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Funding Justice for All

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IOLA Fund of the State of New York
Meeting of the Board of Trustees – Mineola, NY
June 17, 2026
DRAFT

Present:	Chair Cheng de Castro and Trustees Davis, Hegt, Kummer, and Lindenauer
Public Videoconference:	Trustees Cirando, Hinds-Radix, and Villaverde
Private Videoconference:	Trustee Agarwal
Absent:	Trustees Cohen, Dunham and Ross
Staff:	Fecko, Fehringer, Fisher, Nyiendo, Thurton and Reyes

1. **Call to Order**
The meeting was called to order by Chair Cheng de Castro at approximately 1:08 p.m. Chair Cheng de Castro thanked the Governor and Legislature for fully funding IOLA’s appropriation request.

2. **Approval of the minutes of the meeting of the Board of Trustees held on March 4, 2026**
The minutes of the above meeting were reviewed. Trustee Davis moved to approve the Board minutes, which was seconded by Trustee Kummer. The motion passed unanimously.

3. **Executive Report**
Ms. Fecko greeted the Board of Trustees. Ms. Fecko thanked the Nassau County Bar Association for hosting the Board meeting. Ms. Fecko expressed her gratitude to the Governor and Legislature for the full $102.5M appropriation for IOLA’s grantmaking budget. Ms. Fecko also thanked the Long Island grantees who gave presentations prior to the Board meeting.

Regarding the Justice Infrastructure Project, Ms. Fecko advised that the Training Center has launched by offering a training on immigration detention that included nearly 100 participants. Other training courses are forthwith.

IOLA is also relaunching the Cybersecurity and Technical Assistance (CyTap) project whose purpose is to strengthen cybersecurity in the grantee community.

Regarding stakeholder engagement, IOLA has completed three out of five Coffee and Conversations throughout the state. Ms. Fecko thanked the Trustees who have attended, and thanked Trustee Hegt and his law firm, Lathan & Watkins, for hosting the NYC session. Ms. Fecko also added that IOLA has launched a bi-monthly newsletter and now has a LinkedIn page.

Regarding IOLA's FY2027 grantmaking opportunities, Ms. Fecko stated that we are recommending to the Board three categories of grantmaking totaling $102.5M: Core Operating Grants ($95M), JIP Grants ($5M), and Auxiliary Grants ($2.5M). The entirety of the funds for the Core Operating Grants and $1M of the $5M of the JIP grants are already committed. Written summaries of the proposed grantmaking are available in the Board Book. If approved, Ms. Fecko advised that the proposed RFPs would be released by the end of June with final decisions by the Board to take place during the September meeting.

Discussion ensued by the Board regarding the proposed FY27 grantmaking.

Chair Cheng de Castro asked if there is a motion to approve the Resolution Authorizing the FY2027 grantmaking. Trustee Villaverde so moved and Trustee Kummer seconded. The Resolution passed unanimously.

Ms. Fecko proposed that IOLA should update its 5-year grantmaking plan at the September Board meeting and continue to do so thereafter on an annual basis. To that end, Ms. Fecko presented a proposed 5-year plan for FY27-32. Discussion ensued regarding the proposed 5-year plan. At the suggestion of Trustee Hinds-Radix, Ms. Fecko advised that staff can summarize the discussion and share it out to the Board before the September meeting.

4. Director of Administration Report

Ms. Fehringer discussed staffing and salary changes. Ms. Fehringer noted that the State Legislature has approved general salary increases and other benefit adjustments for M/C employees.

Regarding staffing changes, Ms. Fehringer noted that IOLA's Procurement Specialist recently left state service. With this vacancy, Ms. Fehringer proposed converting the vacant position to a Program Assistant and promoting IOLA's Program Associate to Senior Program Associate, all of which will better support and grow the program team. Ms. Fehringer also proposed salary adjustments for two additional staff members due to the fact they have taken on additional responsibilities.

Chair Cheng de Castro asked if there is a motion to approve the Resolution Adopting Legislative FY2027 Salary and Benefit Adjustments for eligible IOLA employees. Trustee Davis so moved and Trustee Hegt seconded. The Resolution passed unanimously.

Chair Cheng de Castro asked if there is a motion to approve the Resolution Adjusting Certain Employees' Titles and Salaries. Trustee Cirando so moved and Trustee Lindenauer seconded. The Resolution passed unanimously.

Ms. Fehringer provided the financial report, noting that IOLA's fund balance as of April 30 is $748.6M. Ms. Fehringer also discussed the variance report. She noted that we have not yet received the final determination from DOB as to our cash ceiling for FY27 administrative spending. Overall, our projected administrative expenses in FY27 are about $2.7M.

5. General Counsel Report

Regarding ethics matters, Ms. Nyiendo reported that all Trustees and the three employees designed as policy-makers filed their Financial Disclosure Statements on time. Ms. Nyiendo also advised the Board on two appellate court cases related to IOLA governance.

Turning to Banking Compliance, Ms. Nyiendo advised that the Federal Reserve is meeting today and that they have voted to keep interest rates steady. The FFTR remains at 3.5% – 3.75%. Indications from the Fed appear that interest rates may rise later this year.

Ms. Nyiendo stated that in April IOLA launched its bank audit program for banks paying comparable rates. The FYQ1 audit is nearly complete, with 23 out of the selected 24 banks having been audited. The audit has resulted in eight banks either increasing their interest rate or waiving maintenance fees. The projected increase in annual revenue to date is approximately $415K.

Ms. Nyiendo also advised that we launched our Community Reinvestment Act (CRA) credit letter opportunity to qualifying banking institutions in March. We sent a one-page flyer to the banks and posted it on our website. We also created a new page on our website detailing the CRA opportunity.

Ms. Nyiendo discussed the Banking Revenue report. In Q4FY26, IOLA received $44M net interest revenue and $6.7M in STIP, for a total of $50.8M total net revenue, with 176 participating banks and 43K IOLA accounts. Although the Q4 revenue is slightly down from Q3 due to late 2025 interest rate cuts by the Fed, the revenue nevertheless is still robust.

With regard to annual revenue data, Ms. Nyiendo reported that in FY26 IOLA received $198.5M in net interest revenue and $27.6M in STIP, for total net revenue of $226.1M. FY26 saw a downturn in revenue from the prior fiscal year due to the afore-mentioned interest rate cuts in late 2025, however, the annual revenue is still quite healthy.

Ms. Nyiendo discussed the need to efficiently respond to requests by banks for a refund when they mistakenly provide an over-remittance of interest to IOLA. Ms. Nyiendo stated that it is advisable for efficiency reasons for the Board to delegate authority to the Executive Director and staff to process such requests. After discussion, Chair Cheng de Castro asked if there was a motion to approve the Resolution Authorizing Limited Delegation of Authority to Approve Refunds to Banks. Trustee Cirando so moved and Trustee Cheng de Castro seconded. The Resolution passed unanimously.

6. Adjournment

Chair Cheng de Castro advised the next meeting is on September 30 in IOLA's office. Chair Cheng de Castro asked for a motion to adjourn the meeting. Trustee Cirando so moved and Trustee Lindenauer seconded. The motion passed unanimously.

The meeting was adjourned at 2:53 pm.

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Respectfully submitted,

Licha Nyiendo
General Counsel