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December 30, 2022

Transmitted VIA Florida Division of Vocational Rehabilitation (December 30, 2022)

Governor Ron DeSantis

Senate President Kathleen C. Passidomo

Speaker Paul Renner

Commissioner Manny Diaz, Jr.

State of Florida – The Capitol

400 S. Monroe St.

Tallahassee, FL 32399

RE: Annual Report of the Florida Endowment Foundation for Vocational Rehabilitation

Dear Governor DeSantis:

The Florida Endowment Foundation for Vocational Rehabilitation, also known as The Able Trust, was legislatively created in 1990 to serve as the direct support organization (DSO) for the Florida Department of Education's (FDOE) Division of Vocational Rehabilitation (VR) to encourage public and private support to enhance vocational rehabilitation and the employment of Floridians with disabilities. Pursuant to section 413.615 (12), Florida Statutes, The Able Trust Board of Directors shall issue a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Education by December 30<sup>th</sup> summarizing the performance of the organization and the endowment fund for the previous fiscal year. Enclosed you will find the report.

The Able Trust's fiscal year runs from July 1<sup>st</sup> to June 30<sup>th</sup> and the independent annual audit report attached provides details about our operations for the 2021-2022 fiscal year.

The past year The Able Trust engaged in the development of a new three-year strategic plan, and over a thousand Floridians with disabilities were assisted with employment, pre-employment, and transition services through our grantmaking; all outstanding grants and partnerships of the organization were maintained, including several multi-year strategic grants and the High School High Tech (HSHT) program. We are a stronger organization which continues to evolve and align our resources to fulfill our mission of supporting and strengthening the state vocational rehabilitation system.

We would like to thank and acknowledge the guidance and collaboration of the leadership at FDOE/VR. The assistance they have provided has been critical to positioning the organization for compliance and growth moving forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Allison S. Chase".

Allison S. Chase, President & CEO

enclosures



# 2022 ANNUAL REPORT



[www.abletrust.org](http://www.abletrust.org)



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**BACKGROUND AND PURPOSE**

The Able Trust, also known as the Florida Endowment Foundation for Vocational Rehabilitation, is a 501(c)(3) public charity established by the Florida Legislature in 1990 as a direct support organization for the Florida Department of Education, Division of Vocational Rehabilitation (FDOE/VR). The organization is authorized under S. 413.615, F.S. and operates on a state fiscal year, July 1 through June 30.

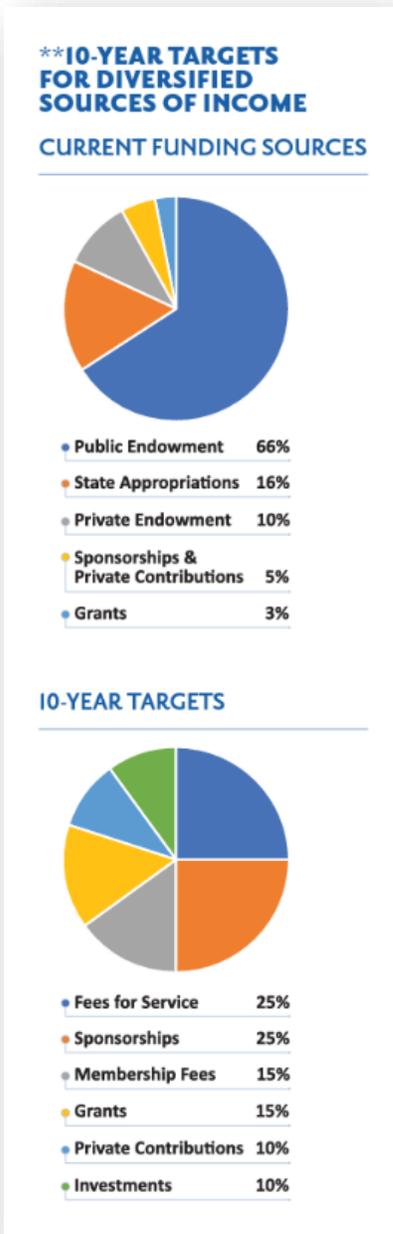
The Able Trust was created by the Florida legislature to be a long-term, stable, and growing source of revenue in support of the state vocational rehabilitation program. For nearly 30 years, the state provided the organization with a revenue stream from a percentage of civil citations and fees from temporary disabled parking permits. These funds allowed the organization to build an endowment which primarily funds our programs and operations today. In 2017, the legislature diverted the revenue stream from The Able Trust to FDOE/VR for its use in serving Floridians with disabilities.

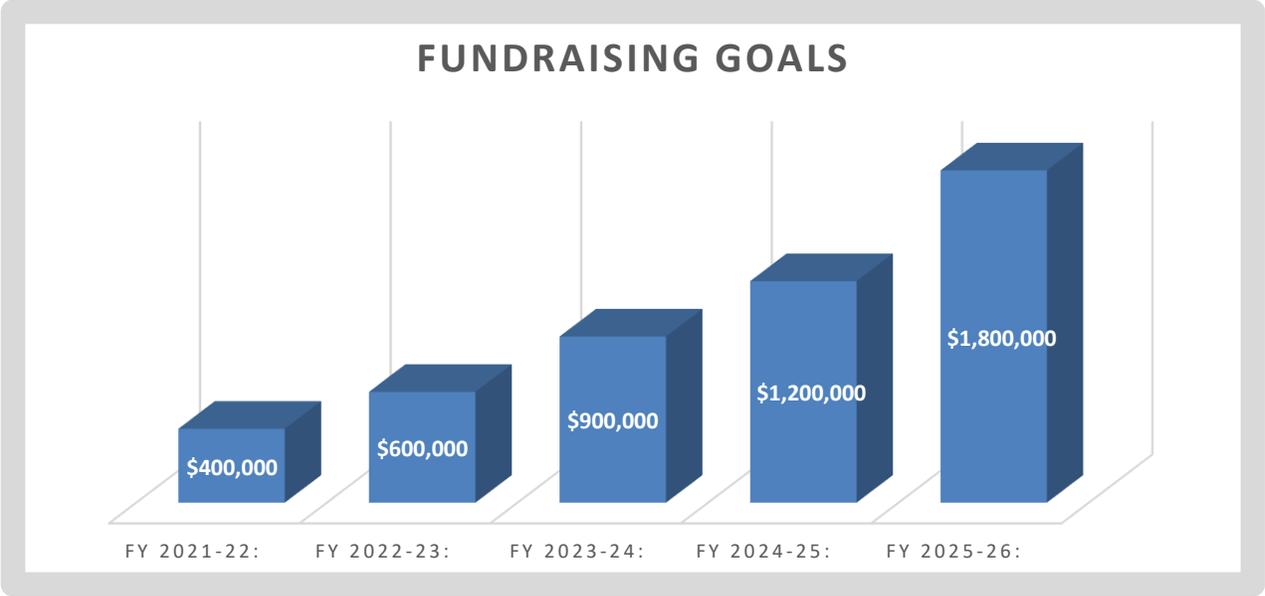
**BACKGROUND AND SUMMARY OF ANNUAL FUNDRAISING PERFORMANCE**

We recognize that to fulfill our legislatively mandated role as a long-term, stable, and growing source of revenue, it is imperative that we secure a more diversified and growing funding base. Historically, annual revenues relied heavily on interest and earnings from our public endowment which can be seen in the chart on the right.

To ensure we create a more diversified funding base and a decreased reliance on current investments and earnings, we have established ten-year funding targets that represent a range of funding sources and are aligned with national nonprofit and foundation standards (also in chart on the right).

Prior to Fiscal Year (FY) 2021-22, the organization did not consistently set annual fundraising goals nor targets for future years. In FY 2021- 22, we set specific fundraising goals for the next five years which are based on an increase of 50% each year. Because the organization does not have a long-standing history of successful fundraising, our board of directors has endorsed a plan to build donor/funder relationships to result in long-term funding rather than transactional, one-time giving encounters. These types of relationships take a significant amount of time and resources to develop, which we believe is reflected in our five-year funding targets and will yield significant returns for our financial stability and growth.





**5 Year Fundraising Goals:**

- FY 2021-22: \$ 400,000
- FY 2022-23: \$ 600,000
- FY 2023-24: \$ 900,000
- FY 2024-25: \$ 1,200,000
- FY 2025-26: \$ 1,800,000

For FY 2021-22, fundraising for the support of activities and programs came from unrestricted funds raised from interest, earnings and fees collected on private endowed funds and bequests, as well as donor directed funds, grants, project-based revenue, and sponsorships/unrestricted donations.

| FY 2021-22                            | Private Endowment Interest, Earnings, and Fees |            |
|---------------------------------------|--|------------|
|                                       |  | \$ 198,256 |
|                                       | Donor Directed Funds                           |            |
|                                       |  | 50,000     |
|                                       | Grants   |            |
|                                       |  | 5,000      |
| Project Based Revenue                 |  |            |
|                                       | 56,500   |            |
| Sponsorships & Unrestricted Donations |  |            |
|                                       | <u>79,980</u>                                  |            |
| <b>Total</b>                          |  |            |
|                                       | <b>\$ 383,736</b>                              |            |

Funds raised in FY 2021-22 amounted to \$383,736 which falls slightly short of our goal of \$400,000 for the year. However, we are on target to surpass our goal of \$600,000 for FY 2022-23 which is broken out as follows:

| FY 2022-23                            | Private Endowment Interest, Earnings, and Fees |            |
|---------------------------------------|--|------------|
|                                       |  | \$ 150,000 |
|                                       | Donor Directed Funds                           |            |
|                                       |  | 50,000     |
|                                       | Grants   |            |
|                                       |  | 100,000    |
| Project Based Revenue                 |  |            |
|                                       | 150,000  |            |
| Sponsorships & Unrestricted Donations |  |            |
|                                       | <u>150,000</u>                                 |            |
| <b>Total</b>                          |  |            |
|                                       | <b>\$ 600,000</b>                              |            |

## PERFORMANCE OF THE ENDOWMENT FUND

As of June 30, 2022, the state endowment fund balance was \$18,334,925. Over the course of the fiscal year, the endowment fund realized a loss in value of 15% due to volatile market conditions. This is in line with average losses seen on a national basis.

The fund remained in compliance with newly revised investment policies adopted by The Able Trust Board of Directors during the fiscal year. The investment policy has been established to govern management of the endowment fund created by public and private support. The intent of the Investment Policy Statement is to comply with the requirements of S. 413.615, F.S. and the Florida Uniform Prudent Management of Institutional Funds Act, S. 617.2104, F.S., to ensure prudent management of the assets to best serve the interests of the state vocational rehabilitation program. Exceptions to this policy may only be made when adhering to specific requirements of donor advised funds. The full Investment Policy Statement may be viewed on our website: [www.abletrust.org](http://www.abletrust.org).

### The Able Trust annual investment objectives include:

- a. Funds are to be invested with the objective of preserving a long-term, stable, and growing source of revenue. Funds should provide a predictable and growing stream of quarterly distributions in support of the goals and priorities of the FDOE/VR.
- b. Investments will earn an average annual rate of return over 7 years which exceeds the average rate of inflation (CPI) by 3.5% net of all investment management expenses.
- c. For the purpose of making distributions, the Board will refer to S. 413.615, F.S.; our contract with FDOE/VR; and The Able Trust Grant Policy.
- d. As of July 1, 2021, no amount of interest and earnings from the state investment funds may be used for administrative expenses as defined in S. 413.615 (9)(j), F.S.

The new policies require that investments be allocated across four asset classes including equities (stocks), fixed income (bonds), alternatives (real estate, commodities, etc.) and cash. The policies set specific percentages of asset allocation per class and allow a fluctuation up to 10 percent as can be seen in the table below:

| Class        | Asset Allocation | Allowable Range |
|--------------|------------------|-----------------|
| Equities     | 60%              | 50-70%          |
| Fixed Income | 30%              | 20-40%          |
| Alternatives | 10%              | 0-20%           |
| Cash         | 0%               | 0-10%           |

**INVESTMENT SPENDING POLICY**

In addition to adopting an investment policy for asset targeting and management, The Able Trust board adopted a Spending Policy Statement in FY 2022 which may also be viewed on our website. The purpose of the spending policy is to resolve the tension between the competing goals of preservation of the endowment and stability in budgetary support. The policy spending rate for the endowment funds has been set forth as follows:

- FY 2021-22 – 8% of assets determined on December 31, 2020
- FY 2022-23 – 7% of assets determined on December 31, 2021
- FY 2023-24 – 6% of assets determined on December 31, 2022
- FY 2024-25 and henceforth – 5% of assets determined on December 31, 2023, and each December 31<sup>st</sup> of future years.

**FINANCIAL DATA BY SERVICE TYPE**

S. 413.615(12), F.S. requires The Able Trust to annually detail financial data, by service type, including the amount of funds spent on administrative expenses. Per the statute, administrative costs include audits, salaries or other costs for nonofficers and contractors providing services that are not directly related to the mission of the foundation, costs of promoting the purposes of the foundation, all travel and per diem expenses of board members, officers’ salaries, and chief executive officer program management. The statute further stipulates that administrative costs not exceed 15% of total annual expenditures.

A detailed list of expenditures by service type is included on the Schedule of Budget and Actual Expenses included on page 29 of the attached Issued Financial Statement for FY 2022. Below is a summary of actual expenditures, by service type:

|                       |                             |                     |
|-----------------------|-----------------------------|---------------------|
| <b>FY<br/>2021-22</b> | Grants and Program Expenses | \$ 2,008,115        |
|                       | Management and Operations   | 664,253             |
|                       | Administration Expenditures | <u>248,570</u>      |
|                       | <b>Total</b>                | <b>\$ 2,920,938</b> |

The total administrative costs for the fiscal year were \$248,570. This represents 8.5% of total expenditures, which falls below the allowable limit of 15% referenced in S. 413.615(9), F.S. FDOE/VR and The Able Trust have identified some ambiguity in the language setting forth requirements for calculating administrative costs—specifically, precisely which salaries constitute “officers’ salaries” and, how to calculate that portion of “salaries or other costs for nonofficers and contractors” that constitute “services that are not directly related to the mission of the foundation.” The parties will work together during this fiscal year to clarify these issues, potentially through updating Rule 6A-25.020, Florida Administrative Code, and/or The Able Trust Bylaws.

**SUMMARY OF PROGRAM OUTCOME DATA**

**Florida High School High Tech Program**

In partnership with FDOE/VR, The Able Trust administers the Florida High School High Tech Program (HSHT) through grants with local school districts and nonprofit organizations in 39 counties across the state. HSHT is funded in part with an appropriation of \$549,823 by the Florida Legislature, with remaining program funds coming from The Able Trust state investment earnings, family endowment funds, and other grants (private and corporate). Total HSHT expenditures for FY 2021-22 included:

|                       |                                     |                     |
|-----------------------|-------------------------------------|---------------------|
| <b>FY<br/>2021-22</b> | HSHT Grants                         | \$ 946,000          |
|                       | Professional Development Conference | 16,891              |
|                       | Student Competition Event           | 7,294               |
|                       | Staff Travel                        | 6,121               |
|                       | Staff Salary & Benefits             | <u>92,160</u>       |
|                       | <b>Total</b>                        | <b>\$ 1,068,466</b> |

HSHT programming is based on the nationally recognized and evidenced-based *Guideposts for Success*. Students are provided a wide variety of opportunities to explore in-demand industries and careers through education tours, work-based experiences, workshops, and career mentoring. A summary of program achievement for FY 2021-22 include:

- Total Students Served: 1,076
- Total Students Participating in a Career-Based Work Experience: 756
- High School Graduation Rate of HSHT Seniors: 99%
- Rate of Graduates Attaining Post-Secondary Education or Employment: 80%

**Strategic Employment Grants**

In FY 2021-22, The Able Trust concluded its administration of three Strategic Employment Grants. These grants were awarded in FY 2018-19 to the following organizations:

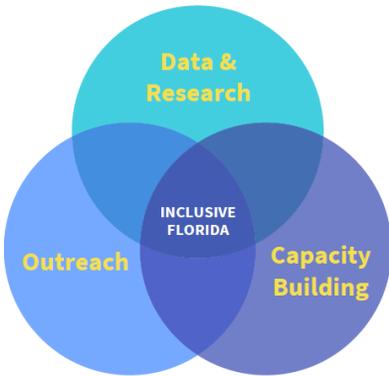
- Best Buddies International, Inc.
- Miami Dade State College
- MacDonald Training Center, Inc.

Each of these organizations were responsible for providing targeted employment skills training, job placement, and on-the-job supports all leading to successful employment outcomes for Floridians with disabilities. A summary of program achievement for FY 2021-22 include:

- Total Individuals with Disabilities Served: 226
- Total Number of Employment Outcomes: 111
- Average Hours Worked: 22.5/Week
- Average Wages Earned: \$13.88/Hour

**PLANNING FOR THE FUTURE**

The Able Trust spent most of FY 2021-22 developing a new strategic plan, *Inclusive Florida: Powered by The Able Trust* (available at [www.abletrust.org](http://www.abletrust.org)). The process to produce this plan has been extensive, and has included the opportunity to reflect on past successes, challenges and present circumstances including the many opportunities as the direct support organization (DSO) to FDOE/VR. The strategic planning process has validated the important and unique role that The Able Trust has as the DSO to the state vocational rehabilitation program.



This plan is a living guide that will evolve as collaboration with FDOE/VR continues. It identifies three core strategies for focusing resources and support: 1) Data and Research, 2) Outreach, and 3) Capacity Building. This coming year, the focus of work will be to align the core strategies with the following priorities of FDOE/VR: 1) Retain and Recruit VR Staff, 2) Streamline Internal Systems/Processes, and 3) Increase Public Awareness of VR Services. This alignment will help The Able Trust become an even stronger direct support organization for FDOE/VR and the Floridians whom they serve.

We look forward to our ongoing support of- and collaboration with- the Governor’s Office, the Florida Legislature, and the Florida Department of Education/Vocational Rehabilitation Program.

**THE ABLE TRUST BOARD OF DIRECTORS**

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