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**Written Testimony
Comptroller Kevin Lembo
March 13, 2017**

**Concerning
H.B. 7186 AA Revising Certain Statutes Concerning the State Comptroller**

Good afternoon Senator Flexer, Representative Fox, Senator McLachlan, Representative Devlin and Members of the Government Administration and Elections Committee:

Thank you for raising H.B. 7186, AA Revising Certain Statutes Concerning the State Comptroller, and providing me an opportunity to present testimony on the need for this bill.

As you may be aware, the Connecticut State Employees Campaign for Charitable Giving (CSEC) is a once-a-year opportunity for Connecticut state employees and retirees to contribute – through payroll deductions – to organizations working to better their neighborhoods, state and world. For over two decades, Connecticut state employees and retirees have shown their heartfelt generosity, on average raising over \$1 million each year to make a difference.

Since the beginning of the CSEC, fundraising management practices have evolved, but the statute simply had not, until last year. Last session, you raised and passed a bill with our suggested language to update and streamline the statute, and I thank you for your unanimous support for that effort.

However, we have found that even further clarity and flexibility is now needed. The Principal Combined Fund-raising Organization (PCFO), which is the organization administering the program, has been the same organization for the past several years. Recently, they have notified us that they will not be continuing in that role; no other eligible entities have expressed interest to administer the program as it currently stands.

This legislation would further simplify and streamline the statute to give the CSEC Committee flexibility in administering the campaign in an efficient, cost-effective manner. It would allow the CSEC to conduct a more traditional procurement process to choose the most competitive third party administrator to manage the program, and it wouldn't limit the pool of potential third party administrators to current CSEC charity or federation participants, as is the case now.

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With greater flexibility comes greater accountability, so the language places a 15% cap on any administrative fees that come out of the monies raised by the generosity of our state employees. Unfortunately, as the program is running now, in some cases administrative fees can be significantly greater than 15%.

This legislation is critical this year if we want to continue our workplace giving campaign by state employees which has contributed millions of dollars over time to hundreds of charities. If we have to go one full year with the campaign halted due to statutory impediments, we will likely lose a majority of state employee donors.

There is great potential to sustain and even build a more robust and efficient CSEC that would not only benefit the non-profits that do the work that government cannot, but also increase the empowerment and pride of state employees whose energy and generous spirit make each campaign a success. This bill is necessary to maintain the success of the CSEC.

I strongly urge and appreciate your support.

Thank you.