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FISCAL IMPACT REPORT

SPONSOR Martinez **ORIGINAL DATE** 1/17/17
LAST UPDATED 3/13/17 **HB** _____
SHORT TITLE Create Judge Pro Tempore Fund **SB** 49/aHAFC/ec
ANALYST Downs

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
NFI	NFI	NFI	Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Amendment

The House Appropriations and Finance Committee amendment to Senate Bill 49 removed the clause that would make the judge pro tempore fund nonreverting. With the amendment, the bill now simply creates a statutory reference for an existing fund within the Administrative Office of the Courts, but will not result in the savings the original bill would have incurred.

Synopsis of Original Bill

Senate Bill 49 creates a nonreverting “judge pro tempore fund” in the state treasury to be managed by the Administrative Office of the Courts (AOC) through vouchers to compensate appointed judges pro tempore who serve temporarily in district courts. The fund will include revenue from appropriations, gifts, grants, donations, and bequests.

This bill has no appropriation and has an emergency clause.

FISCAL IMPLICATIONS

The Administrative Office of the Courts was appropriated \$30.9 thousand in FY16 for judges pro tem and reverted \$2.3 thousand. In FY15 \$6.5 thousand was reverted, and in FY14 \$30.2

thousand was reverted. Had the funds been nonreverting, AOC would have built a fund balance available for use in the current and upcoming fiscal years. AOC requested \$30.3 thousand for judges pro tem in FY18.

The Administrative Office of the Courts stated that the creation of a nonreverting fund for the payment of judges pro tempore would create efficiencies within the judiciary. Judge pro tem expenditures fluctuate because the need for temporary appointments is inconsistent. Consequently, expenditures on pro tem judges vary from year to year. In years of greater need, the AOC must seek supplemental funding. A nonreverting fund would have allowed savings from one year to compensate for higher expenditures in other years resulting in fewer requests for special or supplemental appropriations. The creation of a regularly reverting fund will still produce efficiencies, especially during the audit process, but will not produce a savings.

The creation of a fund is considered an appropriation even though no funds are directly appropriated in the bill. The bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities. The original concern, that nonreverting funds affect the amount that would regularly flow back into the general fund, was addressed by the House Appropriations and Finance Committee amendment.

JD/jle/al/jle