

CFC Coalition: Proposed Key Messages Combined Federal Campaign

Message Points

- **The CFC is a model of success.** The Combined Federal Campaign (CFC) is the largest and most successful workplace giving campaign in the world. It raised nearly \$260 million in 2012 and has generated over \$7 billion since its creation in 1961.
- **CFC dollars leverage billions of additional funds for charities.** The “unrestricted” contributions that Federal employees make to the charities they choose, if leveraged, can turn donated dollars into many more funds at the local market level. These funds means the CFC has helped participating charities generate substantially more funds and that is now at risk because of OPM’s proposed changes.
- **Don’t fix—and potentially damage—what isn’t broken.** OPM is recommending drastic changes that could severely reduce CFC annual giving by what many experts say could be tens of millions dollars if not more. Those same experts say employee participation will drop. The proposed changes also eliminate local community control and local giving influence in favor of a Washington-based campaign run centrally by OPM.
- While the CFC can be managed more effectively, it is already very efficient with only 10 cents on the dollar going to support the fundraising aspects of the campaign. OPM’s proposed changes will not dramatically increase efficiency but will clearly result in less funds raised and, therefore, decreased effectiveness by disproportionately harming charities and eliminating vital services.

OPM’s proposed changes impose a fee on charities to recover costs of running the campaign. This fee would be collected in advance of the campaign. Unfortunately OPM has refused to disclose the amount of the fee, how it will be calculated or any additional details despite repeated requests. In addition, the fee places increased burden on participating charities in that it is an unknown amount, non-refundable, and incurred before a charity knows if it will be accepted to participate in the CFC or how much it will raise. This is the equivalent of a college asking for year’s tuition before granting admission, then denying admission and keeping the tuition. Most importantly, the costs for managing the campaign are already recouped before the funds are sent to the charities which means an additional fee is not appropriate.

Target Audiences

- Elected officials (Senators, Representatives, state officials)
- Regulators (OPM personnel)
- Stakeholders (local CFC chairs, charity leaders)
- Media (national, local, trade)

Proof Points to Embellish Your Comments/Letters

- **Donor Impact** –The removal of paper pledges and cash / check donations will significantly impact participation as only \$53 million of the \$260 million (total) last year was raised electronically. Paper based donations are particularly important to and are used by uniformed and lower-ranking federal employees.
- According to data released by the Office of Personnel Management on April 19, 2013 (Report C-17 CFC 2012 Pledge Report), the total electronic pledge amount for the 2012 CFC of \$53,844,694 was only 20.8% of all pledges. The percentage of e-pledge donors in relation to total donors was 22%.
- Out of all campaigns reporting, only 9 reported online giving participation of 50% or over. The longest running and largest CFC in the nation reported online giving participation of just 45%. For the 2012 campaign the two largest campaigns in the country (NCA and Overseas) had 18% and 16% respectively in cash and checks, totaling over \$11 Million in donations and cash donations amounted to over 10% of all donations nationwide, totaling \$27,057,300. **Obviously, taking away cash and paper pledge options will have a huge impact on total giving.**
- **Burdens** – OPM’s proposed changes will increase administrative burdens and costs, by way of an upfront, nonrefundable fee, for charities that receive CFC funding. This could result in diverting 5-10 percent of funding (\$15-\$25 million annually) to bureaucratic tasks rather than use for program and service delivery. National charities providing critical services to individuals in local communities across the nation will be forced to decrease program services to those in need.
- **Local Impact** – At an absolute minimum, over \$100 million of CFC funding goes to local charities and all of the national charities that receive Federal employee contributions have to demonstrate significant local service provision through their affiliates, chapters or other legitimate forms of service delivery. Many local charities are ill-equipped to absorb such a significant loss in funding and will be forced to turn away those who need their services the most. Again, one of the CFC’s core principles to lessen the burden of government is by providing a way for federal employees to support charities and local communities. The proposed changes would undermine this core principle.

- **Local Touch Impact** – This change will dramatically reduce the role of local employees and eliminate local oversight. Many are concerned that OPM will use fees from charities to supplement its budget for CFC operations in order to provide more oversight and regulatory control. For 50 years CFC has relied on local Federal volunteers and local charities at the core of the campaign. The proposed change goes in the opposite direction and puts Washington in complete control. Granted, in some communities local oversight can and should be improved. America’s Charities has offered alternatives to OPM’s proposed changes that do not gut the critical local flavor so vital to employee workplace giving.
- **Inexperience** – Although OPM wants to centrally manage and oversee the CFC, it has very limited experience in actual fundraising, no experience managing fundraising professionals, developing a central processing website, or evaluating such a large number (more than 25,000) of charity applications. This has been handled well at the local market level. Again, improvement can be made, but the system has worked well overall. Many are concerned that OPM will use fees from charities, which it has already programmed into its FY2015 budget, to supplement funding for CFC operations.
- **Freelancing** – A number of OPM’s proposed changes were not seriously considered or recommended by the CFC-50 Commission, which was established by the agency in 2011 to ensure the program's continued growth and success. Yet OPM has used the Commission as cover for its proposed changes. We know this because we have spoken with some Commission members who are not pleased with how OPM has positioned this.
- **Scant Details** – Despite proposing the most wide-ranging changes in the program’s 50-year history, OPM has provided scant details on how these changes will be implemented or the underlying legitimate reasons why the changes are being proposed. For example, no details have been provided about the new “upfront fee”, how and when new technology and online giving solutions would be implemented, if there is a plan for gradual implementation of the proposed recommendations, etc. Every request to OPM for detail has been met with a refusal to comment until the process is complete. Yet without those details it is virtually impossible to make informed comment.