

Keith Willingham, Director
Combined Federal Campaign
U.S. Office of Personnel Management
Room 6484A
1900 E Street NW
Washington, DC 20415-1000

May 7, 2013

RE: RIN 3206-AM68

Dear Director Willingham,

Medical Research Charities is a not-for-profit federation of charities that fund or conduct research to find treatments and cures for diseases. As long time participants in the Combined Federal Campaign, Medical Research Charities' Board and its member organizations strongly support OPM's goal to strengthen the integrity, streamline the operations, and increase the effectiveness of the Combined Federal Campaign.

Funding for medical research has been a priority for donors both in and out of the Combined Federal Campaign, yet federal budget support for medical research is now being cut by devastating levels. This makes reliance on the CFC more important than ever.

As the world's largest and most successful annual workplace charity campaign, with almost 200 CFC campaigns throughout the country and overseas raising millions of dollars each year, it is imperative that we ensure its continued growth and success. This is an obligation to the millions of federal employees who have supported the campaign and its efforts to improve the quality of life for all, and to the thousands of charities whose work is made possible by the generosity of donors.

A central consideration of any proposed changes to the current campaign must be the steady decline in both total pledges and number of donors participating in the CFC. 2012's pledge total of \$258 million is the lowest since 2004 and reflects an alarming decline in pledges since the 2009 campaign.

Rather than increase the success of the Combined Federal Campaign, several of OPM's proposed changes appear to have the strong potential to accelerate the CFC's decline. These are:

1. Elimination of the paper booklet listing participating charities, as well as the paper pledge forms.

2. Adoption of an unspecified, non-refundable upfront "application" fee to charities, sufficient to cover the costs of the campaign including a marketing effort.
3. Strong centralization of the campaign, and the elimination of nearly 200 local campaign entities.
4. Shifting campaign expense recovery from donors to the charities.

Reasons for Our Concern:

The elimination of paper: Transitioning to an online platform should reduce costs and eliminate the dramatic advantage/disadvantage that book placement in the printed listing now creates. But no data has been provided by OPM documenting how many federal workers, Postal Service employees, and members of the U.S. Military would not have the routine opportunity to participate in an electronic online version of the Combined Federal Campaign. Absent this information and an explanation of how such employees would be accommodated to participate in the CFC, this is a major cause for concern.

Non-Refundable Application Fee: This proposal is fundamentally flawed and disturbingly vague. No estimated costs or projections are provided for training, administering, marketing and travel under the proposed new system. Nor are any fee ranges disclosed. A "one size fits all" fee would almost certainly be high enough to dissuade smaller organizations currently in the campaign from reapplying. And even a graduated fee tied to historical pledge results, the more equitable manner of distributing the costs, would still be a powerful disincentive to an organization with no past participation in the campaign or that has experienced wide swings in pledges from year to year as many organizations do.

Centralization of the Campaign/Elimination of PCFO's: There is a strong belief that the interaction that occurs at the local level between local campaigns and donors is critical to the CFC's success. There is also data that support this, documenting declines in pledges in areas where local campaign organizations have been absorbed into other areas. Given the dramatic reductions witnessed in participation and dollars pledged of recent campaigns, what would lead OPM to conclude that centralizing the CFC will enhance rather than depress participation?

Shifting Campaign Expenses from Donors to Charities: This will be one more disincentive for charity participation, to the detriment of the campaign. It is also disingenuous, implying falsely to potential donors that the cost to charities for participating is free and that all of a donor's contribution goes directly into

serving the charity's stated purpose. The current system accurately reflects the cost to charities for participating in the CFC, simplifies the collection of that fee, and in nearly all cases apportions those costs equitably.

Many of the other provisions in OPM's proposal would enhance the campaign. But adopting these regulations as proposed in their entirety could serve to undermine the Combined Federal Campaign and pose a grave threat to many charitable organizations and the vital work that they do. At a time when federal budget cuts are dramatically reducing funding to find treatments and cures for diseases, research strongly supported through the CFC, this could have tragic consequences.

Thank you for your consideration of these comments.

Sincerely,

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