

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Governmental Oversight and Productivity Committee

BILL: CS/SB 2026

INTRODUCER: Governmental Oversight and Productivity Committee and Senator Wise

SUBJECT: Florida State Employees' Charitable Campaign

DATE: April 20, 2006 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------|
| 1. | McKay | Wilson | GO | Fav/CS |
| 2. | | | CA | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |

I. Summary:

The bill provides a different distribution formula for undesignated contributions made by state employees participating in the statutorily recognized annual charitable donation campaign.

This bill substantially amends s. 110.181, F.S.

II. Present Situation:

The Florida State Employees' Charitable Campaign is the only statutorily-recognized comprehensive giving program that provides state employees with a payroll deduction system for their voluntary donations to qualified charitable non-profit organizations. There are five criteria that determine inclusion and exclusion in the campaign, as follows:

Participation Criteria for State Employee Charitable Campaign

| Eligible | Ineligible |
|--|--|
| Public health and welfare | Fund raising/administrative expenses greater than 25% |
| Education | Primarily political, religious, professional, or fraternal societies |
| Environmental restoration and conservation | Organizations with prohibited discriminatory practices |
| Civil and human rights | Unregistered charitable organizations |
| Relief of human suffering and poverty | Organizations without 26 U.S.C. 501(c)(3) tax qualified status |

The Department of Management Services (DMS) and the Department of Financial Services (DFS) provide administrative support for the campaign. The DMS competitively selects a fiscal agent for the processing of contributions to the designated charities and the DFS, as paymaster, provides the deduction codes through the state payroll system. The approved fiscal agent is permitted reasonable costs for the conduct of the campaign and must reimburse the DMS for the costs of coordinating the campaign, not to exceed 1 percent of gross pledges. All financial records associated with the fiscal intermediary duties and operations are open for inspection to the public upon reasonable notice. In each fiscal agent area, local steering committees, composed of state employees selected by the fiscal agent, assist in conducting the campaign and direct the distribution of undesignated funds. A total of \$4.6 million was collected by the 2004 campaign and distributed to some 1300 participating organizations statewide.

The current fiscal agent is the United Way of Florida, Incorporated.

III. Effect of Proposed Changes:

Section 1. Section 110.181(2)(d), F.S., is amended by providing that the local steering committee directs the distribution of undesignated funds after the partial distribution pursuant to new paragraph (e).

The new paragraph (e) provides that the distribution of undesignated funds in each local fiscal agent area must be shared proportionately by participating charitable organizations that provide direct services in the local fiscal agent's area, based upon their percentage of designations. Undesignated funds remaining after this allocation to community-based organizations will be distributed by the local steering committee.

Section 2. Provides an effective date of July 1, 2006.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There is no effect on the amount of gross pledges but there will be a redistribution of pledge amounts to charitable organizations that do not receive a proportionate share of funds relative to their share today. The deduction codes are processed on a calendar year basis. As a result, the impact of the bill should not be felt until the next deduction cycle begins in the year 2007.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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