

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 172

INTRODUCER: Senators Bean and Gibson

SUBJECT: Florida Endowment for Vocational Rehabilitation

DATE: April 10, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Sikes</u>	<u>ED</u>	<b>Favorable</b>
2.	<u>Underhill</u>	<u>Elwell</u>	<u>AED</u>	<b>Recommend: Favorable</b>
3.	<u>Underhill</u>	<u>Kynoch</u>	<u>AP</u>	<b>Favorable</b>

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**I. Summary:**

SB 172 saves from repeal the Florida Endowment for Vocational Rehabilitation (The Able Trust), which is a direct-support organization for the Division of Vocational Rehabilitation in the Department of Education.

The bill has no impact on state revenues or expenditures.

The bill takes effect upon becoming law.

**II. Present Situation:**

**Citizen Support Organizations and Direct-Support Organizations**

Citizen support organizations (CSOs) and direct-support organizations (DSOs) are statutorily created private entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. The functions and purpose of a CSO or DSO are prescribed by its enacting statute and, for most, by a written contract with the agency the CSO or DSO was created to support.

***CSO and DSO Transparency and Reporting Requirements***

In 2014, the Legislature created s. 20.058, F.S., establishing a comprehensive set of transparency and reporting requirements for CSOs and DSOs that are created or authorized pursuant to law or executive order and created, approved, or administered by a state agency.<sup>1</sup> Specifically, the law requires each CSO and DSO to annually submit, by August 1, the following information related to its organization, mission, and finances to the agency it supports:<sup>2</sup>

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<sup>1</sup> Section 3, ch. 2014-96, L.O.F.

<sup>2</sup> Section 20.058(1), F.S.

- The name, mailing address, telephone number, and website address of the organization;
- The statutory authority or executive order that created the organization;
- A brief description of the mission of, and results obtained by, the organization;
- A brief description of the organization's plans for the next three fiscal years;
- A copy of the organization's code of ethics; and
- A copy of the organization's most recent federal Internal Revenue Service (IRS) Return of Organization Exempt from Income Tax form (Form 990).<sup>3</sup>

Each agency receiving the above information must make the information available to the public through the agency's website. If the CSO or DSO maintains a website, the agency's website must provide a link to the website of the CSO or DSO.<sup>4</sup> Additionally, any contract between an agency and a CSO or DSO must be contingent upon the CSO or DSO submitting and posting the information.<sup>5</sup> If a CSO or DSO fails to submit the required information for two consecutive years, the agency must terminate the contract with the CSO or DSO.<sup>6</sup> The contract must also include a provision for ending operations and returning state-issued funds to the state if the authorizing statute is repealed, the contract is terminated, or the organization is dissolved.<sup>7</sup>

By August 15 of each year, the agency must report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability (OPPAGA) the information provided by the CSO or DSO. The report must also include a recommendation by the agency, with supporting rationale, to continue, terminate, or modify the agency's association with each CSO or DSO.<sup>8</sup>

Finally, a law creating or authorizing the creation of a CSO or DSO must state that the creation or authorization for the CSO or DSO is repealed on October 1 of the fifth year after enactment, unless reviewed and saved from repeal by the Legislature. CSOs and DSOs in existence prior to July 1, 2014, must be reviewed by the Legislature by July 1, 2019.<sup>9</sup>

### ***CSO and DSO Audit Requirements***

Section 215.981, F.S., requires each CSO and DSO created or authorized pursuant to law with annual expenditures in excess of \$100,000 to provide for an annual financial audit of its accounts and records.<sup>10</sup> The audit must be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General and the state agency that created, approved, or administers the CSO or DSO. The audit report must be submitted within nine months after the end of the fiscal year to the Auditor General and to the state agency the CSO or DSO supports.

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<sup>3</sup> The IRS Form 990 is an annual information return required to be filed with the IRS by most organizations exempt from federal income tax under 26 U.S.C. 501.

<sup>4</sup> Section 20.058(2), F.S.

<sup>5</sup> Section 20.058(4), F.S.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> Section 20.058(3), F.S.

<sup>9</sup> Section 20.058(5), F.S.

<sup>10</sup> The independent audit requirement does not apply to a CSO or DSO for a university, district board of trustees of a community college, or district school board. Additionally, the expenditure threshold for an independent audit is \$300,000 for a CSO or DSO for the Department of Environmental Protection and the Department of Agriculture and Consumer Services.

In addition, the Auditor General may conduct audits or other engagements of the accounts and records of the CSO or DSO, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee.<sup>11</sup> The Auditor General is authorized to require and receive any records from the CSO or DSO, or its independent auditor.<sup>12</sup>

### ***CSO and DSO Ethics Code Requirement***

Section 112.3251, F.S., requires a CSO or DSO created or authorized pursuant to law to adopt its own ethics code. The ethics code must contain the specified standards of conduct and disclosures provided in ss. 112.313 and 112.3143(2), F.S. A CSO or DSO may adopt additional or more stringent standards of conduct and disclosure requirements and must conspicuously post its code of ethics on its website.<sup>13</sup>

### **Division of Vocational Rehabilitation**

Vocational Rehabilitation (VR) is a federal-state program that helps people who have physical or mental disabilities get or keep a job. VR is committed to helping people with disabilities find meaningful careers.<sup>14</sup>

The Division of Vocational Rehabilitation (DVR) is one of several divisions within the Department of Education (DOE).<sup>15</sup> The DVR is the administrative unit designated at the state level to ensure compliance with the Vocational Rehabilitation Act of 1973, as amended.<sup>16</sup> The DVR's mission is "to help people with disabilities find and maintain employment and enhance their independence."<sup>17</sup>

### **Florida Endowment Foundation for Vocational Rehabilitation**

In 1990, the Legislature created the Florida Endowment Foundation for Vocational Rehabilitation (Foundation or The Able Trust<sup>18</sup>) as a direct-support organization of the Division within the DOE for the purpose of encouraging public and private support to enhance vocational rehabilitation and employment of citizens who are disabled.<sup>19</sup> The Able Trust endowment fund was created as a long-term, stable, and growing source of revenue to be administered by the Foundation as a direct-support organization of the DVR.<sup>20</sup>

The Foundation operates under contract with the DVR to exclusively raise funds; submit requests and receive grants from the Federal Government, the state, private foundations, and individuals; and to receive, hold, and administer property.

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<sup>11</sup> Section 11.45(3)(d), F.S.

<sup>12</sup> *Id.*

<sup>13</sup> Section 112.3251, F.S.

<sup>14</sup> Florida Division of Vocational Rehabilitation, *Frequently Asked Questions*, <http://www.rehabworks.org/faq.shtml> (last visited Feb. 26, 2019).

<sup>15</sup> Section 20.15(3)(d), F.S.

<sup>16</sup> Section 413.202, F.S.

<sup>17</sup> Florida Division of Vocational Rehabilitation, <http://www.rehabworks.org/> (last visited Feb. 26, 2019).

<sup>18</sup> The Foundation conducts business as The Able Trust. The Able Trust, <http://www.abletrust.org/> (last visited Feb. 26, 2019).

<sup>19</sup> Section 9, ch. 90-330, L.O.F., codified as s. 413.615(5), F.S.

<sup>20</sup> Section 413.615(4), F.S.

The authorizing statute for the Foundation is scheduled for repeal October 1, 2019, unless reviewed and reenacted by the Legislature.<sup>21</sup>

### **Legislative Findings and Recommendations**

Senate professional staff reviewed documents related to the Foundation for compliance with accountability and authorizing statutes. The Foundation appears to be substantially in compliance with such statutes. Findings and recommendations are summarized below.

#### ***Foundation Compliance with Accountability Requirements***

- The Foundation must submit specified information to the Department of Education (DOE) by August 1.<sup>22</sup>  
Finding: The Foundation submitted the information by the specified deadline.<sup>23</sup>
- The DOE must make the information received from the Foundation available to the public through the agency's website. If the Foundation maintains a website, the DOE's website must provide a link to the Foundation's website.<sup>24</sup>  
Finding: The DOE includes a link to The Able Trust on the Division of Vocational Rehabilitation (DVR) webpage, but the required report is only available through the Florida Fiscal Portal.<sup>25</sup>  
Recommendation: Provide a link to the required report<sup>26</sup> directly on the DOE website.
- The DOE must report, by August 15 of each year, to the Governor, Legislature, and OPPAGA the information provided by the Foundation. The report must also include a recommendation by the DOE, with supporting rationale, to continue, terminate, or modify the DOE's association with the Foundation.<sup>27</sup>  
Finding: The DOE has complied with the requirement to report this information and include specified information.<sup>28</sup>
- The contract between the Foundation and the DVR must include a provision for the orderly cessation of operations and reversion to the state of state funds held in trust by the organization within 30 days after its authorizing statute is repealed, the contract is terminated, or the organization is dissolved.<sup>29</sup>  
Finding: The current contract includes a provision regarding the orderly cessation of operations, but does not include the provision regarding reversion of state funds within 30

<sup>21</sup> Section 413.615(14), F.S.

<sup>22</sup> Section 20.058(1), F.S.

<sup>23</sup> Florida Fiscal Portal, Education, *Required Report Pursuant to Chapter 2014-096 Citizen Support and Direct Support Organizations* (Aug. 1, 2017) available at <http://floridafiscalportal.state.fl.us/Document.aspx?ID=18029&DocType=PDF>.

<sup>24</sup> Section 20.058(2), F.S.

<sup>25</sup> The Florida Fiscal Portal is maintained by the Executive Office of the Governor to house a collection of documents that detail the fiscal status of the State of Florida. Florida Fiscal Portal, <http://floridafiscalportal.state.fl.us/Home.aspx> (last visited Feb. 27, 2019).

<sup>26</sup> Florida Fiscal Portal, Education, *Required Report Pursuant to Chapter 2014-096 Citizen Support and Direct Support Organizations* (Aug. 1, 2017) available at <http://floridafiscalportal.state.fl.us/Document.aspx?ID=18029&DocType=PDF>.

<sup>27</sup> Section 20.058(3), F.S.

<sup>28</sup> Florida Fiscal Portal, Education, *Required Report Pursuant to Chapter 2014-096 Citizen Support and Direct Support Organizations* (Aug. 1, 2017) available at <http://floridafiscalportal.state.fl.us/Document.aspx?ID=18029&DocType=PDF>, at 5.

<sup>29</sup> Section 20.058(4), F.S.

days.<sup>30</sup> However, a proposed amendment to the contract includes a provision to pay the entire balance of the operating account to the State of Florida within 45 days, unless extended by agreement of both parties.<sup>31</sup>

**Recommendation:** The contract amendment should be approved and should include a provision specifying 30 days, rather than 45 days, for the reversion of state funds.

- The Foundation's Code of Ethics must be conspicuously posted on the Foundation's website,<sup>32</sup> and must address specified standards of conduct.<sup>33</sup>

**Finding:** The Able Trust Code of Ethics is posted and includes required provisions.<sup>34</sup>

- The Foundation must provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General and the DOE. The audit report must be submitted within 9 months after the end of the fiscal year to the Auditor General and to the DOE.<sup>35</sup>

**Finding:** The Able Trust has provided for an audit for the 2017-2018 fiscal year within the specified timeframe.<sup>36</sup>

### ***Foundation Compliance with Authorizing Requirements***

- The Foundation must separately account for funds received from state sources<sup>37</sup> from bequests, gifts, grants, and donations. Earnings on funds received from state sources and funds received from public or private sources must also be accounted for separately.<sup>38</sup>

**Finding:** The Able Trust has separately accounted for revenues<sup>39</sup> and earnings on funds<sup>40</sup> between state and private sources.

- The Foundation must have a contract with the DVR, and must:<sup>41</sup>
  - Be a Florida corporation not for profit
  - Be organized and operated exclusively to raise funds; to submit requests and receive grants from the Federal Government, the state, private foundations, and individuals; to receive, hold, and administer property; and to make expenditures to or for the benefit of the VR programs approved by the Foundation board of directors.

<sup>30</sup> The Able Trust, *Memorandum of Understanding for The Able Trust, IA-865*, available at <http://www.abletrust.org/sites/default/files/media/docs/Memorandum%20Of%20Understanding%20IA-865%20thru%209-30-2020.pdf>, at 3.

<sup>31</sup> *Email*, The Able Trust (Mar. 8, 2019).

<sup>32</sup> Section 112.3251, F.S.

<sup>33</sup> Section 112.313, F.S.

<sup>34</sup> The Able Trust, *Ethics Policy* (Dec. 12, 2014), available at <http://www.abletrust.org/sites/default/files/media/docs/Ethics-Policy-12-2014.pdf>; also The Able Trust, *Conflict of Interest Policy* (Sept. 25, 2009), available at <http://www.abletrust.org/sites/default/files/media/docs/Conflict%20of%20Interest%20as%20revised%206-15-2012.pdf>.

<sup>35</sup> Section 215.981(1), F.S.

<sup>36</sup> Law, Redd, Crona & Munroe, P.A., *The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, Financial Statements and Additional Information, Years ended June 30, 2018 and 2017* (Oct. 26, 2018), available at <http://www.abletrust.org/sites/default/files/media/docs/FINAL%20-%202018%20Audited%20Financial%20Statements.pdf>.

<sup>37</sup> The ABLE Trust receives state funds only from general revenue for the DOE/DVR High School/High Tech Program. Specific Appropriation 34, ch. 2018-9, L.O.F., appropriates \$549,823 in recurring funds for 2018-2019.

<sup>38</sup> Section 413.615(4)(e), F.S.

<sup>39</sup> The Able Trust, *2018 Annual Report to Florida*, available at

[http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf), at 18.

<sup>40</sup> *Email*, The Able Trust (Mar. 8, 2019). Earnings on public funds and investments from July 1, 2017 through June 30, 2018 were \$1,252,285.57.

<sup>41</sup> Section 413.615(5), F.S.

- Finding: The Able Trust contract with the DVR meets this requirement.<sup>42</sup>
- The Able Trust contract with the DVR must provide information relating to the articles of incorporation, governance, conditions for expenditures of state revenues, and a reversion of state funds following a cessation of operations.<sup>43</sup> In addition, as a part of the contract, the Foundation must submit an annual budget for approval to the DVR, which may not approve such annual budget that does not comply with requirements relating to administrative costs.<sup>44</sup>

Finding: The Able Trust contact with the DVR complies with this requirement.<sup>45</sup> Additionally, the annual budget for 2017-2018 was approved by the DVR and complies with the requirement that administrative costs be limited to 15 percent of total expenditures.<sup>46</sup>
  - The Foundation must comply with requirements relating to confidential and exempt donor records and client information and exemptions from public meetings at which donor or client information is discussed.<sup>47</sup>

Finding: The Able Trust has ensured that donor confidentiality is respected, and private donations that are confidential and exempt are not included on an agenda for a public meeting.<sup>48</sup>
  - The Foundation is administered by a 9-member board of directors (board) qualified for membership on the board and appointed by the Governor to a 3-year term.<sup>49</sup>

Finding: The composition of the Able Trust board meets this requirement.<sup>50</sup>
  - The Foundation board must monitor, review, and annually evaluate funded programs to determine whether funding should be continued, terminated, reduced, or increased.<sup>51</sup>

Finding: The Able Trust board has enacted mechanisms to evaluate funded programs, which include outcome measurement requirements in each grant award contract.<sup>52</sup>
  - The board is required to limit administrative costs to the minimum amount necessary for the efficient and effective administration of the foundation; such costs are limited to 15 percent

<sup>42</sup> The Able Trust, *Memorandum of Understanding for The Able Trust, IA-865*, available at <http://www.abletrust.org/sites/default/files/media/docs/Memorandum%20Of%20Understanding%20IA-865%20thru%209-30-2020.pdf>, at 1.

<sup>43</sup> Section 413.615(6), F.S.

<sup>44</sup> Section 413.615(9)(j), F.S.

<sup>45</sup> The Able Trust, *Memorandum of Understanding for The Able Trust, IA-865*, available at <http://www.abletrust.org/sites/default/files/media/docs/Memorandum%20Of%20Understanding%20IA-865%20thru%209-30-2020.pdf>.

<sup>46</sup> *Email*, The Able Trust (Mar. 8, 2019). Administrative costs were \$427,742, which was 12% of total expenses.

<sup>47</sup> Section 413.615(7), F.S.

<sup>48</sup> The Able Trust, *2018 Annual Report to Florida*, available at [http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf), at 15. See also, *Email*, The Able Trust (Mar. 8, 2019).

<sup>49</sup> Section 413.615(8), F.S.

<sup>50</sup> The Able Trust, *By-Laws* (Adopted Feb. 21, 1991, last amended Sept. 21, 2017), available at [http://www.abletrust.org/sites/default/files/media/docs/BY-LAWS-REVISED%2010\\_6\\_2017.doc](http://www.abletrust.org/sites/default/files/media/docs/BY-LAWS-REVISED%2010_6_2017.doc). See also, The Able Trust, *Board of Directors, Officers, & Ambassadors*, <http://www.abletrust.org/about-us/board-directors-officers-and-ambassadors> (last visited Feb. 26, 2019).

<sup>51</sup> Section 413.615(9)(g), F.S.

<sup>52</sup> The Able Charitable Foundation, *Grant Policy—Process for Grant Requests from The Able Trust* (Nov. 30, 2018), available at <http://www.abletrust.org/sites/default/files/media/images/documents/Able%20Trust-Able%20Charitable%20Grant%20Policy%20-%20final%2011-30-2018.pdf>. The application requires that proposals outline how employment outcomes will be measured up to three years after the grant period has ended. The Able Trust, *Instructions for Application for General Support of Employment Programs Grant* (Dec. 2016), available at <http://www.abletrust.org/sites/default/files/media/docs/GeneralEmploymentPlacementGrantInstructions2017.pdf>, at 2.

of total estimated expenditures in any calendar year. For the 2017-2018 fiscal year, administrative costs may be paid from interest and earnings on the endowment principal.<sup>53</sup>

**Finding:** Administrative costs in 2017-2018 were \$427,742, or 12 percent of expenses.<sup>54</sup> Additionally, for 2017-2018, The Able Trust used interest and dividends to cover operating expenses.<sup>55</sup>

- The Foundation is required to publish on its website:<sup>56</sup>
  - The required annual audit and annual report.
  - For each position filled by an officer or employee, the position's compensation level.
  - A copy of each contract into which the foundation enters.
  - Information on each program, gift, or grant funded by the foundation, including specified information.
  - The foundation's contract with the DVR.

**Finding:** The Foundation has posted its annual audit,<sup>57</sup> the annual report,<sup>58</sup> compensation policy<sup>59</sup> and officer compensation,<sup>60</sup> contracts,<sup>61</sup> grant information,<sup>62</sup> and the Foundation's contract.<sup>63</sup>

- The Foundation board must establish an operating account,<sup>64</sup> which must provide for purposes specified in law.<sup>65</sup>

**Finding:** The Foundation board has established an operating account. For 2017-2018, The Able Trust used interest and dividends to cover operating expenses.<sup>66</sup>

<sup>53</sup> Section 413.615(9)(j), F.S. In subsequent years administrative costs may be paid from a specified combination of interest and earnings and private fund sources, until 2020-2021 and thereafter when costs may be paid from private sources only. *Id.*

<sup>54</sup> The Able Trust, *2018 Annual Report to Florida*, available at

[http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf), at 20. Total expenses were \$3,686,905.

<sup>55</sup> Law, Redd, Crona & Munroe, P.A., *The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, Financial Statements and Additional Information, Years ended June 30, 2018 and 2017* (Oct. 26, 2018), available at <http://www.abletrust.org/sites/default/files/media/docs/FINAL%20-%202018%20Audited%20Financial%20Statements.pdf>, at 5.

<sup>56</sup> Section 413.615(9)(k), F.S.

<sup>57</sup> Law, Redd, Crona & Munroe, P.A., *The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, Financial Statements and Additional Information, Years ended June 30, 2018 and 2017* (Oct. 26, 2018), available at <http://www.abletrust.org/sites/default/files/media/docs/FINAL%20-%202018%20Audited%20Financial%20Statements.pdf>.

<sup>58</sup> The Able Trust, *2018 Annual Report to Florida*, available at

[http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf).

<sup>59</sup> The Able Trust, *Compensation Policy: Officers and Directors* (June 15, 2012), available at

<http://www.abletrust.org/sites/default/files/media/docs/Compensation-Policy-Revisions-6-15-2012-Current-7-29-14.pdf>.

<sup>60</sup> The Able Trust, *Salary Posting*, <http://www.abletrust.org/node/212> (last visited Feb. 26, 2019).

<sup>61</sup> The Able Trust, *Other Contracts*, <http://www.abletrust.org/about-us/other-contracts> (last visited Feb. 26, 2019).

<sup>62</sup> The Able Trust, *Grant Award Contracts*, <http://www.abletrust.org/about-us/grant-award-contracts> (last visited Feb. 26, 2019).

<sup>63</sup> The Able Trust, *Memorandum of Understanding for The Able Trust, IA-865*, available at

<http://www.abletrust.org/sites/default/files/media/docs/Memorandum%20Of%20Understanding%20IA-865%20thru%209-30-2020.pdf>.

<sup>64</sup> The Able Trust board of directors is required to establish an operating account to deposit non-principal funds from investment and reinvestment transmitted from the State Board of Administration. Section 413.615(4)(d), F.S.

<sup>65</sup> Section 413.615(10), F.S.

<sup>66</sup> *Email*, The Able Trust (Mar. 8, 2019). See also Law, Redd, Crona & Munroe, P.A., *The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, Financial Statements and Additional Information, Years ended June 30, 2018 and 2017* (Oct. 26, 2018), available at <http://www.abletrust.org/sites/default/files/media/docs/FINAL%20-%202018%20Audited%20Financial%20Statements.pdf>, at 5.

- Any allocation of funds for research, advertising, or consulting is subject to a competitive solicitation process.<sup>67</sup>  
Finding: The Able Trust policy regarding competitive bidding is to require that purchases over \$2,500 must be subject to competitive bidding. Amounts under \$2,500 may also be subject to competitive bidding.<sup>68</sup>
- State funds may not be used to fund events for private sector donors or potential donors or to honor supporters.<sup>69</sup>  
Finding: The Able Trust does not use state funds to fund events for private donors or potential donors. Donor recognition may occur at events for other programs, but private funds cover those expenses.<sup>70</sup>
- The Foundation board must provide for an annual financial audit of the foundation in accordance with Florida law.<sup>71</sup> The auditor's report must maintain the anonymity of donors and prospective donors who desire to remain anonymous.<sup>72</sup>  
Finding: The Foundation board provided for an audit for the 2017-2018 fiscal year, which does not contain specific donor information.<sup>73</sup>
- The Foundation board must issue a report by December 30 each year summarizing the performance of the endowment fund for the previous fiscal year. The report must summarize the Foundation's fundraising activities, and detail those activities and programs supported by the endowment principal or earnings on the endowment principal and those activities and programs supported by private sources, bequests, gifts, grants, donations, and other valued goods and services received. The report must also include:<sup>74</sup>
  - Financial data, by service type, including expenditures for administration and the provision of services.
  - The amount of funds spent on administrative expenses and fundraising and the amount of funds raised from private sources.
  - Outcome data, including the number of individuals served and employment outcomes.  
Finding: The Foundation issued its annual report in the required timeframe.<sup>75</sup> The annual report includes financial data related to administration and expenditures,<sup>76</sup> fundraising,<sup>77</sup> program outcomes, and<sup>78</sup> programs supported by endowment principal or earnings and those supported by private sources.<sup>79</sup>

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<sup>67</sup> Section 413.615(10), F.S.

<sup>68</sup> *Email*, The Able Trust (Mar. 8, 2019).

<sup>69</sup> Section 413.615(10), F.S.

<sup>70</sup> *Email*, The Able Trust (Mar. 8, 2019).

<sup>71</sup> Section 215.981, F.S.

<sup>72</sup> Section 413.615(11), F.S.

<sup>73</sup> Law, Redd, Crona & Munroe, P.A., *The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, Financial Statements and Additional Information, Years ended June 30, 2018 and 2017* (Oct. 26, 2018), available at <http://www.abletrust.org/sites/default/files/media/docs/FINAL%20-%202018%20Audited%20Financial%20Statements.pdf>.

<sup>74</sup> Section 413.615(12), F.S.

<sup>75</sup> The Able Trust, *2018 Annual Report to Florida*, available at

[http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf).

<sup>76</sup> *Id.* at 20.

<sup>77</sup> *Id.* at 14.

<sup>78</sup> *Id.* at 3, 10, and 11.

<sup>79</sup> *Id.* at 20. *See also Email*, The Able Trust (Mar. 8, 2019).



### III. Effect of Proposed Changes:

The bill saves from repeal the Florida Endowment for Vocational Rehabilitation (The Able Trust). This removal of the repeal date will provide for the continuation of programs administered by The Able Trust, which include, but are not limited to, the following programs.

#### *Youth Program*

The Able Trust High School High Tech (HSHT) program is designed to provide high school students with all types of disabilities the opportunity to explore jobs or postsecondary education leading to technology-related careers. HSHT links youth to a broad range of academic, career development, and experiential resources and experiences that will enable them to meet the demands of the 21<sup>st</sup> century workforce.

During the 2017-2018 school year, HSHT served 1,336 students with disabilities in 40 Florida counties. 533 students participated in work experiences paid through a stipend by the employer, the HSHT program site, the local Career Source, Vocational Rehabilitation, or community grant provider. 307 HSHT students graduated in 2018. The HSHT program achieved a graduation rate of greater than 99 percent of all participating seniors.<sup>80</sup> The current cost to the state for the HSHT program is \$275 per student, which covers approximately one-third of the total program costs.<sup>81</sup>

#### *Grant Program*

The Able Trust awarded 78 grants in 2018, totaling \$2,072,119.<sup>82</sup> The Able Trust works with community organizations throughout the state to help Floridians with disabilities gain employment. During any annual period, there are 60 – 70 grant contracts in effect. Several of the current grants are long-term, strategic grants designed to assist organizations and institutions of higher learning to develop education and placement programs for Floridians with disabilities who pursue postsecondary education. No annual legislative appropriations are used in these strategic grant initiatives.<sup>83</sup>

#### *Work Experiences and Relationships with the Business Community*

Over the past nine years, The Able Trust has worked to develop relationships with businesses around the state. The Able Trust works with the Florida Chamber of Commerce Foundation, and maintains communication regarding the value of providing work experiences such as internships, job shadowing and mentoring partnerships with the business community. In addition, the Disability Employment Awareness (DEAM) program, for which The Able Trust serves as the lead agency, connects approximately 3,000 businesses and young job seekers together annually, in job shadowing and mentoring experiences. The DEAM program is totally funded by private donations, through the fundraising efforts of The Able Trust.<sup>84</sup>

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<sup>80</sup> The Able Trust, *2018 Annual Report to Florida*, available at [http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf), at 10.

<sup>81</sup> Florida Department of Education, *2019 Agency Bill Analysis, Senate Bill 172* (Jan. 8, 2019), at 2.

<sup>82</sup> The Able Trust, *2018 Annual Report to Florida*, available at [http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web\\_0.pdf](http://www.abletrust.org/sites/default/files/media/docs/2018%20ANNUAL%20REPORT-web_0.pdf), at 12.

<sup>83</sup> Florida Department of Education, *2019 Agency Bill Analysis, Senate Bill 172* (Jan. 8, 2019), at 3.

<sup>84</sup> *Id.* at 3.

### ***Independent Research***

The Able Trust uses private sources to fund independent research. Research is conducted to obtain information on program outcomes, to update data on the perceptions of the business community on the inclusion of people with disabilities in its workforce, to learn ways to address barriers and to inform the general public on the employability of such workers. Continuing to collect data and update such information is integral to improving the employment rate for people with disabilities, as it is the basis for effective communications on the recruiting, hiring, training and retaining of those workers.<sup>85</sup>

### ***Communication***

The Able Trust sponsors a communication campaign every year to address misperceptions of the skills and talents of people with disabilities. Communications include targeting businesses, community leaders, and policy makers using print, electronic, and in-person presentations.<sup>86</sup>

### ***Direct Support to the Division of Vocational Rehabilitation***

The Able Trust currently provides direct support (approximately \$48,000 per year) on behalf of the DVR through:

- Seven full-day annual training events designed to enhance staff skills and increase employment for VR customers.
- Promotional and outreach materials for VR distributed throughout the year at community outreach events that advance VR's mission.

The bill takes effect upon becoming law.

## **IV. Constitutional Issues:**

### **A. Municipality/County Mandates Restrictions:**

None.

### **B. Public Records/Open Meetings Issues:**

None.

### **C. Trust Funds Restrictions:**

None.

### **D. State Tax or Fee Increases:**

None.

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<sup>85</sup> Florida Department of Education, *2019 Agency Bill Analysis, Senate Bill 172* (Jan. 8, 2019), at 3.

<sup>86</sup> *Id.*

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

By extending the repeal date of the direct-support organization, this bill will sustain a source of financial and other direct assistance for individuals who are disabled.

C. Government Sector Impact:

The bill has no impact on state revenues or expenditures.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 413.615 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.