

# HOUSE BILL REPORT

## SB 5156

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### As Reported by House Committee On:

State Government

**Title:** An act relating to the combined fund drive.

**Brief Description:** Describing the duties of the combined fund drive.

**Sponsors:** Senators Winsley, Fraser, Jacobsen and Haugen.

### Brief History:

#### Committee Activity:

State Government: 3/21/03, 3/28/03 [DPA].

#### Brief Summary of Bill (As Amended by House Committee)

- Specifies the powers and duties of the Combined Fund Drive.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Haigh, Chair; Miloscia, Vice Chair; Armstrong, Ranking Minority Member; Shabro, Assistant Ranking Minority Member; Hunt, McDermott, Nixon, Tom and Wallace.

**Staff:** Katie Blinn (786-7114).

### Background:

The Combined Fund Drive (CFD) began in 1984, through an Executive Order by Governor John Spellman. It was reaffirmed in 2001 by Governor Gary Locke and a committee was established to conduct a single, annual, consolidated effort to collect charitable donations for distribution to agencies engaged in charitable and public health, welfare and social service purposes.

During the 2002 legislative session, the Legislature passed SB 6372, which provided statutory authority for the CFD. State employees may authorize to have donations deducted from their wages for the benefit of CFD participating agencies. The Washington State Combined Fund Drive account, in the custody of the State Treasurer,

maintains the funds.

The Department of Personnel (DOP) has rulemaking authority to conduct the CFD. The Combined Fund Drive Committee (Committee), established in rule rather than statute, establishes standards and criteria for participating in the CFD. The Committee consists of 12 members appointed by the Governor representing public employees' unions, the Legislature, the judiciary, state agencies, higher education institutions, elected officials, retired public employees, and other groups recommended by the DOP. The Committee evaluates applications from agencies applying to participate in the fund drive, and distributes funds received through the annual campaign. The DOP provides administrative support for the operation of the Committee.

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### **Summary of Amended Bill:**

The DOP has rulemaking authority to create the Committee in rule. The Committee may enter into contracts and partnerships with private institutions, persons, firms, and corporations for the benefit of the CFD beneficiaries. The powers and duties of the CFD include:

- raising money for charity, and reducing the disruption to government caused by multiple fund drives;
- establishing criteria for private and public organizations to participate;
- engaging in or encouraging fundraising activities, including the solicitation of charitable gifts, grants, and donations;
- requesting the appointment of state employees to lead and manage workplace charitable giving campaigns;
- engaging in educational activities related to the basic purpose of the campaign;
- engaging in appropriate fundraising and advertising activities to support the administrative duties of the CFD; and
- charging an administrative fee to beneficiaries to fund the administrative duties of the CFD.

Activities of the CFD shall not result in direct commercial solicitation of state employees, or result in a benefit or advantage that would violate the state ethics laws. The statutes authorizing the CFD do not authorize individual state agencies to enter into contracts or partnerships unless otherwise authorized by law.

### **Amended Bill Compared to Original Bill:**

The amended bill states that the Committee may be established in rule, that activities of the CFD shall not result in direct commercial solicitation of state employees or result in a benefit or advantage that would violate the state ethics laws, and that the statutes authorizing the CFD do not authorize individual state agencies to enter into contracts or

partnerships unless otherwise authorized by law.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The bill will assist the DOP to conduct the CFD, which is a charitable giving campaign. Almost \$5 million was raised last year. The CFD allows state employees and retirees to contribute to a variety of organizations. The bill will allow the Committee to enter into contracts to obtain matching funds from other organizations. Currently, approximately 8 percent is taken off the top of donations to each organization to cover administrative costs. Allowing companies and other groups to advertise on the CFD materials will allow all administrative costs to be covered and allow 100 percent of the donations to go to the intended beneficiaries. Olympia-based and statewide companies are interested in advertising with the CFD.

The Executive Ethics Board (Board) was concerned about the original version of the bill because it was concerned about the direct solicitation of employees. The Board wanted to prevent the solicitation by state employees to parties that the state regulates. The Board can only support the bill in its amended form.

**Testimony Against:** None.

**Testified:** (In support) Senator Fraser, sponsor; and Randy Ryan, Combined Fund Drive.

(In support with concerns) Brian Malarky, Executive Ethics Board.