

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 2011-12 Executive Budget recommends **\$46.9 million** in Special Revenue Funds. Executive Budget appropriations support staffing of up to **8 FTEs**.

PROGRAM HIGHLIGHTS

In 2010-11, the board administering the Interest on Lawyer Account is expected to award grants to approximately 71 organizations statewide. The number of grantees and the grant amounts in 2011-12 will be determined based on projected fund revenues.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	1,873,000	1,889,000	16,000	0
Aid To Localities	45,000,000	45,000,000	0	0
Capital Projects	0	0	0	0
Total	46,873,000	46,889,000	16,000	0

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

Full-Time Equivalent Positions (FTE)			
Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
New York Interest on Lawyer Account	8	8	0
Special Revenue Funds - Other	8	8	0
Total	8	8	0

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Other	1,873,000	1,889,000	16,000
Total	1,873,000	1,889,000	16,000

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

Program	Available 2010-11	Recommended 2011-12	Change
New York Interest on Lawyer Account	1,873,000	1,889,000	16,000
Special Revenue Funds - Other	1,873,000	1,889,000	16,000
Total	1,873,000	1,889,000	16,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,889,000	16,000	739,000	16,000
Total	1,889,000	16,000	739,000	16,000

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	1,150,000	0
Total	1,150,000	0

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Other	45,000,000	45,000,000	0
Total	45,000,000	45,000,000	0

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

<u>Program</u>	<u>Available 2010-11</u>	<u>Recommended 2011-12</u>	<u>Change</u>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	45,000,000	45,000,000	0
Total	<u>45,000,000</u>	<u>45,000,000</u>	<u>0</u>