# *State Employee Charitable Campaign*

*S.B. 217 Patrick (Anchia)* *Staff Contact: Joey Reed*

Created as a benefit for state employees to make charitable donations through payroll deduction, the State Employee Charitable Campaign (SECC) is not a state agency, receives no state appropriation, and has no dedicated staff. The Legislature placed SECC under Sunset review in 2011, providing the first in-depth look at SECC's structure and operations since it was created in 1993. The Sunset review revealed that since SECC's first Campaign, the world of charitable giving has changed significantly, but SECC has not. SECC continues to operate as it always has, with a paper-based donation system, an unwieldy administrative structure, and little attention given to the cost or effectiveness of its operations to ensure continued success.

Within this context, the SECC Sunset bill, Senate Bill 217, provides SECC with the leadership, structure, and guidance necessary to not only bring the Campaign into the 21st Century, but to also allow it to continue to adjust to the changing needs of its participants. Senate Bill 217 charges the State Policy Committee with providing the leadership needed to modernize and improve the Campaign, including moving to an online donation system. The bill also requires the State Policy Committee to determine the structure that best meets the needs of its participants and to ensure Campaign costs do not exceed 10 percent of donations by streamlining the Campaign and reducing costs.

The following material summarizes results of the Sunset review of SECC, including a management action directed to the State Policy Committee that does not require statutory change. For additional information see the *State Employee Charitable Campaign Sunset Final Report with Legislative Action* available on the Sunset Commission website at www.sunset.state.tx.us.

**Continuation and Governance**

- Continues SECC for four years until 2017.
- Restructures the composition and terms of the State Policy Committee and applies standard Sunset Across-the-Board recommendations to the Committee.
- Specifically charges the State Policy Committee with providing leadership for the Campaign, including developing a strategic plan and overall budget.

**Campaign Eligibility and Structure**

- Removes the statutory exemption that allowed charities that participated in the Campaign before 2003 to continue to participate even though their administrative costs exceeded 25 percent of revenues.
- Requires the State Policy Committee develop and enter into a contract with the State Campaign Manager to administer the Campaign.
- Requires the existence of both statewide and local campaigns, but removes the statutory requirements and specificity for Local Employee Committees and Local Campaign Managers.

- Requires the State Policy Committee to ensure the appropriate distribution of state employee and retiree donations to charities.
- Requires the Comptroller to provide the State Policy Committee with administrative assistance in overseeing the Campaign.
- Restructures the State Employee Charitable Campaign Advisory Committee.

### Administrative Efficiency

- Clarifies that the combined administrative expenses of the Campaign cannot exceed 10 percent of all charitable donations raised.
- Directs the State Policy Committee to evaluate and streamline SECC's current processes, organization, and structure. (management action – nonstatutory)
- Requires the State Policy Committee, in conjunction with the State Campaign Manager, to maintain on the SECC website, annual summary information about the Campaign's performance.

### Fiscal Implication

Senate Bill 217 will not have a fiscal impact to the State. Since SECC receives no state appropriation, costs to administer SECC will continue to come from a portion of employee donations made through the Campaign, capped at 10 percent of total donations raised.