

August 18, 2008

Memorandum

To: Eli Erickson
Budget Examiner, Office of Management and Budget

From: Richard Kodl
Chief Financial Officer, Federal Election Commission

Subject: Federal Activities Inventory Reform (FAIR) Act Inventory for Fiscal Year 2008

Attached is the Federal Election Commission's (FEC) FY 2008 inventory of commercial activities and inherently governmental positions, as required under the Federal Activities Inventory Reform (FAIR) Act of 1998, Public Law 105-270.

Summary

The FEC is a small regulatory agency, authorized at 375 FTE, whose mission, to prevent corruption in the Federal campaign process by administering, enforcing and formulating policy with respect to Federal campaign finance statutes, is inherently federal and governmental. As a personnel-intensive regulatory agency, the Commission has one annual appropriation for salaries and expenses, of which roughly 70 percent provides for staff salaries and benefits.

Programs and activities that are carried out by FEC staff are inherently governmental in nature, as they involve the policy decisions that support all aspects of enforcing campaign finance laws and disclosing campaign finance information to the public. Most of those functions identified in the original OMB guidance as lending themselves to commercial activity have already been outsourced. The FEC continues to utilize external support to augment the work of FEC staff for the following functions:

- hosting services for our e-mail, public disclosure data base and FEC home page;
- data entry services to augment the work of FEC staff tasked this function;
- Support for electronic filing help desk functions and e-filing software maintenance support; and
- miscellaneous software development and support.

In addition to these functions, the FEC continues to rely upon the National Finance Center to process our payroll and in FY 2008 entered into a Line of Business service agreement with the General Services Administration for financial management services.

The FEC believes that operations have been competitively sourced out for bidding by private vendors where possible and feasible. In many cases, the small scale of our operations argues against contracting out for services or functions. In most cases, including the functions cited above, the work involved is well below the 10 FTE floor commonly used to determine if an A-76 analysis to decide if a function should be out-sourced would be cost effective. Furthermore, most FEC support staff is engaged in managing operations as well as performing the every day workload, and consistently makes policy decisions in the every day course of their activities. As such, the staff involved is inherently governmental.

As you will note, the attached FAIR Act inventory for the FEC for FY 2008 is similar to inventories submitted in previous years, as there has been no change in the FEC mission or FEC staffing needs that impact the inventory of commercial activities.

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Attachments