

Massachusetts Legal Assistance Corporation

Civil Legal Aid Yields Economic Benefits to Clients and to the Commonwealth: *Examples of Benefits from FY15 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 FY15 resulted in at least **\$13.5 million in new federal revenue** coming into the Commonwealth over the course of one year and credits its grantees with obtaining an additional **\$21.6 million in income and savings for clients and the Commonwealth**, for a total of **\$35.1 million**.

New Federal Revenue Coming into the Commonwealth

Disability Benefits Project: one year new federal SSI/SSDI benefits and back payments to clients	\$4,599,932*
Disability Benefits Project: direct federal reimbursement to DTA for EAEDC payments	\$277,114
Disability Benefits Project: federal payments to legal aid for representation of DBP clients	\$284,709
SNAP Benefits: increase in federal nutrition assistance benefits	\$7,395,498
Medicare: federal health care coverage won	\$182,962
Federal Taxes: credits and refunds from representing clients with tax controversies	\$760,966
Total New Federal Revenue	\$13,501,181

Other Benefits Won for Low-Income Residents

Unemployment Insurance: benefits won on appeal	\$2,147,746
Foreclosure: compensation and debt relief	\$2,630,477
Housing Stabilization – Non-Foreclosure: rent relief, damages and moving expenses for tenants	\$2,980,000
Child Support: one year benefit of support orders won	\$2,169,856 **
Total Other Benefits and Savings for Residents	\$9,928,079

Potential Savings

Foster Care Avoided for Unaccompanied Minors: savings through obtaining custody orders	\$1,456,000
Homelessness Prevention: avoided costs for shelter and health care for homeless	\$7,253,656
Domestic Violence Prevention: avoided health care costs only	\$2,912,888
Total Estimated Savings	\$11,622,544

Total Benefits and Savings	\$35,051,804
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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 FY15 can be expected to receive a combined \$22.4 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 an estimated \$19.5 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 FY15, with state funding of only \$1.2 million, yielded a total of more than **\$5.1 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 **\$2,207,182** in FY15. Clients also won **\$341,999 in lump sum benefit restorations** when the Social Security Administration (SSA) granted waivers of previously made assessments on benefits.²
- An additional **\$277,114** 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 **\$284,709** to DBP programs for their representation in certain cases.
- DBP clients also received ongoing monthly federal SSI/SSDI benefits totaling \$1,764,354 per year for themselves and their families and retained another \$286,397 per year when DBP secured restoration of benefits that had been reduced or stopped. **This amounts to \$2,050,751 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 dollars** received by clients and family members as a result of DBP services in

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.

²Federal share only, does not include SSI State Supplemental Program retroactive payments of \$87,542.

³Federal share only, does not include SSI State Supplemental Program (SSP) monthly payments totaling \$62,277 per year. State outlay is more than balanced by savings from: 1) \$170,892 per year in EAEDC because successful DBP clients who formerly relied on EAEDC for their support left the rolls; and 2) a \$29,376 per year reduction in the demand on Massachusetts' TANF block grant from successful DBP clients who were previously receiving TANF.

FY15 total **\$4,599,932.**⁴ Adding the \$277,114 reimbursed to DTA and the \$284,709 in attorneys' fees, the combined first year total is **\$5,161,755 in new federal dollars secured by DBP in FY15.**

- 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 FY15 **\$11.3 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.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 FY15 will result in Massachusetts residents with disabilities receiving approximately **\$22.4 million in additional federal benefits** over their lifetimes.⁷

B. SNAP

In FY15 the Massachusetts Law Reform Institute (MLRI) continued its leading role in the statewide Food SNAP Improvement Coalition, advocating to ensure that low-income Massachusetts families, seniors and people with disabilities receive the full benefits of the federal Supplemental Nutrition Assistance Program (SNAP) to which they are entitled. In past years, MLRI and the Coalition had been largely responsible for raising Massachusetts from being the lowest ranked state in terms of participation in SNAP (formerly known as food stamps) to one of the top 10. However, in 2014 and 2015, the Massachusetts caseload dropped sharply after the Department of Transitional Assistance (DTA) used a flawed data match system.

MLRI initiated a vigorous campaign to restore the benefits, including administrative advocacy, public information and eventually filing a class action lawsuit, with MetroWest Legal Services and a private pro-bono law firm as co-counsel. The U.S. Department of Agriculture (USDA) and the current administration at the Massachusetts Executive Office of Health and Human Services both responded to MLRI's urgent appeals for assistance by directing DTA to make changes to their system. In response

⁴ \$2,050,751 (annualized monthly federal benefits won or retained) + \$2,207,182 (lump retroactive federal benefits) + \$341,999 (overpayments waived) = \$4,599,932.

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 (\$2,050,751) * 9.7 (average number of years benefits received) = \$19,892,285. Retroactive benefits to clients: \$2,207,182. Lump benefit reductions restored: \$341,999. Combining all three: \$19,892,285 + \$2,207,182 + \$341,999 = \$22,441,466 in lifetime benefits.

DTA made a number of changes, and, after reaching a low of 766,820 in April 2015⁸ (falling from 876,992 in January of 2014⁹), the number of residents receiving benefits stopped its steep decline and began to rebound, rising to 776,941, an increase of 10,021 by the end of FY15.¹⁰ The caseload has continued a slow but steady rise since that time.

SNAP dollars are 100% federal, and circulate quickly into the economy. With the average Massachusetts recipient receiving SNAP benefits of approximately \$123 per month, the 10,021 additional beneficiaries at the end of FY15 alone will bring \$14,790,996 in new federal dollars per year into the Commonwealth.¹¹ Attributing half that amount to advocacy work done by MLRI and its partners during FY15 amounts to **\$7,395,498**. In addition to actual dollars received from SNAP, a USDA Economic Research Service report notes that every \$5 in new SNAP benefits generates as much as \$9 of economic activity.¹²

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. In FY15, **MAP advocacy resulted in Massachusetts residents being approved for \$182,962 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.

⁸ http://frac.org/wp-content/uploads/2011/01/snapdata2015_apr.pdf

⁹ http://www.frac.org/pdf/2014_04_04_snap_january2014.pdf

¹⁰ http://frac.org/wp-content/uploads/2011/01/snapdata2015_jun.pdf

¹¹ 10,021 recipients x 123 per month x 12 months = \$14,790,996.

¹² [http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-\(snap\)/economic-linkages.aspx](http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-(snap)/economic-linkages.aspx)

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.

- **Medical-Legal Collaboration:** The Family Advocates of Central Massachusetts, a medical-legal collaboration between Community Legal Aid (CLA) and several Worcester County healthcare providers, trains doctors and other medical staff 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, 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.

The federal Legal Services Corporation recognized the value of CLA's work in this area when, at the end of FY15, it awarded the program a Pro Bono Innovation Fund grant to design a partnership with UMass Memorial Hospital. The partnership will be staffed by a CLA attorney who, together with private bar volunteers, will assist patients referred by several UMass primary care locations.

South Coastal Counties Legal Services also runs a medical-legal partnership with St. Anne's Hospital in Fall River and Good Samaritan Hospital in Brockton, creating additional cost savings for the Commonwealth.

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 FY15 the Project represented 247 low-wage families whose tax returns were challenged by the IRS. GBLS's intervention resulted in the clients receiving \$132,013 in federal tax refunds and reducing their federal tax liability and penalties by an additional \$628,953, **for a total of \$760,966 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 2015 tax season, the Coalition served 12,940 Boston area residents.

Participants received federal refunds totaling \$18.4 million, including \$7,441,864 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.¹³

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

- **Increased tax revenue from immigrants.** In FY15, 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 623 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 fund 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 Attorney General’s Office focused on helping homeowners obtain loan modifications.

The combined HomeCorps program has shown remarkable success. For example, the Attorney General’s Office reported in August 2014 that HomeCorps had helped secure 2,643 permanent loan modifications and more than \$71 million in principal reduction for homeowners.”¹⁴

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.

¹³ 2015 Boston TaxHelp Coalition Taxpayer Data Report: <http://www.bostontaxhelp.org/wp-content/uploads/2015/08/2015-BTH-Tax-Data-Report.pdf>.

¹⁴ Website of the Massachusetts Attorney General’s Office: <http://www.mass.gov/ago/news-and-updates/initiatives/addressing-the-foreclosure-crisis/homecorps/infographic.jpg>

Seven MLAC programs and one Legal Services Corporation grantee make 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 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 \$2,630,477 in such compensation and debt forgiveness during FY15, 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.

HomeCorps advocates have also challenged unfair lending practices systemically, resulting in changes that benefit tens of thousands of Massachusetts homeowners. For example, a HomeCorps attorney at one MLAC program worked with a private law firm to develop and file a class action suit against a major bank that was engaging in illegal "fee stacking." Homeowners were being charged late fees not only for the month a payment was late but also for subsequent months when payment was timely. Two of the three named plaintiffs in the case were HomeCorps clients. In May of 2015, the bank agreed to a settlement, ending the practice and reimbursing those who had been charged the additional fees. Reimbursement to thousands of Massachusetts homeowners billed between 2007 and 2013 and credits to those billed since then will amount to **\$500,000**, dollars which will flow into or stay in the state's economy as a result of the case. The agreement to end the practice will likely save Massachusetts homeowners a similar amount in future years.

Further, HomeCorps legal aid programs contributed substantially to the state's economy by avoiding 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.

B. Employment/Unemployment

- **Sick Time.** In November 2014, Massachusetts voters approved a law requiring all employers to make earned sick time available to their employees at a rate of one

hour per 30 hours worked, up to 40 hours per year. For employers with 11 or more employees, the time must be paid.

The ballot victory followed years of advocacy by the Massachusetts Paid Leave Coalition, led by the Employment Unit of Greater Boston Legal Services and including the Disability Law Center and Massachusetts Law Reform Institute. GBLS drafted paid sick time legislation that was filed in five successive legislative sessions; drafted the ballot question, ballot summary and “pro” argument for the Massachusetts voter guide; addressed legal issues that arose regarding signature collection and certification; and worked with the Attorney General’s Office on implementation of the new law, drafting proposed regulations and revisions.

Before passage of this bill, almost a million Massachusetts employees risked losing their jobs if they were out sick or had to stay home to care for a sick family member.¹⁵ The problem was particularly acute for low-income workers. For those making more than \$65,000, 11% had no paid sick time; for those making less than \$35,000 per year, the figure was 54%.¹⁶

Recent studies demonstrate that the cost to employers is less for absenteeism than it is for workers coming in sick. A study of an earlier version of the paid sick time bill found that enactment would result in a net benefit of more than \$26.2 million to Massachusetts employers.¹⁷

The same study evaluated the economic effects on employees and the community. Workers’ savings were estimated at \$23.9 million, from reduced emergency room use and fewer norovirus outbreaks. The disruption caused by the recent outbreak of norovirus at Chipotle, after an employee came to work sick, underscores how important this issue is. For the community, the study found economic benefits of \$23.7 million from reduced flu contagion and fewer nursing home stays. Much of these savings would accrue to the Commonwealth’s MassHealth and Connector Care programs.

Because of differences in the version of the bill evaluated by the study and the version enacted into law (the law exempts companies with 11 or fewer employees from the requirement that they provide paid sick days), we cannot give a reliable estimate of the savings from the new law. However, the benefits are almost certainly in the tens of millions of dollars.

¹⁵ Kevin Miller, Ph.D. & Claudia Williams, *Valuing Good Health in Massachusetts: The Costs and Benefits of Paid Sick Days*, Inst. for Women’s Policy Research (2012), <http://www.iwpr.org/publications/pubs/valuing-good-health-in-massachusetts-the-costs-and-benefits-of-paid-sick-days-2>.

¹⁶ Nicole Rodriguez, *Earned Paid Sick Time – Frequently Asked Questions*, Mass. Budget & Policy Center (Apr. 28, 2015), http://massbudget.org/report_window.php?loc=Earned_Paid_Sick_Time.html.

¹⁷ Miller & Williams, 2012.

- **Unemployment Insurance.** Legal assistance with Unemployment Insurance (UI) claims results in low-income workers receiving an average of 18.1 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.

At least 340 individuals won UI benefit appeals in FY15 with the assistance of MLAC-funded programs. The average Massachusetts UI recipient received state benefits for 18.1 weeks at an average rate of \$458 per week.¹⁸ For legal aid clients we estimate the average benefit is somewhat lower: \$349 per week (based on sample data from two programs). Thus, legal aid clients won at least **\$2,147,746 in state-based UI in FY15.**¹⁹

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.²⁰ 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 FY15. However, MLAC-funded programs reported delaying or preventing eviction in 1,490 cases in FY15 (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 find that **with legal assistance from MLAC-funded programs, low-income tenants secured at least \$2,980,000 in rent relief, damages and moving expenses.**²¹ 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 326 child support cases for low-income parents in FY15. For the three programs that document average support order amounts, Community Legal Aid, MetroWest Legal Services and South Coastal Counties Legal Services, the average order obtained in FY15 was \$128 per week. Assuming this average for all MLAC programs, in FY15 programs secured **child support orders of approximately \$2,169,856 per year** for low-income custodial parents and their

¹⁸ http://www.ows.doleta.gov/unemploy/content/data_stats/datasum15/DataSum_2015_2.pdf. Note that recipients are eligible for up to 26 weeks of state benefits.

¹⁹ 18.1 weeks state benefits x \$349 average benefit x 340 clients = \$2,147,746.

²⁰ http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1880078

²¹ 1,490 cases x \$2000 per case = \$2,980,000.

children.²² 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.²³ If we assume that child support orders continue until age 18, the assistance provided by MLAC-funded programs in FY15 in child support cases will have a substantially larger effect in the long run – more than \$19.5 million.²⁴

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 FY15, securing legal custody orders for 28 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 \$110.52 per day, or more than \$40,000 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**.²⁵

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 it 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 FY15 the state’s Emergency Assistance (EA) program housed 4,525 families. Of these, 3,264 were in EA shelters and 1,261 in hotels or

²² 326 orders x \$128 per week x 52 weeks = \$2,169,856.

²³ 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

²⁴ \$2,169,856 per year x 9 years = \$19,528,704

²⁵ 28 clients x \$40,000 per client = \$1,120,000. Estimating at least \$12,000 per client for the cost of DCF staff, incidentals, clothing and health insurance gives us an overall estimate of \$1,456,000 (\$12,000 x 28 = \$336,000; \$336,000 + \$1,120,000 = \$1,456,000).

motels.²⁶ DCHD also reports that the average length of stay in both types of facilities was 324 days at an average cost of \$34,344 per stay.²⁷

As mentioned in Section C., legal assistance by MLAC-funded programs, including representation in court, resulted in eviction being prevented or delayed for 1,490 low-income households in FY15,²⁸ 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.²⁹ Using this figure, we estimate that legal aid eviction assistance **saved the Commonwealth an estimated \$5,949,480 in shelter costs in FY15.**³⁰

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 program³¹ 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.³²

²⁶ <http://www.mass.gov/hed/docs/dhcd/hs/ea/fy15q4eareport.pdf>

²⁷ Ibid.

²⁸ 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.

²⁹ "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>

³⁰ Approximately one-fourth of those for whom our programs prevented eviction were individuals and three-fourths were families with children. 1,490 (total evictions delayed or prevented); $1,490 \times 75\% = 1,117$ (approximate number of homes preserved or tenancies extended for families). $1,117 \times 15.26\%$ (estimated percentage of families who would have entered the state's emergency shelter programs) = 170 (families who would have otherwise used the state's shelter system); $170 \times \$34,344 = \$5,838,480$. 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 $1490 \times 25\% = 372$. We can estimate the number who would have used shelter at least once as $372 \times 20\% = 74$ and the savings as $74 \times \$1,500$ (average cost per shelter stay) = \$111,000. Combining family and individual savings, we see that $\$5,838,480 + \$111,000 = \$5,949,480$ (estimated total savings).

³¹ Mass. Housing & Shelter Alliance, "Home & Healthy for Good" (January, 2015), p. 4

<http://www.mhsa.net/sites/default/files/January%202015%20HHG%20Report.pdf>

³² *ibid.*, p. 11.

Based on our previous determination that legal aid advocacy kept 74 individuals³³ out of the shelter system in FY15, we can estimate that legal aid representation resulted in savings of approximately **\$1,304,176 in health care costs** for homeless individuals in FY15.³⁴ 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 **\$7,253,656**.

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.³⁵

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 FY15, DVLAP provided legal assistance to 1,629 victims of domestic violence, men as well as women, including 632 with complex cases involving an average of 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.³⁶ 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.³⁷
- 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.³⁸

³³ See footnote 30 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.

³⁴ $\$17,624 \times 74 \text{ individuals} = \$1,304,176$.

³⁵ National Center on Family Homelessness, 2000.

³⁶ Federal Bureau of Investigation, Uniform Crime Reports "Crime in the United States, 2000," (2001).

³⁷ Rand, M. "Violence-Related Injuries Treated in Hospital Emergency Room Departments 5" (Bureau of Justice Statistics, 1997).

- 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.³⁹

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.⁴⁰ Using this figure, we can estimate that **DVLAP representation saved \$2,912,888 in direct medical and mental health expenses** for its low-income domestic violence clients,⁴¹ 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.⁴² 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, 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.

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 lifetimes of poverty as

³⁸ 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.

³⁹ "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>

⁴⁰ 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>

⁴¹ \$4,609 per client x 632 clients = \$2,912,888.

⁴² 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>

disabled adults. 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.⁴³
- Students who leave high school without a diploma are more likely to be unemployed,⁴⁴ have higher rates of incarceration⁴⁵ and tend to have a greater number of health problems,⁴⁶ 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.⁴⁷ Research documents that school exclusion leads to higher dropout rates, lower test scores, poor academic achievement, social isolation and delinquency,⁴⁸ as well as a lifetime of lower earnings and increased dependence on public assistance.

In FY15 the MLAC-funded Children's Law Center of Massachusetts (CLCM) provided full litigation representation on education issues to 318 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

⁴³ 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.

⁴⁴ 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)

⁴⁵ Caroline Wolf Harlow, "Education and Correctional Populations: Bureau of Justice Statistics Special Report 3," at.2 (Jan. 2003).

⁴⁶ U.S. Department of Education, National Center for Education, "Statistics, Dropout and Completion Rates in the United States: 2006," at 1 (2008).

⁴⁷ 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-ccrr-research/losen-gillespie-opportunity-suspended-2012.pdf>.

⁴⁸ 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).

service systems, including homeless children and children beset by mental health problems. Many of them were in foster care. In addition to these full representation cases, CLCM and its Boston-based EdLaw Project provided advice and brief services to another 1138 children, parents and providers.

Another MLAC grantee, Massachusetts Advocates for Children (MAC), provided assistance with special education and school exclusion matters to 961 children in FY15. 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 Initiative grant program (ICEI) for 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. Fourteen colleges and 62 school districts in the Commonwealth currently participate in ICEI.

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 FY15 can be conservatively credited with bringing in **an estimated \$35,051,804 in new revenue and cost savings** to the Commonwealth and its low-income residents over the course of one year, of which **\$13,501,181 million represents new 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, Director of Policy Analysis. For more information, contact Lonnie Powers, Executive Director, lpowers@mlac.org.