

Economic Impact of Civil Legal Aid in Pennsylvania



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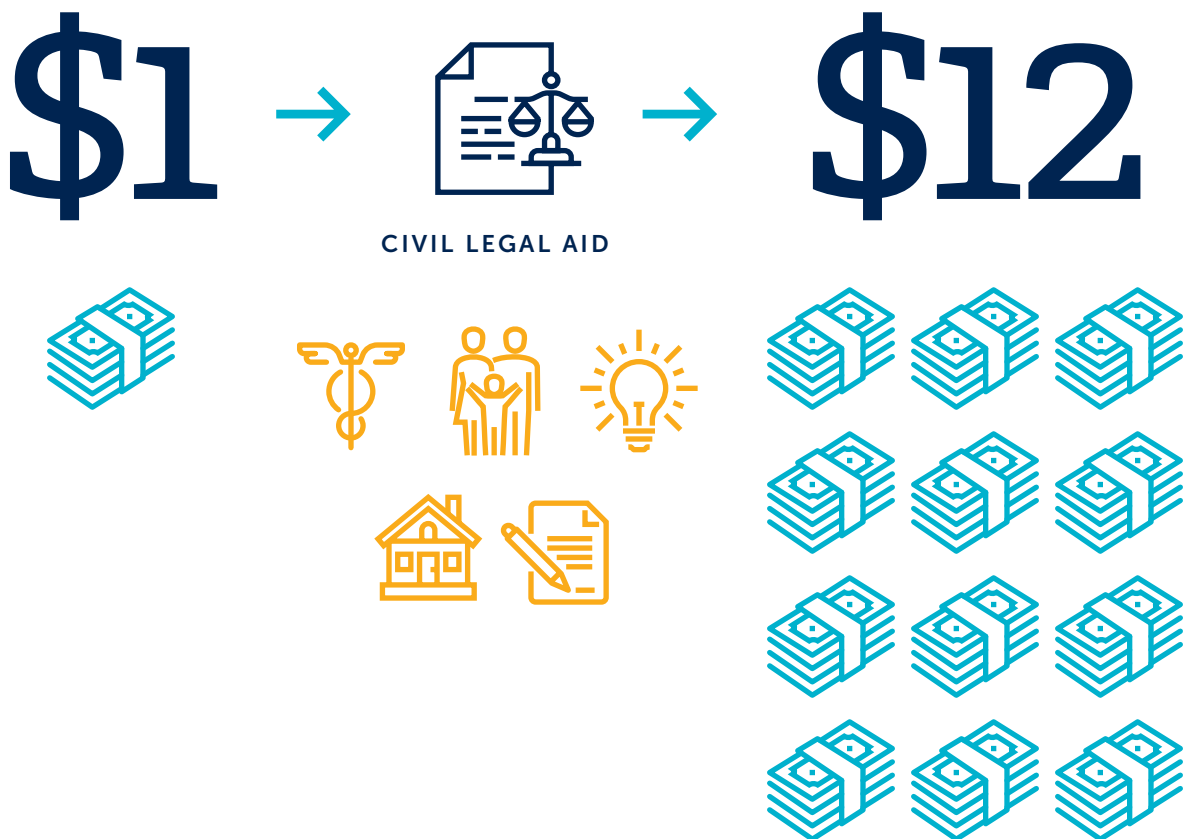
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Overview

RETURN ON INVESTMENT

The estimated return on investment from the delivery of civil legal aid by the Pennsylvania Legal Aid Network (PLAN) in FY 2018 in the form of economic benefits produced over time.



CIVIL EXPUNGEMENT OF
CRIMINAL RECORDS

\$1,079,280

in FY 2018 and a **\$9,579,071**
impact over five years.

SOCIAL SECURITY INCOME
MAINTENANCE

\$7,052,895

in FY 2018 and a
\$36,966,108 impact
over five years.

UTILITY SERVICES RESTORATION
OR SUPPORT

\$1,902,402

impact over 12 months.

MEDICAL-LEGAL
CASES

\$16,530,938

in FY 2018 and a
\$57,754,755 impact
over 30 months.

DOMESTIC VIOLENCE
PREVENTION

\$16,988,056

impact over 12 months.

Executive Summary

Civil legal aid refers to free legal services provided to low-income Pennsylvanians in non-criminal matters where legal representation is necessary to secure a critical need, such as access to shelter, nutrition, or healthcare. These services are provided by nonprofit legal aid organizations, law school clinical programs, county bar associations, and range from individual representation to systemic advocacy before administrative agencies as well as state and federal courts.

The estimated economic benefits discussed in this report are derived from a subset of “individual” representation cases from legal aid providers that are members of the Pennsylvania Legal Aid Network (PLAN), involving: medical-legal cases, domestic violence prevention, utility services restoration, civil expungement of criminal records, and social security income maintenance. It should be noted that PLAN organizations and non-PLAN nonprofit legal aid providers also provide services in a range of additional case types which are beyond the scope of this study (including, but not limited to: custody representation, eviction prevention, foreclosure prevention, employment-related representation, and many other civil matters).

The economic effects measured in this study include both *direct* and *indirect* benefits. *Direct benefits* accrue to PLAN clients who receive new or enhanced income and medical services (or costs avoided) as a result of the legal aid provided to them. *Indirect benefits* accrue more broadly to Pennsylvania residents who receive additional incomes generated by the spending of incomes received as direct benefits to purchase goods and services produced and/or sold in the Commonwealth.

The *direct economic benefits* of the subset of civil legal aid cases in Pennsylvania included in this study during fiscal year 2018 totaled \$43.6 million and, when accounting for ongoing future benefits, \$123.2 million in present-value dollars. Summing the *direct and indirect benefits* of civil legal aid yields total economic benefits of more than \$55 million for FY2018, and more than \$171 million when on-going benefits that continue past 2018 are taken into account. The components of the *direct benefits* for individuals receiving representation during FY2018 (and from 2018 including ongoing future benefits) within specific case categories are as follows:

- Total benefits of civil expungement cases including ongoing future benefits are \$9,579,071 in present dollars.
- Total benefits of domestic violence prevention cases were \$16,988,056.
- Total benefits of medical-legal cases including ongoing future benefits are \$57,754,755 in present dollars.
- Total benefits of Social Security SSI (Supplemental Security Income) and SSDI (Social Security Disability Insurance) cases including the ongoing future benefits are \$36,966,108 in present dollars.
- Total benefits of public utility cases were \$1,902,402.

The application of a jobs multiplier to the federal monies injected into the state of Pennsylvania from the PLAN activities examined in this report indicates that these monetary benefits are accompanied by the creation of more than 300 jobs in FY2018 and approximately 1,300 jobs over the extended period after 2018.

The summed total of direct and indirect benefits estimated by this study come to more than \$171 million in present value dollars when including future benefits that extend beyond FY2018. By measuring this sum against the monies allocated to fund the case-related operations of PLAN organizations in FY2018, we estimate those investments will yield about five and one-half times their value in economic benefits to Pennsylvania residents over the next five or so years. Additionally, PLAN organizations closed a total caseload of 48,897 cases during FY2018, while we have examined 22,528 case outcomes that fall into the categories detailed above. Pro-rating the monies allocated to fund all PLAN activities in FY2018 according to the ratio of outcomes examined to total cases closed (i.e., $22,528 \div 48,897 = 0.461$) yields a significantly larger ratio of economic benefits produced to monies invested in generating those benefits. In this case, the extended period benefits to investment ratio rises significantly from 5.6 to 12.1.

Program Description

Civil legal aid refers to free legal services provided to low-income Pennsylvanians in non-criminal matters where legal representation is necessary to secure a critical need, such as access to shelter, nutrition, or healthcare. Civil legal aid services are provided by nonprofit legal aid organizations, law school clinical programs, county bar associations, and range from individual representation to systemic advocacy before administrative agencies, state courts, and federal courts. These organizations provide a continuum of services for a variety of legal problems, which includes but is not limited to, representation involving: access to special education services, divorce and custody matters, domestic violence prevention, employee rights, workers' compensation, access to healthcare services, bankruptcy, as well as eviction and foreclosure prevention. The Pennsylvania Legal Aid Network (PLAN) is the state's coordinated system of organizations providing civil legal aid for those with nowhere else to turn. PLAN offers critically needed legal services for low-income individuals and families who face urgent civil legal problems.

Funding for civil legal aid in Pennsylvania is provided through a variety of means, including: (i) grants from United Way agencies, foundations, and bar associations; (ii) appropriations from state and local governments; (iii) grants from the federal Legal Services Corporation, and; (iv) grants from the Pennsylvania Interest on Lawyer Trust Accounts (IOLTA) Board.¹ Private attorneys also contribute to civil legal aid by making monetary contributions and by volunteering their services for low-income individuals in need. In order to be income eligible to receive civil legal aid services, a potential recipient's family monthly gross income must not exceed 125% or 187.5% (depending on funding source) of the federal poverty guidelines. Domestic violence prevention legal services are provided without regard to income.

This report focuses on the subset of "individual" representation cases from legal aid providers that are members of the Pennsylvania Legal Aid Network (PLAN), involving: medical-legal cases, domestic violence prevention, utility services restoration, civil expungement of criminal records, and social security income maintenance.

Case Data

The Pennsylvania IOLTA Board worked with Pennsylvania Legal Aid Network (PLAN) organizations to compile and organize a file of a subset of civil legal aid cases handled by PLAN organizations to be examined as part of this study. The subset of cases that were included in this study were those that "closed" during FY2018, and, for the sake of consistency, included only those cases worked on by legal aid attorneys and paralegals (not those solely completed by "pro bono" private attorneys). This subset of cases fell into the general categories of medical-legal representation, domestic violence prevention, criminal record expungement, social security income maintenance, and utility services restoration or support. The case data for this subset of closed cases included 21 data elements for each case, including the legal problem category, type of representation, attorney and paralegal time

¹ *The IOLTA Board is a nonprofit instrumentality of the Supreme Court of Pennsylvania that collects interest earnings from lawyer IOLTA and minor judiciary (MJ-IOLTA) trust accounts as well as revenue from court filing fees pursuant to Pennsylvania's Access to Justice Act for the purpose of funding civil legal aid in Pennsylvania.*

spent on the case, the case outcome and any known monthly or on-going financial impact. Cases were grouped into case categories, as shown in Table 1. Of the case types included in this study, most involved domestic violence prevention.

Table 1. Selected Civil Legal Aid Case Outcomes for Pennsylvania Legal Aid Network Members by Case Category and Sub-Category, 2018

Case Category	Sub-Category	Outcomes	%
Medical	Medicare	343	1.5%
Medical	Medicaid	2,654	11.8%
Medical	CHIP	16	0.1%
Medical	Home/Community Based	9	0.0%
Medical	Long-term Care	43	0.2%
Medical	State & Local Health	14	0.1%
Medical	Other	66	0.3%
Domestic Violence Prevention	Domestic Violence Prevention	13,212	58.6%
Utility Services	Restoration or Support	1,387	6.2%
Civil Expungements	Civil Expungements	1,499	6.7%
SSI Maintenance	SSI (Supplemental Security Income)	2,990	13.3%
SSI Maintenance	SSDI (Social Security Disability Insurance)	295	1.3%
Total Case Outcomes		22,528	100.0%

(Source: Pennsylvania IOLTA Board Case Data Collected from PLAN Organizations, accessed 2/13/2019)

The client demographic information, the type of representation, attorney and paralegal time, and case outcomes differ by case category, as Table 2 shows.² The average attorney and paralegal time spent on each case type is notably different, with average attorney time being highest for cases involving SSI maintenance ($M = 10.7$ hours, $SD = 19.2$ hours). PLAN attorneys reported a total of 160,883 hours while PLAN paralegals reported an additional 54,793 hours working on the case categories examined in this study. This amounts to a total of \$24.1 million in attorney time and \$3.6 million in paralegal time.³

² Readers should be aware that some individuals have multiple case outcomes related to the different problems a single client might encounter. For the purpose of the analyses that follow, we focus on these outcomes and not on individual cases. In the original data set examined for this project there were 22,923 unique cases with 33,242 outcomes of which 15,067 cases with 22,528 outcomes were utilized for the case categories included in this study.

³ This calculation assumes a value of \$150 per hour for an attorney and \$65 per hour for a paralegal which represent the equivalent cost and value of the services of a private law firm that the legal aid client received at no cost from the nonprofit civil legal aid organization.

Table 2. Case Characteristics by Case Category, Pennsylvania 2018

	Civil Expungement	Domestic Violence Prevention	Medical Legal	SSI Maintenance	Utilities
Selected closed case outcomes	1,499	13,212	3,145	3,285	1,387
Monthly Household (HH) Income (mean (sd))	\$727.72 (\$731.23)	\$1,814.34 (\$2,767.95)	\$1,917.44 (\$3,935.33)	\$679.05 (\$756.52)	\$1,112.42 (\$786.29)
HH Size (mean (sd))	1.97 (1.47)	2.37 (1.34)	1.80 (1.31)	2.08 (1.48)	2.58 (1.71)
Age (%)					
17 and under	1 (0.1)	356 (2.7)	308 (9.8)	527 (16.0)	0 (0.0)
18-24	97 (6.5)	1,995 (15.1)	158 (5.0)	331 (10.1)	39 (2.8)
25-34	489 (32.6)	4,355 (33.0)	279 (8.9)	473 (14.4)	250 (18.0)
35-44	361 (24.1)	3,138 (23.8)	309 (9.9)	537 (16.3)	311 (22.4)
45-54	300 (20.0)	1,981 (15.0)	545 (17.4)	678 (20.6)	362 (26.1)
55-64	213 (14.2)	922 (7.0)	849 (27.1)	535 (16.3)	278 (20.0)
Over 65	38 (2.5)	465 (3.5)	688 (21.9)	204 (6.2)	147 (10.6)
Extended Representation (%) ⁴	661 (44.1)	11,579 (87.6)	682 (21.7)	1,989 (60.5)	216 (15.6)
Attorney Hours (mean (sd))	2.93 (4.60)	4.61 (5.62)	1.78 (6.48)	10.74 (19.18)	3.08 (9.52)
Paralegal Hours (mean (sd))	0.64 (1.67)	0.31 (0.89)	2.26 (5.29)	8.23 (16.34)	2.32 (5.49)
Case Closure Category (%)					
Counsel and Advice	763 (50.9)	1,373 (10.4)	1,637 (52.2)	699 (21.3)	534 (38.5)
Negotiated Settlement	9 (0.6)	5,804 (43.9)	145 (4.6)	54 (1.6)	95 (6.8)
Administrative Agency Decision	2 (0.1)	32 (0.2)	390 (12.4)	1,688 (51.4)	10 (0.7)
Court Decision	590 (39.4)	4,811 (36.4)	6 (0.2)	9 (0.3)	13 (0.9)

Basis for Value of Legal Services Estimates

The primary purpose of this research is to derive some estimate of the value that civil legal aid provides to individual clients and then indirectly to their broader communities. Accordingly, it was necessary to identify relevant economic and outcome data from the case management system used by PLAN legal aid organizations. This included both the one-time and ongoing value of costs avoided as a

⁴ Extended representation cases refer to cases that involve complex representation over an extended period of time.

result of the individual receiving legal aid representation as well as the value of any benefits received. Due to limitations in the data initially provided from the PLAN case management system pertaining to one-time or ongoing economic benefits, a random sample of cases was identified for which legal aid programs were requested to review their detailed case files to provide narrative information which could be used to better approximate any one-time or ongoing economic benefits.⁵ To ensure that any economic impact valuations from this sample would be accurate and unbiased, the research team decided to draw a random sample of cases that could be explored in depth by PLAN program staff. Because the number of cases in each case category varies, the sample included 150 cases for the domestic violence prevention category and 50 cases from the remaining case categories.

The participating legal aid programs provided an electronic file documenting the dollar amount of the one-time and/or monthly financial benefits or costs avoided, and a short three to four sentence description of the client's situation which gave rise to the case. Because it is not normal practice to collect information about later financial benefits as part of the case closing procedures for some case categories (such as expungements), it was hoped a narrative description would allow for the creation of reasonable inferences and estimates.

Financial Impacts

This study finds that the *direct economic benefits* of civil legal aid in Pennsylvania to the individuals receiving services during fiscal year 2018 yields a total value of \$43.6 million and \$123.2 million (in present-value dollars) when accounting for ongoing future benefits. Summing the *direct and indirect benefits* of civil legal aid yields total economic benefits of more than \$55 million for FY2018, and more than \$171 million when on-going benefits that continue past 2018 are taken into account.

Table 3 provides a summary of the estimated direct financial impacts for each case category. Data provided by the random sample of cases described above or inferred data from peer-reviewed academic studies were used in cases where the original data was insufficient for our purposes. Using that data, we calculated the average one-time impact and the average monthly impact of the legal aid activities examined. To calculate the total economic benefit of legal aid activities studied for FY2018, we multiplied the average monthly impact by six.⁶ We then added the one-time and monthly impacts together and multiplied the final amount by the total number of cases in the full dataset to estimate the total benefit for FY2018 for each case category.

In certain cases, we expect that the benefits extend beyond one year. For example, obtaining

⁵ *The primary limitation of the original data was that many cases did not have monthly or one-time economic outcomes documented. Cases without a monthly economic or one-time economic value for each case category were: Civil expungement missing 1,492 monthly and 1,497 one-time values for 1,499 outcomes; domestic violence prevention missing 11,912 monthly and 13,198 one-time values for 13,212 outcomes; medical-legal missing 2,821 monthly and 3,004 one-time values for 3,136 outcomes; SSI missing 2,421 monthly and 2,703 one-time values for 3,285 outcomes; and utilities missing 1,365 monthly and 856 one-time values for 1,387 outcomes. Cases from the Pennsylvania Utility Law Project were excluded from the sample request due to the high level of detail provided in their initial case outcome file.*

⁶ *We assume that legal aid activities in each case category are uniformly distributed throughout the year. Thus, the average duration of continuing monthly benefits won for legal aid clients in FY2018 is six months; we therefore multiply continuing monthly benefit amounts by only 6 in compiling FY2018 totals.*

access to social security income will likely provide benefits into the future. For such cases, we rely on academic literature to estimate the assumed monthly impact duration, and discount this amount using a 5% discount rate to put the benefit in present-dollar terms.

Civil Expungement of Criminal Records

Although civil legal aid organizations do not provide any representation in criminal matters, low-income individuals are able to receive services so that they can seal or expunge a past criminal record. Expunged information is completely destroyed, whereas sealed information is available to law enforcement and on FBI background checks. There are many rules regarding when (and what) records are eligible for expungement or sealing, as well as new changes that are going into effect between June of 2019 and June of 2020 with Pennsylvania's recently enacted Clean Slate Act. Legal aid organizations work hard to assist individuals who have paid their debt to society by taking the steps necessary to ensure that they can participate more fully in our economic system.

We estimate the economic benefits of civil expungement received by PLAN clients in FY2018 as amounting to \$1,079,280. Accounting for ongoing benefits after 2018 raises this figure to \$9,579,071 in present value dollars.⁷

In addition to the economic benefits of civil expungement, studies have also documented other community benefits that arise from these activities. The community benefits arising from civil expungement show that increased employment arising from expungement grows public revenue, reduces recidivism, and improves public safety.⁸

Domestic Violence Prevention

Victims of domestic abuse are able to seek assistance from civil legal aid organizations in obtaining protective orders under Pennsylvania's Protection From Abuse Act. This can include assisting the victim in requesting an initial temporary Protection From Abuse (PFA) Order (effective for up to 10 days), as well as representation in a contested hearing for the purpose of obtaining a final PFA Order which can last for up to three years. Victims are also advised and represented in other ways, not always involving court action.

We estimate the monetized benefits to PLAN clients of domestic violence prevention cases as \$16,988,056.⁹ In addition to the economic benefits of domestic violence prevention, studies have also

⁷ Our random sample of cases involving inquiries regarding civil expungement yields a successful result in 20 out of 50 instances; we therefore applied a 40% success rate to the total of 1,499 civil expungement cases undertaken in FY2018. For clients who received civil expungement, we estimate an improvement in monthly earnings of \$300. We base this amount on Prescott and Starr "Expungement of Criminal Convictions: An Empirical Study," *Harvard Law Review* (forthcoming). The authors of this study find that relative to pre-expungement trends, recipients gained an average of \$370 in monthly earnings. Our estimate of \$300 per month is thus a conservative adaptation of their findings. The improvement in earnings following a civil expungement can of course last for the entirety of one's working life. We again conservatively assume a 5 year (60 month) duration of monthly earnings enhancement following a civil expungement received in 2018.

⁸ See Center for Economic and Policy Research, *Ex-offenders and the Labor Market* (November 2010), <http://cepr.net/documents/publications/ex-offenders-2010-11.pdf>

⁹ We assume a benefits duration of 12 months based on the average duration in the sample case data. If financial data

documented other community benefits that arise from these activities. The community benefits of domestic violence prevention include decreased homelessness, opportunities for survivors to attend school or work after PFA orders are in place, and the reduced likelihood of serious physical, emotional and behavioral health problems in children that result from exposure to domestic violence.

Medical-Legal Cases

In some parts of the state, civil legal aid organizations partner with hospitals and medical providers to help consumers of medical services. Legal aid provides extensive counseling and representation for low-income families who face legal problems accessing healthcare services. This representation ranges from providing assistance and counseling to individuals in completing complex and confusing documentation for public or private insurance programs, as well as representation in appeals before administrative agencies such as the Pennsylvania Department of Human Services, in addition to litigation in state or federal courts. The issues resolved through this advocacy are wide-ranging, examples of which include: obtaining, preserving, or increasing a Medicaid Waiver for individuals with disabilities so that they can remain in their home or enforcing the terms of private health or disability insurance on behalf of consumers. Additionally, legal aid also helps in areas related to health but not directly involving medical services. For example, if a child is experiencing health problems due to mold in the rental housing, the family may be assisted in assuring the landlord provides safe housing.

In reviewing the sample data for the medical-legal cases, the cases involving Medicaid and Medicare had more detailed outcome information than other case subtypes in this category, so we accordingly limit our analysis to those involving Medicaid and Medicare. We estimate total direct benefits to PLAN clients of medical-legal cases as \$16,530,938 in FY2018. We estimate further that after accounting for ongoing future benefits post 2018 the total direct benefits to clients resulting from these cases amount to \$57,754,755 in present value dollars.¹⁰

In addition to the economic benefits of medical-legal cases, studies have also documented other community benefits that arise from these activities. The community benefits arising from these types of cases show Medicaid enrollment makes it easier for adults to work or, if unemployed, easier to look for work because they are able to obtain care for previously untreated health conditions.¹¹ Medicaid participation also decreases emergency room utilization.¹² Without Medicaid, levels of uncompensated care by health care providers increase and their costs rise due to the use of emergency departments for

is missing in the sample case data, we assume an annual benefit of \$2,085, basing this amount on Cohen (2000). "Measuring the Costs and Benefits of Crime and Justice." Criminal Justice. In this study, the author estimates that the economic benefit of domestic abuse prevention is \$1,200 in 1993 dollars. We convert this dollar amount to 2018 dollars to yield an economic benefit of \$2,085.

¹⁰ *Estimated one-time and continuing monthly benefit amounts are based on the sample case data; 90% of cases address access to Medicaid and the remainder to Medicare. We assume a monthly impact duration of 30 months, based on the following Department of Health and Human Services report: Chipra Mandated Evaluation of the Children's Health Insurance Program: Final Findings (2014), <https://aspe.hhs.gov/report/chipra-mandated-evaluation-childrens-health-insurance-program-final-findings/vi-length-medicare-and-chip-enrollment-spells-and-coverage-experiences-after-disenrollment>.*

¹¹ *See Ohio Department of Medicaid, 2018 Ohio Medicaid Group VIII Assessment (August 2018), <https://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>*

¹² *Ibid.*

non-emergency primary care and increased hospitalizations for illnesses that could have been treated in an outpatient setting.

Social Security Income Maintenance

Civil legal aid grantees provide representation for individuals before the Social Security Administration, primarily on behalf of disabled children and adults regarding SSI (Supplemental Security Income) or SSDI (Social Security Disability Insurance) benefits so that they can survive financially and have health insurance. The process of proving an eligible disability can be extensive and can involve representation before a Social Security Administration Administrative Law Judge. It may also include representation at the “Reconsideration” stage, or before the Social Security Administration’s Appeal Council and even the federal courts.

We estimate the direct benefits to PLAN clients of Supplemental Security Income and Social Security Disability Insurance cases as \$7,052,895 in FY2018. We further estimate that after accounting for ongoing future benefits post 2018, the total direct benefits to clients resulting from these cases amount to \$36,966,108 in present value dollars.¹³

Access to SSI benefits can help families pay for basic expenses needed to help a family care for a child with a disability at home instead of in an institution or other restrictive setting.¹⁴ SSI benefits can also assist families with meeting the additional costs often associated with raising a child with a disability, such as out-of-pocket costs for therapies and medical treatments. Benefits can also help replace some of the family income lost when one or both parents must stay home or reduce their working hours to care for a child.

Utility Services Restoration or Support

In Pennsylvania, civil legal aid organizations provide counseling and representation for low-income consumers facing legal problems related to accessing or keeping their residential utility and energy services. This includes representing the interests of low-income, residential utility consumers before the Pennsylvania Public Utility Commission, the Pennsylvania Department of Human Services, and other state and federal agencies that are involved with energy or utility matters. It also involves direct advocacy with utility companies to make sure they follow the law on providing utility services. Additionally, assistance and advice is provided to consumers on accessing debt assistance and repayment programs, along with support for landlord-tenant utility and Low-Income Home Energy Assistance Program (LIHEAP) matters.

We estimate that the total benefits of individual representation in public utility cases to individuals are \$1,902,402.¹⁵ However, it should be noted that in addition to the individual

¹³ *Estimated one-time and continuing monthly benefit amounts are based on the sample case data; 92% of cases concerned access to SSI and the remainder to SSDI. We assume a duration of 60 months for continuing benefits, based on Kalman and Scott (1995). “Length of Stay on the Supplemental Security Income Disability Program”, Social Security Bulletin.*

¹⁴ *See The Arc of the US, Social Security and SSI for People with I/DD and Their Families (last accessed December 31, 2019), https://thearc.org/wp-content/uploads/forchapters/NPM-SocialSecurity_SSI_4.pdf*

¹⁵ *One-time and continuing monthly impacts are based on the sample case data. We assume a continuing impact*

representation cases, the Pennsylvania Utility Law Project (PULP) in particular regularly undertakes significant systemic advocacy cases before the Pennsylvania Utility Commission involving a range of utility policy matters in areas such as the availability of energy efficiency, weatherization, and utility assistance programs for low-income households. However, for purposes of this project our analysis is limited to individual representation cases and does not include a study of PULP’s systemic advocacy work.

In addition to the economic benefits of utility restoration, studies have also documented a number of community benefits that arise from these activities. Specifically, access to utility services: decreases homelessness;¹⁶ avoids negative impacts to the health, safety and well-being of children that would otherwise result from losing utility services in the form of sleep loss, exposure to extreme temperatures, and the inability of their parents to cook a hot meal;¹⁷ and further, that utility assistance allows low-income families to avoid trade-offs between energy and other basic necessities, such as food and medical care.¹⁸

Table 3. Summary of Direct & Indirect Impacts to Individuals for Selected Legal Aid Case Categories, FY2018

	Civil Expungement	Domestic Violence Prevention	Medical Legal	SSI Maintenance	Utilities
Selected Closed Case Outcomes	1,499	13,212	3,145	3,285	1,387
Total Closed Case Outcomes Sampled	50	149	50	50	48
Total Cases with Data	20	7	45	17	16
Total Cases with Inferred and Actual Data	20	149	45	17	48
Average One Time Impact	\$-	\$2,023.93	\$1,192.53	\$1,726	\$2,225.93
Average Monthly Impact	\$300	\$45.64	\$779.18	\$214	\$43.105
Assumed Monthly Impact Duration	60 months	12 months	30 months	60 months	12 months
Discount rate assumed for monthly benefits	5%	N/A	5%	5%	N/A
Total Benefit (FY2018)	\$1,079,280	\$16,988,056	\$16,530,938	\$7,052,895	\$1,902,402
Total continuing benefits post-FY2018	\$8,499,791	0	\$41,223,817	\$29,913,213	0
Total Benefits	\$9,579,071	\$16,988,056	\$57,754,755	\$36,966,108	\$1,902,402

duration of 12 months, based on our best judgment.

¹⁶ See Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, *Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report* (April 2016), <https://projecthome.org/sites/default/files/HOMELESSNESS%20IN%20PENNSYLVANIA%20REPORT.pdf>

¹⁷ See, e.g., People’s Emergency Center, *Policy Brief: Estimated Annual Cost of Child Homelessness in Pennsylvania: \$363 Million* (June 2012), <https://housingalliancecpa.org/wp-content/uploads/2012/07/Cost-policy-brief-policy-2012-06-14.pdf>.

¹⁸ Diana Hernandez, *Understanding “Energy Insecurity” and Why It Matters to Health*, *J. Social Science & Medicine* 167, at 1-10 (2016); Ariel Drebohl & Lauren Ross, ACEEE, *Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*, at 13 (April 2016), <http://aceee.org/research-report/u1602>.

Total Economic Impact

Summation of the direct economic benefits in the above categories yields a total value of \$43,553,571 in FY2018 and \$123,190,391 (in present-value dollars) when accounting for ongoing future benefits as well. But we have not yet accounted for the indirect economic benefits that accrue to Pennsylvania residents as a result of new spending induced by the initial benefits won for their clients by PLAN organizations. To estimate these indirect benefits we use a *regional spending multiplier* value of 1.65¹⁹ applied to the sum of additional federal dollars flowing into Pennsylvania in the form of social security income (Supplemental Security Income (SSI) plus Social Security Disability Insurance (SSDI)) as well as Medicare and Medicaid²⁰ spending.

Table 4 provides a breakdown of both direct and indirect benefits and presents our final estimates for *total economic benefits* generated by PLAN activity related to the above categories for FY2018 alone and then for FY2018 plus the present-value of benefits continuing into the future. Summing the direct and indirect benefits yields total economic benefits that come to more than \$55 million for FY2018 and then to more than \$171 million when we take into account benefits that continue post 2018.

¹⁹ In determining this multiplier value we rely on several recent economic impact studies that have derived estimates of regional spending multipliers. An analysis of Pennsylvania's Statewide System of Higher Education using FY2013-14 data and the RIMS II methodology developed by the Bureau of Economic Analysis (BEA) finds an aggregated multiplier value of 1.50. This study also derived an employment multiplier of approximately 21 jobs created for every additional million dollars of direct composite spending by a State System university (Baker Tilly Virchow Krause, LLP, "The State System's Economic and Employment Impact on the Commonwealth of Pennsylvania," 2015, <http://www.pashe.edu/FactCenter/Documents/EconomicAndEmploymentImpactReport.pdf>). A similar study of Georgia's Public System of Higher Education used FY 2014-15 data and IMPLAN software to derive a nearly identical multiplier value of 1.46. (Jeffrey Humphries, "The Economic Impact of University System of Georgia Institutions on their Regional Economies in FY2015," 2016, https://www.usg.edu/assets/economic_development/documents/USG_Impact_20152.pdf) A 2015 economic impact study of tourist spending in Pennsylvania Heritage Areas used RIMS II methodology to derive a somewhat larger labor income multiplier of 1.67 and a value added multiplier of 1.78 (John McGrath et al, "The Economic Impact of Pennsylvania Heritage Areas," 2015, <http://www.pitt.edu/~mcgrath/assets/pa-heritage-study-final-report-0602152.pdf>). A previous economic impact study commissioned by IOLTA, "The Economic Impact of Outcomes Obtained for Legal Aid Clients Benefits Everyone in Pennsylvania," used a multiplier of 1.86; this report also quoted a RIMS II based estimate of 13.84 jobs produced per million federal dollars coming into low-income households in Pennsylvania. We thus have a range of relevant multiplier values of roughly 1.5 to 1.8. For the purposes of the present study we use a multiplier value of 1.65 while noting that there is considerable uncertainty among economists as to the size and duration of such multiplier effects. We also use an employment multiplier of 17.5, which is the midpoint value between the Baker-Tilly estimate of 21 jobs per million dollars of initial spending and the previous report's estimate of approximately 14.

²⁰ While Medicare spending is fully funded by federal dollars, spending for Medicaid is jointly funded by state and federal monies. In the case of Pennsylvania, the federal share of Medicaid spending is approximately 61% (The Henry J. Kaiser Family Foundation, State Health Facts, Federal and State Share of Medicaid Funding, <https://www.kff.org/medicaid/state-indicator/federalstate-share-of-spending/>). After adjustment to reflect this fact, the basis for multiplication becomes \$17,781,474 in FY2018, which yields an additional \$11,557,958 in indirect economic benefits; for the extended period, that basis becomes \$74,448,943, which yields an additional \$48,391,813 in indirect economic benefits.

Table 4. Direct and Indirect Benefits of PLAN Activity in Selected Case Categories, FY2018

	FY2018 benefit	FY2018 plus continuing benefits
Direct	43,553,571	123,190,391
Indirect	11,557,958	48,391,813
Total	\$55,111,529	\$171,582,204

The application of a jobs multiplier to the federal monies injected into the state of Pennsylvania (see footnotes 20 and 21) indicates that these monetary benefits are accompanied by the creation of more than 300 jobs in FY2018 and approximately 1,300 jobs over the extended period after 2018. These benefits can be measured against the monies allocated to fund the operation of PLAN organizations in FY2018. Table 5 presents these funds by source, indicating a total allocation to PLAN organizations of roughly \$47.7 million, of which 64.5% or \$30.8 million was allocated to supporting case-related work while 35.5% or \$16.9 million was allocated to PLAN's education mission. We can therefore measure the ratio of total monetary benefits produced in FY2018 to total funding provided to PLAN organizations for case-related work as 1.79 (i.e., \$55.1 million in benefits divided by \$30.8 million in funding). Including continuing benefits won via PLAN activities in FY2018 increases this ratio to 5.57. That is, monies invested to fund the case-related operations of PLAN organizations undertaken in FY2018 will have yielded roughly five and one-half times their value in economic benefits to Pennsylvania residents over the next five or so years.

Table 5. Funding Sources and Amounts (in millions) for PLAN Organizations, FY2018

IOLTA administered funds	15.5
Commonwealth of Pennsylvania (State Appropriation; State Disability Advocacy Program; State Employment Project)	3.5
Federal Title XX Block Grant	4.7
Legal Services Corporation	8.7
Local Support & Donations	15.3
Total	\$47.7

PLAN organizations closed a total caseload of 48,897 cases during FY2018, while we have examined 22,528 case outcomes that fall into the categories detailed above. Pro-rating the monies allocated to fund all PLAN activities in FY2018 according to the ratio of outcomes examined to total cases closed (i.e., 22,528 divided by 48,897 = 0.461) yields a significantly larger ratio of economic benefits produced to monies invested in generating those particular benefits. In this case, the extended period benefits to investment ratio rises significantly from 5.6 to 12.1.²¹

²¹ The total of monies allocated to fund those PLAN activities that generated the outcomes analyzed herein is \$14.2 million, calculated by multiplying \$30.8 million (dollars spent on case-related work) by the number of outcomes studied to total cases closed in FY2018. We would have preferred to use the total outcomes of all cases undertaken in the denominator rather than the number of cases closed (i.e., some cases produce multiple outcomes), but that number is not available. A consequence of this limitation is that the \$14.2 million figure may be an overestimate of the actual sum of monies that funded the relevant PLAN activities. If this is the case, then value of 12.1 reported above would represent an underestimate of the true benefits to investment ratio.



Civil legal aid refers to free legal services provided to low-income Pennsylvanians in noncriminal matters where legal representation is necessary to secure a critical need, such as access to shelter, nutrition, or healthcare.”





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