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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/07

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE Making an Appropriation to Provide Legal Services to Low-Income Persons Statewide SB 178

ANALYST Wayne Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$4,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act: \$4,000.0 provided in GAA

SOURCES OF INFORMATION

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

Responses Received From

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

SUMMARY

Synopsis of Bill

Making an Appropriation to Provide Legal Services to Low-Income Persons Statewide.

Senate Bill 178 appropriates \$4,000,000 in General Fund to the Civil Legal Services Commission to provide legal assistance to low-income persons in New Mexico.

FISCAL IMPLICATIONS

This bill creates a recurring general fund appropriation of \$4 million. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert.

SIGNIFICANT ISSUES

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. Funds from this bill will **not** represent people in criminal matters.

All legal services programs have financial eligibility criteria for clients. Generally families must earn under 125% of the federal poverty level (about \$25,000 for a family of four). One person in five in New Mexico, 411,000 people, meet this criteria. In 2004, civil legal aid providers helped 13,000 people and turned away another 18,000 who had legal needs but could not be served.

About 25% of civil legal aid clients are Native American and 50% are Hispanic. Many clients are single mothers.

This appropriation will go to the Civil Legal Services Commission, established by the Legislature, to distribute funds to non-profit civil legal service providers. The Commission grants funds, oversees their use, and operates with strict accountability. Over the past five years, the Commission has distributed roughly \$1.4 million per year. About 75% of the money has gone to three organizations that are the foundation of statewide civil legal services for the poor: DNA People's Legal Services, NM Legal Aid and Law Access New Mexico. About 25% of the money has gone to other organizations that provide legal services to the poor such as Protection and Advocacy, Lawyers Referral for the Elderly Service, Enlace Comunitario, and Catholic Charities.

The Administrative Office of the Courts notes that providing greater assistance to low income persons with civil legal disputes should help the courts function more efficiently and hasten the resolution of cases. Currently, many low income New Mexicans with civil legal matters try to navigate the legal system 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 half of all persons in family law matters represent themselves an average that is consistent throughout the state.

ADMINISTRATIVE IMPLICATIONS

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

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The General Appropriations Act contains a \$4,000.0 recurring, General Fund appropriation for the Civil Legal Services Fund.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Approximately 18,000 low-income people may not receive legal services if the funding is not appropriated.