

February 7, 2024

The Honorable Kathy Hochul
Governor of New York State
Executive Chamber
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul:

As grantees of the IOLA Fund, the undersigned members of the New York Legal Services Coalition, the Legal Services Access Alliance, and the LEAP Coalition respectfully request that you issue a 30-day amendment to the FY25 Executive Budget rescinding the proposed transfer of \$100 million from the IOLA Fund to the State General Fund.

Together our three organizations represent 50+ legal services agencies in New York State, annually serving hundreds of thousands of very low-income New Yorkers. While our agencies are extremely grateful for and depend upon many sources of New York State funding, IOLA support is critical to our operations.

In December 2023, the New York State Permanent Commission on Access to Justice found that an additional \$1 billion in annual funding is needed to close the justice gap in New York. This is not surprising given New York's increasingly high poverty rate since the pandemic. State Comptroller DiNapoli's December 2022 report, *New Yorkers in Need: A Look at Poverty Trends in New York State for the Last Decade*, highlights both New York's duty to care for our most vulnerable residents and our rising poverty rate:

The New York State Constitution requires the State to provide for the "aid, care and support of the needy." Poverty has been defined generally as when an individual or household does not have the financial resources to meet basic needs such as food, clothing, and shelter, or, alternatively, access to a minimum standard of living. Under the Official Poverty Measure (OPM), 13.9 percent of New Yorkers — or nearly 2.7 million people — lived in poverty in 2021, compared to 12.8 percent of all Americans. Poverty rates in New York have surpassed the nation since 2014, and while they had been declining in the years prior to the pandemic, they remain higher than they were in 2019. New York had the 13th highest poverty rate among states in 2021 and had a higher rate than neighboring states and most large states.

<https://www.osc.ny.gov/files/reports/pdf/new-yorkers-in-need-poverty-trends.pdf>

With IOLA's vital support, our agencies provide free civil legal services that help New York's neediest individuals and families access the essentials of life: food, shelter, safety, and health.

The level of funding in the IOLA Fund is dependent on the interest rates, which as we have seen over the last few years, are volatile. Sweeping the funds when the rates are high sets a dangerous precedent and creates instability for civil legal service providers who rely on IOLA funds for their long-term programmatic needs.

On behalf of our members, please issue a 30-day amendment to the FY25 Executive Budget rescinding the proposed transfer of \$100 million in IOLA funds—money raised from attorney trust accounts to serve the poor— to the State General Fund.

Sincerely,

New York State Legal Services Coalition

Legal Services Access Alliance Inc.

LEAP Coalition