

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 719 Florida State Employees' Charitable Campaign

**SPONSOR(S):** Cortes, B.

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 694

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	12 Y, 0 N	Toliver	Williamson
2) Government Operations Appropriations Subcommittee	13 Y, 0 N	White	Topp
3) State Affairs Committee	14 Y, 0 N	Toliver	Camechis

### SUMMARY ANALYSIS

The Florida State Employees' Charitable Campaign (FSECC) is an annual charitable fundraising drive administered by the Department of Management Services (DMS). It is the only authorized charitable fundraising drive directed toward state employees within work areas during works hours, and for which the state will provide payroll deduction. State officer and employee participation is completely voluntary.

During an FSECC fundraising drive a state officer or employee may contribute to various participating charitable organizations; however, the contribution must be designated. In addition, a state officer or employee choosing to donate during an FSECC fundraising drive must specifically designate a participating organization as the recipient of the officer's or employee's contribution.

Participation in the FSECC is limited to any nonprofit charitable organization that meets certain criteria. Current law also provides specific eligibility criteria for an independent unaffiliated agency, national agency, or an international service agency.

The bill allows state officers and employees to contribute undesignated funds to the FSECC as part of a campaign event. It directs the fiscal agent to direct undesignated contributions to participating charitable organizations in proportion to all designated FSECC contributions received by that organization.

The bill eliminates the requirement that local steering committees be established in each fiscal agent area. It also eliminates the additional eligibility requirements for an independent unaffiliated agency, national agency, and international service agency.

The bill does not appear to have a fiscal impact on state or local governments.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **The Florida State Employees' Charitable Campaign**

###### Present Situation

The Florida State Employees' Charitable Campaign (FSECC) is an annual charitable fundraising drive administered by the Department of Management Services (DMS).<sup>1</sup> It is the only authorized charitable fundraising drive "directed toward state employees within work areas during works hours, and for which the state will provide payroll deduction."<sup>2</sup> State officer and employee participation is completely voluntary.<sup>3</sup>

During an FSECC fundraising drive, a state officer or employee may contribute to various participating charitable organizations; however, the contribution must be designated.<sup>4</sup> In addition, a state officer or employee choosing to donate during an FSECC fundraising drive must specifically designate a participating organization<sup>5</sup> as the recipient of the officer's or employee's contribution.

Participation in the FSECC is limited to any nonprofit charitable organization that has as its principal mission public health and welfare, education, environmental restoration and conservation, civil and human rights, or any nonprofit charitable organization engaged in the relief of human suffering and poverty.<sup>6</sup> Current law provides specific eligibility criteria for an independent unaffiliated agency,<sup>7</sup> national agency,<sup>8</sup> or an international service agency.<sup>9</sup>

DMS procures a fiscal agent<sup>10</sup> or agents as it deems necessary, to "receive, account for, and distribute charitable contributions among participating charitable organizations."<sup>11</sup> DMS appoints a statewide steering committee to assist it in oversight, development, and administration of the FSECC.<sup>12</sup> DMS also appoints local steering committees for each fiscal agent area.<sup>13</sup> The local steering committee is

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<sup>1</sup> Section 110.181(1)(a), F.S.

<sup>2</sup> *Id.*

<sup>3</sup> Section 110.181(1)(b), F.S.

<sup>4</sup> *Id.*

<sup>5</sup> The FSECC website has a provision within their "FAQs for Donors" regarding designations: "[T]he FSECC is a donor-designated campaign, and it is Florida law that every FSECC donation must have a charity designation. When you complete your FSECC pledge form, you will be asked for a code(s) of the charity/charities of your choice as listed in the FSECC Approved Charity brochure, and this will ensure that your donation goes to support the causes that are important to you." <http://www.fsecc.com/faqs-for-donors/> (last visited Feb. 22, 2015).

<sup>6</sup> Section 110.181(1)(c), F.S.

<sup>7</sup> An independent unaffiliated agency must be a statewide entity whose programs provide substantial, direct, hands-on services that meet basic human or environmental needs and extend throughout the year and through the state. Section 110.181(1)(d), F.S. In addition, DMS has promulgated two rules regarding the statewide independent unaffiliated agency. Fla. Admin. Code R. 60L-39.0015(l) (2013) defines an independent unaffiliated agency as a charitable organization that is not an umbrella group or a member of any umbrella group. Fla. Admin. Code R. 60L-39.004(4) (2013) provides that an independent unaffiliated agency will be deemed to be providing services throughout the year and throughout the state in accordance with s. 110.181(1)(d), F.S., if it demonstrates that services were provided every month of the calendar year and in every fiscal agent area.

<sup>8</sup> A national agency must demonstrate, through a well-defined program, direct services meeting basic human or environmental needs which are readily available, being administered, or providing a substantial direct benefit to the residents of Florida. Section 110.181(f), F.S. DMS further defines a national agency as an "umbrella group or an affiliated member of an umbrella group serving basic human or environmental needs inside the United States. This definition excludes any charitable organization that is a member or affiliate of the United Way of Florida, Inc." Fla. Admin. Code R. 60L-39.0015(n) (2013).

<sup>9</sup> An international service agency must have well-defined programs that meet basic human or environmental needs outside the United States with no duplication of existing programs. Section 110.181(1)(e), F.S.

<sup>10</sup> The current statewide fiscal agent is Solix, Inc. FLORIDA STATE EMPLOYEES' CHARITABLE CAMPAIGN, <http://www.fsecc.com/administration/> (last visited Feb 23, 2015).

<sup>11</sup> Section 110.181(2)(a), F.S.

<sup>12</sup> Section 110.181(4), F.S.; Fla. Admin. Code R. 60L-39.003 (2013).

<sup>13</sup> Section 110.181(2)(d), F.S.; Fla. Admin. Code R. 60L-39.008 (2013).

composed of state employees and it is tasked with assisting the fiscal agent with the administration of the FSECC.<sup>14</sup>

### Background

Prior to 2012, the FSECC could accept non-designated contributions.<sup>15</sup> The local steering committee would direct the allocation of non-designated funds.<sup>16</sup> In 2012, the legislature required that FSECC contributions be designated to a participating charitable organization.<sup>17</sup>

### **Effect of the Bill**

The bill allows state officers and employees to contribute undesignated funds to the FSECC as part of a campaign event. The bill directs the fiscal agent to direct undesignated contributions to participating charitable organizations in proportion to all designated FSECC contributions received by that organization. For instance, if a charitable organization receives 10 percent of all designated FSECC contributions then that organization would receive a corresponding 10 percent of all undesignated contributions.

The bill eliminates the requirement that local steering committees be established in each fiscal agent area. It also eliminates the additional eligibility requirements for an independent unaffiliated agency, national agency, and international service agency; thus, making eligibility criteria for participation in the FSECC the same for all charitable organizations.

#### B. SECTION DIRECTORY:

Section 1: Amends s. 110.181, F.S., relating to the Florida State Employees' Charitable Campaign.

Section 2: Provides an effective date of July 1, 2015.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

The bill does not appear to impact state government revenues.

##### 2. Expenditures:

The bill does not appear to impact state government expenditures.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

The bill does not appear to impact local government revenues.

##### 2. Expenditures:

The bill does not appear to impact local government expenditures.

#### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a direct economic impact on the private sector.

#### D. FISCAL COMMENTS:

None.

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

<sup>15</sup> *See* s. 110.181(1)(b), F.S. (2011).

<sup>16</sup> *See* s. 110.181(2)(d), F.S. (2011).

<sup>17</sup> *See* Ch. 2012-215, L.O.F.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect municipal or county government.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The bill does not appear to require any additional rulemaking authority for DMS.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

##### Other Comments: Department of Management Services

According to DMS, the bill will allow it to eliminate administratively burdensome and ineffective procedures agencies must follow in order to ensure contributions collected at FSECC fundraising events are designated.<sup>18</sup> Currently, DMS allows small agency fundraising events, wherein small donations are collected and pooled together. According to DMS, requiring these small donations to be specifically designated has abrogated any efficiency initially gained from the designation requirement.<sup>19</sup>

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

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<sup>18</sup> Department of Management Services, Bill Analysis of HB 719 (Feb. 13, 2015), on file with the Government Operations Subcommittee.

<sup>19</sup> *Id.*