

MEMORANDUM

Re: HB 2631: Cost-benefit research
From: Oregon Justice Resource Center
Date: February 2019

Almost everyone incarcerated in Oregon will return to our communities. Many will remain caught in a cycle of marginalization, poverty, crime, and incarceration. Our communities pay a high price for this cycle. Many challenges faced by formerly incarcerated people are the result of civil legal issues unaddressed during or exacerbated by incarceration. These legal issues include: loss of child custody and parental rights; unmanageable debt; wrecked credit histories; loss of assets; employment and housing discrimination; an incomplete education; and a lack of access to health benefits and other basic human needs.

Unfortunately, access to civil legal services is often difficult to obtain for those recently released from prison. By contrast, investing in civil legal services for currently incarcerated people will help reduce the risk of recidivism, by decreasing the overwhelming nature of reentry and increasing the chances of stability after release from prison. Tackling problems before they spiral out of control will save resources later. Helping people get ready for their return to society makes sense and benefits incarcerated Oregonians, their families, and our communities.

HB 2631 would fund a pilot program to provide reentry-focused civil legal services to women incarcerated in Coffee Creek Correctional Facility.

We have received very positive feedback and support from legislators about the concept and policy of HB 2631. Legislators have inquired about the potential cost-benefit to the state of this proposed pilot program.

As the concept in HB 2631 is novel, we cannot provide cost-benefit research and analysis precisely for civil legal assistance to incarcerated individuals. However, available research shows that investment in civil legal assistance to low-income individuals and investment in reentry programs results in economic benefits to states through saved taxpayer dollars, the multiplier effect of additional income, and through cost savings of healthier and safer communities.

Summary of the cost-benefit research:

- For every dollar invested in civil legal assistance to low-income individuals, the return on investment is \$2-12.

What does HB 2631 do?

- ✓ Funds a 2-year pilot program serving women incarcerated in CCCF.
- ✓ Prepares women for a more successful reentry by helping them resolve and navigate their civil legal needs before they leave prison.
- ✓ Provides legal services via three (3 FTE) OJRC attorneys at a cost of \$800,000 (for the biennium)
- ✓ Offers a statewide service, helping women returning to counties throughout Oregon.
- ✓ Puts to good use the relatively stable environment women experience in prison to address their problems.
- ✓ Dedicates attorneys to working solely at CCCF to better address the unique needs of justice-involved women.

- Civil legal services prevent costly harms to the community. For example, it reduces domestic violence rates and associated law enforcement costs, reduces family separation and time in foster care for children, encourages better health through improved access to medical care, and can reduce re-arrest rates.
- For every dollar invested in reentry, the state saves as much as \$14.
- Research suggests that money invested on reentry-focused civil legal services for incarcerated people can create a beneficial economic multiplier effect for Oregon and its residents.
- For every individual not re-incarcerated in Oregon for a felony, the state avoids *at least* the cost of housing a person in state prison, which is \$39,515 per year. The median length of stay in prison (excluding those sentenced to life, no parole, or death) is 64 months or nearly 5.5 years. Housing someone in state prison for 5.5 years costs at least \$217,332.
- Through our pilot project (HB 2631), we anticipate providing individual legal services to about 120 women; and engaging with hundreds of other women through group education efforts. If our legal services help just 10 women successfully return to the community, based on the cost of housing a person in state prison and on the average length of stay for incarcerated women (approx. 25 months), the state would avoid spending *at least* \$823,230.

Research in more detail:

➤ In 2018, the American Bar Association, summarized cost-benefit analysis of Legal Services Corporation (LSC) funding nationwide and in 28 states.¹ (Oregon was not one of the 28 states.) LSC provides federal funding to states for legal aid services for low-income individuals.²

For individual states, the return on investment ranged from 2:1 to 12:1. Examples of money saved included: law enforcement and court system operations; medical care costs; resolving domestic/family issues; and housing-related programs. Examples of money produced or injected into the economies included: paid-out federal benefits (i.e. Social Security, veteran benefits, Medicaid and Medicare) to eligible recipients; increased employment and therefore additional personal income; and money returned to local economies in the form of the economic multiplier effect.

The ABA stated the following as nationwide benefits of investing in legal aid programs:

“Decreasing domestic violence and the costs associated with it.

“Reduced homelessness, resulting in greater tax income potential from communities.

“Also reduces costs of homeless shelters and other government programs.

“Ensures a safe and productive environment for children to grow up in.

¹ American Bar Association (2018) *ABA Day in Washington: Legal Services Corporation Cost-Benefit Analysis*. Retrieved from <https://www.americanbar.org/content/dam/aba/uncategorized/GAO/Benefit-Cost%20Study%20Summaries%203-8-2018-FINAL.authcheckdam.pdf>

² LSC restricts Legal Aid programs’ ability to serve incarcerated individuals. See 45 C.F.R. Part 1637.

“Protects our veterans and senior citizens from exploitation.”

➤ An online search of the economic benefits of civil legal aid for low-income individuals, leads to multiple webpages of results by various states and programs. In 2010, an article published in the *Seattle Journal for Justice*, titled, “Economic and Other Benefits Associated with the Provision of Civil Legal Aid,” “attempt[ed] to gather and assess the existing data” at that time.³ The article concluded the following:

- **Civil legal aid programs bring federal money into the state through:** individual federal benefits, such as Medicare, Social Security, and food stamps; federal tax credits and refunds to individual, i.e. obtaining the Earned Income Tax Credit; and other federal grants and contracts. The full economic benefit of money brought into the state is multiplied as a result of more money being spent in the state on goods and services. Economists call this the “multiplier effect” and this effect is greater when the recipients of the money are low-income individuals. The article highlights research out of Texas. In an assessment of the economic benefit of civil legal aid in Texas in 2009, The Perryman Group, an economic consulting firm, “concluded that for each dollar spent on indigent legal aid services, the local economy saw a \$7.42 rise in total spending, a \$3.56 increase in output (gross product) and a \$4.20 increase in personal spending.”
- **Civil legal aid programs help clients obtain their own income** through wages and child support, encouraging economic self-sufficiency and less need for public assistance.
- **Civil legal aid programs prevent costly harms to the community**, such as:
 - Reduces the likelihood of re-arrest resulting in \$2.44 to \$3.91 (in 2006 dollars) for each \$1 invested;⁴
 - Prevents domestic violence;⁵
 - Prevents eviction and promotes housing stability;
 - Promotes family reunification; and
 - Improves client health.

➤ We are increasingly seeing reports and discussions about the importance of reentry programs and other programs, which provide individuals coming out of prison with basic resources and tools, to reduce recidivism and improve the health of our communities.

As an Oregon example, the Oregon Criminal Justice Commission completed a rigorous evaluation of three Reentry Resource Centers in 2013. It concluded that **every \$1 invested in the programs resulted in \$14 in**

³ Abel, L. K. & Vignola, J. (2010). Economic and Other Benefits Associated with the Provision of Civil Legal Aid. *Seattle Journal for Social Justice*, 9 (1) 139.

⁴ One 2006 study in Florida showed that providing civil legal help to children with criminal records (i.e. family issues, mental health, and education) lowered the rearrest rates by 45% in one location and 31% in another. For each arrest, the community saved \$9,368 in one location and \$7,362 in other in avoiding the following costs: criminal legal process costs, juvenile detention center costs, and costs to the victims.

⁵ This results in saved dollars because the community spends less on medical care for injured victims, special education and counseling for, and police resources. Furthermore, reduced domestic violence prevents property loss and prevents reduced productivity of victims of domestic violence.

savings from costs associated with future incarceration and victimization. The report noted that, “[t]his is a conservative estimate, as the cost-benefit model does not include any potential savings from avoided misdemeanors, or the savings to other outcomes outside the criminal justice system.”⁶ In other words, this cost-savings did not include the costs of arrests, prosecution, times spent in jail, costs of supervision, and other social costs associated with an individual continuing to be involved in crime.

➤ We are increasingly seeing more discussion and emphasis on the critical role of civil legal assistance in reducing recidivism, including from the U.S. Department of Justice (DOJ). In 2013, the U.S. DOJ stated, “**Civil legal assistance can play a critical role for people leaving jail and returning to society, translating into reduced recidivism and increased chances for reintegration into the community.**”⁷ The U.S. DOJ’s Office of Justice Programs, which offers millions of dollars in grants for reentry focused initiatives, includes language in the Second Chance Act Comprehensive Community-based Adult Reentry Program grant solicitation specifying that funds may be used for civil legal services.⁸

➤ **Reducing recidivism by just one individual can save the state thousands to hundreds of thousands of dollars.** In Oregon, someone released from prison is considered to have recidivated if they are arrested, convicted, or incarcerated for a new crime within three years of release from prison.⁹ According to the Oregon Criminal Justice Commission, the following are Oregon’s recidivism rates for the most recent “three year recidivism cohort” on parole or post-prison supervision: Arrest (any new crime): 55%; Conviction (new misdemeanor or felony): 42%; Incarceration (new felony only): 18%.¹⁰

As the Oregon Criminal Justice Commission stated in its 2017 report on Oregon’s recidivism statistics, “prison utilization is one easily quantifiable cost driver,” but there are many other system and victim costs associated with recidivating events.¹¹ These other costs, such as arrest, prosecution, jail utilization, cost to victims, and other social costs, are much harder to and still need to be quantified.

However, just using the costs of prison utilization, we can determine that we can save the state tens of thousands of dollars to hundreds of thousands of dollars by helping one individual not commit a new felony crime.

⁶ Oregon Criminal Justice Commission (2013) *Reentry Resource Centers Preliminary Evaluation* 9-10. Retrieved from <https://www.oregon.gov/cjc/Documents/publications/ReentryCenterEvalFINALMarch2013.pdf>

⁷ U.S. Department of Justice (2013) *Legal Aid Helps Successful Reentry*. Retrieved from <https://www.justice.gov/sites/default/files/atj/legacy/2013/08/13/reentry-legal-aid.pdf>

⁸ U.S. Department of Justice (March 14, 2018) *Information Regarding a Change to the Second Chance Act Comprehensive Community-based Adult Reentry Program FY 2018 Competitive Grant Solicitation*. Retrieved from <https://www.bja.gov/funding/CommunityReentry18.pdf>

⁹ See ORS 423.557.

¹⁰ Oregon Criminal Justice Commission, *What Does the Most Recent Three Year Recidivism Cohort in Oregon Look Like?*. Retrieved on Feb. 11, 2019 from: <https://www.oregon.gov/cjc/data/Pages/recidivism.aspx>

¹¹ Oregon Criminal Justice Commission (November 2017) *Oregon Recidivism Analysis 2*. Retrieved from <https://www.oregon.gov/cjc/SiteAssets/Pages/index/Oregon%20Recidivism%20Analysis%20Nov%202017%20Final.pdf>

According to the Oregon Department of Corrections (ODOC), it costs \$108.26 per day to house someone in state prison.¹² This is equivalent to \$39,515 per year. ODOC also states that the median length of stay in prison (excluding those who have a life, no parole, or death sentence) is 64 months.¹³ Housing someone in prison for 64 months, or nearly 5.5 years, costs at least \$217,332. In 2017, the average length of stay for women incarcerated in CCCF was about 25 months. Housing someone in prison for 25 months costs at least \$82,323. Again, these costs only account for prison utilization.

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¹² Oregon Department of Corrections (January 2018) *Issue Brief: Quick Facts*. Retrieved from <https://www.oregon.gov/doc/OC/docs/pdf/IB-53-Quick%20Facts.pdf>

¹³ Oregon Department of Corrections (January 2018) *Issue Brief: Quick Facts*. Retrieved from <https://www.oregon.gov/doc/OC/docs/pdf/IB-53-Quick%20Facts.pdf>