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FISCAL IMPACT REPORT

SPONSOR Sanchez, M. ORIGINAL DATE 2/11/06
LAST UPDATED _____ HB _____
SHORT TITLE Legal Services for Low-Income Persons SB 316
ANALYST Lewis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates to HB378 (Legal Services for Low-Income Persons), except that HB 378 extends the appropriation to subsequent fiscal years without reversion.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Department of Finance and Administration (DFA)
Office of the Attorney General (AGO)

No Response Received From

Public Defender Department (PDD)

SUMMARY

Synopsis of Bill

Senate Bill 316 appropriates \$2,000,000 from the general fund to the civil legal services fund to contract for services to provide legal assistance to low-income persons in New Mexico; provided that at least one million dollars (\$1,000,000) of that appropriation shall be to contract for services with a single statewide legal services program with at least five offices throughout the state that provides direct legal services to low-income persons.

FISCAL IMPLICATIONS

The appropriation of \$2,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

According to the Administrative Office of the Courts (AOC) and the Department of Finance and Administration (DFA), up to 80 percent of the legal needs of low income New Mexicans are unmet. Persons must represent themselves in court or do not pursue their legal issue at all. Approximately 18.6 percent of New Mexico’s total population live in poverty, including 24% of people with disabilities and 12.8% of the elderly.

The AOC and the DFA note that some examples of unmet legal needs are:

- uncollected child support,
- domestic violence,
- spouses remaining married to an abusive partner,
- tenants unnecessarily evicted from their home,
- predatory lending,
- loss of health care services,
- immigration problems, and
- loss of property.

According to the AOC, the Civil Legal Services Fund allocates money each year to legal service providers for low income New Mexicans. In the most recent funding cycle the Civil Legal Services Commission had \$1.4 million to allocate, and received funding requests for \$3.0 million from 16 legal service providers. The DFA notes that no service provider received the total amount requested, and most received significantly less, resulting in every program being scaled back and reaching fewer low-income persons.

DFA adds that, according to New Mexico Legal Aid, the largest provider of legal services to low-income persons in the state, there are approximately 10,000 low-income New Mexicans turned away from legal services every year due to the lack of available funds for trained attorneys, paralegals, advocates, and other essential staff. Because federal funding through the Legal Services Corporation (LSC) is diminishing, many organizations are faced with having to layoff attorneys. In 2003 New Mexico Legal Aid had a total of 85 employees throughout the state. In 2006 they have only 65.

PERFORMANCE IMPLICATIONS

The AOC notes that, due to the limited number of attorneys who are available to provide legal assistance to the poor, self-represented (pro se) litigants are more and more common in New Mexico’s courts. Self-represented litigants require more court time, more staff assistance, and are more likely to make an error that requires additional hearings. Making it possible for more attorneys to take public interest legal positions will help the courts run more efficiently.

ADMINISTRATIVE IMPLICATIONS

The funds will be administered through DFA which notes that it already has the staff and knowledge to fund and monitor this project.