

Massachusetts Legal Assistance Corporation

FY17 Civil Legal Aid Yields Economic Benefits to the Commonwealth

Valuation of the access-to-justice work of Massachusetts civil legal aid programs typically focuses on non-economic benefits such as the social benefits of homelessness prevention, access to education, protection from domestic violence and child abuse, access to nutrition and health care, and much more. Frequently lost in the discussion are the many economic benefits that flow to the Commonwealth by virtue of this work.

Each year legal aid programs funded through the Massachusetts Legal Assistance Corporation (MLAC) substantially boost the Commonwealth's economy by bringing in millions of federal dollars; improving the economic conditions of low-income residents¹; and saving the state millions in avoided public benefits, emergency shelter, and social service costs.

An examination of just some of the FY17 economic benefits attained by MLAC-funded legal aid programs reveals over \$59 million in economic benefits to the Commonwealth.

Summary

Federal Revenue Coming into the Commonwealth	
Disability Benefits Project: One-year new federal SSI/SSDI benefits and back payments to clients	\$5,726,768 ²
Disability Benefits Project: Direct federal reimbursement to DTA for EAEDC payments	\$213,277
Disability Benefits Project: Federal payments to legal aid for representation of DBP clients	\$299,486
SNAP Benefits: Preservation of federal nutrition assistance benefits	\$10,301,353
Medicare: Federal health care coverage won	\$593,456
Federal Taxes: Credits and refunds from representing clients with tax controversies	\$558,440
Total New Federal Revenue	\$17,692,780

Other Benefits Won for Low-Income Residents	
Unemployment Insurance: benefits won on appeal	\$2,064,256
Child Support: Child support orders obtained	\$1,470,664 ³
Financial Judgments for Tenants	\$2,359,346
Foreclosure: Compensation and debt relief	\$5,180,604
Utilities: Exempting low-income consumers from rate increases	\$7,000,000
Wages Won or Protected	\$2,930,000
Reimbursement for Medical Debt	\$11,080
Debts Discharged in Bankruptcy	\$3,311,770
Total Benefits and Savings for Residents	\$24,327,720

Savings for the Commonwealth	
Foster Care Avoided for Unaccompanied Minors: savings through obtaining custody orders	\$2,033,150
Homelessness Prevention: avoided costs for shelter and health care for homeless	\$13,466,507
Domestic Violence Prevention: avoided health care costs only	\$1,700,721
Total Estimated Savings	\$17,200,378

Total Benefits and Savings to the Commonwealth in FY17	\$59,220,878
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¹ Nearly all economic benefits won for clients in the form of cash are spent locally and in their entirety.

² Includes back payments and only the first year of benefits. Clients whose cases were won by MLAC's Disability Benefits Project in FY17 can be expected to receive a combined **\$25.4 million in SSI/SSDI benefits over their lifetimes.**

³ Includes only the first year of child support. Over the long term (estimated here to be nine years), these orders could bring clients an estimated **\$13.2 million in payments.**

Section I: Federal Revenue Coming Into the Commonwealth

- A. **Disability Benefits Project:** MLAC's Disability Benefits Project (DBP), staffed by advocates in seven 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 and/or SSDI, they are removed from state programs *and* the federal government reimburses the Commonwealth for EAEDC payments made while the SSI eligibility was being determined.

With state funding of only \$1.2 million, MLAC's Disability Benefits Project closed 962 cases and yielded over **\$6.2 million** in benefits in FY17 to clients and the Commonwealth:

- \$2,887,560 in retroactive disability benefits⁴
- \$2,623,439 in annualized monthly disability benefits won or retained⁵
- \$215,768 worth of overpayments waived
- \$213,277 in federal reimbursement to the Commonwealth for EAEDC paid
- \$299,486 in attorney fees to DBP programs for their representation in certain cases.

Multiplier Effect: Since these are all new federal funds entering the state, they can be considered a direct economic benefit to the Commonwealth. When these funds are spent on food, clothing and other items, their effect on the state's economy is multiplied. The economic multiplier effect of these funds can be estimated at two,⁶ making the total economic impact of the DBP program in FY17 **\$12.4 million**. Note that for this report we conservatively do not include multiplier effects in our summary of benefits won (see chart on page 1).

Lifetime Impact: The Social Security Administration (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.⁷ SSA also suggested that these averages would increase in future years. Using the more conservative 9.7-year figure, we find that DBP services provided in FY17 will result in Massachusetts residents with disabilities receiving approximately **\$28.5 million in additional federal benefits** over their lifetimes.⁸

B. Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps)

⁴ Federal share only, does not include SSI State Supplemental Program retroactive payments of \$79,032.

⁵ 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.

⁶ Granberry and Albelda, 2006.

⁷ 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>.

⁸ Ongoing annual federal benefits obtained (\$2,623,439) x 9.7 (average number of years benefits received) = \$25,447,358. Retroactive benefits to clients: \$2,887,560. Lump benefit reductions restored/overpayments waived: \$215,768. Combining all three: \$25,447,358 + \$2,887,560 + \$215,768 = **\$28,550,686 in lifetime benefits**.

In FY17 the Massachusetts Law Reform Institute co-counseled with MetroWest Legal Services (both MLAC-funded legal services programs) and successfully concluded a class action settlement in *Milesi v. DTA* (a case challenging the Department of Transitional Assistance's new-hire and wage-match policies and procedures) resulting in 17,171 Massachusetts households receiving **\$9,356,353** in retroactive SNAP benefits that had previously been improperly terminated or denied.

MLAC-funded legal aid programs won an additional \$945,000 in annualized SNAP benefits for a total SNAP benefit to residents of the Commonwealth of **\$10,301,353**.

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-service dollars. For example:

- SNAP benefits improve children's health and well-being throughout their lives, cutting health care 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.⁹ The March of Dimes reports that the health care cost for a low-birth-weight baby during the first year is about \$55,000: more than ten times the cost for a baby of normal birth weight.¹⁰
- SNAP benefits received during early childhood lead to a 16 percent decline in obesity in adulthood and significantly lower the chances of developing metabolic syndrome, conditions associated with diabetes and heart disease.¹¹
- SNAP benefits increase the likelihood a child will graduate from high school by 18 percent, which will boost their lifelong earnings (and tax-paying potential).¹²
- In the last week of the food stamp cycle, when a month's benefits are more likely to have been exhausted, diabetic SNAP recipients' hospitalizations for hypoglycemia rise by at least 27 percent compared to the first week of the cycle. Every such hospitalization costs approximately \$1,500.¹³

C. Health care: MLAC-funded health care-focused programs have a substantial economic impact on the Commonwealth.

- **Medicare Advocacy Project:** Through MLAC's Medicare Advocacy Project (MAP), three legal aid organizations – 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 while protecting vulnerable residents.

In FY17, legal assistance from MAP resulted in Massachusetts residents being approved for **\$593,456** of Medicare coverage for medical expenses.

⁹ 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/>

¹⁰ <http://www.marchofdimes.org/news/premature-babies-cost-employers-127-billion-annually.aspx>

¹¹ Executive Office of the President of the United States, "Long-Term Benefits of the Supplemental Nutrition Program," p. 3

¹² Ibid.

¹³ Ibid.

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.

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 client benefits recorded here.

- **Disability Benefits Project:** SSDI recipients begin receiving health coverage from Medicare two years after they become eligible for SSDI. This 100 percent federal Medicare coverage reduces the burden on MassHealth, which also covers recipients as soon as they are eligible for SSDI and requires a 50 percent 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.¹⁴ Adjusting for medical inflation, this would amount to \$14,651.51 in 2016 (when FY17 began).

Representation from the Disability Benefits Project resulted in 50 Massachusetts residents with disabilities winning their appeals for SSDI in FY17. Of these, 43 were already on MassHealth and not previously on Medicare. **The Medicare coverage for these clients will result in approximately \$303,472 in new federal funds entering the state per year.**¹⁵

- **Medical-Legal Collaborations:** The programs funded by MLAC maintain medical-legal partnerships with hospitals and health clinics across the Commonwealth. As part of these collaborations, legal advocates train doctors and other medical staff to identify health-harming legal problems. Once problems are identified, 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 is 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 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

¹⁴ 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

¹⁵ \$14,115 (average Medicare coverage per year) x 43 clients = \$606,945. 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 \$606,945/2 = \$303,472.

ventilation, can all trigger asthma attacks. A 2014 study found that about 39 percent of cases of asthma among children could be avoided by eliminating this kind of exposure to indoor pollutants.¹⁶

A small randomized study in 2006 found that with legal 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.¹⁷

D. Taxes

Greater Boston Legal Services (GBLS), one of 14 MLAC-funded programs, creates economic benefits for clients and the Commonwealth by providing tax assistance to low-income residents through its Low-Income Taxpayer Assistance Project (LITAP).

In FY17, GBLS's LITAP generated \$558,440 in economic benefits as follows:

- **\$60,268** in Earned Income Tax Credit won,
- **\$351,067** in reduced tax liabilities and penalties and
- **\$147,105** in refunds.

GBLS's success benefited both the filers and the Commonwealth's economy, as individuals and their families had this money 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 Tax Help Coalition as well as one of its partners, providing legal training and support to volunteers and staff. During the 2017 tax season, the Boston Tax Help Coalition operated 37 free tax preparation sites throughout the city of Boston. It served 13,392 taxpayers and returned \$26.5 million in tax refunds. The Coalition also estimates that city residents saved \$2.6 million by avoiding the cost of commercial tax preparation services.¹⁸

Increased tax revenue from immigrants: MLAC programs also increase state tax revenue by helping eligible immigrants secure work authorization. In FY17, advocacy by MLAC-funded programs resulted in 620 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 income taxes, support their families and contribute to the economic health of the Commonwealth.

Section II: Other Benefits Won for Low-Income Residents

A. Unemployment Insurance (UI): MLAC-funded legal assistance helps unemployed workers overturn wrongful denials of UI claims, get unfair UI overpayment charges waived and correct UI underpayments. Legal assistance with these claims results in low-income workers

¹⁶ 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/>

¹⁷ 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>

¹⁸ <http://www.bostontaxhelp.org/see-the-results/>

receiving up to 30 weeks of state-based UI benefits, keeping families afloat as they weather difficult times. UI stabilizes housing and is quickly spent on other goods and services in the state, boosting the economy. Beneficiaries may also receive extended unemployment benefits to pursue job training.

In FY17, 243 unemployed Massachusetts workers won \$2,064,256 in UI benefits with the assistance of MLAC-funded programs. The economic benefit of UI advocacy breaks down as follows:

- \$513,636.44 in retroactive benefits and
- As much as \$1,550,620 in weekly benefits.¹⁹

B. Child Support

MLAC-funded programs reported winning at least 179 child support cases for low-income parents in FY17. 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 FY17 was \$158 per week. Assuming this average for all MLAC programs, in FY17 programs secured **child support orders of approximately \$1,470,664 per year** for low-income custodial parents and their children.²⁰ Child support orders also save the state money as they reduce dependence on Temporary Aid to Needy Families.

The average age of children at divorce is nine years.²¹ If we assume that child support orders continue until age 18, the assistance provided by MLAC-funded programs in FY17 in child support cases will have a substantially larger effect in the long run – over \$13.2 million.²²

C. Financial Judgments for Tenants

MLAC-funded programs reported delaying or preventing evictions in **2,804** cases in FY17 (not including HomeCorps post-foreclosure cases, which are counted separately). The monetary value received by the tenants is conservatively calculated to be **\$2,359,346**.

These funds awarded to tenants allow their families to avoid homelessness by preserving their housing or finding new housing and saving the Commonwealth the substantial costs associated with support for homeless families (as described in the Housing section below).

D. Foreclosure

In September of 2012, MLAC and the National Consumer Law Center began administering a grant from the Massachusetts Attorney General's Office (AGO) called the HomeCorps program. HomeCorps was designed to provide assistance to Massachusetts residents

¹⁹ The strength of the job market may affect the length of time UI recipients remain on the UI program and therefore the amount of UI benefit paid to them. Because of the strength of the FY17 job market, we expect the total amount of weekly benefits to be less than the \$1,550,620 reported here. Note, when a person goes off UI benefits because they have returned to work, they economically benefit from the wages and the Commonwealth benefits by increased income tax revenues.

²⁰ 179 orders x \$158 per week x 52 weeks = \$1,470,664.

²¹ 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

²² \$1,470,664 per year x 9 years = \$13,235,976.

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 \$5,180,604 in such compensation and debt forgiveness** as a result of cases closed during FY17, 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 year. Supplemental funding from a settlement with Citibank later extended HomeCorps for several more months, and 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.

E. Utilities

The Massachusetts Department of Public Utilities (DPU) issued its decision in a National Grid electric rate case granting MLAC grantee National Consumer Law Center's request to increase the percentage value of the low-income rate discount, yielding an aggregate benefit to low-income households of **\$7 million** annually. As a result of NCLC's intervention in the NGRID case, a September 2016 Department of Public Utilities order resulted in Arrearage Management Program enrollment at NGRID increasing by 50 percent (as of August 2017), with two thousand additional households having been enrolled and gaining access to fuel

assistance payments, low-income discount rates and low-income protections against service termination. This is enormously beneficial for low-income households.

F. Wages Won or Protected

Two MLAC-funded legal aid organizations (MetroWest Legal Services and the Disability Law Center) closed over 145 cases where they obtained or retained employment for their clients, valued at \$2.9 million.²³ Not only did the clients reap the economic benefit of these jobs, the Commonwealth avoided costs and collected state income taxes.

G. Reimbursement for Medical Debt Paid

MLAC-funded MetroWest Legal Services recovered \$11,080 in medical expenses paid.

H. Debts Discharged in Bankruptcy

Five MLAC-funded legal aid programs obtained an economic fresh start for 148 clients by successfully petitioning the U.S. Bankruptcy Court to discharge their debts. A total of \$3,370,703 in consumer debt was discharge for legal aid clients in FY17.

Section III: Savings for the Commonwealth

A. Foster Care for Unaccompanied Minors Avoided

The MLAC-funded Children’s Law Center of Massachusetts (CLCM) represented a number of unaccompanied immigrant youth in FY17, securing legal custody orders for 37 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 MassHealth 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 **\$2,033,150**.²⁴

B. Homelessness Prevention Saves Sheltering Costs

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.

²³ For this report we conservatively estimated the average annual wage for the jobs obtained or retained to be just \$20,000 (\$9.62/hour/40-hour week).

²⁴ 37 clients x \$42,950 per client = \$1,589,150. Estimating at least \$12,000 per client for the cost of DCF staff, incidentals, clothing and health insurance gives us an overall estimate of \$2,033,150 (\$12,000 x 37 = \$444,000; \$444,000 + \$1,589,150 = \$2,033,150).

The Department of Housing and Community Development (DHCD) reports that on an average day in the last quarter of FY17 the state's Emergency Assistance (EA) program housed 3,545 families. Of these, 3,499 were in EA shelters and 46 in hotels or motels.²⁵ DCHD also reports that the average length of stay in both types of facilities was 323 days at an average cost of \$41,990 per stay.²⁶

Legal assistance by MLAC-funded programs, including representation of tenants facing eviction in court, resulted in evictions being prevented or delayed for a total of 2,804 low-income households in FY17, 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 15.25 percent of families evicted from their homes could be expected to enter the family shelter system.²⁷ Using this figure, we estimate that legal aid eviction assistance **saved the Commonwealth an estimated \$13,466,508 in family shelter costs in FY17.**²⁸

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 program²⁹ 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.³⁰ Based on our previous determination that legal aid advocacy kept 105 individuals³¹ out of the shelter system in FY17, we can estimate that legal aid representation resulted in savings of approximately

²⁵ <http://www.mass.gov/hed/docs/dhcd/hs/ea/fy17q4eareport.pdf>

²⁶ Ibid.

²⁷ "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>

²⁸ Approximately one-fourth of those for whom our programs prevented eviction were individuals and three-fourths were families with children. 2,804 (total evictions delayed or prevented) x 75% = 2,103 (approximate number of homes preserved or tenancies extended for families). 2,103 x 15.25% (estimated percentage of families who would have entered the state's emergency shelter programs) = 320.70 (families who would have otherwise used the state's shelter system); 320.70 x \$41,990 = \$13,466,508. 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 2,103 x 25% = 526. We can estimate the number who would have used shelter at least once as 526 x 20% = 105 and the savings as 105 x \$1,500 (average cost per shelter stay) = \$157,500. Combining family shelter and individual shelter savings, we see a total savings to the Commonwealth of \$13,466,508 + \$157,500 = **\$13,624,008** (estimated total savings).

²⁹ Mass. Housing & Shelter Alliance, "Home & Healthy for Good" (January, 2015), p. 4 <http://www.mhsa.net/sites/default/files/January%202015%20HHG%20Report.pdf>

³⁰ Ibid. p. 11.

³¹ 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.

\$1,850,520 in health care costs for homeless individuals in FY17.³² Figures are not available for the cost of health care for homeless families.

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.³³

C. Domestic Violence Prevention

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 FY17, DVLAP provided legal assistance to 1,796 victims of domestic violence, men as well as women, including 369 with complex cases involving an average of more than three court appearances. By providing 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.³⁴ Saving victims from violent attack is 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 percent of all women who sought care in hospital emergency rooms for violence-related injuries were injured by an intimate partner.³⁵
- 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.³⁶
- 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

³² \$17,624 x 105 individuals = \$1,850,520.

³³ National Center on Family Homelessness, 2000.

³⁴ Federal Bureau of Investigation, Uniform Crime Reports "Crime in the United States, 2000," (2001).

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

³⁶ 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.

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>

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.³⁸ Using this figure, we can estimate that **DVLAP representation saved \$1,700,721 in direct medical and mental health expenses** for its low-income domestic violence clients,³⁹ 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 Centers for Disease Control and Prevention reported in 2003 that women assaulted by intimate partners collectively lost almost eight million days of paid work.⁴⁰ Although we cannot estimate the amount, the income from these work days lost 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

Education is a 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 the families of children who are not receiving appropriate educational services or who are facing inappropriate school exclusions. These efforts contribute significantly to the Commonwealth's economy by keeping children on the path to educational success.

- 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.⁴¹

³⁸ 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>

³⁹ \$4,609 per client x 369 clients = \$1,700,721.

⁴⁰ 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>

⁴¹ 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.

- Students who leave high school without a diploma are more likely to be unemployed,⁴² have higher rates of incarceration⁴³ and tend to have a greater number of health problems,⁴⁴ 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.⁴⁵
- 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 percent of Massachusetts students, suspension rates were almost three times higher for African American and Latino students than for Whites.⁴⁶ Research documents that school exclusion leads to higher dropout rates, lower test scores, poor academic achievement, social isolation and delinquency,⁴⁷ as well as a lifetime of lower earnings and increased dependence on public assistance.

In FY17 the MLAC-funded Children's Law Center of Massachusetts (CLCM) provided full litigation representation to hundreds of students with disabilities, winning improved levels of educational services, new academic placements, and reinstatement to schools. In addition, CLCM and its Boston-based EdLaw Project provided advice and limited action/brief services to another 1,128 children, parents and providers, and conducted 82 trainings, workshops, and/or clinics for 2,077 individuals across the Commonwealth.

Another MLAC grantee, Massachusetts Advocates for Children (MAC), provided assistance with special education and school exclusion matters to 1,151 children in FY17. MAC continues to lead a successful collaborative effort to reform the state's school discipline law, advocacy that is resulting in more students remaining in school and fewer being expelled or dropping out. MAC continues to be instrumental in initiating and sustaining the state Inclusive Concurrent Enrollment Initiative grant program (ICEI) for young adults, ages 18 to 22, who have severe disabilities and

⁴² 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)

⁴³ Harlow, Caroline Wolf, "Education and Correctional Populations: Bureau of Justice Statistics Special Report 3," at 2 (Jan. 2003).

⁴⁴ U.S. Department of Education, National Center for Education, "Statistics, Dropout and Completion Rates in the United States: 2006," at 1 (2008).

⁴⁵ 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

⁴⁶ 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>.

⁴⁷ 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).

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 percent 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

A range of legal assistance provided by MLAC-funded programs in FY17 can be conservatively credited with bringing in **an estimated \$59,221,190 in revenue and cost savings** to the Commonwealth and its low-income residents over the course of one year, of which **\$17,692,780 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, MLAC Senior Advisor on Data and Policy, and Michael Raabe, MLAC Director of Data and Policy Analysis. For more information, contact Lonnie Powers, Executive Director, lpowers@mlac.org.