



This document is from the Federal Election Commission FY 2003 Budget Request concurrently submitted to both OMB and Congress on November 6, 2001. To see the other budget documents go to the FEC Budget page at <http://www.fec.gov/pages/budget/budget.html>.

November 6, 2001

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

The Federal Election Commission (FEC) herewith transmits its FY 2003 Budget Request of \$49,465,000 and 368 FTE. Pursuant to provisions of the Federal Election Campaign Act (FECA), this budget request is submitted concurrently to the OMB and Congress. This request represents a continuation of the FY 2002 funding level, as adjusted for inflation and salary and benefit increases, supplemented by programmatic increases, primarily for election administration reform.

The FEC request does not conform to OMB guidance for a five-percent reduction below the FY 2003 number contained in the President's FY 2002 Budget Request for the FEC. The FEC anticipates a final FY 2002 appropriation of \$43,689,000 for 362 FTE, significantly higher than the OMB FY 2002 budget of \$41.4 million. A five-percent reduction in the OMB number would result in an FEC FY 2003 budget of \$39 million. Such a reduction would require significant staffing reductions and would severely jeopardize the ability of the FEC to meet its statutory mission.

Although the total FEC FY 2003 request is \$5,776,000 greater than the anticipated FY 2002 appropriation, it represents only a six-FTE increase from FY 2002. The entire staffing increase and a major portion of the dollar increase represents funding for the FEC Office of Election Administration to develop operational guidelines for election administration.

The Commission also transmits its revised FY 2002-2007 Information Technology Strategic Plan, its FY 2001-2007 Strategic Plan, and its FY 2003 Performance Plan, in accordance with the Government Performance and Results Act (GPRA). In addition, included in the submission is our Final Status Report to Congress on the PricewaterhouseCoopers recommendations.

The foregoing summarizes the FEC FY 2003 budget request. I urge you to consult our more detailed Budget Justification. It contains several charts depicting how our budget request would be allocated and how it compares with previous years.

The Honorable Mitchell E. Daniels, Jr.
November 6, 2001
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Again, the Commission strongly urges the full support of our FY 2003 budget request. We are ready to answer any questions you may have and to work with you in securing sufficient funding for the Commission in FY 2003.

Sincerely,

Danny L. McDonald
Chairman

Enclosure

**FEDERAL ELECTION COMMISSION
BUDGET REQUEST JUSTIFICATION
FOR FY 2003**

**PRESENTED TO THE
OFFICE OF MANAGEMENT AND BUDGET**

PURSUANT TO GPRA AND OMB A-11

November 6, 2001

**Concurrently submitted to
Congress pursuant to
2 U.S.C. §437d(d)**

FEC FY 2003 Budget Request

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EXECUTIVE SUMMARY

The Federal Election Commission (FEC) submits a budget request of \$49,465,000 and 368 FTE for FY 2003, an increase of \$5,776,000 (13.2%) and an increase of 6 FTE (1.7%) over our expected FY 2002 appropriation of \$43,689,000 and 362 FTE. This request represents a continuation of the FY 2002 funding level, as adjusted for inflation and salary and benefits increases, supplemented by programmatic increases, primarily for election administration reform.

Building on Past Successes

In FY 2001, the FEC achieved three major successes: expansion of the compliance program, implementation of mandatory electronic filing, and issuance of the draft revision of the Voting Systems Standards (VSS.) These successes are the result of FEC efforts and support from our Congressional oversight committees. Swift Congressional action on mandatory electronic filing for large filers and the establishment of an administrative fine program, as recommended in the *PricewaterhouseCoopers Technology and Performance Audit and Management Review of the Federal Election Commission*, resulted in programs allowing the FEC to carry out its disclosure and compliance missions more effectively. In addition, two programs have received accolades from the filing community and the media— Administrative Fines and Alternative Dispute Resolution (ADR).

FEC Compliance Program

The administrative fine program, initiated in July 2000, and the Alternative Dispute Resolution (ADR) program, initiated in October 2000, were established to allow the Office of General Counsel enforcement resources to focus on more substantive and significant cases, permit the FEC to resolve cases that would otherwise not have been activated, and increase the number of compliance actions handled in the FEC enforcement program.

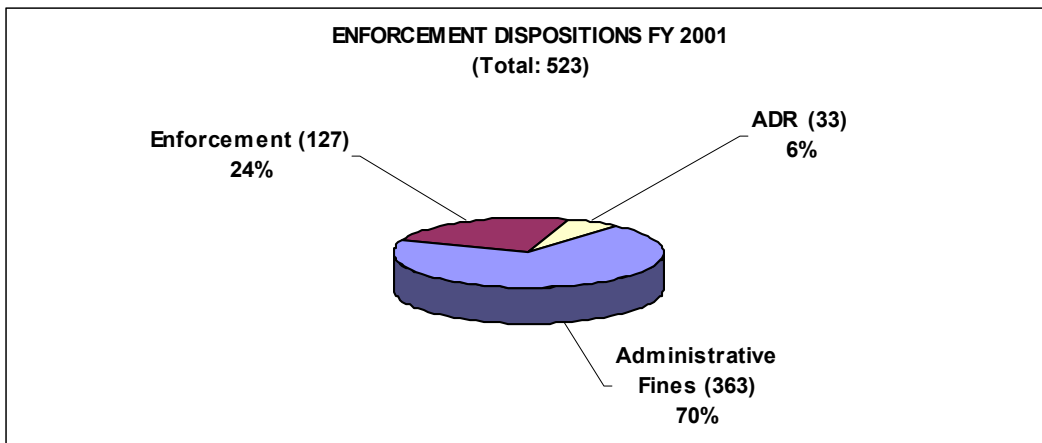
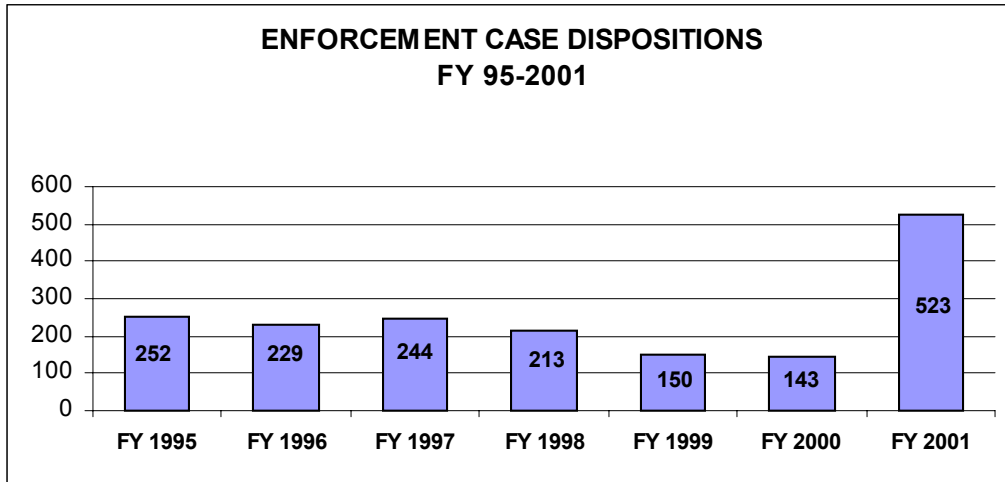
For example, from FY 1995 through FY 2000, the FEC closed an average of 205 cases each fiscal year. In FY 2001, with the addition of the administrative fine and ADR programs, the FEC closed 522 cases, a 155% increase over the FY 1995-2000 annual average of 205 cases.

In addition to increasing the number of cases closed, the administrative fine program expedites and streamlines the enforcement process for late and nonfiler cases. The administrative fine program also has encouraged more timely filing. For example, 11% of the 2000 Year-End Reports were filed late, while 24% and 22% of the 1998 and 1996 Year-End Reports, respectively, were filed late. Because timely filing is key to prompt disclosure of campaign finance information, the administrative fine program apparently has improved compliance and streamlined the enforcement process.

The ADR program affords both the FEC and the respondent parties the opportunity to resolve cases more rapidly. This is another opportunity for the Commission to resolve cases substantively as well as to process them more rapidly. For example, the ADR office concluded 44 agreements, and has formally closed 34 cases in an average of 86 days from the time matters were referred to the ADR office. Civil penalties from the 44 final agreements totaled approximately \$30,000.

The FEC enforcement goals established in the Strategic Plan and annual Performance Plan seek to activate more enforcement cases and reduce the number of cases dismissed without substantive action. These goals build on the FY 2000 record when the FEC closed over 70% of the cases processed with some form of substantive action and over 50% of the average monthly caseload was actively being processed.

At the same time, the FEC has improved the OGC enforcement tracking process through the Case Management System. In addition, future productivity benefits are expected from document imaging and management systems.



Electronic Filing Program

The mandatory electronic filing program began in January 2001. In July 2001, 2,460 committees electronically filed either their Mid-Year Reports or their July monthly Reports, with 1,135 committees filing electronically for the first time. Election-cycle-to-date financial activity for those committees filing electronically represented 82% of the total disbursements for all committees filing reports, excluding Senate filers.

Electronic filing has increased significantly the timeliness, scope, and amount of data available to FEC staff and external users of campaign finance disclosure information. A measure of the effectiveness of electronic filing is the comparison of the FEC target to process (make public) at least 95% of the itemized data within 60 days of receipt (based on historical and current experience in processing documents). Now that electronic filing is mandatory for most candidates and committees (excluding the Senate filings), for the 2002 cycle to date, the FEC has processed 95% of the itemized data within 18 days of receipt, 42 days faster than the target. As we gain more experience with the mandatory electronic filing system, the targets for processing itemized data will be adjusted.

Voting Systems Standards

The FEC issued the draft technical Voting Systems Standards (VSS) designed as voluntary standards for election administration officials charged with selecting and using voting systems in federal elections. The final technical standards will be released formally at a conference hosted by the FEC's Office of Election Administration (OEA) in April 2002. They also will be disseminated in educational outreach workshops and through other OEA efforts. The FEC FY 2003 budget request builds upon the newly revised VSS by developing operational guidelines for election administrators to improve the operational management of federal elections.

Funding of OEA initiatives to disseminate the new VSS and to begin work on operational guidelines for election administration is critical to ensure the integrity of federal elections. The OEA is the only federal office directly involved in providing assistance to state and local elections officials charged with administering federal elections.

Funding Required to Continue and Expand Programs

The success of these three initiatives has resulted, and will continue to result in, improved disclosure through electronic filing, improved compliance through varied enforcement programs, and improved federal election administration through expanding the VSS.

When considered within the context of the continuing record levels of total campaign finance activity each election cycle, resulting in more than a 1000% increase since 1976, these initiatives have enabled the Commission to handle an expanding

workload without proportionate requests for additional staff. The FEC has relied on information technology (IT) to automate and streamline disclosure and compliance programs to respond to the expansion in campaign finance activity with stable levels of staff resources.

In order to continue reaping the benefits of automation in our disclosure and compliance programs without adding additional staff, it is imperative that the Commission receive the requested resources in FY 2003 to expand the automated review of financial disclosure reports, to initiate data mining and the portal development project to enhance the analysis and accessibility of information, and to continue the alternative compliance programs. The FEC FY 2003 budget request complies with the Administration goal to use IT improvements to enhance program productivity, as well as Human Resources (HR) and financial management support.

The FEC request for a comprehensive approach to address short-term and long-term issues in federal election administration would allow the development of operational guidelines to assist state and local officials in improving their management of federal elections. The most efficient way to improve the nation's voting systems is to build upon the work already accomplished by the FEC's OEA.

OMB Guidance for FY 2003

The FEC request does not conform to OMB guidance for a five-percent reduction below the FY 2003 number contained in the President's FY 2002 Budget Request for the FEC. The FEC anticipates a final FY 2002 appropriation of \$43,689,000 for 362 FTE, significantly higher than the OMB FY 2002 budget of \$41.4 million. A five-percent reduction in the OMB number would result in an FEC FY 2003 budget of \$39 million.

Such a reduction requires significant staffing reductions because the FEC is a personnel-intensive regulatory agency. These staff reductions, in turn, would severely jeopardize the ability of the FEC to meet its statutory mission. Because the Commission has experienced record levels of federal campaign finance activity in each election cycle since the 1992 elections, with corresponding workload increases, the adverse impact of a five-percent reduction would be even greater.

Although the total FEC FY 2003 request is \$5,776,000 greater than the anticipated FY 2002 appropriation, it represents only a six-FTE increase from FY 2002. The entire staffing increase and most of the dollar increase (\$3,175,000 or 55%) represents funding for the FEC Office of Election Administration (OEA) to develop operational guidelines for election administration. This is a reiteration of the FEC election administration reform package requested for FY 2001 and 2002 and addresses management and technical issues election officials face. In addition, it builds upon the technical Voting Systems Standards (VSS) the FEC is completing in a \$500,000, multi-year project.

The other funding initiatives (\$650,000) requested by the FEC for FY 2003 conform to the Administration's efforts to improve government productivity and service through technical and IT based innovations: upgrading our Reports Analysis Division (RAD) staff to better utilize automated filings of disclosure reports to automate the reports review process, developing a data mining capability to analyze data provided on financial disclosure reports, and automating the HR/MIS/FTE programs at the Commission. These conform with governmental initiatives to improve productivity and Human Resources (HR) support through automation and IT solutions.

The final 34% of our requested increase over FY 2002 represents inflation in support and overhead costs, including rent, in federal pay, mandated transit subsidies, and employee health insurance. This increase of \$1,951,000 represents a 4.5% increase over FY 2002 for all basic personnel and non-personnel costs.

The OMB budget for the FEC for both FY 2002 and 2003 is inadequate to fund operations at a Current Services level because no provision is made for increases in non-salary costs, and the proposal does not fully cover increases resulting from mandatory pay and health benefit increases. The OMB budget would require significant reductions in other staff or programs, or, a combination of both that would affect our disclosure and enforcement programs and would jeopardize support for congressionally-mandated programs and FEC initiatives the agency must implement.

In addition, the FEC must be prepared to implement any campaign finance reform enacted. Depending on the scope of campaign finance legislation, the FEC could face significant additional resource needs. Further, the OMB budget would foreclose the opportunity for the FEC to assist state and local election officials to develop operational standards to address a variety of election administration issues, including acquisition of new voting systems, administering elections, training election workers, ballot design, and public education, in time for the 2004 elections.

FEC FY 2003 Request

The FEC FY 2003 budget request supports core programs, responds to the numerous calls for reform of election administration by providing for an enhanced program of federal assistance to state and local elections officials charged with administering federal elections, and supports OMB mandates to improve productivity through IT initiatives, including HR support for FEC operations. Pursuant to our authority as a concurrent submission agency, the Commission is submitting this budget request to OMB and Congress.

The FEC requires an FY 2003 Current Services budget of \$45,640,000 to support 362 FTE. As a personnel intensive regulatory agency, 70% of the Current Services budget is allocated to salaries and benefits. The remaining funds are allocated to: information technology (IT) initiatives and operations (11.5%), rent (8%), programmatic support of educational outreach, informational, audit, compliance, enforcement and

election administration programs (6.5%), and telephones, equipment, supplies, postage and printing (4%).

In addition to the Current Services level, the Commission is requesting \$3,825,000 and 6 FTE for programmatic increases in FY 2003. The increases from the Current Services level include:

- \$3,175,000 and 6 FTE for the OEA to increase assistance to state and local elections officials charged with administering federal elections to enhance the technical Voting Systems Standards (VSS) and to develop operational guidelines for effective election administration, in time for the 2004 elections
- \$250,000 to increase the capability to use data mining to review disclosure data for patterns of behavior that may extend to more than one filer
- \$200,000 to implement a HR/MIS/FTE automated system as a supplement to the accounting system installed in FY 2001
- \$200,000 to upgrade the analyst grade levels in the Reports Analysis Division (RAD) as part of the further automation and increased scope of the review process

The funding level contained in this budget request will enable the Commission to:

- Complete all Presidential audits within two years of the election
- Conduct 40-45 Title 2 “for cause” audits per election cycle as opposed to 20-25 in the previous election cycles
- Maintain a timely and enhanced campaign finance disclosure program
- Ensure that significant efforts are made to enforce the FECA
- Complete the revision of the Voting Systems Standards and develop operational guidelines for the administration of elections in time for the 2004 elections
- Continue the Administrative Fine and Alternative Dispute Resolution programs
- Complete automation of the reports review process
- Develop and maintain IT capabilities:
 - * Support the mandatory electronic filing program
 - * Complete the conversion to a client server environment
 - * Complete the conversion to a Commission-wide document management system
 - * Initiate development of an OCR system to process paper filings

- * Initiate development of portal, web-based access to FEC data: Portals Development Project (PDP)
- * Maintain the FEC website
- * Support the case management system

Difference Between FY 2002 Appropriation and FY 2003 Request

	FY 2002 Appropriation	\$43,689,000
+	Increase in pay, benefits	\$ 1,684,000
+	Increase in overtime/transit subsidy/other	\$ 53,000
+	Increase in rent	\$ 117,000
+	Increase in overhead—inflation	\$ 199,000
-	Decrease in base IT Initiatives costs	\$ (102,000)
	Subtotal for changes to FY 2002 for FY 2003 Current Services level:	\$ 1,951,000
=	Current Services Budget for FY 2003	\$45,640,000
+	6 FTE and enhanced OEA Elections Administration program	\$ 3,175,000
+	Data mining	\$ 250,000
+	Implement HR/MIS/FTE client/server package	\$ 200,000
+	Upgrade RAD staff for reports review program	\$ 200,000
	Subtotal for programmatic initiatives in FY 2003	\$ 3,825,000
=	FY 2003 Request	\$49,465,000

Mission

The FY 2003 budget request will enable the FEC to perform its statutory mission and meet its program goals and objectives. The FEC budget justification is structured to reflect its mission to administer and enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- The disclosure of campaign finance information
- The contribution limitations and prohibitions, and
- The public financing of Presidential elections

Additionally, the Commission has the mandated responsibility to compile information and review procedures related to the administration of federal elections.

Programs, Objectives and Goals (See p.20)

To accomplish its mission, the FEC has established six major programs. For each program, the Commission has defined objectives and goals that are provided in the full

discussion (p. 12 to 38). The programs are listed below, followed by the dollar amount and FTE needed to achieve the objectives and goals under the FY 2003 Budget:

- Promoting Disclosure (core) - \$9,109,744 and 106.5 FTE (p. 22-24)
- Obtaining Compliance with the Federal Election Campaign Act (core) - \$13,606,854 and 129.5 FTE (p. 24-28)
- Administering the Public Financing of Presidential Elections (core) - \$1,882,117 and 18 FTE (p. 28-29)
- Election Administration (core) - \$4,145,300 and 11 FTE (p. 29-31)
- Special IT Projects (management) - \$5,535,500 and 13.5 FTE (p. 31-36)
- Commission Policy and Administration (management) - \$15,185,486 and 89.5 FTE (p. 36-37)

Information Technology (IT) Enhancements (See p. 31)

The budget request funds IT initiatives as outlined in the IT Strategic Plan (Appendix B), including the following areas:

- Client/server environment development and conversion
- Document management system development and implementation
- Enhanced automated review of disclosure reports
- Capability to process paper filings with OCR system
- Computer security
- Case Management and related tracking systems
- Financial management and human resources IT systems
- Website enhancement
- Portal Development Project (PDP)—web based access to FEC data

The FEC plans to complete the current IT initiatives by FY 2004. The PDP will represent the major new IT initiative from FY 2003-2007. The PDP is the next step in which the IT initiatives will become accessible to all users in a logical, integrated manner. The goal of PDP is to provide simple but powerful access to the upgraded system providing both internal and external users with custom browsing techniques for accessing the system functions. These tools will allow users to efficiently query the FEC's databases.

Electronic Filing (See p. 33)

By 1998, the FEC implemented the voluntary electronic filing system for use by any political committee, other than Senate committees and the national parties' Senate campaign committees that are required by law to file their reports with the Secretary of

the Senate, and therefore, cannot participate in the FEC electronic filing program. The voluntary program was successful, with over 1,000 committees filing reports electronically in the 2000 election cycle.

On September 29, 1999, the President signed the FY 2000 Treasury General Government Appropriations Act that mandated electronic filing in the 2002 election cycle for political committees reaching a certain threshold, excluding Senate committees and the national parties' Senate campaign committees. The provision was effective for reporting periods beginning after December 31, 2000. Mandatory electronic filing began in 2001 with the filing of the monthly reports due on February 20, 2001.

The IT enhancements included in the FY 2003 budget will enable the FEC to initiate an OCR process for Senate documents and other committees below the mandatory electronic filing thresholds.

Educational and outreach efforts by the Commission have been successful, as the first results indicate a high compliance with the mandatory electronic filing requirements. So far, only a few committees that met the activity threshold filed a paper report rather than submitting an electronic filing.

Full realization of the potential of mandatory electronic filing will require the funding of several of our programmatic requests for FY 2002 and 2003. These initiatives include enhanced automated review, the data mining project, and the upgrades of the Reports Analysis Division (RAD) staff engaged in the automated review process.

By the 2004 election cycle, based upon our experiences with the 2002 cycle and the results of the RAD business process review, as well as the data mining project, the FEC expects to realize the full benefits of both electronic filing and the IT enhancements in the document processing and reports review programs.

Point of Entry (See p. 35)

The IT Enhancements will support implementation and operation of an enhanced document imaging system. The updated imaging system and the new client server infrastructure will enhance both the external user interface with the disclosure process and FEC internal processing and use of in-house documents.

FEDERAL ELECTION COMMISSION FY 2003 BUDGET REQUEST

The Federal Election Commission (FEC) submits a budget request of \$49,465,000 and 368 FTE for FY 2003, an increase of \$5,776,000 (13.2%) and an increase of 6 FTE (1.7%) over our FY 2002 appropriation.¹ This request represents a continuation of the FY 2002 funding level, as adjusted for inflation and salary and benefits increases, supplemented by programmatic increases. (See list below.)

The FEC requires a FY 2003 Current Services budget of \$45,640,000 to support 362 FTE. As a personnel intensive regulatory agency, 70% of the Current Services budget is allocated to salaries and benefits. The remaining funds are allocated to: information technology (IT) initiatives and operations (11.5%), rent (8%), programmatic support of educational outreach, informational, audit, compliance, enforcement and election administration programs (6.5%), and telephones, equipment, supplies, postage and printing (4%).

In addition to the Current Services level, the Commission is requesting \$3,825,000 and 6 FTE for programmatic increases in FY 2003. The increases from our FY 2002 appropriation include:

- \$3,175,000 and 6 FTE for the OEA to increase assistance to state and local elections officials charged with administering federal elections to enhance the technical Voting Systems Standards (VSS) and to develop operational guidelines for effective election administration, in time for the 2004 elections.
- \$250,000 to increase the capability to use data mining to review disclosure data for patterns of behavior that may extend to more than one filer
- \$200,000 to implement a HR/MIS/FTE automated system as a supplement to the finance and accounting system installed in FY 2001
- \$200,000 to upgrade the analyst grade levels in the Reports Analysis Division (RAD) as part of the further automation and increased scope of the review process

¹ The Commission's FY 2002 expected appropriation of \$43,689,000 supports 362 FTE. The President's FY 2002 proposed budget of \$41.4 million would not support our FY 2002 Current Services level. The proposed OMB FY 2003 Budget of \$39 million (five percent below the FY 2002 proposed level) would result in major reductions in staff and FEC core programs. Our request is composed of our Current Services estimate of \$45,640,000 for 362 FTE, supplemented by four initiatives. The increases requested bring our total request to \$49,465,000 and 368 FTE. Current Services funds 362 FTE, reflecting an increase of 5 FTE over FY 2001 expected to be authorized for FY 2002 in the anticipated appropriation.

The funding level contained in this budget request will enable the Commission to:

- Complete all Presidential audits within two years of the election
- Conduct 40-45 Title 2 “for cause” audits per election cycle as opposed to 20-25 in the previous election cycles
- Maintain a timely and enhanced campaign finance disclosure program
- Ensure that significant efforts are made to enforce the disclosure provisions of the FECA
- Complete the revision of the Voting Systems Standards and develop operational guidelines for the administration of elections in time for the 2004 elections
- Continue the Administrative Fine and Alternative Dispute Resolution programs
- Complete automation of the reports review process
- Develop and maintain IT capabilities:
 - * Support the mandatory electronic filing program
 - * Complete the conversion to a client server environment
 - * Complete the conversion to a Commission-wide document management system
 - * Initiate development of an OCR system to process paper filings
 - * Initiate development of portal, web-based access to FEC data
 - * Maintain the FEC website
 - * Support the case management system

Difference Between FY 2002 Appropriation and FY 2003 Request

The FEC FY 2003 request of \$49,465,000 and 368 FTE is \$5,776,000 more than the expected FY 2002 appropriation. This 13.2% increase is attributable to \$3,825,000 for program initiatives and \$1,951,000 for increases in pay and benefits costs, GSA rent, and overhead (See Table 1, p. 14.)

This is \$8,054,000 greater than the OMB proposed FEC Budget for FY 2002 of \$41,411,000 and 357 FTE. It is also far greater than the proposed five-percent reductions below FY 2002 levels proposed by OMB for the FY 2003 budget for most discretionary domestic programs. The FEC appealed the proposed OMB FY 2002 funding level and sought our own level of funding, as we do for FY 2003. Both OMB proposed levels for FY 2002 and 2003 would be inadequate to continue Current Services levels of activities, much less cope with the large increases in federal campaign finance activity and the resulting increases in FEC workloads. The FEC budget for FY 2003 would support FEC core programs, and in response to the numerous calls for reform of election

administration, would provide for an enhanced program of federal assistance to state and local elections officials charged with administering federal elections.

The OMB budget does not support the level of funding necessary to maintain the FEC's programs and does not provide sufficient staff to allow us to achieve our mission. The continuing increase in total financial activity in federal elections and the prospect of significant campaign and electoral reforms require robust and vigorous disclosure and enforcement programs. Without at least our Current Services level of \$45,640,000 and 362 FTE, the FEC cannot support the costs of its necessary programs.

The OMB budget would require significant reductions in staff or programs or a combination of both that would affect our disclosure and enforcement programs and would jeopardize support for congressionally-mandated programs and FEC initiatives the agency must implement. In addition, the FEC must be prepared to implement any campaign finance reform enacted. Depending on the scope of campaign finance legislation, the FEC could face significant additional resource needs. Further, the OMB budget would foreclose the opportunity for the FEC to assist state and local election officials to develop operational guidelines to address a variety of election administration issues, including acquisition of new voting systems, administering elections, ballot design, and public education, in time for the 2004 elections.

Pursuant to our authority as a concurrent submission agency, the Commission is submitting its budget request directly to OMB and Congress. The FEC budget request includes several items in addition to the Current Services funding and the OEA enhancements.

FEC has been operating for several fiscal years under Congressional earmarks that set aside \$4 to \$5 million each year for IT initiatives to implement legislative mandates, including mandatory electronic filing, faster, more user friendly disclosure requirements, and an administrative fine program to streamline enforcement against late and non-filers under the FECA. The FEC requires funding above the Current Services level to ensure that these projects, as well as other IT initiatives are fully implemented and operational. It does not make sound management sense to delay or eliminate projects that have taken 5 to 6 years to develop and implement just as they reach fruition. Many of these projects are scheduled to provide productivity benefits in FY 2002 and 2003. Full realization of the multiyear investments in the IT infrastructure requires the funding we have requested at the full \$49,465,000 and 368 FTE level.

The FEC has included an additional \$3,175,000 and 6 FTE for the Office of Election Administration (OEA) in our request. This replicates the supplemental request for additional funds in FY 2001 and funds for FY 2002 previously submitted by the FEC. Currently, the OEA is the only federal office directly assisting and supporting state and local election officials through the development of the updated technical Voting System Standards (VSS) and ongoing outreach efforts. The FY 2003 request represents a comprehensive effort to update and expand the existing technical voting systems

standards, develop operational guidelines for effective election administration in time for the 2004 elections, and complete a detailed census of existing voting machinery throughout the United States. The results of this effort will: improve election administration; provide the Administration and the Congress with an objective measure of the scope of the problem; estimate the cost to remedy inadequacies of the current election system; and establish criteria to be used to design a federal grant program, should one be enacted to aid state and local election officials.

Tables 1, 2 and 3 provide greater detail about the increases from FY 2002 to FY 2003.

TABLE 1 FEC FY 2002 TO FY 2003: SUMMARY DIFFERENCES
(CURRENT SERVICES AND FULL LEVEL FOR FY 2003)

FY 02-03 10/30/01	FY 2002	FROM 2002	FY 2003	FROM BASE	FY 2003	FROM 362 FTE	FY 2003
OBJECT CLASS	362 FTE	INCREMENT	BASE 362	INCREMENT	362 FTE	INCREMENT	368 FTE
SALARIES AND BENEFITS	29,398,000	104,500	29,502,500	200,000	29,702,500	585,000	30,287,500
2003 WIG INCREASES	-	188,000	188,000	-	188,000	-	188,000
2002 COLA	-	301,500	301,500	-	301,500	-	301,500
2003 COLA	-	1,090,000	1,090,000	-	1,090,000	-	1,090,000
TRANSIT SUBSIDY	312,000	3,000	315,000	-	315,000	-	315,000
OVERTIME	170,000	30,000	200,000	-	200,000	-	200,000
CASH AWARDS	335,000	15,000	350,000	-	350,000	-	350,000
OTHER	30,000	5,000	35,000	-	35,000	-	35,000
PERSONNEL	30,245,000	1,737,000	31,982,000	200,000	32,182,000	585,000	32,767,000
IT PROJECTS	4,067,000	(102,000)	3,965,000	450,000	4,415,000	-	4,415,000
GSA RENT	3,633,000	117,000	3,750,000	-	3,750,000	100,000	3,850,000
DOJ DOCUMENT IMAGING	150,000	-	150,000	-	150,000	-	150,000
OEA ELECT. REFORM	-	-	-	-	-	2,490,000	2,490,000
	-	-	-	-	-	-	-
OTHER NON-PERS.	5,594,000	199,000	5,793,000	-	5,793,000	-	5,793,000
NON-PERSONNEL	13,444,000	214,000	13,658,000	450,000	14,108,000	2,590,000	16,698,000
TOTAL FEC	43,689,000	1,951,000	45,640,000	650,000	46,290,000	3,175,000	49,465,000

TABLE 2: FEC STAFFING HISTORY

10-Oct	FEC HISTORICAL FTE							
	FY 97	FY 98	FY 99	FY 2000	FY 2001	FY 2002	FY 2003	FY 2003
OFFICE	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MPLAN	C SERVICE	FULL REQ.
	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	362 FTE	362 FTE	368 FTE
COMMISSIONERS	15.6	15.2	17.6	18.4	21.0	20.0	20.0	20.0
STAFF DIRECTOR	24.0	23.4	22.9	24.7	24.2	27.0	27.0	27.0
ADMINISTRATION	19.5	18.5	20.4	22.2	22.0	20.0	20.0	20.0
AUDIT	33.6	31.8	34.3	40.0	37.2	40.0	40.0	40.0
INFORMATION	12.9	12.2	11.9	12.8	12.9	13.0	13.0	13.0
GENERAL COUNSEL	92.8	99.4	107.8	113.3	113.9	118.0	118.0	118.0
OEA	4.8	4.8	4.9	4.9	4.0	5.0	5.0	11.0
DATA SYSTEMS	37.9	40.6	46.1	46.5	44.6	54.0	54.0	54.0
PUBLIC DISCLOSURE	12.5	13.5	13.3	13.4	12.9	13.0	13.0	13.0
REPORTS ANALYSIS	39.0	39.6	38.9	42.1	44.8	44.0	44.0	44.0
I.G. OFFICE	4.0	3.7	4.0	4.0	3.8	4.0	4.0	4.0
ADR				0.4	1.9	2.0	2.0	2.0
OAR				0.4	2.0	2.0	2.0	2.0
TOTAL	296.6	302.7	322.1	343.1	345.2	362.0	362.0	368.0

TABLE 3 FEC FY 2002 TO FY 2003: DETAILED DIFFERENCES

OBJECT CLASS	FY 02 M PLAN 362 FTE	FROM 2002 INCREMENT	FY 2003 BASE 362	FROM 2002 INCREMENT	FY 2003 362 FTE	FROM 2002 INCREMENT	FY 2003 368 FTE
SALARIES/BENF	29,710,000	1,687,000	31,397,000	1,887,000	31,597,000	2,472,000	32,182,000
OVERTIME	170,000	30,000	200,000	30,000	200,000	30,000	200,000
WITNESSES	5,000	-	5,000	-	5,000	-	5,000
CASH AWARDS	335,000	15,000	350,000	15,000	350,000	15,000	350,000
OTHER	25,000	5,000	30,000	5,000	30,000	5,000	30,000
PERSONNEL	30,245,000	1,737,000	31,982,000	1,937,000	32,182,000	2,522,000	32,767,000
21.01 TRAVEL	502,500	8,500	511,000	8,500	511,000	48,500	551,000
22.01 TRANS/THGS	58,000	7,000	65,000	7,000	65,000	12,000	70,000
23.11 GSA SPACE	3,633,000	117,000	3,750,000	117,000	3,750,000	217,000	3,850,000
23.21 COM. SPACE	42,500	5,500	48,000	5,500	48,000	10,500	53,000
23.31 EQUIP RENT	216,000	24,000	240,000	24,000	240,000	29,000	245,000
23.32 TELE LOCAL	170,000	10,000	180,000	10,000	180,000	10,000	180,000
23.33 LDIST/TELEG	55,000	7,500	62,500	7,500	62,500	7,500	62,500
23.34 TELE INTCTY	55,000	5,000	60,000	5,000	60,000	5,000	60,000
23.35 POSTAGE	175,000	-	175,000	-	175,000	25,000	200,000
24.01 PRINTING	352,000	22,000	374,000	22,000	374,000	62,000	414,000
24.02 MICROFILM	25,000	5,000	30,000	5,000	30,000	5,000	30,000
25.11 TRAINING	359,000	(62,500)	296,500	(62,500)	296,500	(62,500)	296,500
25.12 ADMIN EXP	213,500	14,500	228,000	14,500	228,000	24,500	238,000
25.13 DEP/TRANSC	80,000	5,000	85,000	5,000	85,000	5,000	85,000
25.21 CONTRACTS	2,545,500	812,500	3,358,000	1,262,500	3,808,000	3,612,500	6,158,000
25.23 REPAIR/MAIN	7,500	2,500	10,000	2,500	10,000	2,500	10,000
25.24 TUITION	5,000	-	5,000	-	5,000	-	5,000
25.31 FED AGENCY	345,000	36,000	381,000	36,000	381,000	36,000	381,000
25.41 FACIL MAINT	107,000	50,500	157,500	50,500	157,500	50,500	157,500
25.71 EQUIP/MAINT	891,000	123,000	1,014,000	123,000	1,014,000	123,000	1,014,000
25.72 SFT/HRDWRE	1,382,000	99,000	1,481,000	99,000	1,481,000	99,000	1,481,000
26.01 SUPPLIES	378,000	22,500	400,500	22,500	400,500	22,500	400,500
26.02 PUBS	254,000	7,000	261,000	7,000	261,000	7,000	261,000
26.03 PUBS SERV	255,500	3,500	259,000	3,500	259,000	3,500	259,000
31.01 EQP PURCH	1,337,000	(1,111,000)	226,000	(1,111,000)	226,000	(1,101,000)	236,000
		-		-			
NON-PERSONNEL	13,444,000	214,000	13,658,000	664,000	14,108,000	3,254,000	16,698,000
		-		-			
TOTAL FEC	43,689,000	1,951,000	45,640,000	2,601,000	46,290,000	5,776,000	49,465,000

FEC Staffing and Workloads

FY 2003 will encompass the 2002 general election and most of the post-election disclosure and enforcement work for that election cycle. The 2000 elections broke all records for total financial activity in federal elections, and this record level of financial activity should continue for the 2002 elections.

Despite large increases in Commission workloads because of increasing federal election-related campaign finance activity, the FEC has been relying on management initiatives and information technology advancements to improve productivity rather than adding staff. Total disbursements in federal elections have increased by over 1000% since 1976: from \$300 million to over \$3.7 billion in the 2000 cycle. This has translated into workload increases such as a 27% increase in documents filed since 1984 and an increase of 400% in the number of transactions entered into the database since the 1984 election cycle. The FEC has processed these record level workloads with minimal increases in the staff processing and reviewing the reports.

As a result of the dramatic increase in activity, our available resources dictate that we audit and investigate a relatively small number of committees. With approximately 8,000 committees filing reports each election cycle, the FEC audits about 45 committees per cycle, or about .6% of the filing universe. With an average active caseload of between 100 to 150 enforcement cases in any given month, approximately 50% of the complaints received by the FEC are activated.

The Commission has attempted to maximize the effectiveness of the compliance and enforcement programs through the increased use of technology and with management initiatives to better focus the resources available. Because of the modest size of many of our compliance and enforcement programs, any reduction in staffing below our Current Services base will jeopardize our basic mission and objectives.

Campaign finance activity for the congressional election in the 2002 election cycle could reach \$3 billion in total disbursements for federal campaigns, from 8,000 committees filing over 80,000 reports and generating 2.5 million itemized transactions in the FEC Disclosure Database. For the 2004 cycle, campaign finance activity could exceed \$4 billion in total disbursements from 8,500 committees filing over 85,000 reports and generating 3 million itemized transactions.

Realizing additional future efficiencies from the mandatory electronic filing program will help keep staffing needs at current levels in the disclosure program. The Commission has managed new records for total campaign finance activity in presidential and congressional elections each election cycle since 1992, with limited staff increases. Our request for FY 2003 only provides for additional staff and resources for the OEA, with no additional staff for any other programs. The FY 2003 Current Services does include the five additional FTE allocated to the IT programs in the expected FY 2002 appropriation.

Despite the prospect of continuing increases in record amounts of campaign finance activity in federal elections, the FEC has requested no additional resources for the compliance and enforcement programs. Given the expected volume of money involved in the 2002 and 2004 election cycles, we believe that the FEC request for FY 2003 is fully supported and is a modest one.

Budgetary History

Table 4A provides an historical view of the FEC budget, allocated among its organizational units. Table 4B is an historical summary of the FEC budget, by object class.

TABLE 4A: COMMISSION ORGANIZATIONAL UNITS						
FY 1998-2003						
DIVISION/OFFICE	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
30-Oct-01	ACTUAL	ACTUAL	ACTUAL	ACTUAL	FEC EXPECTED	FEC REQUEST
	302.7 FTE	322.1 FTE	343 FTE	345.2 FTE	362 FTE	368 FTE
COMMISSIONERS	\$ 1,657,033	\$ 1,959,391	\$ 2,198,783	\$ 2,496,325	\$ 2,534,800	\$ 2,662,400
STAFF DIRECTOR	\$ 1,979,493	\$ 2,109,166	\$ 2,293,691	\$ 2,807,225	\$ 3,474,700	\$ 3,632,300
SDO/CS/ADR/OAR	847,853	975,816	1,156,848	1,556,215	2,065,900	2,162,800
PLANNING/BUDGET	148,505	117,879	124,258	174,903	237,600	245,700
PERSONNEL	444,399	460,978	439,733	500,027	532,100	550,700
PRESS	446,999	489,233	471,451	473,318	515,300	543,000
EEO	91,737	65,260	101,401	102,762	123,800	130,100
ADMINISTRATION	\$ 5,261,672	\$ 6,933,574	\$ 6,671,251	\$ 6,433,017	\$ 6,925,700	\$ 7,221,800
AUDIT	\$ 2,294,643	\$ 2,505,010	\$ 3,142,326	\$ 3,308,625	\$ 3,541,900	\$ 3,741,200
INFORMATION	\$ 984,001	\$ 962,716	\$ 1,059,900	\$ 1,073,303	\$ 1,088,400	\$ 1,136,600
GENERAL COUNSEL	\$ 8,839,611	\$ 9,782,429	\$ 10,213,174	\$ 10,838,740	\$ 11,664,800	\$ 12,326,000
OEA	\$ 530,507	\$ 759,662	\$ 590,128	\$ 873,406	\$ 932,400	\$ 4,145,300
DATA SYSTEMS	\$ 2,753,863	\$ 3,317,844	\$ 3,363,794	\$ 3,223,540	\$ 4,150,600	\$ 4,334,900
PUBLIC DISCLOSURE	\$ 806,102	\$ 812,399	\$ 836,118	\$ 828,600	\$ 951,700	\$ 1,026,500
RAD	\$ 1,856,679	\$ 1,946,126	\$ 2,186,245	\$ 2,520,835	\$ 2,576,200	\$ 2,935,600
IG	\$ 276,464	\$ 319,507	\$ 348,773	\$ 349,672	\$ 392,600	\$ 416,900
CASH AWARDS	\$ -	\$ -	\$ -	\$ -	\$ 335,000	\$ 350,000
IT/EF/INTERNET	\$ 2,935,915	\$ 4,360,604	\$ 5,370,882	\$ 5,612,170	\$ 5,120,200	\$ 5,535,500
LAPSE	\$ 724,017	\$ 1,022,572	\$ 2,935	\$ 45,442		
TOTAL	\$ 30,900,000	\$ 36,791,000	\$ 38,278,000	\$ 40,410,900	\$ 43,689,000	\$ 49,465,000

BUDGETS FOR THE SDO COMPONENTS ARE SUBTOTALS OF THE SDO TOTAL.

Note: Cash Awards are allocated to the Divisions/Offices of the recipients as they were awarded in prior years, but the FY 2002 and 2003 totals are depicted for the entire Commission on a separate line as they have not been awarded for those two years. The table on the next page shows the total cash award budget for the Commission in prior years.

TABLE 4B: OBJECT CLASS SUMMARY						
OBJECT CLASS	FY 1998	FY 1999	FY 2000 *	FY 2001	FY 2002	FY 2003
30-Oct-01	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PLANNED	FEC REQUEST
	Sep-98	Sep-99	Sep-00	Sep-01	362 FTE	368 FTE
SALARIES AND BENEFITS	20,261,967	22,235,004	25,098,185	26,841,500	29,710,000	32,182,000
OVERTIME	144,654	192,035	192,248	163,625	170,000	200,000
WITNESSES	600	-	2,249	2,611	5,000	5,000
CASH AWARDS	181,995	230,357	227,223	309,621	335,000	350,000
OTHER	6,000	31,360	10,737	15,322	25,000	30,000
TOTAL PERSONNEL	20,595,216	22,688,756	25,530,642	27,332,679	30,245,000	32,767,000
21.01 TRAVEL	164,027	232,492	455,977	337,393	502,500	551,000
22.01 TRANS. OF THINGS	31,511	100,510	244,862	38,918	58,000	70,000
23.11 GSA SPACE	2,484,470	3,086,301	3,354,593	3,397,987	3,633,000	3,850,000
23.21 COMMERCIAL SPACE	25,000	28,670	43,743	37,489	42,500	53,000
23.31 EQUIPMENT RENTAL	101,117	166,278	151,160	194,149	216,000	245,000
23.32 TELEPHONE LOCAL	223,534	216,199	146,738	172,319	170,000	180,000
23.33 LONG DIST./TELEG.	19,769	25,725	28,684	26,707	55,000	62,500
23.34 TELEPHONE INTERCY.	37,500	38,874	52,573	43,439	55,000	60,000
23.35 POSTAGE	217,163	179,647	174,977	171,475	175,000	200,000
24.01 PRINTING	260,578	220,533	274,291	243,722	352,000	414,000
24.02 MICROFILM PRINTS	16,664	22,644	19,500	22,138	25,000	30,000
25.11 TRAINING	95,251	218,368	90,761	143,072	359,000	296,500
25.12 ADMIN. EXPENSES	122,398	162,092	127,339	127,166	213,500	238,000
25.13 DEPOSITIONS/TRANS.	41,323	37,819	69,662	53,000	80,000	85,000
25.21 CONTRACTS/OTHER	2,162,292	2,746,609	2,811,604	2,104,061	2,545,500	6,158,000
25.23 OTHER REP./MAINT.	3,261	3,176	3,893	3,145	7,500	10,000
25.24 TUITION	1,333	-	2,497	7,592	5,000	5,000
25.31 FED. AGENCY SERV.	1,102,782	1,472,788	646,597	335,640	345,000	381,000
25.41 FACIL. MAINT.	145,273	144,502	332,887	165,033	107,000	157,500
25.71 EQUIP. REP./MAINT.	216,982	210,190	236,783	177,735	891,000	1,014,000
25.72 SOFT/HARDWARE	381,710	2,094,899	2,053,512	2,505,375	1,382,000	1,481,000
26.01 SUPPLIES AND MAT.	345,497	298,194	380,646	346,969	378,000	400,500
26.02 PUBLICATIONS	142,463	187,396	191,968	212,893	254,000	261,000
26.03 PUBLICATIONS SERV.	107,890	179,919	210,924	226,342	255,500	259,000
31.01 EQUIP. PURCHASES	1,130,979	1,005,847	638,252	1,939,020	1,337,000	236,000
NON-PERSONNEL TOTAL	9,580,767	13,079,672	12,744,423	13,032,779	13,444,000	16,698,000
LAPSE END OF FY	724,017	1,022,572	2,935	45,442		
TOTAL FEC	30,900,000	36,791,000	38,278,000	40,410,900	43,689,000	49,465,000

Note: cash awards for prior FY's are actual as awarded; the FY 2002 and 2003 totals are budgeted amounts.

Program/Objective Analysis²

Mission

The FEC budget is based on the agency's fundamental mission to administer and to enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- The disclosure of campaign finance information
- Contribution limits and prohibitions, and
- The public financing of Presidential elections³

Additionally, following the mandate of the statute, the Commission's mission includes serving as a clearinghouse for the compilation of information and review of procedures with respect to the administration of federal elections.

Programs

To accomplish this mission, the Commission has established six major core and management programs.

The core programs are:

- Promoting Disclosure
- Obtaining Compliance with the Federal Election Campaign Act (FECA)
- Administering the Public Financing of Presidential Elections, and
- Election Administration

The management programs are:

- Special IT/Electronic Filing Projects, and
- Commission Policy and Administration

Within each of the core programs, the Commission has defined specific objectives. To achieve these objectives, the Commission must accomplish certain goals. To the extent that the agency succeeds in reaching these goals and objectives, it will fulfill its fundamental mission. The core and management programs are described below in terms of their objectives and related goals, and a series of tables supplement the explanation.

² This analysis is based on the Commission's Strategic Plan and FY 2003 Performance Plan, submitted under the Government Performance and Results Act (GPRA). For more information on the Strategic Plan and the Performance Plan, see Appendices C and D.

³ Public funding of Presidential elections has three components: matching funds for qualified Presidential primary candidates; public grants for the Presidential nominees of major and minor parties; and public grants to major parties to run their national Presidential nominating conventions.

Overview of FEC Programs

Tables 5A, 5B, and 5C provide an overview of the FEC budget, by program. Table 5A shows the total dollars budgeted for each program; Table 5B distinguishes between personnel and non-personnel costs; and Table 5C shows the personnel (FTE) for each program. Tables 5A and 5C indicate what percentage of the total budget request each program represents.

TABLE 5A: COMMISSION BUDGET BY PROGRAM COSTS						
FY 2001-2003						
PROGRAM	FY 2001		FY 2002		FY 2003	
	\$	FEC %	\$	FEC %	\$	FEC %
PROMOTE DISCLOSURE	\$ 7,707,370	19%	\$ 8,482,189	19%	\$ 9,109,744	18%
OBTAIN COMPLIANCE	\$ 10,144,898	25%	\$ 11,372,207	26%	\$ 13,606,854	28%
PUBLIC FINANCING	\$ 3,103,017	8%	\$ 3,277,704	8%	\$ 1,882,117	4%
ELECTIONS ADMIN.	\$ 873,406	2%	\$ 932,400	2%	\$ 4,145,300	8%
IT/EF PROJECTS	\$ 5,612,170	14%	\$ 5,120,200	12%	\$ 5,535,500	11%
COMM. POLICY/ADMIN.	\$ 12,924,598	32%	\$ 14,504,299	33%	\$ 15,185,486	31%
COMMISSION TOTAL	\$ 40,365,458		\$ 43,689,000		\$ 49,465,000	

TABLE 5B: COMMISSION BUDGET BY PROGRAM COSTS									
FY 2001-2003									
OBJECTIVE	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
PROMOTE DISCLOSURE	\$ 6,546,315	\$ 7,099,380	\$ 7,672,708	\$ 1,161,055	\$ 1,382,809	\$ 1,437,036	\$ 7,707,370	\$ 8,482,189	\$ 9,109,744
OBTAIN COMPLIANCE	\$ 9,052,481	\$ 9,975,841	\$ 12,058,979	\$ 1,092,417	\$ 1,396,366	\$ 1,547,875	\$ 10,144,898	\$ 11,372,207	\$ 13,606,854
PUBLIC FINANCING	\$ 2,659,897	\$ 2,889,579	\$ 1,602,957	\$ 443,121	\$ 388,125	\$ 279,160	\$ 3,103,017	\$ 3,277,704	\$ 1,882,117
ELECTIONS ADMIN.	\$ 449,270	\$ 507,900	\$ 1,124,800	\$ 424,136	\$ 424,500	\$ 3,020,500	\$ 873,406	\$ 932,400	\$ 4,145,300
IT/EF PROJECTS	\$ 972,776	\$ 1,053,200	\$ 1,120,500	\$ 4,639,394	\$ 4,067,000	\$ 4,415,000	\$ 5,612,170	\$ 5,120,200	\$ 5,535,500
COMM. POLICY/ADMIN.	\$ 7,651,941	\$ 8,719,100	\$ 9,187,057	\$ 5,272,657	\$ 5,785,199	\$ 5,998,429	\$ 12,924,598	\$ 14,504,299	\$ 15,185,486
COMMISSION TOTAL	\$ 27,332,679	\$ 30,245,000	\$ 32,767,000	\$ 13,032,779	\$ 13,444,000	\$ 16,698,000	\$ 40,365,458	\$ 43,689,000	\$ 49,465,000

TABLE 5C: COMMISSION BUDGET BY PROGRAM FTE						
FY 2001-2003						
PROGRAM	FY 2001		FY 2002		FY 2003	
	FTE	FEC %	FTE	FEC %	FTE	FEC %
PROMOTE DISCLOSURE	102.1	30%	107.0	30%	106.5	29%
OBTAIN COMPLIANCE	105.3	31%	112.5	31%	129.5	35%
PUBLIC FINANCING	33.2	10%	34.5	10%	18.0	5%
ELECTIONS ADMIN.	4.0	1%	5.0	1%	11.0	3%
IT/EF PROJECTS	13.5	4%	13.5	4%	13.5	4%
COMM. POLICY/ADMIN.	87.1	25%	89.5	25%	89.5	24%
COMMISSION TOTAL	345.2		362.0		368.0	

Program I: Disclosure (Core Program)

Objectives

With regard to the Disclosure Program, the Federal Election Commission seeks to:

- Review and process the financial reports filed by political committees accurately and timely.
- Make the reports and data readily accessible to the public, the media and the regulated community.
- Educate the public, the media and the regulated community about the legal requirements pertaining to disclosure, contributions limits and prohibitions, and the public financing of Presidential elections—the core elements of federal election campaign finance law.

Goals

To achieve the above objectives, the FEC will strive to accomplish the goals listed below. More quantitative performance measures are included in the pertinent sections of the FEC Strategic Plan and FY 2003 Performance Plan attached to this justification in Appendices C and D.

Review and Processing of Reports

To achieve the accurate and timely review and processing of all reports, the Commission will:

- Facilitate the electronic filing of reports by all political committees reaching a certain threshold, excluding Senate committees and the national parties' Senate campaign committees.
- Continue to meet the 48-hour deadline for placing reports filed by political committees on the public record.
- Review all reports filed for accuracy and complete disclosure.
- Review 60 percent of reports within 90 days of receipt at the FEC.
- Encourage filers to voluntarily correct the public record by requesting additional information.
- Code and enter into the FEC database the information contained in 95 percent of reports within 45 days of receipt at the FEC. (For the 2000 cycle to date, 95% of all reports have been entered within 44 days of receipt at the Commission; for the 1998 cycle it was 27 days.) This is a pre-electronic filing goal that will be adjusted after our experience with the 2002 cycle reports under mandatory electronic filing.

Public Disclosure and Dissemination of Campaign Finance Data

To ensure that campaign finance data are widely distributed, the FEC will:

- Provide the public with Internet access to its disclosure database and digital images of the reports (except those of Senate candidates).
- Operate a Public Records Office where reports and data are available in paper, microfilm and digital images (scanned from original reports) and where the public can access the disclosure database.
- Operate a Press Office to assist the media in the wide disclosure and dissemination of campaign finance data.
- Compile and release comprehensive statistical information based on the reports filed by political committees (e.g., using the Internet and news releases).

Education About the Law

To ensure that the public, the media and the campaign community fully understand the federal election law, and that information about the law is readily available, the FEC will:

- Operate a toll-free line and maintain a well-informed staff to answer phone inquiries about the FEC and federal election law.
- Produce educational and information brochures and booklets to supplement the FEC Annual Reports.
- Make FEC publications available to the public through the FEC Website, an automated fax service, and the U.S. mail.
- Conduct technical workshops on the law throughout the country.
- Provide policy guidance through the timely release of Advisory Opinions.
- Review and revise FEC regulations to clarify federal election law.

Summary

The resources needed to meet the objectives and goals of the Disclosure Program in FY 2003 are summarized in Tables 6A and 6B.

**TABLE 6A: DISCLOSURE PROGRAM COSTS
FY 2001-2003**

OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
PUBLIC DISCLOSURE	\$ 698,471	\$ 733,700	\$ 780,000	\$ 130,129	\$ 218,000	\$ 246,500	\$ 828,600	\$ 951,700	\$ 1,026,500
DATA SYSTEMS	\$ 1,239,388	\$ 1,566,368	\$ 1,641,379	\$ 540,404	\$ 660,000	\$ 683,650	\$ 1,779,793	\$ 2,226,368	\$ 2,325,029
INFORMATION	\$ 833,029	\$ 805,400	\$ 858,100	\$ 240,274	\$ 283,000	\$ 278,500	\$ 1,073,303	\$ 1,088,400	\$ 1,136,600
PRESS OFFICE	\$ 432,977	\$ 468,300	\$ 491,000	\$ 40,341	\$ 47,000	\$ 52,000	\$ 473,318	\$ 515,300	\$ 543,000
OGC POLICY/REGS/AO'S	\$ 1,147,972	\$ 1,227,562	\$ 1,298,631	\$ 93,851	\$ 89,809	\$ 94,386	\$ 1,241,822	\$ 1,317,371	\$ 1,393,017
REPORTS ANALYSIS	\$ 2,194,478	\$ 2,298,050	\$ 2,603,598	\$ 116,056	\$ 85,000	\$ 82,000	\$ 2,310,534	\$ 2,383,050	\$ 2,685,598
PROGRAM TOTAL	\$ 6,546,315	\$ 7,099,380	\$ 7,672,708	\$ 1,161,055	\$ 1,382,809	\$ 1,437,036	\$ 7,707,370	\$ 8,482,189	\$ 9,109,744
COMMISSION PERCENT	24%	23%	23%	9%	10%	9%	19%	19%	18%

TABLE 6B: DISCLOSURE PROGRAM FTE						
FY 2001-2003						
OFFICE/DIVISION	FY 2001		FY 2002		FY 2003	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
PUBLIC DISCLOSURE	12.9	100%	13.0	100%	13.0	100%
DATA SYSTEMS	17.2	52%	21.5	53%	21.5	53%
INFORMATION	12.9	100%	13.0	100%	13.0	100%
PRESS OFFICE	4.8	100%	5.0	100%	5.0	100%
OGC POLICY/REGS/AO'S	13.1	12%	13.5	11%	13.5	11%
REPORTS ANALYSIS	41.2	92%	41.0	93%	40.5	92%
PROGRAM TOTAL	102.1		107.0		106.5	
COMMISSION PERCENT	30%		30%		29%	

Program II: Compliance (Core Program)

Objectives

The compliance program is based on the premise that the FEC's first responsibility is to foster a willingness, on the part of the regulated community, to voluntarily comply with the law's reporting requirements, fundraising restrictions and public funding statutes. The FEC encourages voluntary compliance through education (described under the Disclosure Program, p. 23). To buttress its educational efforts, the Commission carries out a Compliance Program with the following objectives:

- Conduct desk audits (reviews) of every report;
- Audit those committees whose reports fail to meet threshold requirements for substantial compliance with the FECA; and
- Enforce the law, in a timely and fair manner, against persons who violate the law.

Goals

For each of these objectives, the Commission defines the following goals:

Desk Audits

The Commission will:

- Conduct a desk audit of every report and encourage the regulated community to clarify the public record when information is inaccurate or incomplete.
- Refer filers who fail to comply with the FECA disclosure requirements or contribution limitations or restrictions, and who fail to voluntarily correct their reports, for an audit and/or enforcement action, if necessary.

Audits

In those cases where reports indicate that committees have failed to meet the threshold requirements for substantial compliance with the FECA, and have failed to voluntarily correct errors or omissions on their reports, the Commission will conduct 40-45 audits “for cause” for the 2002 election cycle, pursuant to 2 U.S.C. §438(b).

The Commission’s budget contains the resources added in FY 2001 to establish a “stand alone” Title 2 Audit “For Cause” Program (a PwC recommendation.) A total of two FTE’s allows the Audit Division to hire eight part-time student interns, which will enable the FEC to conduct approximately 40-45 Title 2 audits per cycle as opposed to the previous 20-25 per cycle. These part-time staff also will assist the auditors in performing Title 26 audits of Presidential committees that receive public funds. This proposal, along with other procedural changes, allows the Commission to maintain the Title 2 audit program even during presidential election cycles. In contrast, over the previous four cycles (1991-92 through 1997-98) an average of 9 authorized and 12 non-authorized committees had been slated for audit.

This budget also will allow the Commission to meet its goal of processing federal matching funds and completing the Title 26 Presidential audits within two years after the presidential elections. One FTE is dedicated to four temporary positions to begin to process matching fund requests in the last quarter of FY 2003 in anticipation of the 2004 presidential primaries (see Public Financing objective below).

Enforcement

Because the majority (63% since 1995) of the Commission’s caseload arises from complaints filed by parties outside the agency, the total caseload figure is not singularly affected by the number of FTE in enforcement. The number of FTE affects the proportion of the total enforcement caseload that can be handled substantively, as well as the proportion of the caseload that is active vs. inactive. (A substantive finding is a finding based on the merits of the matter [other than dismissal], including findings of “no reason to believe the FECA has been violated.”)⁴

In past budget requests, the Commission has asked for additional resources for its compliance program. The Commission is not seeking additional staff resources, above 362 FTE, for its compliance programs in this budget request. Instead, OGC expects to maintain current performance levels. It is important to note, however, that maintaining staffing levels in OGC from FY 2000 and 2001 will limit the Commission’s capability to handle new major cases that may arise from the 2002 cycle.

⁴ There is a significant difference between mere “dismissal” and a finding of “no reason to believe” the law has been violated. A finding of “no reason to believe” reflects affirmative Commission action based on its consideration of the merits of the particular matter. A dismissal, on the other hand, usually reflects action by the Commission based on an application of the Enforcement Priority System criteria to a particular case to determine whether the case merits the use of the Commission’s limited resources.

To reach the objective of enforcing the law in a timely and fair way, the Commission plans to:

- Maintain a monthly average active caseload of at least 45 percent of the total caseload.
- Close an estimated 225 cases. The Commission will close 45 percent of those cases through substantive Commission action.
- Initiate from 12 to 15 civil actions under 2 U.S.C. 437g(a)(6) to enforce the FECA.
- Maintain the Enforcement Priority System (EPS),⁵ a system through which the Commission identifies and assigns the more significant enforcement cases to staff, disposes of the less significant cases rapidly, and manages limited staff resources.
- Conclude some or all of the major cases involving complex legal issues⁶—including those remaining from earlier election cycles (1996 and 1998) and those stemming from the 2000 cycle.

Administrative Fine Program and ADR

The Commission undertook two compliance initiatives in FY 2000 and 2001 to maximize the use of enforcement resources. Based on a legislative mandate, the FEC implemented an administrative fine program in July 2000 to reduce the OGC staff resources required to enforce timely filing of disclosure reports. Since the inception of the program, 282 cases have been placed on the public record, and civil money penalties totaling \$386,526 have been collected (as of October 11, 2001.) There are many additional cases in various stages of the administrative fine process. The administrative fine program frees Commission resources for more complex, substantive enforcement actions.

The Commission also implemented an alternative dispute resolution (ADR) program in FY 2001. The ADR program is designed to promote compliance with the federal election law by encouraging settlements outside the traditional enforcement or litigation processes. The program aims to expedite resolution of enforcement matters and to reduce the cost of processing complaints, and therefore, enhance overall FEC enforcement. Since the inception of the program in October 2000, 34 matters have been settled in the ADR process, requiring an average of 86 days to process and close. This program also frees Commission resources for other, more significant enforcement matters.

⁵ Under EPS, OGC evaluates enforcement cases based on carefully crafted, Commission-approved criteria to determine the relative significance of the allegations. EPS is a tool to match the seriousness of a particular case to the resources available to undertake an investigation of the matter.

⁶ Examples of complex legal issues include possible “soft money” abuse, claims of improper coordination or express advocacy, and alleged laundered and/or foreign contributions.

Summary

Since 1995, with the institution of the Enforcement Priority System (EPS), the Commission's enforcement workload has averaged about 240 total cases per month, with about 100 of those cases actively being worked on. In each election cycle, the FEC has averaged about 200 complaints and about 125-150 internal referrals. Historically, the FEC has closed about 40% of its cases with some form of substantive action, dismissing the others without formal action either due to staleness or lack of substantive issues. From FY 1998-2000, the Commission was able to increase the number of cases activated to over 50% of the incoming cases, and the average active to inactive caseload percentages improved to over 50% in FY 1999-2000. In addition, the number of cases dismissed, or closed without substantive Commission action, dropped significantly from an average of about 60% (FY 1995-1999) to 25% in FY 2000. This was accomplished without a major increase in authorized staff.

The FEC anticipates that the ADR and administrative fine programs will continue to enable the Commission to assign OGC enforcement resources to more complex, substantive matters. These programs expanded the number of compliance actions that the Commission enforcement program could process and resolve. From FY 1995 (when the EPS was installed) through FY 2000, the Commission averaged closing 205 cases each fiscal year. In FY 2001, the Commission closed a total of 522 enforcement matters or compliance actions, including cases in the administrative fine and ADR programs. This represents a 154% increase.

These two programs have allowed the Commission to expand the scope and reach of the enforcement process, and to streamline the case resolution process for late and non-filer cases, as well as to expedite the resolution of cases under ADR that might not have been activated under the EPS process (and might never have reached substantive resolution under the formal enforcement process). The two new programs help to ensure that limited enforcement resources are focused on more substantive and significant cases, yet allow the Commission to pursue the successful resolution of a major increase in the total number of cases processed. This is in response to both recommendations from the PwC review of the FECA and the FEC, and a desire by the Commission to improve the timeliness of FEC compliance actions. The administrative fine program was also congressionally mandated in language in the Commission's appropriations legislation.

The Commission has set goals of activating more enforcement cases and dismissing fewer cases without substantive action. The ultimate goals of the ADR and administrative fine programs, the Case Management system, and other information technology enhancements to the enforcement program are to speed up the resolution of cases and to increase the number of cases closed with substantive Commission action.

The resources needed to meet the objectives and goals of the Compliance Program in FY 2003 are summarized in Tables 7A and 7B. We are requesting resources to

maintain current performance levels; no additional resources are sought for the compliance program.

**TABLE 7A: COMPLIANCE PROGRAM COSTS
FY 2001-2003**

OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
REPORTS ANALYSIS	\$ 191,750	\$ 168,150	\$ 225,002	\$ 18,551	\$ 25,000	\$ 25,000	\$ 210,301	\$ 193,150	\$ 250,002
DATA SYSTEMS	\$ 129,703	\$ 254,990	\$ 267,201	\$ 245,638	\$ 300,000	\$ 310,750	\$ 375,342	\$ 554,990	\$ 577,951
AUDIT	\$ 801,704	\$ 1,382,908	\$ 2,589,525	\$ 103,068	\$ 122,400	\$ 216,375	\$ 904,771	\$ 1,505,308	\$ 2,805,900
OGC ENFORCEMENT	\$ 4,889,833	\$ 5,273,969	\$ 5,579,305	\$ 399,761	\$ 385,847	\$ 405,508	\$ 5,289,595	\$ 5,659,817	\$ 5,984,814
OGC LITIGATION	\$ 1,577,366	\$ 1,682,214	\$ 1,779,606	\$ 128,955	\$ 123,072	\$ 129,343	\$ 1,706,321	\$ 1,805,286	\$ 1,908,949
OGC PFESP	\$ 1,051,577	\$ 772,909	\$ 1,154,339	\$ 85,970	\$ 56,547	\$ 83,898	\$ 1,137,547	\$ 829,456	\$ 1,238,237
LEGAL DOCUMENT INDEX	\$ -	\$ -	\$ -	\$ 51,000	\$ 150,000	\$ 150,000	\$ 51,000	\$ 150,000	\$ 150,000
ADR	\$ 230,982	\$ 252,500	\$ 264,300	\$ 51,448	\$ 166,500	\$ 152,000	\$ 282,430	\$ 419,000	\$ 416,300
OAR	\$ 179,565	\$ 188,200	\$ 199,700	\$ 8,025	\$ 67,000	\$ 75,000	\$ 187,590	\$ 255,200	\$ 274,700
PROGRAM TOTAL	\$ 9,052,481	\$ 9,975,841	\$ 12,058,979	\$ 1,092,417	\$ 1,396,366	\$ 1,547,875	\$ 10,144,898	\$ 11,372,207	\$ 13,606,854
COMMISSION PERCENT	33%	33%	37%	8%	10%	9%	25%	26%	28%

**TABLE 7B: COMPLIANCE PROGRAM FTE
FY 2001-2003**

OFFICE/DIVISION	FY 2001		FY 2002		FY 2003	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
REPORTS ANALYSIS	3.6	8%	3.0	7%	3.5	8%
DATA SYSTEMS	1.8	6%	3.5	9%	3.5	9%
AUDIT	10.2	27%	17.0	43%	30.0	75%
OGC ENFORCEMENT	55.8	49%	58.0	49%	58.0	49%
OGC LITIGATION	18.0	16%	18.5	16%	18.5	16%
OGC PFESP *	12.0	11%	8.5	7%	12.0	10%
LEGAL DOCUMENT INDEX **						
ADR	1.9	100%	2.0	100%	2.0	100%
OAR	2.0	100%	2.0	100%	2.0	100%
PROGRAM TOTAL	105.3		112.5		129.5	
COMMISSION PERCENT	31%		31%		35%	

*Office of General Counsel's Public Financing, Ethics, and Special Projects staff

** Contract for legal document imaging and indexing

Program III: Public Financing (Core Program)

Objectives

Under the Public Financing Program, the Commission seeks to:

- Certify timely the eligibility of Presidential candidates and committees for payments.
- Ensure timely U.S. Treasury payments to certified committees.
- Promote public trust by ensuring that all public monies are accounted for and expended in compliance with the FECA.

Goals

To reach the objectives described above, the Commission will:

- Complete all public funding audits within two years of the 2000 and 2004 Presidential general elections.
- Successfully resolve all enforcement cases within the statutory time limits.
- Process the certifications quickly and accurately. (The bulk of these will be completed during FY 2004.)

Summary

For FY 2003, the resources needed to complete the 2000 cycle and prepare to implement the public financing program in the 2004 election cycle are summarized in Tables 8A and 8B.

**TABLE 8A: PUBLIC FINANCING PROGRAM COSTS
FY 2001-2003**

OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
AUDIT	\$ 2,130,017	\$ 1,870,993	\$ 863,175	\$ 273,836	\$ 165,600	\$ 72,125	\$ 2,403,854	\$ 2,036,593	\$ 935,300
DATA SYSTEMS	\$ 21,617	\$ 109,281	\$ 114,515	\$ 127,732	\$ 156,000	\$ 161,590	\$ 149,349	\$ 265,281	\$ 276,105
OGC PFESP	\$ 508,262	\$ 909,305	\$ 625,267	\$ 41,552	\$ 66,525	\$ 45,445	\$ 549,815	\$ 975,831	\$ 670,712
PROGRAM TOTAL	\$ 2,659,897	\$ 2,889,579	\$ 1,602,957	\$ 443,121	\$ 388,125	\$ 279,160	\$ 3,103,017	\$ 3,277,704	\$ 1,882,117
COMMISSION PERCENT	10%	10%	5%	3%	3%	2%	8%	8%	4%

**TABLE 8B: PUBLIC FINANCING PROGRAM FTE
FY 2001-2003**

OFFICE/DIVISION	FY 2001		FY 2002		FY 2003	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
AUDIT	27.1	73%	23.0	58%	10.0	25%
DATA SYSTEMS	0.3	1%	1.5	4%	1.5	4%
OGC PFESP	5.8	5%	10.0	8%	6.5	6%
PROGRAM TOTAL	33.2		34.5		18.0	
COMMISSION PERCENT	10%		10%		5%	

Program IV: Election Administration (Core Program)

Objectives

Through the FEC Office of Election Administration, the agency will:

- Carry out its statutory responsibilities under the National Voter Registration Act (NVRA) to help improve the national level of voter registration.
- Carry out its responsibility with respect to the Voting Accessibility Act.
- Help ensure that state and local election officials receive informational and educational assistance in administering federal elections in an efficient and effective manner.
- Foster public confidence in the fairness and reliability of the polling process in federal elections.

Goals

To realize the objectives described above the Commission, through the Office of Election Administration, will:

- Grant and oversee research contracts on issues of concern to election administrators.
- Assist state election officials in implementing the NVRA, collect data on the impact of that law on election administration, and report to Congress thereon by June 30, 2004.
- Serve as an on-call resource to election officials with immediate needs for technical and legal information.
- Help state and local election officials adapt to changing technology and legal requirements.
- Disseminate revisions to the Voting Systems Standards (VSS), originally issued in 1990; revisions initiated in FY 1999 for a total multiyear cost of over \$500,000 for this project.
- Develop operational guidelines to complement the technical VSS; to assist state and local elections administrators in improving the management and conduct of federal elections in 2004 and future elections.
- Develop a compendium of best practices for elections administrators to assist in managing elections, and to handle recounts, contested elections, and protests.
- Develop a comprehensive database of existing elections systems to provide an accurate estimate of the cost to upgrade the quality of elections systems in the United States.
- Provide Congress with the data and information to determine the criteria and cost of a grant program to assist states in improving elections systems and their management.

Summary

Resources needed to reach these goals in FY 2003 are summarized in Table 9A and 9B. These tables depict the major initiative for the OEA requested for FY 2003.

Funding of the requested initiative for FY 2003 is necessary to engage in major efforts to enhance the VSS, establish operational guidelines, and engage in a comprehensive effort to assist state and local elections officials improve all aspects of elections administration in federal elections.

**TABLE 9A: ELECTIONS ADMINISTRATION PROGRAM COSTS
FY 2001-2003**

OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
ELECTIONS ADMIN.	\$ 449,270	\$ 507,900	\$ 539,800	\$ 424,136	\$ 424,500	\$ 430,500	\$ 873,406	\$ 932,400	\$ 970,300
REFORM PACKAGE			\$ 585,000			\$ 2,590,000			\$ 3,175,000
PROGRAM TOTAL	\$ 449,270	\$ 507,900	\$ 1,124,800	\$ 424,136	\$ 424,500	\$ 3,020,500	\$ 873,406	\$ 932,400	\$ 4,145,300
COMMISSION PERCENT	2%	2%	3%	3%	3%	18%	2%	2%	8%

**TABLE 9B: ELECTIONS ADMINISTRATION PROGRAM FTE
FY 2001-2003**

OFFICE/DIVISION	FY 2001		FY 2002		FY 2003	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
ELECTIONS ADMIN.	4.0	100%	5.0	100%	5.0	45%
REFORM PACKAGE					6.0	55%
PROGRAM TOTAL	4.0		5.0		11.0	
COMMISSION PERCENT	1%		1%		3%	

Program V: IT and Electronic Filing Projects (Management Program)

The Commission will allocate \$5,535,500 of its FY 2003 budget request to fund IT initiatives and the electronic filing program. This amount, which is provided for in the FEC's IT Strategic Plan,⁷ represents an increase of \$415,300 (8%) from the FY 2002 IT budget of \$5,120,200. This funding will enable the FEC to continue the installation of the new client/server infrastructure, meet its statutory responsibilities under mandatory electronic filing, and undertake additional initiatives to further enhance the IT systems at the FEC.

IT Enhancements

Under the FY 2003 Budget Request, the agency will continue to implement and expand upon the IT enhancements initiated in previous years, including IT initiatives in the following areas:

- Client/Server Development and Conversion
- Document Management

⁷ The FEC's IT Strategic Plan is a running five-year plan, reviewed and updated annually. (See Appendix B.)

- Portal Development Project (PDP)

Client/Server Environment: Development and Data Conversion

For many years, the Commission relied on a terminal-based computer system. Under this system, one central location served as the site where all data were stored and where all processing occurred. In 1995, the Commission took its first steps to migrate from a terminal-based system to a Client/Server environment. In addition to creating a more efficient systems environment that conforms to accepted industry standards, this project will allow the FEC to enhance the disclosure functions on the Website by improving search capabilities and providing more flexible data retrieval options.

In FY 2002-2003, the Commission will continue the transition from the terminal-based model to the new Client/Server-based system, with the conversion of the disclosure database to the new environment. The migration of the disclosure database involves the restructuring of several million data records and the conversion of thousands of programs used to store, retrieve and display information contained in the FEC database.

Document Management

Document management involves several components:

- Migration of approximately 4 million pages of financial reports stored in a legacy imaging system to a new imaging system
- Organizing and storing documents (i.e., integrating internal electronic documents with images of other material)
- Reviewing documents and developing search and retrieval methods for all materials

The process involves scanning images of documents into the computer and then organizing the imaged documents so they can be easily retrieved and reviewed. In conjunction with the client/server development, the process will benefit both external users and the FEC internal users.

Portal Development Project (PDP)

The client/server environment will be the foundation for the Portal Development Project (PDP) scheduled to begin in FY 2003. This project (PDP) envisions using the enhanced IT systems to develop web-based access to FEC data and information for both external and internal users. The development of custom formats for individual users will allow flexible and user friendly operation of FEC data retrieval systems. This conforms to the Administration initiative to streamline and modernize the federal government and to implement E-government.

Also included in FY 2002-2003 is completion of the migration of the finance and accounting systems to the new environment, with future work on the Human Resources (personnel) systems and other management systems such as budget, planning, MIS, and purchasing. Other internal documents and systems will be converted over to the client server environment in FY 2003 and FY 2004.

Additional Staff for IT Projects

The FY 2003 Request includes the five additional FTE for Data Systems staff, originally funded in FY 2002, for the IT projects. The original IT Strategic Plan envisioned 8.5 FTE for the three major IT initiatives. In recent FYs, however, the Data Systems Division has been allocating 12 to 14 FTE annually to the IT projects, at the expense of other data programs and projects. Without the five additional FTE, Data Systems will have severe difficulties in meeting the time frames in the IT Strategic Plan during FY 2002 and FY 2003. The FY 2003 Current Services level reflects the five additional positions first funded in FY 2002.

Electronic Filing

Progress to Date

By 1998, the FEC electronic filing system was implemented, and was optional for any political committee, other than Senate committees and the national parties' Senate campaign committees.⁸ During FYs 2000 and 2001, the FEC continued to develop incentives to encourage committees to file voluntarily their reports electronically, and in the 2000 election cycle more than 1,000 committees filed their reports electronically.

The mandatory electronic filing provision in the FY 2000 Treasury and General Government Appropriations bill required the FEC to establish thresholds for mandatory electronic filing for committees effective for the 2002 election cycle. The rulemaking was implemented by December 2000. The FEC has the capacity to handle all electronically filed reports. To initiate the program, the FEC:

- Established the structure of the program.
- Established the mechanisms by which committees electronically file their reports: by diskette, by modem and through the Internet.
- Established the infrastructure both to receive and validate the reports filed.
- Implemented a system for automatically placing the electronic data:
 - * In the FEC database and
 - * In an image format resembling an FEC form so that individuals, using a computer, can read simulated pages of reports.

⁸ Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

Future Efforts

The FEC will continue to review the electronic filing procedures to improve the process, including:

- Analyzing the strengths and weaknesses of the FEC experience to date with the electronic filing program;
- Evaluating and modifying the software developed and implemented for the program;
- Evaluating and expanding the Commission's program for training committees in the use of the software;
- Evaluating and modifying methods for educating the filing community about electronic filing; and
- Continue to work with private software companies to integrate electronic filing features into their commercial products.

Development of new processes to improve internal document flow in the mandatory electronic filing environment will continue into FY 2002 and FY 2003. The automated review of reports will be expanded and enhanced. Spending on this initiative during FY 2003 also includes funds for on-going operation and maintenance of the electronic filing system during the 2002 and 2004 election cycles.

Data Input

The FEC will continue to input manually the data taken from reports filed by Senate committees and committees that do not meet the established threshold and choose not to file electronically. In FY 2003, as an alternative to manual input, the FEC will begin development of an Optical Character Recognition (OCR) system to process paper filings.

Data Mining

In FY 2003, \$250,000 is included to develop data mining to review disclosure data for patterns of behavior that may extend to more than one filer.

Past IT Initiatives

The Commission has been working on a series of IT initiatives, including electronic filing, since 1995. These initiatives significantly improved the FEC's disclosure services while holding to a minimum the need for additional staff to provide these services. This is in the face of record setting levels of campaign finance activity on the federal level in every election cycle since 1992.

Response to Growing Demand for Information

Enhanced information technology has enabled the FEC to respond to a growing demand for information—and to deliver the information faster—without additional staff. Through the FEC automated fax system and the Internet, the public can instantaneously access FEC forms, publications and campaign finance data.

Larger Audience Using Data

Additionally, the new technology has broadened the audience for existing services. In the past, for example, a limited community of campaign finance specialists accessed the FEC database through the Direct Access Program (DAP), a fee-for-service program.⁹ The agency has now made it possible for these same experts—and the public as a whole—to access the data cost-free on the Internet. During FY 2001, the agency continued its conversion from the DAP to the FEC website.

Point of Entry Completed

The Commission successfully completed its Point-of-Entry initiative in 2000. Under this program, all political committees (except Senate committees and the national parties' Senate campaign committees¹⁰) file their reports with the Commission (either on paper or electronically). The Commission then scans the documents to make images that are available for review on FEC computers and on the Website. Images of Senate documents are electronically transmitted to the FEC and automatically added to the FEC imaging database. Electronically filed documents are imaged and retrievable from the Website, in the same format as if filed on paper, for calendar years 1993 through the present cycle.

Lower Costs

The FEC successfully contracted for some of its IT initiatives at a lower cost than initially anticipated. The design of the electronic filing system came in under budget. Similarly, the initial cost of developing a system to provide images of reports available to the public through the FEC Website was nearly 37 percent lower than the amount Congress appropriated for the initiative.

Summary: Electronic Filing and IT Enhancements

The total request for IT enhancements and electronic filing in FY 2003 is \$5,535,500. Tables 10A and 10B summarize the costs contained in the FY 2003 budget.

⁹ While used primarily by the campaign finance community, the Direct Access Program has always been available to the public.

¹⁰ Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

The IT Strategic Plan discusses the initiatives planned for FY 2003 and beyond. The major new initiative scheduled to begin in FY 2003 with completion in FY 2007, is the portal development project that will integrate the IT systems into a web-based access environment for both external and internal users.

**TABLE 10A: COMPUTERIZATION INITIATIVES COSTS
FY 2001-2003**

OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
ADP ENHANCEMENTS	\$ 691,752	\$ 818,200	\$ 867,500	\$ 3,709,247	\$ 2,891,000	\$ 3,220,500	\$ 4,400,999	\$ 3,709,200	\$ 4,088,000
ELECTRONIC FILING	\$ 194,555	\$ 156,000	\$ 164,500	\$ 897,838	\$ 1,078,000	\$ 1,090,000	\$ 1,092,393	\$ 1,234,000	\$ 1,254,500
PT. OF ENTRY/INTERNET	\$ 86,469	\$ 79,000	\$ 88,500	\$ 32,309	\$ 98,000	\$ 104,500	\$ 118,778	\$ 177,000	\$ 193,000
PROGRAM TOTAL	\$ 972,776	\$ 1,053,200	\$ 1,120,500	\$ 4,639,394	\$ 4,067,000	\$ 4,415,000	\$ 5,612,170	\$ 5,120,200	\$ 5,535,500
COMMISSION PERCENT	4%	3%	3%	36%	30%	26%	14%	12%	11%

**TABLE 10B: COMPUTERIZATION INITIATIVES FTE
FY 2001-2003**

PROJECT	FY 2001		FY 2002		FY 2003	
	FTE	PROJ. %	FTE	PROJ. %	FTE	PROJ. %
ADP ENHANCEMENTS	9.6	71%	10.0	74%	10.0	74%
ELECTRONIC FILING	2.7	20%	2.5	19%	2.5	19%
PT. OF ENTRY/INTERNET	1.2	9%	1.0	7%	1.0	7%
PROGRAM TOTAL	13.5		13.5		13.5	
COMMISSION PERCENT	4%		4%		4%	

Program VI: Commission Policy and Administration (Management Program)

Tables 11A and 11B depict the costs and corresponding FTE for central policy guidance, management and staff support for all Commission operations that do not otherwise fit under the previously identified programs. Besides the offices of the six Commissioners and the Secretariat, this budget category includes all basic administrative overhead, such as rent, phones, postage, etc., and support functions, such as management, budget, accounting and personnel. Direct support costs for program-related items, such as travel, training, and printing, are allocated to specific Commission objectives and programs.

TABLE 11A: COMMISSION POLICY AND ADMIN. PROGRAM COSTS									
FY 2001-2003									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
COMMISSIONERS	\$ 2,464,386	\$ 2,489,800	\$ 2,618,900	\$ 31,939	\$ 45,000	\$ 43,500	\$ 2,496,325	\$ 2,534,800	\$ 2,662,400
STAFF DIRECTOR	\$ 1,671,008	\$ 2,025,200	\$ 2,141,300	\$ 192,879	\$ 260,000	\$ 257,000	\$ 1,863,887	\$ 2,285,200	\$ 2,398,300
ADMINISTRATIVE	\$ 1,529,715	\$ 1,608,200	\$ 1,694,300	\$ 4,903,302	\$ 5,317,500	\$ 5,527,500	\$ 6,433,017	\$ 6,925,700	\$ 7,221,800
IG OFFICE	\$ 339,108	\$ 377,100	\$ 399,900	\$ 10,564	\$ 15,500	\$ 17,000	\$ 349,672	\$ 392,600	\$ 416,900
DATA SYSTEMS	\$ 850,278	\$ 1,019,960	\$ 1,068,805	\$ 68,779	\$ 84,000	\$ 87,010	\$ 919,057	\$ 1,103,960	\$ 1,155,815
OGC GENERAL COUNSEL	\$ 797,446	\$ 863,840	\$ 913,852	\$ 65,194	\$ 63,199	\$ 66,419	\$ 862,640	\$ 927,039	\$ 980,271
CASH AWARDS	\$ -	\$ 335,000	\$ 350,000				\$ -	\$ 335,000	\$ 350,000
PROGRAM TOTAL	\$ 7,651,941	\$ 8,719,100	\$ 9,187,057	\$ 5,272,657	\$ 5,785,199	\$ 5,998,429	\$ 12,924,598	\$ 14,504,299	\$ 15,185,486
COMMISSION PERCENT	28%	29%	28%	40%	43%	36%	32%	33%	31%

TABLE 11B: COMMISSION POLICY AND ADMIN. PROGRAM FTE						
FY 2001-2003						
OFFICE/DIVISION	FY 2001		FY 2002		FY 2003	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
COMMISSIONERS	21.0	100%	20.0	100%	20.0	100%
STAFF DIRECTOR	19.4	100%	22.0	100%	22.0	100%
ADMINISTRATIVE	22.0	100%	20.0	100%	20.0	100%
IG OFFICE	3.8	100%	4.0	100%	4.0	100%
DATA SYSTEMS	11.8	36%	14.0	35%	14.0	33%
OGC GENERAL COUNSEL	9.1	8%	9.5	8%	9.5	8%
CASH AWARDS	0.0		0.0		0.0	
PROGRAM TOTAL	87.1		89.5		89.5	
COMMISSION PERCENT	25%		25%		24%	