HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 651 State Employment
SPONSOR(S): Yarborough
TIED BILLS: **IDEN./SIM. BILLS:** SB 950

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	13 Y, 0 N	Hoffman	Harrington
2) Government Accountability Committee	20 Y, 0 N	Hoffman	Williamson

SUMMARY ANALYSIS

Current law establishes the Florida State Employees' Charitable Campaign ("FSECC"), which is an annual charitable fundraising drive administered by the Department of Management Services. It is the only authorized charitable fundraising drive directed toward state employees within work areas during work hours, and for which the state will provide a payroll deduction. State officer and employee participation is voluntary. 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 nonprofit charitable organizations that meet certain criteria.

On December 7, 2016, the secretary of DMS notified state agencies that the campaign was being suspended because more than 63 percent of every dollar pledged would have gone to cover the fiscal agent fee instead of to the designated charities. To date, the campaign remains suspended.

The bill eliminates the FSECC and provides that no organization, entity, or person may intentionally solicit a state employee through any means for fundraising or business purposes within work areas during work hours. However, it does not prohibit state-approved communications by entities that the state has contracted to provide employee benefits or services, non-coercive voluntary communications between state employees in workplace areas, and activities at authorized public events occurring in non-work areas of state owned or leased facilities.

The bill may have a positive fiscal impact on the state and does not appear to have a fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida State Employees' Charitable Campaign ("FSECC") is an annual charitable fundraising drive administered by the Department of Management Services ("DMS").[1] It is the only authorized charitable fundraising drive directed toward state employees within work areas during work hours, except for those conducted by state universities.[2] During an FSECC fundraising drive, a state officer or employee may contribute to various participating charitable organizations, and must specifically designate a participating organization as the recipient of the contribution.[3] Participation must be voluntary.[4] Employees can contribute through payroll deduction.[5]

Participation in the FSECC is limited to nonprofit charitable organizations that have as their principal mission public health and welfare, education, environmental restoration and conservation, civil and human rights, or the relief of human suffering and poverty.[6] Organizations ineligible to participate in the FSECC include, in part, organizations: whose fundraising and administrative expenses exceed 25 percent, unless extraordinary circumstances can be demonstrated; whose activities contain an element that is more than incidentally political in nature or whose activities are primarily political, religious, professional, or fraternal in nature; or that have not received tax-exempt status under s. 501(c)(3) of the Internal Revenue Code.[7]

DMS must procure a fiscal agent or agents to receive, account for, and distribute charitable contributions among participating charitable organizations.[8] A FSECC steering committee is established to assist in oversight, development, and administration of the FSECC.[9]

On December 7, 2016, the secretary of DMS notified state agencies that the campaign was being suspended because more than 63 percent of every dollar pledged would have gone to cover the fiscal agent fee instead of to the designated charities.[10] To date, the campaign remains suspended.

Effect of the Bill

The bill eliminates the FSECC. The bill also prohibits an organization, entity, or person from intentionally soliciting a state employee through any means for fundraising or business purposes within work areas during work hours. However, it does not prohibit state-approved communications by entities that the state has contracted to provide employee benefits or services, non-coercive voluntary communications between state employees in workplace areas, and activities at authorized public events occurring in non-work areas of state owned or leased facilities.

---

[1] Section 110.181(1)(a), F.S.
[2] *Id*; Section 110.181(5), F.S.
[3] Section 110.181(1)(b), F.S.
[4] *Id.*
[5] Section 110.181(1)(a), F.S
[6] Section 110.181(1)(c), F.S
[7] Section 110.181(1)(e), F.S.
[8] Section 110.181(2)(a), F.S.
[9] Section 110.181(4), F.S. The FSECC steering committee has seven members appointed by the administration commission, and two members appointed by the secretary of DMS from among applicants submitted from other agencies or departments. The committee members serve staggered terms and meet at the call of the secretary. Members serve without compensation, but are entitled to receive reimbursement for travel and per diem expenses.
[10] Florida Department of Management Services, Agency Analysis of 2018 House Bill 651, p. 3 (Dec. 20, 2017).

B. SECTION DIRECTORY:

Section 1. Repeals s. 110.181, F.S., relating to the FSECC.

Section 2. Creates s. 110.182, F.S., prohibiting solicitation of state employees.

Section 3. Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill could impact those charities that might benefit from the FSECC; however, the campaign has been inactive since December 2016.

D. FISCAL COMMENTS:

The bill may have a positive fiscal impact on DMS because the department would no longer be required to procure the services of a fiscal agent or agents to receive, account for, and distribute charitable contributions among participating charitable organizations for the FSECC.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.