

IOLA Fund of the State of New York
Meeting of the Board of Trustees – New York, NY
March 8, 2023
FINAL

Present: Trustee Dunham

Public

Videoconference: Chair Davis, Trustees Cirando, Madigan, Villaverde, Lopez-Soto, and Ross

Private

Videoconference: Galowitz and Lindenauer

Staff: Agard, Fecko, and O'Malley

1. Call to Order.

The meeting was called to order by Chair Davis at approximately 12:10 p.m.

2. Approval of the minutes of the meetings of the Board of Trustees held on December 8, 2022.

The minutes of the above meeting were reviewed. Trustee Lopez-Soto moved to approve the minutes, seconded by Trustee Madigan, and the Board approved the motion unanimously.

3. Executive Report

Mr. O'Malley reported that the procurement record for the FY24 & FY25 grants had been approved by the Office of the State Comptroller. He noted that this had been the fastest approval in his tenure and thanked Ms. Agard, Ms. Fehringer, and the entire grants team for their diligent work.

Mr. O'Malley then announced that, with the hiring of a second Grant Assistant, Emily Radigan, the grants team was full staffed.

Regarding the FY24 & FY25 grants, Mr. O'Malley reported that IOLA provided debriefings in response to six timely requests and also provided feedback to two additional applicants. He described that he and Ms. Fecko spent significant time on these meetings to provide detailed feedback, which the applicants appreciated.

Mr. O'Malley briefly noted that he is continuing his work with the Permanent Commission on Access to Justice, focused in particular on determining a funding level to close the justice gap.

Recognizing the increased revenue, the changes to the delivery system developed during the pandemic, and inquiries from Trustees, Mr. O'Malley introduced the idea that the IOLA Fund consider an initiative to expand the capacity of the civil legal aid system. Mr. O'Malley described that he and Ms. Fecko had begun gathering information about statewide collaboration projects technology innovations that have advanced access to justice around the country and would continue these efforts with the goal of making a detailed presentation

with some options for the Board to consider at its June meeting. The Board asked several questions and engaged in a discussion with Mr. O'Malley and Ms. Fecko, the result of which was general enthusiasm for developing a plan that would increase coordination and innovation in the New York State system. The Board expressed an interest in considering multiple options and to be significantly engaged in setting a course of action. Mr. O'Malley encouraged the Trustees to forward to him any ideas they may have.

At the last Board meeting, Trustee Dunham raised the question of the Board having greater access to grant applications. Mr. O'Malley reported that our grant management system, SmartSimple, has the capacity to provide the Trustees with access to grant applications and that the IOLA Fund staff would work to make this function available for the next RFP.

4. Administrative and Financial Report

Ms. Agard reported that the cash on hand as of January 1 was about \$160 million with net interest earnings in January of about \$14.7 million, administrative expenses of \$160K, grant expenses of \$5 million, leaving approximately \$169.8 million on hand as of February 1. Interest revenue in January (\$14.7 million) reflected an increase of nearly five times as compared with January 2022 (\$2.5 million); year to date revenue is \$76.3 million, as compared with \$26.5 million last year, a 187% increase. Ms. Agard noted that the report prepared by Delta Consulting was through December and showed a net yield of 1.31%, which had increased to 1.39% in January.

Finally, Ms. Agard reported that administrative expenses for January were approximately \$160K and that the written report shows the February expenses of \$118K. The year-to-date total administrative expenses are \$1.644. With only one month left in the fiscal year, Ms. Agard reported that the IOLA Fund should easily remain within the total annual budget of \$1.984.

5. Counsel's Report

As to Grantee matters, Ms. Fecko highlighted her efforts to support contract management in connection with the FY24 & FY25 grants as well as her participation with Mr. O'Malley in debriefings and other meetings to provide feedback to grant applicants. She noted her service on the Technology Working Group of the Permanent Commission on Access to Justice, which is planning the annual Technology Conference for April 18 and 19, and working on its third technology survey with assistance from the Legal Services Corporation.

With regard to rounds one and two of bank compliance review, Ms. Fecko reported that IOLA had completed reviews of fourteen Large Banks, resulting in an expected total annual interest increase of \$15.6 million with reviews of five banks remaining. She noted that IOLA will revisit four banks that, as of fall 2022, had lagging IOLA rates.

Finally, Ms. Fecko reported that she completed the required annual staff training on sexual harassment and ethics. She reported that the new ethics commission

has released new training curricula and that she will offer an ethics training to IOLA Board members following the Board meeting scheduled for June 8, which should last approximately 90 minutes.

6. Recognition of Susan Lindenauer

Trustee Cirando brought the Board's attention to the Lifetime Achievement Award issued by the New York Bar Foundation to Trustee Lindenauer and made a motion for the IOLA Board of Trustees to heartily congratulate Trustee Lindenauer on her many extraordinary contributions to the public and to the legal profession. The motion was seconded by Chair Davis and unanimously approved.

7. Next Meeting

The next meeting of the IOLA Board of Trustees is scheduled for June 7, 2023 at noon at the IOLA Fund office.

There being no further business before the Board, the meeting was adjourned at approximately 12:55 p.m.

Respectfully submitted,
Christopher B. O'Malley
Executive Director