



June 27, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Lindsey Graham
Chairman, Senate Committee on the Budget
624 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Rand Paul
Chairman, Senate Committee on Homeland Security & Government Affairs
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Leader Thune, Chairman Graham, and Chairman Paul,

On behalf of The Nonprofit Alliance and 87 other co-signers that represent a broader coalition of charitable organizations that share in the generosity of the Combined Federal Campaign (CFC), we write to express our deep concern about the proposed 10% administrative fee on federal employee payroll deductions, as included in the Senate Committee on Homeland Security and Governmental Affairs' (HSGAC) reconciliation legislation, Section 90104. This provision would impose a significant and potentially harmful impact on both federal donors and the nonprofit organizations vital to serving our nation's most vulnerable communities. We respectfully urge that Section 90104 of the proposed HSGAC reconciliation text be removed from further proceedings on this legislation.

Since 1964, the CFC has exemplified the highest ideals of public service and collective philanthropy. Managed by the Office of Personnel Management (OPM), the CFC enables charitable giving from federal civilian, military, and postal employees, channeling more than \$8.76 billion to nonprofit organizations since its inception. In 2024 alone, federal employees contributed approximately \$70 million to nearly 4,500 charities across 39 geographic zones, supporting critical efforts such as disaster relief, healthcare for underserved populations, educational access, environmental conservation, and veteran support services. These contributions underscore the CFC's indispensable role in channeling federal generosity towards tangible, life-changing outcomes for countless individuals and communities.

Over the last five years alone, the Combined Federal Campaign (CFC) has saved the federal government more than \$400 million by enabling voluntary contributions from federal employees to

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address critical community, regional, and national needs that would otherwise have to be met by taxpayer dollars. This substantial public benefit, delivered without burdening the federal budget, is a testament to the program's efficiency and civic value.

While the imposition of a 10 percent administrative fee on charitable payroll deductions may appear, at first glance, to generate revenue for the federal government, the reality is quite the opposite. By disincentivizing participation in the CFC—through diminished donor trust and reduced charitable value—the proposed fee erodes a dependable system of community support that has long operated in partnership with, not at the expense of, federal fiscal priorities.

With greater than 90% of CFC contributions made through federal employee payroll deduction, the program remains one of the most cost-effective and reliable sources of unrestricted funding for participating nonprofits. The introduction of a 10% administrative fee on these vital donations—which divert funds from frontline services—poses a serious threat to donor trust and participation among federal employees. Importantly, historical data from the Office of Personnel Management (OPM) and previous administrative adjustments suggest that even small increases in donor burden can lead to participation drops of 10 to 15%. The long-term effects of such declines could be severe, particularly for smaller charities that depend heavily on the stability and broad reach provided by the CFC.

We respectfully believe that this proposed fee acts as a de facto fee on federal employee generosity, undermining both the spirit of voluntary service and the long-standing bipartisan support for public-sector philanthropy. Instead of improving administrative efficiency, it risks significantly reducing the CFC's reach, effectiveness, and integrity.

We strongly urge you to reconsider including this provision in the final reconciliation package. Protecting the full charitable value of the CFC is not just good fiscal policy—it is a vital affirmation of the values of service, stewardship, and civic responsibility that your leadership has championed and an important complement to the restoration of a permanent charitable deduction for non-itemizers included in the Senate tax title of the broader bill.

Thank you for your careful consideration of this issue. Our coalition is ready to work with your office and members of the Senate to ensure the preservation and continued strengthening of the Combined Federal Campaign for the benefit of all it serves.

Respectfully,

On behalf of The Nonprofit Alliance and a Coalition of CFC Participant Charities

1000 Mothers to Prevent Violence
Abused Children's Fund
Aid for Starving Children
Alley Cat Rescue Inc
ALS United Mid-Atlantic
American Discovery Trail Society
America's Best Charities
America's Best Local Charities

Animal Charities of America
Animal Rescue, Inc.
Anne Arundel County CASA, Inc.
Anxiety and Depression Association of America
Asian Children's Assistance, Limited
Association of Fundraising Professionals
Birthright Humble
Born 2 Be Therapeutic Equestrian Center
Campaign to End Childhood Hunger
Cancer Aid and Research Fund
Cancer Care Network Foundation
Casey Cares Foundation
CHC: Creating Healthier Communities
Chesapeake Bay Foundation, Inc
Children & Charity International
Children's Hunger Relief Fund
Children's Fund for Fallen First Responders
Christian Charities USA
Christian Freedom International
Conserve Now
Cradle of Hope Adoption Center
Cure Alzheimer's Fund
DAV (Disabled American Veterans)
Dian Fossey Gorilla Fund
Dogs & Cats Stranded on the Streets
Elephants, Saving Elephants and Habitat Worldwide
Farmers and Hunters Feeding the Hungry
Feeding Pets of the Homeless
Food Share
GO2 for Lung Cancer
Habitat for Humanity International
Habitat for Humanity of San Antonio
Health and Medical Research Charities of America
Hearts United For Animals
Houston Hospice
Humane Society of Baltimore County
Independent Sector
Iraq and Afghanistan Veterans of America (IAVA)
Israel Guide Dog Center for the Blind
Last Chance for Animals
Local Animal Charities of America
Local Independent Charities of Texas

March of Dimes
Mary House
Maryland Westie Rescue Inc
Military Family and Veterans Service Organizations of America
Military Support Groups of America
Military Women's Memorial
Missionaries of Jesus
Mothers' Milk Bank at Austin
National Empowerment for Minorities Active in Community, Inc
National Foundation for Cancer Research
National Preservation Institute
Page Ahead Children's Literacy Program
paws4people, Inc.
Pediatric Brain Tumor Foundation
People for the Ethical Treatment of Animals
Pets for Patriots
Philippine International Aid
Prince William Humane Society
Prostate Cancer Research Institute
Ronald McDonald House San Antonio, TX
Salesian Missions, Inc
Schertz Humane Society Inc DBA Homes for Pets
Share Our Strength
Sisters Network Inc.
Sky Cross, Inc
Soldiers' Angels
Spay-Neuter Assistance Program
St. Joseph's Indian School
The Enchanted Closet
The Find Me Group Inc
The Rose
The Unit Scholarship Fund Inc
The Women's Center of Tarrant County
Tragedy Assistance Program for Survivors
United Way Worldwide
Veterans Airlift Command
Wounded Warrior Project