

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 \$13 million in each of calendar years 2003 and 2004, the specific amount being dependent upon actual revenue generated. Ongoing revenue maximization efforts are being offset by declining interest rates so that total grant awards for 2003 and 2004 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 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 2003, IOLA will award grants to an estimated 90 organizations.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	1,559,000	1,588,000	29,000	0
Aid To Localities	14,950,000	13,000,000	(1,950,000)	0
Capital Projects	0	0	0	0
Total	16,509,000	14,588,000	(1,921,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	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 2002-03	Recommended 2003-04	Change
Fiduciary Funds	1,559,000	1,588,000	29,000
Total	1,559,000	1,588,000	29,000

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

Program	Available 2002-03	Recommended 2003-04	Change
New York Interest on Lawyer Account			
Fiduciary Funds	1,559,000	1,588,000	29,000
Total	1,559,000	1,588,000	29,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2003-04 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,588,000	29,000	633,000	5,000
Total	1,588,000	29,000	633,000	5,000

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	955,000	24,000
Total	955,000	24,000

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
Fiduciary Funds	14,950,000	13,000,000	(1,950,000)
Total	14,950,000	13,000,000	(1,950,000)

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

Program	Available 2002-03	Recommended 2003-04	Change
New York Interest on Lawyer Account			
Fiduciary Funds	14,950,000	13,000,000	(1,950,000)
Total	14,950,000	13,000,000	(1,950,000)