

PENNSYLVANIA LEGAL AID NETWORK (PLAN) 2008-2009 STATE BUDGET REQUEST

PROGRAM HISTORY AND OVERVIEW:

Nearly 100,000 low income clients were represented last year by the civil legal aid programs of PLAN. Every county in the state is served; and six specialized programs target special needs such as healthcare and housing. Considering the size of a typical family, the representation of 100,000 clients benefits over 300,000 people, many of them children. *Pro bono* lawyers in private practice represent thousands of additional clients, through organized programs of their local bar associations.

Consider this one sample case. Mrs. Smith, a widow, was referred by the Area Agency on Aging to Laurel Legal Services for representation in a mortgage foreclosure action. The mortgage holder was foreclosing because the mortgagor, her late husband, was deceased. LLS claimed that Mrs. Smith was protected from foreclosure because, as his spouse, she stood in his position under the mortgage, and Federal Law protected the mortgagor until death of the mortgagor, sale of the residence, or mortgagor's absence from the residence for a year. LLS was able to settle the case by having Mrs. Smith assume the mortgage. A *pro bono* attorney assisted by helping with the Federal court aspects of the case.

Clients are 1) victims of domestic violence; 2) involved in disputes over children; 3) facing mortgage foreclosures, evictions, inadequate living conditions; and 4) denied healthcare. Still other clients experience consumer concerns, such as falling prey to predatory and sub-prime lending practices or being subject to improper repossession of cars. Often, clients are disabled and unable to provide for themselves.

Legal aid programs receive funding and support from the federal Legal Services Corporation ("LSC") the Commonwealth of Pennsylvania, the Supreme Court (through the Pa. IOLTA Board), as well as from a host of other sources, including foundations, United Ways, local governments, private attorneys, Bar Associations, law schools and law school clinics, and the *pro bono* services offered by lawyers. For over thirty years, State appropriations, which have been flat, drifted far below inflation-adjusted levels, while the eligible population actually increased by 20%. Looking specifically at the state allocation, 2008 funding is about \$5.2 million below the inflation-adjusted purchasing power of 1975-6 funding. (A graph on the back portrays historic and current state funding, along with the devastating impact of funding changes projected for the next fiscal year.) This limit on resources has caused severe and damaging restraints in client services.

Twenty years ago, funding supported 358 PLAN lawyers in Pennsylvania; today, there are 264.

Of the 17,600 eligible people **who presented themselves to ask for help at legal aid offices in Pennsylvania** during a recent study by the federal Legal Services Corporation, about 50% had to be turned away; about 30% were provided brief services, referrals, or advice; and about 20% were provided extended representation. **90% of those who were turned away resided outside Philadelphia or Pittsburgh.**

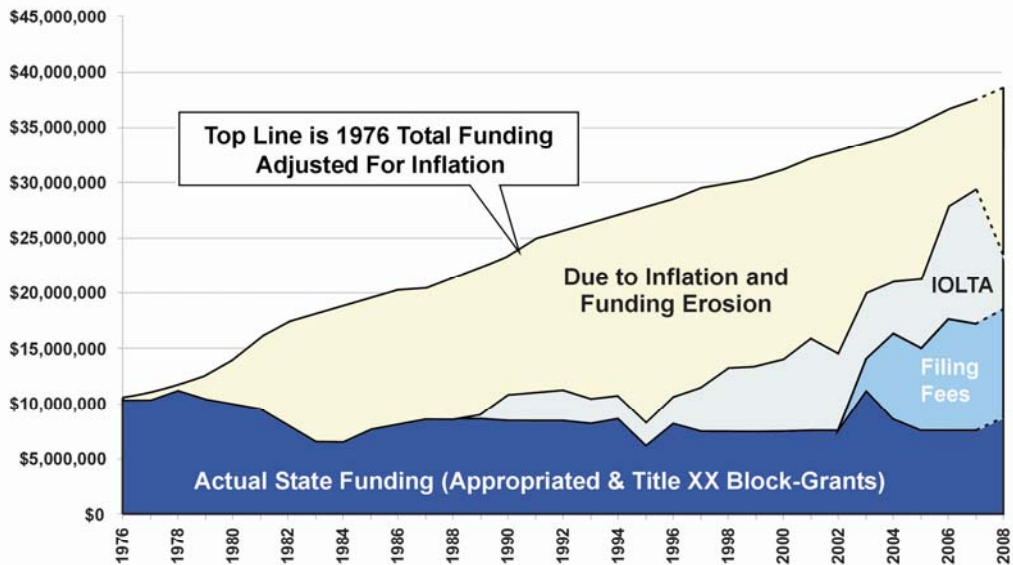
Another way to analyze funding to legal aid is to compare Pennsylvania to other states. Texas, Ohio, Virginia, Washington and New York have each recently added millions of dollars to appropriations and filing fees, in support of legal aid. Over the last six years Texas has been increasing its state funding for legal aid programs, adding \$5 million in its last budget. Ohio significantly increased a filing fee surcharge (to \$26) to help fund legal aid. New York just increased its appropriation by \$8 million. Washington increased its appropriation by over \$2.5 million. New Jersey appropriates \$23.42 per poor person in its census count. Maryland appropriates about \$16.50. Pennsylvania appropriates \$13.44. It would take an increase of about \$4 million in state funding for Pennsylvania to catch up with Maryland.

REQUEST:

To help meet the needs of our low income citizens, the Governor included in his 2008-9 state budget proposal an increase of 1 million dollars in the legal services line item within the Department of Public Welfare. (Current funding is \$2.65 million state funds and \$5.049 SSBG funds.) We ask for support of this budget line. Especially in light of massive cuts in IOLTA funding occurring next year, due to interest rate reductions, this funding is needed for the provision of vital services to Pennsylvania residents.

Funding for Civil Legal Services in Real Dollars Has Fallen Behind

Even with recent increases, 2008 total is only 2/3 what it was in 1976, taking inflation into account.



The above graph displays state appropriations, along with IOLTA and filing fee funding to the Pennsylvania Legal Aid Network since 1976, compared to inflation-adjusted 1976 funding. The dotted graph lines for 2008 represent projected funding, including a dramatic decrease in IOLTA funding (due to lower interest rates) and a one million dollar increase in state funding (as proposed in the Governor's 2008-2009 budget).