

# 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

The Executive Budget recommendations enable a grant level of up to \$13 million for the calendar year 2006 grant cycle, the specific amount being dependent upon actual revenue generated. The Interest on Lawyer Account and participating banks have worked successfully to lower account costs. These efforts, combined with higher earned interest, allows the amount available for grants to increase.

## PROGRAM HIGHLIGHTS

At least 75 percent of the grants from the Interest on Lawyer Account 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 the 2006 calendar year, the board administering the Interest on Lawyer Account will award grants to an estimated 48 organizations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,661,000	1,747,000	86,000	0
Aid To Localities	11,000,000	13,000,000	2,000,000	0
Capital Projects	0	0	0	0
Total	12,661,000	14,747,000	2,086,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
	New York Interest on Lawyer Account Special Revenue Funds - Other	9	9
Total	9	9	0

# INTEREST ON LAWYER

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	1,661,000	1,747,000	86,000
Total	1,661,000	1,747,000	86,000

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	1,661,000	1,747,000	86,000
Total	1,661,000	1,747,000	86,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
New York Interest on Lawyer Account	1,747,000	86,000	619,000	21,000
Total	1,747,000	86,000	619,000	21,000

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
New York Interest on Lawyer Account	1,128,000	65,000
Total	1,128,000	65,000

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	11,000,000	13,000,000	2,000,000
Total	11,000,000	13,000,000	2,000,000

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	11,000,000	13,000,000	2,000,000
Total	11,000,000	13,000,000	2,000,000