

The Florida Senate
PROFESSIONAL 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 Operations Committee

BILL: SB 2676

INTRODUCER: Senators Lawson and Wise

SUBJECT: Public Employee Charitable Campaigns

DATE: April 22, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wilson	Wilson	GO	Pre-meeting
2.			GA	
3.				
4.				
5.				
6.				

I. Summary:

The bill changes the procedures for qualifying organizations to participate in the only statutorily recognized charitable fundraising program for public employees.

This bill substantially amends s. 110.181 and creates s. 110.182, F.S.

II. Present Situation:

Section 110.181, F.S., recognizes the Florida State Employees' Charitable Campaign (FSECC) as the single, payroll deductible means of providing personal contributions to non-profit organizations. There are five criteria which affect an organization's ability to participate in this campaign and receive contributions:

Statutory Criteria for FSECC Participation (s. 110.181, F.S.)

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 federal 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 employee selected charities and the DFS, as paymaster, provides the deductions codes through the state payroll system. The approved fiscal agent is permitted to recover reasonable costs for the conduct of the campaign and must reimburse DMS for the campaign coordination costs, not to exceed one percent of pledges. All financial records associated with the fiscal intermediary duties and operations are open for public inspection. In each fiscal agent administrative area a local steering committee of public employees assists in the conduct of the campaign and directs the distribution of undesignated funds. A total, of \$4.6 million was collected by the 2004 campaign and was distributed to some 1300 participating organizations statewide.

The fiscal agency for the FSECC campaign is the United Way of Florida, Inc.

III. Effect of Proposed Changes:

The bill revises the organization and participation criteria for member organizations in the FSECC, as follows:

Section 1. Section 110.181(1), F.S., is amended to delete the requirement that there is only one annual fundraising drive in the workplace for which payroll deduction is authorized.

Section 2. A new s. 110.182, F.S., is created to permit the state or any of its organizational units to establish and maintain their own FSECC campaigns and to secure payroll deduction codes from the DFS for such voluntary giving. Deduction requests may be withdrawn at any time by the contributing employee.

New criteria are established for participating agencies and federations: an office open at least twenty hours per week with full- or part-time employees for the prior five years; representation of at least ten eligible organizations meeting similar criteria; and governance by an active, voluntary board exercising administrative control. The existing five criteria for ineligibility apply to the participating federations and their agencies.

A new provision for the competitive selection of fiscal agents is provided with a standard altered from the current “reasonable costs” to twelve percent of gross campaign receipts. Participating

federations and member agencies shall receive the same percentage of undesignated funds raised in a campaign as the percentage of designated ones they receive.

The section provides two definitions, one of an agency and the other of a federation, the latter encompassing not-for-profit organizations joined together for fundraising and the distribution of contributions.

The bill takes effect July 1, 2007.

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:

The effect of changing the administrative costs structure and the recognition of federations will have a cumulative effect of distributing more of the undesignated pledges to organizations that today receive less than current practice permits. To the extent that such organizations have an administrative cost structure less than that recognized as “reasonable” under the present statute, the current fiscal agent will have more available deductions for distribution to charitable organizations. As discussed, below, the drafting of these provisions can have an awkward effect.

C. Government Sector Impact:

The DFS has advised that there will be additional payroll costs since the bill has the effect of developing a different campaign from the single FSECC one at present.

VI. Technical Deficiencies:

A literal reading of the bill provides for the initiation of FSECC campaigns that are agency-based and not necessarily conducted at a statewide level. This will add to the sensitivity of the fundraising efforts but may add to the overall administrative cost. It could also add to the

complexity of issuance of payroll deduction codes if this result provides for the recognition of additional organizations.

VII. Related Issues:

The United Way of Florida, Inc. reported the following financial information as part of its registration under ch. 496, F.S.:

Total Revenue (2006)	\$ 1,291,858.00
Program Services Cost	\$ 1,051,919.00
Administrative Cost	\$ 66,065.00
Fund-Raising Cost	\$ -0-
Payment to Affiliates	\$ -0-
Total Expenses	\$ 1,117,984.00
Surplus/(Deficit)	\$ 173,874.00

This Senate Professional 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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