

STATE EMPLOYEE CHARITABLE CAMPAIGN

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Campaign at a Glance

The Legislature created the State Employee Charitable Campaign (SECC) in 1993 to provide Texas state employees and retirees, including higher education employees, the option to donate to charities through the convenience of payroll deduction. SECC's major functions include:

- administering the voluntary workplace giving campaign, including the employee donation and payroll deduction process;
- ensuring charities participating in SECC meet the eligibility criteria specified in statute; and
- distributing donations made by state employees to designated charities.

Summary

Before the advent of SECC, charitable giving in state government workplaces often took place through multiple time-consuming fund-raising drives for different causes throughout the year, which, in some instances, was said to lead to coercion of state employees. SECC changed this dynamic, providing state employees the convenience of monthly payroll deductions for a wide variety of state-approved charities, while limiting workplace solicitation.

In 2011, the Legislature placed SECC under Sunset review, which provided the first in-depth look at its structure and operations since its creation. The Sunset Commission found that in the 18 years since SECC's first campaign, the world of charitable giving has changed significantly, but SECC has not. SECC has continued to operate as it always has, with a paper-based donation system and an unwieldy administrative structure, with little attention given to the cost or effectiveness of its operations to ensure its continued success. The following material summarizes the Sunset Commission's recommendations on SECC.

The nature of charitable giving has changed since 1993; SECC has not.

Issue 1

SECC's Existing Structure Is Outdated and No Longer Effective In Meeting the Changing Needs of the Campaign.

While SECC is beneficial to state employees who voluntarily choose to donate to charities through payroll deduction, it lacks the leadership structure and direction necessary to make needed decisions and improvements to modernize the Campaign. Statute does not explicitly charge the State Employee Charitable Campaign Policy Committee to develop a strategic vision and a comprehensive budget for the Campaign. Also, SECC's structure — with one statewide campaign and 18 local campaigns — unnecessarily increases administrative costs and prevents the efficient use of employee donations.

Recommendations

Change in Statute

1.1 Continue SECC and charge the State Policy Committee with providing leadership for the Campaign, including developing a strategic plan and overall budget.

This recommendation would continue SECC as a voluntary benefit for state employees, and charge the State Policy Committee with more fully overseeing and providing leadership for the Campaign. The State Policy Committee would be required to develop a strategic plan for SECC and make improvements to the Campaign as needed, and to develop, approve, and oversee SECC's overall budget.

The State Policy Committee would also review and approve or deny charity applications, and collect and report annual summary information about the Campaign's performance. Statute would require the existence of both statewide and local campaigns, but would give the State Policy Committee flexibility to determine how to best ensure a local presence. Finally, this recommendation would remove SECC and the State Policy Committee from future Sunset review.

1.2 Require the Comptroller to provide the State Policy Committee with administrative assistance in overseeing the Campaign.

Under this recommendation, the Comptroller would be required to provide the State Policy Committee with administrative support in carrying out its oversight duties that the Committee is unable to provide without a staff of its own. The Comptroller would provide the State Policy Committee with assistance in developing and overseeing contracts, developing the budget, auditing charities' distribution of donations, and other administrative functions. The Comptroller would retain current statutory authority to charge participating charities an administrative fee to cover costs incurred to administer the Campaign.

1.3 Restructure the composition and terms of the State Policy Committee.

This recommendation would change the composition of the State Policy Committee to include nine members, with three members appointed by the Governor with the advice and consent of the Senate, three by the Lieutenant Governor, and three by the Comptroller. One of the Governor's three appointments would be required to be a state retiree. To provide continuity and expertise on the Committee, members would serve two-year staggered terms.

1.4 Apply standard Across-the-Board Recommendations to the State Policy Committee.

This recommendation would apply standard Sunset Across-the-Board Recommendations related to policymaking boards and modify them to fit the State Policy Committee's structure. Statute would specify the grounds for removal of a State Policy Committee member and members would be required to undergo training before participating on the State Policy Committee.

1.5 Restructure the State Employee Charitable Campaign Advisory Committee.

Under this recommendation, the composition of the State Employee Charitable Campaign Advisory Committee's membership would change to include representatives of four statewide or local federations, and four other charities participating in the Campaign. This recommendation would also clarify the State Advisory Committee's role and responsibilities, including advising the State Policy Committee and Comptroller in adopting rules and establishing procedures for the operation and management of the Campaign and providing input from charities to the State Policy Committee.

1.6 Remove the statutory language that allows charities that have administrative costs that exceed 25 percent of revenues and that participated in the Campaign before 2003 to participate under old eligibility requirements.

This recommendation would remove the grandfathered eligibility provision for charities that have administrative costs that exceed 25 percent of revenues. These charities would no longer be eligible to participate in SECC, even if they had participated in the Campaign before 2003. This recommendation would not affect the provision in state law that allows international charities that participated in SECC before 2003 to participate in the Campaign as long as they meet other eligibility requirements.

Management Action

1.7 Direct the State Policy Committee to evaluate and streamline SECC's current processes, organization, and structure.

This recommendation directs the State Policy Committee to revamp and modernize the Campaign. The recommendation charges the State Policy Committee with taking a critical look at SECC's current structure and operations, and making changes as needed with an eye towards centralizing administration as efficiently as possible without sacrificing effectiveness.

Fiscal Implication Summary

These recommendations would not have a fiscal impact to the State since SECC receives no state appropriation. Costs to administer SECC would continue to come from a portion of employee donations made through the Campaign, capped at 10 percent of total donations raised.

