



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



# FFLA

FUNDING FLORIDA LEGAL AID

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

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### **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 FFLA 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, FFLA 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 programs<sup>1</sup>, 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.

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<sup>1</sup> 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.

On September 9, 2022, in conjunction with its quarterly meeting, the full Board received comments from numerous grantee organizations and their 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 FFLA using other sources of income and revenues

### 2. Core Values

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

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<sup>2</sup> Article 3.1 of FFLA's Amended and Restated Articles of Corporation state that the purpose of FFLA is, "exclusive for charitable, educational, and scientific purposes under section 501(c)(3) of the Internal

FFLA’s current mission statement is “to provide greater access to justice.”<sup>3</sup> Stated succinctly, FFLA funds, develops, and promotes services to meet the legal needs of people in Florida. In doing so, FFLA helps increase access to the justice system for the protection and preservation of individual rights, especially Due Process.<sup>4</sup>

### 3. Budget, Funding & Expenses

The amended rule does not change FFLA’s process or duty to establish a reasonable and responsible annual budget. FFLA’s duty is to adopt a budget that provides sufficient resources for FFLA 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.

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Revenue Code, or the corresponding section of any future federal tax code (the "Code") 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.”

<sup>3</sup> The entire mission statement that appears on FFLA’s website reads,

“The mission of FFLA, 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.”

<sup>4</sup> 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 FFLA 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, FFLA will have to fund those expenses from other sources unless the Court grants an additional allowance.<sup>5</sup>

#### 4. IOTA Administration and Operations

The amended rule impacts FFLA's overall operations and increases FFLA's duties as Florida's IOTA administrator. Consequently, FFLA 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, FFLA:

- 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;
- Began the process to identify and quantify all direct expenses, actual costs and overhead expenses of FFLA directly related to fulfilling its obligations under the amended rule;<sup>6</sup>

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<sup>5</sup> *Equally as important, the amendments do not disturb FFLA's ability to carry out its mission using funds from other sources, including its existing funds. The largest threat to FFLA'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 FFLA are virtually invisible to, and misunderstood by, most people.*

*Consequently, FFLA 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 FFLA'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.*

<sup>6</sup> Section (g)(1)(l) of the amended rule provides,

- 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 FFLA's public platforms and provided to the Court, The Florida Bar and all of FFLA's current grantees.

## **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

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(l) “Direct expenses required to administer the IOTA funds” means those actual costs directly incurred by FFLA 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 FFLA'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 FFLA 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 FFLA to increase the amount of IOTA funds available for distribution;
- (ii) funding of reserves deemed by FFLA 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).

legal services by qualified legal services providers and that has experience in successfully doing so.<sup>7</sup>

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

Lastly, Section (g)(8) of the amended rule provides, “[t]he FFLA 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 FFLA policies, grant assurances, procedures, and performance requirements; and
5. Show upon request:
  - a. Satisfactory proof of financial stability and independence apart from FFLA funding;
  - b. Satisfactory proof of proper governance and internal controls; and
  - c. Satisfactory proof of subject matter expertise and competency required for a particular grant, award or project.

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<sup>7</sup> See Section (g)(1)(F) of the amended rule.

<sup>8</sup> “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).

<sup>9</sup> 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).

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 Corporation<sup>10</sup> and commonly understood by existing FFLA grantees and FCLAA members, will be preferred over other services directly provided.

FFLA 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 FFLA 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.

## **FAIR DISTRIBUTION PLAN**

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<sup>10</sup> 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>

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

FFLA 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 FFLA per its request and surveys to all grantees and FCLAA.<sup>12</sup>

There are several approaches available for distributing IOTA funds to qualified grantees as long as FFLA 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 FFLA and approved by the Court.

FFLA 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*

FFLA 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 FFLA's finance department. It is published on FFLA's website and is available upon request.

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

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<sup>11</sup> “[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).

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

Within 30 days after the end of each fiscal year, FFLA will prepare and publish an IOTA Collections Public Notice.<sup>13</sup>

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

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<sup>13</sup> Attached as **Exhibit B** is FFLA's IOTA Collections Public Notice it prepared for FY21-22.

- 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.<sup>14</sup>

Qualified grantees will receive pro rata distribution of available IOTA funds based on 1) a regional basis<sup>15</sup> 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 FFLA 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-current weighting scale. **Exhibit E** is the current, proposed Weighting Guide approved by the Work Group on October 18.

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<sup>14</sup> 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.

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

## B. Pro bono funding

Pro bono funding will be made available to non-LSC grantees<sup>16</sup> 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 FFLA 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 FFLA'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 allocated<sup>17</sup> but not used for pro bono funding 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.

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<sup>16</sup> 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.

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

C. Annual Competitive grants will be identified and allocated per FFLA's existing policies and practices. Applications will be processed, scored and awarded per FFLA'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 FFLA'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. FFLA's obligations**

In addition to providing the Court with a copy of the annual audit of IOTA funds, FFLA 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 FFLA 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 advisor<sup>18</sup> 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:

- a. The definition and scope of “direct expense” and “overhead” issues as provided for in the amended rule.

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

- 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 FFLA directly related to fulfilling its obligations under [the amended rule.]”<sup>19</sup>

### 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, FFLA 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)<sup>20</sup> of the amended rule on or

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<sup>19</sup> 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.

<sup>20</sup> Rule 5-1.1(g)(11) provides,

“Qualified grantee organizations must annually certify to FFLA 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;
- (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;

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 FFLA. FFLA 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, FFLA will submit its initial report and certification to the Court on or about March 30, 2023 in a form consistent with **Exhibit G**.

Thereafter, FFLA 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. FFLA's Due Diligence Responsibilities

Suggested dates, beginning 2024:

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

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

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(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.”

asked to do so by the Court. It will report to the Court all written justifications submitted.

FFLA 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.

FFLA 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.<sup>21</sup> However, reports from such qualified grantee organizations are expected to be understandably shorter.

FFLA 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**

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<sup>21</sup>Section (g)(11) of the amended rule provides,

“Qualified grantee organizations must annually certify to FFLA 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 FFLA. For instance, all existing Grantees receive program related expenses from FFLA such as Westlaw and Legal Server case management subsidies. These subsidies will be paid for by FFLA using IOTA collections per the amended rule. A copy of the current FFLA 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 | <a href="https://www.dropbox.com/s/rcwtieublf1in2/FBF%20CSR%20Guide%20ReIssue%202017%20with%20Outcomes.pdf?dl=0">https://www.dropbox.com/s/rcwtieublf1in2/FBF%20CSR%20Guide%20ReIssue%202017%20with%20Outcomes.pdf?dl=0</a>  |
| A 3-year average of the Legal Services Corporation (LSC) allocations to each region   | <a href="https://lsc-live.app.box.com/s/7fwyj3kxukm9aafnhoesjezeqfqqvkhk">https://lsc-live.app.box.com/s/7fwyj3kxukm9aafnhoesjezeqfqqvkhk</a>  |
| American Community Survey   | <a href="https://www.census.gov/programs-surveys/acs">https://www.census.gov/programs-surveys/acs</a>  |
| The U.S. DOJ's Bureau of Justice provides data on incarceration rates   | <a href="https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/cpus19st.pdf">https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/cpus19st.pdf</a>  |
| Working Poor – United Way of Florida publishes the ALICE IN FLORIDA: A Financial Hardship Study                               | <a href="https://www.uwof.org/sites/uwof.org/files/2020ALICEHighlightsReport_FL_FINAL-4.15.20.pdf">https://www.uwof.org/sites/uwof.org/files/2020ALICEHighlightsReport_FL_FINAL-4.15.20.pdf</a>  |
| DHS, Office of Immigration Statistics. PEW Research Center  | <a href="https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/">https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/</a><br><a href="https://www.pewresearch.org/fact-tank/2021/04/13/key-facts-about-the-changing-u-s-unauthorized-immigrant-population/">https://www.pewresearch.org/fact-tank/2021/04/13/key-facts-about-the-changing-u-s-unauthorized-immigrant-population/</a> |
| Data on children in Florida's child welfare system and generally  | <a href="https://datacenter.kidscount.org/data#FL/2/0/char/0">https://datacenter.kidscount.org/data#FL/2/0/char/0</a><br><a href="https://myflfamilies.com/programs/childwelfare/dashboard/index.shtml">https://myflfamilies.com/programs/childwelfare/dashboard/index.shtml</a>   |
| LGBTQ - Williams Institute at UCLA data by state.   | <a href="https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&amp;area=12#density">https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&amp;area=12#density</a>  |
| Homeless: US Interagency Council on Homelessness  | <a href="https://www.usich.gov/homelessness-statistics/fl">https://www.usich.gov/homelessness-statistics/fl</a>  |

|  |   |
|--|---|
| Florida's Population in Poverty  | <a href="https://www.census.gov/quickfacts/fact/table/FL/IPE120221">https://www.census.gov/quickfacts/fact/table/FL/IPE120221</a>   |
| Florida's Working Poor (Asset Limited, Income Constrained, Employed AKA Alice) | <a href="https://www.unitedforalice.org/state-overview/florida">https://www.unitedforalice.org/state-overview/florida</a>   |
| Persons in Poverty & Poverty Rate  | <a href="https://data.census.gov/cedsci/table?hidePreview=true&amp;table=S1701&amp;tid=ACSST5Y2020.S1701&amp;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&amp;moe=false">https://data.census.gov/cedsci/table?hidePreview=true&amp;table=S1701&amp;tid=ACSST5Y2020.S1701&amp;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&amp;moe=false</a> |
| ALICE: A Study of Financial Hardship in Florida                                | <a href="https://uwcf.org/2020-alice-report/#:~:text=ALICE%20in%20Florida%3A%20A%20Financial,an%20infant%20and%20a%20preschooler">https://uwcf.org/2020-alice-report/#:~:text=ALICE%20in%20Florida%3A%20A%20Financial,an%20infant%20and%20a%20preschooler</a>   |
| % of Population with Income < 125% Poverty                                     | <a href="https://data.census.gov/cedsci/table?hidePreview=true&amp;table=S1703&amp;tid=ACSST5Y2020.S1703&amp;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&amp;moe=false">https://data.census.gov/cedsci/table?hidePreview=true&amp;table=S1703&amp;tid=ACSST5Y2020.S1703&amp;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&amp;moe=false</a> |
| FACTS ABOUT FLORIDA'S PRISONERS  | <a href="https://www.project180reentry.org/statistics/">https://www.project180reentry.org/statistics/</a>   |
| About the Florida Department of Corrections                                    | <a href="http://www.dc.state.fl.us/about.html#:~:text=The%20Florida%20Department%20of%20Corrections%20(FDC)%20is%20the%20third%20largest,active%20community%20supervision%20(probation)">http://www.dc.state.fl.us/about.html#:~:text=The%20Florida%20Department%20of%20Corrections%20(FDC)%20is%20the%20third%20largest,active%20community%20supervision%20(probation)</a>   |
| Migrant Farmworker Housing   | <a href="https://www.floridahealth.gov/environmental-health/migrant-farmworker-housing/index.html#:~:text=150%2C000%20to%20200%2C000%20migrant%20and,travel%20and%20work%20in%20Florida.">https://www.floridahealth.gov/environmental-health/migrant-farmworker-housing/index.html#:~:text=150%2C000%20to%20200%2C000%20migrant%20and,travel%20and%20work%20in%20Florida.</a>   |
| Immigration and Agriculture  | <a href="https://research.newamericaneconomy.org/report/immigration-and-agriculture/">https://research.newamericaneconomy.org/report/immigration-and-agriculture/</a>   |

## **Exhibit B – IOTA Collections Public Notice FY21-22**

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### **Public notice – FFLA: FY21-22 IOTA funds collections**

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

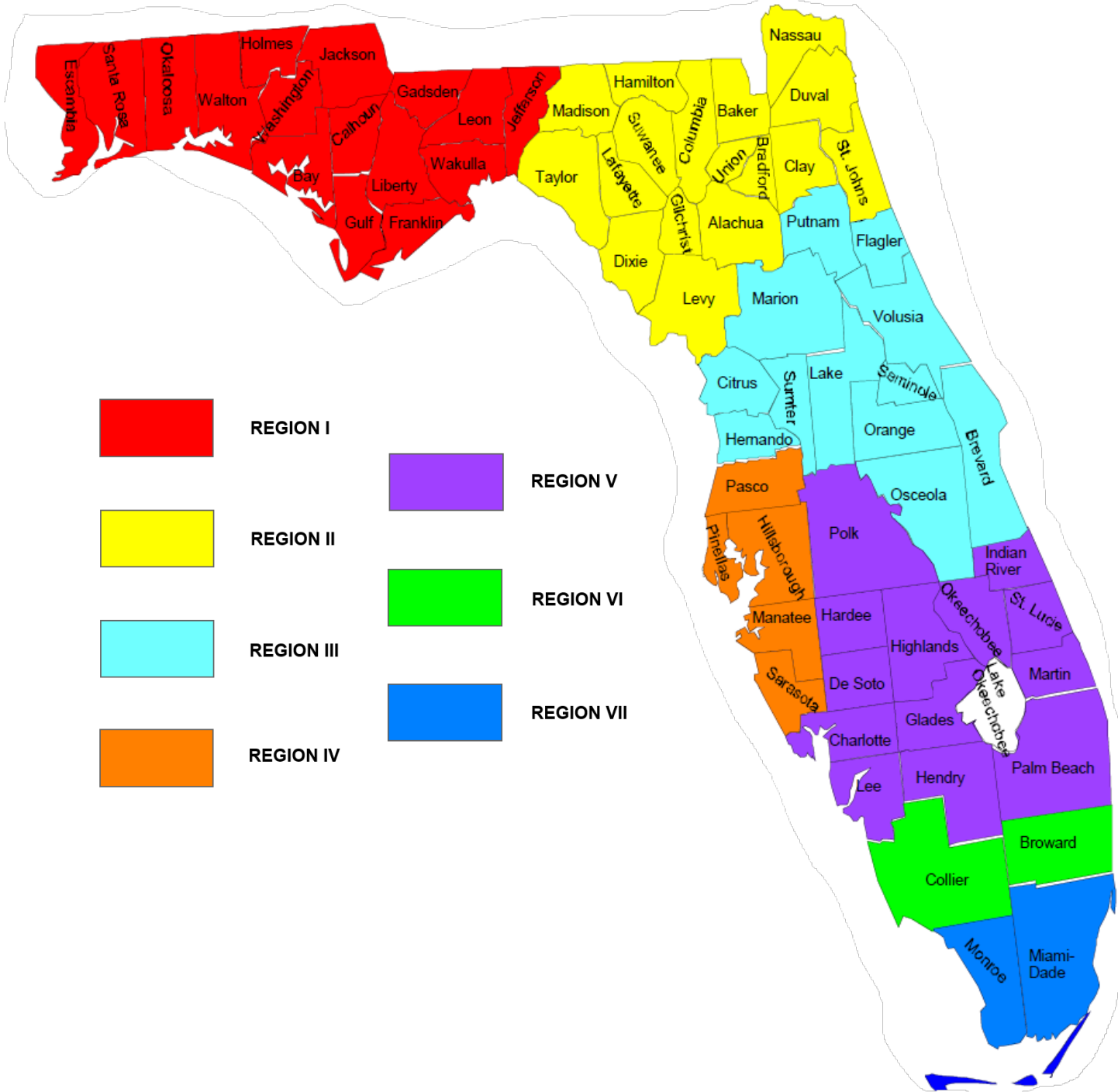
In accordance with Rule 5.1-1(g)(8), FFLA will, on or before December 31, 2022 distribute to 1 or more qualified grantee organizations all IOTA funds collected during FY21-22 except for direct expenses required to administer the IOTA funds, funds required to fund the Loan Repayment Assistance Program,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

FFLA 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) |
|---|-----------|---------------|-------------|-----|----------------------|----------------------------------|------------------|--------------------------|-------------------------------|----------|------------------------|
| <b>Region 1</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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                    |
| <b>Region 2</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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                    |
| <b>Region 3</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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               |
| <b>Region 4</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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                    |
| <b>Region 5</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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               |
| <b>Region 6</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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               |
| <b>Region 7</b>                                   |           |               |             |     |                      |                                  |                  |                          |                               |          |                        |
| 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                    |
| <b>Subtotal:</b>  |           |               | 679.2          |     |                      |                                  |                  |                          |                               |             |                        |
| <b>Statewide</b>  |           |               |                |     |                      |                                  |                  |                          |                               |             |                        |
| 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                |
| LatnoJustice PRIDE  | 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               |
| <b>Subtotal:</b>  |           |               | 85             |     | \$1,250,000          | \$1,250,000                      | \$1,250,000      | \$1,250,000              | \$1,250,000                   | \$1,250,000 | \$1,250,000            |
| <b>Total:</b>   |           |               | 764.2          |     |                      |                                  |                  |                          |                               |             |                        |
| <b>Regional %</b>   |           |               | 88.88%         |     |                      |                                  |                  |                          |                               |             |                        |
| <b>Statewide %</b>  |           |               | 11.12%         |     |                      |                                  |                  |                          |                               |             |                        |
| <b>Total Budget</b>                                       |           |               | \$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               |              |                   |                              |
| <b>TOTAL</b> | <b>1,403,844</b> | <b>203,062</b>      | <b>14%</b>   | <b>7.32%</b>      | <b>\$91,537.00</b>           |
| 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               |              |                   |                              |
| <b>TOTAL</b> | <b>2,024,517</b> | <b>284,957</b>      | <b>14%</b>   | <b>10.28%</b>     | <b>\$128,454.00</b>          |
| 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              |              |                   |                              |
| <b>TOTAL</b> | <b>4,625,437</b> | <b>601,238</b>      | <b>13%</b>   | <b>21.68%</b>     | <b>\$271,029.00</b>          |

| FLORIDA'S POPULATION IN POVERTY |                   |                     |              |                   |                              |
|---------------------------------|-------------------|---------------------|--------------|-------------------|------------------------------|
| County                          | Population        | Below Poverty Level | % in Poverty | % of Entire State | Budget Allocation for Region |
| <b>Region 4</b>                 |                   |                     |              |                   |                              |
| 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              |              |                   |                              |
| <b>TOTAL</b>                    | <b>3,728,139</b>  | <b>455,170</b>      | <b>12%</b>   | <b>16.41%</b>     | <b>\$205,184.00</b>          |
| <b>Region 5</b>                 |                   |                     |              |                   |                              |
| 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              |              |                   |                              |
| <b>TOTAL</b>                    | <b>3,967,952</b>  | <b>507,519</b>      | <b>13%</b>   | <b>18.30%</b>     | <b>\$228,782.00</b>          |
| <b>Region 6</b>                 |                   |                     |              |                   |                              |
| Broward                         | 1,925,837         | 244,839             |              |                   |                              |
| Collier                         | 376,077           | 41,222              |              |                   |                              |
| <b>TOTAL</b>                    | <b>2,301,914</b>  | <b>286,061</b>      | <b>12%</b>   | <b>10.32%</b>     | <b>\$128,952.00</b>          |
| <b>Region 7</b>                 |                   |                     |              |                   |                              |
| Miami Dade                      | 2,667,927         | 427,130             |              |                   |                              |
| Monroe                          | 73,898            | 7,802               |              |                   |                              |
| <b>TOTAL</b>                    | <b>2,741,825</b>  | <b>434,932</b>      | <b>16%</b>   | <b>15.68%</b>     | <b>\$196,061.00</b>          |
| <b>STATE TOTAL:</b>             | <b>20,793,628</b> | <b>2,772,939</b>    | <b>13%</b>   | <b>100%</b>       | <b>\$1,249,999.00</b>        |

**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%           |                   |                              |
| <b>TOTAL</b> | <b>558,865</b>        | <b>248,117</b> | <b>44%</b>    | <b>6.86%</b>      | <b>\$85,788.00</b>           |
| 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%           |                   |                              |
| <b>TOTAL</b> | <b>774,681</b>        | <b>327,286</b> | <b>42%</b>    | <b>9.05%</b>      | <b>\$113,162.00</b>          |
| Region 3     |                       |                |               |                   |                              |
| Brevard      | 226,363               | 88,282         | 39%           |                   |                              |
| Citrus       | 62,293                | 33,638         | 54%           |                   |                              |
| Flagler      | 41,274                | 16,510         | 40%           |                   |                              |
| Hermando     | 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%           |                   |                              |
| <b>TOTAL</b> | <b>1,727,359</b>      | <b>795,748</b> | <b>46%</b>    | <b>22.01%</b>     | <b>\$275,136.00</b>          |

| 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 |
| <b>Region 4</b>  |                       |                  |               |                   |                              |
| Hillsborough   | 540,142               | 226,860          | 42%           |                   |                              |
| Manatee  | 150,814               | 67,866           | 45%           |                   |                              |
| Pasco  | 205,128               | 92,308           | 45%           |                   |                              |
| Pinellas   | 405,892               | 186,710          | 46%           |                   |                              |
| Sarasota   | 183,721               | 69,814           | 38%           |                   |                              |
| <b>TOTAL</b>   | <b>1,485,697</b>      | <b>643,558</b>   | <b>43%</b>    | <b>17.80%</b>     | <b>\$222,515.00</b>          |
| <b>Region 5</b>  |                       |                  |               |                   |                              |
| Charlotte  | 74,975                | 29,990           | 40%           |                   |                              |
| 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%           |                   |                              |
| <b>TOTAL</b>   | <b>1,479,688</b>      | <b>701,489</b>   | <b>47%</b>    | <b>19.40%</b>     | <b>\$242,545.00</b>          |
| <b>Region 6</b>  |                       |                  |               |                   |                              |
| Broward  | 694,980               | 347,490          | 50%           |                   |                              |
| Collier  | 144,172               | 56,227           | 39%           |                   |                              |
| <b>TOTAL</b>   | <b>839,152</b>        | <b>403,717</b>   | <b>48%</b>    | <b>11.17%</b>     | <b>\$139,588.00</b>          |
| <b>Region 7</b>  |                       |                  |               |                   |                              |
| Miami Dade   | 895,801               | 483,733          | 54%           |                   |                              |
| Monroe   | 31,362                | 11,604           | 37%           |                   |                              |
| <b>TOTAL</b>   | <b>927,163</b>        | <b>495,336</b>   | <b>53%</b>    | <b>13.70%</b>     | <b>\$171,266.00</b>          |
| <b>STATE TOTAL:</b>  | <b>7,792,605</b>      | <b>3,615,251</b> | <b>46%</b>    | <b>100%</b>       | <b>\$1,250,000</b>           |

**LSC's Census Data for Grantees**

|    | <b>County Name</b>           | <b>Poverty Status Determined</b> | <b>Below Poverty Level</b> | <b>Poverty Rate</b> | <b>% Below 125% Poverty</b> |
|----|------------------------------|----------------------------------|----------------------------|---------------------|-----------------------------|
| 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%                       |

| <b>LSC's Census Data for Grantees</b> |                            |                                  |                            |                     |                             |
|---------------------------------------|----------------------------|----------------------------------|----------------------------|---------------------|-----------------------------|
|                                       | <b>County Name</b>         | <b>Poverty Status Determined</b> | <b>Below Poverty Level</b> | <b>Poverty Rate</b> | <b>% Below 125% Poverty</b> |
| 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%               |                             |
|                                       | <b>Total:</b>              | <b>20,793,628</b>                | <b>2,772,939</b>           | <b>-</b>            | <b>-</b>                    |
|                                       | <b>Average:</b>            | <b>-</b>                         | <b>-</b>                   | <b>15.2%</b>        | <b>19.0%</b>                |

**Exhibit E – Proposed Weighting Guide approved by Work Group**

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| <b>Weighting Guide:</b>                           |     |
|---|-----|
| 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.<sup>1</sup>
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.

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<sup>1</sup> 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.<sup>2</sup>

#### **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

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<sup>2</sup> 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")<sup>3</sup>. 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 year<sup>4</sup> 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/Mixed<sup>5</sup> – 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 Regulations<sup>6</sup> 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

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<sup>3</sup> 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.

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

<sup>5</sup> 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.

<sup>6</sup> See 45 CFR § 1630.3(e).

administer collected revenues used to fund grants, awards and program-related costs.<sup>7</sup> 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        |
| <br>                        |                      |
| 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.).

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<sup>7</sup> 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**

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

## **EXHIBIT B**

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

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

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

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



















































































### IOTA Rule – First Report – Outline

Introductory explanation that FFLA'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. FFLA 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.

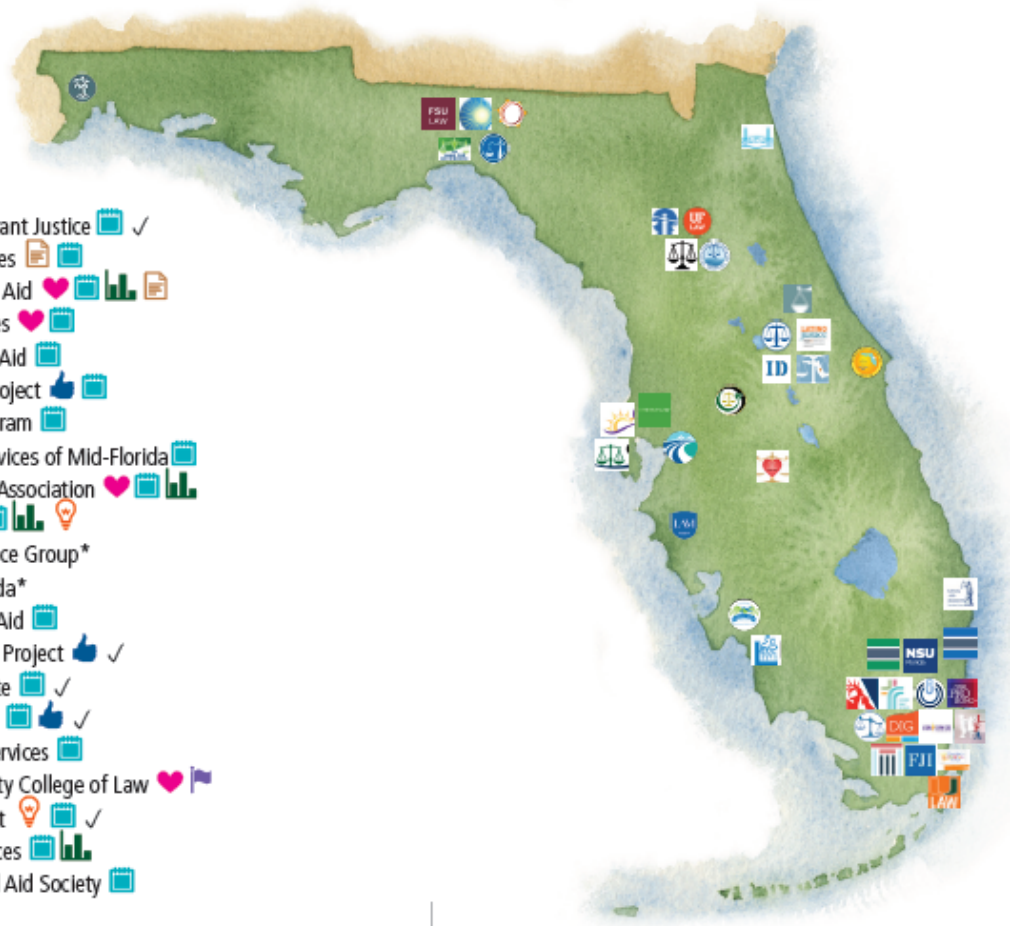
- Auditor:
  - Will verify
    - Funds were kept separated **(8)**
      - May need MS verification as well
    - Separated funds were/were not invested
      - If invested
        - 85/15/100 basis
        - Types of investments (risk tolerance level)
        - Performance of investments
        - Party(ies) 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 FFLA 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 H - Existing FFLA 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**