

Dear Members of the Committee:

I write to express our concerns that the Governor's Executive Budget did not include full appropriation authority for the Interest on Lawyer Account (IOLA) Fund. The Executive budget included \$77.5 million, short of the \$102.5 million IOLA requested, which was approved by IOLA's Board of Trustees.

IOLA is a critical, non-taxpayer funding source for civil legal services for low-income New Yorkers. This funding is not taxpayer money; it is generated through interest on attorney escrow accounts for the sole purpose of supporting civil legal services statewide as prescribed in statute. The full amount of money needed is currently in IOLA's accounts.

IOLA is now entering the second year of a five-year, competitively bid contract process that was designed specifically to provide stability and predictability for civil legal services providers. This multi-year approach allows nonprofit organizations to plan responsibly, retain staff, and meet growing demand for services at a time of unprecedented need. This approach is already supporting more effective, coordinated service delivery across the state.

Pro Bono Net operates LawHelpNY.org, among other things, which is a critical source of trusted legal information for New Yorkers. We do so via funding from IOLA, and in partnership with the legal aid providers across the state. Every year 600,000 – 700,000 New Yorkers use that site to navigate the complexities of everyday legal problems – divorce, eviction, debt, child custody, and more. IOLA funding is critical to maintaining this resource as laws and policies change, and ensuring that people are getting accurate, trustworthy information no matter where they live in NY.

Without the additional \$25 million needed to fully fund IOLA's request, there will be significant cuts in funding starting April 1, 2026 when year two contracts begin. Those reductions will mean the loss of jobs, fewer services for vulnerable communities, and the potential unraveling of carefully planned investments that were intended to strengthen the civil legal services system for the long term—directly undermining the policy goals this budget seeks to advance.

We are hoping the Executive will address this in the 30 day amendments, however, if they do not, our ask to the legislature is that the final budget include \$102.5 million spending authority for IOLA in their one house bills.

Sincerely,

Zach Zarnow

Executive Director, Pro Bono Net