
OLR Bill Analysis

sSB 1040

AN ACT CONCERNING THE STATE EMPLOYEE CAMPAIGN.

SUMMARY

This bill makes several changes to the Connecticut State Employees Campaign for Charitable Giving (CSEC), which is overseen by the State Employee Campaign Committee and the state comptroller. Among other things, it does the following:

1. transfers authority for overseeing the campaign from the comptroller to the campaign committee;
2. makes changes to the State Employee Campaign Committee's composition;
3. removes federations (affiliated nonprofits) from participating in the campaign, thus eliminating the requirement that charities participate through them in order to also participate;
4. makes federations ineligible to administer the campaign as CSEC's administering entity (i.e., principal combined fundraising organization (PCFO));
5. modifies a qualification requirement for the PCFO; and
6. establishes requirements for charitable organizations seeking to participate in the campaign, including using funds in-state and capping administration fees at 15%.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

STATE EMPLOYEE CAMPAIGN COMMITTEE

CSEC Oversight Authority

The bill transfers, from the comptroller to the State Employee Campaign Committee, oversight authority for CSEC. Thus, the bill gives the committee the authority to:

1. exercise general supervision over all operations of the campaign and take any necessary steps to ensure achievement of its objectives;
2. contract with the selected PCFO to administer the campaign on the committee's behalf; and
3. audit, investigate, and report on campaign administration, for purposes of compliance with applicable laws and regulations.

The bill also transfers the authority to adopt CSEC regulations from the comptroller to the committee. (Presumably, the committee would be considered to fall under the definition of “agency” in CGS § 4-166, and as such, be authorized by law to make regulations.)

The bill allows the committee to take the actions necessary to ensure legal and regulatory compliance of CSEC administration. However, it does not grant the committee this authority with respect to participating charitable organizations, as current law does for the comptroller.

Membership

The bill makes several changes to the State Employee Campaign Committee's composition. Generally, it (1) reduces the number of state employee members from 10 to 4, (2) eliminates the PCFO representative, as well as representatives from each participating federation, all of whom are currently nonvoting members.

Under existing law and the bill, the committee includes the comptroller, administrative services commissioner, legislative management executive director, or their designees. Table 1 shows the committee's composition.

Table 1: State Employee Campaign Committee's Composition

<i>Current Law</i>	<i>The Bill</i>
Comptroller, or his designee	Comptroller, or his designee
Commissioner of Administrative Services, or his designee	Commissioner of Administrative Services, or his designee
Executive director of the Joint Committee on Legislative Management, or his designee	Executive director of the Joint Committee on Legislative Management, or his designee
Four state employees appointed by the governor, two of whom represents organized labor	Two state employees appointed by the governor, one of whom represents organized labor and one to serve as the primary liaison between the committee and the executive branch department heads
Six state employees, with the top six legislative leaders each appointing one	Two state employees, one appointed by the House speaker and one by the Senate president
Two retired state employees, one appointed by the governor and one appointed by the comptroller	Two retired employees appointed by the comptroller
One nonvoting representative from each participating federation	
One nonvoting representative from the principal combined fund-raising organization selected	

Campaign Administrator

By law, the PCFO administers CSEC. The State Employee Campaign Committee selects the PCFO and supervises its activities.

Among other things, current law requires that the PCFO have experience conducting workplace campaign operations. The bill modifies this required experience to include facilitating campaign operations, rather than conducting them.

Participating Organizations

Under current law, charitable organizations seeking to participate in CSEC, unless acting as the PCFO, must do so through a federation (i.e., a group of at least five affiliated 501(c)(3) organizations). The bill removes all references to federations, thus allowing charities to participate directly in the campaign.

Under the bill, charitable organizations seeking to participate in CSEC must be tax-exempt nonprofit organizations and:

1. have a written nondiscrimination policy and be in compliance with all laws on nondiscrimination, equal employment opportunity, and public accommodation with respect to their programs, clients, officers, employees, and volunteers;
2. use CSEC funds for their stated purpose within the state and not use more than 15% for administrative costs; and
3. demonstrate that their programs are in and serve the state, as evidenced by the presence of at least one staffed facility in the state at which goods or services may be obtained.

The bill makes conforming changes by eliminating current law's application procedures applicable to federations.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 10 Nay 6 (03/20/2019)