

MDR Advocacy Committee Comments

These comments represent a consortium of Principal Combined Fund Organizations (PCFOs) campaign directors hired to coordinate and administer the campaign known as the Million Dollar Round Table (MDR.) The MDR is comprised of 56 large campaigns across the nation, with contributions of one-half million dollars or more. The MDR campaign directors share best practices to reduce campaign costs, resolve campaign issues, and identify and implement innovative approaches for improving the CFC's operational effectiveness across the country. Collectively, in 2012, 55 of these regions raised \$174,813,202 which represents 68% of the \$258,300,000 total raised.

As campaign directors we are in a unique position to consistently interact with all stakeholders of the campaign—donors, non-donors, charities, agency leaders, campaign overseers, and OPM regulators. This affords us a broad basis for comment on the proposed regulation changes. We have analyzed the OPM proposed regulations and conclude that OPM adopted some of the stakeholders' recommendations that will benefit the campaign:

- Revise the solicitation timeline,
- Propose employees' ability to give upon hire,
- Immediate disaster relief support,
- Streamline the charity application process,
- Reduce the audit requirements for smaller charities.

We also conclude that OPM did not address several popular recommendations in their Federal Advisory Commission final report of recommendations:

- Develop a robust survey tool and create focus groups to determine what donors and charities want and why they do not participate,
- Expand the community of individuals who can be solicited through the CFC,
- Increase access to federal retirees, contractors, National Guardsmen and Reservists by removing solicitation prohibition and offer credit/debit and/or allotment contributions (retirees only),
- Annual pledge renewal.

We conclude there was a rush to propose regulatory change that precluded OPM from:

- Utilization of surveys and focus groups to access donor/non donor/charity wants
- Provision of regulatory specificity,
- Implementation of pilots for proposed changes,
- Communication of the projected timeline for implementing their proposed changes,
- Discussion of the proposed changes with the stakeholders prior to public comment.

We understand that the Federal internal comment period only involved the highest level of government personnel (Department heads) and Federal Executive Boards ahead of the public comment period. This resulted in the primary stakeholders, Federal employees, not having input on the proposed regulations changes in many workplaces.

Upon OPM's announcement of their proposed regulation changes, we have received significant comment from volunteers, donors, campaign leaders, agency heads and FEB members. They have questioned the effectiveness of geographically broad campaign administration and centralization of the campaign. Others across the country are concerned about mandated "assignment" of CFC responsibility that would replace the current volunteer structure. Many of these stakeholders express concern that the proposed regulations far exceed stakeholder recommendations and include changes that weren't considered outside OPM. Resoundingly, these stakeholders believe these changes will undermine the campaign's strengths and damage the integrity of donor choice upon which the campaign's success depends. Ultimately the concern is of the eventual destruction of the campaign resulting in diminished donations and reduced community support.

Our own surveys conclude 85% of local charities would not be able to pay the application fee due to cash flow restrictiveness. Cumulatively the 55 regions of the MDR only had 32% of contributions given online in 2012 with many donors complaining that they did not receive a paper pledge form.

We conclude that OPM dismissed the recommendations of the Federal Advisory Commission OPM formed to provide recommendations along with the testimony of other stakeholders including the MDR, by proposing to enact significant change all at once instead of phasing the proposed changes in over time. We conclude that most of the proposed changes are sweeping in nature and if abruptly implemented as OPM proposes, will have severe unintended consequences. These include the proposed changes for:

- The campaign governance structure – elimination of local Federal Coordinating committees,
- Elimination of PCFO campaign coordination and administrative support,
- Imposition of an upfront, non-refundable charity application fee to cover the campaign costs that merely shifts the reimbursement, of the cost from the end of the campaign to the beginning of the campaign,
- Complete elimination of traditional pledge forms, fundraisers, cash and check giving in lieu of exclusive online giving,
- Mandatory OPM centric oversight, training, and administration in place of local campaign ownership.

Former OPM Director John Berry once said, "The CFC has been a source of food, of warmth, of light, of medicine, of schoolbooks - a source of life. For countless Americans and people in need around the world, it has been like bedrock - supporting them, even if they don't know it's there," He continued to state, "Our charities make sure the money is well spent, and that our donors can see the good they're doing - whether it's for the community center down the block, or a child halfway around the world." We agree with former Director Barry's assessment of the campaign and wonder on what basis he certified on page twelve of 5 CFR Part 950, RIN 3206-AM68, Under the Regulatory Flexibility Act, "***I certify that these regulations would not have a significant economic impact on a substantial number of small entities...***" We strongly disagree with this certification. We conclude these changes will make the CFC dramatically less inclusive, negatively impact the nonprofits and their clients, reduce the choices that federal employees have to support the local charities, and reduce participation in the campaign resulting in fewer contributions. We recommend OPM take a step back to:

- Re-evaluate the soundness of these proposed changes after conducting extensive surveys and conducting focus groups

- Provide regulatory specificity for the campaign leadership
- Define the implementation strategy and timeline
- Define the charity application fee structure
- Pilot each of the structural and administrative changes in phases prior to full implementation

The MDR acknowledges the objectives of OPM’s intentions, “to strengthen the integrity, the operation and effectiveness of the CFC to ensure its continued growth and success.” However, the MDR strongly recommends OPM establish a new comment period that would allow all stakeholders—government and non government alike, to comment once OPM designs a new approach to meeting their intended objectives that addresses the concerns outlined above and after piloting better, more clearly defined implementation strategies in limited regional components of the campaign geographic areas.

Signed,

MDR Advocacy Committee representing 55 campaign directors of the largest campaigns across the nation