

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 2010-11 Executive Budget recommends **\$46.9 million All Funds**, reflecting a \$1,177,000 million decrease in their operating funds from prior year. IOLA is projected to have a staff of eight.

PROGRAM HIGHLIGHTS

For the 2010 calendar year, the board administering the Interest on Lawyer Account is expected to award grants to approximately 71 organizations statewide. Grant amounts will be determined based on projected fund revenues for 2010.

Category	ALL FUNDS APPROPRIATIONS (dollars)			
	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	2,050,000	1,873,000	(177,000)	0
Aid To Localities	46,000,000	45,000,000	(1,000,000)	1,000,000
Capital Projects	0	0	0	0
Total	48,050,000	46,873,000	(1,177,000)	1,000,000

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	8	8	0
Total	<u>8</u>	<u>8</u>	<u>0</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Other	2,050,000	1,873,000	(177,000)
Total	<u>2,050,000</u>	<u>1,873,000</u>	<u>(177,000)</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	2,050,000	1,873,000	(177,000)
Total	<u>2,050,000</u>	<u>1,873,000</u>	<u>(177,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	1,873,000	(177,000)	723,000	(66,000)
Total	<u>1,873,000</u>	<u>(177,000)</u>	<u>723,000</u>	<u>(66,000)</u>

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	1,150,000	(111,000)
Total	<u>1,150,000</u>	<u>(111,000)</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Other	46,000,000	45,000,000	(1,000,000)
Total	<u>46,000,000</u>	<u>45,000,000</u>	<u>(1,000,000)</u>

INTEREST ON LAWYER

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

Program	Available 2009-10	Recommended 2010-11	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	46,000,000	45,000,000	(1,000,000)
Total	46,000,000	45,000,000	(1,000,000)