



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2005 DEC -1 A 10: 15

December 1, 2005

MEMORANDUM

TO: The Commission

FROM: Vice Chairman Michael E. Toner *MT*
Commissioner Ellen L. Weintraub *ELW*

RE: Agenda Document No. 05-57
Final Rules and Explanation and Justification: State, District, and Local
Party Committee Payment of Certain Salaries and Wages

AGENDA ITEM
For Meeting of: 12-01-05

SUBMITTED LATE

We offer the following amendments to Agenda Document No. 05-57:

Page 1, Line 19 to Page 2, Line 1: Delete sentence beginning with "The Commission is also" Replace with "The Commission is also changing its requirements regarding the method State party committees use to pay for employees' fringe benefits and clarifying its rules regarding the use of funds raised in joint Federal and non-Federal fundraising events."

Page 5, Line 22-23: Delete sentence beginning with "While the record indicates... ."

Page 6, Line 1: Replace "Furthermore" with "However,"

Page 6, Line 5: Replace "these rules" with "the former rules."

Page 8, Line 21: Insert "could have" before "expected."

Page 11, Line 4: Insert "was one way to" after "proposal." Delete "effectively."

Page 11, Line 5: Replace "prevents" with "prevent."

Page 20, Line 10: Replace "pursuant to" with "within."

Page 20, Line 13: Insert "and must be paid for entirely out of the Federal account" after "allocable expenses."

Page 20, Lines 13-17: Delete lines beginning with “Thus,” Replace with “When a State party committee uses a non-Federal or allocation account to prepay salaries, wages, and fringe benefits and later determines that these amounts must have been paid for from a Federal account, current regulations do not contemplate that the Federal account can reimburse the non-Federal account or allocation account within the 70-day time window. While the Commission may consider such a transfer a mitigating factor, the use of non-Federal funds to prepay wages, salaries, and benefits that are required to be paid for with Federal funds is impermissible under Commission regulations.”

Page 24, Line 6: Insert “Except as provided in paragraph (d)(1)(iii) of this section,” before “Salaries, wages, and fringe benefits.” Replace “Salaries” with “salaries.”

Page 24, Line 17: Delete “Notwithstanding paragraph (d)(1)(i) of this section.” Replace “salaries” with “Salaries.”

Page 26, Line 7 – 8: Delete. Replace with:

a. Revise paragraph (c) to read as follows:

“(c) Costs of Public Communications”

b. Remove paragraph (c)(2)

c. Remove paragraph (c)(3)

d. Shift paragraph (d) to paragraph (e)

Page 26, Lines 11 –22: Delete. Replace with:

(d) Costs of salaries, wages, and fringe benefits.

- (1) Except as provided in paragraph (d)(3) of this section, salaries, wages, and fringe benefits paid for employees who spend 25% or less of their compensated time in a given month on Federal election activities or on activities in connection with a Federal election must either be paid only from the Federal account or be allocated as administrative expenses under 11 CFR 106.7(d)(2).
- (2) Salaries, wages, and fringe benefits paid for employees who spend more than 25% of their compensated time in a given month on Federal election activities or on activities in connection with a Federal election must be paid only from a Federal account.
- (3) Salaries, wages, and fringe benefits paid for employees who spend none of their compensated time in a given month on Federal election activities or on activities in connection with a Federal election may be paid entirely with funds that comply with State law. See 11 CFR 106.7(c)(1) and (d)(1).