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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/08

SPONSOR Cervantes LAST UPDATED \_\_\_\_\_ HB 141

SHORT TITLE Expand Legal Services to Low-Income Persons SB \_\_\_\_\_

ANALYST Propst

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1.5	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

### SUMMARY

#### Synopsis of Bill

House Bill 141, Making an Appropriation to Expand Legal Services to Low-Income Persons Statewide and appropriates \$1.5 million from the general fund to the civil legal services fund for the Civil Legal Services Commission for the purpose of contracting for increased services providing legal assistance to low-income persons in New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$1.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall not revert to the general fund.

### SIGNIFICANT ISSUES

According to the Administrative Office of the Courts, 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 be used to represent people in criminal matters.

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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, meets this criterion.

Approximately 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.

### **PERFORMANCE IMPLICATIONS**

The Administrative Office of the Courts notes that, providing greater assistance to low-income persons with civil legal disputes may 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 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 half of all persons in family law matters represent themselves. That is consistent throughout the state.

WEP/mt