

- Rep. Warren, Chair:     00:00:00     ...House Select Committee on Oversight and Reform. I'd like to thank everybody present and everybody online for joining us today. To begin with, I'd like to recognize our Sergeant at Arms, beginning with Michael Galloway, in the back there, and Warren Hawkins, David Little, and Stafford Young. Thank you, gentlemen, for being with us this morning.
- 00:00:18     Many people in the general public have never heard of North Carolina IOLTA, [which] as some of us learned recently, stands for Interest on Lawyers' Trust Accounts. NC IOLTA is a division of the State Bar Association that distributes income from lawyers' general trust accounts to fund legal services and other programs for the public's good.
- 00:00:39     When a client hires a lawyer, retainer fees, settlement fees, and upfront payments are put into a trust account for later distribution to the appropriate parties. Although the accounts earn interest, attorneys cannot ethically claim the interest. Some have argued that it would be difficult and expensive to get the earned interest to the right people, so, North Carolina and every other state has created a version of IOLTA to help with access to civil courts.
- 00:01:07     IOLTA was created in 1983 by the State Bar and North Carolina Supreme Court. By rule, it has four types of programs. One; providing civil legal services for indigents. Two; enhancement and improvement of grievance and disciplinary procedures to protect the public fully from incompetent or unethical lawyers. Three; to develop and maintain a fund for student loans to enable meritorious persons to obtain legal education who would not otherwise have adequate funds for this purpose. And fourth; such other programs designed to improve the administration of justice as made from time to time be proposed by the board and approved by the Supreme Court of North Carolina. Simply put, IOLTA uses that interest to help those who can't afford legal services.
- 00:01:59     While those are admirable objectives, not all the grants have been used for those intended purposes, which raises questions about North Carolina IOLTA. As we looked into it, we wondered, "whose money is it anyway?" Does the interest earned belong to the client? Or since the State Bar is a state agency, should the money be considered part of the General Fund to be appropriated by the General Assembly?

[00:02:23](#) We're not talking about small amounts of money either. The accounts have earned interest totals in the millions. Since 2020, because of the ability to work from home, thousands of people have moved to North Carolina, driving up the prices of homes. Higher home prices have led to higher balances in lawyers' trust accounts. Coupled with spike in interest rates, IOLTA was able to award four times as much in grants for 2025, approximately \$12 million, than it did in 2021.

[00:02:54](#) We've heard from a number of folks that IOLTA does good work, and we have seen evidence of that, but IOLTA has also gone somewhat rogue, awarding grants to leftist groups with leftist ideologies. That practice has been consistent even when the total value of yearly grants was less than \$2 million distributed among just a dozen organizations, or even \$3 million.

[00:03:16](#) In 2025, NC IOLTA distributed \$12 million in grants to 42 organizations. Six groups, including Legal Aid North Carolina and the North Carolina Justice Center, have each received more than \$1 million since 2016. As IOLTA has given more money, the share of revenue from grants has also grown, from 3.2% in 2021 to 7.5% in 2025. Inner Banks Legal Services received a grant that seems to have accounted for 70% of its total revenue in 2023.

[00:03:49](#) The IOLTA board of advisors did not have a single Republican from 2015 until 2020. It now has three Republican members. No doubt Committee members here will have questions about how the board is selected. Again, I emphasize, this is a good program with the potential to improve access to the legal system for those who cannot otherwise afford it. But we need to understand how it strayed from its original mission.

[00:04:19](#) A number of organizations that received IOLTA funding are doing somewhat more or somewhat different than just helping those who need legal help. For example, the Amica Center for Immigrant Rights, a group out of Washington, DC, has stated previously that, quote, "The United States' wealth and power is built upon stolen land from enslaved labor and under the racist lie that white people were superior to Black people, indigenous people, and people of color," unquote.

[00:04:50](#) Also, Carolina Migrant Services limited the ability of ICE to work in the Mecklenburg County jail system. It, quote, "bridges the gap between legal services and advocacy efforts," unquote. Its core mission is to help those involved in removal proceedings.

Also, the Children's Law Center tries to dismantle the, quote, "systems of oppression that don't support equitable outcomes," unquote. Emancipate NC professes, quote, "Emancipate NC was founded on the knowledge that mass incarceration and structural racism harm all of us. Prison is state violence. We are all complicit in its harms," unquote. It sees the problem in black communities, not as their high crime rate, but being, quote, "Overpoliced and overarrested," unquote.

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The National Health Law Program has a, quote, "equity vision of collective liberation," unquote. And I don't know who can explain exactly what that means. In recruiting applicants, it states, quote, "There is nothing more rewarding than collective action to right the wrongs of the past and create a better tomorrow," unquote. And the North Carolina Bar Foundation wants to emphasize its commitment to, quote, "diversity, equity, and inclusion," unquote.

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The North Carolina Justice Center says school performance grades are, quote, "a legislative tool for stigmatizing non-white schools," unquote. With one of its grants, the Justice Center hired a consultant who, quote, "recommended the formation of separate caucuses for white staff and people of color," unquote. The UNC School of Law externships are a who's who of NC IOLTA recipients and other left-wing organizations.

Then there are the organizations that have not received IOLTA grants.

Earlier this year, the General Assembly passed Senate Bill 429, pausing IOLTA's grant-making ability, enabling us to investigate the group's board and how they choose their grantees.

[00:06:56](#)

We have two representatives from the State Bar here today, Executive Director Peter Bolac, and Mary Irvine, the executive director of IOLTA. We'll have lots of questions for them about who the group has funded and how much they've received. We'll also explore more about who comprises the board that makes the funding decisions and how they make those decisions.

[00:07:19](#)

Members of the Committee, today we're going to change our standard questioning procedure. Instead of recognizing members for a limit of five minutes, the Chair is going to allow some latitude and recognize you for a series of questions. But in the interest of time, and to give all members an opportunity to

ask questions who wish to, the Chair will intercede if you proceed too long.

[00:07:41](#) To begin, Mr. Bolac and Ms. Irvine, if you wouldn't mind... Thank you, first of all, for joining us this morning. But if you wouldn't mind, please stand, raise your right hands, and we'll administer the oath. Do you affirm that the testimony you're about to give is the truth, the whole truth, and nothing but the truth? Thank you very much. You may be seated.

[00:08:01](#) Members, please raise your hand if you'd like to ask questions, and the Chair will call on you in the order in which you're recognized. We are going to start this morning though, recognizing that Representative Campbell has some questions. Representative Campbell, are you prepared to ask your questions?

Rep. Campbell: [00:08:19](#) Yes, Mr. Chairman.

Rep. Warren, Chair: [00:08:22](#) You may proceed.

Rep. Campbell: [00:08:24](#) Good morning. I think it's important for everybody to understand that the goals of this program I have no problems with. I think that oftentimes what things-

Rep. Johnson: [00:08:37](#) Representative Campbell, can you get a little closer to your mic there?

Rep. Campbell: [00:08:40](#) Let me try, yeah.

Rep. Johnson: [00:08:40](#) There you go. Thank you.

Rep. Campbell: [00:08:44](#) I have no problems with the goals of this program. I've looked at eligibility requirements, and I've seen many examples of positive impacts. So, I'm not a throw-the-baby-out-with-the-bathwater kind of guy, but we have found some examples where maybe the purpose of this program has kind of lost its way. I just want to ask a couple questions, and I'd like to give a funding example and then I would like to get some comments on this. Based on your website and eligibility requirement, would you agree that these grants should be for the benefit of North Carolina residents?

Ms. Irvine: [00:09:26](#) Yes.

Mr. Bolac: [00:09:26](#) Yes.

Rep. Campbell: [00:09:27](#) Okay.

Ms. Irvine: [00:09:30](#) Yes, I would agree.

Rep. Campbell: [00:09:31](#) Okay. In these grants, you would agree that it would be inappropriate to use them to fund political activist organizations.

Ms. Irvine: [00:09:42](#) By our policy, yes, we don't fund political activities or lobbying activities. The purpose of the fund is to support the direct legal representation of individuals.

Rep. Campbell: [00:09:54](#) Okay. Try this again. I know what your policy says. My question was, do you agree that these grants should not be used to fund political activists' activities?

Ms. Irvine: [00:10:05](#) I agree.

Rep. Campbell: [00:10:09](#) Okay. I would like to go back to the chairman's example of a grant to... It's called Amica. It was \$55,000, if I'm correct. Is there a different number that you guys have? Okay. Amica stands for the... It's the Amica Center for Immigrant Rights, formerly called the CAIR Coalition, C-A-I-R, which stood for Capital Area Immigrants' Rights Coalition. Do you guys dispute that? And for the capital area, was that Raleigh?

Ms. Irvine: [00:10:47](#) No. They are an organization that is based out of Washington, DC, but they do their work all across the Eastern United States, and they do, in fact, represent individuals who are North Carolina residents. As part of that grant agreement, they understand and have agreed to use the funds only for representation of North Carolinians.

Rep. Campbell: [00:11:10](#) We're going to get to that. I'm glad you said that. Okay. Looking at their goals and their aspirations, again, I have no problem with that, finding people that maybe need legal assistance that can't afford it. So, let's talk about the North Carolina option as well. I'm going to give a couple of examples and then I have a question for you about that.

[00:11:34](#) I looked at their website. I looked at their social media presence. I did Google searches. And for instance, when I did a Google search for Amica Center for Immigrant Rights North Carolina, there are no results on Google unless you eliminate North Carolina. On their social media there and their websites

are examples of work that they do in DC, Maryland, and Virginia.

[00:12:01](#)

The only mention I could find that they did in regards to North Carolina related on their social media was a celebration of Governor Cooper's 2022 veto of legislation requiring cooperation with ICE. I'm not saying they can't do that, I'm just trying to get an idea of the impact that this money is having in North Carolina. So, before we go beyond the geographic things, you say that there are restrictions in your grant that say this has to go to North Carolina residents?

Ms. Irvine: [00:12:34](#)

That's correct.

Rep. Campbell: [00:12:35](#)

Can you enlighten me a little bit on the reporting requirements afterwards? How do you ensure that? And I promise, I'm not a gotcha guy.

Ms. Irvine: [00:12:43](#)

Sure.

Rep. Campbell: [00:12:43](#)

I'm just trying to find out.

Ms. Irvine: [00:12:45](#)

Well, for every organization that the Board of Trustees awards funds to support, before any funds go out the door to those organizations, they sign a grant agreement with us that does contain various measures, including what I have shared—the limitations and restrictions within the policies that the individuals that they represent are North Carolina residents.

[00:13:13](#)

Within the sort of regular reporting process, those organizations are then reporting to us both in narrative and quantitative data about the individuals that they are serving, the cases that they have accepted, and providing regular updates on that work. They also do trainings in North Carolina for attorneys who represent individuals. And they work with some of the other nonprofit legal aid organizations that do this work here in the state of North Carolina as well. So, we get pretty specific reports actually about the individuals that they serve and how they serve them, and they understand those requirements that we have.

Rep. Campbell: [00:14:02](#)

Is there a delineated process, or do they just give you feedback?

Ms. Irvine: [00:14:10](#)

It's a regular reporting structure that they report a form that all of the organizations that are grantees have to submit on a regular basis. Our staff analyzes that information, and if we

have any questions, we scrutinize what they provide and we ask them questions about it. And we also engage in monitoring site visit type conversations where we, again, are collecting information about the work that they do and who they serve.

Rep. Campbell: [00:14:39](#) Is that form uniform for all organizations that get a grant?

Ms. Irvine: [00:14:43](#) It is.

Rep. Campbell: [00:14:44](#) Would you be willing to supply that form to the Oversight Committee?

Ms. Irvine: [00:14:48](#) Yes, I believe we have.

Rep. Campbell: [00:14:49](#) Okay. And have you had instances with this institution where you've had to have discussions or corrective actions based on that?

Ms. Irvine: [00:14:57](#) We have not.

Rep. Campbell: [00:14:57](#) Okay. I'd like to move on. We agreed that it's probably not appropriate for this money to be for political partisan activities. And I'd like to go to, if I could, Andrew Genz (or Jenz, I'm not sure of the pronunciation). He's the chairman of the board of Amica. Is he still the chairman of the board of Amica?

Ms. Irvine: [00:15:26](#) Without looking at that information, I cannot say that I'm aware.

Rep. Campbell: [00:15:29](#) All right. Let's say he is. Okay. I'd like to give you a couple of examples. He reposted a tweet where he said the Department of Homeland Security should be abolished. Of the \$16,560 that he did in political donations, completely his right, the disclosed donations, every single candidate was a Democrat candidate.

[00:16:05](#) We have someone named Atenas Burrola Estrada who is a deputy program director at Amica, and she actively lobbied the DC City Council in 2020 to not cooperate with ICE. We talked about the social media celebration of Governor Cooper's veto, over cooperation with ICE. And on May 1, the Center themselves posted an image that the title was simply called, "Trump's First 100 Days and How We're Fighting Back." Would you agree that this certainly has the appearance of political activism by an organization, including their board members, employees, and in a public face?

Ms. Irvine: [00:16:58](#) I would. The activities that you describe would be considered political activities.

Rep. Campbell: [00:17:00](#) And again, note, everyone on here has every right to express however they feel, they have every right to donate to whoever they want. They could donate to my opponent and vote against me. I'd die for that right. I'm just concerned that we may be financing these kinds of activities. And I worry about funds being fungible, where you give an organization and say, here's the money and only do it with this. But do you have concerns that frees up funds for them to do other things that certainly would not be in line with the mission of this grant program's purpose?

Mr. Bolac: [00:17:41](#) Sure. I think so, Representative Campbell. And I know the State Bar, the IOLTA board policies, strictly prohibit the use of these funds for lobbying or political activity. I recognize that funds given for one purpose can free up funds for another purpose. Part of that acknowledgement and hearing these concerns is that we have come to the table, when addressing this issue during the last five or six months, with additional potential proposed restrictions that would prohibit funding to entities that engage in political grassroots lobbying. Right now, we just prohibit the funding of those activities but actually prohibiting the funds from going to any entity that does those activities.

Rep. Campbell: [00:18:35](#) And I'll close with this, Mr. Chairman. In the interest of fairness, I like the goals of this program. And I hope that throughout this hearing, you guys and everyone here understands that we're not questioning the need, and there are projects that you do that I think are worth celebrating and very beneficial, including in my community, and I thank you for that. I hope we can all understand during this hearing that we do have significant concerns, that we have had significant deviations from the goals and eligibility of this program. Thank you, Mr. Chair, and thank you for your answers.

Mr. Bolac: [00:19:11](#) Thank you.

Ms. Irvine: [00:19:11](#) Thank you.

Rep. Warren, Chair: [00:19:12](#) Thank you, Representative Campbell. The chair has Representative Ross lined up next, and we have Representative Dahle, Moss, Schietzelt, and Reeder. Am I missing anybody else? Okay, hold your hands up for just a minute. Representative Ross, you have the floor.



- Rep. Ross: [00:19:29](#) Thank you, Mr. Chairman. Again, thank you for being here this morning. I just have sort of a general question. In your grant programs, and I have a long list of the different organizations that have filed for grants, and-
- Rep. Johnson: [00:19:49](#) I'm sorry, Representative Ross, can you get a little closer to the microphone? We have members that can't hear and want to make sure the public can.
- Rep. Ross: [00:19:56](#) Maybe we need to get some longer microphones.
- Rep. Johnson: [00:19:58](#) Yep.
- Rep. Ross: [00:20:01](#) All right, I'll try this again. In the grant programs, in looking at what is listed, and I will readily admit that I don't know exactly the details of what every program listed is involved in. But I'm looking at this and looking at your mission. And in North Carolina, I know back years ago, when I was a mayor, we helped start in Alamance County something called a Family Justice Center, which does incredible work, great work that has expanded and has become nearly a statewide program. But it struggles, it seems like, every year or every other year, for funding.
- [00:20:59](#) And I was just curious, in looking at your list of grants and looking at where some of the funding has gone, as to why a program like, say the Family Justice Center, which helps North Carolinians and it helps a number of people in need—like I said, it's a great program—just curious as to why there's a lack of funding in this type of organization that, as I said, struggles for funding. It's a program that could probably grow if it had funding, there is a need there for it. I just wonder if you could comment some on the lack of funding for organizations such as this as compared to some of the things like maybe that we've heard about.
- Ms. Irvine: [00:21:57](#) Sure. I understand that there are Family Justice Centers in jurisdictions across the state. Certainly not every jurisdiction has one, but a number of them. And several of the grantee organizations that we fund, like Legal Aid of North Carolina and others, do work closely in partnership with those Family Justice Centers. I can't say that we've ever received an application for a Family Justice Center.
- [00:22:24](#) And I think all of them may be structured a little bit differently, whether legal services are provided in-house or whether that

would be a program that would be more appropriate to fund under our administration of justice program. But I do know that the programs that we fund often work in partnership with them to provide legal services to individuals who are domestic violence victims or experiencing other issues.

Mr. Bolac: [00:22:51](#)

Representative Ross, if I could just add to that—the board considers the grant applications that we receive. Part of the issue I think we had for a while is we weren't getting a lot of new grant applications from new and different entities. For the last few years, we've really worked on our efforts of promoting the grant process and the availability of these grants, and we're hopeful that that brings in more entities to apply so we can consider them.

Rep. Ross: [00:23:22](#)

So that obviously is an organization— Are you doing outreach to sort of let them know that this is available?

Ms. Irvine: [00:23:35](#)

Yes. When the grant application cycle opens on an annual basis, we send information out to individuals, organizations, and others, whether they are current grantees or they are individuals who have indicated interest, we send that out. We also put information on social media. We put information in the State Bar Journal about the availability of funding. So, we do try to do that outreach to get the message out that funds are available.

[00:24:06](#)

And the only thing I'll add is—and I think you all noted this in the graph that was shared—consistent with what Peter said, there was a period of years where there wasn't as much funding to give out, and so, I think there may have been time when there weren't more funds and the choice of the IOLTA Board of Trustees was to focus on the core purpose of civil legal services with the staffed nonprofit legal organizations that were providing those services. We are certainly in a different time now, and that I think is reflective of the increased outreach that we've been seeking to do to bring in more applicants.

Rep. Ross: [00:24:46](#)

Thank you.

Rep. Warren, Chair: [00:24:47](#)

Does that conclude your questioning, Representative Ross?

Rep. Ross: [00:24:53](#)

Yes, it does.

Rep. Warren, Chair: [00:24:54](#)

Representative Dahle, you are recognized.

- Rep. Dahle: [00:24:58](#) Thank you, Mr. Chair. So, I'm going to be perfectly honest with you, the one program I care about is Legal Aid. Legal Aid helps veterans. Legal Aid helps children, women, all part of our society. And I understand the concerns of my colleagues. I have no problem with those concerns—I feel like they should be brought up. My concern is freezing the funds for Legal Aid in particular. We have hundreds of jobs that could be lost. I have a friend who has spent more time worrying about losing her job than she has been able to live, and that is the truth surrounding every employee at Legal Aid. And I know you know this.
- [00:26:02](#) So, the other thing I looked up today was, I was thinking about the fact that we do help sometimes illegal aliens. But the reason we help those people, my understanding is trafficking, that they are victims of trafficking. The Department of Administration states that North Carolina is ranked number nine in 50 states, so, we're pretty high up there. I'll let you answer a question. Is it true that the folks that you help, that may or may not be immigrants, are victims of trafficking?
- Ms. Irvine: [00:26:51](#) Thank you for that question, Representative Dahle, there are a number of grant organizations of NC IOLTA that do provide representation to individuals who are not citizens. And so, each of those organizations has a different focus, but it is certainly true that there are organizations that primarily are focusing on assisting victims of crime, victims of abuse, victims of trafficking, and frankly, sometimes also working in partnership with law enforcement so that they can prosecute individuals who are harming those folks. So, that is certainly part of the work that the programs do.
- Rep. Dahle: [00:27:36](#) Thank you. And follow-up. My other concern is domestic violence victims, and domestic violence victims are no longer just women. They're children, men, anybody. And I know that, or I need to ask, does Legal Aid, do you perform legal help for people who are victims of domestic violence?
- Ms. Irvine: [00:28:07](#) Yes, we do. There are a number of North Carolina IOLTA grantees that, frankly, a great significant number of the cases that they take and the individuals that they advise are victims of domestic violence in their families. In particular, in recent years with other sources of funding for that work for domestic violence going down, we have been able to support those organizations with additional resources with a recognition that that is a core function that they provide to support domestic violence victims, to protect families and their children.

Rep. Dahle: [00:28:44](#) Thank you. I only have one more. I don't know if it's really a statement or a question to this Committee. Is it possible that we can unfreeze some of these funds to fully fund Legal Aid? Because we seem to have questions about other organizations and Legal Aid seems to be well-documented. And I'm really concerned that so many lives depend on domestic violence protections 50... What are they? 50Bs. They are lifesaving and life-changing for somebody in a violent situation.

[00:29:39](#) My first LA [legislative assistant] spent two years up in the mountains, and the only thing she did was domestic violence cases. She was a lawyer. So, my concern is, can we, at least in this, figure out how to unfreeze money to fund Legal Aid so that people can be protected in this state? And then we can discuss the other grants and whatnot. I don't know if anybody can answer that, but I would love to unfreeze some of these funds.

Rep. Warren, Chair: [00:30:13](#) Thank you, Representative Dahle. Representative Moss, you're recognized.

Rep. Moss: [00:30:17](#) Thank you, Mr. Chairman. Ms. Irvine, for the record, how long have you been in your current capacity?

Ms. Irvine: [00:30:23](#) Since 2017.

Rep. Moss: [00:30:24](#) Okay. And I have just a few questions for you, but is this the first time that you have ever been before the legislative body concerning IOLTA?

Ms. Irvine: [00:30:35](#) I believe it is.

Rep. Moss: [00:30:37](#) And I guess it was stated in previous testimony or just comments, that maybe some funds were frozen, I guess, with this last legislation that we've had, pending maybe some oversight.

Ms. Irvine: [00:30:50](#) Yes, the funds were frozen in July.

Rep. Moss: [00:30:55](#) What happens if someone who receives a grant violates the agreement you mentioned earlier that you enter into before they receive the funds?

Ms. Irvine: [00:31:03](#) Sure. Well, we do have within the grant agreement provisions that would allow us to seek the return of funds that are misused.

- Rep. Moss: [00:31:16](#) And I think stated earlier, you both stated that you were trying to make improvements on how, I guess, maybe grant opportunities would be advertised so that certain entities could apply for?
- Ms. Irvine: [00:31:29](#) Sure. I think in recent years there's definitely been a concerted effort to make sure that we are getting the word out to all places across the state. We certainly have knowledge of and historical funding for some of the largest legal aid providers that exist, but we know that new organizations pop up or new projects in different areas, and so, we have certainly made efforts to try to get the word out.
- Rep. Moss: [00:31:54](#) And in the last few years, I guess, these funds have increased drastically from what they were before.
- Ms. Irvine: [00:31:59](#) That's correct.
- Rep. Moss: [00:32:01](#) What year would maybe those increases have started?
- Ms. Irvine: [00:32:04](#) It was around 2018 or 2019 that we really started to see substantial increases in the funds that are available. And I can describe a little bit, if it would be helpful to you and the Committee, what drives that revenue. There are really two factors, I think it's fair to say, driving the interest that we receive from the banks, and that is the amount of money that lawyers hold in their trust accounts on the one hand, and then on the other hand, the interest rates that are being paid by the banks.
- [00:32:41](#) So, in an improved economic environment, both of those factors improve. I think lawyers tend to hold more money in their trust account, which is largely what we have been told is the result of residential and other property transactions where large sums of money are coming through the lawyers' trust accounts. And then on the other hand, when the Fed rate increases, the banks increase the rates that they pay on bank accounts. And so, with those two factors, we end up with more revenue.
- [00:33:22](#) But that is also true that when economic times are not as great, and I think as you can see through the somewhat... It's not up there anymore, but the graph that reflected the income that we've received in the past—there's also been times when it's been quite low. So, those two factors are really what drive our grant-making availability.

- Rep. Moss: [00:33:42](#) And how do you basically evaluate a grant proposal? I mean, what determines whether they receive the grant? Or do you deny a lot of grant requests?
- Ms. Irvine: [00:33:51](#) I would say historically, no, there's not been a lot of grant requests that are denied. The board spends time... I'll start at the beginning. The application process opens, and we spend time, as I said, sharing information with individuals and organizations and also, potentially for new applicants, helping them understand our process—what documents are they required to submit, what information do we need to see.
- [00:34:20](#) Staff then spends time analyzing each of those requests. We look to make sure that they have submitted all of the documents that are requested. We review the budget that is submitted to see how they intend to use specifically the funds that we provide as well as how they use other funds that they receive from other sources, and then specifically what they intend to do—the goals that they've laid out in that application.
- [00:34:45](#) And so, the board then starts a review process that involves both committee reviews, where they're looking in smaller groups in depth at each of these applications and then the board meets together as a group for a full review, and an award of the grant. Throughout the life of the grant, when entities report, we are checking to see: Are there any issues? Are they meeting the goals that they said that they intended to pursue? and What's their progress been? and How are they spending the money consistent with those requests?
- Rep. Moss: [00:35:24](#) Thank you. I have an example I'd like to ask you about one that, to me, seems to be a controversial grant, and this occurred in 2020, which I'm sure is under your tenure. But it says that IOLTA provided \$112,785 to the North Carolina Center on Actual Innocence for a fundraising initiative and infrastructure upgrade. That also provided \$105,000 to the Charlotte Center for Legal Advocacy for a capital project and \$103,745 to another foundation for a capital project, then on top of that, also another \$65,000 to Disability Rights North Carolina for strategic planning and training. My question, how did these projects advance access to justice?
- Ms. Irvine: [00:36:12](#) Sure. Thank you for that question. As you noted and as we've sort of described, 2020 was a period when NC IOLTA had increased availability of grants. And one of the things that the IOLTA Board of Trustees decided to do with that increased

availability was to provide what we call system support grants. So, we let applicants know that they had the ability to request funds within sort of a broad range of categories that would allow them to be more effective, more efficient, more collaborative organizations.

[00:36:51](#)

A host of organizations submitted proposals that ranged from technology and system upgrades, things to support professional development leadership training within their teams, as you noted, efforts to become more sustainable as an organization or to plan. Again, the board viewed these as opportunities to make the programs that we fund stronger so that the legal services that they were providing would also be stronger.

Rep. Moss:

[00:37:24](#)

Do you know if the board still intends to provide grants for those capital projects and fundraising and strategic planning?

Ms. Irvine:

[00:37:31](#)

We do still have system support grants. That is still a category of funding within our board approved grant policies. I would say, in recent years, we've continued to receive requests for a number of things. I don't know that we've received any requests for physical infrastructure projects, but we have received requests for strategic planning and other things. And I think the board considers the applications that are before them and the items that are requested, and whether those items would, as I say, help the organizations to be more effective and efficient in the work that they do to provide legal services to individuals.

Rep. Moss:

[00:38:14](#)

And concerning the board, ma'am, how has that process taken out? Who actually chooses who serves on that board?

Mr. Bolac:

[00:38:21](#)

Representative Moss, do you mind if I answer that question?

Rep. Moss:

[00:38:23](#)

Okay.

Mr. Bolac:

[00:38:24](#)

The IOLTA Board of Trustees is appointed, as of now, by the State Bar Council. The State Bar Council is a group of lawyers elected by their peers from across all the judicial districts of the state. So, it is geographically representative of the state and representative of the lawyer population in the state. They appoint, as of now, the IOLTA Board of Trustees, which are a group of volunteers made up of lawyers and also sometimes non-lawyers who maybe potentially have experience in the banking industry to be able to speak "bank." Sometimes we have to be able to speak "bank" and understand the language that they're using around all of their different accounts. And

that group of volunteers is the group that considers these grant applications, makes grant allocations and policy decisions.

- Rep. Moss: [00:39:21](#) Does party affiliation take any place in that selection process?
- Mr. Bolac: [00:39:25](#) No, sir.
- Rep. Moss: [00:39:26](#) Would there be any reason why there's two-thirds Democrat, maybe one-third Republican currently representing that board?
- Mr. Bolac: [00:39:35](#) No particular reason other than that's how it's played out. I think one thing that the State Bar has been doing in the past year or two, and one of the things I've been pushing along the same lines of promoting the availability of grants, is promoting the availability of positions on these boards and committees at the State Bar.
- [00:39:57](#) I think it's fair to say, in the past, there used to be a little bit of an echo chamber. And now, while we have put an interest form on our website, we're promoting it in the State Bar Journal and on our website to make it clear that anyone is eligible to apply and show interest in these positions. And the Appointments Committee, a part of the State Bar Council that considers this, reviews all of those interest forms before they make those appointments. That is a relatively new process. So, I think we've seen good results from it as you see the changes that have come in place in the last couple of years.
- Rep. Moss: [00:40:38](#) Thank you. Mr. Chairman, one last question. It's for either of you, but could you explain to me or maybe educate me on the breakdown of grants that have been received in urban areas and rural areas and maybe the last two years concerning these grants?
- Ms. Irvine: [00:40:54](#) I appreciate that question, and I understand it is certainly the priority of the board that the funds that IOLTA provides are reaching all 100 counties across the state. It's a little hard to do that breakdown. We have organizations that provide statewide service, like Legal Aid of North Carolina and others. We also have organizations that are geographically based, and they may have a four-county or a ten-county or a 20-county region.
- [00:41:28](#) So again, I think it's something that we regularly look at. We are paying attention to how the funds are being distributed and whether they're being distributed in such a way that it is enabling and facilitating services to all counties, including rural



areas. I think you can probably see there are some urban areas that have more of these organizations that are doing this kind of work and that are able to apply for the funds that are eligible. But we've also made a concerted effort to try to make sure that funds are getting to rural communities, including by launching a relatively new project to support law students who are working in more rural communities.

Rep. Moss: [00:42:17](#) Thank you both for your time. No further questions, Mr. Chair.

Mr. Bolac: [00:42:18](#) Thank you.

Rep. Warren, Chair: [00:42:18](#) Thank you, Representative Moss. Members, in the interest of time, I'm going to go back to timing the amount of comments and questions you have. Representative Cervania, you are next, followed by Representatives Schietzelt, Reeder, Cunningham, Chesser, McNeely. If time permits, Ager, Amber Baker, and Pyrtle. Again, I'm going to ask you to keep your questions succinct and refrain from as much as possible from bloviating. Okay? Thank you. Representative Cervania, you're next.

Rep. Cervania: [00:42:49](#) Thank you, Chair. And in light of that, I'm going to ask a lot of questions in a little point of time. I want to level set here to say we're using the acronym of IOLTA. But IOLTA means Interest on Lawyers' Trust Accounts. Please explain to me how this fund was created and if there's any percent of this taxpayer funded.

Mr. Bolac: [00:43:16](#) Sure. The IOLTA program was established in 1983 based off of a program that was formed in Florida in 1981. It's really because they recognized a potential for raising funds for these charitable services or civil legal services. Because prior to that time, lawyers, if they were holding multiple clients' funds in one account, those accounts were checking accounts that did not earn interest.

[00:43:45](#) Changes in IRS laws and federal laws allowed interest to start being earned on checking accounts. They saw this opportunity to say, "Okay, if lawyers are holding these pooled funds in this account, can it earn interest that can go to a good purpose?" Because a lawyer has a duty to determine, if I'm holding funds for a particular client that's a large amount of money and I'm going to hold it for a long enough time that it would earn interest on its own, it needs to be in its own dedicated account for the benefit of that client.

- [00:44:17](#) There's a calculation, essentially—is the amount of money that I'm holding in a long enough period of time that it would earn enough interest to justify and offset costs of administering a separate account, all the fees associated with that account, and still have interest left over to remit to the client—then that needs to be in a dedicated account. So, we're not looking at funds that otherwise would be going to particular clients. The lawyer still has that duty in our rules today.
- [00:44:46](#) So, we created the IOLTA account to be able to serve this purpose, and it was approved by the IRS for this particular purpose and has allowed us over this 40 years to be able to make grants to these entities and civil legal service providers of... I think we're at about \$145 million over that 40-year period.
- Rep. Cervania: [00:45:09](#) So, as I walk through your response, it doesn't sound like any of this money is taxpayer dollars.
- Mr. Bolac: [00:45:16](#) That's correct. I forgot your second part of the question. None of this. One of the best things about this program that we're so proud of is that we're able to provide funding for these services without taking or asking anything from state tax dollars.
- Rep. Cervania: [00:45:31](#) Correct. Thank you. So, be that as it may, since it was not created as a state-taxpayer-dollar fund, there was no aspiration or expectation that it should be accountable to the state of North Carolina and have accountability here in our legislature, correct?
- Mr. Bolac: [00:45:57](#) I don't want to speak on what the legislature can and can't review or take a look at. We certainly want to work with the legislature and be accountable and transparent. I think that this was a program from the Supreme Court and the legal profession to be able to provide these services, and it has not in the past had any interactions with the legislature.
- Rep. Cervania: [00:46:19](#) So, you mentioned the Supreme Court. In our great structure here of democracy in the United States and North Carolina, we have three branches of government, correct?
- Mr. Bolac: [00:46:31](#) Yes, ma'am.
- Rep. Cervania: [00:46:32](#) And so, separation of power, a little more of your accountability comes under the Supreme Court because they help you create, correct?

Mr. Bolac: [00:46:44](#) Sure. For this IOLTA program, it was an order of the North Carolina Supreme Court that created it using its inherent authority to regulate the practice of law in North Carolina. The State Bar appreciates being kind of a partner with both the legislature and the Supreme Court under the legislative and judicial branches in our place there. This particular program has historically been regulated by the Supreme Court.

Rep. Cervania: [00:47:13](#) Right. Appreciate that. So, then let me ask, piggybacking on my colleagues' questions, the different services that are provided to your grantees, you're not accountable to your grantees, they're accountable to you, correct?

Ms. Irvine: [00:47:31](#) That's correct, yeah.

Rep. Cervania: [00:47:32](#) And do you have an evaluation process in that, just to level set with my colleagues?

Ms. Irvine: [00:47:38](#) Yes, we do. As I described earlier, each of the organizations that receive funds is required to submit regular reports to our office. And those reports detail the case types, the counties of service that folks are working in. They provide narrative information about new projects, new needs that they see that are being addressed, and the innovations that they are pursuing in order to address those things in the most effective way for their clients.

Rep. Cervania: [00:48:10](#) So, if they're not consistent with their grant application, have you taken grant money away from those organizations?

Ms. Irvine: [00:48:18](#) That certainly is, like I shared earlier with another representative, there is language in our grant agreements that would allow us to ask a grantee organization to return funds if we were concerned about misuse of funds or something of that nature.

Rep. Cervania: [00:48:35](#) Thank you. And then-

Rep. Warren, Chair: [00:48:36](#) Representative?

Rep. Cervania: [00:48:37](#) Yes?

Rep. Warren, Chair: [00:48:37](#) I'm sorry, we have to move on. I apologize. Representative Schietzelt?

Rep. Cervania: [00:48:43](#) Thank you.

- Rep. Schietzelt: [00:48:43](#) Thank you, Mr. Chair, and thank you both for being here today. With the five-minute time restriction, I want to move right into just a few small questions. These should be, I hope, pretty easy to answer. How much of the available funding is awarded each year by the board of advisors?
- Ms. Irvine: [00:49:02](#) Thanks for that question. And as we've talked about, the grant availability is a moving target. Maybe unlike some other entities, foundations, or funders that have more set percentage that they are using, the board has to start looking toward the middle of the year around what we project that grant availability to be when we are sitting in December at the grant-making meeting.
- [00:49:33](#) So the Board of Trustees is continuing to sort of view what is coming in on a monthly basis. And then as we approach December, we have a better idea of what that funding availability will be. I'll just say even in December, when we're at that meeting, we've still got November and December interest income that we haven't yet received. And so, the goal is to, with the applications that we have in hand, the requests that have been made, to put out the funds that we can for the purposes that fit within the rules, but it does ebb and flow, and there are years when there are more funds available than are sent out.
- Rep. Schietzelt: [00:50:15](#) Let me just... Before you answer, Mr. Bolac, because I appreciate that you want to jump in here. I just want to get to, again, in the interest of time, I'd like to know if there is \$10 million available, are we awarding all 10? If not, what happens with what's left over and is there anything kept in reserve?
- Mr. Bolac: [00:50:35](#) Yes. That's what I was hoping to get a chance to speak on, Representative Schietzelt. In many years, the Board of Trustees has determined that it is best to use some of the funds from the prior year that could potentially be used for grants to maintain a reserve of funds. And the IOLTA program does have a reserve of funds, particularly because it is fiscally responsible to do so because of the variability of the revenue that's coming in.
- [00:51:06](#) I don't think it's far-fetched for us to say that there will be another recession at some point in the future. When those recessions happen, there's a triple whammy of danger here because you have interest rates that are lower, you have lawyers holding less amounts of funds in their accounts, and the need goes up. And so, what we try to do is have that reserve fund so when these economic downturns happen, we can level

off the grant so they're not drastically jumping up and down every year to try to maintain a certain level of funding. The past couple of years, we obviously haven't had to use a reserve fund for grants, but it is there for the times that we know are coming again in the future.

Rep. Schietzelt: [00:51:50](#)

Thank you for that. And again, as someone with a little bit of appellate practice under my belt, I'm watching the clock here. I want to cut straight to a comment, and then I think I have one more question if the chair will allow it.

[00:52:02](#)

It is deeply, deeply unfortunate that we are in this situation right now. I share the concerns voiced by so many of my colleagues that access to justice is being impeded here—that there are great organizations, like Legal Aid and Pisgah Legal Services that are doing critically important work in areas that desperately need it, particularly communities that are impacted by Helene. My personal situation would've been a lot different if my family had had access to an attorney growing up and been able to get out from underneath the thumb of a particular court order that should never have been.

[00:52:44](#)

Without going into all of that detail right now, I would like to say, I think we've kind of put our finger on a lot of the problems here. You talked about the system support grants and what they can do, and they free up organizations, help them generate more revenue, help them raise funding or have better facilities. That does touch on the fact that the money we are awarding is fungible. It frees up resources for other things.

[00:53:11](#)

The partisan makeup of the board of advisors did not matter because we were not funding organizations to my knowledge that were engaged in political activity. It begins to matter when you fund organizations that are engaged in political activity because it frees up resources to use for political activity. I don't want to overstate it. I'm upset that we're in this situation right now. I would like to find a pathway out of it.

[00:53:43](#)

So, my last question is, in the process of the grant applications, grant consideration, you're considering these applications—is there anyone outside of the grant applicants or the board of advisors that has sought to influence the decisions that are made by the board of advisors? Who is involved in that process, and is there anyone from outside of that board that was seeking to influence that process over the last five years?

Mr. Bolac: [00:54:18](#) Not that I'm aware of, sir. I don't believe so.

Ms. Irvine: [00:54:22](#) No. I mean, not that I am aware of. That influence isn't coming to me, I guess I should say. And I don't know of it if it exists.

Rep. Schietzelt: [00:54:31](#) Thank you. I see my time has expired, Mr. Chair.

Rep. Warren, Chair: [00:54:34](#) It has. Representative Reeder, you had a question?

Rep. Reeder: [00:54:38](#) Just one quick question. In your item number three, development and maintenance of funds for student loans, what's the fund or how much have you given out in student loans, if any?

Ms. Irvine: [00:54:49](#) That is not a category that the IOLTA Board of Trustees... I think it's fair to say ever...

Rep. Reeder: [00:54:55](#) Why not? It's one of the four bullets... it's never been done.

Ms. Irvine: [00:54:59](#) Right. Yeah. So, those purposes were in the original rule and original order along with some others.

Rep. Reeder: [00:55:09](#) Just the interest of time, I'd ask you to go back. It sounds like you don't have it on your website. It's not an application. I'd ask you to go back and look at your strategic plan to include that, which I think is the directive by the General Assembly. And I'll defer the rest of my time to Representative -

Rep. Warren, Chair: [00:55:23](#) The Chair appreciate you, Representative Reeder. Representative Cunningham, you had a question?

Rep. Cunningham: [00:55:31](#) Thank you, Mr. Chair. So, I have a couple of questions, just maybe two. I want you to be able to go back. I was looking at the slide on this, and it was telling which entities that you did give grants to. I would like to know, and you can send it to me, how much the NAACP Legal Defense Fund got; how much the Center of Rights Civil Rights got in 2025 because it didn't show specifics; how much Disability Rights got, the North Carolina Coalition Against Domestic Violence, Emancipate, the Children's Law Center, and Safe Alliance.

[00:56:10](#) My last question is this: do third-party recipients of your grants also have to abide by what you have as your mission? Because there is an entity in Charlotte, North Carolina, that I do have concerns about, and it is Action NC. And if you all are giving grant money to some of the entities, I would suggest that they

not be engaging in political activities. And this one does. And I want to go ahead and bring it to the forefront that it does. And when we are dealing with the legal immigrants, they're one of the entities that I have grave concerns for and would like to know if they are receiving money from you all. Thank you.

Rep. Warren, Chair: [00:56:57](#)

Thank you, Representative Cunningham. Representative Chesser.

Rep. Chesser: [00:57:01](#)

Thank you, Mr. Chair. Got a couple questions real quick. One, I want to start by echoing the fact that we think there's a lot of organizations you guys partner with that do great work across the state. That is not up for debate. But I do believe that because of your willingness over the past couple years to engage with entities who seem to have, at least on the public-facing side, placed a priority on fighting against laws as written. As opposed to helping enforce the fair and equal application of justice, you now face a public perception issue, and that is why you find yourselves here.

[00:57:39](#)

I think you would agree with that because, as you have stated, sir, in recent history, you guys—very recent history—you've started to make changes to work on that public perception. You said that you're trying to change some of your application process to make sure that what you said was grassroots activist groups cannot receive money moving forward, which means you recognize that they have in the past. You also said that—where was it—you were in an echo chamber, I believe were your words, and you wanted to break out of that as far as the representation on the board. So, I applaud those efforts. I wish we didn't end up in this situation.

[00:58:13](#)

I do want to follow up real quick on a couple statements that were made. Ms. Irvine, you said that you have the complete ability to request funds back if someone breaks the contract. How many times in your tenure have you guys actually requested funding to be returned from a grant?

Ms. Irvine: [00:58:30](#)

I think there are occasions. Without specifically looking at our list of grants and grantees from the past, it would be hard for me to specifically give you any details on those.

Rep. Chesser: [00:58:41](#)

Ballpark it.

Ms. Irvine: [00:58:42](#)

A couple of times-

Rep. Chesser: [00:58:42](#) Twice

Ms. Irvine: [00:58:42](#) -one might have come back

Rep. Chesser: [00:58:45](#) Okay. And your tenure is how long?

Ms. Irvine: [00:58:48](#) Since 2017 in my current role.

Rep. Chesser: [00:58:50](#) Okay. And so, since 2017, you've asked for it to be returned twice. You also said that some of the grants you gave out were to help organizations become more sustainable. As a legal firm, to provide legal support outside of maintaining a client base and maintaining contract, how do you become sustainable?

Ms. Irvine: [00:59:13](#) Well, again, the purpose of those system support grants, and I think a recognition of the board, is that the organizations and the services that they provide are only as strong as they are. We've seen in recent years significant staff turnover. So, if an organization has a lot of staff turnover, I think it's fair to say that clients and client services can suffer. If an organization loses funding, then they have to spend time filling the gaps. And so, I think when I speak about sustainability, what I'm referring to is the strength of the organizations as a whole and their ability to continue to provide those good high-quality legal services to the clients that they serve.

Rep. Chesser: [01:00:02](#) Mr. Bolac, just as a follow-up. Your organization has oversight over the funding that is then deferred away. When you say that the oversight comes from the Supreme Court or what was implied during the discussion earlier, isn't your oversight authority actually from Chapter 84 [of the General Statutes]?

Mr. Bolac: [01:00:22](#) Well, the State Bar's oversight authority of the practice of law is in Chapter 84. Yes, sir. Yeah.

Rep. Chesser: [01:00:28](#) And so, you're a construct of state law?

Mr. Bolac: [01:00:31](#) The State Bar is an agency created by statute. And we have, as I said, an interesting relationship with both entities. Our rules of professional conduct and administrative rules have to be approved by the council and the Supreme Court, they don't come to the legislature. Other matters such as the disciplinary process, dues, amounts, all those kinds of things are in Chapter 84.



Rep. Chesser: [01:00:56](#) So, would it be fair to say that if we have oversight over you, we have oversight over the funding as well?

Mr. Bolac: [01:01:01](#) Yeah. We're here today to try to move forward on this and appreciate your concerns on it and want to try to constructively find a way to lift this freeze from the legislature that is going to cause this impact in 2026. So, I'm not here to contend, create, or make any legal arguments either way.

Rep. Chesser: [01:01:23](#) All right. Thank you.

Rep. Warren, Chair: [01:01:28](#) Representative Amber Baker.

Rep. Baker: [01:01:33](#) Thank you, sir. I have a couple of questions. My first question is, can you speak to me a little bit about the program or programs that are funded for the elderly?

Ms. Irvine: [01:01:46](#) Sure. I appreciate that question, Representative. There are, frankly, many of the organizations that receive grant funding that provide a variety of legal resources and assistance to seniors. I think it runs the gamut from helping individuals with wills and powers of attorney, working on issues related to elder abuse, scams, consumer issues, and then really the range of legal services that are available to anyone of age, if there's housing-related issues or domestic violence. Those are things that the programs could assist individuals who are seniors with.

Rep. Baker: [01:02:29](#) It's important to me, as recently I lost my mother a couple months ago, and it's really important for us to point out that we are still providing those services to our elderly. And another group that's really near and dear to me, because we are a military family: Can you talk to me a little bit about the work that's occurring at the Charlotte Center for Legal Advocacy around veterans' law? And are there other programs similar to that that are providing these services to our veterans?

Ms. Irvine: [01:03:05](#) Yes, there are. There are several organizations that have specific projects and staff members who are tasked with providing legal assistance to veterans. And again, those cases could be cases that any other client would need services in. But there also has been an important focus, I think, on assisting veterans to make sure that they are able to access the benefits that they deserve. They're able to access employment and housing and other types of supports that are specifically available to them consistent with their service.

- Rep. Baker: [01:03:40](#) And so, is Charlotte the only place that's offering those services, do you know? Are there other areas, particularly since it was brought up about services to rural versus urban communities?
- Ms. Irvine: [01:03:52](#) Yes. Legal Aid of North Carolina, which is a statewide organization, does have a project that provides support specifically to veterans. I believe Pisgah Legal Services also offers support to veterans.
- Rep. Baker: [01:04:04](#) Thank you. And we know that Charlotte has recently been in the news, and we most certainly dealt with Iryna's Law here. Can you talk to me a little bit about the work that the Charlotte Center for Legal Advocacy...are doing with law enforcement to create a safer community? Are there grants that are going through them that will work to that piece?
- Ms. Irvine: [01:04:32](#) Yeah. I don't know if I have any specific details about a partnership working with law enforcement. But I would say that as a general matter, the role of civil legal aid, providing individuals with advice and legal assistance on civil matters, does help make communities stronger and safer when folks who may not know their rights have someone who can help them understand those rights and be able to protect themselves and protect their families.
- Rep. Baker: [01:05:02](#) Thank you. And in my final minute, I do want to say I appreciate you coming and answering these questions fairly and accurately. I also want to say that I listened to my colleagues on the right express their rage at the impediment of justice and talking about concern for partisanship. But the whole reason that we're here this week is to redraw maps that are rooted in partisanship. So, I would want us to be very-
- Rep. Johnson: [01:05:32](#) Representative Baker, I think we're getting a little bit off-topic of what we're here to discuss.
- Rep. Baker: [01:05:36](#) Thank you. Well, that was off-topic, too, but they said it.
- Rep. Warren, Chair: [01:05:44](#) Thank you for your questions, Representative Amber Baker. Representative Pyrtle, you had a question?
- Rep. Pyrtle: [01:05:52](#) Thank you, Mr. Chair. I appreciate both of you being here. And when I was looking over the information and doing a little deep dive into all, I was concerned. I did have some concerns about some of the grantees, but I also had concerns about who wasn't funded and the funding—when we have legal deserts in rural

North Carolina. And I understand you have a program now to hopefully try to address some of that.

[01:06:20](#)

We have Family Justice Centers that are working hard to make ends meet, and these are funds that, frankly, could be used for that. And we have areas that don't even have a Family Justice Center, yet we're funding capital needs for other entities. And so, it really concerns me, and I hope that maybe you can give us, this Committee, some information on exactly how you advertise your grants, and maybe share it with the chair and the chair can share it with us—what websites, what publications, how do you advertise the availability of your grants? And a couple of questions I have- How many employees does IOLTA have?

Ms. Irvine:

[01:07:14](#)

Representative Pyrtle, I'll start with your first question about advertising the grants. We, like I said, in more recent years, have tried to do more in terms of outreach, letting folks know that grants are available. We maintain a list. Periodically, still, right now, folks have reached out by email to say, "Do you have funding availability? Do you have any funding opportunities open?"

[01:07:38](#)

So, we keep a list, and then when the funding opportunity opens, we send all of the information to help folks understand how to apply to that list, to current applicants, and to others. We put together a packet that has all of the grant policies and information. We hold an information session and, again, try to use that as an opportunity to inform folks and connect with folks about opportunities to apply. And we use social media, the State Bar's website, the *State Bar Journal*, publications to share information about the availability of funds.

[01:08:17](#)

That said, I know that there's projects that exist that are out there that haven't reached out to us. And so, we really have been trying to encourage- When we go to local district Bars and talk to attorneys and judges, we've been trying to encourage them, "When you get it, send the information on and let others know that there's funds available."

Rep. Pyrtle:

[01:08:37](#)

So, are you telling me that it's essentially by word-of-mouth?

Ms. Irvine:

[01:08:43](#)

The various ways that I described, those are the ways that we advertise grants.

Rep. Pyrtle:

[01:08:46](#)

All right. What about the employees? How many IOLTA employees do you have?

Ms. Irvine: [01:08:51](#) Yes. So, the IOLTA department, it's considered a department of the State Bar, there are five of us total.

Rep. Pyrtle: [01:08:57](#) All right. Who pays your salary? Are you state employees?

Ms. Irvine: [01:09:02](#) The funds come from the operational budget of IOLTA, which is set by the IOLTA Board of Trustees. And it is not public funds. It's funds that are a portion of the interest that's received. The board has made it a priority to keep our administrative costs low and try to maintain only the size of the team that's necessary to do the work that we need to do.

Rep. Pyrtle: [01:09:30](#) Okay. Are you state employees?

Ms. Irvine: [01:09:32](#) I'm not a state employee.

Rep. Pyrtle: [01:09:34](#) You don't receive any state benefits?

Ms. Irvine: [01:09:35](#) No.

Mr. Bolac: [01:09:35](#) No.

Rep. Pyrtle: [01:09:37](#) Okay. Of your employees, is one of their responsibilities to review the grantees' filings, paperwork when they service the grant to ensure that they're meeting their goals and objectives?

Ms. Irvine: [01:09:53](#) Yes, we do have a program manager, and that is part of their role.

Rep. Pyrtle: [01:09:56](#) And so, one of my colleagues stole one of my questions. When you go last, you kind of get what's left over. And I think you said there's been a few occasions or on more than one occasion that you've actually had to claw back the money?

Ms. Irvine: [01:10:10](#) There are a few occasions that we have requested that funds be returned to us, yes.

Rep. Pyrtle: [01:10:14](#) Is that decision made by you, by you and your employees, or does that go back up the chain to the committee that evaluates and awards the grants?

Ms. Irvine: [01:10:26](#) Yeah, that's a good question. So, the situations that I am thinking about, there are at least a couple of those situations where funds weren't spent. So, that is also part of the grant agreement that if a grantee intended to do a project and they weren't able to spend all the funds, they either have to send the

funds back to us or they have to ask the board to carry those funds over into a new term.

Rep. Pyrtle: [01:10:52](#)

And you said... Have you ever clawed back-

Rep. Warren, Chair: [01:10:53](#)

Excuse me, Representative. Your time's expired, and I apologize for that. Ms. Irvine, Mr. Bolac, the Chair apologizes. We've had some other things imposed upon the time we had allocated for this. We're going to ask you to come back because obviously there's a lot of interest from the Committee on the organization. We actually still have five people in the queue that we have to—avoid asking questions. So, we'll get back in touch with you on that. I do want to thank you profusely for coming here today and being our guest and answering the questions. So, we will get back in touch with you on that. Did you have any final remarks you'd like to say either one of you?

Mr. Bolac: [01:11:35](#)

I would just thank the Committee for your interest in this. I would also point out, for those that were in the queue with questions, please send them along. We'll happily get you your answers without having to be called here. I don't think that would be in my best interest. But any questions that arise from anyone, please send them along. We're happy to talk with you or meet with you in person, over the phone, over email, however you want to do it.

Rep. Warren, Chair: [01:12:02](#)

Well, in the final minute we have, we appreciate that and thank you very much. In the final moment that we do have though, Representative Arp had one single question, and we have a minute that he can ask that if he prefers to. Use your mic, please.

Rep. Arp: [01:12:17](#)

These are short mics, of course. I was going to ask really quickly, it seems like IOLTA came about because of a situation of interest bearing on accounts and you decided to do a good thing with those interests. I heard testimony, part of it was the sustainability. And my question becomes more from a strategic point. Is it your goal to set up a recurring program that continually funds- In other words, when you don't have money coming in that you don't put money out? Or is it your goal is to have an ongoing program outside the state budget or other things that continually funds these entities and so forth in terms of the strategic goal? If you understand my question.

Mr. Bolac: [01:13:06](#)

I believe as it relates to the money we're saving in reserves and those types of things, I think our goal is to not have giant drops

in funding availability for some of these really vital legal service providers. And by having that reserve in those down times, we can do that. In a low time, we don't get a lot of- It's still going to be a low amount of money that we can give out, but at least it's something that can help sustain them for that year and hopefully see the economy and interest rates rise back.

- Rep. Arp: [01:13:40](#) Do you see that as the mission that you provide ongoing services, or is this ancillary to good use of just what occurs in the interest on the funds? In other words, is this a directed program specifically to fund these various organizations?
- Mr. Bolac: [01:13:57](#) No, our mission is for the provision of legal services to be available for all North Carolinians regardless of ability to pay. That's the mission of IOLTA. And it's also the mission of the State Bar, which is an obligation of lawyers to make sure that those services are available. IOLTA is one of the ways that lawyers do it.
- Rep. Arp: [01:14:16](#) And then finally, as we come back, and I hope we come back again, I'd love to see your distribution of how those funds are distributed into the rural areas and everything. I'm just telling you the idea about funding capital over things like Pisgah is just baffling to me when you had other better choices and stuff.
- Mr. Bolac: [01:14:35](#) Sure. And I believe we fully funded the request from these entities. And I'll just point out, sir, that the impact that will come in 2026 is going to have a disparate impact in rural areas, unfortunately. Offices that are going to close from Legal Aid are going to be happening more in rural areas because they're not getting county and city supplements to stay open. So, if the goal is to try to protect the rural areas, I think the best way is to get this money out the door.
- Rep. Warren, Chair: [01:15:06](#) Thank you, sir. We appreciate that. Again, appreciate you both being here today. With no further business before the committee, we stand adjourned.