

RECORD

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STAFF

COMMISSION ACCEPTS RESIGNATION OF STAFF DIRECTOR:

SEARCH FOR NEW DIRECTOR BEGINS

On April 19, 1983, the Federal Election Commission accepted the resignation of B. Allen Clutter, Staff Director, effective May 15, 1983. Mr. Clutter is leaving the Commission in order to accept a position in the private sector in Cleveland, Ohio.

The Commission has begun an extensive search for a new Director. A description of the Staff Director position, qualifications for the position, and application procedures follow.

Staff Director Position

The Staff Director, an Executive Level IV position in the federal government, receives an annual salary of \$67,200 per year. As chief operating officer of a federal agency with 236 employees, the Staff Director reports to and serves at the pleasure of a six-member Commission appointed by the President.

The mission of the Federal Election Commission is to administer and enforce the campaign finance provisions of the Federal Election Campaign Act, as amended, and Title 26 of the United States Code.

Qualifications

The position requires strong administrative skills and demonstrated ability to use tact and diplomacy to accomplish Commission goals. Applicants should demonstrate meaningful experience:

- Managing and directing budget and financial operations, administration, personnel/labor relations, EEO, Congressional/legislative liaison, and Automated Data Processing (ADP) operations;
- Translating broad policy decisions into specific management objectives and requirements; and
- Effectively directing and supervising a staff of senior managers.

Previous experience working with a board of directors is desirable, as is previous experience as

an administrator in campaign finance, election administration or ethics administration at the federal, state or local level.

Application Procedures

Those interested in the position should submit a full application by May 23, 1983, to:

Staff Director Selection Task Force
 Danny L. McDonald, Chairman
 Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20463

Applications should include:

- A resume, preferably accompanied by a Standard Form 171, and
- At least three references from those who have knowledge of the applicant's capabilities.

REGULATIONS

FEC PRESCRIBES PRIMARY MATCHING FUND REGULATIONS

On April 4, 1983, the Commission prescribed revised regulations governing the payment of federal money in the form of primary matching funds to eligible Presidential primary candidates. See 11 CFR Parts 106 and 9031-9039.

The revised regulations clarify and simplify administration of the primary matching fund program. For example, they clarify provisions in the law which have caused uncertainty in the past, such as the allocation of campaign expenditures under the state spending limits. They provide a fuller explanation of the certification and audit procedures for publicly funded Presidential primary campaigns. Moreover, they cover aspects of the Presidential primary process not previously addressed in the FEC's regulations.

These regulations were published in their entirety in the February 4, 1983, issue of the Federal Register (48 Fed. Reg. 5224). Highlights of major modifications in the regulations appeared in the March 1983 Record.

continued

STATUS OF FEC REGULATIONS

| Regulations* | Date Sent to Congress | Federal Register Publication | Date Prescribed** by the Commission |
|--|-----------------------|-------------------------------------|-------------------------------------|
| 11 CFR 110.11 Disclaimer Notices | 2/25/83 | 3/2/83 48 <u>Fed. Reg.</u> 8809 | |
| 11 CFR 110.12(a)(2) - (a)(4) Annual Honoraria Limit | NA | 4/8/82 47 <u>Fed. Reg.</u> 15098 | 4/8/82 |
| 11 CFR 114.3 and 114.4 Communications by Corporations and Labor Organizations | 3/1/83 | 3/4/83 48 <u>Fed. Reg.</u> 9236 | |
| 11 CFR 106 and 9031 - 9039 Presidential Primary Matching Fund | 1/24/83 | 2/4/83 48 <u>Fed. Reg.</u> 5224 | 4/4/83 |

*The chart is cumulative, listing all amendments to the FEC Regulations proposed after the 1981 edition of 11 CFR was published, including any technical amendments.

**The Commission may prescribe its regulations 30 legislative days after it has transmitted them to Congress, provided neither the House nor the Senate disapproves them during this period.

PUBLIC FUNDING FOR PRESIDENTIAL GENERAL ELECTION CAMPAIGNS: RULEMAKING NOTICE

On March 24, 1983, the Commission decided to publish a notice of proposed rulemaking concerning revisions to FEC Regulations governing the public funding of Presidential general election campaigns. (See 11 CFR Parts 9001 et seq.) The FEC notice, which appeared in the April 4, 1983, issue of the Federal Register (48 Fed. Reg. 14532), seeks comments on three major areas of proposed revisions to the current regulations:

1. **Clarification of Current Provisions.** The suggested revisions, based on the Commission's experience in administering the public funding program in 1980, would clarify existing rules. For example, they would provide a fuller explanation of the FEC's procedures for conducting statutorily mandated audits and for preparing audit reports for public release. Another suggested revision would set forth the requirements pertaining to a general election candidate's statement of net outstanding qualified campaign expenses.
2. **New Provisions.** The suggested revisions would add new provisions to cover aspects of the Presidential general election process not previously addressed in the regulations. For example, several proposed revisions would allow eligible independent Presidential candidates (i.e., candidates with no party affilia-

tion) to receive public funding for their general election campaigns.*

3. **Conforming Amendments.** The proposed revisions would make the rules governing general election campaigns consistent with recent revisions to the rules governing primary campaigns. Affected in this regard, for example, would be the rules governing the allocation of travel expenses and the sale of assets acquired for fundraising purposes.

Comments or questions on the proposed revisions should be submitted to Ms. Susan E. Propper, Assistant General Counsel, by May 4, 1983. Ms. Propper may be contacted at 202/523-4143 or by writing to the Commission at 1325 K Street, N.W., Washington, D.C. 20463. The Commission will schedule a public hearing on the proposed revisions at a later date. Those interested in testifying at the hearing should so indicate in their written comments.

*Under the Presidential Election Campaign Fund Act, candidates who are affiliated with a new or minor party may become eligible for partial public funding after the general election if they received between 5 and 25 percent of the total popular votes cast in the election. In a subsequent Presidential election, they may receive partial public funding prior to the general election, provided they meet certain eligibility requirements. See 26 U.S.C. sections 9002(2), 9003, 9004 and 9005.

FEDERAL REGISTER**FEDERAL REGISTER NOTICES**

The items below identify FEC documents that appeared in the Federal Register during March and April 1983. Copies of these notices are available in the Public Records Office.

| Notice | Title |
|--------|---|
| 1983-7 | Rulemaking Petition: Notice of Availability requested by National Council of Farmers Cooperatives (NCFC) (48 <u>Fed. Reg.</u> 13265, March 30, 1983) |
| 1983-8 | Presidential Primary Matching Fund Regulations: Final Rules (48 <u>Fed. Reg.</u> 14347, April 4, 1983) |
| 1983-9 | Presidential Election Campaign Fund: Notice of Proposed Rulemaking on Publicly Funded General Election Campaigns (48 <u>Fed. Reg.</u> 14532, April 4, 1983) |

OPINIONS**ADVISORY OPINION REQUESTS**

The following chart lists recent requests for advisory opinions (AORs). The full text of each AOR is available to the public in the Commission's Office of Public Records.

| AOR | Subject |
|---------|---|
| 1983-7 | Exploratory committee established to test the waters for candidacy for federal office. (Date made public: March 10, 1983; Length: 2 pages) |
| 1983-8 | Fund established to purchase office space for national party committee. (Date made public: March 16, 1983; Length: 3 pages, plus 8-page supplement) |
| 1983-9 | Primary matching fund eligibility for Presidential candidate whose outstanding personal loan to pay for testing-the-water activities may exceed \$50,000. (Date made public: March 17, 1983; Length: 4 pages) |
| 1983-10 | Independent expenditures (exceeding \$1,000) made by unauthorized committee on behalf of publicly funded Presidential nominee in 1984. (Date made public: March 22, 1983; Length: 2 pages) |
| 1983-11 | Independent expenditures (exceeding \$1,000) made by unauthorized committee on behalf of publicly funded Presidential nominee in 1984. (Date made public: March 22, 1983; Length: 2 pages) |
| 1983-12 | Testimonials for federal officeholders broadcast by nonconnected political committee. (Date made public: March 28, 1983; Length: 3 pages) |

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The Record is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: Danny Lee McDonald, Chairman; Lee Ann Elliott, Vice Chairman; Joan D. Aikens; Thomas E. Harris; John Warren McGarry; Frank P. Reiche; William F. Hildenbrand, Secretary of the Senate, Ex Officio; Benjamin J. Guthrie, Clerk of the House of Representatives, Ex Officio. For more information, call 202/523-4068 or toll-free 800/424-9530.

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. Other persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of an AO and not rely only on the summary given here.

AO 1983-5: Campaign Funds Used to Reward Regular Contributors

The Ronnie G. Flippo Committee (the committee), Mr. Flippo's authorized campaign committee in 1982, may use campaign funds to provide special recognition to supporters who give the committee regular financial support. For example, the committee may sponsor special receptions for the contributors or give them special certificates or mementos. Payments the committee makes for these activities and items would be considered campaign expenditures, subject to the reporting requirements of the Act and Commission Regulations. See 2 U.S.C. §434(b) and 11 CFR 104.3(b). Moreover, the expenditures would count toward the \$5,000 threshold for becoming a candidate in 1984. Once that threshold was exceeded, Mr. Flippo would have to register by filing a new Statement of Candidacy on FEC Form 2 or by letter. 2 U.S.C. §431(2) and 11 CFR 100.3, 101.1 and 102.12. (Date issued: March 10, 1983; Length: 2 pages)

AO 1983-6: Settlement of Disputed Bill Reached by Hotel Corporation and County Party Organization

The Jacksonville Hilton Hotel (the hotel), which is owned by the Hilton Hotel Corporation, recently settled a disputed bill with the Duval County Democratic Women's Club (the club), an unregistered county party organization. Under the terms of the settlement, the hotel repaid a portion of the funds which the club had advanced to it for catering the club's banquet. (The club claimed that it had guaranteed payment for 100 dinners, not for the 120 dinners billed by the hotel.) The hotel's repayment would not be considered a prohibited corporate contribution to the club because the banquet was strictly a social event; it was not held in connection with a federal election.

The Commission noted that this opinion did not preclude corporate vendors from making proper refunds or rebates to political committees or making payments to them to settle disputed bills.

Such payments, however, had to be made on a commercially reasonable basis and in the ordinary course of business. (Date issued: March 10, 1983; Length: 2 pages)

STATISTICS**INDEPENDENT SPENDING INCREASES**

Independent expenditures made to influence the outcome of 1982 Congressional races increased 143 percent over independent spending in 1980 Congressional races. A total of \$5.7 million was spent independently during 1981-82 on Congressional races, while a total of \$2.3 million was spent during 1979-80. (Under the federal election law, an independent expenditure is an expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate. The expenditure must be made without cooperation or consultation with the candidate or his/her campaign.)

According to information released by the FEC on March 22, 1983, 80 percent of the money spent independently during 1981-82 advocated the defeat of 87 House and Senate candidates. During 1979-80, 59 percent of the money spent independently advocated the defeat of 58 Congressional candidates.

While the amount of money spent independently during 1981-82 increased significantly, the number of political action committees (PACs),* individuals and other groups making these expenditures decreased. During 1981-82, 70 PACs, seven individuals and 15 other groups made expenditures independently of Congressional candidates' campaigns. By contrast, during 1979-80, independent expenditures were made by 105 PACs, 33 individuals and 80 other groups. However, the 1980 expenditures included independent expenditures made to influence the outcome of Presidential elections, as well as Congressional races.

Although 91 percent (or \$5.2 million) of all independent spending during 1981-82 was by PACs, this spending accounted for only about three percent of total PAC spending during the period.

**PAC is a popular term used to define a political committee that has not been authorized by a candidate or political party. The term includes separate segregated funds sponsored by corporations and labor organizations, as well as political committees without any sponsoring organization.*

Chart I below lists the political committees making the largest independent expenditures during 1981-82. Chart II lists the candidates for or against whom the most money was spent.

**CHART I
COMMITTEES REPORTING LARGEST
INDEPENDENT EXPENDITURES**

| Political Committee | Amount Spent |
|---|--------------|
| National Conservative Political Action Committee | \$3,177,210 |
| Fund for a Conservative Majority | 390,170 |
| Citizens Organized to Replace Kennedy | 349,199 |
| Life Amendment Political Action Committee | 255,188 |
| NRA Political Victory Fund | 234,516 |
| American Medical Association Political Action Committee | 211,624 |
| Realtors Political Action Committee | 188,060 |
| Progressive Political Action Committee | 142,885 |
| Independent Action, Inc. | 132,920 |
| League of Conservation Voters | 129,163 |

**CHART II
CANDIDATES FOR OR AGAINST WHOM MOST
INDEPENDENT EXPENDITURES WERE MADE**

| Candidate | Spending For | Spending Against |
|--------------------------|--------------|------------------|
| Senate | | |
| Edward Kennedy (D-MA) | \$ 1,350 | \$1,078,434 |
| Paul Sarbanes (D-MD) | 30,351 | 697,763 |
| Robert Byrd (D-WV) | 10,034 | 270,168 |
| John Melcher (D-MT) | 40,968 | 228,011 |
| Lloyd Bentsen (D-TX) | | 225,119 |
| Lowell Weicker (R-CT) | 21,248 | 200,508 |
| Howard Cannon (D-NV) | | 192,801 |
| Edmond Brown (D-CA) | 9,482 | 165,176 |
| Orrin Hatch (R-UT) | 22,081 | 85,964 |
| Harrison Schmitt (R-NM) | 5,682 | 79,767 |
| House | | |
| Thomas P. O'Neill (D-MA) | | \$ 301,055 |
| Jim Wright (D-TX) | | 217,115 |
| Jim Jones (D-OK) | \$13,266 | 127,029 |
| Dan Rostenkowski (D-IL) | | 57,507 |
| Bob Edgar (D-PA) | 24,762 | 8,943 |
| Jim Dunn (R-MI) | 24,013 | 8,692 |
| Bill Chappell (D-FL) | 30,332 | |
| John Kasich (R-OH) | 27,294 | |
| Jim Coyne (R-PA) | 25,019 | 1,681 |
| Edward Weber (R-OH) | 17,442 | 8,692 |

800 LINE

This article responds to questions received by the Public Communications Office on how to calculate the spending ceilings for:

1. Campaign expenditures made by publicly funded Presidential candidates in their primary campaigns; and
2. Special (§441a(d)) expenditures which party committees may make on behalf of federal candidates in general elections.

SPENDING LIMITS FOR PUBLICLY FUNDED PRESIDENTIAL PRIMARY CANDIDATES

What are the spending limits for Presidential candidates who accept public funding for their primary campaigns?

Presidential primary candidates who become eligible for primary matching funds must comply with the following spending limits:

- National limit: campaign spending for all primary elections may not exceed \$10 million, plus the cost-of-living adjustment (COLA);
- State limit: campaign spending in each state may not exceed \$200,000, plus COLA; or a specified amount based on the number of voting age individuals in the state (plus COLA), whichever is greater; and
- Personal limit: spending from personal funds may not exceed \$50,000.

What was the actual limit in 1980?

In 1980, the COLA increased the national primary spending limit by \$4,720,000, bringing it to \$14,720,000.

Are there any campaign expenditures which are exempt from the spending limits?

Yes, the following expenditures do not count against the overall national spending limit:

- Legal and accounting expenditures made solely to ensure compliance with the law; and
- A limited amount of certain fundraising expenses (up to 20 percent of the national spending limit).

COORDINATED PARTY EXPENDITURE LIMITS

What are coordinated party expenditures?

Coordinated party expenditures are limited, special expenditures which party committees may make on behalf of their nominees in the general elections. 2 U.S.C. §441a(d); 11 CFR 110.7. These

continued

special expenditures count neither as contributions to the candidate nor as expenditures by the candidate or the candidate's authorized committees. The party committee may coordinate the expenditures with the candidate's campaign, but the party committee -- not the candidate -- must report them, using Schedule F of FEC Form 3X. Moreover, the party committee or organization must actually make the expenditure; money given directly to a candidate counts as a contribution rather than as a coordinated party expenditure.

Do separate spending ceilings apply to the national and state party committees?

Yes. The national committee of a political party has a separate spending limit for each Senate and House candidate in the general election. State party committees are subject to separate spending limits for Senate and House general election candidates in their respective states. Within a state, all expenditures made on behalf of one candidate by the state party committee and any subordinate party committee (e.g., county, district, local) are subject to one spending limit.

May national and state party committees also make coordinated expenditures to support their party's Presidential ticket in the general election?

In the Presidential elections, only the national committee may make coordinated expenditures on behalf of the party's Presidential nominee, although any agent, including a state or local party committee, may be designated by the national committee to make Presidential coordinated party expenditures. 11 CFR 110.7(a). A separate spending limit applies to the expenditures the national committee makes on behalf of the Presidential ticket. If the national committee designates a state or subordinate party committee to make these expenditures, the national committee nevertheless remains responsible for ensuring that the limit is not exceeded.

What are the spending limits based on?

The statutory formula for the party spending limits is based on yearly adjustments of:

- The voting age population (VAP) for each state, supplied by the Department of Commerce; and
- The annual change in the Consumer Price Index (CPI), certified by the Secretary of Labor, using 1974 as the base year. The CPI, in turn, determines the cost-of-living adjustment (COLA) used to calculate the spending limits.

How are the spending limits for House and Senate candidates calculated?

The national and state party committees may each spend:

- **For House candidates** in states with more than one district, \$10,000 plus COLA.*
- **For House candidates** in states entitled to only one representative, \$20,000 plus COLA; or \$.02 x the state voting age population (VAP), plus COLA, whichever is greater.
- **For Senate candidates**, \$20,000 plus COLA; or \$.02 x the state voting age population (VAP), plus COLA, whichever is greater.

How are the spending limits calculated for party spending on behalf of a Presidential nominee?

A national party committee may spend up to \$.02 x the national voting age population (VAP), plus COLA, on behalf of its Presidential nominee in the general election. In 1980, the spending limit for each major party Presidential nominee was \$4,637,653.76.

When will the spending limits for the 1984 elections be published?

The 1984 spending limits will be published in the FEC Record during the first quarter of 1984.

COURT CASES

SATELLITE BUSINESS SYSTEMS v. FEC

On March 15, 1983, the U.S. District Court for the District of Columbia granted Satellite Business Systems' (SBS's) motion to dismiss, without prejudice, its suit against the FEC.

In its suit, filed in October 1982, SBS had claimed that the FEC had misconstrued Section 441b(a) of the Act in an advisory opinion issued to SBS in March 1982. In that opinion (AO 1981-56), the Commission had stated that the Act barred SBS (a partnership of three corporations) from either establishing a separate segregated fund or making direct contributions for federal elections. SBS had asked the court to declare that:

1. The Commission's decision in AO 1981-56 was erroneous and that SBS should have been allowed to participate in federal elections; and
2. Section 441b(a), as construed by the Commission in AO 1981-56, had violated SBS's First and Fifth Amendment rights.

continued

*Party committees may also use this formula to calculate the spending limits for Delegate candidates from the District of Columbia, Guam or the Virgin Islands; or for candidates for Resident Commissioner from Puerto Rico.

SBS and four of its managerial personnel filed the motion to dismiss on March 4, 1983, stating that SBS was "not now in a position to commit the additional personnel and financial resources that it currently appears would be necessary to litigate..." the suit. In asking the court to dismiss its suit without prejudice, SBS argued that the FEC would not "suffer plain legal prejudice other than the mere prospect of a second lawsuit." The Commission has, however, asked the court for attorneys' fees and costs.

FEC v. NICK MASTORELLI CAMPAIGN FUND

On March 28, 1983, the U.S. District Court for the District of New Jersey entered a default judgment against the defendants in FEC v. Nick Mastorelli Campaign Fund (Civil Action No. 82-0774F). The court decreed that the Mastorelli Campaign and its treasurer had violated provisions of the election law by:

1. Failing to file reports required for the 1978 election year on time and by failing to file the semiannual reports required for 1980 and thereafter (2 U.S.C. §434a);
2. Accepting contributions in 1978 from four corporations (2 U.S.C. §441b(a));
3. Accepting excessive contributions, in the form of a loan, from three individuals (2 U.S.C. §441a(f)); and
4. Accepting \$21,050 in excessive cash contributions in 1978 (2 U.S.C. §441a(f)).

The district court also found that certain contributors to the Mastorelli Campaign had violated the election law by:

1. Making cash contributions in excess of \$100 to the campaign (2 U.S.C. §441g); and
2. Making contributions in the name of another (2 U.S.C. §441f).

The court permanently enjoined the defendants from any further violations of the election law. The court also assessed a \$5,000 civil penalty against the Mastorelli Campaign and its treasurer as well as against each of the individual defendants named in the suit.

NEW LITIGATION

Common Cause v. FEC

Pursuant to 26 U.S.C. §437g(a)(8)(A), Common Cause, a nonprofit membership organization, asks the district court to:

- Declare that, in failing to act on Common Cause's complaint within 120 days, the FEC acted contrary to law; and
- Issue an order directing the Commission to take final action on the complaint within 30 days.

Common Cause claims that it had filed an administrative complaint with the FEC on September 26, 1980, alleging that five political committees were engaged in making independent expenditures on behalf of the 1980 Republican Presidential nominee, in violation of 26 U.S.C. §9012(f).^{*} (This provision prohibits unauthorized committees from making expenditures exceeding \$1,000 to further the election of a publicly funded Presidential candidate.) In further alleging that the committees were not, in fact, independent of the official Reagan campaign, Common Cause claimed that the committees' activities also resulted in violations of:

- 26 U.S.C. §9012(b)(1), which makes it unlawful for a major party Presidential nominee who receives public funding to accept private contributions;
- 26 U.S.C. §9012(a)(1), which makes it unlawful for a major party Presidential nominee to incur campaign expenditures in excess of the amount of public funding he receives; and
- 2 U.S.C. §441a(a), which prohibits political committees from making contributions in excess of \$5,000, per election, to a federal candidate.

U.S. District Court for the District of Columbia, Docket No. 83-0720, March 14, 1983.

FEC v. Harvey Furgatch

The FEC asks the district court to declare that Mr. Furgatch violated the following provisions of the election law:

1. 2 U.S.C. §434(c), by failing to report independent expenditures (of approximately \$25,008). He incurred the expenditures for two political ads he had placed in The New York Times and The Boston Globe, respectively, which expressly advocated the defeat of President Carter in his 1980 reelection bid; and

continued

^{*}On July 15, 1980, the FEC had filed suit in the district court against three of the committees named in Common Cause's complaint. The FEC sought the court's declaratory judgment that the committees' proposed expenditures were in violation of 26 U.S.C. section 9012(f) and that the provision was constitutional as applied to the committees' expenditures. On August 28, 1981, the court ruled that section 9012(f) was unconstitutional as applied to the defendant committees. On January 19, 1982, the Supreme Court voted 4 to 4 on the issue. While this split vote left the district court decision intact, the Court itself made no ruling on the constitutionality of the provision.

2. 2 U.S.C. §441d, by failing to include an adequate disclaimer notice on the ad he had placed in The Boston Globe.

U.S. District Court for the Southern District of California, Docket No. 83-0596-K(I), March 25, 1983.

FEC v. J. David Dominelli

The FEC asks the district court to declare that Mr. Dominelli violated Section 434(c) of the election law by failing to report independent expenditures he made during 1980, which amounted to \$8,471. Mr. Dominelli incurred the independent expenditures for an ad he had placed in a November 1980 issue of The Chicago Tribune, which expressly advocated the defeat of President Carter in his reelection bid.

U.S. District Court for the Southern District of California, Docket No. 83-0595-GT(M), March 25, 1983.

LEGISLATION

FEC TESTIFIES ON FY 1984 BUDGET

During four Congressional hearings held in March and April, FEC Vice Chairman Lee Ann Elliott requested a "bare-bones, no-frills budget" of \$10,343,139 for the Commission during fiscal year (FY) 1984. Accompanied by FEC Chairman Danny L. McDonald and Commissioner John Warren McGarry, Vice Chairman Elliott testified before the Subcommittee on Treasury, Postal Service and General Government of the U.S.

Senate Committee on Appropriations; the Senate Committee on Rules and Administration; the House Committee on Appropriation's Subcommittee on Treasury, Postal Service and General Government; and the Task Force on Elections of the Committee on House Administration.

Mrs. Elliott explained that, in terms of real dollars, the Commission's FY 1984 budget request was the third smallest appropriation request in the Commission's eight-year history. When adjusted for inflation, the \$10.3 million request equated to \$5,172,500 (based on 1974 dollars). During the 1980 Presidential election year, the Commission operated on a \$6,077,000 appropriation (based on 1974 dollars).

The Commission believes that, because it has instituted a number of economies, the agency will be able to carry out its responsibilities at the \$10.3 million level, Mrs. Elliott testified. Economies include: more efficient procedures for handling the review of reports and computer entry of campaign finance data; revisions to FEC Regulations which will help reduce staff time spent on audits of Presidential campaigns; streamlined procedures for internal operations and more efficient use of personnel. (During 1980, the Commission operated with 271 full-time employees, whereas, in 1984, it plans to operate with the equivalent of 245 full-time employees.)

Mrs. Elliott explained that "nineteen eighty-four is a presidential election year. The Commission has special mandated responsibilities during this period. Not only will there be many additional reports to be disclosed and reviewed, but the Commission must act on requests for funds from the Presidential Election Campaign Fund for primaries, party conventions, and the general election. There are compulsory certification of public funds as well as audit functions in connection with Presidential public funding."

FEDERAL ELECTION COMMISSION
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