>
<td>$3,191,042</td>
</tr>
<tr>
<td>2010</td>
<td>$3,191,042</td>
<td>$3,191,042</td>
</tr>
<tr>
<td>2011</td>
<td>$3,191,042</td>
<td>$3,191,042</td>
</tr>
<tr>
<td>8-Year Total</td>
<td>$11,275,697</td>
<td>$11,275,697</td>
</tr>
</tbody>
</table>

Add the results of computations “a” and “b” above, we get $34.5 million plus $80.6 million, or **$115 million** (rounded to the nearest $1 million).

4. **$47 million is the federal share of Medicaid benefits attained for low-income and disabled Pennsylvania residents.**

Recipients of SSD and SSI are automatically eligible for Medicaid coverage. Accordingly, an important benefit produced by the success of Pennsylvania legal aid programs in SSD/SSI cases (see above) is health care for thousands of low-income families – and millions of dollars in federal revenue flowing into the state as a consequence of the Federal Medical Assistance Percentage (FMAP).

The key facts used in our analysis of the economic impacts of these Medicaid benefits were as follows:

- **Recipients of SSD and SSI are automatically eligible for Medicaid coverage.** Therefore, each AJA-funded SSD/SSI case that was successful in producing dollar benefits (as indicated in Exhibit 2), also produced Medicaid benefits.
- **The annual Medicaid reimbursement per enrollee is state specific and varies**

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6 The figures in this table have been rounded for display.

7 Please see Footnote 1 for details on the financial models used in this analysis.
from year to year. Statistics are compiled on a state-by-state basis by and available from, the Centers for Medicare & Medicaid Services (CMS). For Pennsylvania, these figures ranged between $5,400 (in 2006) to $6,900 (in 2005).  

- The “federal share” of Medicaid payments also is state-specific and variable. The actual “federal share” of Medicaid payments – the Federal Medical Assistance Percentage (FMAP) – for Pennsylvania for each year from 2004 through 2011, ranged from 53.84 percent to 57 percent. Thus, each dollar in Medicaid reimbursements made on behalf of legal aid clients during that period represented a flow of about 54 cents to 57 cents in federal revenue into the state.

Exhibit 3 below summarizes the computations used to estimate the total Medicaid benefits and the federal share. The estimated number of AJA-funded cases that were successful in achieving SSD/SSI benefits – and thereby, Medicaid eligibility – is shown for each of the eight years from FY 2004 through FY 2011. The total federal share computed in this manner was $47 million (rounded to the nearest $1 million).

<table>
<thead>
<tr>
<th>Year of AJA</th>
<th>Total Monthly Benefits Flowing Into State, By Cohort (Year in Which Cases Were Closed) - In 2010 Dollars</th>
<th>Annual Revenue Produced by Each “Cohort” of Cases, By Year (In 2011 Dollars)</th>
<th>Total From All Cohorts</th>
<th>PA Medicaid FMAP percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$843,275</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2005</td>
<td>$1,686,550</td>
<td>$1,711,835</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2006</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$1,490,150</td>
<td>$0</td>
</tr>
<tr>
<td>2007</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$2,980,300</td>
<td>$1,622,795</td>
</tr>
<tr>
<td>2008</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$2,980,300</td>
<td>$3,245,590</td>
</tr>
<tr>
<td>2009</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$2,980,300</td>
<td>$3,245,590</td>
</tr>
<tr>
<td>2010</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$2,980,300</td>
<td>$3,245,590</td>
</tr>
<tr>
<td>2011</td>
<td>$1,686,550</td>
<td>$3,423,670</td>
<td>$2,980,300</td>
<td>$3,245,590</td>
</tr>
</tbody>
</table>

8 The figures we used in the analysis were obtained from the CMS.gov website. All figures were adjusted to constant 2011 dollars.


10 See Footnote 1 for details about determination of the numbers of successful SSD/SSI cases funded by the AJA. We assume that the amount of federal Medicaid payments flowing into Pennsylvania each year per Medicaid-eligible legal aid client was equal to the average expenditure per Medicaid enrollee in the state for each year.

11 The figures in this table have been rounded for display.
$302 million was produced for local communities through the “economic multiplier effect.”

This figure was derived as follows:

- **$162 million** in direct federal revenue ($115 million in SSD/SSI payments and $47 million from the federal share of Medicaid payments) flowed into Pennsylvania as a result of AJA-funded legal representation by legal aid advocates. (See above.)

- **These federal dollars were spent almost immediately** by the households receiving them to purchase necessities such as food, housing, prescriptions, utilities and transportation. Thus, in addition to providing essential goods and services for low-income families, the federal dollars flowed quickly into the state and local economies in the form of income for Pennsylvania businesses and wages for working Pennsylvanians.

- **Each dollar circulates 1.86 times in the state and local economies before leaving the state.** We applied the U.S. Department of Commerce Input-Output Model\(^\text{12}\) to compute the economic multiplier impact of the spending by federal benefit recipients resulting from the work of AJA-funded legal aid programs. This model indicates that $1.86 in economic activity is produced from each dollar in federal benefits received, and then spent, by low-income households.

  - $162 million times 1.86 equals **$302 million** in total economic activity.

  - **The payoff is more sales for local businesses and 2,245 jobs for working Pennsylvanians.** The U.S. Department of Commerce Input-Output Model indicates that 13.84 jobs are produced for each million federal dollars coming into low-income households in Pennsylvania. Multiplication of 13.84 by 162 (millions in federal revenue) produces the result that AJA-funded legal assistance supported 2,245 jobs for working Pennsylvanians over the eight years between 2004 and 2011.

5. **An additional $66 million in cost savings was achieved for Pennsylvania taxpayers and communities.**

The $66 million figure was comprised of two components, as follows.

- **$34 million** savings in emergency shelter costs through prevention of eviction and foreclosure; and

- **$32 million** savings through prevention of domestic violence.

a. **Savings in emergency shelter cost: $34 million.** This figure was estimated as follows.

  - Pennsylvania legal aid programs completed **29,877** AJA-funded “Housing” cases during the eight years between 2004 and 2011.\(^\text{13}\)

  - Based on outcomes data from the NY-VA regression model, eviction is avoided or delayed, or foreclosure is avoided, in **18.7 percent** of all legal aid Housing cases.\(^\text{14}\)


\(^{13}\) Figures on the yearly output of AJA-funded Housing cases were compiled from the statewide legal services database maintained by the Pennsylvania Legal Aid Network (PLAN).
Applying the “18.7 percent” benchmark to the 29,877 AJA-funded Housing cases, we estimate that 5,587 low-income households avoided eviction or foreclosure as a result of the legal assistance they received.

A 2010 analysis in New York State indicates that 41 percent of households that are removed from their homes through eviction or foreclosure ultimately require emergency shelter. The other 59 percent are able to find shelter elsewhere – for example, by moving in with family or friends or into rental housing they are able to secure.

Applying the “41 percent” benchmark to the 5,587 avoided eviction or foreclosure cases, we estimate that 2,311 low-income households avoided homelessness through AJA-funded legal assistance.

Based again on the 2011 New York analysis, a conservative estimate of the average cost of emergency housing for a homeless family/household is $14,794.16

The total savings is: (2,311 households avoided homelessness) x ($14,794 savings per household) = $34 million (rounded to the nearest $1 million).

b. Savings in costs related to domestic abuse: $32 million. This figure was estimated as follows.

Pennsylvania legal aid programs completed 14,196 AJA-funded Protection from Abuse (PFA) cases during the eight years between 2004 and 2011.17

On average, 66.1 percent of all PFA cases completed by legal aid programs are successful in enabling clients to avoid domestic violence. This benchmark was estimated using a financial model developed by The Resource for Great Programs, Inc., based on a regression analysis of data from 15 general civil legal aid

14 See Footnote 1 for information regarding the regression model we used for estimating the outcomes multipliers used in this analysis of economic impacts of AJA-funded legal aid cases.

15 Weighted average for New York State, derived in 2011 by The Resource for Great Programs, Inc. from data compiled for New York State by Geeta Singh, Ph.D., Cornerstone Research, summarized in PowerPoint presentation, “Testimony at Chief Judge’s Hearing on Civil Legal Services” (New York), September 26, 2011, Slide 7. The Resource collaborated with Dr. Singh in her research. She documented the percentages in each region of the state – for example, in New York City it was 43.4 percent; in suburban New York it averaged 13.6 percent; and in Upstate New York it averaged 32.1 percent. We applied the New York weighted average of 41 percent to Pennsylvania, on the premise that the costs of emergency shelter would be similar considering the proximity of these two states and the similarities in their urban/suburban/rural composition, poverty population demographics and housing markets.

16 We assumed the same weighted average cost for Pennsylvania as determined for New York State by Dr. Singh – see previous footnote. We believe this figure of $14,794 is conservative, reflecting the lower range of estimates derived around the U.S. For example, a 2012 Massachusetts analysis determined that 2,017 families in family shelters cost the state an average of $25,155 apiece and 812 families in hotels/motels cost an average of $10,480 apiece. See Massachusetts Legal Assistance Corporation, “Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth,” January 2012, Footnote 31. Studies in other states have produced figures in a comparable range between $14,000 and $40,000 per family.

17 Figures on the yearly output of AJA-funded Protection From Abuse cases were compiled from the statewide legal services database maintained by the Pennsylvania Legal Aid Network (PLAN).
organizations in New York State and Virginia, which collectively close more than 200,000 cases per year.\textsuperscript{18}

- Based on available studies, a conservative estimate of the average savings from preventing one domestic assault per victim is $3,462.\textsuperscript{19}
- The total savings is: (14,196 cases) times (66.1 percent avoided domestic violence) times ($3,462 savings per client) = $32 million (rounded to the nearest $1 million).

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- **Pie chart, “Total Funding for Legal Aid, FY 2010-2011”** This is the total of AJA funding distributed to Pennsylvania Legal Aid providers during fiscal year 2010-11. This total was compiled by PA IOLTA, based on its records as the fiduciary for AJA funds under the Access to Justice Act.

- “Prior to passage of the Access to Justice Act in 2002 and the supplemental fee in 2009, the Pennsylvania Legal Aid community struggled to keep up with the need for legal assistance in the face of rising costs and federal funding cuts, as well as a low level of state funding, which has remained flat for over 30 years.” Source: Data compiled by PLAN, Inc. and The Resource for Great Programs, Inc.

- “In FY 2009, AJA supplemental fee funding mitigated the impact of a 70 percent decrease in IOLTA funding caused by the national economic crisis and falling interest rates. Since then, IOLTA plummeted an additional 37 percent to $1.8 million in FY 2011 as a direct result of interest rates having dropped to their lowest levels in history.” Source: PA IOLTA Board and The Resource for Great Programs, Inc.

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- “Without AJA funds, some 45,000 fewer Pennsylvanians would be able to receive legal assistance each year (See fact box on page 3 for details).” Source: This figure was derived by multiplying the number of cases handled in FY 2010-11 (22,945 cases) by the average number of people directly benefitted per case (1.97 people per case – see the Page 1 endnote above).

- “The uncertainty in funding leads to a high turnover of Legal Aid advocates, with the cost to hire and train each new lawyer estimated to be about $45,000.” Source: "Investing in Justice: A Framework for Effective Recruitment and Retention of Illinois Legal Aid Attorneys;" report on a study sponsored by the Chicago Bar Foundation and the Illinois Coalition for Equal Justice, November 2006, page 18; data adjusted for inflation by The Resource for Great Programs to reflect costs in 2011 dollars.

\textsuperscript{18} See Footnote 1 for information regarding the regression model we used for estimating the outcome multipliers used in this analysis of economic impacts of AJA-funded legal aid cases.

\textsuperscript{19} Source: "Increasing Access to Restraining Orders for Low-Income Victims of Domestic Violence: A Cost-Benefit Analysis of the Proposed Domestic Abuse Grant Program," L. Elwart, et. al., (December 2006), page 13. This 2006 study indicated the cost due to each incident of domestic violence was $3,201. In 2011 dollars, this is equivalent to $3,462. This figure is very conservative because it only includes readily quantifiable costs such as medical care for injured victims, special education and counseling for affected children, police resources, and prison for perpetrators. It does not include costs that are equally real but more difficult to quantify, such as the value of time lost from school and work or the long-term costs of trauma on children and adults caused by exposure to domestic abuse.
• “From FY 2004-2011, private attorneys and law firms donated 174,513 hours of pro bono services to Legal Aid clients, worth $26 million.” Source: The number of hours was determined from End-of-Year reports submitted by PLAN, Inc. grantees, covering hours donated by volunteer attorneys participating in organized pro bono programs coordinated by the grantees. The dollar value of pro bono services was calculated by multiplying the number of hours by $150 per hour, a conservative estimate of the average billing rate of participating attorneys in FY 2004-2011.

• “These contributions were made in the context of organized pro bono programs operated by Legal Aid programs or in partnership with local bar associations, and leveraged, in part, with Access to Justice Act funds. Pro bono attorneys handled a total of 49,015 cases, about seven percent of the total cases handled for Legal Aid clients in fiscal years 2004-2011.” Source: The figures for cases handled were compiled from quarterly statistical reports submitted to PLAN, Inc. by its grantees.

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• “As outlined in this report, $67 million in AJA funds generated since FY 2004 has produced $530 million in total income and savings for residents and communities.” Source: This is the total of AJA funding distributed to Pennsylvania Legal Aid providers over the eight fiscal years from 2004 through 2011. This total was compiled by PA IOLTA, based on its records as the fiduciary for AJA funds under the Access to Justice Act. $530 million is the sum of economic impacts attributable to AJA-funded legal services over the eight years covered by this report; see the Pages 8-9 endnotes for details.

###
### Appendix II

**Pennsylvania Legal Aid Programs**

**Annual Revenues From All Sources**

_Eight Fiscal Years, Beginning July 1, 2003 through June 30, 2011_

Includes PLAN, Inc. Funded Organizations, Philadelphia Legal Assistance Center (CY 2003-2010), & Community Impact Legal Services

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Legal Services Corporation</td>
<td>$11,008,605</td>
<td>$11,107,703</td>
<td>$11,003,192</td>
<td>$10,897,470</td>
<td>$11,306,928</td>
<td>$14,455,237</td>
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<td>$13,810,396</td>
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<td>STATE</td>
<td></td>
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<tr>
<td>Pennsylvania General Fund</td>
<td>$2,604,320</td>
<td>$2,519,000</td>
<td>$2,519,000</td>
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<td>$2,771,000</td>
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<td>Special State Allocation</td>
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</tr>
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<td>Special Block Grant Allocation</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Pennsylvania Social Services Block Grant</td>
<td>$5,049,000</td>
<td>$5,049,000</td>
<td>$5,049,000</td>
<td>$5,049,000</td>
<td>$5,048,994</td>
<td>$5,048,994</td>
<td>$5,049,000</td>
<td>$5,055,293</td>
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<tr>
<td>Pennsylvania Disability Project Funding</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
<td>$909,000</td>
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<tr>
<td>PA Housing Finance Agency Grant</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Access to Justice Act</td>
<td>$2,140,444</td>
<td>$7,394,827</td>
<td>$7,324,644</td>
<td>$9,900,000</td>
<td>$9,677,130</td>
<td>$9,684,549</td>
<td>$9,684,549</td>
<td>$10,100,383</td>
</tr>
<tr>
<td>Statewide IOLTA and MJ-IOTA</td>
<td>$3,297,910</td>
<td>$1,515,750</td>
<td>$1,990,950</td>
<td>$6,234,600</td>
<td>$9,206,130</td>
<td>$1,726,740</td>
<td>$1,766,292</td>
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<tr>
<td>Other</td>
<td>$363,481</td>
<td>$249,083</td>
<td>$60,724</td>
<td>$173,393</td>
<td>$18,000</td>
<td>$2,396,601</td>
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<tr>
<td>Sub Total PLAN Inc. Funds</td>
<td>$15,364,156</td>
<td>$17,775,432</td>
<td>$18,108,237</td>
<td>$24,999,993</td>
<td>$27,630,259</td>
<td>$21,926,272</td>
<td>$23,339,737</td>
<td>$24,339,155</td>
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<tr>
<td>LOCALLY RAISED FUNDS</td>
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<td></td>
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</tr>
<tr>
<td>Local Efforts and Direct IOLTA Grants</td>
<td>$11,688,508</td>
<td>$11,689,335</td>
<td>$12,052,610</td>
<td>$12,750,794</td>
<td>$16,146,780</td>
<td>$15,037,301</td>
<td>$16,182,444</td>
<td>$15,468,146</td>
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<tr>
<td>Sub Total Funding</td>
<td>$38,061,269</td>
<td>$40,572,470</td>
<td>$41,164,538</td>
<td>$48,648,257</td>
<td>$55,083,967</td>
<td>$51,418,810</td>
<td>$53,833,551</td>
<td>$53,617,697</td>
</tr>
<tr>
<td>Inkind Revenues, mostly value of pro bono</td>
<td>$3,960,535</td>
<td>$3,982,253</td>
<td>$4,900,499</td>
<td>$4,045,609</td>
<td>$4,301,867</td>
<td>$4,386,921</td>
<td>$4,699,453</td>
<td>$5,204,243</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$42,021,804</td>
<td>$44,554,723</td>
<td>$46,064,538</td>
<td>$52,693,866</td>
<td>$59,385,834</td>
<td>$58,805,731</td>
<td>$58,533,004</td>
<td>$58,821,940</td>
</tr>
<tr>
<td>Less: Organizations Not AJA Funded and Inkind Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Impact Legal Services</td>
<td>$342,246</td>
<td>$413,446</td>
<td>$513,197</td>
<td>$450,026</td>
<td>$590,407</td>
<td>$430,904</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Inkind Revenues</td>
<td>$3,960,535</td>
<td>$3,982,253</td>
<td>$4,900,499</td>
<td>$4,045,609</td>
<td>$4,301,867</td>
<td>$4,386,921</td>
<td>$4,699,453</td>
<td>$5,204,243</td>
</tr>
<tr>
<td>TOTAL FUNDING to PLAN, Inc. Organizations (Leveraged by AJA Funding)</td>
<td>$34,278,830</td>
<td>$36,574,358</td>
<td>$37,268,408</td>
<td>$44,695,135</td>
<td>$50,769,768</td>
<td>$47,371,321</td>
<td>$49,548,283</td>
<td>$48,835,099</td>
</tr>
</tbody>
</table>

* Pennsylvania Legal Aid Programs (PLAN)

The PLAN is composed of the following organizations:

- Community Impact Legal Services
- Community Justice Project
- Community Legal Services
- Friends of Farmworkers, Inc.
- Laurel Legal Services
- Legal Aid of Southeastern Pennsylvania
- MidPenn Legal Services
- Neighborhood Legal Services Association
- North Penn Legal Services
- Northwestern Legal Services
- Pennsylvania Health Law Project
- Pennsylvania Institutional Law Project
- Pennsylvania Legal Aid Network, Inc.
- Philadelphia Legal Assistance Center
- Regional Housing Legal Services
- Southwestern Pennsylvania Legal Services
## Appendix III

### AJA Funded Total Cases by Substantive Category

#### Fiscal Years June 30, 2004 to 2011

<table>
<thead>
<tr>
<th>Major Categories</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>581</td>
<td>1,865</td>
<td>1,951</td>
<td>2,204</td>
<td>2,101</td>
<td>1,950</td>
<td>1,845</td>
<td>1,756</td>
<td>14,253</td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>29</td>
<td>25</td>
<td>24</td>
<td>23</td>
<td>62</td>
<td>50</td>
<td>58</td>
<td>276</td>
</tr>
<tr>
<td>Employment</td>
<td>47</td>
<td>470</td>
<td>297</td>
<td>586</td>
<td>717</td>
<td>904</td>
<td>825</td>
<td>1,276</td>
<td>5,122</td>
</tr>
<tr>
<td>Family</td>
<td>2,416</td>
<td>4,895</td>
<td>4,686</td>
<td>4,137</td>
<td>4,357</td>
<td>5,803</td>
<td>4,567</td>
<td>5,728</td>
<td>36,589</td>
</tr>
<tr>
<td>Juvenile</td>
<td>25</td>
<td>45</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>56</td>
<td>33</td>
<td>51</td>
<td>218</td>
</tr>
<tr>
<td>Health</td>
<td>97</td>
<td>267</td>
<td>219</td>
<td>1,372</td>
<td>877</td>
<td>638</td>
<td>454</td>
<td>846</td>
<td>4,770</td>
</tr>
<tr>
<td>Housing</td>
<td>1,783</td>
<td>3,565</td>
<td>4,319</td>
<td>4,610</td>
<td>4,567</td>
<td>3,918</td>
<td>3,450</td>
<td>3,672</td>
<td>29,884</td>
</tr>
<tr>
<td>Income Maintenance</td>
<td>1,091</td>
<td>2,692</td>
<td>2,206</td>
<td>2,255</td>
<td>2,154</td>
<td>2,216</td>
<td>1,913</td>
<td>2,623</td>
<td>17,150</td>
</tr>
<tr>
<td>Individual Rights</td>
<td>2</td>
<td>47</td>
<td>24</td>
<td>43</td>
<td>135</td>
<td>314</td>
<td>215</td>
<td>621</td>
<td>1,401</td>
</tr>
<tr>
<td>Other Miscellaneous</td>
<td>66</td>
<td>291</td>
<td>301</td>
<td>211</td>
<td>222</td>
<td>309</td>
<td>255</td>
<td>312</td>
<td>1,967</td>
</tr>
<tr>
<td><strong>Total Cases</strong></td>
<td>6,113</td>
<td>14,166</td>
<td>14,034</td>
<td>15,444</td>
<td>15,153</td>
<td>16,170</td>
<td>13,607</td>
<td>16,943</td>
<td>111,630</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cases Pending at 7/01/11</th>
<th>Cumulative Cases Handled</th>
</tr>
</thead>
<tbody>
<tr>
<td>919</td>
<td>15,172</td>
</tr>
<tr>
<td>32</td>
<td>308</td>
</tr>
<tr>
<td>604</td>
<td>5,726</td>
</tr>
<tr>
<td>1,554</td>
<td>38,143</td>
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<tr>
<td>25</td>
<td>243</td>
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<tr>
<td>194</td>
<td>4,964</td>
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<tr>
<td>1,245</td>
<td>31,129</td>
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<tr>
<td>1,218</td>
<td>18,368</td>
</tr>
<tr>
<td>119</td>
<td>1,520</td>
</tr>
<tr>
<td>92</td>
<td>2,059</td>
</tr>
</tbody>
</table>

*AJA pending cases by major categories total 6,002, and include cases that were pending as of July 1, 2011.*