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.)

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 694

INTRODUCER: Senator Ring

SUBJECT: Florida State Employees' Charitable Campaign

DATE: March 25, 2015 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McVaney	McVaney	GO	**Favorable**
2.	Davis	DeLoach	AGG	**Favorable**
3.	Pace	Hrdlicka	FP	**Pre-meeting**

I. Summary:

SB 694 allows state officers and employees to donate to the Florida State Employees' Charitable Campaign (FSECC) at agency fundraising events without designating specific organizations to receive the funds. The bill provides that the FSECC's fiscal agent must distribute these "undesignated" funds to participating charitable organizations in direct proportion to the percentage of designated funds or pledges received by the organization.

The bill removes additional eligibility requirements for independent unaffiliated agencies, international service agencies, and national agencies wanting to participate in the FSECC. In addition, the bill removes the statutory requirement to establish a local steering committee in each fiscal agent area.

The bill has no fiscal impact.

II. Present Situation:

The FSECC, maintained by the Department of Management Services (DMS), is the annual charitable drive funded by state employees.[1] State officers and employees may voluntarily donate money to nonprofit charitable organizations participating in the FSECC.[2]

The FSECC Prior to 2012

Prior to 2012, state law did not require state officers and employees who contributed to the FSECC to designate a specific participating charitable organization to receive the donation. The method of distributing undesignated funds to participating charities required a separate application process. Local steering committees were established to direct the allocation of

[1] Section 110.181(1)(a), F.S.

[2] Section 110.181(1)(b), F.S.

"undesignated" funds to a specific charitable organization. According to the DMS, this method for distributing undesignated funds was administratively complex and inefficient.[3]

The FSECC Presently

Section 110.181, F.S., was amended in 2012 to eliminate the ability of state officers and employees to contribute funds without designating a specific organization as the recipient. As of July 1, 2012, state officers and employees are required to designate a specific participating charitable organization to receive such contributions.[4] No funds can be contributed unless the recipient organization has been designated. As a result, the process to distribute "undesignated" funds is no longer necessary.[5]

Requiring state officers and employees to designate a specific charitable organization as the recipient was expected to reduce litigation and state staff time involved in the process used to allocate "undesignated" funds.[6] However, the DMS now believes that many of the efficiencies gained by this "designation" requirement have been replaced by the need to develop new processes to collect designated funds at agency FSECC fundraising events. At FSECC fundraising events, employees must designate a specific charitable organization as the recipient by filling out a separate form and contribute a minimum donation of $5 in order to offset the administrative costs of processing the donation.[7] Since many agency FSECC fundraising events are intended to accommodate the collection of small, one-time contributions, the DMS has determined it is not cost effective to individually track and process these designations.[8]

The DMS is authorized to allow participation in the FSECC by various local, state, national, and international charitable organizations. By administrative rule, each charitable organization must submit an application demonstrating that it meets statutory requirements.[9] However, the law creates differing eligibility criteria depending upon the type of organizations (e.g. independent unaffiliated agency[10], international service agency[11] and national agency[12]). According to the DMS, these additional eligibility requirements increase the complexity involved in reviewing applications submitted by potential participating charities, resulting in increased costs associated with administering the FSECC.[13]

Current law also requires the creation of local steering committees composed of state employees in each fiscal agent area to assist in conducting the campaign.[14] While the original role of the local steering committee was to determine how "undesignated" funds raised for the FSECC were

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[3] Department of Management Services, *Senate Bill 694 Agency Analysis* (Feb. 10, 2015) (on file with the Senate Committee on Governmental Oversight and Accountability).
[4] Section 110.181(1)(b), F.S.
[5] *See* ch. 2012-215, s. 9, L.O.F.
[6] Florida House of Representatives, *CS/CS/CS/CS/HB 1261 Final Bill Analysis* (May 11, 2012).
[7] Rule 60L-39.009, F.A.C.
[8] DMS Analysis, *supra* note 3.
[9] Rule 60L-39.005, F.A.C.
[10] Section 110.181(1)(d), F.S.
[11] Section 110.181(1)(e), F.S.
[12] Section 110.181(1)(f), F.S.
[13] DMS Analysis, *supra* note 3.
[14] Section 110.181(2)(d), F.S.

distributed, the current statutory role is limited to assisting the fiscal agent in conducting the campaign.[15]

III. Effect of Proposed Changes:

This bill allows state officers and employees to contribute undesignated funds to the FSECC at agency fundraising events. The bill amends s. 110.181(2)(d), F.S., to specify that undesignated funds are to be distributed among the charitable organizations in direct proportion to the percentage of the designated funds pledged to those organizations. For example, if a charitable organization receives 20 percent of the designated funds to the FSECC, that charity will receive 20 percent of the undesignated funds.

The bill also repeals the additional eligibility requirements for independent unaffiliated agencies, international service agencies, and national agencies.

This bill repeals the requirement that a local steering committee be created to assist the fiscal agent in conducting the FSECC.

The effective date of the bill is July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of a state tax shared with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The repeal of additional eligibility requirements for independent unaffiliated agencies, international service agencies, and national agencies may increase participation among previously ineligible non-profit charitable organizations.

[15] DMS Analysis, *supra* note 3.

C. Government Sector Impact:

Under the bill, the DMS may incur lower administrative costs associated with the FSECC.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 110.181 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.