

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 2002 and 2003, the specific amount being dependent upon actual revenue generated. Ongoing revenue maximization efforts are being offset now by declining interest rates so that total grant awards for 2002 and 2003 are expected to remain level.

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 2002, IOLA will award grants to an estimated 90 organizations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	1,443,000	1,559,000	116,000	0
Aid To Localities	14,950,000	14,950,000	0	0
Capital Projects	0	0	0	0
Total	16,393,000	16,509,000	116,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
New York Interest on Lawyer Account Fiduciary Funds	9	9	0
Total	9	9	0

INTEREST ON LAWYER

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Fiduciary Funds	1,443,000	1,559,000	116,000
Total	<u>1,443,000</u>	<u>1,559,000</u>	<u>116,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
New York Interest on Lawyer Account			
Fiduciary Funds	1,443,000	1,559,000	116,000
Total	<u>1,443,000</u>	<u>1,559,000</u>	<u>116,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,559,000	116,000	628,000	36,000
Total	<u>1,559,000</u>	<u>116,000</u>	<u>628,000</u>	<u>36,000</u>

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	931,000	80,000
Total	<u>931,000</u>	<u>80,000</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Fiduciary Funds	14,950,000	14,950,000	0
Total	<u>14,950,000</u>	<u>14,950,000</u>	<u>0</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
New York Interest on Lawyer Account			
Fiduciary Funds	14,950,000	14,950,000	0
Total	<u>14,950,000</u>	<u>14,950,000</u>	<u>0</u>