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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/26/25

SPONSOR Pinto

BILL
NUMBER Senate Bill 457

SHORT TITLE Low-Income Civil Legal Services

ANALYST Hilla

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$20,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DFA	No fiscal impact	\$3.9	No fiscal impact	\$3.9	Nonrecurring	General Fund
Total	No fiscal impact	\$3.9	No fiscal impact	\$3.9	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act, relates to Senate Bill 457

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Finance and Administration (DFA)
 New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of Senate Bill 457

Senate Bill 457 (SB457) appropriates \$20 million from the general fund to the Department of Finance and Administration (DFA) to provide civil legal services for low-income individuals in FY26 and subsequent fiscal years.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$20 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall not revert to the general fund.

DFA anticipates \$3,900 in nonrecurring costs associated with receiving and managing the appropriation.

SIGNIFICANT ISSUES

The House version of the General Appropriation Act (GAA) builds \$7.2 million into DFA's operation budget for the Civil Legal Services Commission, which is administratively attached to the department. The GAA as adopted by the House has a \$4 million special nonrecurring appropriation for the commission's fund balance due to influx of the fund's stability from revenue received from court fees year over the year. The intent of the \$4 million appropriation is to preload the commission fund balance, and allow for \$1 million to be expended in FY26, in addition to the \$7.2 million in DFA's operating budget. A total of \$11.2 million is dedicated to civil legal services on the passage of the GAA.

Last year, civil legal services received \$2.2 million in government results and opportunity (GRO) funding for expenditure in FY26. This appropriation has a balance of \$1.1 million. Should there be no expenditure for the rest of FY25, civil legal services will have \$12.2 million going into FY26 available for expenditure.

The commission currently has contracts with 13 legal organizations to provide legal services through funding received in DFA's operating budget. It is possible that the commission may enter into grant agreements with organizations it is not already in partnership with to provide additional services.

**Overview of Civil Legal Services Spending
DFA Civil Legal Services Contracts**

Contractor	FY24			FY25
	Total Award Amount	Clients Served	Cost/Client	Total Award Amount
DNA Peoples Legal Services Inc.	\$ 280,807.0	257	\$ 1,092.6	\$ 277,178.0
Disability Rights NM*	\$ 328,994.0	358	\$ 919.0	\$ 324,743.0
Enlace Comunitario	\$ 112,880.0	287	\$ 393.3	\$ 111,422.0
Native American Disability Law*	\$ 235,960.0	66	\$ 3,575.2	\$ 232,911.0
NM Legal Aid Category I*	\$ 2,104,732.0	2,764	\$ 761.5	\$ 2,077,534.0
NM Legal Aid Category II	\$ 948,525.0	2,606	\$ 364.0	\$ 1,576,277.0
Pegasus Legal Services for Children*	\$ 218,802.0	2,320	\$ 94.3	\$ 215,975.0
Senior Citizens Law Office*	\$ 443,277.0	1,235	\$ 358.9	\$ 437,549.0
United South Broad Way Corp*	\$ 680,206.0	86	\$ 7,909.4	\$ 671,416.0
Southwest Women's Law Center*	\$ 59,262.0	33	\$ 1,795.8	\$ 58,496.0
NM Immigrant Law Center Category I*	\$ 690,700.0	8,002	\$ 86.3	\$ 681,775.0
NM Immigrant Law Center Category II	\$ 372,871.0	4,166	\$ 89.5	\$ 619,644.0
NM Center for Law and Poverty*	\$ 363,984.0	73	\$ 4,986.1	\$ 359,280.0
Total	\$ 6,841,000.0	22,253	\$ 22,425.9	\$ 7,644,200.0

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

Source: LFC Files

Although the appropriation is nonrecurring, utilizing these funds for ongoing expenses could establish a recurring financial obligation within the commission's operating budget. This obligation may outpace the growth of state agencies' operating budgets in any given fiscal year, potentially leading to structural budget shortfalls if the nonrecurring funds are relied upon for sustained expenditures.

The New Mexico Attorney General notes the bill does not define low-income persons, which is the basis of outreach of SB457.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB457 relates to House Bill 529, which makes a \$14 million appropriation from the general fund for civil legal services for housing services, in addition to appropriations in the GAA.

EH/rl/hg/sgs