



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 14, 2006

The Honorable Rob Portman, Director  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Portman:

The Federal Election Commission (FEC) transmits its Fiscal Year (FY) 2008 budget request for \$60,395,036. This is a net increase from our FY 2007 level of \$3,257,036, or 5.7 percent. This submission represents a continuation of FY 2007 operations, as adjusted for the 2.2 percent inflation factor for personnel costs and a 15 percent inflation factor for non-personnel costs. Almost 68 percent of this increase is attributable to an approximately \$1.6 million rent increase the agency will experience in FY 2008 at the end of our current ten year lease. The remainder is directly attributable to strategic information technology initiatives that will bring us into compliance with acceptable Government-wide standards for systems and data integrity.

This year's performance budget will be used as the baseline for developing a fully integrated strategic plan with measurable performance goals that carries the agency into FY 2010 and beyond. It is noteworthy that while FY 2008 is a Presidential election year, which will translate to a substantial workload increase for the agency, we are not requesting additional full time equivalents (FTEs). In fact, our FY 2008 FTE level represents a decrease of 16 FTE from our authorized level of 391 in FY 2006. We believe that through restructuring, process improvements, and technology leveraging, we will improve our overall efficiency and effectiveness. However, it is vital that we be provided with this current services level of funding to ensure that we are able to continue to invest in our infrastructure to gain these efficiencies.

We have made measurable improvements in the execution of our mission with more expeditious case processing, increased civil penalties, and improved access to educational materials and compliance information. We anticipate that FY 2008 will result in record-level workload based on the growth and decentralization of campaign funding, as well as the increased enforcement responsibilities that a Presidential election year entails. The requested level of funding is critical to meeting the challenges this will pose. A reduction to our funding during the 2008 Presidential election cycle would increase the time it takes to investigate and take appropriate action with respect to potential violations of the law. A reduction could reverse the significant progress the agency has made to resolve enforcement matters timely, and return the agency to an earlier era in which it dismissed a significant number of cases simply because complaints were not investigated until several years after their receipt. Responsiveness to the regulated community, the media, and the public would be lowered. We would fail to meet critical deadlines with respect to information disclosure. Responses to requests for assistance would be delayed. We would not be able to meet basic recruitment and retention objectives; make critical technology upgrades, many of which are designed to help the Commission

The Honorable Rob Potman  
September 14, 2006  
Page 2

meet its growing workload in more efficient, less staff-intensive ways; or fully educate and inform the regulated community on how to comply with legislatively mandated campaign finance requirements and the significant changes resulting from the rulemakings initiated as a result of the *Shays v. FEC* litigation.

With the requested level of funding, we will be able to continue to refine our processes to ensure we meet the highest standards in responsiveness, professionalism, and accuracy of information provided.

Thank you very much for your consideration of this request. Please do not hesitate to contact us with any questions.

Sincerely,

/signed/

Michael E. Toner, Chairman

/signed/

Robert D. Lenhard, Vice Chairman

Enclosures