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FISCAL IMPACT REPORT

SPONSOR <u>Hochman-Vigil</u>	LAST UPDATED <u>2/22/2023</u>
	ORIGINAL DATE <u>1/20/2023</u>
SHORT TITLE <u>Judicial Education Svcs Fund & Admin</u>	BILL NUMBER <u>House Bill 76/aHJC/aHAFC/ec</u>
	ANALYST <u>Gray</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Taxation and Revenue Department	\$26.6	No fiscal impact	No fiscal impact	\$26.6	Nonrecurring	General fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 139

Duplicates appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

University of New Mexico (UNM)

SUMMARY

Synopsis of HAFC Amendment to House Bill 76

The House Appropriations and Finance Committee amendment to House Bill 76 removes the appropriation of \$2.1 million. The HAFC substitute for House Bills 2 and 3 contains a \$1.6 million appropriation to the Administrative Office of the Courts (AOC) for judicial education services.

Synopsis of HJC Amendment to House Bill 76

The House Judiciary Committee amendment to House Bill 76 provides an emergency clause, meaning the appropriation will be available immediately on signing. The amendment also makes minor changes to language, allowing for gifts, grants, and donations to the judicial education fund and changing the name of the education program to the Court Education Services Division. UNM notes the addition of the emergency clause may create administrative issues. For example,

UNM's judicial education program is currently on contract for programs for the remainder of FY23 and FY24.

Synopsis of Original Bill

House Bill 76 transfers the responsibility of judicial education from the University of New Mexico to the Administrative Office of the Courts and provides an appropriation of \$2.1 million from the general fund.

The proposed appropriation would increase the size of New Mexico's judicial education program by 100 percent. The judicial education program at UNM receives both general fund and fee revenue. In FY22, the program received a total of \$1.05 million from both revenue sources.

The original bill had an effective date of July 1, 2023; the HJC amendment adds an emergency clause making it effective immediately on signature of the governor.

FISCAL IMPLICATIONS

The appropriation of \$2,114,100 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the general fund.

This bill provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions of funds because earmarking reduces the ability of the Legislature to establish spending priorities.

The introduced version of the General Appropriations Act of 2023 contains \$1.6 million for judicial education services within AOC.

The Taxation and Revenue Department notes the implementation of HB76 will have a moderate operating budget impact as increased staff hours will be required to transfer administration of the Judicial Education Fund from UNM to AOC. The agency estimates this will cost \$26.6 thousand.

SIGNIFICANT ISSUES

AOC notes the judicial education fund, created under Section 34-13-1 NMSA 1978 in 1993, directs the Judicial Education Center (JEC) to provide education for judges and court personnel statewide.

AOC notes centralizing judicial education is a national best practice, and the agency intends to restructure the program to include reorganization of services and staff and expanded curriculum. The agency also notes JEC does not provide adequate diversity and inclusion programs for rural and tribal courts, though UNM disputes this. AOC stated it intends to create a new division within the judiciary to oversee judicial education and provided a detailed list of goals for that new division.

UNM notes that an immediate transition of the state's judicial education program to AOC may result in administrative challenges, possibly including the termination of five FTE who support the program. AOC has stated that current JEC staff would be invited to apply in a traditional

hiring process. Further, it is unclear whether AOC would be able to execute contractual obligations currently held by JEC.

If the implementation date is extended, UNM will need a general fund appropriation to continue services until transition to AOC has been completed. The introduced version of the 2023 GAA does not contain an appropriation to UNM for the JEC.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB76 duplicates an appropriation of \$1.6 million to the Administrative Office of the Courts included in the introduced version of GAA of 2023.

HB139 contemplates the elimination of many court fees effective July 1, 2024. The judicial education fee is one fee to be eliminated.

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