Governor Rescinds Proposed $100 Million Transfer of IOLA Funds

Proposed transfer threatened access to justice for low-income New Yorkers.

Legal community strongly opposed the transfer and applauds the reversal.

NEW YORK – February 16, 2024 – For 40 years, revenues managed by the IOLA Fund have exclusively supported legal services organizations in New York State. In her 2025 Executive Budget released last month, Governor Hochul proposed transferring $100 million from the IOLA Fund to the General Fund. IOLA is pleased to announce that the Governor withdrew the proposal in her 30-day amendments.

The announcement comes after significant pushback from leaders of large law firms and corporate legal departments, Bar Associations, hundreds of individual attorneys, and a broad array of voices from across the state in the non-profit, legal aid, and social services communities.

“The IOLA Fund is grateful for the support of the entire legal community in preserving the integrity of the IOLA Fund and ensuring that the revenue from IOLA accounts remains dedicated solely to the provision of civil legal services for low-income New Yorkers,” said Chris O’Malley, Executive Director of the IOLA Fund. “We’re pleased that Governor Hochul recognized the importance of IOLA accounts in the practice of law, and the importance of the IOLA Fund in addressing the justice gap in New York.”

Leaders from civil legal aid organizations throughout the State expressed their gratitude for the reversal. “We welcome Governor Hochul’s decision to remove this problematic language from the budget that threatened to dismantle essential legal services relied upon by hundreds of thousands of New Yorkers across our state annually,” said Adriene Holder, Chief Attorney of the Civil Practice at The Legal Aid Society. “We appreciate the Governor’s affirmation of the independence of our IOLA Fund and look forward to continuing to work together in improving the administration of justice in our great state,” said Kristin Brown, President and CEO of Empire Justice Center.

About IOLA

Created in 1984, the Interest on Lawyer Account Fund of the State of New York supports access to justice for individuals and families living in poverty and improves the justice system by providing crucial funding to civil legal aid organizations, without taxing the public, and at no cost to lawyers or their clients. Every state, along with the DC, Puerto Rico, and the Virgin Islands, operates a similar program. IOLA currently supports 81 non-profit legal organizations in every region of the state.