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FISCAL IMPACT REPORT

SPONSOR Trujillo, C ORIGINAL DATE 2/4/2020
LAST UPDATED _____ HB 322
SHORT TITLE Civil Legal Service Fund SB _____
ANALYST Dick-Peddie

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 127
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 322, identical to Senate Bill 127, appropriates \$1 million from the general fund to the civil legal services fund for the purpose of providing civil legal services low-income persons. This appropriation is for fiscal year 2021 and subsequent fiscal years. Any remaining unexpended or unencumbered balance at the end of the fiscal year will not revert to the general fund.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The New Mexico Legislature created the civil legal Services fund and the civil legal services commission in 2001 (Section 34-14-1 NMSA), to provide funding for legal services for low-income individuals in the state. Funds come from legislative appropriations, as well as civil filing

fees – \$15 from each docket fee in magistrate and metropolitan courts, and \$25 from each docket fee in district court. The five-member commission is responsible for issuing requests for proposals and awarding contracts to eligible service providers. Contracts with service providers are for four-year terms. The Local Government Division of the Department of Finance and Administration (DFA) administers contracts and programs.

For FY 2020, the Civil Legal Services budget included in the General Appropriation Act for DFA included a total of \$4.3 million, composed of \$2.5 million from the general fund and \$1.8 million from court fees. DFA contracts with 14 legal services organizations to provide civil legal assistance throughout the state. New Mexico Legal Aid holds the largest contract of \$2.5 million. The House Appropriations and Finance substitute for House Bill 2 and 3 includes \$2.2 million from the Civil Legal Service Fund in FY21 for future contracts. According to DFA, House Bill 322 would supplement CLS funding, enabling the agency to increase the amount of services CLS contractors are able to provide. DFA indicated that in 2019, one contractor turned away approximately 3,000 applicants for assistance due to lack of funding available.

The Administrative Office of the Courts (AOC) partners with civil legal service providers for the Justice for All Strategic Action Plan, a 16-point initiative endorsed by the Supreme Court of New Mexico to improve civil legal services in New Mexico. Agency analysis suggests that increased funding to civil legal aid organizations through HB322 would supplement the Justice for All Strategic Action Plan and improve court accessibility for low income individuals.

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21 shall not revert to the general fund.

The civil legal service fund is not the only state resource for civil litigation assistance. The Children, Youth and Families Department (CYFD), Aging and Long-Term Services Department, Commission for the Blind, and the Crime Victims Reparation Commission (CVRC) all contract with civil legal aid organizations. Additionally, the New Mexico Supreme Court created the access to justice commission and access to justice fund in 2004. The access to justice fund is neither state nor federally funded, but comprised of private donations, interest lawyers' trust accounts and pro has vice fees, or fees paid by out-of-state lawyers to the State Bar to appear in New Mexico courtrooms. All of the monies from the fund are administered in grants, and commissioners volunteer their time. In 2019, the Access to Justice Commission Awarded \$650 thousand in grants.

**Access to Justice Commission 2019 Grant Awards
(in thousands)**

Organization	2019 Grant Award
New Mexico Center on Law and Poverty	\$170
New Mexico Legal Aid	\$165
DNA People's Legal Services	\$65
Enlace Comunitario	\$60
New Mexico Immigrant Law Center	\$50
Native American Disability Law Center	\$45
Pegasus Legal Services for Children	\$30
Catholic Charities of Southern NM	\$30
Senior Citizens' Law Office	\$20
Santa Fe Dreamers Project	\$15
TOTAL	\$650

Many private civil legal aid organizations contract with multiple state agencies. For example, New Mexico Legal Aid contracts with DFA, CYFD, CVRC, and the Access to Justice Commission, receiving a total of \$3.5 million in state contracts and grants in FY19. An overview of Civil Legal Service contracts through state agencies is attached.

ADMINISTRATIVE IMPLICATIONS

DFA notes the Local Government Division will have to develop a process to increase the contracts currently funded by the civil legal services fund, and determine how much of the new money is to be administered in FY21 and how much should be reserved for subsequent fiscal years.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Civil legal aid for low-income individuals will continue to be administered through current funding available through the general fund and court fees.

Attachments

1. Overview of Civil Legal Services Funding

ADP/sb/al

Overview of Civil Legal Services Funding

DFA Civil Legal Services Contracts

FY19				FY20
Contractor	Total Award Amount	Number of Cases	Cost/case	Total Award Amount
Catholic Charities*	\$ 111,178	1,362	\$ 82	\$ 134,677
DNA Peoples Legal Services Inc.	\$ 117,565	1,685	\$ 70	\$ 142,413
Disability Rights NM*	\$ 174,012	730	\$ 238	\$ 210,791
Enlace Comunitario	\$ 56,582	733	\$ 77	\$ 68,542
Native American Disability Law*	\$ 155,520	352	\$ 442	\$ 188,391
NM Legal Aid*	\$ 2,115,972	14,114	\$ 150	\$ 2,563,223
Pegasus Legal Services for Children*	\$ 148,500	414	\$ 359	\$ 179,887
Senior Citizens Law Office*	\$ 94,500	5,935	\$ 16	\$ 114,474
United South Broad Way Corp*	\$ 227,591	1,299	\$ 175	\$ 275,694
Southwest Women's Law Center**	\$ 32,496	N/A	N/A	\$ 39,364
NM Immigrant Law Center	\$ 363,000	11,090	\$ 33	\$ 439,725
NM Center for Law and Poverty*	\$ 201,276	3,657	\$ 55	\$ 243,818
Total	\$ 3,798,192	\$ 41,371	\$ 92	\$ 4,601,000

*These organizations also provided "system advocacy" numbers which were not included in this chart on funding per case.

**Southwest Women's Law Center does not represent individuals

CYFD Civil Legal Services Contracts

FY19				FY20
Contractor	Amount (in thousands)	Clients Served	Cost/case	Amount
NM Legal Aid	\$ 350,375	812	\$ 431	\$ 500,375

Aging Civil Legal Services Contracts

FY19				FY20
Contractor	Amount (in thousands)	Clients Served	Cost Per Case	Amount
Senior Citizens Law Office (New in FY20)	\$ -	TBD		\$ 20,000
Pegasus Legal Services for Senior Care Services	\$ 297,000	83	\$ 3,578	\$ 248,000

Crime Victims Reparation Commission

FY19				FY20
Contractor	Amount (in thousands)	Clients Served	Cost Per Case	Amount
NM Legal Aid	\$ 192,425	1,083	\$ 178	\$ 262,425

Source: Civil Legal Services Commission