

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

Executive Budget recommendations total \$21.6 million, including \$4.6 million in taxpayer supported funds previously provided through the Department of State. The remaining \$17 million is supported by revenue generated by IOLA escrow accounts. The Interest on Lawyer Account and participating banks have worked successfully to lower account costs, and these efforts, combined with higher earned interest, have allowed the amount available for grants to increase. Another \$5 million for civil legal services is appropriated in the Judiciary budget from the Legal Services Assistance Fund. Together, these recommendations reflect a nearly \$14 million increase in guaranteed support for civil legal services, more than doubling the amount proposed last year.

PROGRAM HIGHLIGHTS

At least 75 percent of the grants from the Interest on Lawyer Account special revenue funds and 100 percent of State tax dollars must be used for the delivery of 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 and administrative overhead. In the 2007 calendar year, the board administering the Interest on Lawyer Account will award grants to an estimated 60 organizations statewide.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	1,747,000	1,822,000	75,000	0
Aid To Localities	17,600,911	21,601,000	4,000,089	0
Capital Projects	0	0	0	0
Total	19,347,911	23,423,000	4,075,089	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07	2007-08	FTE Change
	Estimated FTEs 03/31/07	Estimated FTEs 03/31/08	
New York Interest on Lawyer Account			
Special Revenue Funds - Other	9	9	0
Total	9	9	0

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

Fund Type	Available	Recommended	Change
	2006-07	2007-08	
Special Revenue Funds - Other	1,747,000	1,822,000	75,000
Total	1,747,000	1,822,000	75,000

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

Program	Available	Recommended	Change
	2006-07	2007-08	
New York Interest on Lawyer Account			
Special Revenue Funds - Other	1,747,000	1,822,000	75,000
Total	1,747,000	1,822,000	75,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,822,000	75,000	634,000	15,000
Total	1,822,000	75,000	634,000	15,000

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	1,188,000	60,000
Total	1,188,000	60,000

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

Fund Type	Available	Recommended	Change
	2006-07	2007-08	
General Fund	4,600,911	4,601,000	89
Special Revenue Funds - Other	13,000,000	17,000,000	4,000,000
Total	17,600,911	21,601,000	4,000,089

Adjustments:			
Transfer(s) From			
State, Department of			
General Fund	(4,600,911)		
Appropriated 2006-07	13,000,000		

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
New York Interest on Lawyer Account			
General Fund	4,600,911	4,601,000	89
Special Revenue Funds - Other	13,000,000	17,000,000	4,000,000
Total	<u>17,600,911</u>	<u>21,601,000</u>	<u>4,000,089</u>