



30 Bank Street
PO Box 350
New Britain
CT 06050-0350
06051 for 30 Bank Street
(860)223-4400
fax (860)223-4488

Testimony of Francis Brady, President-Elect,
Connecticut Bar Association
**Senate Bill 1160, An Act Concerning the Interest Earned on
Lawyers' Clients' Funds Account Program**
Judiciary Committee
March 26, 2009

Senator McDonald, Representative Lawlor and members of the Judiciary Committee, thank you for the opportunity to appear before the committee to comment in support of Senate Bill 1160, An Act Concerning the Interest Earned on Lawyers' Clients' Funds Account Program. My name is Francis Brady and I am the President-Elect of the Connecticut Bar Association, the preeminent voluntary association of attorneys in Connecticut with over 9,000 members who practice in every, diverse area of the law. The CBA has a great interest in the administration of the Interest on Lawyer's Trust Account (IOLTA) program, in particular because that program currently provides the majority of funding for the State's legal aid providers. The CBA urges the Judiciary Committee to **favorably report** Senate Bill 1160 for the following reasons.

As set forth in the CBA's testimony in support of another bill being heard today, Senate Bill 1157, An Act Concerning Funding for Legal Services and Judicial Branch Technology, the State's legal aid providers are facing a funding crisis. IOLTA has historically accounted for some 60% of legal aid funding in this State. However, this year, the IOLTA program is projected to generate revenues of approximately 85% less than it did in 2007. The effect of such a drastic reduction in IOLTA revenues on the State's legal aid providers has been swift and devastating, both for legal aid attorneys and staff as well as their clients.

The CBA supports Senate Bill 1160 for two, primary reasons. First, the bill will enable attorneys to better manage their client trust accounts. Second, the bill will allow the client trust

accounts to generate more revenue which will ultimately inure to the benefit of the State's legal aid providers. The result is a win-win situation for the State: the changes made by SB 1160 to section 51-88c of the general statutes will result in additional revenue being generated for legal aid providers without costing the State's taxpayers a single dime. During these hard, economic times, these are the type of changes that make eminent sense.

Thank you for allowing me the opportunity to comment on Senate Bill 1160, An Act Concerning the Interest Earned on Lawyers' Clients' Funds Account Program. On behalf of the CBA, I urge this committee to **act favorably** on the bill.

I would be happy to answer any questions you may have.