

**New York Legal Assistance Group**

**Testimony to the New York State Senate Finance Committee and  
The New York State Assembly Ways & Means Committee**

**Joint Legislative Hearing on Public Protection  
January 25, 2024**

Thank you, Chair Krueger and Chair Weinstein for the opportunity to submit this testimony to the Joint Legislative Budget Hearing on Public Protection. I am Lisa Rivera, the President & CEO of the New York Legal Assistance Group. The **New York Legal Assistance Group (NYLAG)** uses the power of the law to help New Yorkers combat economic, racial, and social injustice. We address emerging and urgent legal needs with comprehensive, free civil legal services, impact litigation, policy advocacy, and community education. NYLAG serves immigrants, seniors, the homebound, families facing foreclosure, renters facing eviction, low-income consumers, those in need of government assistance, children in need of special education, domestic violence survivors, persons with disabilities, patients with chronic illness or disease, low-wage workers, low-income members of the LGBTQ community, Holocaust survivors, veterans, as well as others in need of free legal services.

The core of NYLAG's mission is to promote access to justice to ensure all low-income and vulnerable New Yorkers have legal representation when they need it most. Civil legal services interventions help individuals and families access basic needs—food, shelter and health care, protect their rights, and help individuals in crisis access safety and security.

NYLAG echoes the position of the New York State Legal Services Coalition, of which we are a member, on FY 2025 Executive Budget.

- Support the modest increases for civil legal services through the Office of Court Administration (OCA) budget. Specifically, the proposed 6% increase in the Judiciary Civil Legal Services appropriation and the 3% Cost-of-Living Adjustment (COLA) being applied to the Interest on Lawyers Account (IOLA).
- Restore traditional legislative additions for civil legal services, including designated funding for domestic violence legal services.
- Redirect \$2.5 million of the revenue from the Legal Services Assistance Fund (LSAF) to its original purpose to support civil legal service programs with budget language assuring the same.
- Strongly oppose and urge that the legislature reject the proposed sweep of \$100M from the IOLA Private Contribution Account to the General Fund (PPGG, Part X).

Of particular concern is the proposed sweep of \$100 million from the IOLA Private Contribution Account to the General Fund. When the legislature established New York's IOLA Fund in 1983, the intent was:

*Legislative findings and declaration.* The legislature finds that the availability of civil legal services to poor persons is essential to the due administration of justice. ***The purpose of this act is to provide funding for providers of civil legal services*** (emphasis added) in order to ensure effective access to the judicial system for all citizens of the state to the extent practicable within the means available for that purpose.

The Interest on Lawyers Account (IOLA) fund established by this act will be authorized to receive funds from any source for disbursement to nonprofit legal services providers for charitable purposes, including the delivery of legal services in civil matter to poor persons. The IOLA fund will receive the interest earned by qualified client funds held by attorneys in unsegregated interest-bearing accounts designated IOLA accounts. Funds which qualify for deposit in IOLA accounts are those which, in current practice, attorneys do not deposit in segregated accounts because insufficient interest would be earned to justify the expense of administration. When pooled in an IOLA account, funds which would be unproductive as individual accounts will generate income, the ***beneficial interest in which will be held by the IOLA fund exclusively for charitable purposes*** (emphasis added)

IOLA distributes accumulated interest dollars through a competitive request for proposals issued every two years. To guard from interest rate fluctuation, IOLA shifted to a "rainy day" approach that creates a reserve of funds that can be used to avoid cuts in funding during periods where interest rates are low. It is essential that IOLA is able to maintain these funds to provide the civil legal services community with stability going forward, and avoid this funding going up and then down with interest rates, which will only interrupt critical and essential services.

Sweeping IOLA funds or using them for another purpose other than providing civil legal services to low-income New Yorkers undermines the purpose of IOLA. At the same time, the need and demand for civil legal services across the state is now greater than ever. In 2023, IOLA grantees closed over 307,000 client cases, benefiting over 639,000 low-income New Yorkers. The top five areas of service from 2023 are housing, immigration, family law, education and health. At the same time, the Permanent Commission on Access to Justice's 2023 report to the Chief Judge adopted the finding that "between \$842 million and \$1 billion is a realistic estimate of the additional annual funding, over and above existing funding, to close the justice gap." The justice gap is the difference between the civil-legal needs of low-income New Yorkers (below 250% of the federal

poverty level, and not including immigration legal services) and the resources available to meet those needs.

For NYLAG, IOLA funding is critical to ensure we are meeting community needs and can pivot services in response to any crises that creates a demand for expert legal assistance. In sharp contrast, other government contracts that civil legal service providers like NYLAG rely upon do not consider the rising costs of providing these essential services, including the need to adequately compensate our professional workforce. In FY24, we have only seen demand for services increase as we face a homelessness crisis, housing becomes even less affordable, and New Yorkers find it harder to access basic essential needs. Now is not the time to divert or undermine the purpose of this critical resource.

Diverting IOLA funding away from civil legal services will undermine this critical resource's purpose thereby compounding the inequities our clients face. We ask for the legislature's support in rejecting the proposal in the Executive Budget to sweep funding from IOLA. IOLA and OCA are essential to the civil legal services community in helping New Yorkers access justice.

Respectfully submitted,

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