

Massachusetts Legal Assistance Corporation

Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth: Some Benefits from FY12 Advocacy

The work of MLAC-funded legal aid programs substantially boosts the Commonwealth's economy each year by bringing in tens of 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. MLAC estimates its grantees' individual casework and leadership in systemic advocacy in FY12 resulted in at least **\$26,959,218 in new federal revenue** coming into the Commonwealth over the course of one year, and credits its grantees with winning an additional **\$20,584,531 in income and savings for clients and the Commonwealth**, for a total of **\$47,543,749**.

New Federal Revenue Coming into the Commonwealth

Food Security: SNAP benefits	\$11,298,276
Medicare: federal health care coverage won	\$940,711
Federal Taxes: credits and refunds from representing clients with tax controversies	\$217,761
Disability Benefits Project: one year new federal SSI/SSDI benefits and back payments to clients	\$6,931,873
Disability Benefits Project: direct federal reimbursement to DTA for EAEDC payments	\$585,252
Disability Benefits Project: federal payments to legal services for representation of clients	\$393,025
Federal Unemployment Benefits: federal portion of benefits won through individual UI appeals	\$6,592,320
Total New Federal Revenue	\$26,959,218

Other Benefits and Savings Won for Low-Income Residents

Unemployment Insurance: non-federal portion of benefits won on appeal	\$2,676,240
Wage Protection: Back wages and refunds of illegal deductions from earnings of low-wage workers	\$1,399,000
Housing Stabilization: rent relief, damages and moving expenses won for tenants	\$3,246,000
Child Support: orders won	\$3,412,500
Total Other	\$10,733,740

Potential Savings for the Commonwealth

Homelessness Prevention: avoided costs for shelter and health care for homeless	\$6,087,291
Domestic Violence Prevention: avoided health care and other costs	\$3,763,500
Total Estimated Savings	\$9,850,791

Total Benefits and Savings	\$47,543,749
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**Includes back payments and only the first year of benefits. Clients whose cases were won by the Disability Benefits Project in FY12 can be expected to receive \$35 million in SSI/SSDI benefits over their lifetimes.*

Section I: Bringing in New Federal Revenue

A. Food Security/SNAP

During FY12, the Massachusetts Law Reform Institute (MLRI) continued its successful multi-year, multi-forum effort to address state procedural barriers to receipt of Supplemental Nutritional Assistance Program (SNAP) benefits, formerly known as food stamps. **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 SNAP participation rates have increased dramatically and monthly benefits have increased well above the annual COLAs. Massachusetts has gone from being the lowest ranked state in the country in terms of food stamp participation among eligible residents in 2002 to today being ranked in the top 10. **Federal SNAP dollars coming into Massachusetts annually are now \$1.29 billion, a staggering \$1.06 billion higher than in 2002.**¹

Overall the Massachusetts SNAP caseload increased by 52,458, or 6.36%, between July 2011 and July 2012.² Over the same period, the national SNAP caseload grew by only 2.9%, an indication that the Massachusetts increases were not only recession-driven but were also in part a result of the state initiatives spearheaded by MLRI to streamline SNAP eligibility in Massachusetts. The Massachusetts caseload has continued to increase at a faster than average rate even though the unemployment rate in the Commonwealth has declined significantly and is low compared to other states.

If the Massachusetts caseload had grown at the same rate as the national caseload, there would have been 28,531 fewer residents receiving SNAP by May 2012.³ With the average Massachusetts SNAP recipient receiving approximately \$132 per month in benefits, Massachusetts' higher caseload growth, which is almost certainly attributable in large part to state initiatives spearheaded by MLRI to streamline SNAP eligibility in Massachusetts, brought an additional \$45,193,104 into the state during this fiscal year.⁴ If

¹ Compiled with data from DTA/A&F, as reported to USDA on the Monthly FNS-388 and from the US Department of Agriculture. Monthly issuance amount: December 2002, \$19,252,816 x 12 = \$231,033,792 annually; annual Massachusetts benefits for federal FY11 (from [http://www.fns.usda.gov/pd/17SNAPfyBENS\\$.htm](http://www.fns.usda.gov/pd/17SNAPfyBENS$.htm)) are \$1,291,609,491. Difference FY02 to FY11 is \$1,060,575,699.

² Food Research and Action Center, <http://frac.org/reports-and-resources/snapfood-stamp-monthly-participation-data/#2jul>.

³ 825,084 (number of Massachusetts recipients in July 2011) x 2.9% (national average growth) = 23,927 (expected increase in number of Massachusetts recipients between July 2011 and July 2012 using national average growth); 52,458 (actual increase in number of recipients in July 2012) – 23,927 = 28,531.

⁴ 28,531 (actual number of recipients July 2012 – expected number of recipients July 2012) x \$132 x 12 months = \$45,193,104.

we conservatively attribute even a quarter of this additional growth to MLRI advocacy, that amounts to **\$11,298,276 in federal SNAP benefits** entering the state economy.

Other MLRI advocacy and training increased benefit levels for some recipients, protected existing benefits and brought federal support to local agencies doing SNAP outreach. For example:

- **Heat and Eat.** In FY12, MLRI provided education to the Massachusetts members of the Congressional Deficit Reduction Super Committee and the House Agriculture Committee, all key staff within the Congressional Delegation and staff of both Senators on the H-EAT policy, which increases SNAP benefits for certain recipients of fuel assistance. MLRI also had extensive conversations with Congressional Research Service staff on the state's implementation of the H-EAT policy. Over 120,000 SNAP households currently benefit from the H-EAT policy in Massachusetts.
- **On-line application and My Accounts page.** During FY12, MLRI worked with the Department of Transitional Assistance to both identify problems in the web-based SNAP application process that resulted in unnecessary delays and benefit denials and to improve client access to their personal on-line SNAP information. MLRI has also been working closely with community groups to improve the process, reduce unnecessary verifications and help clients get better access to their SNAP benefits information.
- **Funding for community-based groups doing SNAP outreach.** In FY10, MLRI secured state budget language to leverage federal reimbursement for community based groups (CBOs) for their SNAP outreach and application assistance work. These CBOs help local residents file applications and verify eligibility, saving the state administrative work. Since then, MLRI has worked closely with CBOs engaged in SNAP application assistance, providing training and fielding calls on SNAP eligibility issues from CBOs.

Federal dollars coming to Massachusetts families and seniors from SNAP are quickly spent in local grocery stores, supporting Massachusetts businesses and their employees, as well as local farmers. According to USDA, 97% of SNAP benefits are spent within a month of their receipt.⁵ In addition, USDA reports that every \$5 in new SNAP benefits generates \$9.20 in total economic activity.⁶ Moody's Economy shows an economic stimulus of \$1.73 per dollar of food stamps.⁷

⁵ Secretary Vilsack News Release No. 0087.09,

<http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2009/04/0087.xml>

⁶ *Ibid.*

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

B. Health Care

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

- Through MLAC's **Medicare Advocacy Project (MAP)**, three programs, South Coastal Counties Legal Services, Community Legal Aid and Greater Boston Legal Services, represent 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 FY12, MAP advocacy resulted in Massachusetts residents being approved for \$940,711 of Medicare coverage for medical expenses.**

Funding for MAP is included in MLAC's line item (0321-1600) in the state budget, and totaled \$446,979 in FY12. In addition to direct services to clients, MAP funding 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. The expertise and opinions of MAP advocates are frequently solicited as unique and critical resources 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.

This policy work, education and training was essentially provided at no cost to the state, since MAP's \$446,979 cost was more than offset by the \$940,711 in federal funds MAP brought into the Commonwealth through individual representation. **Although the additional savings and dollars brought into the state by MAP's Medicare policy work, education and training are difficult to quantify, they undoubtedly far exceed the direct benefits recorded here.**

For example, in FY12, MAP advocates contributed substantially to the development of a proposal to the federal Centers for Medicare & Medicaid Services (CMS) to fund a Dual Eligible Integrated Care Pilot in Massachusetts. The Pilot would allow the Executive Office of Health and Human Services (EOHHS) to develop an improved model for delivering care to Massachusetts residents between the ages of 21 and 64 who receive both MassHealth and Medicaid. MAP and other disability advocates worked to ensure that the program would protect recipients' due process rights and include all services covered under Medicaid and Medicare as well as additional services to support community living and ensure the capacity of Integrated Care Entities to provide services appropriate to the complex needs of a diverse population. MAP advocates

were critical players in the development of the program and were frequently solicited for comments and meetings. The proposal was approved by CMS, with many of the advocates suggestions adopted, and in April 2012 EOHHS received a \$1 million grant to implement the pilot beginning in 2013. MAP will continue to work closely with the State and other disability advocates to ensure that the new delivery system is operated in a way that maximizes efficiency while protecting the rights of dual eligible recipients.

C. Taxes

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

- **Representation in federal income tax appeals.** Through its Low-Income Taxpayer Assistance Project (LITAP), Greater Boston Legal Services (GBLS) prevailed in cases of tax controversies on behalf of 167 low-wage families whose tax returns were challenged. Their clients received \$135,165 in federal tax refunds and had their federal tax liability reduced by an additional \$82,596 **for a total of \$217,761 in federal tax reductions and refunds.** Their success benefited both the filers and the Commonwealth's economy.
- **Assistance with tax returns.** GBLS serves as the legal resource for the Boston Earned Income Tax Coalition, providing legal training and support to volunteers and staff. A GBLS attorney also serves on the Coalition's steering committee. In 2011, the Coalition served 11,500 taxpayers and returned \$17.5 million in federal refunds to Boston area residents, including \$6,225,045 in Earned Income Tax Credits (EITC). The Coalition also estimates that city residents saved \$1.5 million by avoiding the costs of using commercial tax preparation services.⁸

A Neighborhood Legal Services advocate serves as a site coordinator for a Lynn tax assistance project organized by Centerboard. With the help of volunteers, the site provides tax assistance to hundreds of clients each year: In FY11 the program assisted 470 clients, obtaining close to \$1 million in federal tax refunds, including \$373,392 in EITC. Figures for FY12 were not available.

Legal services played a vital role in ensuring that these residents in the Boston and Lynn areas received the federal tax refunds and credits due them.

- **Increased Tax Revenue from Immigrants.** In FY12, advocacy by GBLS, NLS, South Coastal Counties Legal Services and MetroWest Legal Services resulted in 527 immigrants securing legal status. Data is not available to assess the economic impact of this assistance, but these Massachusetts residents can now live and work legally, pay taxes, support their families and contribute to the economic health of the Commonwealth.

⁸ <http://bostontaxhelp.org>

D. Disability Benefits Project⁹

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 Income (SSI) benefits. Many DBP clients are recipients of state-funded Emergency Aid to Elders, Disabled and Children (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 while the SSI/SSDI eligibility was being determined.

Services provided by DBP in FY12, with state funding of only \$1.2 million, yielded a total of **\$7.9 million in new federal revenue** for clients and the Commonwealth over the course of one year. This amount includes lump sum retroactive payments as well as ongoing monthly benefits, as follows:

- Successful DBP clients and their families received a total of **\$3,162,016** in retroactive SSI/SSDI payments from cases closed in FY12. DBP clients also won **\$545,476 in retroactive benefit restorations** when the Social Security Administration (SSA) granted waivers of previously made assessments on benefits.
- An additional **\$585,252** was directly **reimbursed by SSA to the Massachusetts Department of Transitional Assistance** as repayment for successful clients who had been receiving EAEDC during their appeals for federal benefits. This reimbursement effectively reduced the state's net cost for the program to \$593,637.¹⁰
- In addition, SSA paid attorneys' fees of **\$393,025** to DBP programs for their representation in certain cases.
- Aside from retroactive payments, DBP clients won ongoing monthly **federal SSI/SSDI benefits of \$3,224,381** per year.¹¹
- Combining new federal benefits with federal benefit restorations and retroactive payments to clients, **the first year new federal dollars** received by clients as a

⁹Based 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 FY12 by MLAC.

¹⁰ MLAC funding for DBP from the Fiscal Year 2012 state budget appropriation (line item 0321-1600) was \$1,178,889. Subtracting amount reimbursed to the state for successful DBP cases: \$1,178,889 - \$585,252 = \$593,637.

¹¹ Federal share only, does not include state supplement of \$267,673 per year. State outlay is more than balanced by: 1) \$349,056 per year saved by EAEDC because successful DBP clients who formerly relied on EAEDC for their support left the rolls; and 2) a \$44,064 per year reduction in the demand on Massachusetts' TANF block grant from successful DBP clients who were previously receiving TANF.

result of DBP services in FY12 **total \$6,931,873.**¹² Adding the \$585,252 reimbursed to DTA and the \$393,025 in attorneys' fees, **the combined first year total is \$7,910,150 in new federal dollars won by DBP in FY12.**

- Since these are all new federal funds entering the state, they can be considered a direct economic boost to the Commonwealth. When these funds are spent on food, clothing and other items, their effect on the state's economy will be multiplied. The economic multiplier effect of these funds can be estimated at two,¹³ making **the total economic impact** of the DBP program in FY11 **\$15,820,299.**
- SSA estimated in 1995 that SSI recipients receive benefits for an average of 10.5 years, while SSDI recipients receive benefits for an average of 9.7 years.¹⁴ SSA also suggested that these averages would increase in future years. Using the 9.7 year figure, we find that DBP services provided in FY12 will result in Massachusetts residents with disabilities receiving close to **\$35 million in additional federal benefits** over their lifetimes.¹⁵

E. Federal Unemployment Benefits

MLAC-funded programs represented hundreds of low-income workers in Unemployment Insurance (UI) appeals and successfully advocated for regulatory changes that will result in millions of additional federal dollars coming into the state.

- **UI Appeals.** In FY12 at least 432 low-income workers whose UI applications had initially been denied won their appeals for benefits with assistance from MLAC-funded programs. In FY12, recipients were eligible for up to 26 weeks of state benefits, after which federally funded extended benefits kicked in (for up to a maximum of 99 weeks of total benefits).¹⁶ On average (between July 2011 and June 2012) recipients received 17.7 weeks of state benefits and 11.4 weeks of federal Extended Benefits¹⁷ as well as 32.2 weeks of federal Emergency Unemployment Compensation.¹⁸ This amounts to an average of 43.6 weeks of federal benefits.

¹² \$3,224,381 (annualized new monthly federal benefits) + \$545,476 (benefit restorations) + \$3,162,016 (retroactive SSI/SSDI payments) = \$6,931,873.

¹³ Granberry and Albelda, 2006.

¹⁴ Rupp, Kalman and Scott, Charles G., "Length of Stay on Supplemental Security Income Disability Program," *Social Security Bulletin*, Spring 1995, p. 43: <http://www.ssaonline.us/policy/docs/ssb/v58n1/v58n1p29.pdf>.

¹⁵ Retroactive benefits to clients: \$3,162,016. Benefit reductions waived = \$545,476. Ongoing annual new federal benefits (\$3,224,381) * 9.7 (average number of years benefits received) = \$31,276,495. Combining all three: \$3,162,016 + \$545,476 + \$31,276,495 = \$34,983,987 in lifetime benefits.

¹⁶ Note that beginning in June 2012, federal unemployment benefits began being scaled back. See http://nelp.3cdn.net/b389bb7779daec4dfe_5im6btxka.pdf, National Employment Law Project.

¹⁷ http://www.ows.doleta.gov/unemploy/content/data_stats/datasum12/DataSum_2012_2.pdf. Note that some people leave the UI rolls before 26 weeks, which reduces the state benefit average to 17.7 weeks.

¹⁸ Calculated from US Department of Labor *EB Monthly Program Activity*, <http://www.ows.doleta.gov/unemploy/euc.asp>, using formula Average Duration = Weeks Claimed divided

In Massachusetts over the past year, recipients received an average of approximately \$386 per week in benefits.¹⁹ However, Greater Boston Legal Services estimates that their clients receive somewhat less on average, approximately \$350 per week. Using that figure we estimate that legal aid clients won \$6,592,320 in federal benefits over the past year.²⁰

Section II: Other Benefits Won

A. Massachusetts Unemployment Benefits

In addition to bringing federal dollars into the Commonwealth, legal assistance with Unemployment Insurance (UI) claims results in low-income workers receiving an average of 17.7 weeks of state-based UI benefits, keeping families afloat as they weather difficult times. UI is quickly spent on goods and services in the state, contributing to the economy. Beneficiaries also receive health insurance and extended unemployment benefits to pursue job training.

- **Assistance with Benefit Appeals.** As discussed above, 432 individuals won UI benefit appeals in FY12 with the assistance of MLAC-funded programs. The average recipient received state benefits for 17.7 weeks at an amount averaging \$350 per week. Thus, legal aid clients won **\$2,676,240 in state-based UI.**²¹
- **Application Period for Extended Training Benefits.** The Department of Unemployment Assistance (DUA) also provides up to 26 weeks of extended UI benefits beyond the normal maximum of 99 weeks to recipients who are participating in DTA training programs. In FY11, Greater Boston Legal Services won a case challenging DUA regulations that limited the time during which unemployed workers could apply for the extended benefits to the first 52 weeks after initial application for UI. As a result of the suit and subsequent negotiations by GBL in FY12, UI recipients can now apply for extended training benefits whenever federal benefits are available, as long as they received UI at any time after July 2008. In addition to providing financial support to unemployed residents who are trying to improve their job skills, the change will result in federal revenue coming into the state in the form of Pell grants of up to \$5,350, which are available to UI recipients in DUA training programs. Data is not available on the number of people receiving extended training benefits or Pell grants as a result of the change.

by Number of Initial Claims. For federal Emergency Unemployment Compensation paid to Massachusetts workers in FY12, the figures are: 3,703,064 weeks claimed / 114,831 initial claims = 32.25 weeks average duration.

¹⁹ http://www.ows.doleta.gov/unemploy/content/data_stats/datasum12/DataSum_2012_2.pdf

²⁰ 43.6 weeks federal benefits x \$350 x 432 clients = \$6,592,320.

²¹ 17.7 weeks state benefits x \$350 average benefit x 432 clients = \$2,676,240.

B. Wage Protection

- Greater Boston Legal Services partnered with a private law firm, Segal Roitman LLP, to file a class action lawsuit for non-payment of minimum wages and overtime wages to workers employed at Super 88 supermarkets in Malden, Quincy and Boston. The typical class member worked 60 hours per week and was paid wages ranging from \$1,200 to \$1,500 per month, substantially below minimum wage. Super 88 did not compensate workers for all hours worked and did not pay the minimum wage, overtime and Sunday overtime pay. After substantial litigation, the supermarket, which is a regional chain, agreed to settle the case for a total payment of close to **\$750,000 in wages owed to the Massachusetts workers involved**. More than 200 low-wage Massachusetts workers received back wages.

These dollars will be multiplied as they flow through the state's economy. In addition, this case will have a lasting impact on employers' wage and hour practices in the communities served by these stores.

- In another case developed by GBLS and settled in October 2011 by the Attorney General's office with GBLS' ongoing involvement and assistance, hundreds of Massachusetts workers employed by a Chelsea temporary agency and a Woburn bakery received **\$649,000 in restitution for back wages and illegal salary deductions**. The Commonwealth also received substantial penalties in the case.

C. Financial Judgments for Tenants

In FY11, detailed data was available on tenants who were being represented in eviction by Greater Boston Legal Services in Quincy District Court as part of a pilot project run by the Boston Bar Association. The pilot formed the basis for a study by Harvard Law School professor and statistician, James Greiner, and a Harvard statistics PhD student, Cassandra Wolos Pattanayak, creating substantial data on those cases.²² From this data, we see that tenants represented by GBLS in evictions received an average of almost \$3,979 in rent relief, damages and moving expenses. Such detailed data is not available for GBLS or other legal aid programs for FY12. However, we do know that MLAC-funded programs delayed or prevented eviction in 1,623 cases in FY12. Using a very conservative estimate that tenants received an average of \$2,000 in such relief and payments, about half the level measured in the Quincy pilot, we estimate that legal aid representation resulted in **these low-income Massachusetts tenants receiving at least \$3,246,000 in rent relief, damages and moving expenses**.²³ These funds allow families to avoid homelessness by preserving their housing or finding new housing, saving the Commonwealth the substantial costs associated with support for homeless families.

²² http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1880078

²³ 1,623 cases x \$2000 = \$3,246,000

D. Child Support

MLAC-funded programs won at least 375 child support cases for low-income parents in FY12. One program, Community Legal Aid, reports that the average order won by their program in FY12 was \$186 per week. Assuming a slightly lower average of \$175 for all programs (the others did not have this data available), in total programs have won **child support orders of \$3,412,500 per year** for low-income custodial parents and their children.²⁴ Child support orders also save the state money as they reduce dependence on Temporary Aid to Needy Families.

Section III: Potential Cost Savings

A. Housing

The economic decline and foreclosure crisis continued to contribute to homelessness in the Commonwealth in FY12. The state's Division of Housing Stabilization reports that in the first five months of 2012 it placed 7,665 families in emergency shelter or HomeBASE housing.²⁵

The work of legal services advocates to preserve and protect housing for low-income families and individuals is an effective deterrent to homelessness, protecting residents and their children from the turmoil and hardship homelessness creates and at the same time saving the state millions of dollars in shelter expenses.

- **Protection from Foreclosure.** The foreclosure crisis had a devastating effect on low-income communities across Massachusetts in FY12. Although the number of foreclosures per month was slowly decreasing by the end of FY12, reflecting an overall improvement in the housing market,²⁶ the fiscal year as a whole saw extremely high numbers of foreclosures. 7,822 petitions to foreclose were filed between January and May 2012, a 77 percent increase compared to the same period in 2011.²⁷

Legal services advocates across the state also provide direct representation to help low-income homeowners avoid foreclosure. Greater Boston Legal Services reports that it won loan modifications for 60 low-income homeowners in FY12, making it possible for these residents and their families to keep their homes.

²⁴ 375 orders x \$175 per week x 52 weeks = \$3,412,500.

²⁵ DHS EA Statewide Summary, May 2012,

http://www.mahomeless.org/images/2012_04_and_05_management_report_for_website.pdf

²⁶ <http://www.bostonglobe.com/business/2012/09/17/massachusetts-foreclosures-slowed-july-according-new-data/pRoGdBDBbSe6hnuN49InFN/story.html>

²⁷ <http://www.bostonglobe.com/business/2012/06/21/pace-massachusetts-home-foreclosures-massachusetts-quickened-may/1eJn80UHKcWrctO3lavgbK/story.html>

- **Bankruptcy Rules.** Thanks to leadership from the National Consumer Law Center, which is funded by MLAC for its Massachusetts work, important reforms were recently adopted by the Judicial Conference Advisory Committee on Bankruptcy Rules that will address the widespread failure of mortgage servicers to provide homeowners with critical information in Chapter 13 bankruptcy cases. The rules will improve the fairness of the bankruptcy system and make Chapter 13 a more effective tool for homeowners to avoid foreclosure. The changes adopted by the Committee, which is chaired by an NCLC attorney, were approved by the U.S. Supreme Court and went into effect on December 1, 2011.
- **Eviction Assistance.** In FY12, legal assistance by MLAC-funded programs, including representation in court, prevented or delayed eviction for 1,624 households, allowing low-income families and individuals to stay in their homes or giving them the time to find alternative housing. Without this assistance many of these clients would have entered the state's costly emergency shelter system.

A 2012 report by the Boston Bar Association Task Force on the Civil Right to Counsel found that 15.26% of families evicted from their homes could be expected to enter the family shelter system.²⁸ Using this estimate, we find that legal aid eviction and foreclosure defense **saved the Commonwealth an estimated \$4,207,371 in shelter costs in FY12.**²⁹

²⁸ The Importance of Representation in Eviction Cases and Homelessness Prevention, Appendix A, pp. 9-10, <http://www.bostonbar.org/docs/default-document-library/bba-crtc-final-3-1-12.pdf>

²⁹ In FY11 DCHD reported that the 2,017 families in family shelters cost the state an average of \$25,155 apiece, or \$50,737,635 total; the 812 families in hotels/motels cost an average of \$10,480, or \$8,509,760 total; the 116 in transitional housing or housing authority placements cost an average \$10,626, or \$1,232,616 total; and the 55 in substance abuse placements cost an average of \$53,820, or \$2,960,100 total. We combined these to get a grand total of \$63,440,111 and divided by the 3,000 families in any of these shelter types to get an average cost per family of \$21,147. For individuals in adult shelters, the costs are lower, approximately \$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 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-fourth of those for whom our programs prevented eviction were individuals and three-fourths were families with children. 1,624 (total evictions delayed or prevented) + 60 foreclosures prevented = 1,684 (homes preserved or tenancies extended); 1,684 x 75% = 1263 (approximate number of homes preserved or tenancies extended for families). 1263 x .15.26% (estimated percentage of families who would have entered the state's emergency shelter programs) = 193 (families who would have otherwise used the state's shelter system); 193 x \$21,147 = \$4,081,371 . For individuals, while the cost of shelter is much lower, homeless individuals are much more likely than families to repeatedly cycle in and out of shelter. We have not been able to find data that reflects the cost of these multiple stays; however, we believe that an estimate of 20% of evicted individuals using shelter at least once is conservative. 1,684 x 25% =421 (evictions prevented involving individuals). 421 x 20% = 84 (individuals who would have used shelter at some point) x \$1,500 (average cost per shelter stay) = \$126,000 .

Combining family and individual savings, we see that \$4,081,371+ \$126,000 = \$4,207,371 (estimated total savings).

Note that the emergency shelter system in Massachusetts is currently undergoing tremendous change, with efforts underway to restrict access to emergency shelter for families in Massachusetts and instead invest the

Preventing homelessness saves not only shelter costs, but also the costs to the state of health care and other social services. The Massachusetts Housing and Shelter Alliance reported in 2011 that Boston Healthcare for the Homeless studied a group of 105 individuals living on the street over a period of five years and found that average health care costs for the group were \$28,436 per year. However, for those in the group that found housing, average health care costs dropped to \$6,056, a difference of \$22,380 per year.³⁰ We estimated above (in footnote 29) that legal services advocacy kept 84 individuals out of the shelter system in FY12 (as well as 193 families). This is only a subset of the total number of individuals who were kept from homelessness, since not all homeless people access state shelter, but we do not have an estimate for the total number kept from homelessness. Looking just at this subset of individuals, however, we can estimate that legal services representation resulted in savings of at least **\$1,879,920 in health care costs** for homeless individuals in FY12.³¹ Figures are not available for the cost of health care for homeless families.

Combining the savings from avoiding shelter for families and individuals and the savings from avoiding excessive health care costs for homeless individuals, we see that successful legal services representation to preserve the homes of low-income Massachusetts residents created potential savings of at least **\$6,087,291**.

Keeping people in their homes also avoids the public safety costs related to homelessness as well as the long term costs of disrupting children's lives and education. According to the National Center on Family Homelessness, homeless children are twice as likely as others to repeat a grade.³²

B. Domestic Violence and Family Law

In FY12, the Battered Women's Legal Assistance Project (BWLAP), established by the Massachusetts Legislature and operating at seven MLAC-funded programs, provided legal help to 2,108 victims of domestic violence, including 965 with complex cases involving multiple court visits. 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. According to the FBI, almost a third of female homicide victims that are reported in police records are killed by an intimate partner.³³ The Center for Disease Control and Prevention reported in 2003 that 22% of women in the United States are

funds in other housing-related programs. However, data lags behind the changes and we do not have more current numbers on cost per family.

³⁰ Mass. Housing & Shelter Alliance, Home & Healthy for good: Progress Report 2 (2011), <http://www.mhsa.net/matriarch/documents/HHG%20March%202011%20report-Final.pdf>.

³¹ \$22,380 x 84 individuals = \$1,879,920.

³² National Center on Family Homelessness, 2000.

³³ Federal Bureau of Investigation, Uniform Crime Reports "Crime in the United States, 2000," (2001).

victims of at least one physical assault by an intimate partner at some point in their lives and that the annual cost of domestic violence exceeded \$5.8 billion.³⁴

- Domestic abuse is responsible for a range of health care and mental health care needs: The US Department of Justice reported that 37% of all women who sought care in hospital emergency rooms for violence-related injuries were injured by a current or former spouse, boyfriend or girlfriend.³⁵ A 2006 Wisconsin cost benefit analysis of a proposed domestic abuse grant program estimated that the average domestic violence victim is attacked 3.4 times per year and that **preventing just one assault would avoid \$3,900 in medical and other costs,**³⁶ not including the lost quality of life for the victim and the victim's children or the costs of incarceration for the abuser.
- Legal aid is an effective deterrent to domestic violence. 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.³⁷
- If MLAC-funded programs prevent one assault per complex case handled, a conservative estimate, **the total direct avoided costs would be \$3,763,500.**³⁸ (Note that on average these cases last 17 months and involve 3.1 court appearances.) In addition, legal aid in domestic violence cases often results in the collection of child support and health insurance, saving further state dollars.

C. Utilities

The MLAC-funded National Consumer Law Center has been advocating for a more stringent regional efficiency standard for colder states for eight years. In October 2011, the US Department of Energy posted a "Direct Final Rule" that increases furnace efficiency standards to 80 percent in southern states and to 90 percent in 30 northern, colder states. According to NCLC this could reduce the annual natural gas heating bill by \$150 for the average consumer and \$200 to \$300 dollars or more for a family in a large, poorly insulated house.

³⁴ Center for Disease Control and Prevention, 2003.

http://www.cdc.gov/violenceprevention/pub/IPV_cost.html

³⁵ Rand, M. *Violence-Related Injuries Treated in Hospital Emergency Room Departments 5* (Bureau of Justice Statistics, 1997).

³⁶ 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).

³⁷ "Explaining the Recent Decline in Domestic Violence," Farmer and Tiefenthaler, *Contemporary Economic Policy*, April 2003, Vol. 21, Issue 2, pp. 158-172.

<http://www3.interscience.wiley.com/journal/120832460/abstract>

³⁸ 965 cases x \$3,900 = \$3,763,500.

Section IV: Investing in the Commonwealth's Future

A. Jobs

Section 3 of the Housing & Urban Development Act of 1968 requires housing authorities and other agencies that receive funding from the U.S. Department of Housing and Urban Development (HUD) to provide qualified tenants, as well as other low-income people in their geographical area, with priority for jobs and job training. Historically, however, Section 3 has been difficult to implement and enforce. During FY12, Massachusetts Law Reform began a collaboration with the Boston Resident Training Institute to ensure that low-income residents receive the opportunities outlined in Section 3.

In February 2012, the Boston Housing Authority (BHA) released a draft Section 3 policy and specifically invited MLRI to submit comments. One of MLRI's primary recommendations, that the agency establish an advisory committee to promote stronger monitoring and compliance and engage the broader community in the implementation and evaluation of BHA's Section 3 program, was adopted. Among the committee's members will be BHA residents, BHA-leased-housing participants and members of community advocacy and employment agencies. Only a few locations across the country have used a local Advisory or Steering Committee as a mechanism to facilitate more effective compliance on the local level.

B. Education

MLAC-funded programs provide legal support to families of children who are not receiving appropriate educational services or are facing inappropriate school exclusions. Their efforts contribute significantly to the Commonwealth's economy by keeping children on the path to educational success.

- Nationally, in 2009, the average worker with less than a high school education earned \$19,540 per year compared to \$27,380 for high school graduates.³⁹ A recent study by the Alliance for Excellence in Education projects that 13,388 members of the class of 2011 in Massachusetts will not graduate and that the projected lifetime earnings for these students is \$2 billion below what it would be if they had high school diplomas.⁴⁰
- Students who leave high school without a diploma are more likely to be unemployed,⁴¹ have higher rates of incarceration⁴² and tend to have a greater number of health problems,⁴³ creating significant costs to the state.

³⁹ T. D. Snyder and S. A. Dillow, Digest of Education Statistics 2010 (2011-015), (Washington, DC: U.S. Department of Education, National Center for Education Statistics, Institute of Education Sciences, 2011).

⁴⁰ Alliance for Excellent Education, "The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools," Issue Brief (November 2011), <http://www.all4ed.org/files/HighCost.pdf>.

⁴¹ 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)

- Research documents that school exclusion leads to higher dropout rates, lower test scores, poor academic achievement, social isolation and delinquency,⁴⁴ and a lifetime of lower earnings and increased public assistance. The majority of children subject to punitive exclusionary proceedings are poor, of color and with learning disabilities. Although children of color represent only 24% of statewide student enrollment they make up a staggering 60% of student exclusions.

The MLAC-funded Children’s Law Center of Massachusetts provided full litigation representation involving education issues to 265 students and their families in FY12, in most cases winning appropriate school services, including placements and reinstatements. CLCM also provided advice and brief services to another 1154 students. Among their clients are youth excluded from school or segregated in inadequate alternative school settings, homeless children and foster children. Another MLAC grantee, Massachusetts Advocates for Children, provided assistance with special education and school exclusion matters to 903 children in FY12. MAC has also been instrumental in initiating and sustaining the state Inclusive Concurrent Enrollment grant program (ICE) for over 50 adults, ages 18-22, who have severe disabilities and will not graduate from high school. ICE helps these young adults participate in state college classes and career development opportunities. A third grantee, the Center for Law and Education, combines high-quality statewide advocacy with technical support and collaborative policy work to identify the systemic patterns underlying student exclusion from effective education and to press for changes in school policies and practices to improve student outcomes. Their work benefits all low-income students, including students with disabilities.

Summary

A range of legal services provided by MLAC-funded programs in FY12 can be credited with bringing in **an estimated \$47.5 million in new revenue and cost savings** to the Commonwealth and its low-income residents over the course of a year, of which **\$27 million represents new federal revenue.**

The Massachusetts Legal Assistance Corporation has prepared this analysis with the help of its grantees. For more information contact Donna Southwell, Director of Policy Analysis, dsouthwell@mlac.org.

⁴² Caroline Wolf Harlow, Education and Correctional Populations: Bureau of Justice Statistics Special Report 3, at.2 (Jan. 2003).

⁴³ U.S. Department of Education, National Center for Education, Statistics, Dropout and Completion Rates in the United States: 2006, at 1 (2008).

⁴⁴ The Civil Rights Project, Opportunities Suspended: The Devastating Consequences of Zero Tolerance and School Discipline Policies, 13-19 (2000). 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).