

Massachusetts Legal Assistance Corporation

Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth: Some of the Economic Effects in FY09

The work of MLAC-funded legal aid programs substantially boosts the Commonwealth's economy each year by bringing in millions of federal dollars, improving the economic condition of low-income clients and other residents and saving the state millions in avoided benefits and social services. New revenue and cost savings to the Commonwealth from civil legal aid in FY09 are estimated to be **\$73.1 million**, of which **\$38.7 million is in the form of new federal revenues**.

New Federal Revenue Coming into the Commonwealth

Disability Benefits Project: one year new monthly benefits and back payments	\$8,449,788*
Disability Benefits Project: direct federal reimbursement to DTA for EAEDC payments	\$666,037
Food Stamps: expansion of total benefits beyond average state expansion	\$26,675,664
Medicare: health care coverage won	\$1,091,484
Medicaid: children's autism Medicaid waiver	\$1,250,000
Federal Taxes: credits from Low-Income Tax Credit controversies resolved and refunds from filing assistance.	\$554,641
Total New Federal Revenue (excluding unemployment extension)	\$38,687,614

Other Benefits Won for Low-Income Residents

Unemployment Insurance: benefits won on appeal	\$2,800,000
Housing Stabilization: rent relief or damages won (data from 2 programs only)	\$482,627
Low-Income Utility Discounts: increased benefits and eligibility	\$18,500,000
Child Support orders: (data from 2 programs only)	\$666,952
Total Other	\$22,449,579

Potential Savings for the Commonwealth

Homelessness Prevention: avoided costs for shelter (estimated)	\$8,403,525
Domestic Violence Prevention: avoided health care and other costs (estimated)	\$3,573,000
Total Estimated Savings	\$11,976,525

Total Benefits and Savings (excluding unemployment extension)	\$73,113,718
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*Includes back payments and only the first year of benefits. SSI/SSDI monthly benefits continue for an average of approximately 9.7 years.

Section I: Bringing in New Federal Revenue

A. Disability Benefits Project¹

MLAC's Disability Benefits Project (DBP), staffed by advocates in legal services programs across the state, represents residents with disabilities in their efforts to qualify for or retain federal Social Security Disability Income (SSDI) or Supplemental Security

¹Based on the report: "Assessing the Benefits of Provision of Legal Services through the Disability Benefits Project," R. Granberry and R. Albelda, University of Massachusetts Boston, August 2006; updated for FY09 by MLAC.

Income (SSI) benefits. Many DBP clients are recipients of state-funded EAEDC; when they are found eligible for SSI/SSDI, they are removed from state programs and the federal government reimburses the Commonwealth for EAEDC payments made during the application process.

Services provided by DBP in FY09, with state funding of only \$1.37 million, yielded a total of **\$9.1 million in new federal revenue** for clients and the Commonwealth over one year. This amount includes lump retroactive payments as well as ongoing monthly benefits. Since SSI/SSDI recipients receive benefits for an average of more than nine years, the lifetime increase in these federal benefits is likely to be more than \$33 million.

- Successful DBP clients received a total of **\$5,114,211 in retroactive SSI/SSDI** payments from cases closed in FY09.
- An additional **\$666,037** was directly **reimbursed by the Social Security Administration to the Massachusetts Department of Transitional Assistance** as repayment for successful clients who had been receiving EAEDC during their appeals for federal benefits. This effectively reduced the state's total cost for the program to \$704,764.
- In addition, DBP clients won ongoing monthly SSI/SSDI benefits amounting to **\$2,945,400 in new federal dollars** each year. DBP clients also won **\$390,177 in benefit restorations** when SSA granted waivers of previously made assessments on benefits. Combining new federal benefits with benefit restorations and retroactive payments to clients, **the first year federal dollars** received by clients as a result of DBP services in FY09 **total \$8,449,788**, with DTA receiving an additional **\$666,037 in direct federal reimbursements**. The combined total was more than \$9.1 million.
- Since these are new federal funds entering the state, they can be considered a direct economic boost to the Commonwealth. When they are spent on food, clothing and other items, their effect on the state's economy will be multiplied. Using an economic multiplier effect of two, **the total economic impact** of the DBP program in FY09 **would be \$18,231,650**.
- The **Commonwealth** will also **save \$512,064 per year** in payments that it otherwise would have made for successful DBP clients who formerly relied on TANF and EAEDC for their support.
- The Social Security Administration (SSA) estimated in 1996 that SSI recipients receive benefits for an average of 9.7 years, while SSDI recipients receive benefits for an average of 10.5 years. SSA also suggested that these averages would increase in future years. Using the 9.7-year figure, we find that DBP

services provided in FY09 will result in Massachusetts residents with disabilities receiving **\$33,684,591 in additional federal benefits** over their lifetimes.²

B. Supplemental Nutrition Assistance Program (Food Stamps)

During FY09, the Massachusetts Law Reform Institute (MLRI) continued its successful multi-year, multi-forum effort to address state procedural barriers to food stamp receipt (now called Supplemental Nutritional Assistance Program or SNAP). **SNAP benefits are 100% federal dollars.**

A senior policy analyst at MLRI runs the statewide Food SNAP Improvement Coalition, comprised of community-based food pantries, health centers, social services and legal services agencies as well as USDA federal officials and state agency representatives. Through their collaborative efforts under the leadership of the Coalition, Massachusetts has gone from being the lowest ranked state in the country in terms of food stamp participation among eligible residents in 2002 to having the largest caseload increase of any state.³ In the five years between June 2004 and June 2009, the number of Massachusetts participants in the SNAP program (food stamps) increased by 93.5%, more than double the national average increase.⁴

As a result of the combined increase in numbers of beneficiaries and increases in monthly benefits well above the annual COLAs, **federal SNAP dollars coming into Massachusetts annually are now a staggering \$640 million higher than in 2002.**⁵ These are 100% federal dollars coming to Massachusetts families and seniors, which are in turn spent in local grocery stores, supporting local businesses and farmers and keeping Massachusetts employees working. In addition to families' increased spending power, USDA research has shown that every food stamp dollar spent creates \$1.84 in local economic activity, or \$9 for every \$5 in SNAP benefits.⁶ Moody's Economy shows an economic stimulus of \$1.73 per dollar of food stamps.⁷

MLRI's leadership in advocating with DTA and USDA to adopt significant initiatives has resulted in substantial increases in the number of low-income households participating as well as the value of the amount of food stamps Massachusetts recipients receive. MLRI's advocacy directly and through the Coalition was largely responsible for:

² Retroactive benefits to clients: \$5,780,248 - \$666,037 (amount deducted to reimburse Commonwealth for EAEDC payments) = \$5,114,211. Ongoing annual new federal benefits, \$2,945,400 * 9.7 (average number of years benefits received) = \$28,570,380. Combining retroactive and future expected benefits, \$5,114,211 + \$28,570,380 = \$33,684,591 lifetime benefits.

³ http://www.frac.org/html/news/fsp/2009.07_FSP.htm

⁴ Food Research Action Center, based on USDA data

⁵ Compiled with data from DTA/A&F, as reported to USDA on the Monthly FNS-388. Monthly Issuance Amount: December 2002, \$19,252,816; December 2008, \$72,609,789. Difference (\$53,356,973)*12 = \$640,283,666 increase per year.

⁶ USDA FNS. *The Business Case for Increasing SNAP Participation*. Last Modified: 2/17/2009. <http://www.fns.usda.gov/fsp/outreach/business-case.htm>

⁷ Zandi, Mark. "The Economic Impact of the American Recovery and Reinvestment Act." 21 January 2009: 9. https://www.economy.com/mark-zandi/default.asp?src=economy_hopmepage

- Urging the Patrick Administration to embrace a policy change broadly defining the scope of *dependent care costs and allowing self-declaration* of costs which, with aggressive implementation of the federal 2008 Farm Bill changes, triggered a 57% increase in working households receiving the child care deduction between FY08 and FY09 and a doubling of the average child care deduction.
- Successfully negotiating a *specialized fuel assistance benefit* with the Department of Housing and Community Development, which helped reach more households eligible for fuel assistance and leveraged over \$35 million annually in increased food stamp/SNAP benefits. As of April 2009, over 98,000 Massachusetts households got increased food stamps through this special Heat and Eat (H-EAT) program.
- Negotiating with DTA, the USDA and the SSA to pursue a *demonstration pilot to provide automated food stamp benefits for seniors and persons with disabilities* who receive Supplemental Security Income, resulting in over 60,000 SSI households getting benefits in 2005 and 2006, and ongoing enrollment each year through the automated CAP process.
- Urging DTA to pursue a USDA waiver to allow for a *standard medical expense deduction for elder/disabled households* and to broadly define what can count as a medical expense. This effort increased the number of elder/disabled households with medical expense deduction claims from 3,228 in January 2008 to 6,926 in February 2009 (up 115%).
- Urging DTA to pursue a waiver from the federal government *exempting certain unemployed adults without dependents* from a three month federal time limit on food stamp receipt, with the result that an additional 5,800 persons were exempted.
- Negotiating with USDA to approve a first in the nation *waiver of the required food stamp/SNAP interview for elder/disabled households*. With the waiver approved in September 2009, Massachusetts will no longer be required to conduct interviews of elder or disabled households at recertification (renewal) of their benefits unless information is questionable or the household requests an interview. The waiver allows the state to speed up re-certifications, make more efficient use of limited administrative staff and focus interviews on less stable households. MLRI secured the support of the Massachusetts Congressional delegation, the American Association of Retired Persons, the Massachusetts Association of Older Americans and a host of community-based groups in this initiative.

During FY09, with the economy in decline, the number of food stamp participants nationwide expanded by 22.4%. In Massachusetts, which has not been one of the states hardest hit by the recession, the caseload increased by even more: 27.2%. It is reasonable

to credit the greater increase in the caseload in Massachusetts to the policy changes that resulted from MLRI's leadership and the advocacy of the Food SNAP Improvement Coalition. **The difference between the average state's food stamp caseload increase and Massachusetts' increase in FY09 – as a result of MLRI's advocacy and leadership of the Coalition – meant that Massachusetts received an additional \$26,675,664 in FY09.**⁸

MLAC is not alone in crediting the leadership of MLRI's senior policy analyst for much of the food stamp expansion in our state. The Massachusetts Meals on Wheels Association, for example, recently presented her with an award, stating: "Through her advocacy and leadership, Massachusetts has adopted state policy changes and federal options that have both removed access barriers and increased the value of monthly food stamp benefits, particularly among Massachusetts' seniors."

C. Health Care

MLAC programs contribute to the state's economy by maximizing federal Medicare and Medicaid dollars.

- MLAC's Medicare Advocacy Project (MAP) represents Massachusetts elders and people with disabilities who have been wrongly denied Medicare coverage for medical services, equipment, hospitalizations, nursing home stays or prescription drugs. **In FY09 MAP advocacy resulted in Massachusetts residents being approved for Medicare coverage of \$1,091,484 of medical expenses**, almost double the state's funding for MAP, which was \$618,742. As a result, elders and people with disabilities will receive essential health care and medications without being overwhelmed by medical bills, and \$1.1 million in federal dollars will boost the state's economy. Many of these benefits will continue into future years.

In addition to direct services to clients, the state's investment in MAP supports Medicare policy analysis and advocacy on behalf of low-income residents, as well as significant public education and training of social service providers in Massachusetts. Given the complexity of the Medicare program and important legislative changes, such advocacy, education and training are essential to Medicare's effective operation in the state. MAP advocates are nationally recognized experts on Medicare, and their efforts help ensure that Massachusetts maximizes its federal Medicare revenue. Their expertise and opinions are frequently solicited as a unique and critical resource by state agencies such as the Attorney General's office and the Office of Medicaid, as well as by hospitals, pharmacies and other medical providers. Since the state's investment in MAP is more than offset by federal dollars brought into the state by direct service, this policy work, education and training is essentially cost free. **The additional savings and dollars brought into the state by this Medicare education,**

⁸ Difference in increase = 27.2%-22.4% = 4.8%. Total issuance amount FY08 = \$555,743,000.
4.8% x \$555,743,000= \$26,675,664.

training and policy work are difficult to measure, but undoubtedly far outstrip the direct benefits recorded here.

- Massachusetts Advocates for Children (MAC)'s lead advocacy for the **Children's Autism Medicaid Waiver brought in \$1.25 million in federal Medicaid reimbursement in FY09**. In FY08, MAC's advocacy resulted in the Commonwealth receiving a waiver that provided for 50% federal reimbursement of the cost of intensive behavioral services provided by the state to low-income children with autism. In FY09, 100 low-income children were assisted. Over the long term, these intensive services are expected to prevent costly institutionalization for many children, saving as much as \$195,000 per year per child. Recent cost benefit studies have found that the provision of this type of intensive service at early ages can be expected to save a total of \$1 million to \$2 million per child over the span of ages 3-22.⁹ Some of these savings come from the reduced need for state and other public services, others in costs to the family.

D. Taxes

Some MLAC-funded programs create economic benefits for clients and the Commonwealth by providing tax assistance and/or assisting eligible immigrants in securing work authorization.

- **Increased Federal Income through Income Tax Advocacy and Support** – GBLS won federal tax appeals for 41 low-income workers filing for the Low-Income Tax Credit (LITC) in FY09, resulting in \$262,425 in federal tax credits, benefiting both the filers and the Commonwealth's economy. Neighborhood Legal Services (NLS) provided tax assistance to 230 clients, obtaining \$292,216 in federal tax refunds. **The tax assistance provided by these two programs alone added \$554,641 to the Commonwealth's economy.** GBLS also provided information on how to apply for the LITC to hundreds of other individuals whose first language is not English, undoubtedly resulting in significant additional federal revenue.
- **Increased Tax Revenue from Immigrants** - In FY09, GBLS' successful asylum work led to 244 immigrants securing work authorization. South Coastal Counties Legal Services (SCCLS) won work authorization for an additional 32 immigrants and citizenship for 10 more. These people can now live and work legally, supporting their families, meeting societal obligations and exercising their legal rights.

⁹ See J. W. Jacobson, J. Mulick, G. Green, Cost-Benefit Estimates for Early Intensive Behavioral Intervention for Young Children with Autism – General Model and Single State Case, Behavioral Interventions, 13, 201-226 (1998).

E. Federal Unemployment Extension

After President Obama signed the American Recovery and Reinvestment Act (ARRA) into law in February, the attorney who heads the Employment Law Unit at Greater Boston Legal Services (GBLS) and an employment law attorney at Massachusetts Law Reform Institute (MLRI) realized that it provided an opportunity for Massachusetts residents to receive federal extended unemployment benefits for a longer period of time, but only if a small change was quickly made to state law. With the continuation of federal extended benefits for 85,000 residents at stake and only a short period of time remaining to change the law, the attorneys began working with both the administration and the leadership of the Legislature. The attorneys' extensive experience in the area of unemployment law and strong working relationship with members of the administration and legislature allowed these attorneys to communicate the legal and policy issues, to address outstanding concerns and to build support. The change was adopted by the Legislature and signed by the Governor in early July. **The administration has estimated that the change will bring as much as \$650 million in federal unemployment benefits into the state this year,**¹⁰ a huge boon to unemployed workers and to the state's economy during this difficult period.

Section II: Other Benefits Won

A. Unemployment Appeals

MLAC-funded programs represented hundreds of low-income workers in unemployment compensation appeals. GBLS successfully assisted 161 low-income workers in obtaining unemployment benefits that had initially been denied. On average these clients received approximately \$350 a week for 20 weeks, for a total of \$1,127,000 in income being spent in the state. The combined total of UI appeals won with representation by all MLAC-funded programs in FY09 was 400. Assuming the same average award and duration of benefits as reported by GBLS, these programs secured an estimated **\$2,800,000 in unemployment benefit payments** for low-income workers last year. In addition to cash, beneficiaries also receive health insurance and training benefits.

B. Financial Judgments for Tenants

In cases won by Lynn-based NLS and Cambridge-based Community Legal Services and Counseling Center (CLSACC) – the only two programs for whom this data was available – judges ordered landlords to pay damages totaling \$83,900 to compensate tenants for harm done. NLS also reports that back rent was waived for 125 households in the amount of \$398,727. Combining these two amounts, low-income households received **\$482,627**

¹⁰ Estimate from the Massachusetts Department of Employment and Training. See Boston Globe, "Jobless Won't Lose Extended Benefits," July 21, 2009: http://www.boston.com/yourtown/waltham/articles/2009/07/21/jobless_can_keep_extended_benefits_in_mass/.

in rent relief or damages from just two programs. These funds will allow families to preserve their housing or find new housing.

C. Utilities

In September 2008, after years of prodding by the National Consumer Law Center (NCLC), the Department of Public Utilities (DPU) ordered the state's electric and gas companies to restore low-income discount rates to 1998 percentage levels, increasing the value of the discount to between \$100 and \$400 per year.

- NCLC estimates that the mandated increases in the value of the discounts saved low-income Massachusetts households approximately **\$12 million on their utility bills** last year, savings that will extend into future years.
- NCLC advocacy also led DPU to expand income eligibility for the discount rate from 200% of the federal poverty level to 60% of the state median income. As a result, approximately 30,000 additional households began receiving the discount at a total value of approximately **\$6.5 million per year.**¹¹ NCLC relies on MLAC funding for its work on behalf of low-income Massachusetts residents.

D. Child Support

All of the local legal aid programs funded by MLAC represent clients in child support cases.

- Data on the number and amount of child support orders won from only two programs, SCCLS and the Legal Assistance Corporation of Central Massachusetts (LACCM) shows a total of 106 child support orders won, with an average payment of \$121 per week in FY09. This amounts to **income of \$666,952 per year** for low-income custodial parents and their children. The child support orders also save the state money as they reduce dependence of TANF.

Section III: Potential Cost Savings

A. Housing

The economic decline and the mortgage crisis have resulted in a dramatic increase in homelessness in the Commonwealth. At the beginning of August 2009, there were 2,881 families and 3,300 individual adults in homeless shelters in the Commonwealth, up 32%

¹¹ In September 2009, the Department of Housing and Community Development reported that 268,000 Massachusetts residents received the low-income utility discount at a value of \$58,000,000. The average benefit, therefore, is \$216.42 (\$58,000,000/268,000). Multiplying this average by the number of new recipients we get: \$216.42 x 30,000 = \$6,492,537. This is the total value of the expanded eligibility.

and 19% respectively from the same month in 2008.¹² The number of families being sheltered in motels has risen even more dramatically, from 583 at the end of September 2008 to 1,005 a year later, an increase of 72%. The work of legal services advocates to preserve and protect housing for low-income families and individuals is more important than ever, preventing untold human misery and at the same time saving the state millions of dollars in shelter expenses.

- **MLAC-funded programs intervened strongly on behalf of Massachusetts homeowners and tenants affected by foreclosure.** They provided advice and representation to low-income homeowners faced with foreclosure, as well as to tenants being evicted through no fault of their own when their landlord's properties were foreclosed on. Their efforts resulted in clients winning time and/or financial compensation to assist with relocation and sometimes in banks agreeing to renegotiate high interest mortgages. These efforts saved the state money by preventing potential homelessness. In April 2008, the Department of Transitional Assistance interviewed more than 125 families who had recently entered emergency shelter and found that 16% of these families had resided in a house or apartment that had been foreclosed on.
- The systemic advocacy of legal aid advocates is in large part responsible for the adoption of expanded legal protections for Massachusetts residents affected by foreclosure, protections that slow foreclosure and help tenants relocate. Massachusetts is now seen as a leader in this area. **A 2008 report of the Pew Charitable Trusts consistently cited Massachusetts as one of the states providing the most effective foreclosure-related protections for their residents.**¹³
- In FY09, representation by MLAC-funded program advocates prevented or delayed eviction for 1,851 households, allowing low-income families to stay in their homes or giving them the time to find alternative housing. Without this assistance many of these individuals and families would have had to enter the costly emergency shelter system. Also in FY09, advocacy by GBLs and Neighborhood Legal Services (NLS) preserved 176 units of affordable housing that otherwise would have been converted to market rate. MLAC estimates that one-quarter of all the low-income families and individuals whose evictions were prevented or delayed or whose low-income apartments were preserved would have become homeless but for legal aid's help. **Legal aid eviction defense and preservation of affordable housing saved the Commonwealth an estimated \$8,403,525 in shelter costs in FY09.**¹⁴

¹² www.mass.gov/dhcd.

¹³ Defaulting on the Dream: States Respond to America's Foreclosure Crisis, Pew Charitable Trusts (April 2008).

¹⁴ Shelter for families in Massachusetts costs approximately \$3,000 per month or \$24,000 for eight months, the average stay for family shelter users (average stay for congregate shelters was 242 days as of March 2009 according to the Department of Transitional Assistance's quarterly EA report to the Legislature). For individuals the costs are \$1,000 per month or \$1,500 for the average stay of one and a half months. Report of the Special Commission Relative to Ending Homelessness in the Commonwealth, December 2007, page

In addition to foreclosure and eviction defense, MLAC-funded programs prevent homelessness in a number of other ways. For example, the Legal Assistance Corporation of Central Massachusetts (LACCM) assists victims of housing discrimination whose attempts to find housing are thwarted when landlords unlawfully refuse to take housing vouchers or refuse to rent to families with young children. South Coastal County Legal Services (SCCLS)'s Homeless Legal Services Project provides an intensive level of service to homeless individuals and families to help them achieve permanent housing. Preventing homelessness saves not only shelter costs but also the long term costs of disrupting children's education and, in some cases, police and prison costs. According to the National Center on Family Homelessness, homeless children are twice as likely as others to repeat a grade.¹⁵

B. Domestic Violence and Family Law

In FY09, MLAC's Battered Women's Legal Assistance Project (BWLAP) provided legal help to 2,382 victims of domestic violence. By helping families live free of violence, BWLAP saves the Commonwealth the high cost of domestic abuse, including medical care for injured victims, special education and counseling for affected children and police and court resources. A Wisconsin cost benefit analysis of a proposed domestic abuse grant program estimated that **preventing one assault per victim would avoid \$3,000 in costs for each victim represented.**¹⁶

A study of Massachusetts batterers published by the Department of Justice in 2006 found that 62% of men arraigned for domestic violence would have a second domestic violence conviction within 9 years.¹⁷ A 2003 study by economists at Colgate University and the University of Arkansas reported that legal aid is the only service that consistently brings down the level of domestic violence in the communities it serves.¹⁸

5. Preventing Homelessness and Promoting Housing Stability: A Comparative Analysis, D. Friedman, Center for Social Policy, McCormack Graduate School of Policy Studies, University of Massachusetts, Boston, June 2007, page 5. Approximately one-third of those for whom our programs prevented eviction were individuals and two-thirds were families with children; 1851 (total evictions delayed or prevented) + 176 (units of affordable housing preserved) = 2027 (tenancies preserved or extended) ; 2027*.25 (estimated percent of tenants who would have become homeless) = 507 (families and individuals avoiding homelessness); 507 * .67 (percent involving families) * \$24,000= \$8,132,560; 507 * .33 (involving individuals) * \$1,500=\$250,965; \$8,132,560+ \$250,965= \$8,403,525 (estimated total savings).

¹⁵ National Center on Family Homelessness, 2000.

¹⁶ 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).

¹⁷ Wilson, D. and Klein, A. (2006).  [A longitudinal study of a cohort of batterers arraigned in a Massachusetts district court 1995 to 2004](#). NCJ 215346. Washington, DC: US Department of Justice, National Institute of Justice, 39.

¹⁸ Explaining the Recent Decline in Domestic Violence, Farmer and Tiefenthaler, Contemporary Economic Policy, Vol. 21, Issue 2, pp. 158-172.
<http://www3.interscience.wiley.com/journal/120832460/abstract?CRETRY=1&SRETRY=0>

If MLAC-funded programs prevent assaults on clients in one-half of the cases legal aid handles, **the total direct avoided costs including health care costs would be \$3,573,000.**¹⁹ In addition, legal aid in domestic violence cases often results in collection of child support and health care coverage, saving further state dollars.

Section IV: Investing in the Commonwealth's Future

A. Education

The MLAC-funded Children's Law Center of Massachusetts assisted more than 1,000 students and their families in education matters in FY09, including advocacy for youth excluded from school or segregated in inadequate alternative school settings, homeless children and foster children. Massachusetts Advocates for Children provided assistance with special education and school exclusion matters to 900 children. Another MLAC-funded program, the Center for Law and Education, focuses on systemic efforts to improve educational outcomes for children and to close the achievement gap.

- In 2005, the average Massachusetts dropout earned \$456,000 less over a lifetime than the average high school graduate and \$1.5 million less than the average bachelor's degree holder. This translates into lower income and payroll taxes and higher Medicaid, Medicare, and public assistance costs for the Commonwealth.²⁰
- Students who leave high school without a diploma are more likely to be unemployed²¹ and are approximately three times as likely to be dependent on welfare.²² In addition, students who drop out have higher rates of incarceration²³ and tend to have a greater number of health problems,²⁴ creating significant health costs to the state.

¹⁹ 2,382 domestic violence cases * 0.5 * \$3,000 = \$3,573,000.

²⁰ Andrew Sum et al, *An assessment of the Labor Market, Income, Health, Social, Civic and Fiscal Consequences of Dropping Out of High School: Findings for Massachusetts Adults in the 21st Century*, Northeastern University Center for Labor Market Studies, 31, 92, May 2007.

²¹ Center for Labor Market Studies, Northeastern University, *An Assessment of the Labor Market, Income, Health, Social, and Fiscal Consequences of Dropping Out of High School: Findings for Illinois Adults in the 21st Century*, (Oct. 2007)

<http://www.clms.neu.edu/publication/documents/An_Assessment_of_the_Consequences_of_Dropping_Out_of_High_School_in_Illinois.pdf> (last visited Apr. 9, 2009).

²² U.S. GENERAL ACCOUNTING OFFICE, *SCHOOL DROPOUTS: EDUCATION COULD PLAY A STRONGER ROLE IN IDENTIFYING AND DISSEMINATING PROMISING PREVENTION STRATEGIES* (GAO-02-240), 2002, at 4 <<http://www.gao.gov/new.items/d02240.pdf>> (last visited Apr. 9, 2009) [hereinafter GAO, *SCHOOL DROPOUTS*].

²³ CAROLINE WOLF HARLOW, *EDUCATION AND CORRECTIONAL POPULATIONS: BUREAU OF JUSTICE STATISTICS SPECIAL REPORT 3*, at.2 (Jan. 2003) <http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/1b/20/5a.pdf> (last visited Apr. 9, 2009).

²⁴ U.S. DEPT. OF EDUC., NAT'L CTR. FOR EDUC. STATISTICS, *DROPOUT AND COMPLETION RATES IN THE UNITED STATES: 2006*, at 1 (2008), <http://www.dropoutprevention.org/stats/docs/Dropout_Rates-2006.pdf> (last visited Apr. 9, 2009).

- Research documents that school exclusions lead to increased school dropout rates, lower test scores, poor academic achievement, social isolation and delinquency.²⁵ It also results in a lifetime of lower earnings and increased public assistance costs. The majority of children subject to punitive exclusionary proceedings are poor, minority and suffering from educational disabilities. Whereas children of color represent 24% of statewide student enrollment, they represent 60% of student exclusions.

Summary

A range of legal services provided by MLAC-funded programs in FY09 is responsible for bringing **an estimated \$73.1 million in new revenue and cost savings** to the Commonwealth over the course of a year, of which **\$38,687,614 represents new federal revenue**. In addition, in FY09 the work of two MLAC programs assisted in the extension of federal unemployment benefits to Massachusetts residents, which is **expected to bring approximately \$650 million in additional federal revenue** into the Commonwealth.

The Massachusetts Legal Assistance Corporation has prepared this analysis with the help of its grantees.

²⁵ THE CIVIL RIGHTS PROJECT, *Opportunities Suspended: The Devastating Consequences of Zero Tolerance and School Discipline Policies*, 13-19 (2000). Indeed, for high-risk youth a lack of education is a virtual guarantee of failure. 90% of the employed individuals in the U.S. have completed high school, while, conversely, more than 80% of adult prisoners in the United States are high school dropouts. Newburger, E.C. & Curry, A.E., Current Populations Report, U.S. Census Bureau Publication No. P20-528, Washington D.C., U.S. Department of Commerce (August, 2000). Coalition for Juvenile Justice Annual Report 2001, Abandoned in the Back Row: New Lessons in Education and Delinquency Prevention (December 2001).