

**IOLA Fund of the State of New York
Meeting of the Board of Trustees – New York, NY
March 4, 2026
FINAL**

Present: Chair Cheng de Castro and Trustees Agarwal, Hegt, Hines-Radix, Kummer and Lindenauer

Public

Videoconference: Trustees Cirando, Cohen, Davis, Ross and Villaverde

Absent: Trustee Dunham

Staff: Fecko, Nyiendo and Fehringer

1. Call to Order.

The meeting was called to order by Chair Cheng de Castro at approximately 1:14 p.m. Remarks by Chair Cheng de Castro opening the meeting.

2. Approval of the minutes of the meeting of the Board of Trustees held on December 3, 2025.

The minutes of the above meeting were reviewed. Trustee Kummer moved to approve the Board minutes, which was seconded by Trustee Lindenauer. The motion passed unanimously.

3. Executive Report

Ms. Fecko greeted Chair Cheng de Castro and other Board Trustees. Ms. Fecko noted that IOLA has now moved to its new office location. Ms. Fecko thanked staff members and Trustee Rothwell Davis for their efforts in identifying and securing the new office space.

Regarding budgetary matters, Ms. Fecko advised that the FY27 Executive Budget provided for a \$77.5M appropriation for our Aid to Localities budget, which is \$25M below IOLA's request. Although the State Operations proposal of \$3.36M in the Executive Budget is in line with our request, the preliminary cash ceiling has been set at \$2.7M, which is \$350K less than IOLA's anticipated needs.

The One House bills are anticipated to be released next week. IOLA submitted written testimony to the Joint Legislative Hearing and has been meeting with

various stakeholders to provide education on our mission. We anticipate holding a Special Board Meeting in April or May after the final budget is released should the final budget appropriation require an adjustment to grantees' awards.

Regarding Programming, Ms. Fecko thanked Family Legal Care, Central American Legal Assistance, and Northern Manhattan Improvement Corp. for their presentations to the Trustees earlier today. Ms. Fecko reported that IOLA staff continue to complete timely payments to grantees. The Grantee Annual Report (GAR) will be due in May and Ms. Fecko thanked Danny Fisher, IOLA's new Deputy Director of Programs, for his assistance with the grantees.

Regarding the Justice Infrastructure Project (JIP), the contract for the Training Center is nearly finalized. Ms. Fecko also thanked Trustee Hegt and his firm, Latham & Watkins, for hosting our JIP convening in January. Ms. Fecko also advised that the CyTaP (Cybersecurity & Technology Assistance Project) training will recommence.

In terms of community engagement, IOLA will launch a new newsletter, with the inaugural issue to be released in early March. The audience will be grantees, legislators, and other stakeholders. We anticipate holding regional receptions in April and/or May.

IOLA's project manager on the JIP project, Neil Steinkamp of Stout Risius, then presented an overview of JIP to the Trustees.

(Neil Steinkamp left the meeting at 1:55 pm)

4. Director of Administration Report

Ms. Fehringer discussed hiring updates. She stated that we would like to hire a Program Analyst in FY27 to support our program work. This position is necessary to effectively manage grants should we receive our \$102.5M appropriation request.

Ms. Fehringer thanked staff for their assistance in the office move. She also advised that we are also taking steps to move our IT management to ITS from a private vendor.

Regarding procurement, the Executive's proposed appropriation has resulted in a pause to our planning for any JIP procurements until we await the final budget numbers.

Regarding finances, Ms. Fehringer advised that as of January 31, IOLA's fund balance is \$720.8M. She projected administrative expenses totaling \$2.6M and programmatic expenses of \$77.5M for FY26. Ms. Fehringer discussed the

variance report and noted that we expect to come in slightly under budget at the conclusion of FY26. We are attempting to spend down our available cash, such as buying new hardware technology by the end of the fiscal year.

5. **General Counsel Report**

Ms. Nyiengo welcomed all Trustees and echoed the thanks to staff for assistance with the office move.

Ms. Nyiengo advised that she remains active on various bar associations and is active on the NYS Bar Association's Steering Committee for the 2026 Partnership Conference held in Albany. Regarding Ethics matters, Ms. Nyiengo reported that all staff and Trustees timely completed their annual ethics training requirement for calendar year 2025.

Turning to Banking Compliance, Ms. Nyiengo advised that the Federal Reserve lowered interest rates on December 10 by 25 basis points to a range of 3.5% – 3.75%. As of January 1, the Safe Harbor rate became 2.25%. This is the third rate cut in 2025. Ms. Nyiengo also advised that IOLA has been performing a compliance audit focusing on whether any banks have erroneously charged IOLA maintenance fees. As a result of this audit, four banks have issued refunds, collectively totaling \$304K. Ms. Nyiengo thanked Masa Takada, IOLA's Banking Specialist, for his work on this audit.

Ms. Nyiengo stated that IOLA intends to start issuing later this year an annual Community Reinvestment Act (CRA) letter to banks that are both Safe Harbor and waive maintenance fees.

Ms. Nyiengo discussed the Banking Report, noting that it has a new format and includes projections. She thanked Mr. Takada for his work on designing the new report. Ms. Nyiengo advised that last quarter (FY26 Q3), total net revenue was \$56.4M and the net yield percent was 1.98%. From Q2 to Q3, net revenue is down 6.8%, due to the interest rate cuts previously discussed. Moving forward, Q4 projected net revenue will be 14.1% lower as compared to Q4 last year. However, Average Daily Balances are projected to remain healthy in Q4.

6. **Executive Session**

Ms. Fecko noted the next Board meeting is June 17 to be held at the Nassau County Bar Association in Long Island. Chair Cheng de Castro then made a motion to enter into Executive Session to discuss the financial history of particular corporations, specifically IOLA grant recipients. Trustee Hegt so moved and Trustee Hinds-Radix seconded. The motion was unanimously approved.

7. **Adjournment**

(Trustee Cohen left the meeting at 3:15 pm).



Upon returning from Executive Session, Chair Cheng de Castro asked for a motion to adjourn the meeting. Trustee Cirando so moved and Trustee Villaverde seconded. The motion was unanimously approved. The meeting was adjourned at 3:20 pm.

Respectfully submitted,

Licha Nyiendo
General Counsel