

October 22, 2025

Opening Remarks of Peter Bolac, Executive Director of the North Carolina State Bar:

Good morning, Mr. Chairman and members of the Committee. My name is Peter Bolac, and I serve as the Executive Director and Secretary of the North Carolina State Bar, which is the agency tasked with the regulation of the legal profession in the public interest. I'm approaching my 1-year anniversary in this role, having been elected and sworn in last Halloween. While I'm new to this position, I've been employed at the State Bar for nearly 15 years, in various roles. Thank you for the opportunity to appear before you today to discuss the Interest on Lawyers' Trust Accounts program, or IOLTA.

The North Carolina Constitution calls for the courts to be open, and that "every person for an injury done him in his lands, goods, person, or reputation shall have remedy by due course of law; and right and justice shall be administered without favor, denial, or delay."

The preamble to the Rules of Professional Conduct, the rules all North Carolina lawyers are bound to follow, says that "the legal profession is a group of people united in a learned calling for the public good. At their best, lawyers assure the availability of legal services to all, regardless of ability to pay." It goes on to say that "the efforts of individual lawyers are often not enough to meet the need. Thus, the profession and government instituted additional programs to provide legal services", and that "every lawyer should support all proper efforts to meet this need."

These principles are not only embodied in the rules of our profession and in the State constitution, but they are also universal. The First Letter of Peter tells us that "As each has received a gift, use it to serve one another, as good stewards of God's varied grace."

For more than 40 years, the IOLTA program has been one of the finest examples of the legal profession working together to serve the needs of the public, filling a gap on the civil legal side that is not otherwise supported by the State. The American IOLTA model was started in Florida in 1981 and was established by Order of the North Carolina Supreme Court, exercising its inherent authority to regulate the practice of law, in 1983. Today, IOLTA programs exist in every state. By pooling the interest earned on certain lawyer trust accounts, the program provides essential funding for organizations that help North Carolinians resolve important civil legal matters—issues that affect housing, family stability, safety, and economic security. These "IOLTA" accounts were authorized by the IRS and federal law because the interest earned is exclusively used for charitable purposes, namely legal services for the poor.

The State Bar appreciates its unique position as a regulator of an independent profession, supervised by both the legislative and judicial branches. We understand the importance of accountability to both, and we take that responsibility seriously. We are also proud that the IOLTA program has been able to provide sustained funding for civil legal services without requiring the use of state tax dollars. It is a partnership between the legal profession, banks, and the public, and one that has served North Carolina well for decades.

IOLTA funds support nonprofit legal organizations that help low-income North Carolinians with a wide variety of lawful civil legal needs. From domestic violence protection orders to veterans' benefits to services for the elderly, legal services lawyers represent clients under the law, regardless of background or identity. The IOLTA program is not designed to select or endorse cases; rather it is there to ensure that people of limited means can access the courts and obtain legal representation when they need it.

The IOLTA program operates under a strong governance structure that reflects the profession's commitment to fairness and accountability. The IOLTA program's staff, with my oversight, supports the work of the IOLTA Board of Trustees, which makes all grantmaking and policy decisions. The Board is appointed by the State Bar Council, whose members are lawyers elected by their peers from every judicial district across the state. This structure provides both geographic diversity and professional oversight, ensuring the program remains transparent and responsibly managed.

I'm joined today by Mary Irvine, the Executive Director of the North Carolina IOLTA program. Mary is a leader in her field, having recently completed her term as President of the National Association of IOLTA Programs. She brings extensive expertise in how these programs operate both here and nationally.

I'm happy to answer questions about the State Bar's role and the overall framework of the IOLTA program, but Mary is the true expert and can address any detailed or technical questions about its administration and funding.

We appreciate the Committee's attention to this important issue. The State Bar and the IOLTA program share your commitment to transparency, accountability, and responsible stewardship of funds. Most importantly, we are committed to finding a constructive path forward that allows the program to continue fulfilling its mission of making civil legal services available to the people of North Carolina, regardless of ability to pay.

Thank you for your time and for the opportunity to be here today.