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 March 8, 2023.**
The minutes of the above meeting were reviewed. Trustee Lindenauer moved to approve the minutes, seconded by Trustee Galowitz, and the Board approved the motion unanimously.

3. **Administrative and Financial Report**
Ms. Agard reported that the cash on hand as of April 1 was about $200 million with net interest earnings in April of over $16 million and grant expenses of only $93,000, leaving over $216 million on hand as of May 1. Interest revenue in April reflected an increase of nearly six times as compared with April 2022 ($2.3 million). The net yield has risen to 2.28%. Mr. O’Malley added that total interest revenue in FY21 was $29 million, growing to $106 million in FY22 and the current rolling 12 month revenue is approximately $120 million. He further stated that, given that the Federal Reserve has indicated it may halt rate increases in June but has not indicated any plans to lower rates, it may be reasonable to expect the current revenue levels through at least the next 12 months. If so, the IOLA Fund could expect to collect approximately $180 million. Ms. Agard pointed out that although the average balances were down slightly, the rising interest rates continue to drive revenue income.

Ms. Agard noted that no administrative expenses were recorded in April due to the delayed approval of the NYS Budget. Ms. Agard explained that the written report shows administrative expenses through March 31, the end of our fiscal year, with total expenses of $1.84 million, under our total annual budget of $1.984.

4. **Counsel’s Report**
As to Grantee matters, Ms. Fecko highlighted her participation in the 2023 Technology Conference, sponsored by the Technology Working Group of the Permanent Commission on Access to Justice, which had over 450 attendees. Ms. Fecko moderated the Leadership Panel and thanked Colleen Fehringer for her assistance with organizing the panel.
With Mr. O’Malley and Ms. Fehringer, Ms. Fecko dedicated considerable time in the last quarter researching and drafting the materials related to the Justice Infrastructure Project.

Ms. Fecko announced that she would again chair a CLE panel on attorney escrow accounts, which will include cybersecurity issues, to be held on June 29 at the NYC Bar Association.

With regard to bank compliance, Ms. Fecko reported that in the last quarter, the IOLA Fund completed reviews of five Large Banks, resulting in an expected total annual interest increase of $5.1 million. Ms. Fecko also updated the Board that, as of June 1, the Safe Harbor rate is 3.15%. In response to a question from Trustee Dunham, Ms. Fecko explained that she had not encountered any opposition from banks to the IOLA Fund’s compliance efforts but that many banks are slow to respond fully to the compliance inquiries, which necessitates considerable follow up by IOLA staff. Chair Davis expressed appreciation for the IOLA staff’s efforts.

Finally, Ms. Fecko reported that she attended a training by the Commission on Ethics & Lobbying in Government specifically for ethics officers and that she will offer an ethics training to IOLA Board members following today’s Board meeting.

In response to a question from Trustee Lindenauer about the Procurement and Contracting Community of Practice (PCCP), Ms. Fecko explained that it is not an IOLA grantee facing initiative. Rather, it is an effort launched by the Division of Budget to coordinate feedback from the procurement professionals across the Executive Branch with the Office of the State Comptroller as well as to serve as a clearinghouse for sharing best practices, developing common forms, etc.

5. Executive Report

Mr. O’Malley referenced his written report and indicated that there are two grantee matters to be discussed in Executive Session.

Mr. O’Malley then made a detailed presentation about the proposed Justice Infrastructure Project. He referenced the considerable research conducted to date and outlined the general parameters of the Project while advising that the specifics would be determined through engagement with community members, the public, and stakeholders. Mr. O’Malley emphasized that the Project would focus on IOLA’s mission of improving the entire civil legal aid system with the client experience serving as the filter. A long discussion followed.

With respect to questions about cost, Mr. O’Malley explained that while setting a total budget is premature, he expected that the Project would likely lead to three streams of funding: (1) upgrading software, hardware, security, and other technology capacities of Project participants, (2) investments to make the substantive enhancements to the overall system, and (3) ongoing expenses to maintain the enhanced system.
As the discussion wound down, the Board offered its strong endorsement of the concepts presented and supported the IOLA Fund staff moving forward with the next steps outlined in Mr. O’Malley’s Memorandum dated May 31, 2023, namely: (a) identify a project manager, (b) identify existing technology initiatives and collaborations among current IOLA grantees, (c) analyze the 2023 Technology Survey, and (d) develop recommendations for stakeholder engagement.

6. Executive Session
Chair Davis made a motion to enter into Executive Session to consider matters relating to the financial history and appointment of particular corporations (i.e., IOLA grantees) and the administrative proceeding pending before the NYS Division of Human Rights, which was seconded by Trustee Lindenauer and approved without objection. The Board took no action while in Executive Session.

There being no further business before the Board, the meeting was adjourned at approximately 1:40 p.m.

7. Next Meeting
The next meeting of the IOLA Board of Trustees is scheduled for September 27, 2023 at noon at the IOLA Fund office.

Respectfully submitted,
Christopher B. O’Malley
Executive Director