

INTEREST ON LAWYER ACCOUNT

MISSION

The Interest on Lawyer Account (IOLA) was established in 1983 to finance civil legal services for the poor. Revenues are derived from the interest earned on small trust accounts which attorneys hold for their clients. Banks transfer the interest earned on these accounts to IOLA to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the poor, elderly and disabled. 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 IOLA. 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 \$15 million in each of calendar years 2001 and 2002, the specific amount being dependent upon actual revenue generated. Grant levels have been rising as a result of ongoing revenue maximization efforts including initiatives to reduce administrative costs at participating banks. Approximately \$3 million of the anticipated annual grants are contingent upon these initiatives to increase interest earnings.

PROGRAM HIGHLIGHTS

At least 75 percent of the grant funds distributed by IOLA must be used to deliver civil legal services to the poor. 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 2001, IOLA will award grants to an estimated 80 organizations.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2000-01	Appropriations Recommended 2001-02	Change	Reappropriations Recommended 2001-02
State Operations	1,190,000	1,443,000	253,000	0
Aid To Localities	14,950,000	14,950,000	0	0
Capital Projects	0	0	0	0
Total	16,140,000	16,393,000	253,000	0

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

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
New York Interest on Lawyer Account			
Expendable Trust Funds	9	9	0
Total	<u>9</u>	<u>9</u>	<u>0</u>

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

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Fiduciary Funds	1,190,000	1,443,000	253,000
Total	<u>1,190,000</u>	<u>1,443,000</u>	<u>253,000</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Expendable Trust Funds	(32,000)		
Appropriated 2000-01	<u>1,158,000</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
New York Interest on Lawyer Account			
Expendable Trust Funds	1,190,000	1,443,000	253,000
Total	<u>1,190,000</u>	<u>1,443,000</u>	<u>253,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2001-02 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	1,443,000	253,000	592,000	83,400
Total	<u>1,443,000</u>	<u>253,000</u>	<u>592,000</u>	<u>83,400</u>
<u>Program</u>	<u>Nonpersonal Service</u>			
	<u>Amount</u>	<u>Change</u>		
New York Interest on Lawyer Account	851,000	169,600		
Total	<u>851,000</u>	<u>169,600</u>		

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

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Fiduciary Funds	14,950,000	14,950,000	0
Total	<u>14,950,000</u>	<u>14,950,000</u>	<u>0</u>

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

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
New York Interest on Lawyer Account			
Expendable Trust Funds	<u>14,950,000</u>	<u>14,950,000</u>	<u>0</u>
Total	<u>14,950,000</u>	<u>14,950,000</u>	<u>0</u>