

IOLA Fund of the State of New York
Meeting of the Board of Trustees – New York, NY
April 1, 2020
FINAL

Present: Chair Davis, Trustees Galowitz, Lindenauer, Lopez-Soto, Nardelli, Cirando, and Madigan
Absent: Trustees Dunham, Leider, and Ross
Staff: Agard, Fecko, and O'Malley

1. Call to Order.

The meeting was called to order via Video & Tele-Conference (as permitted by Executive Order 202.1, dated March 13, 2020) by Chair Davis at approximately 12:05 p.m.

2. Approval of the minutes of the meeting of the Board of Trustees held on December 4, 2019.

The minutes of the above meeting were reviewed and approved with no objection.

3. Executive Report

Mr. O'Malley described how the IOLA Fund has been working remotely since mid-March because of the coronavirus pandemic. The staff has bi-weekly virtual meetings and all work functions are being completed. He offered his congratulations and appreciation for the staff's effort in these difficult times. Mr. O'Malley also described his communication to all grantees advising them that our current understanding is that payments, reporting and the upcoming RFP should proceed as expected.

Mr. O'Malley discussed the expected sharp decline in IOLA revenue due to the drastic interest rate cuts by the Federal Reserve. The effect of the revenue loss will be slightly delayed because the banks cannot lower rates unilaterally. Ms. Fecko is monitoring and responding to rate reductions according to the oversight process that the IOLA Fund had put into place. Even assuming significant losses, Mr. O'Malley believes that we may be able to maintain the current funding levels for the next grant cycle, to begin in April 2021. There are several factors to consider, however, and the Board will have an opportunity to make this determination before the RFP is released, expected in August 2020.

Finally, Mr. O'Malley noted that a new grantee Atlas DIY notified the IOLA Fund that after a leadership change and the loss of a major funder, it had ceased operations. It reviewed its outstanding cases and approximately 60 were transferred to another grantee, Safe Passage. IOLA provided Safe Passage with \$35,000 in funding for this work.

4. Administrative and Financial Report

Ms. Agard presented the Administrative and Financial Report, including the January 2020 Consolidated Bank and Revenue Report.

Ms. Agard noted that the cash on hand is about \$95 million, out of which approximately \$8.75 million will be spent on FY20 4Q grant payments and \$35 million for FY21 grant payments. Ms. Agard had not received any directives from the Division of Budget or the Comptroller's Office that would impact these grant payments. Ms. Agard explained that the revenue report for January 2020 appears down as compared with January 2019, but this is due to a programming change in how revenue is being reported. Effective 2020, IOLA will be reporting revenue on an accrual basis. Finally, Ms. Agard reported that administrative expenses are on pace with the budget.

5. Counsel's Report

Ms. Fecko highlighted the work that the Permanent Commission Technology Working Group has done to develop a weekly webinar series to support the immediate technology needs of the civil legal aid community in the wake of social distancing orders. The first webinar was March 25 and had over 90 participants. Ms. Fecko also discussed her work with Ms. Agard to improve IOLA's bank data systems and described the rollout of the new remittance system in January, which has shifted more of the administrative burden onto the banks.

6. Next Meeting

The next meeting of the IOLA Board of Trustees is scheduled for June 17, 2020. Normally, it would be the annual meeting in an upstate region with grantee presentations. Given the health crisis, the next meeting will be in New York City, possibly remotely.

There being no further business before the Board, the meeting was adjourned at approximately 1:00 p.m.

Respectfully submitted,
Christopher B. O'Malley
Executive Director