

INTEREST ON LAWYER ACCOUNT

MISSION

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil legal services for the indigent. Revenues are derived from the interest earned on small trust accounts in which attorneys hold certain funds for their clients. Banks transfer the interest earned on these IOLA escrow accounts to the Interest on Lawyer Account to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly, disabled and others. Legislation enacted in 1988 made participation in IOLA mandatory for attorneys in private practice who hold nominal short-term escrow accounts for clients.

ORGANIZATION AND STAFFING

A 15-member board of trustees appointed by the Governor administers the Interest on Lawyer Account. Board members serve without compensation. Day-to-day operations are handled by a workforce of nine located in New York City.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations enable a grant level of up to \$11 million in each of calendar years 2005 and 2006, the specific amount being dependent upon actual revenue generated. Grant funding has declined since 2002 with the decline in interest rates. The Interest on Lawyer Account and participating banks have worked successfully to lower account costs to partially offset the effect of falling interest rates.

PROGRAM HIGHLIGHTS

At least 75 percent of the grants from the Interest on Lawyer Account must be used to deliver civil legal services to the indigent. The balance must be allocated to purposes related to the improvement of the administration of justice, including the provision of civil legal services to underserved groups such as the elderly and disabled. In 2005, the board administering the Interest on Lawyer Account will award grants to an estimated 50 organizations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	1,633,000	1,661,000	28,000	0
Aid To Localities	12,000,000	11,000,000	(1,000,000)	0
Capital Projects	0	0	0	0
Total	13,633,000	12,661,000	(972,000)	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2004-05 Estimated FTEs 03/31/05	2005-06 Estimated FTEs 03/31/06	FTE Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	9	9	0
Total	9	9	0

INTEREST ON LAWYER

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

<u>Fund Type</u>	<u>Available 2004-05</u>	<u>Recommended 2005-06</u>	<u>Change</u>
Special Revenue Funds - Other	1,633,000	1,661,000	28,000
Total	<u>1,633,000</u>	<u>1,661,000</u>	<u>28,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
New York Interest on Lawyer Account	1,661,000	28,000	598,000	30,000
Total	<u>1,661,000</u>	<u>28,000</u>	<u>598,000</u>	<u>30,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
New York Interest on Lawyer Account	1,063,000	(2,000)
Total	<u>1,063,000</u>	<u>(2,000)</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

<u>Fund Type</u>	<u>Available 2004-05</u>	<u>Recommended 2005-06</u>	<u>Change</u>
Special Revenue Funds - Other	12,000,000	11,000,000	(1,000,000)
Total	<u>12,000,000</u>	<u>11,000,000</u>	<u>(1,000,000)</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

<u>Program</u>	<u>Available 2004-05</u>	<u>Recommended 2005-06</u>	<u>Change</u>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	12,000,000	11,000,000	(1,000,000)
Total	<u>12,000,000</u>	<u>11,000,000</u>	<u>(1,000,000)</u>