



ANNUAL REPORT 2023

Funding the Promise of Justice for All

SUPREME COURT OF PENNSYLVANIA

Pennsylvania Interest on
Lawyer Trust Accounts Board

2023 Annual Report

Awarding grants that support the provision of free legal assistance to low-income Pennsylvanians in civil matters where a basic human need, such as access to shelter, nutrition, or healthcare, is at stake.

A MESSAGE FROM THE BOARD CHAIR & EXECUTIVE DIRECTOR

Dear Friends & Colleagues,

We are pleased to present the Pennsylvania Interest on Lawyer Trust Accounts (PA IOLTA) Board's 2023 Annual Report.

In 2023, the PA IOLTA Board awarded nearly \$30 million in grants to 34 legal aid organizations, each of Pennsylvania's nine law schools for their poverty law clinics and externships, and the Pennsylvania Bar Foundation to administer our Loan Repayment Assistance Program benefiting attorneys employed by an IOLTA-funded legal aid organization.

Our two major sources of revenue are interest income on IOLTA accounts and legislatively directed filing fee revenue through the Access to Justice Act (AJA), both of which are impacted by interest rates. When interest rates are low, IOLTA revenue decreases while AJA revenue increases, and vice versa when interest rates are high. For the ten years preceding 2023, the average annual income on IOLTA accounts was \$4.2 million while interest rates were near zero. With the rapid rise of interest rates starting in March 2022, the IOLTA Board received more than \$27 million in interest income on IOLTA accounts in fiscal year 2023, which ended June 30, 2023. That's more than a 500% increase!

What does increased revenue mean for the legal aid organizations we fund? It means they can hire more attorneys, expand outreach, and serve more clients facing a civil legal crisis like homelessness, an illegal eviction, a wrongful

termination of utilities, a child custody dispute, job discrimination, and threats to personal safety.

We remain grateful for the ongoing, steadfast support of the Supreme Court of Pennsylvania and the Pennsylvania Legislature. As a statewide funder of civil legal aid, we are committed to ensuring that our grant dollars fairly and equitably support a multitude of civil legal aid providers so all eligible people have access to services no matter where they live in Pennsylvania.

Sincerely,



A blue ink signature of Vanessa Garrett Harley, Esq.

Vanessa Garrett Harley, Esq.
CHAIR



A blue ink signature of Stephanie S. Libhart.

Stephanie S. Libhart
EXECUTIVE DIRECTOR



Advancing Justice For All

The Pennsylvania IOLTA Board is the largest funder of civil legal aid in Pennsylvania.

What is the Pennsylvania IOLTA Board?

→ IOLTA stands for Interest on Lawyer Trust Accounts. An IOLTA program exists in every state, the District of Columbia, Puerto Rico, and the Virgin Islands. In Pennsylvania, the program is administered by the Pennsylvania IOLTA Board, a nonprofit organization under the Supreme Court of Pennsylvania.

What is an IOLTA Account?

→ Attorneys routinely receive client and third party funds to be held in trust for future use. When the funds are nominal in amount or expected to be held for a short time, they cannot practically earn interest for the client. These funds are deposited in IOLTA accounts. The interest income is transferred to IOLTA programs to support grants for the delivery of free civil legal aid.

What is Civil Legal Aid and how does it help?

→ Civil legal aid helps people access basic necessities such as health care, housing, government benefits, employment, and educational services. Services include direct representation in a court proceeding, community legal clinics, telephone help lines, online chat tools, and downloadable court forms.

Who benefits from Civil Legal Aid?

→ Civil legal aid clients are low-income workers, veterans, seniors, individuals with disabilities, and other vulnerable populations. The larger community benefits, too. In a recent study, economists at Franklin & Marshall College found a \$12 return for every \$1 invested in civil legal aid.

\$1 →  → **\$12**

About Our Work

DURING FISCAL YEAR 2022-2023

The IOLTA Board's small professional staff manages the day-to-day operations of the IOLTA Board, including revenue administration, grant administration, monitoring attorney and bank compliance with court rules and regulations, and managing the *pro hac vice* admission application process for the Pennsylvania courts.

14,658

IOLTA and MJ-IOTA accounts
monitored for compliance.

556

MJ-IOTA custodial accounts
generated \$732,046 in interest
income for legal aid.

167

financial institutions
remitting interest monthly
or quarterly.

1,502

pro hac vice admission
applications and fees
processed across
48 judicial districts.

269

assessments conducted
of grantees' activities and
expenditures.

136

unclaimed or unidentifiable
remittances received from
45 attorneys.

\$2.9 million

in back interest collected
from bank compliance
assessments.

45

bank certification
agreements approved.

5

class action residual
distributions received,
totaling \$786,139.

The Impact of Platinum Leader Banks and Their Attorney Customers



Where You Bank Matters

There are nearly 200 financial institutions approved by the Supreme Court of Pennsylvania to offer attorney trust accounts to Pennsylvania attorneys. The interest rate applied to IOLTA accounts varies widely by bank. The higher the interest rate, the more funding available for civil legal aid.

Platinum Leader Banks voluntarily pay a premium interest rate on IOLTA accounts in support of IOLTA's mission. When a law firm selects a Platinum Leader Bank for their IOLTA account, they are maximizing their contribution to civil legal aid.

For more information about opening an IOLTA account and to access the most current list of Platinum Leader Banks, visit our website at www.paiolta.org.

THE FOLLOWING FINANCIAL INSTITUTIONS
WERE PLATINUM LEADER BANKS
AS OF JUNE 30, 2023:

American Bank
AmeriServ Financial Bank
Bank of Bird in Hand
Benchmark Federal Credit Union
Centre 1st Bank
CFS Bank
First Resource Bank
Forbright Bank
Juniata Valley Bank
Mifflinburg Bank & Trust
Muncy Bank & Trust Company
New Tripoli Bank
Parke Bank
Presence Bank
Somerset Trust Co.
Tioga Franklin Savings Bank
Wells Fargo Bank

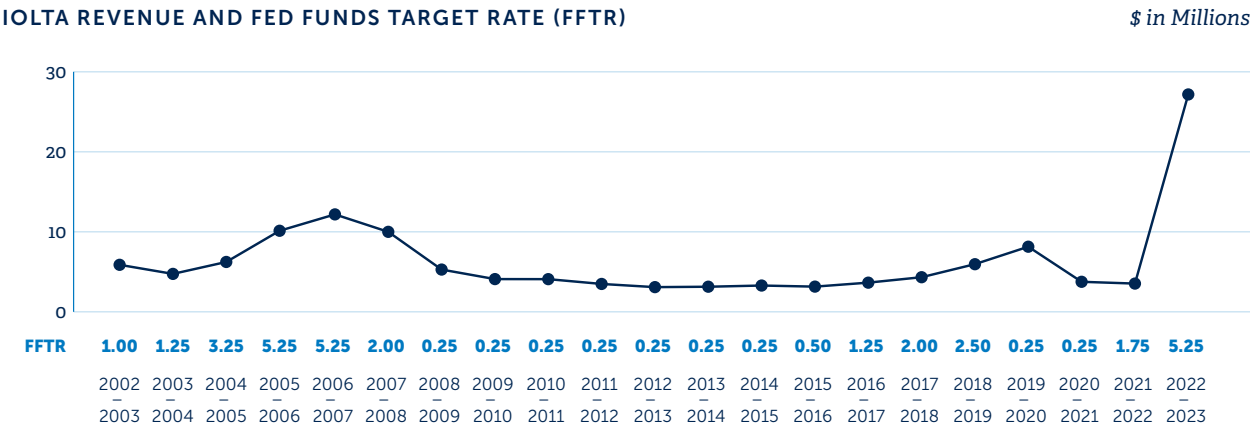
The Impact of Interest Rates on IOLTA Revenue

Interest rates and principal balances are two primary factors that drive the amount of interest income generated on IOLTA accounts. Principal balances have remained relatively steady over the years, even during the COVID-19 pandemic. Interest rates, on the other hand, rise and fall with the economy.

Changes in the Federal Funds Target Rate (FFTR), set by the Federal Open Market Committee (FOMC), impact the interest rates offered by financial institutions to their customers.

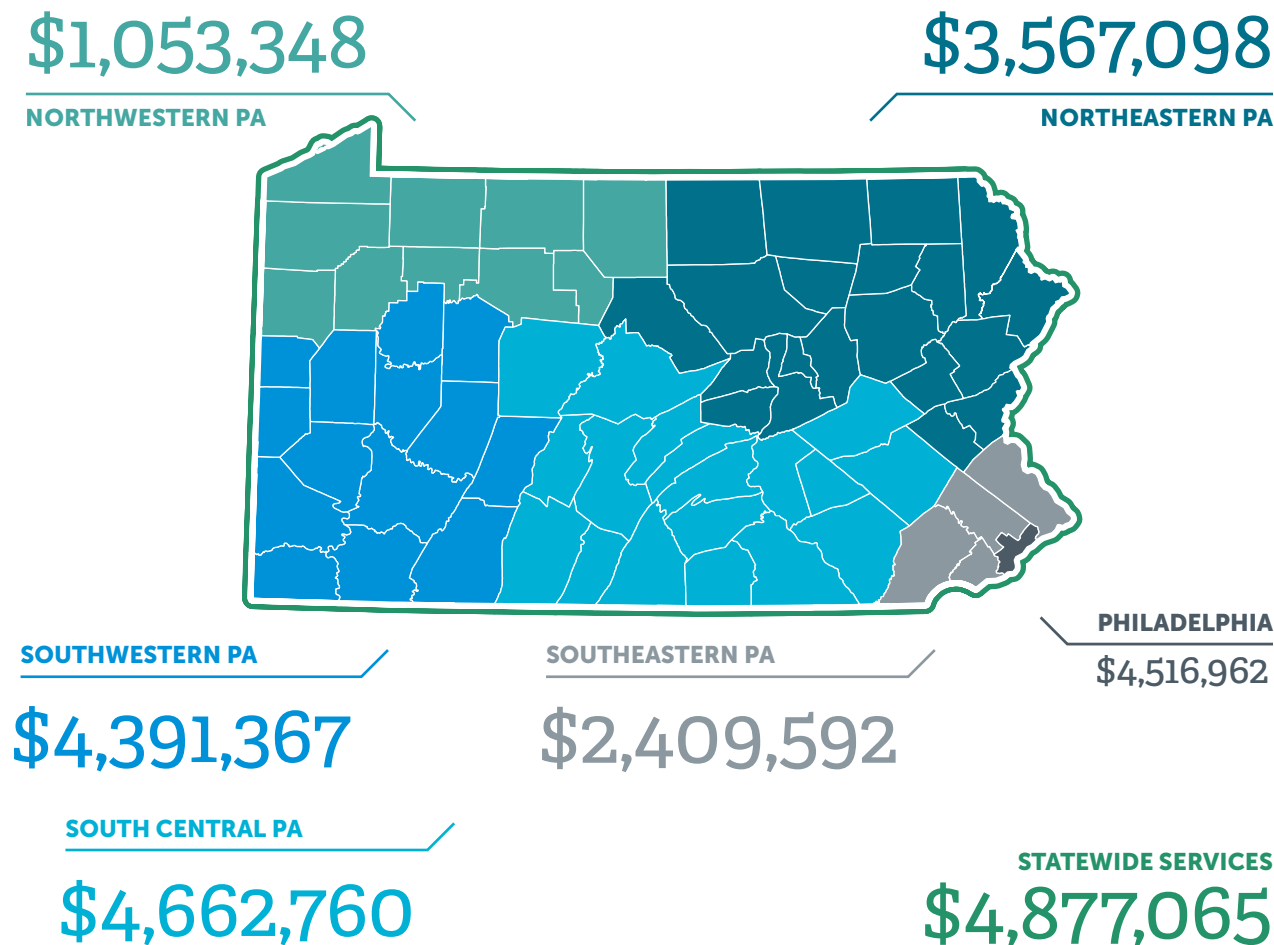
In June 2006, the FFTR hit 5.25% resulting in a \$12 million year in IOLTA revenue, a record high at that time. One year later, the housing bubble burst and financial institutions collapsed. As the economy declined, unemployment rose and the FFTR dropped quickly to 0.00 – 0.25%, where it stayed for seven years. During that time, annual interest on PA IOLTA accounts averaged

\$3.5 million. The FFTR started to increase slowly in 2016 and, with it, IOLTA revenue started to rise above the \$3 million mark until the Fed dropped rates again to 0.00 – 0.25% in March 2020 when the COVID-19 pandemic began. Two years later, in March 2022, the FFTR steadily began to increase again as part of the FOMC’s efforts to combat inflation brought on by residual pandemic disruptions to the global supply chain and labor shortages. Between March 2022 and June 2023, the FFTR increased 10 times to 5.00 – 5.25%, which resulted in an unprecedented \$27 million in IOLTA revenue during fiscal year 2023.



Financial Impact of Grants by Region

The IOLTA Board is committed to funding programs that increase access to justice for all Pennsylvanians. For that reason, funds are distributed to legal services organizations based on the geographical proportion of people living in poverty throughout the Commonwealth. This method ensures that resources are fairly allocated and support services for Pennsylvanians most in need.



Cases Closed by Region

15,789

Philadelphia

2,326

Southeastern PA

3,715

South Central PA

3,572

Northeastern PA

1,194

Northwestern PA

6,252

Southwestern PA

5,612

Statewide

Grant Recipients

Organization	Grant Expenses
AIDS Law Project of Pennsylvania	\$25,000
Allegheny County Bar Foundation	\$175,000
Community Justice Project	\$740,407
Community Legal Services of Philadelphia	\$3,943,427
Consumer Bankruptcy Assistance Project	\$50,000
Disability Rights Pennsylvania	\$179,000
Education Law Center	\$45,000
Franklin County Legal Services	\$290,000
Homeless Advocacy Project	\$72,500
Justice at Work	\$782,102
KidsVoice Pennsylvania, Inc.	\$140,400
Lackawanna Pro Bono, Inc.	\$100,000
Laurel Legal Services, Inc.	\$770,383
Legal Aid of Southeastern Pennsylvania, Inc.	\$2,126,942
Legal Clinic for the Disabled, Inc.	\$69,000
Legal Services for Immigrants & Internationals	\$140,000
MidPenn Legal Services	\$3,954,329
Neighborhood Legal Services	\$2,248,165
North Penn Legal Services	\$3,070,567
Northwestern Legal Services	\$902,657
Pennsylvania Health Law Project	\$566,613
Pennsylvania HIAS Indigent Immigrant Legal Services	\$220,538
Pennsylvania Immigration Resource Center	\$253,808
Pennsylvania Institutional Law Project	\$1,001,339
Pennsylvania Legal Aid Network, Inc.	\$1,242,302
Philadelphia Lawyers for Social Equity	\$78,525
Philadelphia Legal Assistance Center, Inc.	\$35,000
Philadelphia Volunteers for the Indigent Program	\$125,000
Pro Bono Partnerships, Inc.	\$8,000
Regional Housing Legal Services	\$859,455
SeniorLAW Center	\$316,500
Southwestern Pennsylvania Legal Aid	\$796,419
Women Against Abuse Legal Center	\$86,014
Women's Center & Shelter Civil Law Project	\$63,800
Legal Services Organizations	\$25,478,192

Grant Recipients **CONTINUED**

Organization	Grant Expenses
Regional Housing Legal Services	\$873,724
Bank of America Surplus Distribution	\$873,724
Drexel University Thomas R. Kline School of Law	\$177,800
Pennsylvania State University-Dickinson Law	\$174,202
Pennsylvania State University-Penn State Law	\$159,966
Temple University Beasley School of Law	\$177,800
Thomas R. Kline School of Law of Duquesne University	\$177,800
University of Pennsylvania Carey Law School	\$177,800
University of Pittsburgh School of Law	\$80,486
Villanova University Charles Widger School of Law	\$177,800
Widener University Commonwealth Law School	\$177,800
Law School Clinical and Internship Programs	\$1,481,454
Pennsylvania Bar Foundation	\$338,197
Loan Repayment Assistance Program	\$338,197
Legal Services Organizations	\$25,478,192
Bank of America Surplus Distribution Program	\$873,724
Law School Clinical and Internship Programs	\$1,481,454
Loan Repayment Assistance Program	\$338,197
Total 2022-2023 Grant Expenses	\$28,171,567

Accommodating Sandra and her Service Dog

Sandra is a 35-year-old veteran with traumatic brain injury. She uses a service dog to assist with her balance, spatial awareness, and mobility.

Sandra and her service dog attended her children's swim meet at a local aquatic center. While she sat in the bleachers during the event, a staff person approached her and told her she could not remain in the bleachers because other attendees might be allergic to the dog. Sandra explained that the dog is a service animal who helps with tasks related to her disability. The staff person then left, and the owner approached her. She again explained that the dog is a service animal she needs for her disability. But the owner responded that it did not need to permit the service animal since it is a private club and indicated that she would only be permitted to sit with the service dog in a segregated area.

Both Sandra and the coach of her children's swim team subsequently reached out to the facility to urge it to reconsider. In response, the facility threatened to bar her children's swim team from participating in future events.

Sandra then reached out to Disability Rights Pennsylvania (DRP). DRP wrote to the facility explaining that it is a place of public accommodation subject to Title III of the Americans with Disabilities Act (ADA) and does not fall within the exemption for private clubs. As such, Title III required the facility to allow Sandra to be accompanied by her service animal, prohibited relegating her to a segregated area, and barred retaliation. The facility then agreed to allow Sandra to attend future swim meets with her service dog and not to retaliate against her children's swim team.

**Names and photos have been changed to protect the privacy of clients.*

IN FISCAL YEAR 2022-2023

2,797

Disability Rights Pennsylvania provided
legal assistance to 2,797 clients seeking help
with a disability-related issue.

Source: Disability Rights Pennsylvania



Fighting for Cynthia's Unpaid Wages

Cynthia, a 50-year-old Spanish-speaking woman, was working as a house cleaner at her employer's office and personal home.

When her employer failed to pay her all of the money owed to her, she contacted Justice at Work (JaW). Cynthia was familiar with JaW's services and their advocates' ability to communicate with her in her native language as they had assisted her previously in a legal action for unpaid wages from a former employer.

JaW sent the individual homeowner and the homeowner's company demand letters as both were liable for the unpaid wages. After letters to the employer requesting the owed wages did not yield results, Cynthia's JaW attorney represented her through settlement negotiations with the employer. When a settlement could not be reached, Cynthia decided to move forward with the case and

bring it to court. JaW filed a small claims case for the wages she was owed, as well as additional damages she could claim due to the delay in the payment of the wages.

Cynthia's case ended up settling out of court. She received a favorable settlement of almost all of her owed wages. As a low-wage worker living paycheck to paycheck, unpaid wages put her in a difficult financial situation. JaW's advocacy on her behalf resulted in a positive outcome for her.

**Names and photos have been changed to protect the privacy of clients.*



IN FISCAL YEAR 2022-2023

154

Justice at Work handled 154 wage claim
and other Fair Labor Standards Act
cases for low-income clients.

Source: Justice at Work

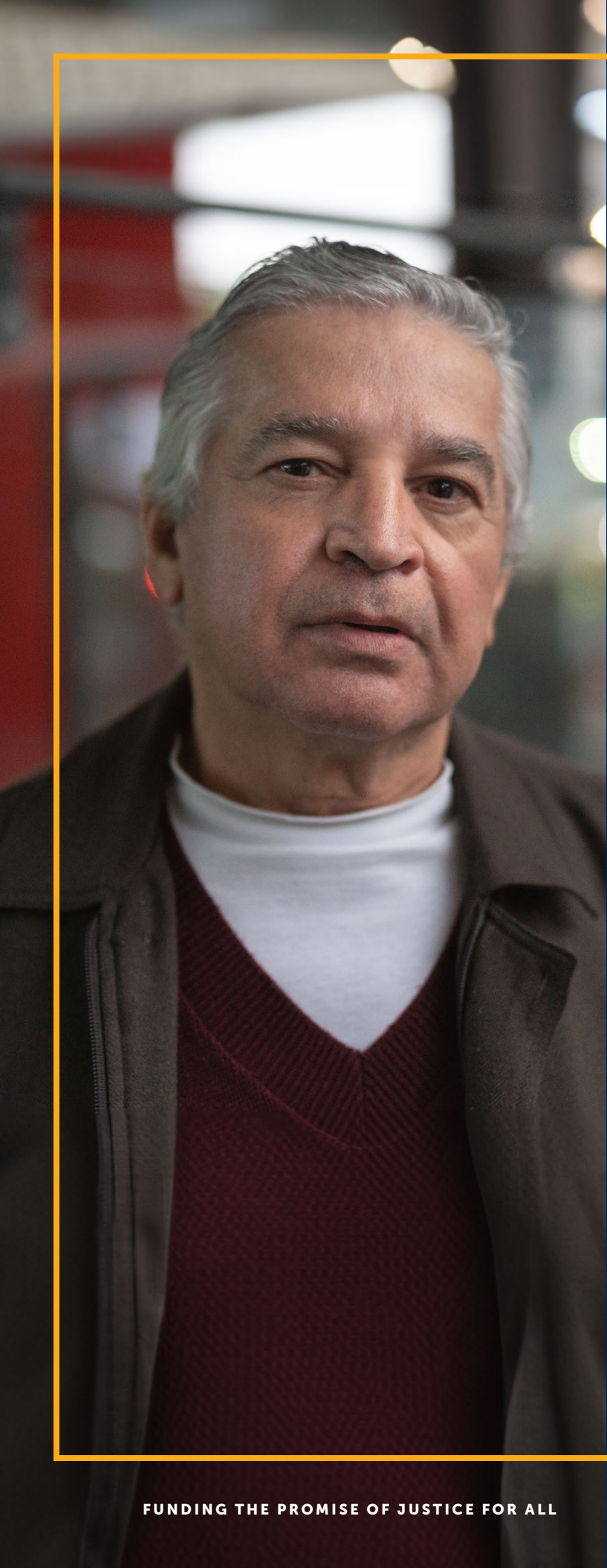
Helping Mr. Robinson Protect Himself from Abuse

When 70-year-old Mr. Robinson contacted SeniorLAW Center (SLC), he was living with food insecurity, constant fear for his physical safety, and the abuser who had caused both. Mr. Robinson's adult son struggled with untreated substance abuse and mental health issues, and had verbally, physically, and financially abused his father until Mr. Robinson sought a temporary Protection from Abuse (PFA) petition to remove him from the house. The court awarded Mr. Robinson a temporary PFA, and Mr. Robinson contacted SLC for representation at his final PFA hearing.

Because of the temporary order, Mr. Robinson's SLC attorney reassured him that he had a right to change the locks to prevent his son from coming into the home and referred him to resources that could assist with the lock change for free. He contacted those resources and had the locks changed. Within days, he began to feel his peace of mind return.

Mr. Robinson's SLC attorney represented him at his final PFA hearing. The judge granted a full Final PFA Order for three years. The Final Order prohibited Mr. Robinson's son from having any contact with him and from abusing, harassing, stalking or threatening him at any time. The Order also prohibited his son from coming to or living in his father's home. Mr. Robinson felt safer and more secure knowing that he had a final PFA in place and was thankful that the SeniorLAW Center attorney was there to guide him through the process and represent him in court.

**Names and photos have been changed to protect the privacy of clients.*



IN FISCAL YEAR 2022-2023

188

SeniorLAW Center handled
188 Protection from Abuse
cases for 158 elder clients.

Source: SeniorLAW Center

Loan Repayment Assistance Program

For attorneys that dedicate their careers to serving the legal needs of the poor, student loan debt is especially great as legal aid attorney salaries are significantly lower than their counterparts working in private practice.

MORE THAN
\$5 million

in loan assistance has been distributed since 2010.

Since the launch of the program in 2010, approximately 1,393 forgivable loans valued at more than \$5 million have been made to 403 attorneys employed at IOLTA-funded civil legal aid organizations across Pennsylvania.

This program was initiated by the Supreme Court of Pennsylvania and is administered by the Pennsylvania Bar Foundation with grant funding from the IOLTA Board.

The grant is financed with *pro hac vice* admission fees paid by out-of-state attorneys who wish to make an appearance in a Pennsylvania court.

SINCE 2010

403

legal aid lawyers received a loan which has been or will be forgiven when the lawyer completes a full year of legal aid employment.

“Receiving aid through LRAP (Loan Repayment Assistance Program) as a civil legal aid attorney has been an incredible opportunity that allows me to focus my energy on providing quality, client-centered, legal services to underserved communities, rather than worrying about the huge financial burden my student loans give me.

With this financial weight lifted off my shoulders, I can devote myself fully to my passion of increasing access to justice. This program recognizes the value of legal aid work and allows me to pursue my career goals of empowering disadvantaged groups. I am deeply grateful for the support from the LRAP program, which allows me to continue pursuing my dream of making a difference through legal advocacy.”

— **SCHAWNNE KILGUS, ESQ.**

*Staff Attorney
MidPenn Legal Services*



Thank You to Our Donors

2022-2023 FISCAL YEAR

We are deeply grateful to those who support us financially. Due to the IOLTA Board's fully funded administration, 100% of donations from law firms and private attorneys goes directly to support legal aid organizations. Because of your generosity, more low-income and disadvantaged Pennsylvanians will be able to receive civil legal services.

Anita Alberts

Maria Angelo

Michael Balzarini

Maliaka Bass

Nicole Bernard-Povio

Loretta Best

Lori Bibko

Dennis Biondo

William Bonner

Lisa Bookman

Barbara Bowden

Brennan Bradley

Debra Branch

Sarah Bricknell

Richard Brown

Paul Bulzacchelli

Joan Caruso

Paul Ceja

William Chapas

Christopher Cheng

Joseph Cimini

Terry Clemons

Robert Connors

Robert Conway

Michael Cook

Adrienne Culmer

Michael Cunningham

Daniel D'Alesio

Diane DeSieno

Daniel DiLoretto

Richard Dissen

Laurel Diznoff

Lara Dolphin

Michael Dorman

David Dorsey

Stephen Dubin

Stanley Edelstein

Stephen Elliott

Mathias Fallis

Todd Feldman

Therese Finan

Vernon Francis

Lawrence Friedeman

William Friedman

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Richard Frumer

Joanne Fungaroli

Charlene Gallagher

Clare Gallagher

Mary Kathleen Gillespie

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John Goetz

Gregg Golden

Elaine Goucher

Jonathan Grossberg

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Alexandra Haner

Robert Hasson

Richard Heiser

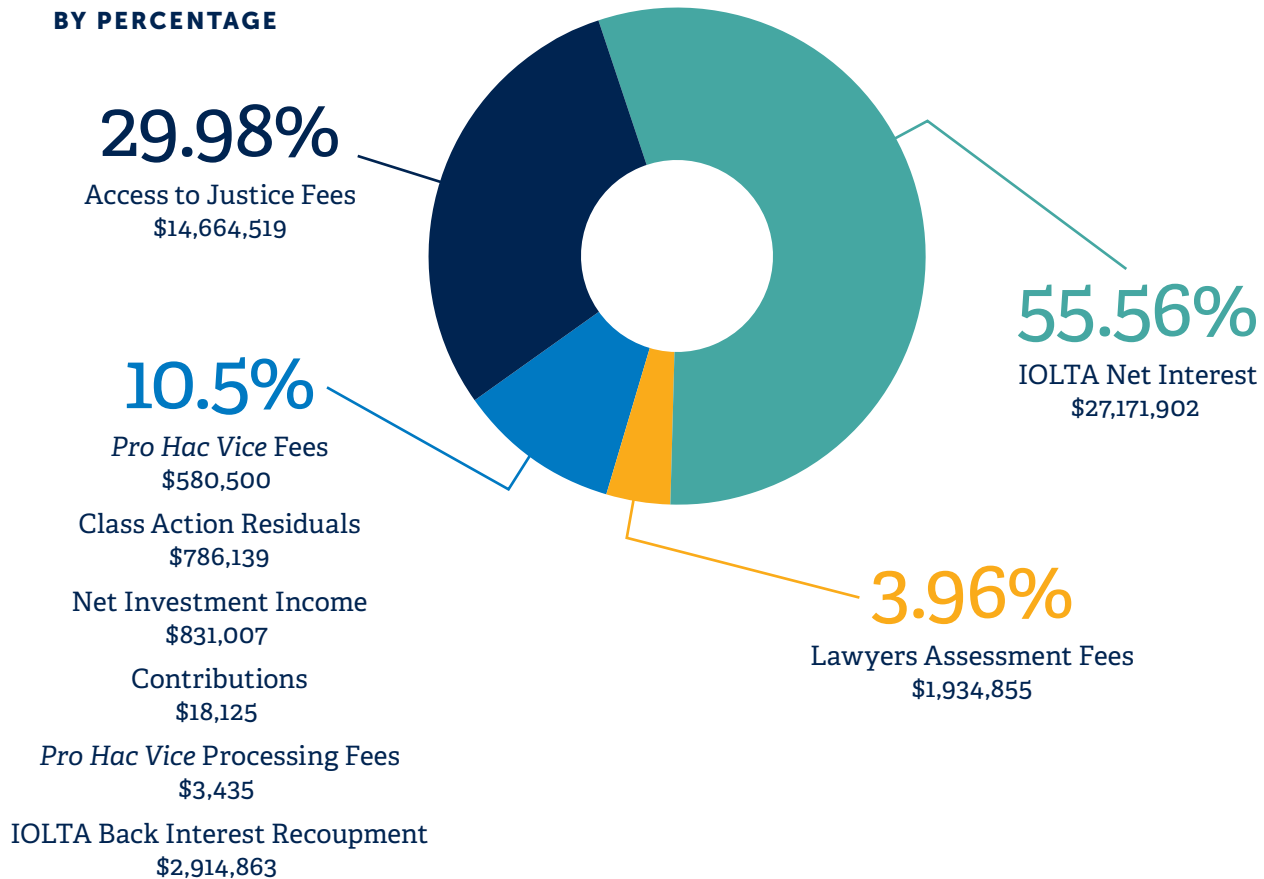
Nathan Henriksen

Karen Herlich	Heather Martin	Nicholas Savopoulos
Nicole Herman	James Edward Maule	Ann Scarpino
Thomas Hill	Felecia McBride	Mary Scherf
Ian Hood	Aditya McDuffy	Madeline Schwartz
Patricia Hood	Herbert McDuffy	John Seltzer
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David Hudiak	Thomas McKeever, Jr.	Ruth Siegel
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Sarah Markwood	Kathryn Sanchez	

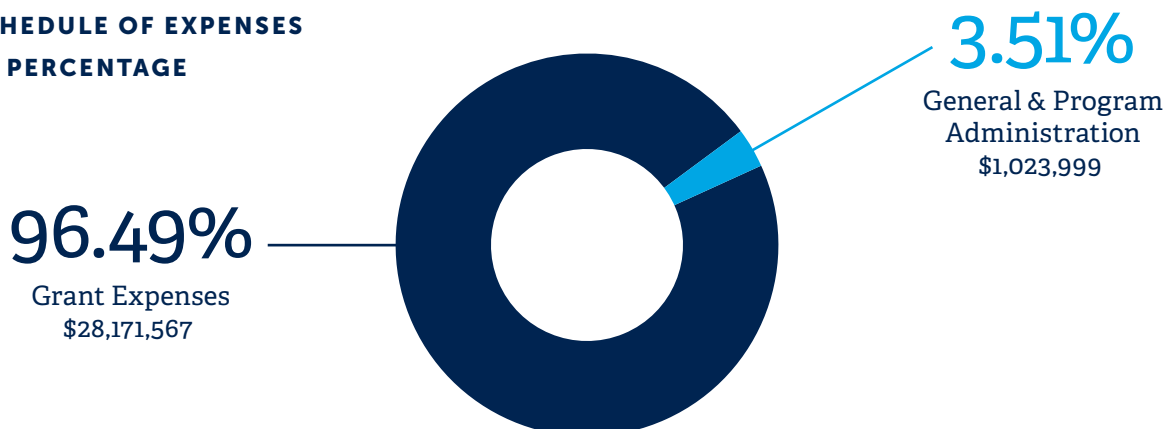
By the Numbers

2022-2023 FISCAL YEAR

SCHEDULE OF REVENUE BY PERCENTAGE



SCHEDULE OF EXPENSES BY PERCENTAGE



Schedule of Revenue, Expenses, and Changes in Net Assets

2022-2023 FISCAL YEAR

	IOLTA	AJA	Bank of America Surplus	Pro Hac Vice	Property	Total
REVENUE						
IOLTA Net Interest	\$27,171,902	\$0	\$0	\$0	\$0	\$27,171,902
Access to Justice Fees	\$0	\$14,664,519	\$0	\$0	\$0	\$14,664,519
Pro Hac Vice Fees	\$0	\$0	\$0	\$580,500	\$0	\$580,500
Lawyers Assessment Fees	\$1,934,855	\$0	\$0	\$0	\$0	\$1,934,855
Class Action Residuals	\$786,139	\$0	\$0	\$0	\$0	\$786,139
Net Investment Income	\$600,829	\$223,164	\$7,014	\$0	\$0	\$831,007
Contributions	\$18,125	\$0	\$0	\$0	\$0	\$18,125
Pro Hac Vice Processing Fees	\$3,435	\$0	\$0	\$0	\$0	\$3,435
IOLTA Back Interest Recoupment	\$2,914,863	\$0	\$0	\$0	\$0	\$2,914,863
Total Revenue	\$33,430,148	\$14,887,683	\$7,014	\$580,500	\$0	\$48,905,345
EXPENSES						
General & Program Administration	\$878,381	\$117,468	\$7,014	\$0	\$21,136	\$1,023,999
Grant Expenses						
Legal Services Organizations	\$5,226,202	\$20,251,990	\$873,724	\$0	\$0	\$26,351,916
Law Schools	\$1,481,454	\$0	\$0	\$0	\$0	\$1,481,454
Loan Repayment Assistance Program	\$0	\$0	\$0	\$338,197	\$0	\$338,197
Total Grant Expenses	\$6,707,656	\$20,251,990	\$873,724	\$338,197	\$0	\$28,171,567
Total Expenses	\$7,586,037	\$20,369,458	\$880,738	\$338,197	\$21,136	\$29,195,566
Changes in Net Assets	\$25,844,111	(\$5,481,775)	(\$873,724)	\$242,303	(\$21,136)	\$19,709,779
Acquisition of Property	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets — Beginning	\$11,422,442	\$23,865,416	\$1,112,492	\$1,961,951	\$47,284	\$38,409,585
Net Assets — Ending	\$37,266,553	\$18,383,641	\$238,768	\$2,204,254	\$26,148	\$58,119,364

Board of Directors

2022-2023 FISCAL YEAR



Vanessa Garrett Harley, Esq.

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City of Philadelphia



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VICE-CHAIR

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Triquetra Law



Samuel W. Milkes, Esq.


*Nonprofit and Legal Aid
Consultant*



Joseph G. Price, Esq.

*Dougherty Leventhal
& Price LLP*

Chief Justice Debra Todd



The Pennsylvania Supreme Court is committed to providing access to justice for all citizens. That commitment brings with it a responsibility to support the provision of legal services to those in need. As judges, attorneys and members of the legal profession, we have the opportunity to effectuate change in the lives of so many, and I extend my personal gratitude to IOLTA and to all of those individuals who, through the administration of justice, work to ensure adequate representation for all Pennsylvanians. There is no greater act of service to our most vulnerable population than through civil legal aid, and we honor all of those organizations and individuals who selflessly provide these much needed services, as well as those who support this mission, whether financially or by donating their time and talents by providing pro bono civil representation.”



SUPREME COURT OF PENNSYLVANIA

Pennsylvania Interest on Lawyer Trust Accounts Board

MAILING ADDRESS

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OFFICE ADDRESS

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