

INTEREST ON LAWYER ACCOUNT

MISSION

The Interest on Lawyer Account (IOLA) was established in 1983 to finance civil legal services for the indigent. 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 indigent, 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 \$12 million in each of calendar years 2004 and 2005, the specific amount being dependent upon actual revenue generated. Grant funding has declined since 2002 with the decline in interest rates. IOLA and participating banks have worked successfully to lower account costs to partially offset the effect of falling interest rates.

PROGRAM HIGHLIGHTS

At least 75 percent of the grant funds distributed by IOLA must be used to deliver 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. In 2004, IOLA will award grants to an estimated 90 organizations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,588,000	1,633,000	45,000	0
Aid To Localities	13,000,000	12,000,000	(1,000,000)	0
Capital Projects	0	0	0	0
Total	14,588,000	13,633,000	(955,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	9	9	0
Total	9	9	0

INTEREST ON LAWYER

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	1,588,000	1,633,000	45,000
Total	<u>1,588,000</u>	<u>1,633,000</u>	<u>45,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	1,588,000	1,633,000	45,000
Total	<u>1,588,000</u>	<u>1,633,000</u>	<u>45,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2004-05 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,633,000	45,000	568,000	(65,000)
Total	<u>1,633,000</u>	<u>45,000</u>	<u>568,000</u>	<u>(65,000)</u>

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	1,065,000	110,000
Total	<u>1,065,000</u>	<u>110,000</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	13,000,000	12,000,000	(1,000,000)
Total	<u>13,000,000</u>	<u>12,000,000</u>	<u>(1,000,000)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	13,000,000	12,000,000	(1,000,000)
Total	<u>13,000,000</u>	<u>12,000,000</u>	<u>(1,000,000)</u>