

# Massachusetts Legal Assistance Corporation

## **Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth: Examples of Benefits from FY16 Advocacy**

The work of legal aid programs funded by the Massachusetts Legal Assistance Corporation (MLAC) substantially boosts the Commonwealth's economy each year by bringing in millions of federal dollars, improving the economic conditions of low-income clients and other residents and saving the state additional millions in avoided benefits and social service costs. MLAC estimates its grantees' individual casework and leadership in systemic advocacy in FY16 resulted in almost **\$15.9 million in federal revenue** coming into the Commonwealth over the course of one year and credits its grantees with obtaining an additional **\$33.4 million in income and savings for clients and the Commonwealth**, for a total of **\$49.3 million**.

### Federal Revenue Coming into the Commonwealth

<b>Disability Benefits Project:</b> one year new federal SSI/SSDI benefits and back payments to clients	\$4,264,326*
<b>Disability Benefits Project:</b> direct federal reimbursement to DTA for EAEDC payments	\$240,993
<b>Disability Benefits Project:</b> federal payments to legal aid for representation of DBP clients	\$200,566
<b>SNAP Benefits:</b> preservation of federal nutrition assistance benefits	\$10,500,000
<b>Medicare:</b> federal health care coverage won	\$184,595
<b>Federal Taxes:</b> credits and refunds from representing clients with tax controversies	\$503,077
<b>Total New Federal Revenue</b>	<b>\$15,893,557</b>

### Other Benefits Won for Low-Income Residents

<b>Unemployment Insurance:</b> benefits won on appeal	\$2,029,860
<b>Foreclosure:</b> compensation and debt relief	\$4,425,004
<b>Utilities:</b> exempting low-income consumers from certain rate increases	\$8,684,600
<b>Financial Judgments for Tenants:</b> rent relief, damages and moving expenses for tenants	\$3,206,000
<b>Child Support:</b> one year benefit of support orders won	\$2,882,464**
<b>Total Other Benefits and Savings for Residents</b>	<b>\$21,227,928</b>

### Potential Savings

<b>Foster Care Avoided for Unaccompanied Minors:</b> savings through obtaining custody orders	\$1,483,650
<b>Homelessness Prevention:</b> avoided costs for shelter and health care for homeless	\$8,789,812
<b>Domestic Violence Prevention:</b> avoided health care costs only	\$1,912,735
<b>Total Estimated Savings</b>	<b>\$12,186,197</b>

<b>Total Benefits and Savings</b>	<b>\$49,307,682</b>
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\*Includes back payments and only the first year of benefits. Clients whose cases were won by DBP in FY16 can be expected to receive a combined \$22.3 million in SSI/SSDI benefits over their lifetimes (see footnote 7, page 3).

\*\*Includes only the first year of child support. Over the long term, these orders could bring clients an estimated \$25.9 million in payments.

## Section I: Bringing in New Federal Revenue

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### A. Disability Benefits Project<sup>1</sup>

MLAC's Disability Benefits Project (DBP), staffed by advocates in nine legal aid 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). 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 FY16, with state funding of only \$1.2 million, yielded a total of more than **\$4.7 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 federal lump sum retroactive SSI and SSDI benefits totaling **\$1,997,232** in FY16.<sup>2</sup> Clients also won **\$190,501 in lump sum benefit restorations** when the Social Security Administration (SSA) granted waivers of previously made assessments on benefits.
- An additional **\$240,993** was directly **reimbursed to the Massachusetts Department of Transitional Assistance by SSA** as repayment for successful clients who had been receiving EAEDC during their appeals for federal benefits.
- In addition, SSA paid attorneys' fees of **\$200,566** to DBP programs for their representation in certain cases.
- DBP clients also received ongoing monthly federal SSI/SSDI benefits totaling \$1,706,036 per year for themselves and their families and retained another \$370,557 per year when DBP secured restoration of benefits that had been reduced or stopped. **This amounts to \$2,076,593 in federal monthly benefits per year.**<sup>3</sup>
- Combining annualized monthly federal benefits with federal benefit restorations and retroactive payments to clients and their families, **the first year new federal dollars** received by clients and family members as a result of DBP services in

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<sup>1</sup>Based 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 by MLAC for FY16..

<sup>2</sup> Federal share only, does not include SSI State Supplemental Program retroactive payments of \$79,032.

<sup>3</sup> Federal share only, does not include SSI State Supplemental Program (SSP) monthly payments totaling \$65,796 per year. State outlay is more than balanced by savings from: 1) \$145,440 per year in EAEDC because successful DBP clients who formerly relied on EAEDC for their support left the rolls; and 2) a \$18,360 per year reduction in the demand on Massachusetts' TANF block grant from successful DBP clients who were previously receiving TANF.

FY16 total **\$4,264,326.**<sup>4</sup> Adding the \$240,993 reimbursed to DTA and the \$200,566 in attorneys' fees, the combined first year total is **\$4,705,885 in new federal dollars secured by DBP in FY16.**

- 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,<sup>5</sup> making **the total economic impact** of the DBP program in FY16 **\$9.4 million.** Note that for this report, we conservatively do not include multiplier effects in our summary of benefits won (see chart on page 1).
- 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.<sup>6</sup> SSA also suggested that these averages would increase in future years. Using the 9.7 year figure, we find that DBP services provided in FY16 will result in Massachusetts residents with disabilities receiving approximately **\$22.3 million in additional federal benefits** over their lifetimes.<sup>7</sup>

## B. SNAP

In FY16 the Massachusetts Law Reform Institute (MLRI) continued its leading role in the statewide Food SNAP Improvement Coalition, advocating to ensure low-income Massachusetts families, seniors and people with disabilities receive the full benefits of the federal Supplemental Nutrition Assistance Program (SNAP) for which they are eligible.

Due to a combination of factors, including the end of the Great Recession and a flawed data matching system, the state's SNAP caseload dropped from 781,015 individuals in July 2015 to 772,553 individuals in July 2016, a decrease of 1.1%. At the same time, the average caseload across all states fell by 4.7%, due to a number of factors, including policy changes and the recovering economy. Had Massachusetts' participation fallen at the average national rate, an additional 28,246 Massachusetts recipients would have lost their SNAP benefits.<sup>8</sup> The lower drop in participation in Massachusetts is in large part

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<sup>4</sup> \$2,076,593 (annualized monthly federal benefits won or retained) + \$1,997,232 (lump retroactive federal benefits) + \$190,501 (overpayments waived) = \$4,264,326.

<sup>5</sup> Granberry and Albelda, 2006.

<sup>6</sup> Rupp, Kalman and Scott, Charles G., "Length of Stay on Supplemental Security Income Disability Program," *Social Security Bulletin*, Spring 1995, p. 43:  
<http://www.socialsecurity.gov/policy/docs/ssb/v58n1/v58n1p29.pdf>.

<sup>7</sup> Ongoing annual federal benefits obtained (\$2,076,593) x 9.7 (average number of years benefits received) = \$20,142,952. Retroactive benefits to clients: \$1,997,232. Lump benefit reductions restored/overpayments waived: \$190,501. Combining all three: \$20,142,952 + 1,997,232 + \$190,501 = \$22,330,685 in lifetime benefits.

<sup>8</sup> 4.7% (average national caseload drop) x 781,015 (Massachusetts caseload at beginning of FY16) = 36,708 (number of people who would have lost SNAP benefits if Massachusetts caseload had dropped at the same rate as the average state). 36,708 – 8,462 (number of Massachusetts recipients who actually lost benefits) = 28,246.

due to the leadership and advocacy of MLRI and other members of the Coalition and means that more than \$42 million per year in federal SNAP dollars that would otherwise have been lost will benefit the state's neediest residents and support its economy.<sup>9</sup> Giving MLRI credit for even one quarter of the Massachusetts differential would amount to a savings of **\$10.5 million**.

One example of MLRI's role in reducing the loss was their successful litigation in reversing the harmful effects of the state's flawed data matching system that caused thousands of eligible households to lose their SNAP benefits. In 2014 and early 2015, the Department of Transitional Assistance (DTA) sent hundreds of thousands of notices to SNAP households based on a match with Department of Revenue (DOR) wage data and "new hire" data – and then it closed tens of thousands of cases. Advocates from MLRI – joined by MetroWest Legal Services and private counsel – filed a lawsuit challenging DTA's wage match procedures. Working with the new Administration, MLRI succeeded in stopping the flawed wage match process and settling the lawsuit in late 2016. MLRI continues to work with the state to resolve many of the flawed practices. In January 2017 DTA began sending out notices to groups of clients who are now receiving one-time retroactive federal SNAP payments (back benefits) under the settlement.

Another example is MLRI's role in reducing the loss of SNAP benefits to childless individuals subject to a 3-month SNAP time limit. This time limit was imposed in 1996 as part of the federal Welfare Reform law but was suspended by President Obama in 2008 due to the Recession and reinstated at the beginning of 2016 in Massachusetts and 21 other states. MLRI actively advocated with the state to elect federal options to protect the most vulnerable, including carefully screening for individuals with disabilities and disabled veterans with partial disabilities, exempting chronically homeless individuals and seeking federal waivers to exempt individuals living in high-unemployment geographic areas of the state, mostly in seasonal employment areas. Thanks to this advocacy, which was well-received by the Baker Administration, significantly fewer needy Massachusetts residents lost their federal nutrition benefits as of April 1, when many had reached the three-month limit.

The benefits of SNAP to the Commonwealth's economy go well beyond bringing in federal dollars. SNAP contributes substantially to the health and well-being of low-income residents, saving the state Medicaid and other social services dollars. For example:

- SNAP benefits improve children's health and well-being throughout their lives, cutting healthcare costs for the state, research has shown. According to a 2015 White House report on SNAP, the incidence of low birth-weights drops by between 5 and 23 percent when low-income mothers receive food stamps while pregnant.<sup>10</sup> The March of Dimes reports that the healthcare cost for a low-birth-

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<sup>9</sup> \$126 (average monthly benefit per individual) x 12 months x 28,246 individuals = \$42,707,952.

<sup>10</sup> Executive Office of the President of the United States, "Long-Term Benefits of the Supplemental Nutrition Program," Dec 2015, p. 3, download at <http://www.hungerfreecommunities.org/resource-library/long-term-benefits-of-the-supplemental-nutrition-assistance-program/>

weight baby during the first year is about \$55,000: more than ten times the cost for a baby of normal birth-weight.<sup>11</sup>

- SNAP benefits received during early childhood lead to a 16% decline in obesity in adulthood and significantly lower the chances of developing metabolic syndrome, conditions associated with diabetes and heart disease.<sup>12</sup>
- SNAP benefits increase the likelihood of a child's graduating high school by 18%, which will boost their lifelong earnings (and tax-paying potential).<sup>13</sup>
- In the last week of the monthly food stamp cycle, when benefits are more likely to be used up, diabetic SNAP recipients' hospitalizations for hypoglycemia rise by at least 27% compared to the first week of the cycle. Every such hospitalization costs about \$1,500.<sup>14</sup>

### C. Health Care

- **Medicare Advocacy Project:** 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. The work of MAP advocates helps ensure that Massachusetts maximizes its federal Medicare revenue.

**In FY16, legal assistance from MAP resulted in Massachusetts residents being approved for \$184,595 of Medicare coverage for medical expenses.**

In addition to providing direct services to clients, MAP advocates provide high level Medicare policy analysis and systemic 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 the potential for structural changes in Medicare as we know it, such policy analysis, advocacy, education and training are essential to Medicare's effective operation in the state.

MAP's work has been nationally recognized, and 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.

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<sup>11</sup> <http://www.marchofdimes.org/news/premature-babies-cost-employers-127-billion-annually.aspx>

<sup>12</sup> Executive Office of the President of the United States, "Long-Term Benefits of the Supplemental Nutrition Program," p. 3

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

**The additional savings and dollars brought into the state by MAP’s Medicare policy work, education and training are difficult to quantify, and undoubtedly far exceed the direct benefits recorded here.**

- **Disability Benefits Project:** SSDI recipients begin receiving health coverage from Medicare two years after they become eligible for SSDI. This 100% federal Medicare coverage reduces the burden on MassHealth, which also covers recipients as soon as they’re eligible for SSDI and requires a 50% state match. The Massachusetts Medicaid Policy Institute reports that on average in 2008 Medicare spent \$11,500 per member for Massachusetts recipients who were “dual eligible,” that is, covered by both Medicare and Medicaid.<sup>15</sup> Adjusting for medical inflation, this would amount to \$14,115 in 2015 (when FY16 began).

Representation from the Disability Benefits Project resulted in 75 Massachusetts residents with disabilities winning their appeals for SSDI in FY16. Of these, 66 were already on MassHealth and not previously on Medicare. **The resulting Medicare coverage for these clients will result in approximately \$465,795 in new federal funds entering the state per year.**<sup>16</sup>

- **Medical-Legal Collaborations:** The programs funded by MLAC maintain 22 medical-legal partnerships with hospitals and health clinics across the Commonwealth. As part of the collaborations, legal advocates train doctors and other medical staff to identify health-harming legal problems. Once problems are identified, the hospital staff can refer their patients to legal aid programs for assistance. For example, a child may be suffering from asthma caused by apartment conditions that violate the state sanitary code. Medical staff are trained by the legal aid partners to identify the legal problem; for example, a parent might need legal help to get the conditions fixed, which may be the only real solution to the child’s medical problem. The result is not only good for the child and parents, but also saves the Commonwealth dollars that might otherwise be spent on treating additional preventable medical problems.

Substandard housing conditions including the presence of rats, mice, cockroaches, mites, mildew and mold, as well as fumes from tobacco or nearby traffic kept in the air by poor ventilation, can all trigger asthma attacks. A 2014 study found that about 39% of cases of asthma among children could be avoided by eliminating this kind of exposure to indoor pollutants.<sup>17</sup>

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<sup>15</sup> Davidson and Dreyfus, BD Group, Dual Eligibles in Massachusetts: A Profile of Health Care Services and Spending for Non-Elderly Adults Enrolled in Both Medicare and Medicaid, September 2011, p. 5 [http://bluecrossmafoundation.org/sites/default/files/MMPI%20Duals%20Chart%20Pack\\_0.pdf](http://bluecrossmafoundation.org/sites/default/files/MMPI%20Duals%20Chart%20Pack_0.pdf)

<sup>16</sup> \$14,115 (average Medicare coverage per year) x 66 clients = \$931,590. If MassHealth had been left to cover these expenses, only 50% would have come from the federal government, with the state picking up the rest. Therefore, the amount of new federal dollars coming into the state is  $\$931,590/2 = \$465,795$ .

<sup>17</sup> Pacheco, Christina M. et al., *Homes of Low-Income Minority Families with Asthmatic Children Have Increased Condition Issues*, *Allergy and Asthma Proceedings*, 2014 Nov-Dec; 35(6): 467–474. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4210655/>

A small randomized study in 2006 found that with legal aid's assistance asthmatic adults were able to get landlords to remove contaminants from their homes in half of cases. These clients were then able to stop using steroid inhalers for at least six months. Those not receiving help received no such benefit.<sup>18</sup>

#### D. Taxes

Some MLAC-funded programs create economic benefits for clients and the Commonwealth by providing tax assistance to low-income residents.

- **Representation in federal income tax appeals.** Through its Low-Income Taxpayer Assistance Project (LITAP), Greater Boston Legal Services (GBLS) assists clients involved in tax controversies. In FY16 the Project assisted 156 low-wage families whose tax returns the IRS had challenged. GBLS's intervention resulted in the clients receiving \$74,313 in federal tax refunds and reducing their federal tax liability and penalties by an additional \$428,764, **for a total of \$503,077 in federal tax refunds and reductions.** Their success benefited both the filers and the Commonwealth's economy, as individuals and their families had this income to spend on food, housing and medical expenses, which supported businesses in their communities.
- **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. For the April 2016 tax season, the Coalition served 12,843 Boston area residents. Participants received federal refunds totaling \$24.5 million, including \$8,794,764 in Earned Income Tax Credits (EITC).<sup>19</sup> Without assistance EITC often goes uncollected. The Coalition also estimates that city residents saved \$1.9 million by avoiding the costs of using commercial tax preparation services.<sup>20</sup>

MLAC programs also increase state tax revenue by helping eligible immigrants secure work authorization.

- **Increased tax revenue from immigrants.** In FY16, advocacy by seven MLAC programs – Community Legal Aid, Community Legal Services and Counseling Center, Greater Boston Legal Services, MetroWest Legal Services, Children's Law Center of Massachusetts, Northeast Legal Aid and South Coastal Counties Legal Services – resulted in 644 immigrants securing work authorization and/or legal status. We are unable to quantify 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.

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<sup>18</sup> Modrykamien, Ariel et al., *A Retrospective Analysis of the Effect of Environmental Improvement Brought About by Legal Interventions in Poorly Controlled Inner-City Asthmatics*, CHEST (2006).

<https://www.ncbi.nlm.nih.gov/pubmed/23020301>

<sup>19</sup> <http://www.bostontaxhelp.org/update-on-the-2016-tax-season/>

<sup>20</sup> 2015 Boston TaxHelp Coalition Taxpayer Data Report: <http://www.bostontaxhelp.org/wp-content/uploads/2015/08/2015-BTH-Tax-Data-Report.pdf>.

## Section II: Other Benefits Won

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### A. Foreclosure Prevention

In September of 2012, MLAC and the National Consumer Law Center began administering a grant from the Massachusetts Attorney General's Office (AGO) for the HomeCorps program, to provide assistance to Massachusetts residents threatened with foreclosure or with eviction post-foreclosure. Funding for HomeCorps came from a class action settlement with five banks charged with illegal foreclosure practices.

The AGO used a portion of the settlement for funding MLAC programs to break down legal barriers to loan modifications and to provide legal assistance to former owners and their tenants facing eviction after foreclosure. At the same time, the AGO had in-house attorneys focus on helping homeowners obtain loan modifications.

Six MLAC programs and one Legal Services Corporation grantee made up the legal aid component of HomeCorps. Aside from contributing substantially to the success of the Attorney General's loan modification work, HomeCorps legal aid advocates won significant additional benefits for victims of the foreclosure crisis. They won reversals of some foreclosures and prevented many others by, for example, enforcing existing loan modifications, helping homeowners obtain financial support – such as child support – that allows them to make mortgage payments, resolving familial ownership and credit issues, assisting with tax issues, discharging debts and obtaining waivers of mortgage deficiencies. When foreclosure could not be prevented, they helped families stay in their homes by challenging improper evictions in court and negotiating agreements to allow former owners to stay as tenants. When moving out of the home was necessary or desirable, they helped families make the transition out of the home by winning additional time before evictions and obtaining moving expenses, waivers of back rent and other forms of financial compensation.

Based on case reports to MLAC, **HomeCorps clients received \$4,425,004 in such compensation and debt forgiveness** as a result of cases closed during FY16, putting dollars in the hands of financially stressed households. Some payments came from banks based outside the Commonwealth, introducing new dollars into the state's economy.

Further, HomeCorps legal aid programs contributed substantially to the state's economy by ameliorating the decline in property values associated with the blight of vacant foreclosed properties, preventing precipitous moves that threaten jobs and education, avoiding homelessness and stabilizing families and communities.

The legal aid portion of HomeCorps was originally funded for two years, with a wind-down period to begin in September 2014, but because it proved so successful the Attorney General made a decision to extend it for an additional full year. Supplemental funding from a settlement with CitiBank extended HomeCorps for several more months, but the program ended in December of 2016. However, the work continues at most of the programs, using funding from other sources, including MLAC. The HomeCorps program

developed a cadre of committed and well-trained foreclosure attorneys whose expertise will continue to benefit low-income homeowners in the Commonwealth for years to come.

## **B. Utilities**

The National Consumer Law Center, whose Massachusetts work is funded by MLAC, recently won a precedent-setting decision for low-income electric customers in a National Grid rate setting case. NCLC intervened in the case in late 2015 after they realized that an existing Massachusetts law (Chapter 164 section 141) provides a basis for protecting customers receiving low-income discounts from rate increases brought on by subsidies to customers using solar power. The law had never been applied, and, as solar expanded, such increases were growing. NCLC's argument that the law should apply prevailed, and the Department of Public Utilities (DPU) ordered National Grid to increase the value of its low-income discount by \$50 per customer per year. The total savings for Massachusetts low-income electric customers will be **approximately \$8.7 million** per year.<sup>21</sup>

That amount considers only National Grid customers and will likely increase substantially in the near future as other electric companies, including Eversource, have their rates reviewed.

## **C. Employment/Unemployment**

According to the White House Legal Aid Interagency Roundtable, civil legal aid ensures employment stability by helping workers secure safe working conditions and proper payment for work performed, as well as accommodations for disabilities.<sup>22</sup> They also assist workers and their families by, for example, expunging criminal records, untangling outstanding court debt issues, defending against workplace discrimination, preventing illegal eviction and foreclosure and obtaining child support and restraining orders. In addition, they assist workers in periods between jobs by providing support in Unemployment Insurance (UI) appeals.

- **Unemployment Insurance.** Legal assistance helps unemployed workers overturn denials of UI claims, get unfair overpayment charges waived and correct underpayments. Legal assistance with claims results in low-income workers receiving an average of 17.9 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, boosting the economy. Beneficiaries also receive extended unemployment benefits to pursue job training.

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<sup>21</sup> In its November 2015 report to DPU, National Grid reported 173,692 low-income discount customers.  $173,692 \times \$50/\text{yr.} = \$8,684,600/\text{yr.}$  NCLC reports that while the number of discount customers fluctuates over time, the November number used here is reasonably representative for purposes of estimating the aggregate benefit.

<sup>22</sup> <https://www.justice.gov/lair/civil-legal-aid-101#how>

In FY16, 350 unemployed Massachusetts workers were able to win UI benefit appeals with the assistance of MLAC-funded programs. The average Massachusetts UI recipient received state benefits for 17.9 weeks at an average rate of \$472 per week.<sup>23</sup> For legal aid clients we estimate the average benefit is somewhat lower: \$324 per week (based on sample data from two programs). Thus, we estimate that legal aid clients won **\$2,029,860 in state-based UI in FY16.**<sup>24</sup>

#### D. Financial Judgments for Tenants

In FY11, detailed data was available on tenants represented by Greater Boston Legal Services in eviction cases 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 researchers, creating substantial data on those cases.<sup>25</sup> The researchers found that tenants represented by GBLS in eviction cases 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 FY16. However, MLAC-funded programs reported delaying or preventing eviction in 1,603 cases in FY16 (not including HomeCorps post-foreclosure cases, which are counted separately). 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 find that **with legal assistance from MLAC-funded programs, low-income tenants secured at least \$3,206,000 in rent relief, damages and moving expenses.**<sup>26</sup> 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 (as described in the Housing section below).

#### E. Child Support

MLAC-funded programs reported winning at least 338 child support cases for low-income parents in FY16. For the four programs that report average support order amounts, Community Legal Aid, Community Legal Services and Counseling Center, MetroWest Legal Services and South Coastal Counties Legal Services, the average order obtained in FY16 was \$164 per week. Assuming this average for all MLAC programs, in FY16 programs secured **child support orders of approximately \$2,882,464 per year** for low-income custodial parents and their children.<sup>27</sup> Child support orders also save the state money as they reduce dependence on Temporary Aid to Needy Families.

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<sup>23</sup> [https://oui.doleta.gov/unemploy/content/data\\_stats/datasum16/DataSum\\_2016\\_2.pdf](https://oui.doleta.gov/unemploy/content/data_stats/datasum16/DataSum_2016_2.pdf). Note that recipients are eligible for up to 26 weeks of state benefits.

<sup>24</sup> 17.9 weeks state benefits x \$324 average benefit x 350 successful clients = \$2,029,860.

<sup>25</sup> [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1880078](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1880078)

<sup>26</sup> 1,603 cases x \$2,000 per case = \$3,206,000.

<sup>27</sup> 338 orders x \$164 per week x 52 weeks = \$2,882,464.

The average age of children at divorce is nine years.<sup>28</sup> If we assume that child support orders continue until age 18, the assistance provided by MLAC-funded programs in FY16 in child support cases will have a substantially larger effect in the long run – almost \$26 million.<sup>29</sup>

### **Section III: Cost Savings**

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#### **A. Unaccompanied Minors**

The MLAC-funded Children’s Law Center of Massachusetts (CLCM) represented a number of unaccompanied immigrant youth in FY16, securing legal custody orders for 27 youth so that they could stay with relatives or family friends. The alternative to custody orders for these children is foster care, at substantial cost to the state. Based on a discussion with the Department of Children and Families (DCF), CLCM reports that the basic cost of foster care for unaccompanied immigrant children is normally four times as much as for the average foster child through DCF because in virtually all such cases the state has to use Comprehensive Foster Care (CFC) placements due to the children’s language and cultural limitations. These CFC homes cost the state \$117.67 per day, or more than \$42,000 per year. This amount does not include Mass Health coverage, “incidentals” (e.g., YMCA memberships, school costs, etc.) and the cost of the DCF staff who serve these children (each child and foster family has a social worker, family resource worker and, often, an “Adolescent Outreach Worker”). Thus, a conservative estimate of the amount saved the state when CLCM secured home placements for its clients would be almost **\$1.5 million**.<sup>30</sup>

#### **B. Homelessness Prevention**

The work of legal aid advocates to preserve and protect housing for low-income families and individuals effectively prevents homelessness, protects residents and their children from the turmoil and hardship homelessness creates and saves the state millions of dollars in shelter expenses.

The Department of Housing and Community Development (DHCD) reports that on an average day in the last quarter of FY16 the state’s Emergency Assistance (EA) program housed 3,800 families. Of these, 3,360 were in EA shelters and 440 in hotels or motels.<sup>31</sup> DHCD also reports that the average length of stay in both types of facilities was 324 days at an average cost of \$37,908 per stay.<sup>32</sup>

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<sup>28</sup> Liu, Shirley H., "The Effect of Parental Divorce and Its Timing on Child Educational Attainment: A Dynamic Approach," page 17; available at [http://moya.bus.miami.edu/~sliu/Research\\_files/divorcetiming.pdf](http://moya.bus.miami.edu/~sliu/Research_files/divorcetiming.pdf)

<sup>29</sup> \$2,882,464 per year x 9 years = \$25,942,176.

<sup>30</sup> 27 clients x \$42,950 per client = \$1,159,650. Estimating at least \$12,000 per client for the cost of DCF staff, incidentals, clothing and health insurance gives us an overall estimate of \$1,483,650 (\$12,000 x 27 = \$324,000; \$324,000 + \$1,159,650 = \$1,483,650).

<sup>31</sup> <http://www.mass.gov/hed/docs/dhcd/hs/ea/fy16q4eareport.pdf>

<sup>32</sup> Ibid.

Legal assistance by MLAC-funded programs, including representation in court, resulted in eviction being prevented or delayed for a total of 1,665 low-income households in FY16, allowing 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 Civil Right to Counsel found that 15.26% of families evicted from their homes could be expected to enter the family shelter system.<sup>33</sup> Using this figure, we estimate that legal aid eviction assistance **saved the Commonwealth an estimated \$7,327,020 in shelter costs in FY16.**<sup>34</sup>

Preventing homelessness saves not only shelter costs, but also the costs to the state of health care and other social services. According to the Massachusetts Housing and Shelter Alliance, MassHealth analysts reviewed billing claims in 2009 for 96 homeless individuals before and after they found housing through the Home and Healthy for Good program<sup>35</sup> and found that the average cost to MassHealth was \$26,124 when they were on the street and only \$8,500 after they were housed, a difference of \$17,624 per year.<sup>36</sup> Based on our previous determination that legal aid advocacy kept 83 individuals<sup>37</sup> out of the shelter system in FY16, we can estimate that legal aid representation resulted in savings of approximately **\$1,462,792 in health care costs** for homeless individuals in FY16.<sup>38</sup> Figures are not available for the cost of health care for homeless families.

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<sup>33</sup> "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>

<sup>34</sup> Approximately one-fourth of those for whom our programs prevented eviction were individuals and three-fourths were families with children.  $1,665$  (total evictions delayed or prevented)  $\times 75\% = 1,249$  (approximate number of homes preserved or tenancies extended for families).  $1,249 \times 15.26\%$  (estimated percentage of families who would have entered the state's emergency shelter programs) =  $190$  (families who would have otherwise used the state's shelter system);  $190 \times \$37,908 = \$7,202,520$ . 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.). While the cost of shelter is much lower for homeless individuals, they 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. The number of evictions prevented or delayed for individuals would be  $1,665 \times 25\% = 416$ . We can estimate the number who would have used shelter at least once as  $416 \times 20\% = 83$  and the savings as  $83 \times \$1,500$  (average cost per shelter stay) = \$124,500. Combining family and individual savings, we see that  $\$7,202,520 + \$124,500 = \$7,327,020$  (estimated total savings).

<sup>35</sup> Mass. Housing & Shelter Alliance, "Home & Healthy for Good" (January, 2015), p. 4 <http://www.mhsa.net/sites/default/files/January%202015%20HHG%20Report.pdf>

<sup>36</sup> *ibid.*, p. 11.

<sup>37</sup> See footnote 34 for calculation. This is only a subset of the total number of individuals who were kept from homelessness, since not all homeless people access state shelter.

<sup>38</sup>  $\$17,624 \times 83$  individuals = \$1,462,792.

Combining the savings from avoiding shelter costs for families and individuals and the savings from avoiding excessive health care costs for homeless individuals, we see that successful legal aid representation to preserve the homes of low-income Massachusetts residents created potential savings of **\$8,789,812**.

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.<sup>39</sup>

### **C. Domestic Violence and Family Law**

The Domestic Violence Legal Assistance Project (DVLAP – formerly the Battered Women's Legal Assistance Project) was established by the Massachusetts Legislature in 1993 and operates through seven MLAC-funded programs. In FY16, DVLAP provided legal assistance to 2,006 victims of domestic violence, men as well as women, including 415 with complex cases involving an average of more than three court appearances. By providing the support of comprehensive legal assistance, DVLAP helps victims and their children escape the potentially deadly cycle of violence and build independent lives.

According to the FBI, almost a third of female homicide victims are killed by an intimate partner.<sup>40</sup> Saving victims from violent attack is certainly reason enough to justify the state expenditures for DVLAP. But funding DVLAP also benefits the state's economy. By helping families live free of violence, DVLAP saves the Commonwealth the high cost of medical and mental health care for injured victims, special education and counseling for affected children, police and court resources, social services and loss of productivity.

- The U.S. Department of Justice reported in 1997 that 37% of all women who sought care in hospital emergency rooms for violence-related injuries were injured by an intimate partner.<sup>41</sup>
- A 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.<sup>42</sup>
- Legal aid is an effective deterrent to domestic violence. A 2003 study by economists at Colgate University and the University of Arkansas reported that

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<sup>39</sup> National Center on Family Homelessness, 2000.

<sup>40</sup> Federal Bureau of Investigation, Uniform Crime Reports "Crime in the United States, 2000," (2001).

<sup>41</sup> Rand, M. "Violence-Related Injuries Treated in Hospital Emergency Room Departments 5" (Bureau of Justice Statistics, 1997).

<sup>42</sup> L. Elwart, et al, "Increasing Access to Restraining Orders for Low-Income Victims of Domestic Violence: A Cost-Benefit Analysis of the Proposed Domestic Abuse Grant Program," December 2006.

legal aid is the only service that consistently brings down the level of domestic violence in the communities it serves.<sup>43</sup>

It is not possible to determine exactly how many assaults were prevented by DVLAP representation and how much was saved. However, a 2014 study conducted by the firm Alvarez & Marsal for the Boston Bar Association estimated that the average legal aid domestic violence case in Massachusetts can be expected to result in a savings of \$4,609 in direct medical and mental health expenditures.<sup>44</sup> Using this figure, we can estimate that **DVLAP representation saved \$1,912,735 in direct medical and mental health expenses** for its low-income domestic violence clients,<sup>45</sup> reducing costs for health care facilities, staff and insurers, including Medicaid.

Loss of productivity through missed work days is another cost of domestic violence. The CDCP reported in 2003 that women assaulted by intimate partners lost almost eight million days of paid work.<sup>46</sup> Although we cannot estimate the amount, this is income that would have helped support a family in difficult circumstances and circulated into the state's economy. Employers also suffer financially when their employees miss work. Loss of productivity affects the state economy, as does the loss of taxes when work income declines.

In addition, there are substantial other indirect and long-term costs to domestic violence, including harm to victims' careers, disruption of children's education, the effects of long-term trauma on both victims and children and the cost of police and court. The savings from avoiding these long-term and indirect costs would likely far exceed the limited savings reported here.

#### **Section IV: Investing in the Commonwealth's Future**

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Education is the most powerful tool to break the cycle of poverty for low-income children and to keep children with disabilities from experiencing lifetimes of poverty. Several MLAC-funded programs provide legal support to families of children who are not receiving appropriate educational services or who are facing inappropriate school exclusions. Their efforts contribute significantly to the Commonwealth's economy by keeping children on the path to educational success.

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<sup>43</sup> "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>

<sup>44</sup> Baliban, Jeffrey L., Chui, Emily, and Miller-Mizia, Renee, Alvarez & Marsal Global and Forensic Dispute Services, "Report to the Boston Bar Association Statewide Task Force to Expand Civil Legal Aid in Massachusetts," October 7, 2014, at p. 106: <http://www.bostonbar.org/docs/default-document-library/statewide-task-force-to-expand-civil-legal-aid-in-ma---investing-in-justice.pdf>

<sup>45</sup> \$4,609 per client x 415 clients = \$1,912,735.

<sup>46</sup> Centers for Disease Control and Prevention, "Costs of Intimate Partner Violence Against Women in the United States," March 2003, p. 42.: <http://www.cdc.gov/violenceprevention/pdf/IPVBook-a.pdf>

- A 2012 study from the Brookings Institution’s Hamilton Project found that Americans without a high school diploma earn less than their peers with more education and that since 1970, lifetime earnings for those without a high school diploma have fallen compared to the cost of living, even as they have increased modestly for more educated peers.<sup>47</sup>
- Students who leave high school without a diploma are more likely to be unemployed,<sup>48</sup> have higher rates of incarceration<sup>49</sup> and tend to have a greater number of health problems,<sup>50</sup> creating significant costs to the state.
- Those who stay in school and earn college degrees fare best of all. On average, college graduates nationally earn \$12,000 more a year than their peers without any higher education.<sup>51</sup>
- Data released by the U.S. Department of Education for the 2009-2010 school year shows a stark disparity in student suspension rates for students of Color compared to White students: In a sample of 79% of Massachusetts students, suspension rates were almost three times higher for African American and Latino students than for Whites.<sup>52</sup> Research documents that school exclusion leads to higher dropout rates, lower test scores, poor academic achievement, social isolation and delinquency,<sup>53</sup> as well as a lifetime of lower earnings and increased dependence on public assistance.

In FY16 the MLAC-funded Children's Law Center of Massachusetts (CLCM) provided full litigation representation to hundreds of students with disabilities, winning improved

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<sup>47</sup> Greenstone et al., “A Dozen Economic Facts About K-12 Education.” The Hamilton Project, 2012, [http://www.hamiltonproject.org/files/downloads\\_and\\_links/THP\\_12EdFacts\\_2.pdf](http://www.hamiltonproject.org/files/downloads_and_links/THP_12EdFacts_2.pdf).

<sup>48</sup> 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 21<sup>st</sup> Century” (Oct. 2007)

<sup>49</sup> Harlow, Caroline Wolf, “Education and Correctional Populations: Bureau of Justice Statistics Special Report 3,” at 2 (Jan. 2003).

<sup>50</sup> U.S. Department of Education, National Center for Education, “Statistics, Dropout and Completion Rates in the United States: 2006,” at 1 (2008).

<sup>51</sup> Greenstone, Michael, and Looney, Adam, “Regardless of the Cost, College Still Matters,” Hamilton Project, October 5, 2013, [http://www.hamiltonproject.org/papers/regardless\\_of\\_the\\_cost\\_college\\_still\\_matters](http://www.hamiltonproject.org/papers/regardless_of_the_cost_college_still_matters)

<sup>52</sup> Losen, Daniel J., and Gillespie, Jonathan, “Opportunities Suspended: The Disparate Impact of Disciplinary Exclusion from School,” (August 2012) pp 18-19. <https://www.civilrightsproject.ucla.edu/resources/projects/center-for-civil-rights-remedies/school-to-prison-folder/federal-reports/upcoming-crr-research/losen-gillespie-opportunity-suspended-2012.pdf>.

<sup>53</sup> The Civil Rights Project, “Opportunities Suspended: The Devastating Consequences of Zero Tolerance and School Discipline Policies,” 13-19 (2000). <https://www.civilrightsproject.ucla.edu/research/k-12-education/school-discipline/opportunities-suspended-the-devastating-consequences-of-zero-tolerance-and-school-discipline-policies/crp-opportunities-suspended-zero-tolerance-2000.pdf> 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).

levels of educational services, new academic placements, and reinstatement to schools. In addition, CLCM and its Boston-based EdLaw Project provided advice and brief services to another 1,367 children, parents and providers, and conducted 75 trainings for 1,500 individuals across the Commonwealth.

Another MLAC grantee, Massachusetts Advocates for Children (MAC), provided assistance with special education and school exclusion matters to 1,190 children in FY16. MAC led a successful collaborative effort to reform the state's school discipline law, which is resulting in more students remaining in school and fewer being expelled or dropping out. MAC has also been instrumental in initiating and sustaining the state Inclusive Concurrent Enrollment Initiative grant program (ICEI) for 269 young adults, ages 18 to 22, who have severe disabilities and are still in their high schools on a non-diploma track. ICEI helps these young adults participate in college classes and career development opportunities, increasing the likelihood of their becoming more independent and less reliant on state support as adults with disabilities. Sixteen (16) colleges and 56 school districts in the Commonwealth currently participate in ICEI. National data on similar programs show a 27% decrease in students needing SSI benefits.

A third grantee, the Center for Law and Education (CLE), combines statewide advocacy with technical support and collaborative policy work to identify the systemic patterns underlying student exclusion from effective education and to advocate for changes in school policies and practices to improve student outcomes. CLE's work benefits all low-income students, including students with disabilities.

## **Summary**

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A range of legal assistance provided by MLAC-funded programs in FY16 can be conservatively credited with bringing in **an estimated \$49,307,682 in revenue and cost savings** to the Commonwealth and its low-income residents over the course of one year, of which **\$15,893,557 million represents federal revenue**. These benefits to the Commonwealth would not be possible without legal aid lawyers and staff who work tirelessly to help Massachusetts' low-income residents increase their income, keep their homes, stay healthy and meet their children's health and education needs.

*The Massachusetts Legal Assistance Corporation has prepared this analysis with the help of its grantees. Compiled by Donna Southwell, Senior Advisor on Data and Policy. For more information, contact Lonnie Powers, Executive Director, [lpowers@mlac.org](mailto:lpowers@mlac.org).*