

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 IOLA Fund to finance 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 and new regulations initiated in 2007 ensure that banking institutions pay a fair interest rate on IOLA escrow accounts – one that is not less than that paid on similar types of bank accounts.

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 located in New York City. IOLA is completely supported by revenue generated by the interest earned on IOLA escrow accounts.

BUDGET HIGHLIGHTS

The 2009-10 Executive Budget recommends **\$47.1 million All Funds, a decrease of \$25.1 million reflecting the decline in interest rates.** IOLA will have a workforce of **9 FTEs**, which is unchanged from 2008-09.

PROGRAM HIGHLIGHTS

For the 2009 calendar year, the board administering the Interest on Lawyer Account is expected to award \$35 million in grants to over 65 organizations statewide, a \$10 million increase from 2008.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	2,190,000	2,050,000	(140,000)	0
Aid To Localities	70,000,000	45,000,000	(25,000,000)	0
Capital Projects	0	0	0	0
Total	72,190,000	47,050,000	(25,140,000)	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>2008-09 Estimated FTEs 03/31/09</u>	<u>2009-10 Estimated FTEs 03/31/10</u>	<u>FTE Change</u>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	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 2008-09</u>	<u>Recommended 2009-10</u>	<u>Change</u>
Special Revenue Funds - Other	2,190,000	2,050,000	(140,000)
Total	<u>2,190,000</u>	<u>2,050,000</u>	<u>(140,000)</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
Special Revenue Funds - Other	(56,000)
Appropriated 2008-09	<u>2,134,000</u>

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

<u>Program</u>	<u>Available 2008-09</u>	<u>Recommended 2009-10</u>	<u>Change</u>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	2,190,000	2,050,000	(140,000)
Total	<u>2,190,000</u>	<u>2,050,000</u>	<u>(140,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 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	2,050,000	(140,000)	789,000	(67,000)
Total	<u>2,050,000</u>	<u>(140,000)</u>	<u>789,000</u>	<u>(67,000)</u>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
New York Interest on Lawyer Account	1,261,000	(73,000)
Total	<u>1,261,000</u>	<u>(73,000)</u>

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

<u>Fund Type</u>	<u>Available 2008-09</u>	<u>Recommended 2009-10</u>	<u>Change</u>
Special Revenue Funds - Other	70,000,000	45,000,000	(25,000,000)
Total	<u>70,000,000</u>	<u>45,000,000</u>	<u>(25,000,000)</u>

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

Program	Available 2008-09	Recommended 2009-10	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	70,000,000	45,000,000	(25,000,000)
Total	70,000,000	45,000,000	(25,000,000)