Good morning. Act 2006-81 directed the Legislative Budget and Finance Committee (LB&FC) to conduct a sunset performance audit of Pennsylvania’s Access to Justice Act (AJA) to determine if there is a continued need for the activities and level of financial support provided for in the act. Under Act 81, the Access to Justice program is to terminate in December 2012 unless reauthorized by the General Assembly. Although not part of our statutory requirement, we included information on other civil legal aid funding sources to provide a more complete picture of civil legal aid resources in the Commonwealth.

Civil legal aid seeks to provide legal assistance to low income clients for non-criminal matters. This includes cases involving family law, housing, public benefits, and consumer issues. Eligibility is generally restricted to clients whose family income does not exceed 125 percent of poverty level, which is $27,938 for a family of four in 2011.

The PA Legal Aid Network, Inc. (PLAN, Inc.), a nonprofit organization, administers the AJA funds and Interest on Lawyer Trust Account (IOLTA) Board grants for eight independent regional legal aid programs and five specialized legal
resource programs. Those programs, and two non-PLAN, Inc. funded programs, comprise the PA Legal Aid Network. Services are available throughout the state.

Funding for civil legal aid in Pennsylvania, like in other states, is provided by many sources, including federal funding from the Legal Services Corporation (LSC), Title XX funds, IOLTA funds, and private funds. The Access to Justice Act also established a fund to provide civil legal aid assistance to the poor through the imposition of a fee on filings in state courts, $2 of which is dedicated to the AJA fund. A temporary surcharge was added to certain state court filings in 2009, $1 of which goes to the AJA, and is to expire in January 2012.

AJA funds account for approximately 24 percent of the federal and state funds received by the legal services programs (LSPs), and last fiscal year, accounted for $10.1 million of the $58.2 million in total funding received by the LSPs.

Another major source of funds for the legal services programs are known as IOLTA funds, which are derived from the interest earned on certain lawyer trust accounts. The revenue from IOLTA funds awarded through PLAN, Inc., however, has decreased from a high of $9.2 million several years ago to $1.7 million in FY 2009-10 due to the drop in interest rates. This decline in interest rates and subsequent reduction in revenues were the impetus for the temporary $1 surcharge established by Act 2009-49. In addition, federal Legal Services Corporation funding
for the current fiscal year has been reduced, and funding from the American Recovery and Reinvestment Act of 2009 (ARRA) has ended.

The Commonwealth’s legal aid programs handle over 100,000 cases annually. Of that, approximately 20,000 are funded using AJA funds, primarily in the areas of family law and housing.

Due to limited resources, however, services cannot be provided to every eligible applicant, with approximately one eligible applicant turned away for every applicant receiving services. This mirrors the national average. Because the legal aid programs do not have the resources to provide services to every eligible applicant, they prioritize the cases based on factors such as the type of case, funding restrictions, and the likelihood of success.

To determine the effectiveness of Pennsylvania’s legal aid programs we looked at their success in resolving cases, the satisfaction of the clients they serve, and the amount of direct dollar benefits to the clients. For cases where the resolution is known, in FY 2009-10 about 74 percent of AJA-funded cases were successfully resolved and 26 percent were considered to have been unsuccessfully resolved. However, outcome information was not available for the 50 percent of clients who received telephone or limited service advice to follow through on the matter on their own. Since this is such a large percentage of the cases the LSPs handle, we
recommend that the IOLTA Board and PLAN, Inc. develop a follow-up process, possibly using a university or law school program, to determine whether these telephone services have been effective.

Almost all of the clients who responded to the client satisfaction surveys are satisfied with the services provided, with satisfaction rates ranging from 80 percent to 100 percent. The response rates, however, were low, ranging from 5 percent to 25 percent. Total direct dollar benefits reported by the PLAN, Inc., programs—meaning the direct financial benefits to legal aid clients—were $18 million in FY 2009-10.

Finally, we reviewed PLAN, Inc.’s reports of its monitoring visits to the 13 service providers for the past several years, the independent financial audits for PLAN, Inc. and the 13 service providers for FY 2008-09, and the most recent audits conducted by the Department of Auditor General and the Judicial Auditing Agency to determine whether funds are collected, remitted, and used appropriately. The monitoring reports identified various concerns with program operations regarding, e.g., timely case closing, but the required corrective action was found to have been implemented by the programs. Therefore, in general, no significant ongoing concerns with program administration were noted. The audit reports of the courts and court officials found some problems with accurate collection and timely remittance
of the fees, but those problems also appear to have been addressed by the courts and court officials in most cases.

In summary, we found that the services provided by the Access to Justice program are important to low-income residents, that a high percentage of the clients are satisfied with the services they receive, and that the program appears to be well-monitored. The major problem facing the program is one of funding. As I mentioned earlier, the IOLTA funds are dependent on short-term interest rates which are near historic lows. Federal and other state funding sources also face an uncertain future. To address these funding issues, we recommend that the General Assembly consider making the AJA fee permanent. We also recommend that the General Assembly consider also making the $1 surcharge on court cases, which is scheduled to expire in January 2012, a permanent source of funds for the legal aid program.

In closing, we acknowledge and thank the IOLTA Board and its staff for their excellent cooperation and assistance during this study. We also thank PLAN, Inc. and its staff who also assisted us in our work. Thank you.