

FEDERAL ELECTION COMMISSION

FISCAL YEAR 2015

CONGRESSIONAL BUDGET JUSTIFICATION



March 7, 2014

Concurrently submitted to Congress and the Office of Management and Budget

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SUMMARY OF FY 2015 BUDGET JUSTIFICATION

The Federal Election Commission (FEC) is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971* (“FECA” or “the Act”), as amended.¹ As the foundation of Federal campaign finance regulation, FECA reflects Congress’s efforts to ensure that voters are fully informed about the sources of financial support for Federal candidates, political party committees and other political committees. The FECA also imposes amount limitations and source prohibitions on contributions received by certain types of political committees. The Commission’s responsibilities also include overseeing the Federal public funding programs for Presidential campaigns and nominating conventions.²

For the fiscal year (FY) 2015 Budget Submission, the FEC requests \$67.5 million to provide the necessary funding level to support the agency’s mission during FY 2015, which represents a challenging budget year for the agency. The 2014 mid-term elections will be held during the first quarter of the fiscal year, and 2016 Presidential primary candidates and committees supporting them are certain to accelerate their fundraising during the fiscal year. Over the past several election cycles, the FEC has seen a steady increase in the volume of campaign finance activity disclosed to the agency. This increase has accelerated following the *Citizens United v. FEC* decision, which allowed corporations and labor unions to make unlimited independent expenditures.³ In an average fiscal year, the FEC receives campaign finance reports, statements and other disclosure documents from more than 10,000 political committees and other filers. In FY 2013, the FEC received 81,600 campaign finance filings that disclosed nearly 30 million financial transactions. All disclosure documents filed with the FEC are placed on the FEC’s website at www.fec.gov, and all financial transactions are processed and coded by staff and included in the FEC’s campaign finance database. The staff-intensive work of reviewing disclosure reports for compliance with the FECA and undertaking audit and enforcement measures, as necessary, continues into subsequent budget years.

The FEC relies on a robust Information Technology (IT) infrastructure to fulfill the agency’s responsibilities, and this infrastructure serves both the FEC staff and the public. The agency is continually working to improve its technology infrastructure to ensure that it can meet increasing demands related to the agency’s disclosure programs, which provide the public with access to the vast quantity of campaign finance data disclosed each election cycle. The requested amount for FY 2015 would allow the agency to resume critical long-term IT projects, which were delayed beginning in FY 2013, and to devote necessary resources to protecting the website and the FEC’s network and systems from malware and other security threats. Full funding at the requested level would also allow the agency to pursue an initiative to modernize and improve the functionality of

¹ Public Law 92-225, 86 Stat. 3 (1972) (*codified at* 2 U.S.C. §§ 431-55).

² The Commission’s responsibilities for the Federal public funding programs are contained in the *Presidential Election Campaign Fund Act*, Public Law 92-178, 85 Stat. 562 (1971) (*codified at* 26 U.S.C. §§ 9001-13) and the *Presidential Primary Matching Payment Account Act*, Public Law 93-443, 88 Stat. 1297 (1974) (*codified at* 26 U.S.C. §§ 9031-42).

³ In *Citizens United v. FEC*, 558 U.S. 310 (2010), the Supreme Court held that corporations (and, by implication, labor unions) may use their general treasury funds to pay for electioneering communications and independent expenditures. Subsequently, the U.S. Court of Appeals for the D.C. Circuit held in *SpeechNow.org v. FEC*, 599 F.3d 686 (D.C. Cir. 2010) (*en banc*), that certain political committees that make only independent expenditures, but do not make any contributions to Federal candidates, may accept funds in unlimited amounts.

the website for users, transforming www.fec.gov into a user-driven site with high visibility, ease of use and accessibility for every citizen. Successful implementation of the FEC's IT security plans and website modernization initiative will ensure that www.fec.gov is fast, easy, open, flexible, trusted and remains an authoritative source of campaign finance information for the public.

Several years ago, the Commission implemented a policy to critically analyze staff positions that become vacant to determine whether the agency can use existing resources instead of filling the vacant positions. In past years, the Commission has relied on this policy to better manage attrition and make the best use of its staff resources. However, due to recent funding restrictions, the Commission has been limited to only the most critical of hires. The agency has reduced its total number of employees by approximately eight percent over the past four years, and in FY 2013 it was able to fill only five of 24 vacancies that arose in FY 2013. These sustained reductions significantly impair the agency's efforts to manage its human capital and to ensure that it can hire and retain top performers who deliver the FEC's mission efficiently and effectively. Filling critical vacancies is another priority for the FEC during FY 2015.

An appropriation for the FEC of \$67.5 million for FY 2015 would permit the agency to carry out its mission and accomplish three priorities for FY 2015: continuing to meet new IT security challenges, reacquiring human capital central to the agency's core mission and modernizing the FEC website.

MISSION STATEMENT

To protect the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering Federal campaign finance laws

Congress created the FEC to administer, enforce and formulate policy with respect to the *FECA*. The *Act* reflects Congress's efforts to ensure that voters are fully informed of the sources of candidates' financial support. Public confidence in the political process depends not only on laws and regulations to ensure transparency, but also on the knowledge that those who disregard the campaign finance laws will face consequences.

The primary objectives of the FEC are: (1) to engage and inform the public about campaign finance data; (2) to promote compliance with the *FECA* and related statutes; (3) to interpret the *FECA* and related statutes; and (4) to foster a culture of high performance.

Voluntary compliance with the requirements of *FECA* is a particular focus of the Commission's efforts, and its educational outreach and enforcement programs are both designed to ensure compliance with the *Act's* limits, prohibitions and disclosure provisions. Because of the large and rising number of political committees and the ever-growing number of financial disclosure reports filed with the FEC, voluntary compliance is essential to enforcing the requirements of the *Act*. Accordingly, the Commission devotes considerable resources to encouraging voluntary compliance through widespread dissemination of educational materials related to Federal campaign finance laws to the public, the press, political committees and State election officials.

This Budget Justification is organized in three sections. Section 1 addresses the agency's purpose and priorities in FY 2015. Section 2 provides an overview of budgetary increases and decreases. Section 3, the Annual Performance Plan, provides an overview of the agency's four strategic objectives and describes the agency's performance goals, indicators and targets to ensure progress toward meeting these objectives during FY 2015.

Section 1: Purpose and Priorities in FY 2015

1A: Commission Overview and Future Outlook

The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *FECA*. The Commission is also responsible for administering the Federal public funding programs for Presidential campaigns and nominating conventions.

The FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. Each member serves a six-year statutory term, and two seats are subject to appointment every two years. Commissioners may continue to serve beyond their six-year terms until new Commissioners are confirmed. The Commission's Chairmanship rotates for one-year terms among the members, with no member serving as Chairman more than once during a six-year term. The Commissioners meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires the affirmative vote of four members of the Commission to approve any official action, thus requiring bipartisan decision making.

As part of its responsibilities, the FEC administers the *Act's* requirement that all Federal candidates and Federal political committees file financial disclosure reports by making the disclosure reports and the data contained in them available to the public through the Commission's Internet-based public disclosure system on the Commission's website at www.fec.gov. The FEC also has exclusive responsibility for civil enforcement of the *Act*, including the handling of civil litigation arising from any legal actions brought by or against the Commission. Additionally, the Commission promulgates regulations implementing the *Act*. The Commission also has a statutory responsibility to issue advisory opinions responding to inquiries regarding interpretation and application of the *Act* and the Commission's regulations to specific factual situations.

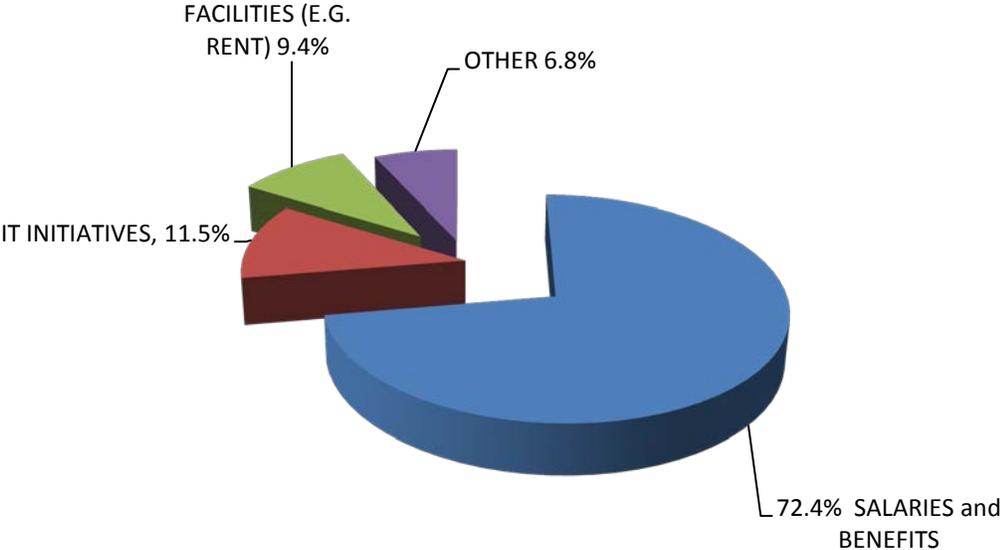
The FEC has published its Strategic Plan for FY 2014 through FY 2019 concurrently with this Congressional Budget Justification. Developed pursuant to the *Government Performance and Results Act of 1993 (GPRA)*⁴ and the *GPRA Modernization Act of 2010*⁵, the agency's strategic management framework will continue to ensure that every employee works in support of the FEC's strategic goal and objectives and that the effectiveness of these efforts can be regularly and meaningfully measured.

⁴ Public Law 103-62, 107 Stat. 285 (1993).

⁵ Public Law 111-352, 124 Stat. 3866 (2011).

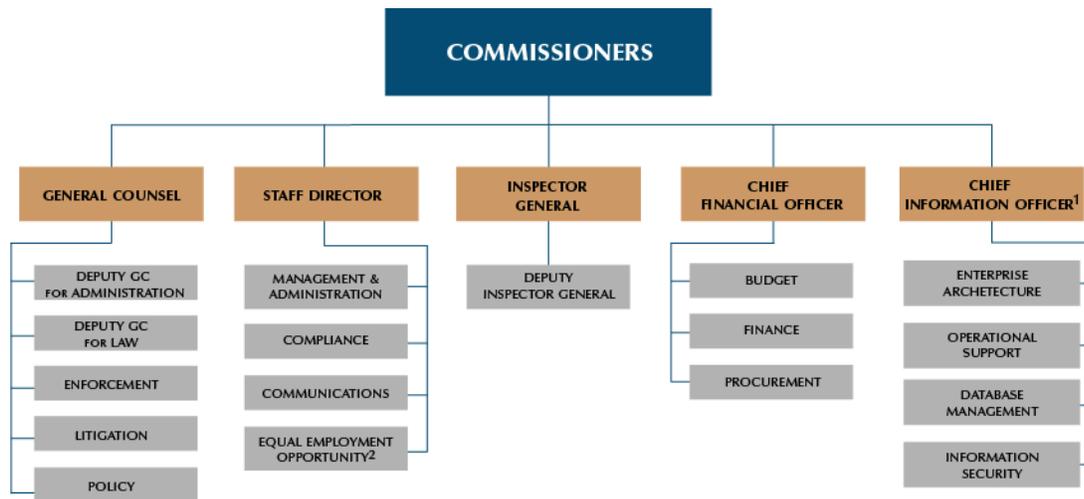
The FEC is funded by a single annual appropriation for salaries and expenses and is authorized to collect fees only to offset the costs of the agency’s educational conferences. Nearly three-fourths of the agency’s expenses are composed of personnel salary and benefits. Of the agency’s remaining expenses, the largest categories are IT initiatives and facilities. These three requirements constitute over 90 percent of the agency’s budget. Because the FEC’s funds are concentrated in salaries and benefits, IT initiatives and facilities, the agency has limited areas from which to make any decreases or to support any new priorities. Actual spending for FY 2013, which is shown in Figure 1 below, reflects the historical trend. For FY 2015, the FEC expects the percentages in each category to be comparable to FY 2013.

Figure 1 – FY 2013 Obligations by Major Category as of September 30, 2013



FEC Organizational Chart

The Offices of the Staff Director, General Counsel, Chief Information Officer and Chief Financial Officer support the agency in accomplishing its mission. The Office of the Inspector General, established within the FEC in 1989 under the 1988 amendments to the *Inspector General Act*, is independent and reports both to the Commissioners and to Congress. The specific roles and responsibilities of each office are described in greater detail at <http://www.fec.gov/about.shtml>.



¹ The position of the Chief Information Officer normally reports directly to the Staff Director who, in turn, reports to the Commission itself. At present, however, the same individual is serving in both the position of the Staff Director and the position of the Chief Information Officer, pursuant to an authorization by the Commission and based, in part, on an advance decision from the Comptroller General. Accordingly, the organizational chart reflects both positions – the Staff Director and the Chief Information Officer – as reporting directly to the Commission.

² The Director for Equal Employment Opportunity reports to the Staff Director on administrative issues but has direct reporting authority to the Commission on all EEO matters. See 29 CFR 1614.102(b)(4).

1B: FY 2015 Priorities

The FEC must ensure that it provides the public with reliable, useful and accessible campaign finance data as timely as possible to meet the public's expectations for real-time access to campaign finance information. Funding at the full amount of this request, \$67.5 million, would permit the FEC to meet new IT security challenges, to reacquire human capital central to the agency's core mission and to modernize the FEC website to help the public understand the requirements of the campaign finance law and access campaign finance disclosure data. These are the FEC's priorities for FY 2015, and they are discussed in more detail below.

Priority One: \$1,510,000 for IT Security Enhancements

The FEC seeks funds to take concrete steps to enhance its IT security, including to better protect its website, www.fec.gov, from malware and other security threats. The FEC's website provides a portal to vast quantities of campaign finance data and information, which is accessed daily by campaigns, researchers, the media and the public. The FEC is deeply committed to ensuring that its data and information are secure and available to the public and that the agency maintains the public's trust in the integrity of the information it provides. Malicious attacks on websites have become increasingly sophisticated and more frequent in general, and the FEC in particular has recently been subject to high-profile cyber security attacks. In light of these events, the FEC has become more visible to individuals and groups that pursue such attacks, fundamentally and irrevocably increasing the level of threat to the agency's systems and data. For example, the Department of Homeland Security ("DHS") has informed the agency of several attempts from overseas to penetrate agency systems during 2013. As a result of these new threats, the level of agency resources previously allocated to website security will no longer be sufficient. The agency has developed a planned response to this new environment, and continues to refine that plan based on information gained from further review by agency staff, DHS input and findings from the FEC Office of Inspector General. The FEC has identified the specific IT security enhancements detailed below as priorities for FY 2015. The agency has also reprioritized its budget for FY 2015 to accommodate the \$1,510,000 needed for the IT security enhancements detailed below within an appropriation of \$67.5 million. Without an appropriation at the requested level, the agency will be required to delay or cancel these projects, placing the FEC's systems and data at further risk.

- **\$552,000 for Trusted Internet Connection**

These funds are necessary for the FEC to comply with the requirements of OMB Memorandum M-08-05, *Implementation of Trusted Internet Connections*, dated November 20, 2007. The Trusted Internet Connection ("TIC") initiative is a government-wide effort to reduce and consolidate external access points across the Federal enterprise, manage the security requirements for networks and Security Operations Centers and establish a compliance program to monitor agency adherence to the TIC policy. Failure to implement the TIC initiative at the FEC is a finding in the agency's FY 2013 Financial Statement Audit. This amount represents the estimated annual cost for implementing the TIC initiative at the FEC.

- **\$650,000 for Cyber Security Related Hardware**

Recent budget constraints, particularly during FY 2013, have limited the FEC's ability to replace hardware, including personal computers ("PCs"), servers and other hardware necessary to support the agency's Continuity of Operations Plan ("COOP"). The agency has started the process of replacing obsolete servers with existing funds; however, additional servers are necessary to address outstanding COOP and cyber security requirements. As the agency's PCs become outdated and obsolete, they cease to support the security tools and services the agency has in place to monitor configuration changes, which can indicate a cyber security threat, and to protect against viruses and malware. These funds will allow the agency to refresh staff PCs, which assists the agency in meeting the latest security requirements.

Funds are additionally necessary to provide hardware for the agency's Disaster Recovery Plan ("DRP") and COOP, which are required by DHS's Federal Continuity Directive 1, *Federal Executive Branch National Continuity Program and Requirements* (Feb. 2008). The FEC conducted testing of the COOP at the division level, as well as at the overall agency level, during FY 2012. Further testing of the DRP and COOP, as well as updating hardware, has not been possible due to diminishing resources available for these projects. The entire DRP/COOP program is now in jeopardy due to lack of hardware. Insufficient vulnerability scanning of individual employee workstations and failure to complete testing of the FEC's COOP were both findings in the Audit of the FEC's FY 2013 Financial Statements.

- **\$178,000 for Website Incursion Prevention and Detection**

Key to the FEC's FY 2015 priority of enhancing IT Security is better protecting the FEC website and systems from website attacks, Advanced Persistent Threats ("APT") and other threats to its network and systems. The requested funds are necessary to provide better scanning and monitoring of its systems to protect against cyber security threats. One significant planned improvement is to modify the FEC's current web hosting contract to provide for the development of enhanced security zones across the FEC's website infrastructure. These funds would additionally support the maintenance of a cyber security tool that detects and stops malicious activity on systems and equipment in real time and helps network administrators better understand cyber threats by producing complete forensic details of attempted attacks. This tool also aids the agency in detecting and stopping APT attacks, such as attacks initiated *via* phishing emails.

- **\$130,000 for an Additional Staff Person Dedicated to IT Security**

As detailed above, the complexity and severity of the threats to the FEC's website, network and systems have increased dramatically. The agency must continue to safeguard the integrity of the campaign finance data it provides to the public and to ensure that this information remains easily accessible to the public on the FEC website. The FEC's Information Security Officer does not currently have any additional staff members dedicated to maintaining and improving the agency's IT security posture, and fully implementing and monitoring new security tools and services will require staff support. In sum, within the FEC's new threat environment, a single-person Information Security Office is no longer sufficient. The FEC has identified the addition of another

position in the Information Security Office to better monitor hardware and network security across the agency's assets as a priority for FY 2015.

Priority Two: \$545,000 for Filling Critical Vacancies

In addition to enhancing IT security, the agency has identified filling other critical vacancies as a priority for FY 2015. During the last fiscal year, the FEC was subject to funding reductions that limited the agency's ability to fill priority vacancies. As a result, the agency filled externally only five of the 24 vacancies that occurred during the year. The General Counsel, the Associate General Counsel for Litigation, the Associate General Counsel for Policy and the Chief Financial Officer remain unfilled on a permanent basis in FY 2014.

In addition to the management positions listed above, unfilled staff vacancies at all levels across the agency have begun to affect negatively the FEC's ability to provide public services. For example, the Reports Analysis Division is operating with 11 fewer Campaign Finance Analysts than its full strength, while trying to catch up on a 2.0 million-page backlog of unreviewed campaign finance reports. The Audit Division has one management and two staff vacancies. The agency's Human Resources office is operating at half of its regular staffing level. The agency's inability to fill these and other vacancies has already delayed reviews of numerous campaign finance reports, audits and enforcement actions. If the FEC faces funding for FY 2015 at less than the \$67,500,000 requested, it will not be possible to fill its vacant positions. Under these circumstances, the agency would be required to consider leaving many of these priority positions vacant, which could jeopardize the FEC's ability to carry out its mission and will expose the agency to audit risks and findings.

Priority Three: \$100,000 for Modernization of FEC Website

One of the FEC's highest priorities is to make campaign finance data available to the public via the FEC website in a way that is useful and responsive to the needs of individual users. The FEC's Disclosure Database contains over 14 billion data elements. The FEC's challenge is to ensure that citizens can find the answers they need within this vast quantity of information. The data on the FEC's website is accessed by voters, students, academics, researchers, political committees, the media and other groups to answer questions specific to each user. To better provide easily accessible Federal campaign finance data on the FEC website, the FEC plans to modernize the website by creating a more intuitive navigation system, comparative search features and analysis tools that allow a user to easily retrieve customized information to answer a wide range of campaign finance questions. In doing so, the FEC will ensure that the agency remains the public's authoritative source of campaign finance data.

Section 2: Budget Overview

2A: OMB Budget Guidance Level

In this section, pursuant to the Office of Management and Budget (OMB) guidance, budget increases and decreases are identified, and the FY 2015 Budget is compared to the FY 2014 Budget. For FY 2015, the proposed FEC budget is \$1.7 million higher than in FY 2014 primarily to address the priorities identified in Section 1. The agency plans to meet new IT security challenges, reacquire human capital central to the agency’s core mission and modernize the FEC website to help the public understand the requirements of the campaign finance law and access campaign finance disclosure data.

Table 1 – Summary of Changes from FY 2014 to FY 2015 Agency Request

Category	Amount
FY 2014 Appropriations Budget	\$65,791,000
Personnel Changes	
Personnel Compensation and Benefits	947,034
Personnel Changes Subtotal:	947,034
Non-Personnel Changes	
Non-Capitalized and Capitalized Equipment	330,680
IT Contracts	286,112
Travel	108,806
Federal Goods and Services	100,167
Training	78,380
Building Rent GSA	66,917
Communications, Utilities & Postage	50,500
Contracts and Other Services	(82,049)
Supplies and Materials	(177,547)
Non-Personnel Changes Subtotal:	761,966
FY 2015 Budget Request	\$67,500,000

2A.1: Description of Budget Increases and Decreases

Program Increases \$1,968,596/+7 FTE

Personnel Increases \$947,034/+7 FTE

Over the past few years, the FEC has lost mission-critical positions *via* attrition. FY 2013 budget constraints, in particular, forced the FEC to limit hiring. In FY 2014 and continuing in FY 2015, the FEC plans to achieve projected FTE levels of 340 and 347 respectively. Included is funding for a new IT security position and absorbing a projected 1% salary increase.

Non-Personnel Increases \$1,021,562/+0 FTE

Non-Capitalized and Capitalized Equipment \$330,680/+0 FTE

The agency periodically evaluates the life cycle of IT Capitalized Equipment and the need to stay current with technology. This increase allows for updated servers, hardware and personal computer upgrades. As discussed in Section 1, some of these equipment changes will enhance IT security.

IT Contracts \$286,112/+ 0 FTE

This estimated increase funds significant IT security and website enhancements. FY 2014 marks the final year of a number of high-cost IT contracts, including the FEC's data warehouse project and case management system (CMS) upgrade, which together represent over \$1 million in IT contract spending during FY 2014. For FY 2015, the FEC plans to increase IT contract spending to support new IT security projects, including the security enhancements and website modernization discussed in Section 1, and to maintain and support current IT programs through hardware and software enhancements.

Travel \$108,806/+0 FTE

An increase for Travel is needed to allow the FEC to conduct more on-site audits in response to increased campaign finance activity. While the FEC has realized cost savings in Travel by limiting the number of audits and on-site audits over the past few years, our experience shows that travelling to the audited committees' offices dramatically speeds the audit process. Bringing audits to a close more expeditiously helps the agency reduce its overall staff burden and also reduces the burden on committees undergoing an FEC audit.

Federal Goods & Services \$100,167/+0 FTE

This estimated increase funds interagency agreements with DHS, GSA and USDA. The services include building security, financial lines of business and payroll, respectively.

Training \$78,380/+0 FTE

In FY 2013, the agency decreased Training due to budget limitations. FY 2015 represents a proposed small increase in Training. The agency continues to use no-cost training opportunities where practical; however, some training is needed to maintain certification in certain job classifications. As the FEC hires new employees, some will need additional job-specific training.

Building Rent GSA \$66,917/+0 FTE

This is the estimated annual increase in rent for the ten-year lease through GSA. The annual rent payment to GSA is the agency's largest fixed cost and includes annual price escalations. The lease is set to expire in FY 2017.

Communications, Utilities & Postage \$50,500/+0 FTE

This area covers phone usage, postage and copier costs. In FY 2014, the agency realized savings by changing copier vendors. The increase for FY 2015 results from escalation costs from exercising option years.

Program Decreases (\$259,596)/+0 FTE

Non-Personnel Decreases (\$259,596)/+0 FTE

Contracts & Other Services..... (\$82,049)/+0 FTE

This includes contractor support and other services, such as legal research tools. The agency continues to make difficult decisions regarding contractor support and projects cost savings in this area.

Supplies and Materials (\$177,547)/+0 FTE

The agency has realized savings through centralized purchasing. Costs in this category also include renewal of subscriptions for professional publications, some printing and reproduction, and the purchase of library materials. The agency continues to curtail ordering supplies to operate within budget limitations.

Table 2
FY 2015 Budget Request Object Class Data
(In dollars)

Federal Election Commission		FY 2013 Actual	FY 2014 Budget	FY 2015 Budget Request	% Change from FY14 to FY15
Object Classification:					
11	Personnel Compensation	\$35,033,986	\$36,190,416	\$36,917,831	2.01%
11.52	Cash Awards	5,231	0	0	0%
12.1	Personnel benefits	9,999,146	10,154,416	10,324,035	1.67%
12.18	Transit Subsidy	378,491	250,000	300,000	20.00%
	Subtotal, Personnel	\$45,416,854	\$46,594,832	\$47,541,866	2.03%
21	Travel & transportation of persons	\$123,944	\$219,650	\$328,456	49.54%
23.1	GSA Rent	5,867,305	5,922,765	5,989,682	1.13%
23.3	Communications, Utilities & Postage	622,453	561,500	612,000	8.99%
24	Printing & Reproduction	36,135	95,060	95,060	0.00%
25.11	Training, Commercial Fed. & Tuition	250,613	322,000	400,380	24.34%
25.14	IT Contracts	5,493,008	6,393,945	6,680,057	4.47%
25.2	Contracts & Other Services	1,051,220	1,207,312	1,125,263	-6.80%
25.3	Federal Goods & Services	1,151,831	1,293,109	1,393,276	7.75%
26	Supplies and Materials	1,009,043	1,242,267	1,064,720	-14.29%
31	Non-Capitalized and Capitalized Equipment	1,725,770	1,938,560	2,269,240	17.06%
	Subtotal, Non-Personnel	\$17,331,322	\$19,196,168	\$19,958,134	3.97%
	Total	\$62,748,176	\$65,791,000	\$67,500,000	2.60%

2B: Appropriations Language

FEDERAL ELECTION COMMISSION
Federal Funds
Salaries and Expenses

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, \$67,500,000 of which not to exceed \$5,000 shall be available for reception and representation expenses.

2C: Recommended Legislative Changes

On December 17, 2013, the Commission adopted eight Legislative Recommendations, which are available at <http://www.fec.gov/law/legrec2013.pdf>. If adopted, four of these proposals would significantly improve program effectiveness and efficiency and would also generate cost savings. The first was included in the President's FY 2014 Budget.

Electronic Filing of Senate Reports: The Commission recommends that Congress enact legislation that will require Senate candidates and their authorized committees to file campaign finance reports electronically. The Commission's current electronic filing (e-filing) rules require a committee or other filing entity (other than Senate candidates and their authorized committees) that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, to submit its reports electronically. Mandatory electronic filing will create considerable cost savings and will result in easier, more efficient dissemination of data. Reports that are filed electronically are normally available, and may be downloaded, within minutes. In contrast, the time between the receipt of a report filed through the paper filing system and its initial appearance on the Commission's website is 48 hours. Moreover, a Senate campaign filing often consists of thousands of pages, and data from the filings themselves take up to 30 days to be integrated into the Commission's searchable databases. If such reports were electronically filed, the data could be integrated within a few days. The Commission estimates that mandatory electronic filing for Senate candidates and their authorized committees will yield savings of at least \$430,000 per year in costs directly attributable to the current paper filing system. The Senate Rules and Administration Committee reported legislation that would implement this recommendation, S. 375. Furthermore, the Senate Appropriations Committee reported a Financial Services and General Government Appropriations bill for FY 2014 that included legislative language that would implement this recommendation, S. 1371.

Make Permanent the Administrative Fine Program for Reporting Violations: The Commission recommends that Congress make the Administrative Fine Program permanent. This program was set to expire during FY 2014, however Congress recently amended the FECA to extend the statutory authorization for the Administrative Fines Program through reports covering December 31, 2018. The Administrative Fine Program has been remarkably successful. Over the

course of the program, the number of late and nonfiled reports has dramatically decreased, thus fulfilling the agency's goal of ensuring timely public access to complete disclosure filings. To date, the number of late and nonfiled reports has decreased from an average of 21 percent of reports filed late to less than 10 percent filed late. With fewer late reports and fewer challenges to administrative fines, the Commission has been able to reduce the number of employees who work on this program. In addition, the program has generated approximately \$5 million in fines assessed since its inception in 2000. Making the AFP permanent would ensure that this program continues without interruption.

Remove the Exclusion of the FEC from the Senior Executive Service: Congress should delete the exclusion of the Federal Election Commission from eligibility for the Senior Executive Service (SES) under the *Civil Service Reform Act of 1978*⁶. Additionally, Congress should revise of the *Federal Election Campaign Act* to delink the salaries of the Staff Director and the General Counsel from Level IV and Level V of the Executive Schedule. The Commission believes that these statutory changes are needed to bring the Commission's personnel structure in line with that of other comparable Federal agencies. This would ensure that the Commission is better able to compete with other government agencies in recruiting and retaining key management personnel. The Commission recommends that it be made eligible to create Senior Executive Service positions because: (1) the agency currently has several top management positions that the Commission believes would fully satisfy the criteria for SES positions and (2) the SES system would provide institutional benefits to the agency and agency employees. Filling critical vacancies is a priority for the FEC for FY 2015, and the four senior management positions the agency seeks to fill could benefit from the inclusion of the FEC in SES program.

Provide the FEC with Authority to Accept Gifts: Congress has provided authority to numerous Federal departments and agencies to accept gifts that will assist that department or agency in carrying out its duties. The Commission is currently without such authority, but wishes to be able to accept gifts, should any offers be received. State disclosure agencies have received donated services and products for information technology projects to promote and enhance the transparency of data disclosed to the government. Such donations have come from individuals or organizations that support the agencies' mission of enhancing transparency. The Federal Election Commission would like to be authorized to accept similar gifts. The FEC could, for example, use those gifts to continue its efforts to facilitate transparency in the Federal campaign finance system through a state-of-the-art, web-based public disclosure system, ensuring that the vast quantity of campaign finance data is available to the public quickly and in a manner that is easy for the general public to sort and search.

⁶ See Public Law 96-187, § 203, 93 Stat. 1339, 1368 (1980), *codified at* 5 U.S.C. § 3132(a)(1)(C).

3: Introduction

This Annual Performance Plan (APP) outlines the Federal Election Commission's plans for FY 2015. The FEC's Strategic Plan, FY 2014-2019, represents a progression from the agency's previous strategic plan, challenging the FEC to engage in new activities, streamline and improve its operations and achieve its mission within the constantly changing landscape of campaign finance laws and practices. In drafting its new strategic plan, the Commission focused on building long-term programs and practices capable of transforming agency operations for the better. Because FY 2015 is the agency's first full year under this new strategic plan, the agency plans to set a baseline for certain performance targets during FY 2014 and begin to build a program that will show measurable results in future years. Performance targets of this nature are identified and discussed within the APP.

The mission of the FEC is to protect the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering Federal campaign finance laws. This mission is supported by a strategic goal: to fairly, efficiently and effectively administer and enforce the *Federal Election Campaign Act* (FECA/the Act), promote compliance and engage and inform the public about campaign finance data and rules, while maintaining a workforce that delivers results. The Act reflects a belief that democracy works best when voters can make informed decisions in the political process—decisions based in part on knowing the sources of candidates' financial support. As a result, the FEC's first strategic objective is to inform the public about how Federal campaigns and committees are financed. Public confidence in the political process also depends on the knowledge that participants in Federal elections follow clear and well-defined rules and face real consequences for non-compliance. Thus, the FEC's second strategic objective focuses on the Commission's efforts to promote voluntary compliance through educational outreach and to enforce campaign finance laws effectively and fairly. The third strategic objective is to interpret the FECA and related statutes, providing timely guidance to the public regarding the requirements of the law. The Commission also understands that organizational performance is driven by employee performance and that the agency cannot successfully achieve its mission without a high-performing workforce that understands expectations and delivers results. The FEC's fourth strategic objective is to foster a culture of high performance in order to ensure that the agency delivers its mission efficiently and effectively.

The campaign finance legal landscape has been altered in recent years by a series of court decisions, including *Citizens United v. FEC*, *SpeechNow.org v. FEC* and *EMILY's List v. FEC*, that have significantly changed the regulatory environment by removing restrictions on the use of financial resources.⁷ The Commission provides guidance regarding the application of Federal

⁷ In *Citizens United v. FEC*, 558 U.S. 310 (2010), the Supreme Court held that corporations (and, by implication, unions) may use their general treasury funds to pay for electioneering communications and independent expenditures. Subsequently, the U.S. Court of Appeals for the D.C. Circuit held in *SpeechNow.org v. FEC*, 599 F.3d 686 (D.C. Cir. 2010) (*en banc*), that certain political committees that make only independent expenditures, but do not make any contributions to federal candidates, may accept funds in

campaign finance law to specific factual situations. For example, the Commission considered 19 advisory opinion requests during FY 2013 to address questions regarding many areas of the law.

In an average fiscal year, the FEC receives campaign finance reports, statements and other disclosure documents from more than 10,000 political committees and other filers. In FY 2013, the FEC received 81,600 campaign finance filings. Campaign finance reports filed during the year disclosed nearly 30 million financial transactions, which were included in the FEC's campaign finance database. Campaign finance reports and statements filed electronically are made available on the FEC website upon filing, and reports and statements filed on paper with the FEC are placed on the FEC website within 48 hours of receipt. The Commission facilitates transparency in the Federal campaign finance process through a state-of-the-art web-based disclosure system for all campaign finance activity, ensuring that the vast quantity of campaign finance data reported to the FEC is available to the public quickly and in a manner that is easy for the general public to sort, search and comprehend. As new technology continues to emerge, the agency is committed to improving its campaign finance disclosure database and the interfaces it offers to the public at www.fec.gov.

Besides making campaign finance reports available to the public, the FEC works to ensure that the information disclosed is accurate and complete. The Office of Compliance's Reports Analysis Division (RAD) reviews an ever-increasing volume of reports to track compliance with the law and to ensure that the public record provides a full and accurate representation of reported campaign finance activity. If RAD's review identifies an apparent violation or raises questions about the information disclosed on a report, RAD sends a Request for Additional Information (RAFI) to the committee, affording the committee an opportunity to take remedial action or correct the public record, if necessary. If the committee is able to adequately respond to the items noted in the RAFI, it may avoid an enforcement action. If not, and the issue meets RAD's thresholds for further Commission action, the agency has several tools available to it, such as the Administrative Fine Program, audits, the Alternative Dispute Resolution Program and the traditional enforcement program.

The FEC has exclusive jurisdiction over the civil enforcement of the Federal campaign finance law. Following procedures set forth in the FECA, the Enforcement Division investigates alleged violations of the law, recommends to the Commission appropriate action to take with respect to apparent violations and negotiates conciliation agreements, which may include civil penalties and other remedies, with respondents or their counsel to resolve the matter. If an enforcement matter does not resolve through conciliation during the administrative process, the Commission may authorize suit in district court, at which point the matter is transferred to the Litigation Division.

Because of the large and rising number of political committees and the ever-increasing size of the financial disclosure reports filed with the FEC, voluntary compliance is essential. Accordingly, the Commission devotes significant resources to encouraging voluntary compliance through the widespread dissemination of educational materials. The Commission has redoubled its efforts to

unlimited amounts. In *EMILY's List v. FEC*, 581 F.3d 1, 12 (D.C. Cir. 2009), the D.C. Circuit held that political committees and other non-profit groups may finance certain independent political activity with funds outside the limitations and certain prohibitions of the Act.

ensure that it uses the most effective and current communication techniques and technologies to disseminate its educational and compliance information. For example, the Commission recently began providing educational seminars as webinars in order to reach a larger audience at a lower cost and without the expense and inconvenience of travel. Similarly, the agency has created an E-Learning section on its website and launched a YouTube channel. Keeping abreast and ahead of emerging technologies remains a constant challenge for the agency and is a priority for the FEC in FY 2014 and 2015.

In order to meet these challenges, the FEC must maintain a workforce that is highly qualified to achieve the agency's mission effectively and efficiently. Therefore, this plan addresses activities that include recruiting and retaining a diverse and high-performing workforce; updating agency-wide policies and procedures, especially in the areas of personnel, safety, health and security; and creating a records management program.

The strategic activities and performance targets identified in this APP will focus the FEC's efforts in meeting these challenges and allow the Commission to measure its progress in achieving its goal and objectives. This APP provides a robust plan for the agency to meet the challenges it will face during the next fiscal year and in the future.

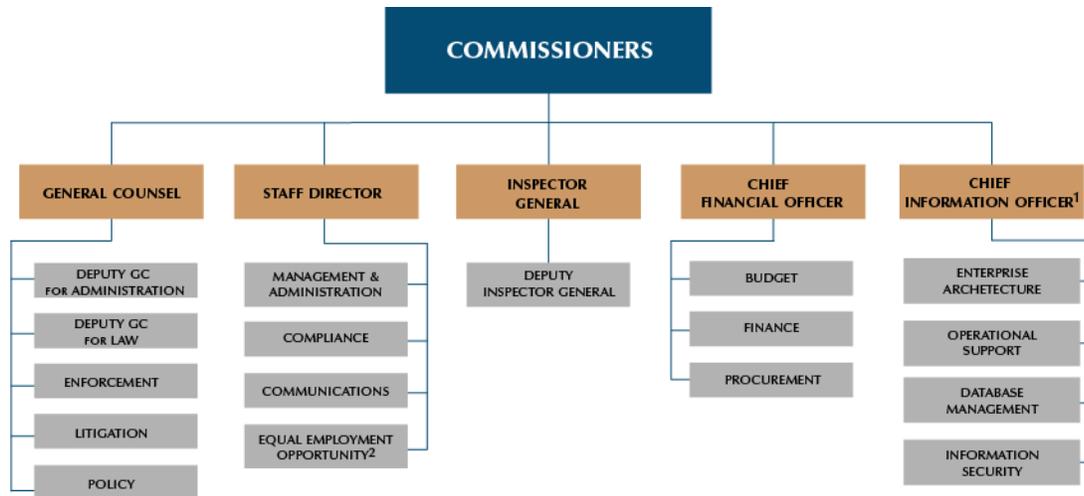
3A: Mission Statement

3A:1 FY 2014 – 2019 FEC Mission

To protect the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering Federal campaign finance laws.

3A:2 Organizational Structure

To accomplish its legislative mandate, the FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. Each member serves a six-year term, and two seats are subject to appointment every two years. The Chairmanship of the Commission rotates among the members, with no member serving as Chair more than once during his or her term. The Commissioners are responsible for administering and enforcing the FECA and meet regularly to formulate policy and to vote on significant legal and administrative matters. The Act requires at least four votes for the Commission to approve any official action, thus requiring bipartisan decision-making. The FEC has its headquarters in Washington, D.C. and does not have any regional offices.



¹ The position of the Chief Information Officer normally reports directly to the Staff Director who, in turn, reports to the Commission itself. At present, however, the same individual is serving in both the position of the Staff Director and the position of the Chief Information Officer, pursuant to an authorization by the Commission and based, in part, on an advance decision from the Comptroller General. Accordingly, the organizational chart reflects both positions – the Staff Director and the Chief Information Officer – as reporting directly to the Commission.

² The Director for Equal Employment Opportunity reports to the Staff Director on administrative issues but has direct reporting authority to the Commission on all EEO matters. See 29 CFR 1614.102(b)(4).

Figure 1: FEC Organizational Chart

As noted in *Figure 1* above, the offices of the Staff Director, General Counsel and Chief Financial Officer support the agency in accomplishing its mission. The Office of the Inspector General, established within the FEC in 1989 under the 1988 amendments to the *Inspector General Act*, is independent and reports both to the Commissioners and to Congress. The specific roles and responsibilities of each office are described in greater detail below.

➤ **Office of the Staff Director (OSD)**

The Office of the Staff Director consists of four offices: 1) Management and Administration; 2) Compliance; 3) Communications; and 4) Equal Employment Opportunity. The Office of Management and Administration is responsible for the FEC’s strategic planning and performance and works with the Commission to ensure the agency’s mission is met economically and effectively. In addition, this office houses the Commission Secretary functions, the Office of Human Resources (OHR) and the Administrative Services Division (ASD). The primary responsibilities of the Office of Compliance are audits, review of campaign finance reports, administrative fines and alternate dispute resolution. The Office of Communications includes four offices/divisions charged with receiving campaign finance reports and making this information available to the public, encouraging voluntary compliance with the Act through educational outreach and ensuring effective communication with Congress, executive branch agencies and the media. The Equal Employment Opportunity Office administers and ensures compliance with applicable laws, regulations, policies and guidance that prohibit discrimination in the Federal workplace based on race, color, national origin, religion, age, disability, sex, pregnancy, genetic

information or retaliation. The EEO Officer reports to the Staff Director on administrative issues, but has direct reporting authority on all EEO matters. See 29 CFR 1614.102(b)(4).

➤ **Office of General Counsel (OGC)**

The Office of General Counsel consists of five organizational units: (1) the Administration Division; (2) the Law Division; (3) the Policy Division; (4) the Enforcement Division; and (5) the Litigation Division. The Deputy General Counsel for Administration directly supervises the Administrative Law Team, the Office of Complaints Examination and Legal Administration, the Law Library and all OGC administrative functions. The Deputy General Counsel for Law has the primary responsibility for assisting the General Counsel in all of the substantive aspects of the General Counsel's duties and shares in the management of all phases of OGC programs, as well as directly supervises the Compliance Advice Team and manages the agency's ethics program. The Policy Division drafts for Commission consideration advisory opinions and regulations interpreting the Federal campaign finance law. The Enforcement Division recommends to the Commission appropriate action to take with respect to administrative complaints and apparent violations. Where authorized, the Enforcement Division investigates alleged violations of the Act and negotiates conciliation agreements, which may include civil penalties and other remedies. If an enforcement matter does not resolve through conciliation during the administrative process, the Commission may authorize suit in district court, at which point the matter is transferred to the Litigation Division. The Litigation Division represents the Commission before the Federal district courts and courts of appeal in all civil litigation involving the campaign finance statutes. The Division assists the Solicitor General's office at the Department of Justice when the Commission's cases are before the Supreme Court.

➤ **Office of the Chief Information Officer (OCIO)**

The Office of the Chief Information Officer meets the increasing public interest in and demand for the agency's disclosure information. In addition, fast changing information technology provides substantial opportunities for efficiency and effectiveness. The OCIO is working to upgrade the FEC's systems to meet internal and external demands and ensure that information is available to all of the Commission's stakeholders in a rapid and user-friendly fashion.

➤ **Office of the Chief Financial Officer (OCFO)**

The Office of the Chief Financial Officer is responsible for complying with all financial management laws and standards, and all aspects of budget formulation, budget execution and procurement.

3A:3 Overview

The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971*.⁸ The Commission is also responsible

⁸The Commission's primary responsibilities pertain to the *Federal Election Campaign Act of 1971*, Public Law 92-225, 86 Stat. 3 (1972) as amended (*codified at* 2 U.S.C. §§ 431-55) (the *Act* or the *FECA*). The Commission's responsibilities for the Federal public funding programs are contained in the *Presidential Election Campaign Fund Act*, Public Law 92-178, 85 Stat. 562 (1971) (*codified at* 26 U.S.C. §§ 9001-13) and the *Presidential Primary Matching Payment Account Act*, Public Law 93-443, 88 Stat. 1297 (1974) (*codified at* 26 U.S.C. §§ 9031-42).

for administering the Federal public funding programs for Presidential campaigns and party conventions. This responsibility includes certifying and auditing all participating candidates and committees and enforcing the public funding laws.

Under the Act, all Federal political committees, including the committees of Presidential, Senate and House candidates, must file reports of receipts and disbursements. The FEC makes disclosure reports available to the public through the Commission's Internet-based public disclosure system, as well as in a public records office at the Commission's Washington, D.C. headquarters. The FEC also has exclusive responsibility for civil enforcement of the Act, and has litigating authority independent of the Department of Justice in U.S. district court and the courts of appeals. Additionally, the Commission promulgates regulations implementing the Act and issues advisory opinions responding to inquiries.

3B: Goals & Objectives

3B:1 FY 2014 – 2019 FEC Strategic Goal

Strategic Goal	To fairly, efficiently and effectively administer and enforce the <i>Federal Election Campaign Act</i> , promote compliance and engage and inform the public about campaign finance data and rules, while maintaining a workforce that delivers results.
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3B:2 FY 2014 – 2019 FEC Strategic Objectives

Strategic Objective 1	Engage and Inform the Public about Campaign Finance Data Leader: Assistant Staff Director for Disclosure
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Strategic Activity: Ensure easy public access to both raw data and data summaries on the FEC website and communicate the availability of disclosure resources to the public.

Indicator:

- Enhanced availability of campaign finance data as measured by increased capabilities to retrieve and analyze data.

Strategic Activity: Evaluate and improve existing procedures to ensure the timely processing of reports and disclosure data made available to the public.

Indicators:

- Percent of reports and statements filed on paper with the FEC made available on the FEC website within two business days of receipt.
- Percent of 24- and 48-hour reports on independent expenditure spending filed on paper made available on the FEC website within one business day of receipt.
- Percent of reports processed within 30 days of receipt.

Strategic Activity: Ensure staff have the tools and knowledge to provide excellent customer service to the media, the public and other groups regarding campaign finance data.

Indicator:

- Script staff responses to common disclosure inquiries for staff reference.

**Strategic
Objective 2**

Promote Compliance with the FECA and Related Statutes

Leaders: Deputy Staff Director/Chief Compliance Officer; Deputy General Counsel for Administration

Strategic Activity: Hold instructional conferences, workshops and webinars.

Indicators:

- Percent of educational outreach programs (webinars, seminars, publications and E-Learning presentations) and events that achieve targeted satisfaction rating on user surveys.
- Increase in the number of E-Learning presentations and webinars available on the FEC website.

Strategic Activity: Respond quickly and accurately to inquiries about existing reporting and other compliance requirements.

Indicators:

- Script staff responses to common questions for staff reference.

Strategic Activity: Process cases in an efficient and accurate manner through each stage of the enforcement and compliance processes.

Indicators:

- Of the enforcement matters resolved during the fiscal year, the percentage that were resolved within 15 months of the date of receipt.
- Percent of enforcement matters resolved through conciliation.
- Percent of notifications provided within five days of complaints filed with the FEC.
- Percent of enforcement matters presented to the Commission for initial review within one year of the date of receipt.
- Percent of reports reviewed by RAD within 90 days of receipt.
- Percent of Proposed Final Audit Reports (PFAR) approved by the Commission within two years from the start of fieldwork.
- Percent of Reviewing Officer Recommendations circulated within 60 days.
- Percent of ADRO Recommendations circulated within 140 days of referral.
- Create an interdisciplinary quality control board.

Strategic Activity: Timely inform committees of potential violations found in reviews of reports, providing consistent guidance for corrective actions.

Indicator:

- Percent of RFAIs sent within 40 days of report review.

Strategic Activity: Resolve cases with strategic settlement terms designed to increase future compliance and to deter future violations.

Indicators:

- Summarize common violations and make this information available to the public.

**Strategic
Objective 3**

Interpret the FECA and Related Statutes

Leader: Deputy General Counsel for Administration

Strategic Activity: Give timely and well-written advice to the Commission so that it can conduct and complete rulemakings and advisory opinions necessary to clarify the requirements of campaign finance laws.

Indicators:

- Percent of legal guidance provided within statutory and court-ordered deadlines.
- Percent of advisory opinions issued within 60-day and 20-day statutory deadlines.

Strategic Activity: Defend the campaign finance laws and the Commission's regulations against legal challenges.

Indicator:

- Percent of court filings that meet all deadlines and rules imposed by the courts.

Strategic Activity: Revise reporting forms to facilitate compliance with regulations.

Indicator:

- Percent of reporting forms revised within 90 days of approval of regulations that require conforming changes to forms.

**Strategic
Objective 4**

Foster a Culture of High Performance

Leaders: Deputy Staff Director for Management and Administration/Chief Human Capital Officer; Deputy Chief Information Officer, Enterprise Architecture

Strategic Activity: Recruit and retain a diverse and high-performing workforce.

Indicators:

- Commission-required quarterly updates meet targeted performance goals.

- Reduced turnover of high-performing employees.

Strategic Activity: Update agency-wide policies and procedures, as necessary, with a particular interest in the areas of personnel, safety, health and security.

Indicator:

- Percent of eligible employees who receive an annual performance evaluation each performance period.

Strategic Activity: Develop a records management program in compliance with Presidential Directive requirements.

Indicator:

- Meet Records Management Presidential Directive milestones.

Strategic Activity: Implement strategic activities on time and within budget.

Indicator:

- Percent of agency IT initiatives within 15 percent variance of approved budgets.

3B:3 Next Steps for Strategic Objectives

The FEC will continue to improve progress on its strategic objectives during FY 2014 and 2015. In support of Strategic Objective 1, Engage and Inform the Public about Campaign Finance Data, the FEC will expand its program to make campaign finance information fully accessible to the public by completing implementation of a data warehouse framework in FY 2014, allowing all types of transactions for all types of committees to be retrieved across a range of systems. In FY 2014, the FEC will launch an enterprise search tool that will allow the public to search multiple and disparate content sources with one query. The FEC anticipates that completion of these two projects will significantly enhance its efforts to provide complete and meaningful campaign finance data to the public.

The agency also has plans underway to support Objective 2, Promote Compliance with the FECA and Related Statutes, through improved staff training and enhanced systems to track enforcement and compliance cases. For example, the agency plans to improve the efficiency of its review of reports by fully automating notifications to filers during FY 2014. The Reports Analysis Division will also create a Quality Measurement Index during FY 2015 to identify common review inconsistencies and provide annual training to staff to mitigate these inconsistencies. In addition, the FEC will pursue a series of enhancements to its Law Manager case tracking system that will help staff process enforcement and compliance cases more efficiently. The agency currently uses this system to track enforcement and compliance matters through all stages of the FEC's review, compliance and enforcement processes. During FY 2014, the FEC will complete a Law Manager

upgrade to improve the efficiency of the system's overall functions, and in FY 2015 the agency plans to begin integrating document search capability within the enforcement and compliance areas through its Enterprise Content Management (ECM) system, which serves as the agency's knowledge management tool. The planned enhancements to Law Manager will also support improvements in the FEC's third strategic objective, Interpret the FECA and Related Statutes, by providing case management tracking capabilities for advisory opinions and rulemakings.

Finally, the Commission will improve progress on Strategic Objective 4, Foster a Culture of High Performance, by taking tangible steps to recruit and retain a diverse and high-performing workforce. During FY 2014 and 2015, the FEC will complete implementation of its new performance appraisal system for all FEC staff, which will allow the agency to better identify high performers and ensure that all staff receive timely and meaningful performance feedback. The agency also plans to identify causes of turnover and attrition by providing exit surveys to departing staff agency-wide beginning in FY 2014 and to better understand the FEC's results from the 2013 Federal Employee Viewpoint Survey by conducting focus group interviews during FY 2014 based on the results of that survey. Information gained from exit surveys and focus groups will allow the FEC to improve its operations, where appropriate, to better ensure employee engagement and satisfaction.

3B:4 Management Priorities and Challenges

The FEC's Strategic Plan, FY 2014-2019, includes a management objective, Foster a Culture of High Performance, that cuts across the organization and reflects the agency's strategic priorities for improving the efficiency and effectiveness of its workforce and management processes. The FEC's primary measure of success in developing and maintaining a result-driven workforce is at the program level: a workforce that delivers results will meet the internal performance targets set by the Commission. The Commission understands that the success of its programs depends upon the skills and commitment of its staff. A focus for the Commission in FY 2014 and 2015 will be to better identify high performance and ensure that high-performing employees are recognized for their contributions, while the agency appropriately devotes resources to improving performance where improvement is needed. The FEC achieved OPM approval during FY 2013 for a revised performance appraisal system, based on OPM's recently revised performance system requirements of the Senior Executives. In late FY 2013, the FEC began to transition its Senior Leaders and managers to the new performance system, which aligns individual performance goals with the objectives of the FEC's Strategic Plan and holds leaders accountable for meeting the targets set by the Commission. During FY 2014 and 2015, the agency will complete this transition by bringing all staff members into the new system to ensure that every employee understands and is accountable for his or her part in achieving the agency's success. These efforts to better identify and improve individual performance will be supported by concurrent efforts to ensure that competency gaps are identified and closed, capture and manage critical knowledge and implement a communications strategy that both keeps employees informed and ensures that agency leaders hear and can respond to employees' needs. The agency will measure its success in recruiting and retaining a high-performing workforce by reducing turnover among high-performing employees and ensuring that internal performance targets are met.

The FEC is also participating in and contributing to the government-wide Records Management initiative. In compliance with the *Federal Records Act*, the FEC is developing a records management program. The program to preserve and disclose agency activities and decisions will increase efficiency and improve performance by eliminating paper and using electronic recordkeeping to the fullest extent possible. The FEC has included the successful completion of this transition as a strategic activity in its Strategic Plan, FY 2014-2019, and will complete key milestones in this project during calendar year 2014 when it provides training for all employees in their records management duties and the agency's Records Officer informs the National Archives and Records Administration (NARA) of plans to obtain NARA's Records Management certificate during 2015. To support this project, the Commission maintains a two-fold cross-collaboration with NARA: (1) on-going records storage and disposition and (2) records management consulting services. The former activities include off-site storage of inactive records at a Federal Records Center as well as the disposition of temporary records at the end of their retention period. The latter activities entail advice on identifying gaps in the FEC's records management requirements in order to establish a cost-efficient and effective agency-wide records management program.

In addition to the strategic activities identified to support the FEC's management objective, the Commission has included management initiatives as strategic activities to support its mission objectives where those activities are deemed crucial to the success of the objective. The Commission's first strategic objective is to Engage and Inform the Public about Campaign Finance Data. A crucial part of the FEC's mission is to provide transparency in the campaign finance process. Since the FEC was established in 1974, it has collected and made public a vast quantity of campaign finance data reported by political committees, campaigns and other groups required by the campaign finance law to disclose their financial activity. The Commission recognizes that transparency requires more than simply allowing access to data. Accordingly, the agency maintains a strong commitment to providing searchable, well-explained and user-friendly information to the public. For example, during FY 2014 and 2015 the FEC will update the disclosure portal on www.fec.gov with new enhancements to further increase the public's ability to find and understand the campaign finance data reported to the FEC. The FEC will also complete a multi-year project during FY 2014 to create a data warehouse framework to facilitate quick and complete access to information stored across a range of systems. During FY 2014, the agency will make an enterprise search tool available to the public, allowing for complete searches of multiple and disparate content sources with a single query. These innovations will greatly enhance the customer service the FEC provides to the public in making the full picture of campaign finance data and information transparent and understandable. The Commission will continue this work through FY 2015 and beyond to ensure that the public can find more and more relevant campaign finance information.

In addition, the FEC has included in its Strategic Plan strategic activities to improve the customer service provided by staff members who provide daily guidance to the public and the press. In order to better guide the public through the FEC's vast quantity of campaign finance information and to better promote voluntary compliance with the campaign finance law, FEC staff are developing a knowledge management tool for internal use. Like many Federal agencies, the FEC faces challenges in preserving staff knowledge lost through turnover and attrition, as well as finding meaningful ways to share this information with staff to achieve the agency's mission efficiently and effectively. This knowledge management tool will capture and organize staff knowledge in a way that is accessible and useful and will help to ensure that the public receives quick,

comprehensive and consistent responses from FEC staff. FEC staff have already begun work to collect and categorize information and procedures across customer-facing offices and divisions and will continue building the knowledge management tool during FY 2014 and 2015. As outlined in this APP, the FEC expects to complete both the campaign finance data (Objective 1) and voluntary compliance (Objective 2) aspects of this tool in FY 2016.

Each year the FEC's Inspector General (IG) is required to provide a summary and assessment of the most serious management and performance challenges facing the FEC. In a memorandum dated November 14, 2013, the IG identified three challenges facing management: Information Technology Security, Governance Framework and Human Capital Management / Human Resources Operations. The IG's assessment and the FEC's response are included in the FEC's *FY 2013 Performance and Accountability Report*, www.fec.gov/pages/budget/fy2013/FEC_Final_PAR_2013_121613.pdf. The Commission understands the importance of addressing those challenges identified by the IG and has included as a performance indicator for FY 2015 timely action to implement critical management improvement initiatives.

3C: PERFORMANCE GOALS

Performance Goal 1-1 Summary:

Objective 1: Performance Goal 1:	Improve the public’s access to information about how campaign funds are raised and spent.	
Description:	<i>The Federal Election Campaign Act (FECA/the Act)</i> reflects a belief that democracy works best when voters can make informed decisions in the political process—decisions based in part on knowing the sources of candidates’ financial support. The FEC seeks to serve as the authoritative source of campaign finance data for the public. In order to fulfill this role, the FEC must provide accurate and reliable data in easily understandable formats, as well as communicate the availability of this data to all relevant stakeholders.	
Key Indicator:	Enhanced availability of campaign finance data as measured by increased capabilities to retrieve and analyze data.	
Target:	TBD	This key indicator represents a new area of performance reporting for the FEC. The agency will collect baseline performance data during the measure’s first year of implementation, and then establish an appropriate target.
Timeframe:	Annually (each fiscal year)	
Historical Trend	N/A; this is a new area of performance reporting for the FEC.	

Supporting Indicators 1-1:

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Percent of reports and statements filed on paper with the FEC made available on the FEC website within two business days of receipt.	Efficiency	100%	100%	100%	100%	100%	Quarterly
Percent of 24- and 48-hour reports on independent expenditure spending filed on paper made available on the FEC website within one business day of receipt.	Efficiency	This is a new area of performance reporting.	N/A	N/A	100%	100%	Quarterly
Percent of reports processed within 30 days of receipt.	Efficiency	71%	94%	88%	95%	95%	Quarterly
Script staff responses to common disclosure inquiries for staff reference.	Milestone	This is a new area of performance reporting.	N/A	N/A	N/A	Completion by FY 2016	Annually

Performance Goal 2-1 Summary:

Objective 2: Performance Goal 1:	Encourage voluntary compliance with FECA requirements through educational outreach and information.	
Description:	Public confidence in the political process depends on the knowledge that individuals who participate in Federal elections comply with campaign finance laws and regulations. One way the Commission achieves this is by promoting voluntary compliance through educational outreach.	
Key Indicator:	Percent of educational outreach programs (webinars, seminars, publications and E-Learning presentations) and events that achieve targeted satisfaction rating on user surveys.	
Target:	4.0 or higher on a 5.0 scale	The FEC does not have historical data on satisfaction ratings for webinars, publications and E-Learning presentations. The FEC will develop methods for surveying user satisfaction in these areas during FY 2014.
Timeframe:	Annually (each fiscal year)	
Historical Trend	N/A; this is a new area of performance reporting for the FEC.	

Supporting Indicators 2-1:

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Increase in the number of E-Learning presentations and webinars available on the FEC website.	Output	This is a new area of performance reporting.	N/A	N/A	4 new trainings	4 new trainings	Annually
Script staff responses to common questions for staff reference.	Milestone	This is a new area of performance reporting.	N/A	N/A	N/A	Completion by 2016	Annually

Performance Goal 2-2 Summary:

Objective 2: Performance Goal 2:	Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.
Description:	Public confidence in the political process depends on the knowledge that individuals who participate in the Federal election process follow campaign finance laws and regulations and face real consequences for non-compliance. One way the Commission achieves this is through programs to ensure that the campaign finance laws are effectively and fairly enforced.
Key Indicator:	Of the enforcement matters resolved during the fiscal year, the percentage that was resolved within 15 months of the date of receipt.
Target:	80% by 2015
Timeframe:	Quarterly
Historical Trend:	89% in FY 2011; 70% in FY 2012; and 72% in FY 2013.

Supporting Indicators 2-2:

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Percent of enforcement matters resolved through conciliation.	Outcome	This is a new area of performance reporting.	N/A	N/A	Set baseline in FY 2014	TBD	Quarterly
Percent of notifications provided within five days of complaints filed with the FEC.	Efficiency	This is a new area of performance reporting.	100%	100%	100%	100%	Quarterly
Percent of enforcement matters presented to the Commission for initial review within one year of the date of receipt.	Efficiency	This is a new area of performance reporting.	N/A	N/A	95%	95%	Annually

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Percent of RFAIs sent within 40 days of report review.	Efficiency	76%	63%	72%	75%	75%	Quarterly
Percent of reports reviewed by RAD within 90 days of receipt.	Efficiency	76%	87%	73%	75%	75%	Quarterly
Percent of Proposed Final Audit Reports (PFAR) approved by the Commission within two years from the start of fieldwork.	Efficiency	64%	68%	38%	50%	60%	Quarterly
Percent of Reviewing Officer Recommendations circulated within 60 days.	Efficiency	77%	90%	93%	75%	75%	Quarterly
Percent of ADRO Recommendations circulated within 140 days of referral.	Efficiency	This is a new area of performance reporting.	N/A	91%	75%	75%	Quarterly
Create an interdisciplinary quality control board.	Milestone	This is a new area of performance reporting.	N/A	N/A	Completion by FY 2014	Ongoing	Annually
Summarize common violations and make this information available to the public.	Milestone	This is a new area of performance reporting.	N/A	N/A	Completion by FY 2016	Ongoing	Annually

Performance Goal 3-1 Summary:

Objective 3: Performance Goal 1:	Provide timely legal guidance to the public.
Description:	Public confidence in the political process and effective disclosure and compliance programs depend upon timely, clear and well-defined guidance from the Commission defining the requirements of campaign finance laws, including their application in specific situations that arise during the course of the campaign.
Key Indicator:	Percent of legal guidance provided within statutory and court-ordered deadlines.
Target:	100%
Timeframe:	Quarterly
Historical Trend	N/A; this is a new area of performance reporting for the FEC.

Supporting Indicators 3-1:

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Percent of reporting forms revised within 90 days of approval of regulations that require conforming changes to forms.	Efficiency	This is a new area of performance reporting.	N/A	N/A ⁹	100%	100%	Annually
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines.	Efficiency	100%	100%	100%	100%	100%	Annually
Percent of court filings that meet all deadlines and rules imposed by the courts.	Efficiency	98%	97%	100%	100%	100%	Annually

⁹ There were no regulations approved by the Commission in FY 2012 or FY 2013 that required conforming changes to forms.

Performance Goal 4-1 Summary:

Objective 4: Performance Goal 1:	Foster a workforce that delivers results.	
Description:	The Commission understands that organizational performance is driven by employee performance and, thus, the agency cannot successfully achieve its mission without a high-performing workforce that understands expectations and delivers results. Organizational performance is also significantly improved when internal management processes are efficient and effective. The FEC will take steps to ensure that the agency’s working environment promotes and supports the best efforts of its staff.	
Key Indicator:	Commission-required quarterly updates meet targeted performance goals.	
Target:	TBD	This is a new area of performance reporting for the FEC. The agency will set a baseline for this measure in FY 2014 and then set an appropriate target.
Timeframe:	Annually	
Historical Trend	N/A; this is a new area of performance reporting for the FEC.	

Supporting Indicators 4-1:

Measure Name	Type	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2015 Target	Data Collected
Reduced turnover of high-performing employees.	Output	This is a new area of performance reporting.	N/A	N/A	Set baseline in FY 2014	TBD% decrease from FY 2014 level	Annually
Percent of eligible employees who receive an annual performance evaluation each performance period.	Output	This is a new area of performance reporting.	N/A	N/A	99%	99%	Annually

Percent of agency IT initiatives within 15% variance of approved budgets.	Output	This is a new area of performance reporting.	N/A	N/A	100%	100%	Annually
Meet Records Management Presidential Directive milestones.	Milestone	N/A	N/A	N/A ¹⁰	Completion as specified in the Presidential Directive	Completion as specified in the Presidential Directive	Annually

¹⁰ Deadlines for Records Management milestones scheduled for calendar year 2013 were extended until January 31, 2014.

3D: IMPLEMENTATION FACTORS

3D:1 Data Validation and Verification

OMB Circular A-136, as revised, and the *GPR Modernization Act of 2010* (GPRAMA) require each agency to describe the accuracy and reliability of the data used to measure progress toward its performance goals, including an identification of the means used to verify and validate the measured values and the source for the data. Agencies are encouraged to determine the appropriate frequency of data validation and verification (V&V) needed for the intended use and should allocate appropriate resources to carry out validation and verification on an appropriately periodic basis.

Many of the FEC's performance measures set goals for the timely completion of tasks that are either internally generated or triggered through reports or complaints filed with the Commission. As a result, the universe of data the FEC must collect and verify to support its performance information is generally small, centrally located and easily verified. The FEC tracks data to support its performance measures through its internal databases and with spreadsheets maintained by program managers. In cases where performance is measured based on the timeframe for completing a decision, matter or inquiry, the universe of data to be measured and the dates on which performance milestones are reached are tracked electronically. Data provided by the agency's litigation, policy, enforcement and compliance offices are reported at least quarterly to the Commission, which provides regular opportunities for the accuracy of the data to be verified. Data regarding enforcement and compliance matters are subject to human error in the process of entering information into the system. However, the risk of such error is low given the small number of cases tracked (generally fewer than 200 cases involved in determining any single performance result) and the frequent review of the data.

The FEC also tracks its performance in making campaign finance information available to the public. Reports filed with the FEC represent the largest universe of data the agency must consider in determining its performance. For example, in FY 2013, the FEC received 81,600 documents. Campaign finance reports and statements filed electronically are made available on the FEC website nearly instantaneously, and reports and statements filed on paper with the FEC are placed on the FEC website within 48-hours of receipt. In addition, FEC staff process the data contained in campaign finance reports so that the information can be accurately organized, categorized and searched in the agency's databases. The FEC sets as a performance goal processing 95 percent of reports through its data and coding system within 30 days. The entry and completion dates for each report are retrievable through the FEC's electronic systems. The FEC also rates its performance in meeting its statutory obligation to make reports and statements filed on paper available to the public within 48 hours of receipt. The agency stamps reports in the FEC's mailroom with the date and time of arrival. Any instance of a report appearing on the FEC website after the 48-hour deadline is tracked manually.

During FY 2014, the FEC initiated a broad review of its methods for verifying and validating performance as part of its overall assessment of its strategic and performance plans. The FEC has identified senior-level staff and key managers to serve as goal leaders for each area of the strategic and performance plans. In addition, each strategic activity in the Strategic Plan has been assigned one or more program managers, who are responsible for the delivery and performance reporting of that activity. These managers will be serving as measure managers and data quality leads to ensure completeness, consistency and accuracy of the reported data of their respective strategic activity. Furthermore, in FY 2014 the FEC formed a data verification and validation team, composed of strategic activity leads, to assess the data collection and management process of the entire agency and design a revised and improved process. As a result and as a companion to the performance plan, the FEC's data verification and validation team will develop data definition templates, establish standard processes for data collection and train staff to follow the established standards. The team will also work with all strategic activity leads to develop detailed V&V processes for each measure included in this plan. The strategic activity leads will review and update V&V processes on an annual basis to ensure data reported to stakeholders is consistent, accurate and complete.

Office of Inspector General's Fiscal Year 2015 Budget Request

The Inspector General Reform Act (Pub. L. 110-409) was signed by President Bush on October 14, 2008. Section 6(f)(1) of the *Inspector General Act of 1978*, 5 U.S.C. § app. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

Each Inspector General (IG) is required to transmit a budget request to the head of the establishment or designated Federal entity to which the IG reports specifying:

- The aggregate amount of funds requested for the operations of the OIG;
- The portion of this amount requested for OIG training, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year; and
- The portion of this amount necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The head of each establishment or designated Federal entity, in transmitting a proposed budget to the President for approval, shall include:

- An aggregate request for the OIG;
- The portion of this aggregate request for OIG training;
- The portion of this aggregate request for support of the CIGIE; and
- Any comments of the affected IG with respect to the proposal.

The President shall include in each budget of the U.S. Government submitted to Congress:

- A separate statement of the budget estimate submitted by each IG;
- The amount requested by the President for each OIG;
- The amount requested by the President for training of OIGs;
- The amount requested by the President for support of the CIGIE; and
- Any comments of the affected IG with respect to the proposal if the IG concludes that the budget submitted by the President would substantially inhibit the IG from performing the duties of the OIG.

Following the requirements as specified above, the OIG of the Federal Election Commission submits the following information relating to the OIG's requested budget for fiscal year 2015:

- The aggregate budget request for the operations of the OIG is \$1,237,476;
- The portion of this amount needed for OIG training is \$15,000; and
- The portion of this amount needed to support the CIGIE is an estimated \$3,022.

I, Lynne A. McFarland, certify as the IG of the Federal Election Commission that the amount I have requested for training satisfies all OIG training needs for fiscal year 2015.