



**Rule 5.1-1(g) (IOTA Rule) implementation
Work Plan
October 20, 2022**



THE FLORIDA BAR FOUNDATION

Rule 5.1-1(g) (IOTA Rule) implementation Work Plan

October 20, 2022

BACKGROUND AND OVERVIEW

Rule 5.1-1(g) (the IOTA Rule or amended rule) was amended by the Florida Supreme Court on June 18, 2021, effective at 12:01 a.m. on July 1, 2021 (the first day of FY 21-22). The rule creates new requirements for both the Foundation and its grantees. Serious and thoughtful consideration is required to successfully comply with and implement the rule as amended.

The Executive Committee's initial Work Plan was ratified and approved by the Board on November 8, 2021. Subsequent to that date, Foundation staff and board members continued working on the development of a Work Plan for the distribution of IOTA funds collected pursuant to the IOTA Rule. This included further research and review, gathering input from and meeting with grantees and other persons and programs¹, and developing and administering a trial run distribution using a prototype developed for the general distribution of IOTA funds. It also included a second draft of this Work Plan which was reviewed by the Executive Committee's Work Group who then met on September 8, 2022.

On September 9, 2022, in conjunction with its quarterly meeting, the full Board received comments from numerous grantee organizations and their

¹ All existing grantees were (and are) invited to supplement or provide input regarding a) suggested demographic data from appropriate governmental agencies with explanation as to why such data should be considered; b) data provided by the qualified grantee organization on the use of any IOTA funds previously received; and c) their thoughts ideas relating to funding distribution standards and formulas, suggested grantee qualifications; and timing preferences.

representatives about the distribution of IOTA funds pursuant to the amended IOTA rule, along with their experiences relating to the previous trial run distribution.

Thereafter, the Executive Committee Work Group met on October 12, 2022 and October 18, 2022. Two subcommittee groups also met on October 17, 2022 to review weighting factors associated with general distributions and a request for proposals, respectively. This document reflects all efforts to date by the Executive Committee Work Group with resulting recommendations and changes to the initial Work Plan.

IMMEDIATE OBJECTIVES

This Work Plan's primary focus is on the establishment of objective standards for the selection of Qualified Grantee Organizations and the development of a Fair Distribution Plan. It also briefly discusses some basic principles and also touches on other aspects of the rule's requirements relating to reporting and compliance.

BASIC PRINCIPLES

1. Specific Application

This Work Plan applies only to the distribution of IOTA collections pursuant to the amended IOTA rule. It may, however, serve as guidance for all other grant programs, awards and program related expenses provided by the Foundation using other sources of income and revenues

2. Core Values

The amended rule does not change the Foundation's mission, and it remains intact. Similarly, the Foundation's controlling corporate and governance documents are not changed by the amended rule.²

² Article 3.1 of the Foundation's Amended and Restated Articles of Corporation state that the purpose of the Foundation is, "exclusive for charitable, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code (the "Code")

The Foundation's current mission statement is "to provide greater access to justice."³ Stated succinctly, the Foundation funds, develops, and promotes services to meet the legal needs of people in Florida. In doing so, the Foundation helps increase access to the justice system for the protection and preservation of individual rights, especially Due Process.⁴

3. Budget, Funding & Expenses

The amended rule does not change the Foundation's process or duty to establish a reasonable and responsible annual budget. The Foundation's duty is to adopt a budget that provides sufficient resources for the Foundation to carry out its mission while considering all reasonable cost-savings measures, maximizing efficiencies, and being careful not to incur unreasonable expenses or engage in wasteful spending.

which include, but are not limited to, funding, administering, implementing, operating and assisting programs that:

- a. Expand and improve representation and advocacy on behalf of low-income persons in civil legal matters
- b. Improve the administration of justice; and
- c. Promote service to the public by members of the legal profession by making public service an integral component of the law school experience."

³ The entire mission statement that appears on the Foundation's website reads,

"The mission of The Florida Bar Foundation, a charitable organization established in 1956 by The Florida Bar Board of Governors and the Florida Supreme Court, is to provide greater access to justice in Florida."

⁴ Procedural due process serves as a vehicle to ensure fair treatment through the proper administration of justice where substantive rights are at issue. *Dep't of Law Enforcement v. Real Prop.*, 588 So.2d 957, 960 (Fla.1991). Procedural due process requires that each litigant be given proper notice and a full and fair opportunity to be heard. See, e.g., *Vollmer v. Key Dev. Props., Inc.*, 966 So.2d 1022, 1027 (Fla. 2d DCA 2007); *Cnty. of Pasco v. Riehl*, 635 So.2d 17, 18–19 (Fla.1994). The same protection is provided by both the Florida and United States Constitutions. *N.C. v. Anderson*, 882 So.2d 990, 993 (Fla.2004). In layman's terms, Encyclopedia Britannica defines Due Process as, "a course of legal proceedings according to rules and principles that have been established in a system of jurisprudence for the enforcement and protection of private rights. In each case, due process contemplates an exercise of the powers of government as the law permits and sanctions, under recognized safeguards for the protection of individual rights."

Importantly, the amendments limit to 15% the portion of IOTA funds that may be used by the Foundation for costs of administration, general overhead, and reserves, absent a specific allowance by the Supreme Court for additional funds or reserves drawn from IOTA collections. If direct expenses required to administer the IOTA program exceed 15% of the total amount of IOTA funds collected, the Foundation will have to fund those expenses from other sources unless the Court grants an additional allowance.⁵

4. IOTA Administration and Operations

The amended rule impacts the Foundation's overall operations and increases the Foundation's duties as Florida's IOTA administrator. Consequently, the Foundation focused on meeting the amended rule's requirements and, through multiple meetings of its Executive Committee Work Group, worked on creating, modifying, and implementing the processes necessary to do so. In addition to those multiple meetings, the Foundation:

- Created a separate account to hold IOTA funds until distribution;
- Expanded its Financial Dashboard reports to include IOTA collections;
- Reviewed the process and begun the development of a policy related to the separate investment of IOTA collections;

⁵ *Equally as important, the amendments do not disturb the Foundation's ability to carry out its mission using funds from other sources, including its existing funds. The largest threat to the Foundation's existence and ability to carry out its mission was the surprise downturn in the Federal Funds rate and accompanying near-zero interest rates because of COVID-19. Prior to that, the Great Recession kept interest rates at near-zero for nearly a decade. A close second is the fact that civil legal aid and the Foundation are virtually invisible to, and misunderstood by, most people.*

Consequently, the Foundation is exploring other sources of funding to end its dependence on, or at least substantially complement, IOTA revenues and bank interest rates. This effort has initially reviewed the Foundation's brand, name, mission statement, and message. In furtherance of this effort, the Board President appointed an ad hoc committee (Overall Review) which provided a preliminary recommendation to the Board on June 23, 2022 and is expected to provide further or final recommendations no later than December 16, 2022. The Development Committee will also intentionally research and explore all reasonable means of increasing donations and be prepared to work in tandem with the Overall Review committee.

- Began the process to identify and quantify all direct expenses, actual costs and overhead expenses of the Foundation directly related to fulfilling its obligations under the amended rule;⁶
- Implemented timekeeping records to assist in the analysis, functional allocations, and computations involved; and
- Continued to maintain a separate IOTA department in its budget

5. Prospective Application

The rule is to be applied prospectively from its effective date, July 1, 2021. As such, IOTA funds collected on or after July 1, 2021 are subject to the amended rule. IOTA funds collected prior to that day are not.

6. Annual Review and Publication

These eligibility requirements and objective standards will be reviewed by either the Executive or Grants Committee on an annual basis and amended as needed. They will also be published annually on the Foundation's public platforms and provided to the Court, The Florida Bar and all of the Foundation's current grantees.

⁶ Section (g)(1)(I) of the amended rule provides,

(I) "Direct expenses required to administer the IOTA funds" means those actual costs directly incurred by the foundation in performing the obligations imposed by this rule. Direct expenses required to administer the IOTA funds must not exceed 15% of collected IOTA funds in any fiscal year without the court's prior approval. These costs include preparation of the foundation's annual audit on IOTA funds, compensation of staff who exclusively perform the required collection, distribution, and reporting obligations imposed by this rule and overhead expenses of the foundation directly related to fulfilling its obligations under this rule. Direct expenses required to administer the IOTA funds also include:

(i) actual costs and expenses incurred by the foundation to increase the amount of IOTA funds available for distribution;

(ii) funding of reserves deemed by the foundation to be reasonably prudent to promote stability in distribution of IOTA funds to qualified grantee organizations;

(iii) direct costs related to *providing* training and technology to qualified grantee organizations, as specified below; and

(iv) direct costs to administer the Loan Repayment Assistance Program and to distribute funds in connection with the program (but not the program funds themselves) (emphasis added).

SELECTION OF QUALIFIED GRANTEE ORGANIZATIONS - OBJECTIVE STANDARDS

The amended rule provides the basic construct of an objective standard for selecting recipients of IOTA collections. First, it defines a qualified grantee as “a charitable or other nonprofit organization that facilitates or directly provides qualified legal services by qualified legal services providers and that has experience in successfully doing so.”⁷

Secondly, the qualified grantee definition encompasses two more material terms, “qualified legal services”⁸ and “qualified legal services providers.”⁹

Lastly, Section (g)(8) of the amended rule provides, “[t]he foundation must select qualified grantee organizations based on objective standards it develops.... The standards must require that IOTA funds be used to facilitate or directly provide qualified legal services by qualified legal services providers....”

Therefore, grantees must satisfy these minimum requirements.

In addition, all grantees who meet these minimum requirements are eligible for IOTA funding consideration, provided they:

1. Agree to fully comply with the amended rule;
2. Have a primary mission to provide, or facilitate the provision of, qualified legal services by qualified legal services providers;
3. Are able to demonstrate at least five full years of experience in providing qualified legal services;
4. Agree to adhere to FBF policies, grant assurances, procedures, and performance requirements; and
5. Show upon request:
 - a. Satisfactory proof of financial stability and independence apart from Foundation funding;
 - b. Satisfactory proof of proper governance and internal controls; and

⁷ See Section (g)(1)(F) of the amended rule.

⁸ “Qualified legal services” are free legal services provided directly to low-income clients for their civil legal needs in Florida, and includes post-conviction representation, programs that assist low-income clients in navigating legal processes, and the publication of legal forms or other legal resources for use by pro se litigants. *Id.* at (G).

⁹ A “qualified legal services provider” is a member of The Florida Bar or other individual authorized by the Rules Regulating The Florida Bar or other law to provide qualified legal services. *Id.* at (H).

- c. Satisfactory proof of subject matter expertise and competency required for a particular grant, award or project.

There shall be a preference for programs excelling in results, efficiencies, timeliness, collaboration, cooperation, and uniqueness of services provided. While not required, extended services, as defined by Legal Services Corporation¹⁰ and commonly understood by existing Foundation grantees and FCLAA members, will be preferred over other services directly provided.

The Foundation intends to keep the existing legal service-provider network intact as much as possible pending further review and analysis of the outcomes and results obtained through its funding going forward.

Even if ineligible for, or not initially awarded IOTA funding, existing grantees remain eligible for other Foundation funding and support, including non-IOTA funds available, Program Related Expenses, LRAP participation by their employees, technical assistance and support (subject to available funding or accommodation under contracts [i.e., Legal Server and Westlaw]), and recognition awards and contests (i.e. Law School Challenge).

Previous receipt of IOTA funds is not a prerequisite for consideration of IOTA funding, provided a grantee meets the requirements stated herein.

After each year's distribution of IOTA funding under the amended rule, additional data will be requested from grantees. This data will seek information reflecting:

- a. Reporting metrics required by the Florida Supreme Court;
- b. Results;
- c. Efficiencies;
- d. Collaboration and cooperation;
- e. Timely performance and reporting; and
- f. Uniqueness of services provided.

¹⁰ See Chapter VIII, Section 8.3, CSR Handbook 2017, Legal Services Corporation which can be found here: <https://www.lsc.gov/i-am-grantee/lsc-reporting-requirements/case-service-reporting/csr-handbook-2017>

FAIR DISTRIBUTION PLAN

Section (g)(8) of the amended rule requires the Foundation to consider data from appropriate governmental agencies and grantees before developing a fair distribution plan regarding IOTA collections.¹¹

The Foundation reviewed, among other things, U.S. Bureau of Labor Statistics and data, information and input provided by the American Bar Association Commission on IOLTA, other IOTA programs, members of the National Association of IOLTA programs, and the United Way. It also reviewed all data provided by FCLAA and grantees submitted to the Foundation per its request and surveys to all grantees and FCLAA.¹²

There are several approaches available for distributing IOTA funds to qualified grantees as long as the Foundation distributes no later than 6 months after the end of the preceding fiscal year all IOTA funds collected that fiscal year, except for direct expenses required to administer the IOTA funds, funds required to fund the Loan Repayment Assistance Program, and an additional reserve if requested by the Foundation and approved by the Court.

The Foundation may employ one or more of the following approaches and may create more or discontinue some of them with notice to the Court and all grantees.

1. *General Process*

The Foundation constantly monitors and tracks all IOTA collections and prepares a monthly report indicating the total amount of collections for the previous month and fiscal year to date. This information is provided in a quarterly dashboard report prepared by the Foundation's finance department. It is published on the Foundation's website and is available upon request.

¹¹ “[t]o ensure fair distribution of IOTA funds across Florida, must consider relevant data, including: (A) demographic data provided by an appropriate governmental agency, such as the U.S. Bureau of Labor Statistics; and (B) data provided by the qualified grantee organization on the use of any IOTA funds previously received.” *Id.* at (g)(8).

¹² Attached as **Exhibit A** is a compilation of some of the data sources reviewed and considered.

All IOTA funds are kept separately until distribution. Currently, this account is invested in short term funds using the Foundation's investment advisers pending further development and finalization of a specific investment policy for IOTA funds. If adopted, the policy will be published on the Foundation's website and will be made available upon request.

Within 30 days after the end of each fiscal year, the Foundation will prepare and publish an IOTA Collections Public Notice.¹³

2. LRAP Distributions

LRAP loans are made per calendar year with two payments typically made during the course of that calendar year. As such, payment and administration of the LRAP program spans more than one fiscal year. To avoid a potential violation of the amended rule's distribution deadline, LRAP loans will be allocated and administered on the Foundation's current schedule but paid with IOTA funds collected during the FY in which the applications were received and awarded. IOTA funds will not be held back from one FY's collection for payment during the following FY. Thus, LRAP loans will be awarded subject to available funding collected in the FY in which the applications were received and awarded.

3. Distribution of Remaining Funds

After the principal amount of LRAP loans to be awarded is deducted from the net IOTA distribution, the remaining amount will be allocated by applying either a specific amount or percentage of such remaining amount to be distributed toward one or more of the following distribution initiatives:

1. "General distribution by subject matter" (funding to directly provide qualified legal services by qualified legal services providers);
2. Pro Bono (funding to facilitate the provision of qualified legal services by qualified legal services providers);
3. Annual Competitive grants (i.e. AOJ, CLS, LSA, etc.); and

¹³ Attached as **Exhibit B** is the Foundation's IOTA Collections Public Notice it prepared for FY21-22.

4. Periodic grants for limited purposes (i.e. Training, Technology, Matching, Disaster Relief, etc.)

A. General distribution by subject matter shall consist of allocated IOTA funds distributed to:

- a. One or more qualified grantee organization(s);
- b. To fund the direct provision of qualified legal services by qualified legal services providers; and
- c. to increase access to the justice system to protect and preserve individual rights relating to one of more of the following civil legal issues:
 - Health and Shelter
 - Personal Safety
 - Protective and Corrective Security
 - Family, Community and Legal Stability

Grantees receiving this funding must satisfactorily prove present ability and capacity to provide such service(s) in their selected subject matter areas.¹⁴

Qualified grantees will receive pro rata distribution of available IOTA funds based on 1) a regional basis¹⁵ 2) using both poverty and working poor populations; 3) based on current grantee FTE attorney capacity weighted by size to reflect regional need and/or dependence on Foundation funding and to promote overall sustainability of the delivery model (existing network) with special attention to percentage of poverty and working poor population in region/service area and availability of other resources.

This distribution formula is subject to change on a periodic basis to reflect updates in available data and information. Attached as **Exhibit D** is the template that was used during the IOTA trial run and shows the basic formula and then-

¹⁴ Some examples of the subject matters include: 1. Helping a veteran obtain VA benefits or an elderly person obtain Medicare or Medicaid benefits falls within the “Health” category. Work on Medical Legal Partnerships would as well; 2. Eviction and foreclosure prevention falls within “Shelter”; Protecting children from domestic abuse would be classified as “Safety” or “Security”; These examples are not meant to be exhaustive or limited, but merely demonstrative.

¹⁵ Florida is divided into 7 regions by The Legal Services Corporation as reflected in **Exhibit C**.

current weighting scale. **Exhibit E** is the current, proposed Weighting Guide approved by the Work Group on October 18.

B. Pro bono funding

Pro bono funding will be made available to non-LSC grantees¹⁶ that have:

1. An established and operating pro bono program;
2. Dedicated pro bono budgets and written policies and procedures; and
3. Placed, within the 12 months preceding the distribution, at least the same number of pro bono assignments to private attorneys as the grantee has total FTE lawyers.

The amount allocated for pro bono funding will initially be allocated to each region on a pro-rated amount based on statewide poverty and/or working poor population. Qualified pro bono grantees will receive either a pro rata distribution of allocated IOTA funds or, provided sufficient allocated funds exist in such region, an amount up to their actual and current pro bono budgets, whichever is greater.

Pro rata distribution will be based on 1) a regional basis; 2) using both poverty and working poor populations; 3) based on current grantee capacity weighted by size or actual program budget to reflect regional need and/or dependence on Foundation funding; and to promote overall sustainability of the delivery model (existing network), with special attention to percentage of poverty population in region/service area and availability of other resources.

It is the Foundation's intent to allocate up to 12.5% of the total net IOTA collections available for distribution to grantees toward pro bono funding. Any IOTA funds allocated¹⁷ but not used for pro bono funding will be rolled over into the IOTA general distribution by subject matter allocation and disbursed on or

¹⁶ LSC organizations are required to dedicate 12.5% of basic field grants to Private Attorney Involvement. LSC also offers Pro Bono Innovation Fund grants "to collaboratively engage more lawyers and non-legal professionals in pro bono service and address gaps in legal services and persistent challenges in the pro bono delivery system." Go to: <https://www.lsc.gov/grants/pro-bono-innovation-fund> for more information.

¹⁷ Although IOTA funds may be allocated for use, they will be kept separate until actual disbursement.

before December 31 of that same calendar year so as to meet the distribution requirements of the amended rule.

C. Annual Competitive grants will be identified and allocated per the Foundation's existing policies and practices. Applications will be processed, scored and awarded per the Foundation's existing policies during the first six months of each Calendar Year, with payment contingent upon available and existing funds.

Such grants may be funded from all sources, provided that if any grant or award is funded in any part with IOTA collections, such grant or award will be paid in full on or before December 31 of that same calendar year so as to meet the distribution requirements of the amended rule.

Any IOTA funds allocated but not used for such grants will be rolled over into the IOTA general distribution by subject matter allocation and disbursed on or before December 31 of that same calendar year so as to meet the distribution requirements of the amended rule.

D. Periodic Grants for limited purposes will be processed per the Foundation's existing policies and practices. Applications will be processed, scored and awarded per each grant's policy and on a quarterly basis.

Such grants may be funded from all sources, provided that if any grant or award is funded in any part with IOTA collections, such grant or award will be paid in full on or before December 31 of that same calendar year so as to meet the distribution requirements of the amended rule.

Any IOTA funds allocated but not used for such grants will be rolled over into the IOTA general distribution by subject matter allocation and disbursed on or before December 31 of that same calendar year so as to meet the distribution requirements of the amended rule.

COMPLIANCE AND REPORTING

1. Foundation's obligations

In addition to providing the Court with a copy of the annual audit of IOTA funds, the Foundation will annually certify to the Court its compliance with the IOTA rule's requirements on the use of IOTA funds. This certification will include, but not be limited to:

- (a) the amount of IOTA funds received;
- (b) a detailed breakdown of direct expenses required to administer the IOTA funds;
- (c) the name of each qualified grantee organization to which distributions were made;
- (d) the amount of distribution received by each qualified grantee organization;
- (e) a description of the process for determining eligibility and selection of each qualified grantee organization, including the objective standards developed for that purpose;
- (f) the total amount received from sources other than IOTA funds;
- (g) a detailed summary of the information provided to the foundation from qualified grantee organizations as required by subdivision (11) of this rule;
- (h) the total amount distributed under the Loan Repayment Assistance Program and the number of qualified legal services providers to whom distributions were made; and
- (i) any other information the court requests that it determines is relevant.

2. Separate IOTA audit

An annual separate audit will be obtained from an independent auditor after consultation with a qualified advisor¹⁸ who provides recommendations regarding the scope and purpose (compliance, financial review, etc.) of the annual audit of IOTA funds. As needed, a consultant/expert will advise on:

¹⁸ This resource hopefully may be a board member or qualified person providing free or reduced-price services.

- a. The definition and scope of “direct expense” and “overhead” issues as provided for in the amended rule.
- b. Whether all or any portion of IOTA funds collected (including funds held for disbursements and funds used for expenses) may, or should be, invested, and if so, how and under what terms.
- c. A methodology relating to the formulation and calculation of “overhead expenses of the foundation directly related to fulfilling its obligations under [the amended rule.]”¹⁹

3. Reporting and Certification Dates

Reporting and certification dates are determined by distribution dates. Because of the timing associated with the distribution of IOTA funds, the Foundation and grantees will not be in a position to fully comply with subdivision (10) of the rule until 2024.

For grantees, the following dates and provisions shall apply:

- a. Grantees will receive initial IOTA distributions per the amended rule no later than December 31, 2022.
- b. Grantees will be given one calendar year from the date of their receipt of such funds to use such funds in accordance with the amended rule.
- c. Grantees will be required to provide their initial annual certification and report pursuant to subdivision (11)²⁰ of the amended rule on or

¹⁹ See Section (g)(1)(I), Rules Regulating the Florida Bar. A draft Methodology memo has been prepared previously and is attached as **Exhibit F**. It is subject to further review and revision depending on the Board’s further direction.

²⁰ Rule 5-1.1(g)(11) provides,

“Qualified grantee organizations must annually certify to the foundation their compliance with this rule’s requirements on the use of IOTA funds. This certification must include, but not be limited to:

- (A) the number of qualified legal services providers compensated or facilitated by the use of IOTA funds;
- (B) the number of clients receiving qualified legal services paid for or facilitated by the use of IOTA funds;
- (C) the number of low-income Floridians who, while not directly represented, are nevertheless assisted by qualified legal services paid for or facilitated by the use of IOTA funds;

before March 30, 2024; and every year thereafter on that date unless such date falls on a day that Florida courts are not open to the public, then the next day thereafter on which the courts are open to the public.

- d. Failure to timely provide such report(s) may disqualify grantees from further funding by and from the Foundation. The Foundation will establish, with input from grantees, a date certain for all grantees to provide the information required under the amended rule.

Notwithstanding the time limits prescribed for Grantee reports, the Foundation will submit its initial report and certification to the Court on or about March 30, 2023 in a form consistent with **Exhibit G**.

Thereafter, the Foundation will provide its annual certification and report to the Court on or before May 15 of each year thereafter after it has received and processed all certifications and reports from qualified grantee organizations receiving IOTA funds pursuant to the amended rule.

4. Foundation's Due Diligence Responsibilities

Suggested dates, beginning 2024:

- a. March 30 for grantees to report and certify to the Foundation.
- b. May 15 for the Foundation to report and certify to the Court.
- c. June 30 for the Foundation to submit its IOTA audit to Court.

While the Foundation will monitor grantees' performance for determining continuing eligibility, it will not certify grantees' compliance with the rule.

(D) the number of hours expended delivering qualified legal services paid for or facilitated by the use of IOTA funds;

(E) the types of matters for which clients received qualified legal services paid for or facilitated by the use of IOTA funds;

(F) an accounting of the use of IOTA funds, including the amount used to establish reserves and pay for overhead and other general administrative expenses;

(G) the total amount received from sources other than IOTA funds by the qualified grantee organization; and (H) any other information the court determines is relevant.”

Similarly, the Foundation will not comment on the information provided by grantees or the grantees' use of funds per subdivision 9 of the rule. Neither will it recommend or decide the merits of written justifications provided by grantees per subdivision 9, unless specifically asked to do so by the Court. It will report to the Court all written justifications submitted.

The Foundation will remind grantees of the annual certification requirement, but it will not interfere with the Court's order in terms of enforcement. Compliance with reporting requirements will be a factor in determining a grantee's continuing eligibility to receive IOTA funds.

The Foundation believes the amended rule requires reports by all grantees that qualify for IOTA distributions, including those that may not or have not received IOTA distributions.²¹ However, reports from such qualified grantee organizations are expected to be understandably shorter.

The Foundation will internally assess and evaluate the quality of work performed by grantees when determining continuing eligibility but does not anticipate providing the Court any qualitative analysis of the work performed by grantees receiving IOTA funds, unless asked to do so by the Court.

This Work Plan will be reviewed, at minimum, on an annual basis and is subject to change pending further work by applicable work groups and committees, further research, and consultation with grantees and other resources.

END OF TEXT

²¹Section (g)(11) of the amended rule provides,

"Qualified grantee organizations must annually certify to the foundation their compliance with this rule's requirements on the use of IOTA funds." Section (g)(1)(F) defines a qualified grantee organization as "a charitable or other nonprofit organization that facilitates or directly provides qualified legal services by qualified legal service providers and that has experience in successfully doing so." There is no provision that states a qualified grantee is exempt from the reporting and certification requirements of the rule if they do not receive IOTA collections funding directly from the Foundation. For instance, all existing Grantees receive program related expenses from the Foundation such as Westlaw and Legal Server case management subsidies. These subsidies will be paid for by the Foundation using IOTA collections per the amended rule. A copy of the current FBF network showing existing grantees and the recent types of awards they have received are attached as **Exhibit H**.

Exhibit A – Data points

Subject	Link
Extended service legal representation to low-income Floridians as defined in § 3.4 of the FBF Case Service Report (CSR) Guide	https://www.dropbox.com/s/rcwtieublf1lin2/FBF%20CSR%20Guide%20ReIssue%202017%20with%20Outcomes.pdf?dl=0
A 3-year average of the Legal Services Corporation (LSC) allocations to each region	https://lsc-live.app.box.com/s/7fwyj3kxukm9aafnhoesjezeqfqqgvkhk
American Community Survey	https://www.census.gov/programs-surveys/acs
The U.S. DOJ's Bureau of Justice provides data on incarceration rates	https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/cpus19st.pdf
Working Poor – United Way of Florida publishes the ALICE IN FLORIDA: A Financial Hardship Study	https://www.uwof.org/sites/uwof.org/files/2020ALICEHighlightsReport_FL_FINAL-4.15.20.pdf
DHS, Office of Immigration Statistics. PEW Research Center	https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/ https://www.pewresearch.org/fact-tank/2021/04/13/key-facts-about-the-changing-u-s-unauthorized-immigrant-population/
Data on children in Florida's child welfare system and generally	https://datacenter.kidscount.org/data#FL/2/0/char/0 https://myflfamilies.com/programs/childwelfare/dashboard/index.shtml
LGBTQ - Williams Institute at UCLA data by state.	https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&area=12#density
Homeless: US Interagency Council on Homelessness	https://www.usich.gov/homelessness-statistics/fl

Florida's Population in Poverty	https://www.census.gov/quickfacts/fact/table/FL/IPE120221
Florida's Working Poor (Asset Limited, Income Constrained, Employed AKA Alice)	https://www.unitedforalice.org/state-overview/florida
Persons in Poverty & Poverty Rate	https://data.census.gov/cedsci/table?hidePreview=true&table=S1701&tid=ACST5Y2020.S1701&g=0500000US12001,12003,12005,12007,12009,12011,12013,12015,12017,12019,12021,12023,12027,12029,12031,12033,12035,12037,12039,12041,12043,12045,12047,12049,12051,12053,12055,12057,12059,12061,12063,12065,12067,12069,12071,12073,12075,12077,12079,12081,12083,12085,12086,12087,12089,12091,12093,12095,12097,12099,12101,12103,12105,12107,12113,12115,12117,12109,12111,12119,12121,12123,12125,12127,12129,12131,12133&moe=false
ALICE: A Study of Financial Hardship in Florida	https://uwcf.org/2020-alice-report/#:~:text=ALICE%20in%20Florida%3A%20A%20Financial,an%20infant%20and%20a%20preschooler
% of Population with Income < 125% Poverty	https://data.census.gov/cedsci/table?hidePreview=true&table=S1703&tid=ACST5Y2020.S1703&g=0500000US12001,12003,12005,12007,12009,12011,12013,12015,12017,12019,12021,12023,12027,12029,12031,12033,12035,12037,12039,12041,12043,12045,12047,12049,12051,12053,12055,12057,12059,12061,12063,12065,12067,12069,12071,12073,12075,12077,12079,12081,12083,12085,12086,12087,12089,12091,12093,12095,12097,12099,12101,12103,12105,12107,12113,12115,12117,12109,12111,12119,12121,12123,12125,12127,12129,12131,12133&moe=false
FACTS ABOUT FLORIDA'S PRISONERS	https://www.project180reentry.org/statistics/
About the Florida Department of Corrections	http://www.dc.state.fl.us/about.html#:~:text=The%20Florida%20Department%20of%20Corrections%20(FDC)%20is%20the%20third%20largest,active%20community%20supervision%20(probatation)
Migrant Farmworker Housing	https://www.floridahealth.gov/environmental-health/migrant-farmworker-housing/index.html#:~:text=150%2C000%20to%20200%2C000%20migrant%20and,travel%20and%20work%20in%20Florida.
Immigration and Agriculture	https://research.newamericaneconomy.org/report/immigration-and-agriculture/

Exhibit B – IOTA Collections Public Notice FY21-22

Public notice – The Florida Bar Foundation: FY21-22 IOTA funds collections

Pursuant to Rule 5.1-1(g), Rules Regulating the Florida Bar, The Florida Bar Foundation announces that it has collected \$9,498,804.89 in IOTA collections during FY21-22 (7.1.21 – 6.30.21).

In accordance with Rule 5.1-1(g)(8), the Foundation will, on or before December 31, 2022 distribute to 1 or more qualified grantee organizations all IOTA funds collected during FY21-22 except for direct expenses required to administer the IOTA funds, funds required to fund the Loan Repayment Assistance Program, and an additional reserve amount if requested by the Foundation and approved by the Florida Supreme Court.

The Foundation will distribute all net available IOTA funds collected during FY21-22 on or before December 31, 2022.

END OF DOCUMENT

Exhibit C – LSC Regions – Florida

Florida’s Regional Legal Services Delivery System

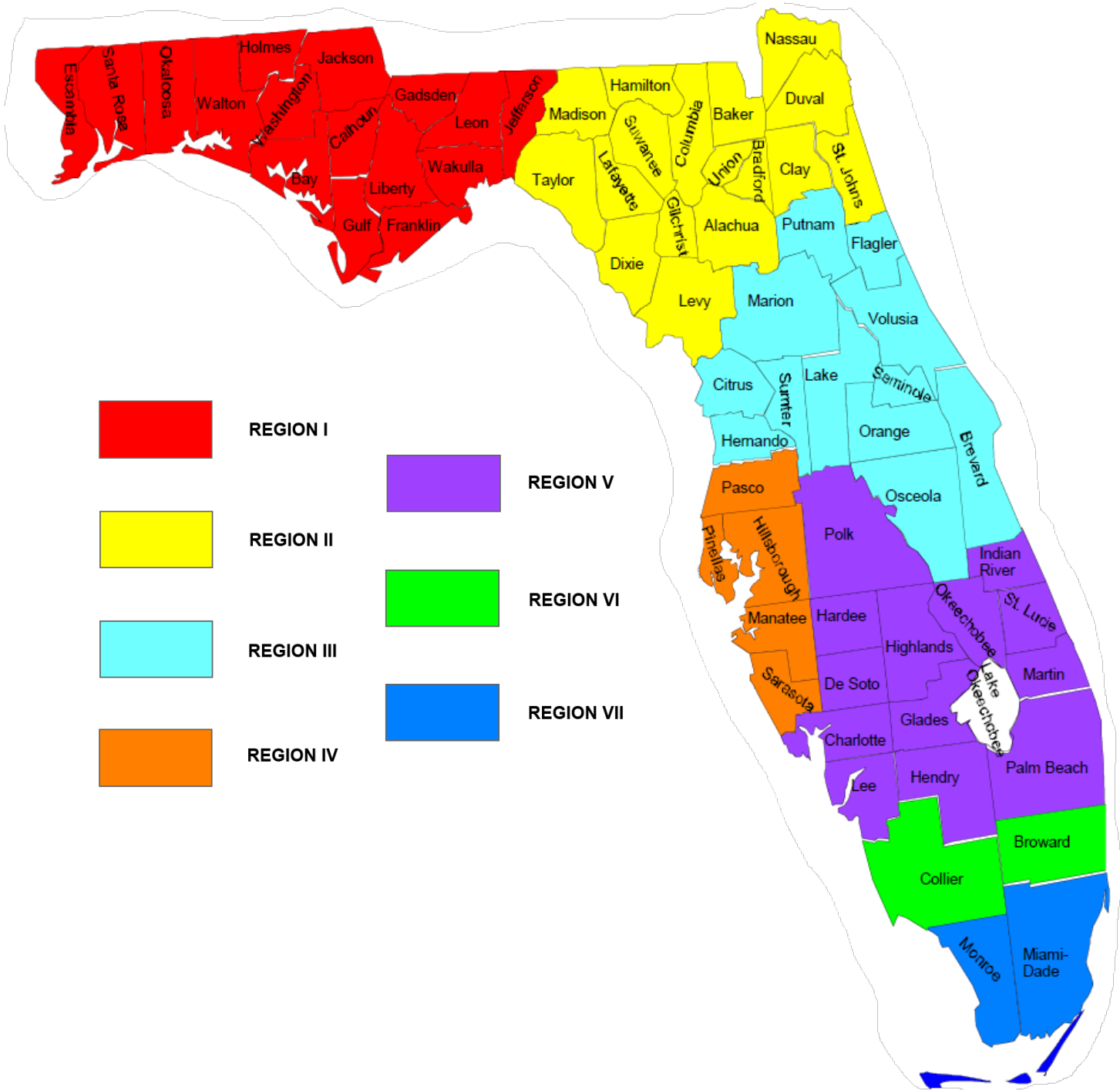


Exhibit D – Primary template w/ basic formula template that was used during the IOTA trial run showing the basic formula and then-current weighting scale.

FY 21-22 IOTA Trial Run
Funding Worksheet

	# Lawyers	Weight Factor	Total Units	%	Pro Rata - Statewide	Pro Rata - Statewide (Less 230k)	Pro Rata - 80/20	Pro Rata - Poverty Reg'l	Pro Rata - Working Poor Reg'l	Both	Both Reg'l (Less 230k)
Region 1											
Disability Rights Florida	12	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal Aid Foundation of the Tallahassee Bar Assn.	1	2	2	5%	\$3,271	\$2,836	\$2,945	\$3,732	\$3,498	\$3,599	\$3,093
Legal Services of North Florida	42	0.8	33.6	77%	\$54,959	\$47,653	\$49,470	\$62,696	\$58,758	\$60,468	\$51,966
Northwest Florida Legal Services (Emerald Coast)	4	2	8	18%	\$13,086	\$11,346	\$11,779	\$14,928	\$13,990	\$14,397	\$12,373
Florida State University College of Law	3	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Region 2											
Jacksonville Area Legal Aid	35	1	35	56%	\$57,249	\$49,638	\$51,531	\$64,449	\$56,776	\$60,107	\$51,656
Three Rivers Legal Services	27	1	27	44%	\$44,164	\$38,293	\$39,753	\$49,718	\$43,799	\$46,368	\$39,849
University of Florida - Levin College of Law	8	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Region 3											
Brevard County Legal Aid	5	2	10	10%	\$16,357	\$14,182	\$14,723	\$23,341	\$23,695	\$23,542	\$21,480
Community Legal Services of Mid Florida	49	0.8	39.2	38%	\$64,119	\$55,595	\$57,715	\$91,498	\$92,885	\$92,283	\$84,203
IDignity	2	3	6	6%	\$9,814	\$60,000	\$8,834	\$14,005	\$14,217	\$14,125	\$60,000
Legal Aid of Orange County Bar Assn.	20	2	40	39%	\$65,428	\$56,730	\$58,893	\$93,366	\$94,780	\$94,166	\$85,922
Seminole County Bar Assn. Legal Aid Society	4	2	8	8%	\$13,086	\$11,346	\$11,779	\$18,673	\$18,956	\$18,833	\$17,184
Region 4											
Bay Area Legal Services	67	0.8	53.6	46%	\$87,673	\$76,018	\$78,916	\$84,555	\$91,697	\$88,597	\$76,140
Community Law Program	4	2	8	7%	\$13,086	\$11,346	\$11,779	\$12,620	\$13,686	\$13,223	\$11,364
Gulfcoast Legal Services	22	2	44	38%	\$71,971	\$62,403	\$64,782	\$69,411	\$75,274	\$72,729	\$62,503
Legal Aid Society of Manasota	5	2	10	9%	\$16,357	\$14,182	\$14,723	\$15,775	\$17,108	\$16,529	\$14,205
Stetson College of Law Veteran Law Institute	0	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Region 5											
Florida Rural Legal Services	41	0.8	32.8	25%	\$53,651	\$46,518	\$48,292	\$50,602	\$53,647	\$52,325	\$44,968
Heart of Florida Legal Aid Society	2	2	4	3%	\$6,543	\$5,673	\$5,889	\$6,171	\$6,542	\$6,381	\$5,484
Lee County Legal Aid Society	4	2	8	6%	\$13,086	\$11,346	\$11,779	\$12,342	\$13,085	\$12,762	\$10,968
Legal Aid Service of Collier County	14	2	28	21%	\$45,800	\$39,711	\$41,225	\$43,197	\$45,796	\$44,668	\$38,387
Legal Aid Society of Palm Beach County	59	1	59	45%	\$96,506	\$83,676	\$86,867	\$91,023	\$96,498	\$94,121	\$80,888
Region 6											
Catholic Legal Services, Archdiocese of Miami	27	2	54	46%	\$88,328	\$76,585	\$79,505	\$52,896	\$57,259	\$55,365	\$47,581
Coast to Coast Legal Aid	19	1	19	16%	\$31,078	\$26,947	\$27,974	\$18,612	\$20,147	\$19,480	\$16,741
Legal Aid Service of Broward County	44	1	44	38%	\$71,971	\$62,403	\$64,782	\$43,101	\$46,656	\$45,113	\$38,770
Region 7											
Catholic Legal Services	9	2	18	17%	\$29,443	\$25,528	\$26,502	\$29,590	\$25,848	\$27,472	\$23,610
Community Justice Project	4	2	8	8%	\$13,086	\$11,346	\$11,779	\$13,151	\$11,488	\$12,210	\$10,493
Cuban American Bar Assn. Pro Bono	6	2	12	11%	\$19,628	\$17,019	\$17,668	\$19,727	\$17,232	\$18,315	\$15,740
Dade Legal Aid	19	2	38	36%	\$62,157	\$53,893	\$55,948	\$62,468	\$54,568	\$57,997	\$49,843
Disability Independence Group	2	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FY 21-22 IOTA Trial Run
Funding Worksheet

	# Lawyers	Weight Factor	Total Units	%	Pro Rata - Statewide	Pro Rata - Statewide (Less 230k)	Pro Rata - 80/20	Pro Rata - Poverty Reg'l	Pro Rata - Working Poor Reg'l	Both	Both Reg'l (Less 230k)
Legal Services of Greater Miami	30	1	30	28%	\$49,071	\$42,547	\$44,170	\$49,317	\$43,080	\$45,787	\$39,350
Nova Southeastern University Shepard Broad College of Law	0	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
University of Miami School of Law	13	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal:			679.2								
Statewide											
Americans for Immigrant Justice	25	1	25	29%	\$40,892	\$35,456	\$37,529	\$40,892	\$40,892	\$40,892	\$35,456
Florida Health Justice Project	3	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Florida Justice Institute	6	3	18	21%	\$29,443	\$125,000	\$52,941	\$29,443	\$29,443	\$29,443	\$125,000
Florida Legal Services	7	3	21	25%	\$34,350	\$45,000	\$61,765	\$34,350	\$34,350	\$34,350	\$45,000
Florida's Children First	1	3	3	4%	\$4,907	\$4,255	\$8,824	\$4,907	\$4,907	\$4,907	\$4,255
Innocence Project of Florida	2	3	6	7%	\$9,814	\$8,509	\$17,647	\$9,814	\$9,814	\$9,814	\$8,509
LatinoJustice PRLDEF	12	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lawyers for Children America	2	0	0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Southern Legal Counsel	4	3	12	14%	\$19,628	\$17,019	\$35,294	\$19,628	\$19,628	\$19,628	\$17,019
Subtotal:			85		\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Total:			764.2								
Regional %			88.88%								
Statewide %			11.12%								
Total Budget			\$1,250,000.00								

The 80/20 Plan	
\$1,000,000.00	80% Reg'l
\$250,000.00	20% Statewide

Weighting Guide:	
LSC with more than 30 attorneys	0.8
LSC with up to 30 attorneys	1
Regional Organization with more than 30 attorneys	1
Regional Organization with up to 30 attorneys	2
Statewide Organization with more than 20 attorneys	1
Statewide Organization with up to 20 attorneys	3

FLORIDA'S POPULATION IN POVERTY					
Region 1					
County	Population	Below Poverty Level	% in Poverty	% of Entire State	Budget Allocation for Region
Bay	177,623	23,110			
Calhoun	12,289	2,001			
Escambia	299,170	41,878			
Franklin	10,323	2,102			
Gadsden	42,318	9,032			
Gulf	12,334	1,496			
Holmes	17,711	3,785			
Jackson	39,674	7,193			
Jefferson	12,409	2,108			
Leon	278,529	54,572			
Liberty	6,874	1,425			
Okaloosa	200,915	21,572			
Santa Rosa	172,800	17,288			
Wakulla	29,407	2,193			
Walton	69,134	7,996			
Washington	22,334	5,311			
TOTAL	1,403,844	203,062	14%	7.32%	\$91,537.00
Region 2					
Alachua	254,198	52,647			
Baker	25,633	2,731			
Bradford	23,633	4,744			
Clay	213,612	20,255			
Columbia	65,897	9,299			
Dixie	15,065	2,536			
Duval	927,234	134,680			
Gilchrist	16,858	2,193			
Hamilton	11,134	2,863			
Lafayette	7,088	1,269			
Levy	40,623	7,793			
Madison	16,350	4,868			
Nassua	84,877	8,353			
St. Johns	252,701	19,562			
Suwanee	42,333	5,908			
Taylor	17,884	3,711			
Union	9,397	1,545			
TOTAL	2,024,517	284,957	14%	10.28%	\$128,454.00
Region 3					
Brevard	587,795	65,692			
Citrus	145,046	21,713			
Flagler	111,825	12,295			
Hernando	188,073	27,018			
Lake	351,408	38,990			
Marion	349,250	54,249			
Orange	1,340,469	190,145			
Osceola	361,161	48,325			
Putnam	72,345	16,235			
Seminole	462,651	45,273			
Sumter	120,348	10,538			
Volusia	535,066	70,765			
TOTAL	4,625,437	601,238	13%	21.68%	\$271,029.00

FLORIDA'S POPULATION IN POVERTY					
County	Population	Below Poverty Level	% in Poverty	% of Entire State	Budget Allocation for Region
Region 4					
Hillsborough	1,430,459	200,179			
Manatee	389,240	42,675			
Pasco	531,191	65,092			
Pinellas	955,568	110,728			
Sarasota	421,681	36,496			
TOTAL	3,728,139	455,170	12%	16.41%	\$205,184.00
Region 5					
Charlotte	182,114	19,302			
De Soto	35,403	9,200			
Glades	12,452	2,127			
Hardee	25,098	6,189			
Hendry	40,890	10,958			
Highlands	102,883	16,511			
Indian River	155,656	15,998			
Lee	747,351	88,294			
Martin	157,211	16,141			
Okeechobee	38,243	6,818			
Palm Beach	1,461,191	169,844			
Polk	691,652	104,509			
St. Lucie	317,808	41,628			
TOTAL	3,967,952	507,519	13%	18.30%	\$228,782.00
Region 6					
Broward	1,925,837	244,839			
Collier	376,077	41,222			
TOTAL	2,301,914	286,061	12%	10.32%	\$128,952.00
Region 7					
Miami Dade	2,667,927	427,130			
Monroe	73,898	7,802			
TOTAL	2,741,825	434,932	16%	15.68%	\$196,061.00
STATE TOTAL:	20,793,628	2,772,939	13%	100%	\$1,249,999.00

FLORIDA'S WORKING POOR (ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED AKA ALICE)					
Region 1					
County	Total # of Households	# Below ALICE	% Below ALICE	% of Entire State	Budget Allocation for Region
Bay	73,856	29,542	40%		
Calhoun	4,556	2,825	62%		
Escambia	118,820	54,657	46%		
Franklin	4,297	2,277	53%		
Gadsden	17,080	9,565	56%		
Gulf	5,359	3,055	57%		
Holmes	7,016	3,999	57%		
Jackson	16,894	9,799	58%		
Jefferson	5,771	2,828	49%		
Leon	113,390	55,561	49%		
Liberty	2,381	1,595	67%		
Okaloosa	79,570	31,032	39%		
Santa Rosa	63,891	20,445	32%		
Wakulla	11,068	4,206	38%		
Walton	26,432	11,894	45%		
Washington	8,484	4,836	57%		
TOTAL	558,865	248,117	44%	6.86%	\$85,788.00
Region 2					
Alachua	97,782	52,802	54%		
Baker	8,625	3,536	41%		
Bradford	8,993	4,407	49%		
Clay	75,958	28,104	37%		
Columbia	25,678	11,812	46%		
Dixie	6,520	3,912	60%		
Duval	367,238	146,895	40%		
Gilchrist	6,511	3,516	54%		
Hamilton	4,485	2,377	53%		
Lafayette	2,095	1,131	54%		
Levy	16,433	8,381	51%		
Madison	6,682	3,942	59%		
Nassua	31,241	11,247	36%		
St. Johns	90,109	30,637	34%		
Suwanee	15,083	8,296	55%		
Taylor	7,356	4,266	58%		
Union	3,892	2,024	52%		
TOTAL	774,681	327,286	42%	9.05%	\$113,162.00
Region 3					
Brevard	226,363	88,282	39%		
Citrus	62,293	33,638	54%		
Flagler	41,274	16,510	40%		
Hernando	76,163	39,605	52%		
Lake	136,366	61,365	45%		
Marion	143,441	73,155	51%		
Orange	458,157	224,497	49%		
Osceola	102,705	65,731	64%		
Putnam	28,264	16,393	58%		
Seminole	179,274	59,160	33%		
Sumter	54,636	19,123	35%		
Volusia	218,423	98,290	45%		
TOTAL	1,727,359	795,748	46%	22.01%	\$275,136.00

FLORIDA'S WORKING POOR (ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED AKA ALICE)					
County	Total # of Households	# Below ALICE	% Below ALICE	% of Entire State	Budget Allocation for Region
Region 4					
Hillsborough	540,142	226,860	42%	17.80%	\$222,515.00
Manatee	150,814	67,866	45%		
Pasco	205,128	92,308	45%		
Pinellas	405,892	186,710	46%		
Sarasota	183,721	69,814	38%		
TOTAL	1,485,697	643,558	43%	17.80%	\$222,515.00
Region 5					
Charlotte	74,975	29,990	40%	19.40%	\$242,545.00
De Soto	11,996	8,157	68%		
Glades	4,433	2,837	64%		
Hardee	7,772	4,974	64%		
Hendry	12,027	7,457	62%		
Highlands	40,573	23,127	57%		
Indian River	57,636	25,360	44%		
Lee	281,222	132,174	47%		
Martin	63,070	27,751	44%		
Okeechobee	13,759	7,980	58%		
Palm Beach	552,286	254,052	46%		
Polk	241,171	122,997	51%		
St. Lucie	118,768	54,633	46%		
TOTAL	1,479,688	701,489	47%	19.40%	\$242,545.00
Region 6					
Broward	694,980	347,490	50%	11.17%	\$139,588.00
Collier	144,172	56,227	39%		
TOTAL	839,152	403,717	48%	11.17%	\$139,588.00
Region 7					
Miami Dade	895,801	483,733	54%	13.70%	\$171,266.00
Monroe	31,362	11,604	37%		
TOTAL	927,163	495,336	53%	13.70%	\$171,266.00
STATE TOTAL:					
	7,792,605	3,615,251	46%	100%	\$1,250,000

<i>LSC's Census Data for Grantees</i>					
	County Name	Poverty Status Determined	Below Poverty Level	Poverty Rate	% Below 125% Poverty
1	Alachua County, Florida	254,198	52,647	20.7%	25.3%
2	Baker County, Florida	25,633	2,731	10.7%	
3	Bay County, Florida	177,623	23,110	13%	16.5%
4	Bradford County, Florida	23,633	4,744	20.1%	
5	Brevard County, Florida	587,795	65,692	11.2%	15.2%
6	Broward County, Florida	1,925,837	244,839	12.7%	17.3%
7	Calhoun County, Florida	12,289	2,001	16.3%	
8	Charlotte County, Florida	182,114	19,302	10.6%	15.6%
9	Citrus County, Florida	145,046	21,713	15%	19.5%
10	Clay County, Florida	213,612	20,255	9.5%	13.8%
11	Collier County, Florida	376,077	41,222	11%	14.9%
12	Columbia County, Florida	65,897	9,299	14.1%	21.5%
13	DeSoto County, Florida	35,403	9,200	26%	34.5%
14	Dixie County, Florida	15,065	2,536	16.8%	
15	Duval County, Florida	927,234	134,680	14.5%	19%
16	Escambia County, Florida	299,170	41,878	14%	18.7%
17	Flagler County, Florida	111,825	12,295	11%	15.6%
18	Franklin County, Florida	10,323	2,102	20.4%	
19	Gadsden County, Florida	42,318	9,032	21.3%	26%
20	Gilchrist County, Florida	16,858	2,193	13%	
21	Glades County, Florida	12,452	2,127	17.1%	
22	Gulf County, Florida	12,334	1,496	12.1%	
23	Hamilton County, Florida	11,134	2,863	25.7%	
24	Hardee County, Florida	25,098	6,189	24.7%	32.6%
25	Hendry County, Florida	40,890	10,958	26.8%	33.7%
26	Hernando County, Florida	188,073	27,018	14.4%	19.2%
27	Highlands County, Florida	102,883	16,511	16%	21.3%
28	Hillsborough County, Florida	1,430,459	200,179	14%	18.7%
29	Holmes County, Florida	17,711	3,785	21.4%	
30	Indian River County, Florida	155,656	15,998	10.3%	15.4%
31	Jackson County, Florida	39,674	7,193	18.1%	24%
32	Jefferson County, Florida	12,409	2,108	17%	
33	Lafayette County, Florida	7,088	1,269	17.9%	
34	Lake County, Florida	351,408	38,990	11.1%	15.6%
35	Lee County, Florida	747,351	88,294	11.8%	15.9%
36	Leon County, Florida	278,529	54,572	19.6%	23.9%
37	Levy County, Florida	40,623	7,793	19.2%	27.4%
38	Liberty County, Florida	6,874	1,425	20.7%	
39	Madison County, Florida	16,350	4,868	29.8%	
40	Manatee County, Florida	389,240	42,675	11%	16%
41	Marion County, Florida	349,250	54,249	15.5%	20.8%
42	Martin County, Florida	157,211	16,141	10.3%	14.2%
43	Miami-Dade County, Florida	2,667,927	427,130	16%	21.9%
44	Monroe County, Florida	73,898	7,802	10.6%	14.4%
45	Nassau County, Florida	84,877	8,353	9.8%	12.2%
46	Okaloosa County, Florida	200,915	21,572	10.7%	14.5%
47	Okeechobee County, Florida	38,243	6,818	17.8%	24.3%
48	Orange County, Florida	1,340,469	190,145	14.2%	19.4%
49	Osceola County, Florida	361,161	48,325	13.4%	18.9%
50	Palm Beach County, Florida	1,461,191	169,844	11.6%	15.8%
51	Pasco County, Florida	531,191	65,092	12.3%	16.9%
52	Pinellas County, Florida	955,568	110,728	11.6%	15.7%
53	Polk County, Florida	691,652	104,509	15.1%	20.3%
54	Putnam County, Florida	72,345	16,235	22.4%	31.5%

<i>LSC's Census Data for Grantees</i>					
	County Name	Poverty Status Determined	Below Poverty Level	Poverty Rate	% Below 125% Poverty
55	Santa Rosa County, Florida	172,800	17,288	10%	13.3%
56	Sarasota County, Florida	421,681	36,496	8.7%	12.1%
57	Seminole County, Florida	462,651	45,273	9.8%	12.9%
58	St. Johns County, Florida	252,701	19,562	7.7%	10.1%
59	St. Lucie County, Florida	317,808	41,628	13.1%	17.9%
60	Sumter County, Florida	120,348	10,538	8.8%	12.1%
61	Suwannee County, Florida	42,333	5,908	14%	20.1%
62	Taylor County, Florida	17,884	3,711	20.8%	
63	Union County, Florida	9,397	1,545	16.4%	
64	Volusia County, Florida	535,066	70,765	13.2%	18.1%
65	Wakulla County, Florida	29,407	2,193	7.5%	
66	Walton County, Florida	69,134	7,996	11.6%	14.4%
67	Washington County, Florida	22,334	5,311	23.8%	
	<i>Total:</i>	<i>20,793,628</i>	<i>2,772,939</i>	<i>-</i>	<i>-</i>
	<i>Average:</i>	<i>-</i>	<i>-</i>	<i>15.2%</i>	<i>19.0%</i>

Exhibit E – Proposed Weighting Guide approved by Work Group

Weighting Guide:	
LSC organizations	0.8
Regional Organization 1-19	2
Regional Organization 20-30	1.5
Regional Organization with more than 30 attorneys	1.2
Statewide Organization 1-15	3
Statewide Organization 16-24	2.5
Statewide Organization 25+	1.5



This memorandum explains the methodology developed by the Foundation relating to its use of IOTA collections for the payment of “actual costs directly incurred by the Foundation in performing the obligations imposed by the rule.” (Rule 5-1.1 (9), Rules Regulating the Florida Bar) (The IOTA rule).

Methodology for assessing IOTA ratios and remittances to FBF

1. All IOTA collections received during a given fiscal year are kept in a separate account until disbursed.¹
2. As soon as reasonably possible after the conclusion of the fiscal year ending June 30, all IOTA collections will be tallied and published showing the total amount collected along with the 85/15 division identified in the IOTA rule.
3. 85% of such collections will be distributed to qualified grantee organizations on or before December 31 of that same calendar year.
4. 15% of the collections will remain in a separate account until such time as the Foundation prepares its estimate relating to IOTA expenses for the upcoming fiscal year.
 - a. Afterwards, the resulting estimate (up to the 15% amount) will be remitted to the Foundation for its use.
 - b. If the estimate is less than 15% of the IOTA funds collected in the previous fiscal year, the difference will be kept in the separate IOTA account.
 - c. If the estimate is greater than the 15% of the IOTA funds collected in the previous year, the Foundation may decide to petition the Court for a larger allowance per the rule. While it may receive up to 15% of the IOTA funds collected in the previous fiscal year, it will not take an amount greater than 15% absent express permission from the Court.

¹ See Rule 5-1.1(8), Rule Regulating the Florida Bar. Consideration is underway whether those funds should be invested in the interim. In the event such funds are to be invested for the benefit of the IOTA Program, they will be invested separately from all other funds.

5. Timesheets will be kept by all Foundation employees for determining actual ratios relating to time spent by FBF personnel (Timesheets were created, staff has been trained and test runs have been ongoing).
 - a. Time sheets will be monitored and tracked throughout the fiscal year.
 - b. A final analysis of the time sheets will be prepared after the end of the upcoming fiscal year to determine the actual ratios relating to time spent on IOTA vs. non-IOTA related matters.
6. At or around the conclusion of the following fiscal year, the Foundation will “true up” its previous IOTA-related estimate with the “actual costs directly incurred by the Foundation in performing the obligations imposed by the rule” for that fiscal year.
 - a. If the resulting “true up” number is lower than the previous estimate amount, then the Foundation will return the difference to the separate IOTA account.
 - b. If the resulting number is greater than the previous estimate amount, then the Foundation will take the difference between the previous estimate amount and the funds remaining, if any, in the 15% amount of IOTA collections from the preceding fiscal year.
 - c. The Foundation may also petition the Court for additional monies if the actual cost to administer the IOTA rule exceeds 15% of the IOTA funds collected during the preceding fiscal year.

IOTA expense estimates – calculation methods

Three methods have been identified as possible approaches to determine IOTA ratios and resulting estimates for direct expenses related to administering the IOTA program for an upcoming fiscal year. Each method is explained below with resulting estimated amounts shown.²

1. Manual review of job descriptions and operating budget line items

This process starts with analysis of the job duties and responsibilities of each Foundation employee as such relate to the IOTA rule which results in an IOTA/non-IOTA

² While these amounts vary, the Foundation recognizes that direct expenses required to administer the IOTA funds must not exceed 15% of collected IOTA funds in any fiscal year without the Court’s prior approval.

expense ratio ("staffing ratio")³. That ratio is then applied to the Foundation's payroll and related costs (benefits, taxes, retirement and workers compensation) budgeted for the upcoming fiscal year. It is also used in the next step when assigning values to budget line items.

Thereafter, a line-by-line analysis of the remaining operating costs contained in the Foundation's proposed operating budget for the upcoming fiscal year⁴ is performed. Each line item is assigned a value depending on whether the cost item qualifies as a direct expense in carrying out the obligations imposed by the rule. The following values are then used.

- a. Yes – 100%
- b. No – 0%
- c. Both/Mixed⁵ – current year's staffing ratio.

This method results in a \$1,467,714 estimate for FY22-23.

Exhibit A shows the calculations and resulting estimated amount using this year's staffing ratio.

2. Code of Federal Regulations application

An analysis of the Code of Federal Regulations⁶ reveals that Congress allows Legal Services Corporation civil legal aid providers to charge 100% of staff salaries for executive and other positions essential to the organization. Using this analysis results in a 73/27 (IOTA/non-IOTA) cost ratio.

Exhibit B shows the application of this method, which results in \$1,824,224 for estimated IOTA expenses for the upcoming fiscal year.

3. Historical income streams application

Another approach involves applying a ratio based on the amount of IOTA funds received as a percentage of total income. The rationale for such approach is to attempt to gauge such percentage as a function of the overall effort and resources required to

³ This analysis evaluates the current staff in place and may change each year, especially with the implementation of staff timesheets. The ratio that resulted from this exercise this year is 57/43.

⁴ If approved by the Board on June 23, the Foundation's proposed operating budget for FY22-23 is expected to be \$2,509,775.

⁵ An expense that is shared universally and cannot be specifically assigned was classified as "both/mixed." Some examples of such type expenses include rent/lease payments, office supplies, IT costs, office equipment, insurance, etc.

⁶ See 45 CFR § 1630.3(e).

administer collected revenues used to fund grants, awards and program-related costs.⁷ Since 1982, IOTA funds have represented 81.1% of Foundation income as reflected below.

Audited records through FY 20-21 indicate:

Total IOTA Contributions	\$511,017,334
<u>Total Other Revenues</u>	<u>\$118,989,583</u>
Total Revenues	\$630,006,917
Grants Awarded	\$520,199,978
Program-Related Expenses	\$ 13,802,701
M&G Expenses	\$ 60,468,674
<u>FR Expenses</u>	<u>\$ 5,674,909</u>
Total Expenses	\$600,146,262

Thus, IOTA revenues constitute 81.1% of total revenues received by the Foundation.

Using this approach results in \$2,035,428 for estimated IOTA expenses for the upcoming fiscal year (FY22-23 budget of \$2,509,775 million * 81.1% = \$2,035,428.).

⁷ Program Related Expenses are monies paid to grantees to assist grantees that are NOT actual grants.

EXHIBIT A

Pro Forma - Projected Payroll Budget FY 2022-23 Summary - IOTA vs Non-IOTA Expenses

	IOTA	Non-IOTA	Total
Payroll & Related	\$797,196	\$593,339	\$1,390,535
	57.3%	42.7%	100.0%
Department Costs (non-payroll)	\$670,518	\$448,722	\$1,119,240
	59.9%	40.1%	100.0%
Total 22-23 Pro Forma Budget	\$1,467,714	\$1,042,061	\$2,509,775
	58.5%	41.5%	100.0%

EXHIBIT B

Pro Forma - Projected Payroll Budget FY 2022-23 Summary -- CFR Method -- IOTA vs Non-IOTA Expenses

	IOTA	Non-IOTA	Total
Payroll & Related	\$1,153,706	\$236,829	\$1,390,535
	83.0%	17.0%	100.0%
Department Costs (non-payroll)	\$670,518	\$448,722	\$1,119,240
	59.9%	40.1%	100.0%
Total 22-23 Pro Forma Budget	\$1,824,224	\$685,551	\$2,509,775
	72.7%	27.3%	100.0%

Exhibit G – Template – Initial Report to Court (Outline)

IOTA Rule – First Report – Outline















Introductory explanation that Foundation's first report may not be due until Spring or Summer 2024 because IOTA funds were first distributed under amended rule on or before December 31, 2022.

Grantees' need time to expend such funds and record performance metrics. Historically, one year is the minimum amount of time for such process. FBF is nevertheless providing this interim report to inform the Court of its efforts in implementing the amended rule as quickly, completely and efficiently as possible.

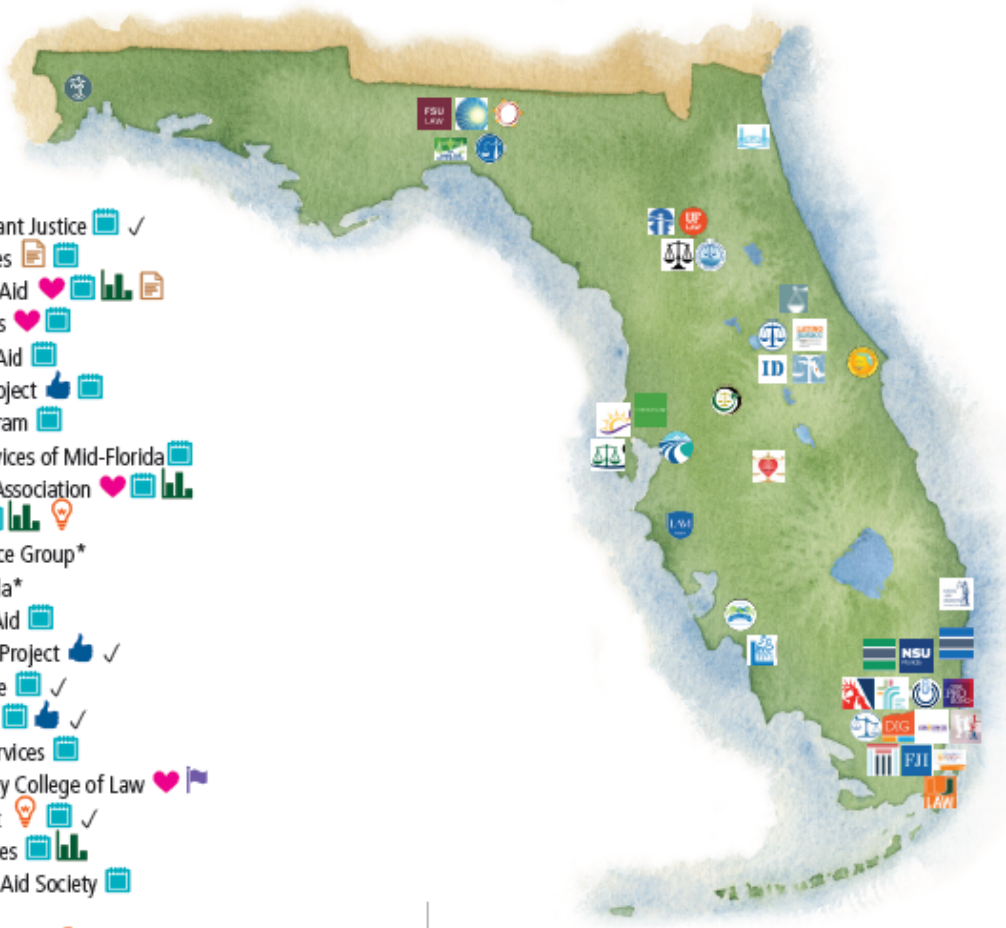
- Auditor:
 - Will verify
 - Funds were kept separated **(8)**
 - May need MS verification as well
 - Separated funds were/were not invested
 - If invested
 - 85/15/100 basis
 - Types of investments (risk tolerance level)
 - Performance of investments
 - Party(ies) that bore risk of loss of investment
 - Party(ies) that enjoyed gains
 - Amounts collected/received in FY 21-22 **(10)(A)**
 - 85% for grantee distribution
 - 15% for FBF direct expenses – to be used in 22-23 FY budget
 - A detailed breakdown of direct expenses required to administer the IOTA funds **(10)(B)**
 - Detailed breakdown of direct expenses will not be provided because they will not be accumulated at that point in time
 - However, will provide annual operating budget with IOTA/Non-IOTA breakdown and ratios
 - SHOW 22-23 FY budget
 - May have deducted those expenses based on annual budget adopted in June 22.
 - Amount of IOTA funds distributed to date **(10)(C)**
 - Identity of IOTA funds recipients and amounts received **(10)(D)**
- Description of current objective standards developed **(10) (E)**
 - All sources of income **(10)(F)**
- Description of selection process for current recipients
- Will not include grantee data – funds not yet baked **(10)(G)**
- Description of Fair Distribution Plan (not required)
- Prospective/expected date(s) for grantee reports
- LRAP distributions not yet required, but will provide listing of all LRAP recipients currently funded (using pre-amendment monies) **(10) (H)**
- Any other information the court has determined is relevant or specifically indicated it wants.

Exhibit G - Existing FBF network – August 2022

Current Foundation Grantees

-  Americans for Immigrant Justice 
-  Bay Area Legal Services 
-  Brevard County Legal Aid  
-  Catholic Legal Services 
-  Coast to Coast Legal Aid 
-  Community Justice Project 
-  Community Law Program 
-  Community Legal Services of Mid-Florida 
-  Cuban American Bar Association   
-  Dade Legal Aid    
-  Disability Independence Group*
-  Disability Rights Florida*
-  Emerald Coast Legal Aid 
-  Florida Health Justice Project  
-  Florida Justice Institute 
-  Florida Legal Services  
-  Florida Rural Legal Services 
-  Florida State University College of Law  
-  Florida's Children First  
-  Gulfcoast Legal Services  
-  Heart of Florida Legal Aid Society 
-  IDignity 
-  Innocence Project of Florida  
-  Jacksonville Area Legal Aid  
-  LatinoJustice PRLDEF* 
-  Lawyers for Children America 
-  Lee County Legal Aid Society 
-  Legal Aid Foundation of the Tallahassee Bar Association 
-  Legal Aid of Manasota 
-  Legal Aid Service of Broward County 
-  Legal Aid Service of Collier County 
-  Legal Aid Society of Orange County Bar Association   
-  Legal Aid Society of Palm Beach County 
-  Legal Services of Greater Miami  
-  Legal Services of North Florida   
-  Nova Southeastern University Shepard Broad College of Law 
-  Seminole County Bar Association Legal Aid Society  
-  Southern Legal Counsel   
-  Stetson College of Law Veterans Law Institute *
- Three Rivers Legal Services  
- University of Florida Levin College of Law *
- University of Miami School of Law

Updated August 2022



Grant Types & Cycles:

-  Children's Legal Services
July 1, 2022 - June 30, 2023
-  Improvements in Administration of Justice
April 1, 2022 - March 31, 2023
-  Community Economic Development 2020 grants
(extended through June 30, 2023)
-  Equal Justice Works Fellow Host
Classes of 2020-22 and 2021-23
-  Engle Grant Program 2019-21
(BALS and Brevard extended to 9/30/22;
JALA extended to 3/31/23)
-  Law School Civil Clinics
July 1, 2022 - June 30, 2023
-  IOTA Trial Run Distributions
July 1, 2022 - February 28, 2023

* Not current recipient, but has received funding in past
✓ Statewide provider

END OF DOCUMENT