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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/23/15  
**SPONSOR** Rodriguez **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Civil Legal Services Fund **SB** 181

**ANALYST** A. Sánchez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$2,000.0	\$2,000.0	\$4,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the District Attorneys (AODA)

Attorney General's Office (AGO)

Department of Finance and Administration (DFA)

Administrative Office of the Courts (AOC)

### SUMMARY

Senate Bill 181 appropriates \$2 million from the general fund to the civil legal services fund to provide civil legal services to low-income persons. The civil legal services fund was created under Section 34-14-1 NMSA 1978 and is administered by the DFA Local Government Division (LGD).

## FISCAL IMPLICATIONS

The DFA receives funding for this purpose in the General Appropriation Act (GAA). For FY16, LFC staff recommended \$2.4 million for civil legal services. SB181 essentially doubles the appropriation to the fund.

According to DFA, this program receives funding through the GAA Act as part of LGD's operating budget. Below is a history of funds appropriated to LGD for Civil Legal Services:

	<b>General Fund</b>	<b>Other Revenue</b>	<b>Total</b>
FY13	\$1,881.8	\$1,610.7	\$3,492.5
FY14	\$1,945.7	\$1,597.0	\$3,542.7
FY15	\$2,199.6	\$1,667.1	\$3,866.7
FY16 *	\$2,199.6	\$1,659.9	\$3,859.5

\* Represents the amount included in the FY16 executive budget recommendation

DFA reports in its response that there may be an additional budgetary impact on other agencies in the judiciary, mainly courts, as an increase in civil legal services provided to low-income persons could result in a greater number of civil cases filed in the courts. New civil cases/hearings in the courts can increase the courts' caseloads, which would require additional resources to process them. However, the increased civil legal services provided could also result in finding resolution before the cases are filed in court.

The magistrate and metropolitan courts collect \$15 and the district courts collect \$25 on each civil case filed in the district court which is then transferred to the DFA for deposit into the civil legal services fund.

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended balance remaining at the end of fiscal year 2016 shall revert to the general fund.

## SIGNIFICANT ISSUES

DFA in its response states that the appropriation in SB181 would allow the Civil Legal Services Commission to enter into contracts with service providers and procure civil legal services for low-income New Mexicans for which the fund was created in 2001. Additionally, the bill addresses the increase in the number of people living in poverty in New Mexico over the last few years, as evidenced by U.S. Census Bureau statistics released in September 2014. These New Mexicans would be able to apply for civil legal services covered by the civil legal services fund.

According to the AOC, civil legal aid helps low-income New Mexicans with civil legal problems, such as: domestic violence, family law, child support, child custody, landlord/tenant disputes, foreclosures, unsafe housing, TANF, social security, healthcare, Medicare, Medicaid, and predatory lending. New Mexico saw a spike in the number of people living in poverty in the last two years, once again the nation's second-highest percentage, according to U.S. Census Bureau numbers released in September, 2014. Census figures indicate that 21.9 % of New Mexico residents lived in poverty in 2013, roughly 22,000 more people than in 2012 (20.8 %). Nationally, the rate was 15.8 % in 2013 compared to 15.9 % the year before. Only Mississippi had a poverty rate higher than New Mexico in 2013 with 24 % of that state's residents living in poverty.

## PERFORMANCE IMPLICATIONS

The AOC reports in its response that as many low-income New Mexicans with civil legal matters try to navigate the legal system by representing themselves. Self-represented litigants commonly slow the legal process, file the wrong documents, do not provide the correct supporting material, and do not understand the legal process. Court hearings with self-represented litigants take longer and additional hearings are commonly needed. In Albuquerque, over 70% of all persons in family law matters represent themselves. That is consistent throughout the state. New Mexico does a better job of providing access to justice than most other states that have much lower poverty rates. In 2014, the National Center for Access to Justice ranked New Mexico 14th out of 51 jurisdictions on accessibility to justice. New Mexico received a score of 96.4 for providing support for individuals with limited English proficiency and a score of 67.6 (only 13 states had higher rankings) for providing support for self-represented litigants. However, courts cannot provide litigants with legal advice. Additionally, providing greater legal assistance to low-income persons with civil legal disputes may help the courts function more efficiently and hasten the resolution of cases. Access to civil legal aid can mean the difference between shelter and homelessness, safety and abuse, food on the table and hunger, economic stability and bankruptcy, productive work and unemployment. The courts are participating in performance based budgeting. This bill may have an impact on the measures of the district courts in the following areas: cases disposed of as a percentage of cases filed; and percentage change in case filings by type.

ABS/aml