

Massachusetts Legal Assistance Corporation

Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth: *Some Benefits from FY14 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 FY14 resulted in at least **\$8.6 million in new federal revenue** coming into the Commonwealth over the course of one year and credits its grantees with obtaining an additional **\$25.1 million in income and savings for clients and the Commonwealth**, for a total of **\$33.7 million**.

New Federal Revenue Coming into the Commonwealth

Disability Benefits Project: one year new federal SSI/SSDI benefits and back payments to clients	\$5,424,740*
Disability Benefits Project: direct federal reimbursement to DTA for EAEDC payments	\$424,180
Disability Benefits Project: federal payments to legal services for representation of DBP clients	\$309,744
Federal Unemployment Benefits: federal portion of benefits won through individual UI appeals	\$1,521,589
Medicare: federal health care coverage won	\$485,000
Federal Taxes: credits and refunds from representing clients with tax controversies	\$450,152
Total New Federal Revenue	\$8,615,405

Other Benefits Won for Low-Income Residents

Unemployment Insurance: non-federal portion of benefits won on appeal	\$1,944,557
Foreclosure: compensation and debt relief	\$3,415,665
Housing Stabilization – Non-Foreclosure: rent relief, damages and moving expenses for tenants	\$3,248,000
Child Support: support orders won	\$2,985,840**
Total Other Benefits and Savings for Residents	\$11,594,062

Potential Savings

Foster Care Avoided for Unaccompanied Minors: savings through obtaining custody orders	\$1,000,000
Homelessness Prevention: avoided costs for shelter and health care for homeless	\$8,478,016
Domestic Violence Prevention: avoided health care costs	\$3,986,785
Total Estimated Savings	\$13,464,801

Total Benefits and Savings	\$33,674,268
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**Includes back payments and only the first year of benefits. Clients whose cases were won by the Disability Benefits Project in FY14 can be expected to receive a combined \$27.3 million in SSI/SSDI benefits over their lifetimes.*

***Includes only the first year of child support. Over the long term, these orders could bring clients approximately \$26.8 million in payments.*

Section I: Bringing in New Federal Revenue

A. Disability Benefits Project¹

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 FY14, with state funding of only \$1.2 million, yielded a total of more than **\$6.2 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 **\$2,534,414** in FY14. Clients also won **\$377,572 in lump sum benefit restorations** when the Social Security Administration (SSA) granted waivers of previously made assessments on benefits.²
- An additional **\$424,180** 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 **\$309,744** to DBP programs for their representation in certain cases.
- DBP clients also received ongoing monthly federal SSI/SSDI benefits totaling \$2,137,752 per year for themselves and their families and retained another \$375,012 per year when DBP secured restoration of benefits that had been reduced or stopped. **This amounts to \$2,512,764 in federal monthly benefits per year.**³
- Combining annualized monthly federal benefits with federal benefit restorations and retroactive payments to clients and their families, **the first year new federal**

¹Based on the report: "Assessing the Benefits of Provision of Legal Services through the Disability Benefits Project," R. Granberry and R. Albelda, University of Massachusetts Boston, August 2006; updated for FY14 by MLAC based on DBP semi-annual program reports.

² Federal share only, does not include SSI State Supplemental Program retroactive payments of \$119,507.

³ Federal share only, does not include SSI State Supplemental Program (SSP) monthly payments totaling \$85,457 per year. State outlay is more than balanced by savings from: 1) \$258,156 per year in EAEDC because successful DBP clients who formerly relied on EAEDC for their support left the rolls; and 2) a \$30,600 per year reduction in the demand on Massachusetts' TANF block grant from successful DBP clients who were previously receiving TANF.

dollars received by clients and family members as a result of DBP services in FY14 **total \$5,424,740.**⁴ Adding the \$424,180 reimbursed to DTA and the \$309,744 in attorneys' fees, the combined first year total is **\$6,158,644 in new federal dollars secured by DBP in FY14.**

- 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,⁵ making **the total economic impact** of the DBP program in FY14 **\$13.3 million.**
- 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.⁶ SSA also suggested that these averages would increase in future years. Using the 9.7 year figure, we find that DBP services provided in FY14 will result in Massachusetts residents with disabilities receiving approximately **\$27.3 million in additional federal benefits** over their lifetimes.⁷

B. Federal Unemployment Benefits

Representation of low-income workers in Unemployment Insurance (UI) appeals by MLAC-funded programs brought an estimated **\$1,521,589 in federal revenue** into the state in FY14.

A total of 326 low-income workers whose UI applications had initially been denied won their appeals for benefits with assistance from MLAC-funded programs in FY14.⁸ In the first half of the fiscal year, UI recipients were eligible for up to 26 weeks of state benefits, after which federally funded Emergency Unemployment Compensation (EUC) benefits started. (Beginning January 1, 2014, EUC was terminated in Massachusetts, as the state's unemployment rate dropped.) While we cannot determine the exact number of clients who won benefits in the first half of the fiscal year, it is reasonable to estimate that the number is approximately half of the total of 326, or 163. Data from the U.S. Department of Labor indicates that the average recipient received 27.7 weeks of federal Emergency Unemployment Compensation.⁹

⁴ \$2,512,764 (annualized monthly federal benefits won or retained) + \$2,534,414 (lump retroactive benefits) + \$377,572 (overpayments waived) = \$5,424,740.

⁵ Granberry and Albelda, 2006.

⁶ 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>.

⁷ Ongoing annual federal benefits obtained (\$2,512,764) * 9.7 (average number of years benefits received) = \$24,373,811. Retroactive benefits to clients: \$2,534,414. Lump benefit reductions restored: \$377,572. Combining all three: \$24,373,811 + \$2,534,414 + \$377,572 = \$27,285,797 in lifetime benefits.

⁸ Data from some programs is incomplete. Actual number is higher.

⁹ Calculated from U.S. Department of Labor EUC Aggregate Program Activity, Emergency Unemployment Compensation Data: State Data by Month by Tier, <http://www.ows.doleta.gov/unemploy/euc.asp>, using formula Average Duration equals Weeks Paid (all tiers) divided by the number of First Payments (Tier 1). For Massachusetts in FY14, summing the monthly amounts from July to December 2013, the totals are

In the same report, the U.S. Department of Labor found that recipients in Massachusetts received an average of approximately \$483 per week in benefits.¹⁰ However, legal services clients generally receive somewhat less than the average. For example, South Coastal Counties Legal Services recorded data on 10 successful cases and found that the average weekly UI benefit won was \$280 per week. MetroWest Legal Services, looking at data from nine clients, found an average benefit of \$393 week. Using the average of these two numbers, \$337 per week, we estimate that **legal aid clients won approximately \$1,521,589 in federal unemployment benefits** over the past year.¹¹

C. Health Care

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

- **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. In FY14, **MAP advocacy resulted in Massachusetts residents being approved for \$485,000 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 important legislative changes, such advocacy, education and training are essential to Medicare's effective operation in the state.

MAP advocates are nationally recognized experts on Medicare and their efforts help ensure that Massachusetts maximizes its federal Medicare revenue. The expertise and opinions of MAP advocates are frequently solicited as unique and critical resources by state agencies such as the Attorney General's Office and the Office of Medicaid, as well as by hospitals, pharmacies and other medical providers.

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.

1,019,897 weeks paid for all tiers and 36,819 Tier 1 first payments. $1,019,897 / 36,819 = 27.7$ weeks average duration.

¹⁰ http://www.ows.doleta.gov/unemploy/content/data_stats/datasum14/DataSum_2014_2.pdf

¹¹ 27.7 weeks federal benefits x \$337 average weekly benefit x 163 clients = \$1,521,589.

For example, in FY14, MAP advocates continued to be leaders in publicizing and taking steps to address the adverse impact on Medicare beneficiaries of hospital “observation status.” Beneficiaries who are hospitalized but are deemed to have received “observation care,” as opposed to having been “admitted” to the hospital, face extraordinary financial hardship if they require post-discharge treatment at a skilled nursing facility or rehabilitation center. Individuals who have been hospitalized for several days are often unaware that they were never “admitted” and are shocked to learn that they face thousands of dollars in nursing home bills.

MAP advocates have worked vigorously on the issue. They have joined a national coalition advocating to challenge the practice and have conducted outreach and training for attorneys, elder advocates, consumer groups and Medicare beneficiaries. MAP has also substantially increased public awareness of the problem. For example, with encouragement and support from MAP, an elderly client who had personally experienced the harsh impact of observation testified at a Senate Special Committee on Aging hearing in Washington DC in July 2014. The client was introduced by Senator Elizabeth Warren and eloquently described her experience.

Medical-Legal Collaboration: The Family Advocates of Central Massachusetts program, a medical-legal collaboration between Community Legal Aid (CLA), University of Massachusetts Medical School, UMass Memorial Medical Center and two community health care centers, trains medical providers to identify health problems that may have legal solutions and to refer their patients to CLA for legal assistance. The parents of a child suffering from asthma due to apartment conditions, for example, may need legal help to get the conditions fixed. South Coastal Counties Legal Services has a similar partnership with two South Shore hospitals. These collaborations save the Commonwealth dollars that might otherwise be spent on treating preventable medical problems.

D. Taxes

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

- **Representation in federal income tax appeals.** Through its Low-Income Taxpayer Assistance Project (LITAP), Greater Boston Legal Services (GBLS) prevailed in cases of tax controversies on behalf of 251 low-wage families whose tax returns were challenged. GBLS’ clients received \$102,499 in federal tax refunds and had their federal tax liability reduced by an additional \$347,653 **for a total of \$450,152 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, supporting 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 2014 tax season, the Coalition served 10,592 Boston area residents. Participants received federal refunds totaling \$18.2 million, including \$6,976,145 in Earned Income Tax Credits (EITC). Without assistance EITC often goes uncollected. The Coalition also estimates that city residents saved \$1.1 million by avoiding the costs of using commercial tax preparation services.¹²

A Northeast Legal Aid¹³ advocate serves as a site coordinator for a tax assistance project organized by Centerboard, a non-profit working on Lynn revitalization efforts. With the help of volunteers, the site provides tax assistance to hundreds of Lynn residents each year: In FY14 the program helped clients file 510 federal returns, obtaining almost \$800,000 in refunds, including \$318,506 in EITC and \$83,092 in education and child tax credits.

Legal services played a vital role in ensuring that these residents in the Boston and Lynn areas received the federal tax refunds and credits due them. However, because others led the initiatives we do not count these dollars in our totals.

- **Increased tax revenue from immigrants.** In FY14, advocacy by six MLAC programs -- 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 603 immigrants securing 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.

Section II: Other Benefits Won

A. Foreclosure Prevention

Since September of 2012, MLAC and the National Consumer Law Center have administered a grant from the Massachusetts Attorney General's Office to provide assistance to Massachusetts residents threatened with foreclosure or with eviction post-foreclosure. Funding for the HomeCorps program comes from a class action settlement with five banks charged with illegal foreclosure practices. The Attorney General's Office used a portion of the settlement to provide in-office assistance to homeowners seeking loan modifications to avoid foreclosure. They supplemented these efforts by 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.

¹² Data provided to GBLS by the Internal Revenue Service and available from MLAC on request.

¹³ Northeast Legal Aid was created by the merger of Neighborhood Legal Services and Merrimack Valley Legal Services at the end of FY14.

This combination of services has shown remarkable success. For example, the Attorney General's Office reported, "As of March 31, 2014, HomeCorps has helped secure about 2,300 permanent loan modifications and more than \$63 million in principal reduction for homeowners."¹⁴

Five MLAC programs and one Legal Services Corporation grantee make up the legal services component of HomeCorps. Aside from contributing substantially to the success of the Attorney General's loan modification work, HomeCorps legal services advocates have won substantial additional benefits for victims of the foreclosure crisis. They have 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 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 delaying evictions and winning moving expenses, waivers of back rent and other forms of financial compensation. Based on case reports from MLAC-funded HomeCorps advocates, their clients received \$3,415,665 in such compensation and debt forgiveness during FY14, putting dollars in the hands of financially stressed households. Payments from banks based outside the Commonwealth also introduce new dollars into the state's economy.

This amount is in addition to the millions of dollars in loan modifications that the Attorney General's Office was able to secure after MLAC HomeCorps attorneys cleared legal barriers to qualification. (We do not have specific outcome numbers on these cases.)

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

B. Massachusetts Unemployment Benefits

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

¹⁴ Massachusetts Attorney General Martha Coakley, "Rebuilding the Commonwealth: Recovering from the Foreclosure Crisis and Setting the Foundation for Future Success," p. 19, <http://www.mass.gov/ago/docs/press/2014/homecorps-report.pdf>

- **Assistance with benefit appeals.** As mentioned on page 3, at least 326 individuals won UI benefit appeals in FY14 with the assistance of MLAC-funded programs. The average Massachusetts UI recipient received state benefits for 17.7 weeks at an average rate of \$435 per week¹⁵. For legal aid clients we estimate the average benefit is somewhat lower: \$337 per week (based on sample data from two programs). Thus, legal aid clients won at least **\$1,944,557 in state-based UI in FY14.**¹⁶

C. Financial Judgments for Tenants

In FY11, detailed data was available on tenants who were being represented in eviction cases by Greater Boston Legal Services in Quincy District Court as part of a pilot project run by the Boston Bar Association. The pilot formed the basis for a study by Harvard researchers, creating substantial data on those cases.¹⁷ Based on this data, tenants represented by GBLS in evictions received an average of almost \$3,979 in rent relief, damages and moving expenses. Such detailed data is not available for GBLS or other legal aid programs for FY14. However, we do know that MLAC-funded programs delayed or prevented eviction in 1,624 cases in FY14 (not including HomeCorps 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 estimate that **with legal assistance from MLAC-funded programs, low-income tenants secured at least \$3,248,000 in rent relief, damages and moving expenses.**¹⁸ 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).

D. Child Support

MLAC-funded programs reported winning at least 348 child support cases for low-income parents in FY14. For the three programs that report this kind of data, Community Legal Aid, MetroWest Legal Services and South Coastal Counties Legal Services, the average order obtained in FY14 was \$165 per week. Assuming this average for all MLAC programs, in FY14 programs secured **child support orders of approximately \$2,985,840 per year** for low-income custodial parents and their children.¹⁹ Child support orders also save the state money as they reduce dependence on Temporary Aid to Needy Families.

¹⁵ http://www.ows.doleta.gov/unemploy/content/data_stats/datasum14/DataSum_2014_2.pdf. Note that recipients are eligible for up to 26 weeks of state benefits.

¹⁶ 17.7 weeks state benefits x \$337 average benefit x 326 clients = \$1,944,557.

¹⁷ http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1880078

¹⁸ 1,624 cases x \$2000 per case = \$3,248,000.

¹⁹ 348 orders x \$165 per week x 52 weeks = \$2,985,840.

The average age of children at divorce is nine years.²⁰ If we assume that child support orders continue until age 18, the assistance provided by MLAC-funded programs in FY14 in child support cases will have a substantially larger effect in the long run – more than \$26 million.²¹

Section III: Cost Savings

A. Unaccompanied Minors

The MLAC-funded Children’s Law Center of Massachusetts (CLCM) represented a number of unaccompanied immigrant youth in FY14, securing legal custody orders for 19 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 a Department of Children and Families finance director, CLCM reports that the annual cost to care for the average child in foster care is, at minimum, \$10,350 (\$24.79 per day for foster care, with an additional \$1,350 in yearly clothing allowance and holiday/birthday gifts). This figure 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”). In addition, they report, the basic costs 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 Intensive Foster Care (IFC) placements due to the children’s language and cultural limitations. These IFC homes cost the state \$110.52 per day, or more than \$40,000 per year. Even without factoring in any of the other state charges referenced above -- the cost of DCF staff, incidentals, clothing, health insurance, etc. -- the state therefore pays out in excess of \$40,000 per child per year for their housing. Thus, a conservative estimate of the amount saved the state when CLCM secured home placements for its clients would be approximately **\$1 million**.²²

B. Housing

The work of legal services 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 it creates and saves the state millions of dollars in shelter expenses.

Massachusetts homeless numbers are escalating. The Department of Housing and Community Development (DHCD) reported that on the last day of FY14, June 30, 2014,

²⁰ Liu, Shirley H., "The Effect 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.

²¹ \$2,985,840 per year x 9 years = \$26,872,560

²² 19 clients x \$40,000 per client = \$760,000. Estimating at least \$240,000 for the cost of DCF staff, incidentals, clothing and health insurance gives us an estimate of \$1,000,000.

the state's Emergency Assistance program was housing 4,700 families each day, about 40% more than at the same time a year earlier; 42% of these families (1,973) were in hotels or motels.²³ The average caseload for FY14 was 4,327.²⁴ DCHD also reports that the average length of stay in family shelter is 229 days at an average cost of \$24,274 per stay.²⁵

As mentioned in Section C., legal assistance by MLAC-funded programs, including representation in court, resulted in eviction being prevented or delayed for 1,624 low-income households in FY14,²⁶ 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.²⁷ Using this figure, we estimate that legal services eviction assistance **saved the Commonwealth an estimated \$6,083,356 in shelter costs in FY14.**²⁸

Preventing homelessness saves not only shelter costs, but also the costs to the state of health care and other social services. Boston Healthcare for the Homeless studied a group of 119 individuals living on the street between 1999 and 2003 and found that they accounted for an astonishing 18,384 emergency room visits over the five years, as well as 871 medical hospitalizations. The average cost of health care for group members was

²³ <http://www.masslegalservices.org/system/files/library/eamonthlyreport.pdf>

²⁴ <http://www.mass.gov/hed/docs/dhcd/hs/ea/homelessnumberchart.pdf>

²⁵ DCHD's Division of Housing Stabilization provided these figures in an email to MLAC. They are for the first quarter of FY15.

²⁶ Because HomeCorps is available to clients above the normal income eligibility guidelines, we do not include those cases in our homelessness assessment. However, it is likely that some HomeCorps clients would also have entered the state's shelter system if not for the assistance of HomeCorps legal services.

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 For individuals in adult shelters, the costs are lower, approximately \$1,000 per month or \$1,500 for the average stay of one and a half months. ("Report of the Special Commission Relative to Ending Homelessness in the Commonwealth," December 2007, page 5. "Preventing Homelessness and Promoting Housing Stability: A Comparative Analysis," D. Friedman, Center for Social Policy, McCormack Graduate School of Policy Studies, University of Massachusetts, Boston, June 2007, page 5.)

Approximately one-fourth of those for whom our programs prevented eviction were individuals and three-fourths were families with children. 1,624 (total evictions delayed or prevented) + 510 units of affordable housing preserved = 2,134 (homes preserved or tenancies extended); 2,134 x 75% = 1,600 (approximate number of homes preserved or tenancies extended for families). 1,600 x 15.26% (estimated percentage of families who would have entered the state's emergency shelter programs) = 244 (families who would have otherwise used the state's shelter system); 244 x \$24,274 = \$5,922,856.

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 2,134 x 25% = 533. We can estimate the number who would have used shelter at least once as 533 x 20% = 107 and the savings as 107 x \$1,500 (average cost per shelter stay) = \$160,500.

Combining family and individual savings, we see that \$5,922,856 + \$160,500 = \$6,083,356 (estimated total savings).

\$28,436 per year. However, for those in the group who found housing, average health care costs dropped to \$6,056, a difference of \$22,380 per year.²⁹ Based on the fact that legal services advocacy kept 107 individuals and 244 families³⁰ out of the shelter system in FY14, we can estimate that legal services representation resulted in savings of at least **\$2,394,660 in health care costs** for homeless individuals in FY14.³¹ 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 services representation to preserve the homes of low-income Massachusetts residents created potential savings of at least **\$8,478,016**.

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

C. Domestic Violence and Family Law

The Battered Women's Legal Assistance Project (BWLAP) was established by the Massachusetts Legislature in 1993 and operates through seven MLAC-funded programs. In FY14, BWLAP provided legal assistance to 1,813 victims of domestic violence, men as well as women, including 865 with complex cases involving an average of three court appearances. By providing the support of comprehensive legal assistance, BWLAP 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.³³ Saving victims from violent attack is certainly reason enough to justify the state expenditures for BWLAP. But funding BWLAP also benefits the state's economy. By helping families live free of violence, BWLAP 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.³⁴

²⁹ Mass. Housing & Shelter Alliance, "Home & Healthy for good: Progress Report 2" (2011), <http://www.mhsa.net/matriarch/documents/HHG%20March%202011%20report-Final.pdf>.
<http://www.hchmd.org/pdfs/FY13%20DHCD%20Budget%20Testimony.pdf>

³⁰ See footnote 28 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.

³¹ \$22,380 x 107 individuals = \$2,394,660.

³² National Center on Family Homelessness, 2000.

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

³⁴ Rand, M. "Violence-Related Injuries Treated in Hospital Emergency Room Departments 5" (Bureau of Justice Statistics, 1997).

- 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.³⁵
- 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.³⁶

It is not possible to determine exactly how many assaults were prevented by BWLAP 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 services domestic violence case in Massachusetts can be expected to result in a savings of \$4,609 in direct medical and mental health expenditures.³⁷ Using this estimate, we find that **BWLAP representation saved \$3,986,785 in direct medical and mental health expenses** for its low-income domestic violence clients.³⁸

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.³⁹ Although we cannot estimate the amount, this is income that would have helped support a low-income family 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, the cost of police and court procedures and many others. The savings from avoiding these long-term and indirect costs would likely far exceed the limited savings reported here.

³⁵ 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.

³⁶ "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>

³⁷ 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>

³⁸ \$4,609 per client x 865 clients = \$3,986,785.

³⁹ 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/pub/IPV_cost.html

Section IV: Investing in the Commonwealth's Future

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

- 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.⁴⁰
- Students who leave high school without a diploma are more likely to be unemployed,⁴¹ have higher rates of incarceration⁴² and tend to have a greater number of health problems,⁴³ creating significant costs to the state.
- 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.⁴⁴ Research documents that school exclusion leads to higher dropout rates, lower test scores, poor academic achievement, social isolation and delinquency,⁴⁵ as well as a lifetime of lower earnings and increased dependence on public assistance.

⁴⁰ 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.

⁴¹ Center for Labor Market Studies, Northeastern University, "An Assessment of the Labor Market, Income, Health, Social, and Fiscal Consequences of Dropping Out of High School: Findings for Illinois Adults in the 21st Century" (Oct. 2007)

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

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

⁴⁴ Daniel J. Losen and Jonathan Gillespie, "Opportunities Suspended: The Disparate Impact of Disciplinary Exclusion from School," (August 2012) pp 18-19. <http://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>.

⁴⁵ The Civil Rights Project, "Opportunities Suspended: The Devastating Consequences of Zero Tolerance and School Discipline Policies," 13-19 (2000). 90% of the employed individuals in the U.S. have completed high school, while, conversely, more than 80% of adult prisoners in the United States are high school dropouts. Newburger, E.C. & Curry, A.E., "Current Populations Report," U.S. Census Bureau Publication No. P20-528, Washington D.C., U.S. Department of Commerce (August, 2000). Coalition for Juvenile Justice Annual Report 2001, "Abandoned in the Back Row: New Lessons in Education and Delinquency Prevention" (December 2001).

In FY14 the MLAC-funded Children's Law Center of Massachusetts (CLCM) provided full litigation representation on education issues to 294 students, most with disabilities, ensuring appropriate levels of academic services, including new placements and reinstatements to school. CLCM also provided full representation to unaccompanied immigrant youth and other children caught up in our state's child welfare and human service systems, including homeless children and children beset by mental health problems. Many were relegated to foster care. In addition to these full representation cases, CLCM provided advice and brief services to another 599 children, parents and providers.

Another MLAC grantee, Massachusetts Advocates for Children (MAC), provided assistance with special education and school exclusion matters to 947 children in FY14. MAC led a successful collaborative effort to reform the state's school discipline law, which will result 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 grant program (ICE) for adults, ages 18 to 22, who have severe disabilities and will not graduate from high school. ICE helps these young adults participate in state college classes and career development opportunities, increasing the likelihood of their becoming more independent and less reliant on state support as adults with disabilities.

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 services provided by MLAC-funded programs in FY14 can be conservatively credited with bringing in **an estimated \$33,674,268 in new revenue and cost savings** to the Commonwealth and its low-income residents over the course of a year, of which **\$8,615,405 million represents new federal revenue.**

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