

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	7 - 0 - 1
<b>Yeas:</b>	Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
<b>Nays:</b>	0
<b>Exc.:</b>	Cameron
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	4/26, 5/26

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**WHAT THE MEASURE DOES:** Directs Department of Administrative Services Director to appoint members to Charitable Fund Drive Committee to set policies and implement program. Allows Committee, with approval of Department Director, to enter into contract with a charitable management organization (CMO) to administer program. Specifies that the contract with a CMO shall include the maximum amount, or percentage of contributions, that may be kept by the CMO as administrative costs. Directs the Department to disclose the maximum amount that can go towards administrative costs on its website and in the drive's promotional materials. Directs the Department to adopt rules setting a limit on administrative costs and listing the specific expenses that qualify as administrative costs.

**ISSUES DISCUSSED:**

- Administrative costs
- Pressure on employees to participate
- Type of account in which money is held
- Oversight of program and account

**EFFECT OF COMMITTEE AMENDMENT:** Directs the Department to adopt rules setting the maximum amount that can go towards administrative costs and listing the specific expenses that qualify as administrative costs. Directs the Department to disclose the maximum amount that can go towards administrative costs on its website and in the fund drive's promotional materials. Specifies that a contract with a CMO shall include the maximum amount, or percentage of contributions, that may be kept by a CMO as administrative costs.

**BACKGROUND:** The State of Oregon Employees Charitable Fund Drive, established in 1989, is an annual, combined charitable giving campaign tailored to meet the needs and wishes of employees of the State of Oregon. The program helps state employees collectively address issues such as hunger, preservation of natural resources, discrimination, child abuse, and disease. Employees can support nearly 900 nonprofit groups or issues by making a single charitable gift.

The program's administrative costs are paid for out of donations raised through the annual campaign; government funds are not used to administer the charitable fund drive. In 2010-11, employees donated \$1,007,502, of which \$105,253 (10.4 percent) went to administrative costs of the CMO contracted to manage the program. The Department reports that funds raised through the Charitable Fund Drive are held by the CMO and are deposited in a bank account accessed only by the fiscal agent for the campaign. An auditor annually reviews the cash handling process and tests that funds are being distributed as pledged.

Statutes that govern the program are outdated and do not reflect the current structure and administration of the program. There are no statutory provisions addressing the administrative costs of the fund drive. Senate Bill 53-A directs the Department to adopt rules setting a limit on administrative costs and to disclose the limits on its website and in the promotional materials of the fund drive. The bill also codifies the Charitable Fund Drive Committee to be appointed by the Department Director.

5/27/2011 5:06:00 PM

***This summary has not been adopted or officially endorsed by action of the committee.***