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FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/2020

SPONSOR Griggs LAST UPDATED _____ HB _____

SHORT TITLE County Courthouse Improvements SB 244

ANALYST Edwards

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$250,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$73.0	\$73.0	\$146.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 349

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Attorney General's Office (NMAG)

New Mexico Counties

No Response Received

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

Senate Bill 244 appropriates \$250 million from the general fund to the Local Government Division of the Department of Finance and Administration to provide funding to counties to

remodel, renovate, or construct courthouses, including equipment and furnishings. The funds may not be used for land or building purchases.

The bill allows for \$100 million to be available for allocation to the counties in FY21 and allows for the allocation of \$50 million in each fiscal year from FY22 to FY24. If the AOC cannot allocate the amounts specified per year, the remainder may be added to the next fiscal year's allocation amount. Any funds remaining at the end of FY24 shall revert to the general fund.

The Administrative of the Courts is tasked with developing criteria for applications and allocations, including a 50 percent match from the counties, as well as monitoring the projects.

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

FISCAL IMPLICATIONS

The appropriation of \$250 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund.

The bill allows for \$100 million to be available for allocation to the counties in FY21 and allows for the allocation of \$50 million in each fiscal year from FY22 to FY24. If the AOC cannot allocate the amounts specified per year, the remainder may be added to the next fiscal year's allocation amount. Any funds remaining at the end of FY24 shall revert to the general fund.

The current LFC capital outlay framework includes \$6.3 million for projects at magistrate and district courts statewide, including funding for architectural services, security equipment, and other improvements, including \$2.2 million of general fund for plan and design for a new magistrate court in Santa Fe. These projects are vetted using a variety of metrics including criticality of need, benefits to public health and safety, readiness to proceed, feasibility, cost-benefit, potential to leverage other funding sources, the facility condition index, and opportunity for operational cost-savings.

A response from AOC was not received in time for this analysis; however, project management of the scale required by the bill may require additional staff. The average cost of a FTE, including benefits is \$73 thousand.

SIGNIFICANT ISSUES

DFA explains “appropriations made to cover the costs would be beneficial for magistrate courts in need of these types of rehabilitation and construction activities, but counties may be unwilling or unable to provide matching funds for potential courthouse projects, as required under this appropriation. Pursuant to Section 35-7-9 NMSA 1987, the administrative office of the courts is responsible for providing magistrate court facilities. Counties are not currently responsible for remodeling, renovating or constructing courthouses, and some counties may not be in a position to contribute the 50 percent match requirement when those responsibilities are undertaken by the administrative office of the courts.”

New Mexico Counties believes the bill would help counties keep up with the ever-increasing

demands for technology and security upgrades in their state-mandated courthouses.

RELATIONSHIP

Relates to House Bill 349 which includes \$6.3 million for projects at magistrate and district courts statewide, including funding for architectural services, security equipment, and other improvements, including \$2.2 million of general fund for plan and design for a new magistrate court in Santa Fe.

TECHNICAL ISSUES

The proposed bill identifies the local government division of the department of finance and administration as the funding agency, however, the Administrative Office of the Courts is responsible for the implementation and oversight of potential projects. It is unclear why the agency responsible for the oversight of this appropriation is not also the funding agency.

TE/sb