

## TASK FORCE URGED TO CONTINUE FUNDING OF INDIGENT LEGAL SERVICES

By Shawn Ashley  
Staff Writer

■(GIT) A joint task force was urged Thursday to protect the state legislature's appropriation to indigent legal services agencies in the state.

"I hope this committee will recommend the continuation of last year's appropriation," Gayla Mitchell, director of Oklahoma Legal Services, told the Joint Task Force to Study Fees for Indigent Legal Services.

If that appropriation, which totaled \$450,000 for fiscal year 1997, is not continued, Mitchell warned the task force, "We will have a terrific budget shortfall that will result in staff cutbacks."

Unlike Oklahoma's Indigent Defense System, which provides legal services in criminal cases, indigent legal services provide attorney assistance in non-criminal, civil matters. Like the state's indigent defense system, however, the various agencies involved in providing civil legal service have seen their financial support dwindle, particularly that provided by the federal government.

The task force, Mitchell noted, is charged with discussing possible alternatives for funding the legal services.

A possible alternative, discussed at length during the task force's early October meeting, is the expansion of the IOLTA (Interest On Lawyers' Trust Accounts) program from a voluntary program to an all-inclusive or opt out program. Tony Scott, who administers the program for the Oklahoma Bar Association, told the panel Thursday that such a move would likely increase the money flowing into the program from approximately \$300,000 annually to just under \$600,000. Approximately 42 percent of the state's active attorneys participate in the program, which was established by the state's Supreme Court, Scott said.

The program is funded, as its name implies, with interest earned on attorneys' trust accounts.

"We won't know how much additional money we might bring into the system until we actually make such a move," said Scott, noting that the amount generated in other states has varied when a similar conversion was made.

Scott also warned the task force that a recent Fifth Circuit Court of Appeals decision threatens the continuation of the IOLTA programs. Specifically, he explained, the court ruled that similar programs in Louisiana, Mississippi and Texas were unconsti-

tutional because they unfairly deprived citizens — the attorneys' clients — of property.

If that decision is upheld by the U.S. Supreme Court, Scott said, "The IOLTA program in its present form will most likely go away."

Even voluntary programs such as Oklahoma, Scott added, would likely be harmed by such a decision, because attorneys would likely be required to obtain their clients' consent to send the interest earned on their money to the program, creating a problem in terms of administration.

Scott said the Supreme Court would likely hear the case because of the different lower court opinions concerning such programs. Two circuit courts of appeals, the First and

the Eleventh, he said, have upheld the programs as constitutional, as have a number of state supreme courts. The Internal Revenue Service, it was noted by a task force member, indirectly recognizes the program by not requiring attorneys' clients to pay taxes on the interest earned on the money while it is held in their attorney's trust accounts.

Sen. Bernest Cain, D-Oklahoma City, and Sen. Jerry Smith, R-Tulsa, the only two lawmakers in attendance because of the House's Democratic caucus, expressed support for protecting the legislature's appropriation to indigent legal services, saying other methods of funding the efforts, such as fee increases, would not likely survive lawmakers' scrutiny.

## QUALITY JOBS PROGRAM GETS RESULTS

By Gerry Cherry  
Staff Writer

■(GIT) The Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act and the Former Military Facility Development Act — an umbrella of job incentive legislation passed in 1993 in Title 68 of the Oklahoma Statutes — was renewed in 1996 through SB689. An original target of the program was assisting industries which generally export their goods and services, and creating growth in industries, which would otherwise not occur. The new law eliminates the sunset provision of the original legislation and requires the Oklahoma Department of Commerce to submit a report every three years, documenting the results of these programs and their cost effectiveness.

First quarter figures are in for the program, and in the first quarter of fiscal 1997, the program has added 1,335 new jobs to Oklahoma, with a final total of 1,832 jobs created when the project is complete, through funding of expansions and new businesses in the state.

Vacuumschmeize Corporation expanded their facility with 510 new jobs of 650 projected total jobs created in Oklahoma City.

North American-Nutron Company, Inc. of Oklahoma City added 100 new jobs and is looking at a total of 180 positions at their new facility.

Wal-Mart Stores, Inc. of Bentonville, AR expanded their Bartlesville facility with 350 new jobs now and a total of 500 jobs when expansion is complete.

Word Industry Fabricators, Inc. of Tulsa, expanded with 225 new jobs of 300 total jobs in the future.

LORI, Inc., also of Tulsa, added 150 new jobs and will have created a total of 202 when their expansion is complete.

Overall, the Quality Jobs Program has added 31 new locations to Oklahoma and expanded 94 Oklahoma companies since their first year of business. Most projects have been in the larger cities of Oklahoma (57.6 percent) but even the small towns have benefited. According to Department of Commerce records, 11 new projects have benefited towns with fewer than 5,000 people, and 3,601 jobs have been added.

Eleven projects with a total of 3,875 jobs have been working in municipalities with between 5,000 and 10,000 people.

In population areas of 10,000 to 50,000 people, 31 projects have brought 10,509 jobs to these areas, and cities with 50,000 to 100,000 people have received 13 projects and added 3,842 jobs.

Cities with over 300,000 population, such as Oklahoma City and Tulsa, have benefited from 59 projects with 30,848 new jobs added.

In three years, 52,675 jobs have been projected on 125 projects, with about 15,000 new jobs right now, Dan Gorin, chief economist with the Department of Commerce, said. Overall, Gorin said, the Quality Jobs Program accounts for 15 percent of the job growth in the state.

*"New opinions are always suspected, and usually opposed, without any other reason but because they are not already common."*

*John Locke*