

**FEDERAL ELECTION COMMISSION**  
**FISCAL YEAR 2021**  
**CONGRESSIONAL BUDGET JUSTIFICATION**



**February 10, 2020**

Concurrently submitted to Congress and the Office of Management and Budget

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## SUMMARY OF FY 2021 BUDGET JUSTIFICATION

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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.<sup>1</sup> As the foundation of Federal campaign finance regulation, FECA reflects Congress’s efforts to prevent corruption through two principal means. First, it ensures that voters have access to information about the sources of financial support for Federal candidates, political party committees and other political committees. Second, FECA 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.<sup>2</sup>

For the fiscal year (FY) 2021 Budget Submission, the FEC’s total requested funding level is \$73.3 million.<sup>3</sup> The requested increase for FY 2021 represents growth of approximately two and one-half percent from the FEC’s enacted appropriation for FY 2020 and under three percent from the enacted appropriations from FY 2016 through FY 2019. The level requested for FY 2020 will help the agency meet its priorities and handle the workload generated by the 2020 elections and support the President’s Management Agenda. In an average fiscal year, the FEC receives campaign finance reports, statements and other disclosure documents from more than 13,000 political committees and other filers. During FY 2019, these filers reported more than 100 million financial transactions, which were reviewed by FEC staff and disclosed to the public on the FEC’s website. From October 1, 2018 through September 30, 2019, the FEC website’s Application Programming Interface (API), which permits users to customize data searches making vast quantities of campaign finance data readily available, received 175 million hits.

Recent trends in campaign finance activity illustrate the importance of the agency’s ability to continue to implement new programs and systems to ensure the timely disclosure of this increasing volume of campaign finance data, including the migration of campaign finance data to a cloud environment and efforts to modernize the FEC’s eFiling system. Adequate funding for FY 2021 will be crucial to ensuring the FEC meets its mission to provide transparency in the campaign finance process. In addition, during and after the 2020 election, which includes a Presidential election, the FEC anticipates processing and reviewing historically high levels of campaign finance disclosure filings and meeting an increased demand for customer service and data information requests from the public. Historically, after a Presidential election, the Office of General Counsel also receives an influx of enforcement cases and complaints. In order for the FEC to manage the pressures of increased workload, data processing, and customer service requests, the FEC requests a funding level that will ensure the agency is able to efficiently, fairly, and effectively achieve its mission.

Funding at the requested level would also allow the agency to continue its on-going IT modernization projects and realize efficiencies to accommodate increased campaign finance transactions. Over the past

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<sup>1</sup> Public Law 92-225, 86 Stat. 3 (1972) (*codified at* 52 U.S.C. §§ 30101-45).

<sup>2</sup> 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).

<sup>3</sup> As of the date of this Budget Submission, the Commission lacks a quorum of at least four sitting Commissioners. Under the Act and Commission Directive 10, this is submitted pursuant to a bipartisan majority vote of current Commissioners. It is not anticipated that the Commission will continue to lack a quorum by the start of fiscal year 2021

several years, the FEC has made significant progress to modernize its IT systems and processes. These efforts include the redesign of the FEC website and the migration to a cloud environment of the FEC's campaign finance database, which contains over forty years of transaction-level campaign finance data reported to the agency. As a result, the FEC has been able to reduce its physical data center footprint. To continue to mitigate an anticipated steep rise in future cost from maintaining physical data centers, the FEC is pursuing a modernization plan which requires investment now and over the next several years to continue cloud migration and realize improvements in its IT processes. Finally, the requested funding provides for a scheduled increase in rent for FEC headquarters, increased awards and workforce development to support the President's Management Agenda's focus in that area, higher retirement costs, and an additional FTE.

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## MISSION STATEMENT

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**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 *FECA*. The *Act* reflects Congress's efforts to ensure that voters are fully informed of the sources of financial support for Federal candidates, political committees and others and to prevent corruption. 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 *FECA* and related statutes; (3) to interpret *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 2021. Section 2 provides an overview of the agency's request. Section 3 provides an overview of the agency's four strategic objectives and describes the agency's performance goals, indicators and targets to ensure continued progress toward meeting these objectives during FY 2021.

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## Section 1: Purpose and Priorities in FY 2021

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### 1A: Commission Overview and Future Outlook

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

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. 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 official actions, thus requiring bipartisan decision making.

As part of its responsibilities, the FEC makes available on its website the campaign finance disclosure reports all Federal candidates and Federal political committees must file, as required by the *Act*. These disclosure reports and the data contained in them are made available to the public through the Commission's Internet-based public disclosure system on the agency's website at [www.fec.gov](http://www.fec.gov). The FEC also has exclusive responsibility for civil enforcement of *FECA*, 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's Strategic Plan for FY 2018 through FY 2022, developed pursuant to the *Government Performance and Results Act of 1993 (GPRA)*<sup>4</sup> and the *GPRA Modernization Act of 2010*,<sup>5</sup> provides the agency's strategic management framework. This framework is designed 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.

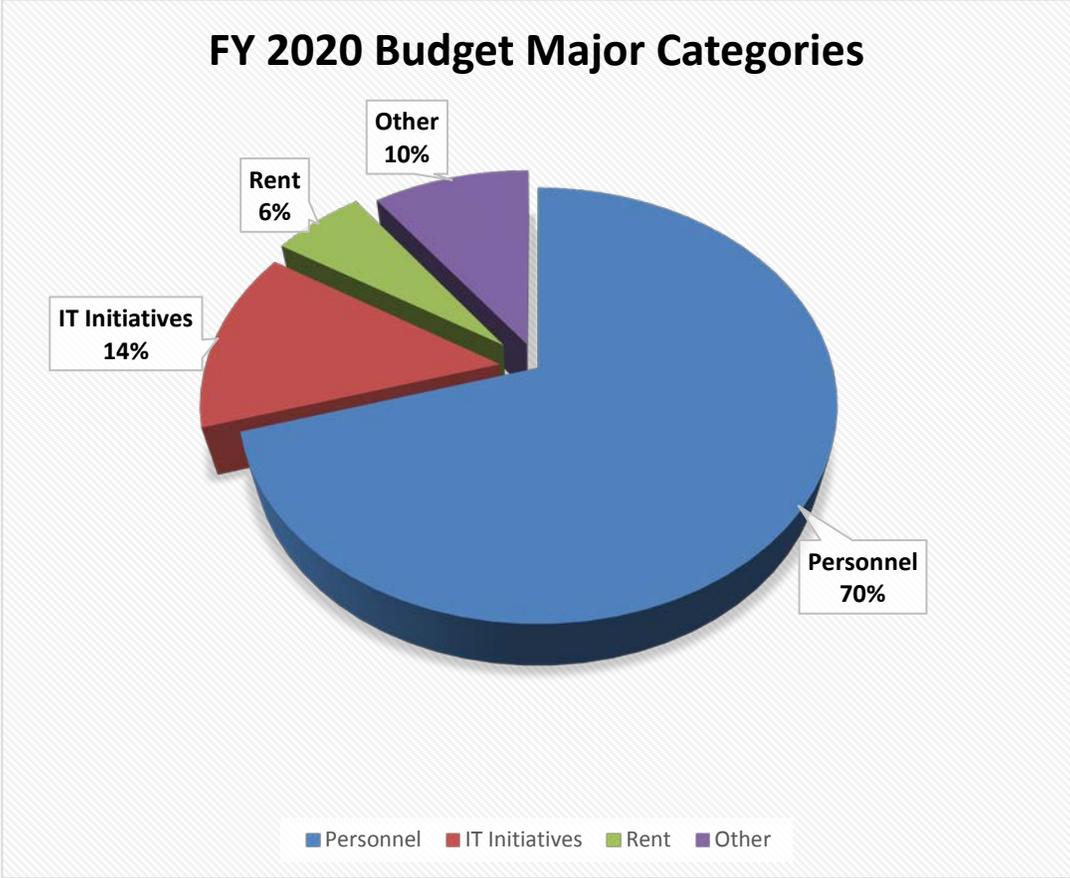
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<sup>4</sup> Public Law 103-62, 107 Stat. 285 (1993) (*codified at* 31 U.S.C. § 1115 *et seq.*).

<sup>5</sup> Public Law 111-352, 124 Stat. 3866 (2011) (*codified at* 31 U.S.C. §§ 1115-24).

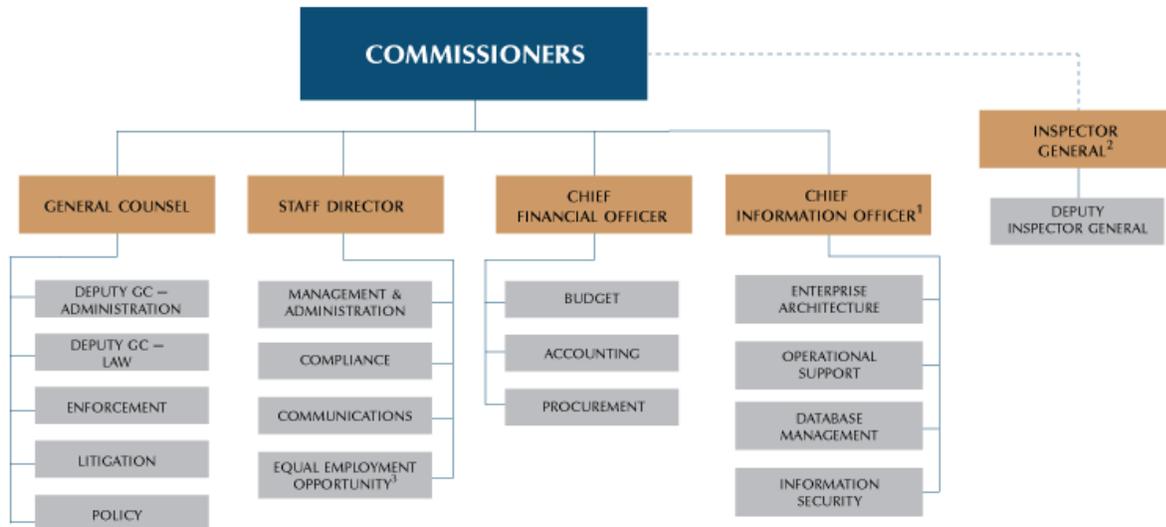
The FEC is funded by a single annual appropriation for salaries and expenses and is authorized to collect fees only to offset the costs of the agency’s educational conferences. Approximately 70 percent of the agency’s budget is composed of expenses related to personnel, such as salaries and benefits. Of the agency’s remaining operational expenses, the largest categories are IT initiatives, including IT security initiatives, and facilities rent. These three requirements constitute 90 percent of the agency’s budget.

**Figure 1 – FY 2021 Budget by Major Category**



## 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 *Inspector General Act Amendments of 1988*,<sup>6</sup> 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>.



<sup>1</sup> The position of 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.

<sup>2</sup> The Office of the Inspector General (OIG) independently conducts audits, evaluations, and investigations. OIG keeps the Commission and Congress informed regarding major developments associated with their work.

<sup>3</sup> 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).

<sup>6</sup> Public Law 100-504, 102 Stat. 2515 (1988).

## **1B: FY 2021 Priorities**

The FEC priorities for FY 2021 are in line with the agency's FY 2018 to 2022 strategic plan and are limited to those needs that will allow the agency to fulfill its mission as required by law and support the President's Management Agenda. Funding at the requested amount of \$73.3 million would permit the FEC to take measures to enhance the delivery of campaign finance data and legal resources. The requested funding would also improve the agency's systems and processes, allowing the Commission to reduce dependency on costly legacy systems and improve the efficiency of the agency's IT infrastructure, including migration to cloud-hosted data and services, improvements to the eFiling platform and continued enhancements to cyber security and tools. These priorities will ensure that the agency can improve customer experience and service delivery as it meets increasing public demand for its services. As part of this effort, the agency is prioritizing workforce development and rewarding high performing employees. These are the FEC's priorities for FY 2021, and they are discussed in more detail below.

### **IT Modernization**

The FEC protects the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering Federal campaign finance laws. Fair enforcement and full disclosure of the sources and amounts of campaign funds allow the public to make informed decisions in the political process. Transparency requires that information is not only kept by the FEC but also that it is provided to the public in a way that is intuitive to users and provides the necessary context for understanding how Federal elections are funded. The FEC must make election-related reports and information accessible to the public in a timely, reliable and useful fashion. The Commission is therefore committed to providing the public with robust access to campaign finance data, compliance information and legal resources. Funding at the full requested amount of \$73.3 million would permit the FEC to improve the quality of services delivered to the public.

The FEC provides free electronic filing software, FECFile, to support political committees in reporting their campaign finance activity to the FEC. During FY 2017, the FEC completed and published a study to determine ways to modernize the agency's eFiling system, platform and software to receive better quality data, be more responsive to user needs and handle the increasing volume of data reported.<sup>7</sup> During FY 2018, the FEC began designing a new e-filing platform. In this request, the agency seeks funds for FY 2021 to complete the eFiling platform and support its release to the filing community. The redesigned eFiling platform will improve ease of filing for users by allowing greater operating system flexibility when generating filings for submission to the Commission. The FEC's new eFiling platform will also improve the process for validating filings prior to acceptance and generate modern file outputs that will provide for more flexibility in accessing data. In addition, the modernization efforts will provide for seamless integration with the data portion of the website and, therefore, more efficient use of the agency's resources. The study of the FEC's eFiling system showed that 59 percent of electronic filers use the agency's software. Improvements to modernize this tool continues to be an important priority for the Commission.

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<sup>7</sup> Available at <https://fec.gov/about/reports-about-fec/agency-operations/e-filing-study-2016/>.

In conjunction with the redesign of the agency's website, the FEC has begun the process of migrating appropriate data and systems, such as the campaign finance database, to a cloud environment. Cloud hosting offers a number of benefits for the FEC in particular. The agency's Internet traffic is variable, with many more visitors accessing the website during election years and near reporting deadlines. In addition to website visitors, filers need to access the electronic filing system and Commission staff need to access applications, including the website and databases, to perform their work-day duties. With a cloud-hosted application and database infrastructure, the FEC will only need to pay for the actual usage, rather than constantly maintaining the capacity to support peak usage, even during periods of reduced usage. Website downtime will be minimized and server maintenance will be managed by the cloud computing provider.

In addition, the move to a cloud-hosted model provides the Commission with opportunities to retire a number of costly legacy systems and reduce the agency's data center footprint.<sup>8</sup> For example, the agency successfully migrated its campaign finance database and website to a cloud environment and shut down one of its four physical data centers. Migrating these assets to a cloud environment significantly lowers the cost of maintaining these systems, even as the campaign finance database continues to grow each year. Planned improvements to the eFiling system, which was designed in the mid-1990s, will provide an opportunity to migrate the eFiling data center to a cloud environment as well, reducing our costs for the support and maintenance of the legacy eFiling physical data center. Thus, in addition to improving service delivery to the public, migrating to a cloud environment will help the agency to confront the increasing long-term costs of maintaining IT legacy systems.

The FEC is currently conducting a study of its remaining legacy systems to develop a cloud migration plan for these applications and systems. There are eleven legacy systems that need to be migrated to the cloud including the FEC's primary disclosure database and systems used on a day-to-day basis by both public facing offices and mission support staff. This cloud migration plan will also include recommendations for migrating the FEC's disaster recovery environment to a cloud environment. To realize the full value of this study, and to more quickly realize the cost and efficiency benefits of migrating appropriate applications and systems to a cloud environment, the FEC request would allow the agency to begin implementation of the study's recommendations. Funding below the requested FY 2021 level would require the FEC to wait until a future year to implement the next steps of the cloud migration project, during which time the value of the current study would degrade and the agency could be required to take short-term steps to meet mission requirements, resulting in higher costs over the long term.

## **Managing Customer Experience and Improving Service Delivery**

Key to all of these efforts are the FEC's continuing efforts to maintain the current high performance of staff and the excellent service they provide to the public. The Commission has established a series of data-driven metrics to measure customer satisfaction with educational outreach efforts and to ensure that matters are moved efficiently and fairly through the enforcement and compliance processes, with complainants and respondents afforded sufficient transparency regarding the processes. To improve

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<sup>8</sup> The FEC's efforts to reduce spending on operation and maintenance costs is consistent with the Government Accountability Office's May 2016 report, *Federal Agencies Need to Address Aging Legacy Systems*.

customer service, in FY 2021 the FEC plans to roll out a redesigned eFiling platform which is being created using customer experience design. The new eFiling system will be user friendly and promote regulatory compliance. During FYs 2020 and 2021, the FEC is pursuing a plan to hire staff in public-facing offices such as the Reports Analysis Division, the Office of the General Counsel, and in the Office of the Chief Information Officer to better serve the public's information needs. In FY 2021, the agency will also need to create a new position to comply with government-wide records management directives. The FEC is pursuing a hiring initiative to ensure the agency is properly staffed for the substantial and likely permanent increase in workload that occurs in a Presidential election year and reflects campaign finance trends. The FEC also continues to carefully manage attrition to ensure the agency develops a workforce for the 21<sup>st</sup> Century. The FY 2021 request level of \$73.3 million would allow FEC to support these efforts and support an updated awards program as called for in OMB's memorandum on "Guidance on Awards for Employees and Agency Workforce Fund Plan," M-19-24 (July 12, 2019).

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## Section 2: Budget Overview

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### 2A: OMB Budget Guidance Level

In this section, pursuant to Office of Management and Budget (OMB) guidance, budget increases and decreases are identified, and the fiscal year (FY) 2021 budget request is compared to the Consolidated Appropriations Act, FY 2020. For FY 2021, the requested appropriation is \$1.8 million more than the FY 2020 appropriation, representing a 2.56 percent increase. Three quarters of the increase is due to a 1 percent pay increase, higher retirement benefits costs, an additional FTE, and cash awards. The remainder of the increase is due to an increase in rent expense resulting from the expiration of free and reduced rent periods and supplies and materials needed to support workforce development.

#### Personnel

The FEC has historically experienced a spike in customers during years leading up to and including the fiscal year of a Presidential election, including increased campaign finance disclosure, increased public interest in data available from the FEC website and increased requests for assistance and advice from campaigns and filers. The FEC is currently filling high-priority vacancies in anticipation of the 2020 Presidential and other federal elections and to handle increasing workloads. Consequently, the FEC seeks an addition of \$1,346,201 above the FY 2020 enacted level to support an increase in awards, personnel benefits, and personnel compensation. These funds would provide the agency with vitally needed flexibility to fill critical vacancies. In total, this level would support 328 FTE.

Category	Amount
<b>FY 2020 Personnel Budget</b>	<b>\$50,310,674</b>
Cash Awards	54,255
Personnel Benefits	319,935
Personnel Compensation	972,011
<b>Total Change:</b>	<b>\$1,346,201</b>
<b>FY 2021 Personnel Budget Request</b>	<b>\$51,656,875</b>

## **Non Personnel**

The FY 2021 request includes funding at FY 2020 levels for non-capitalized and capitalized equipment in order to meet the challenges of the 2020 election and to upgrade and refresh hardware. Delaying these necessary upgrades raises the risk of performance and security issues resulting from running updated software on outdated hardware. In a presidential election year and in the year after, the FEC processes an increased number of campaign finance transactions and increases data hosting demand associated with making this volume of information secure and accessible. The requested level will ensure the FEC is able to achieve its mission of data transparency.

Funding at the requested level will also continue to support IT modernization projects described above, including the eFiling modernization effort. The FEC's modernized eFiling platform will be administered by existing FEC staff and hosted in a cloud environment, which will reduce contractor support costs. Delaying this investment would imperil these future efficiencies and could diminish the value of prior investments in this modernization project.

The agency seeks an additional \$485,586 above its FY 2020 budget for non-personnel expenses. Free and reduced rent periods for the FEC expired during FY 2020 and rent expense will increase in FY 2021. Sixty percent of this increase would be absorbed by utilizing efficiencies from IT modernization efforts, strengthening support offices in order to reduce costs for federal goods and services, and reducing travel costs. Additional funding would also be used to pay supplies and materials costs associated with workforce development.

Table 2

Category	Amount
<b>FY 2020 Appropriation</b>	<b>\$71,497,000</b>
<b>Personnel Changes</b>	
Personnel Compensation and Benefits	1,346,201
<b>Personnel Changes Subtotal:</b>	<b>\$1,346,201</b>
<b>Non-Personnel Changes</b>	
IT Contracts	-279,244
Federal Goods & Services	-178,000
Travel	-97,195
Supplies & Materials	59,909
GSA Rent	980,116
<b>Non-Personnel Changes Subtotal:</b>	<b>\$485,586</b>
<b>Total Change:</b>	<b>\$1,831,787</b>
<b>FY 2021 Budget Request</b>	<b>\$73,328,787</b>

## 2A.1: Description of Budget Increases and Decreases

**Program Increases and Decreases .....\$1,831,787**

**Personnel Increases..... \$1,346,201/+1 FTE**

The personnel increase supports an awards program, consistent with OMB memorandum M-19-24, and an increased FTE. It supports the agency's approved staffing strategy and the President's Management Agenda in Developing a Workforce for the 21<sup>st</sup> Century and would support offices vital to the 2020 Presidential election, including the Office of the General Counsel, Office of the Chief Information Officer and Reports Analysis Division.

**Non-Personnel Increases and Decreases .....\$485,586**

**IT Contracts ..... -\$279,244**

The agency continues its Information Technology modernization efforts and plans to identify associated efficiencies.

**Federal Good and Services..... -\$178,000**

The agency is reviewing its Federal agreements for efficiencies, including any efficiencies gained from strengthening current offices.

**Travel ..... -\$97,195**

This decrease is the result of the Audit Division conducting more in-house audits. The agency has exercised this practice when needed as an efficient means of reducing travel related to audits.

**Supplies and Materials .....\$59,909**

This increase is to assist the agency with equipping the work force with adequate up-to-date supplies and materials.

**GSA Rent .....\$980,116**

In FY 2018, the agency moved into a new facility. Incorporated in the lease agreement were free and reduced rent periods in the early years of the lease. The periods of free and reduced rent have expired, requiring an increase for GSA Rent.

Table 2 highlights the FY 2021 OMB Budget Request as compared to the President’s FY 2020 appropriation and FY 2019 actual obligations.

**Table 3**  
**FY 2021 Budget Request Object Class Data**

Object Class Data Federal Election Commission	FY 2019 Actual	FY 2020 Enacted	FY 2021 Budget Request	Change from FY 2020 Enacted to FY 2021 Budget Request	% Change from FY 2020 Enacted to FY 2021 Budget Request
11 Personnel Compensation	35,294,095	37,671,320	38,643,331	972,011	2.58%
11.52 Cash Awards	512,373	575,000	629,255	54,255	9.44%
12.1 Personnel benefits	11,149,316	11,648,609	11,968,544	319,935	2.75%
12.18 Transit Subsidy	324,552	415,745	415,745	0	-
<b>Subtotal, Personnel</b>	<b>\$47,280,336</b>	<b>\$50,310,674</b>	<b>\$51,656,875</b>	<b>\$1,346,201</b>	<b>2.68%</b>
21 Travel & transportation of persons	139,667	347,200	250,005	-97,195	-27.99%
23.1 GSA Rent	432,351	4,243,450	5,223,566	980,116	23.10%
23.3 Communications, Utilities & Postage	545,586	469,259	469,259	0	-
24 Printing & Reproduction	152,279	156,940	156,940	0	-
25.11 Training, Commercial Fed. & Tuition	552,365	629,705	629,705	0	-
25.14 IT Contracts	9,696,393	8,000,000	7,720,756	-279,244	-3.49%
25.2 Contracts & Other Services	1,583,475	2,750,750	2,750,750	0	-
25.3 Federal Goods & Services	3,432,561	1,791,000	1,613,000	-178,000	-9.94%
26 Supplies and Materials	797,014	1,104,266	1,164,175	59,909	5.43%
31 Non-Capitalized and Capitalized Equipment	3,911,737	1,693,756	1,693,756	0	-
<b>Subtotal, Non-Personnel</b>	<b>\$21,243,428</b>	<b>\$21,186,326</b>	<b>\$21,671,912</b>	<b>\$485,586</b>	<b>2.29%</b>
<b>TOTAL</b>	<b>\$68,523,764</b>	<b>\$71,497,000</b>	<b>\$73,328,787</b>	<b>\$1,831,787</b>	<b>2.56%</b>

## **2B: Appropriations Language**

The FEC's request includes the funding level necessary to support the agency's mission and represents a 2.56 percent increase above the FY 2020 funding level. The FEC is including the following 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, \$73,328,787, of which not to exceed \$5,000 shall be available for reception and representation expenses.*

## 2C: Recommended Legislative Changes

On December 13, 2018, the Commission submitted legislative recommendations to Congress and the Administration.<sup>9</sup> Two of these recommendations represent bold proposals to streamline processes for disclosing campaign finance data to the public and ensure that the agency can provide more timely disclosure of reported campaign finance data at a lower cost to taxpayers. These initiatives require statutory changes to be enacted through legislation, and proposed statutory language for each was approved by the Commission and provided to the Congress and the Administration.

### **Electronic Filing of Electioneering Communication Reports**

*Section:* 52 U.S.C. § 30104(a)(11)(A)(i)

*Recommendation:* Congress should require reports of electioneering communications to be filed electronically with the Commission, rather than on paper.

*Explanation:* The Treasury and General Government Appropriations Act, 2000, Pub. L. No. 106-58, § 639, 113 Stat. 430, 476 (1999), required the Commission to make electronic filing mandatory for political committees and other persons required to file with the Commission who, in a calendar year, have, or have reason to expect to have, total contributions or total expenditures exceeding a threshold amount set by the Commission (which is currently \$50,000). In addition, many independent expenditure reports are already subject to mandatory electronic filing under 52 U.S.C. § 30104(a)(11)(A)(i). However, because electioneering communication reports are not filed by political committees, and because funds spent for electioneering communications are reported as “disbursements,” and not as “expenditures,” the mandatory electronic filing provisions do not apply to electioneering communication reports.

Compared to data from paper reports, data from electronically filed reports is received, processed and disseminated more easily and efficiently, resulting in better use of resources. Reports that are filed electronically are normally available to the public, 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 web site is 48 hours.

Electronic filings are not subject to delay due to post office processing or disruptions in the delivery of mail, such as those arising from security measures put in place after the discovery of anthrax powder and ricin in mail. Because of these security measures, the Commission’s receipt of mailed paper filings is delayed. In contrast, electronic filings are not subject to these delays.

Only entities that report more than \$50,000 of electioneering communications would be subject to mandatory electronic filing under the proposal. The current threshold selected by the Commission ensures that entities with limited financial resources can file reports on paper, which avoids the limited cost of internet access and a computer sufficient to file reports.

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<sup>9</sup> <https://www.fec.gov/resources/cms-content/documents/legrec2018.pdf>. The Commission did not issue legislative recommendations in 2019.

## **Increase and Index for Inflation Registration and Reporting Thresholds**

*Sections:* 52 U.S.C. §§ 30101, 30104 and 30116

*Recommendation:* Congress should increase and index for inflation certain registration and reporting thresholds in the Federal Election Campaign Act that have not been changed since the 1970s.

*Explanation:* Most of the Federal Election Campaign Act's contribution limits and registration and reporting thresholds were set in the 1970s. Because over twenty years of inflation had effectively reduced FECA's contribution limits in real dollars, the Bipartisan Campaign Reform Act of 2002 increased most of the Act's contribution limits to adjust for some of the effects of inflation. Furthermore, BCRA indexed these limits for inflation to address inflation in future. The Commission proposes extending this approach to registration and reporting thresholds, which have been effectively reduced by inflation since those thresholds were established in 1971 or 1979.

Since 1971, FECA has provided that any group of persons that receives contributions or makes expenditures in excess of \$1,000 in a calendar year must register and report as a political committee. 52 U.S.C. § 30101(4)(A). FECA also requires political committees to abide by the contribution limits and source prohibitions specified in FECA. Since 1979, FECA has provided that local political party organizations are also subject to a \$1,000 threshold for federal political committee status. 52 U.S.C. § 30101(4)(C). The Commission recommends that Congress increase these thresholds to amounts determined appropriate by Congress, and then index those amounts for inflation to prevent erosion in the future. Raising this threshold would be particularly beneficial for local and Congressional district committees of political parties. These organizations frequently breach the \$1,000 threshold. An increased threshold would permit limited spending on federal elections without triggering federal political committee status for local and Congressional district committees of political parties.

Since 1979, FECA has required persons (other than political committees) who make independent expenditures in excess of \$250 in a calendar year to report such expenditures to the Commission. 52 U.S.C. § 30104(c)(1). The Commission recommends that Congress increase this threshold to an amount determined by Congress and index this amount for inflation.

Increasing these thresholds would take into account many years of inflation and the general increase in campaign cost and ease the compliance burdens on smaller organizations and individuals. Additionally, by increasing the thresholds, Congress would exempt some individuals and small organizations that engage in only minimal spending from the Act's registration and reporting requirements. Increasing the registration and reporting thresholds to compensate for inflation would leave significant financial activity subject to regulation as intended by Congress when it enacted the FECA.

## **2D: Federal Election Commission Agency Workforce Plan for 2021**

The Commission understands that its greatest resource is its employees, and the agency is committed to providing a working environment that promotes and supports the best efforts of its staff. The FEC maintains a program to provide ratings-based awards for employees who show sustained excellence in their work throughout the year. This program supports the FEC's Strategic Objective to foster a culture of high performance. In addition, the FEC's strategic planning framework provides alignment between the FEC's strategic goal and objectives and the work of individual offices and divisions, as reflected in performance appraisals. The FEC launched a revised performance appraisal system for Non-Bargaining Unit Employees (NBUE) in the 2013-2014 performance year that directly ties individual performance to agency performance objectives, and has made efforts to ensure that employee performance plans reflect the agency's strategic goal.

For FY 2021, the agency intends to increase awards spending by at least 1 percent of non-SES/SL salary spending in 2021 to support the President's Management Agenda in this area. All employees, except Commissioners, are eligible for awards. The agency anticipates spending \$629,255 on awards in FY 2021.

### **Ratings-Based Awards**

Under the 2013 Labor Management Agreement between the FEC and the National Treasury Employees Union, as amended in 2015 (LMA), a Bargaining Unit Employee (BUE) receives a ratings-based award when an employee's overall performance rating is at the "Exceeds Requirements" level or higher. Under the LMA, awards amounts are determined according to a formula based on the employee's summary rating level and the employee's salary. This formula serves to ensure that ratings-based awards are allocated in a manner that provides a meaningful distinction in performance.

The FEC determines the amounts of ratings-based awards for Non-Bargaining Unit Employees (NBUEs) based on a parallel calculation that applies to the NBUE performance appraisal rating system. For both BUE and NBUE, no award will be given if the employee receives a rating of "unacceptable" on any element of the performance appraisal.

#### *BUE Performance Awards Calculation*

##### Summary Rating / Percentage of Mid-Point Salary

4.0 to 4.24	.75%
4.25 to 4.49	1.00%
4.50 to 4.99	1.75%
5.00	2.75%

### *NBUE Performance Awards Calculation*

#### Summary Rating / Percentage of Mid-Point Salary

400 to 424	.75%
425 to 449	1.00%
450 to 474	1.75%
474 to 500	2.75%

The LMA further specifies that, in years where there are insufficient funds to provide bargaining unit employees awards in amounts indicated by the LMA because the total funds available for BUE and NBUE is insufficient, the FEC will reduce all ratings-based awards by the same amount.

#### **Individual Contributions Awards**

The FEC terminated its individual contributions awards program in part due to budget and management constraints. The FEC is considering ways to re-implement the program for individual contributions awards, which provided recognition for employees and teams in areas of strategic values, such as innovation, teamwork, and special acts. The FEC is currently researching how to re-implement this program for the 2020 fiscal year. As we consider re-implementing the program, the FEC wants to ensure that individual contributions awards align with agency strategic goals and support organizational values, and that appropriate mechanisms are in place to evaluate the effectiveness of the awards.

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## **Section 3: FY 2021 Annual Performance Plan and FY 2019 Annual Performance Report**

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### **3A: Introduction**

This Annual Performance Plan and Report (APP/APR) is considered the companion to the Federal Election Commission's Strategic Plan for Fiscal Years (FY) 2018-2022, and designed to provide a solid framework for performance planning and reporting in accordance with the requirements of the *GPR Modernization Act of 2010*.<sup>10</sup> The FY 2021 Annual Performance Plan and FY 2019 Annual Performance Report are combined in this document to present accomplishments through FY 2019 and performance targets associated with FYs 2019, 2020 and 2021.

This plan positions the agency to promote compliance and to engage and inform the public about campaign finance data and rules. 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.

#### **3A:1 Mission Statement**

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

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<sup>10</sup> The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPR Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

### 3B: Organizational Structure

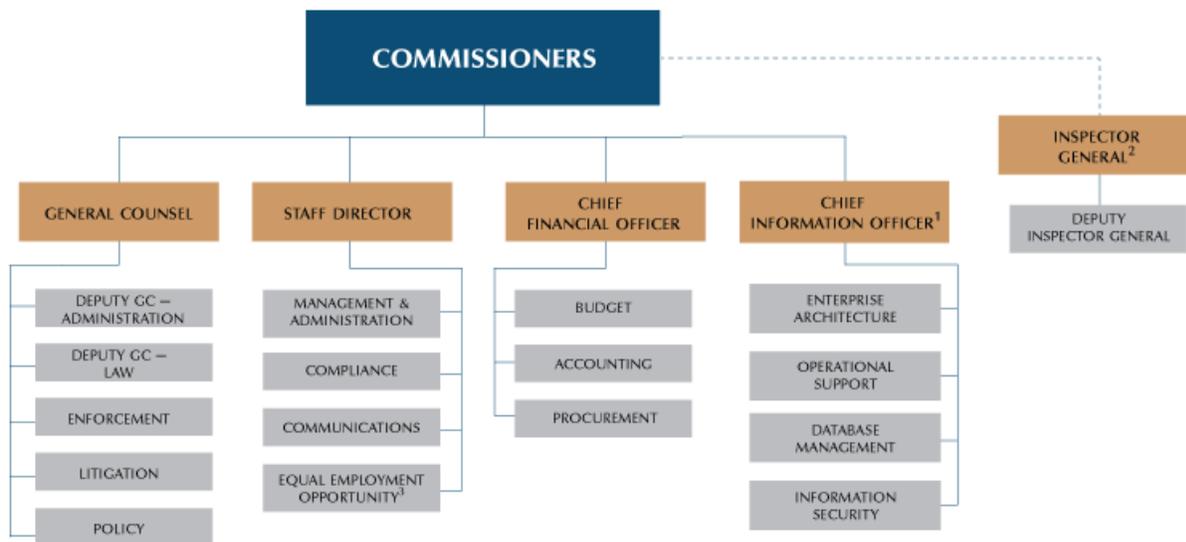
The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act (the Act)*.<sup>11</sup> The Commission is also responsible for administering the Federal public funding programs for Presidential campaigns. This responsibility 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 at [www.fec.gov](http://www.fec.gov) as well as through 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.

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 may be members of the same political party. Each member serves a six-year term, and two seats are subject to appointment every two years. Commissioners may serve beyond their six-year terms until new Commissioners are confirmed. The Chairmanship of the Commission rotates among the members. The Commissioners are responsible for administering and enforcing the *Act* 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 official actions, thus requiring bipartisan decision-making. The FEC has its headquarters in Washington, D.C. and does not have any regional offices.

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<sup>11</sup> The 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 52 U.S.C. §§ 30101-30145*) (formerly 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*).



<sup>1</sup> The position of 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.

<sup>2</sup> The Office of the Inspector General (OIG) independently conducts audits, evaluations, and investigations. OIG keeps the Commission and Congress informed regarding major developments associated with their work.

<sup>3</sup> 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, 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 immediately 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 efficiently. In addition, this office houses the Commission Secretary, the Office of Human Resources (OHR) and the Administrative Services Division (ASD). The primary responsibilities of the Office of Compliance are making campaign finance reports and data available to the public, review of campaign finance reports, assistance with compliance, audits, administrative fines and alternative dispute resolution. The Office of Communications includes divisions charged with making enforcement, policy and other Commission documents, as well as

Presidential candidates' personal financial disclosure reports, available to the public, encouraging voluntary compliance with the *Act* through educational outreach and training, and ensuring effective communication with Congress, executive branch agencies, states, the media and researchers, and the general public. 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 Deputy General Counsel—Administration; (2) the Deputy General Counsel—Law; (3) the Policy Division; (4) the Enforcement Division; and (5) the Litigation Division. The Deputy General Counsel—Administration directly supervises the Administrative Law Team, the Law Library and all OGC administrative functions. The Deputy General Counsel—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 supervising the agency's ethics program. The Policy Division drafts for Commission consideration advisory opinions and regulations interpreting the Federal campaign finance law and provides legal advice to the FEC's compliance programs. The Enforcement Division recommends to the Commission appropriate action to take with respect to administrative complaints and apparent violations of the *Act*. Where authorized, the Enforcement Division investigates alleged violations and negotiates conciliation agreements, which may include civil penalties and other remedies. If an enforcement matter is not resolved 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 and appellate courts in all civil litigation involving campaign finance statutes. This Division assists the Department of Justice's Office of the Solicitor General when the Commission's *FECA* cases are before the Supreme Court.

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

The Office of the Chief Information Officer (OCIO) consists of four units: (1) Enterprise Architecture; (2) Operational Support; (3) Data Administration; and (4) IT Security. The OCIO provides secure, stable and robust technology solutions for Commission staff and the public. OCIO both develops and maintains the systems that serve as the public's primary source of information about campaign finance data and law and ensures agency employees have a technology infrastructure that allows them to perform their day-to-day responsibilities administering and enforcing campaign finance law. OCIO also develops and supports analytic reporting tools that help staff perform their disclosure and compliance duties.

**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.

## **3C: Performance Framework**

### **3C:1 Strategic Goal**

The strategic goal of the Federal Election Commission is to fairly, efficiently and effectively administer and enforce the *Federal Election Campaign Act*, promote compliance and engage and inform the public about campaign finance data and rules, while maintaining a workforce that delivers results.

### **3C:2 Plans and Progress by Strategic Objective**

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 financial support for Federal candidates, political party committees and other political committees. 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 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. Consequently, the FEC’s fourth strategic objective is to foster a culture of high performance in order to ensure that the agency accomplishes its mission efficiently and effectively. The FEC’s strategies for reaching these objectives are outlined below.

#### **3C:2.1 Strategic Objective 1: Engage and Inform the Public about Campaign Finance Data**

*Leaders: Assistant Staff Director for Reports Analysis Division; Assistant Staff Director for Public Disclosure and Media Relations Division*

The FEC protects the integrity of Federal campaigns by providing transparency and fairly enforcing and administering Federal campaign finance laws. Full disclosure of the sources and amounts of campaign funds and fair enforcement of Federal campaign finance laws allow the public to make informed decisions in the political process. Transparency requires that information is not only kept by the FEC, but also provided to the public in an easily accessible way. In order to make certain that campaign finance disclosure information is quickly available and easily accessible to the public, the agency has made a number of improvements to modernize its campaign finance disclosure database and public interface. Specifically, the FEC has developed application programming interfaces (APIs) and other tools to improve access to campaign finance data. The agency is also committed to providing excellent customer service to help the public find and understand campaign finance information. The FEC gauges its effectiveness through a series of indicators designed to measure performance in areas that promote confidence in the campaign finance process, as detailed in the charts below.

## Strategies and Next Steps

The FEC's eFiling system acts as the point of entry for submission of electronically filed campaign finance reports, providing faster access to reports and streamlining operations. This system provides for public disclosure of electronically filed reports, via the FEC website, within minutes of being filed. When a committee files a financial disclosure report on paper, the Commission ensures that a copy is available for public inspection within 48 hours of receipt, both electronically on the website and at the FEC's offices in Washington, D.C. The FEC is committed to providing timely and transparent campaign finance disclosure to the public and delivering data in accessible and easy-to-use formats.

During FYs 2020 and 2021, the FEC will continue work to upgrade the agency's eFiling platform. In FY 2017, the Commission published a study of its current eFiling platform, including a survey of the existing functionality of the FEC's free filing software and an in-depth investigation of needs expressed by filers.<sup>12</sup> The FEC will rely on the recommendations of this study to improve its eFiling platform to allow greater operating system flexibility for users when generating filings for submission to the Commission and increase the consistency and accuracy of reporting. The FEC's new eFiling platform is expected to improve the process for validating filings prior to acceptance and generate modern file outputs that will provide for more flexibility in accessing data.

The Commission is continuing the redesign of its website by developing a user-centered online platform to deliver campaign finance information to its diverse base of users. This effort will ensure that the FEC provides full and meaningful campaign finance data and information in a manner that meets the public's increasing expectations for data customization and ease of use.

Performance measures for assessing progress on this Strategic Objective include measures to ensure that data from campaign finance reports are quickly made available to the public and that the FEC pursues programs to make data more accessible to the public.

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<sup>12</sup> Available at <https://fec.gov/about/reports-about-fec/agency-operations/e-filing-study-2016/>.

## Progress Update for FY 2019

The FEC continued its work to receive and make public campaign finance disclosure information. The FEC received 90,618 campaign finance disclosure documents filed during FY 2019 disclosing more than 100 million transactions. Reports filed electronically are made available on the FEC website, and may be downloaded by the public within minutes of submission. Reports filed on paper are scanned and made available on the FEC website within 48 hours of receipt. During FY 2019, the FEC ensured that 100 percent of paper filed reports were made available to the public within two business days and that 100 percent of independent expenditure filings were made available to the public within one business day.

After reports are imaged for disclosure purposes, the information is coded and entered into the FEC’s database for review to assess accuracy and ensure complete disclosure of campaign finance information. The agency’s goal is to code and enter 95 percent of the reports within 30 days of receipt. In FY 2019 the agency processed 94 percent of reports within 30 days of receipt.

In July 2018, the FEC began development of a cloud-based eFiling platform. The new eFiling platform will be browser based and mobile friendly. The cloud-based system will allow the FEC to scale up and down easily to match computing power and storage to fluctuating needs.

During FY 2019, the FEC completed development of the infrastructure to support the new eFiling platform. Development of the general user interface and the ability to validate, render and print reports and statements is complete. Functionality to provide account management, a suite of forms and schedules, data conversion tools and responsive design are pending development.

### Performance Goal 1-1: Improve the public’s access to information about how campaign funds are raised and spent.

Key Indicator: Percent of reports processed within 30 days of receipt.								
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
79%	92%	100%	96%	100%	95%	94% <sup>13</sup>	95%	95%

<sup>13</sup> The agency’s ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from December 22, 2018 to January 25, 2019.

## Supporting Indicators 1-1:

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Percent of reports and statements filed on paper with the FEC made available on the FEC website within two business days of receipt	100%	91% <sup>14</sup>	99%	99%	99%	100%	100%	100%	100%
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	100%	100%	100%	100%	100%	100%	100%	100%	100%
Implement modernized eFiling system	N/A	N/A	N/A	N/A	100%	50% implementation	40%	N/A	N/A

### 3C:2.2 Strategic Objective 2: Promote Compliance with the FECA and Related Statutes

*Leaders: Deputy Staff Director/Chief Compliance Officer; Deputy General Counsel—Administration; Deputy General Counsel—Law; Assistant Staff Director, Information Division*

Helping the public understand its obligations under the *Act* is an essential component of voluntary compliance. The FEC places a significant emphasis on encouraging compliance. The FEC measures its progress in meeting this Objective through two performance measures, discussed separately below. The first measures the agency’s efforts to encourage voluntary compliance through educational outreach and information and the second measures the FEC’s efforts to seek adherence to *FECA* requirements through fair, effective and timely enforcement and compliance programs. Progress against these measures and supporting indicators is detailed in the charts below.

### Strategies and Next Steps

*Encourage voluntary compliance with FECA requirements through educational outreach and information.*

The FEC’s education and outreach programs provide information necessary for compliance with campaign finance law and give the public the context necessary to interpret the campaign finance data

<sup>14</sup> During FY 2015, the Commission developed an automated process to measure this metric in order to provide a more accurate assessment.

filers disclose. The FEC maintains a toll-free line and public email accounts to respond to inquiries regarding campaign finance data disclosed to the public and questions about how to comply with campaign finance law and its reporting requirements. The FEC's Public Disclosure and Media Relations Division and Congressional Affairs Office also respond to inquiries.

One way the Commission encourages voluntary compliance is by hosting conferences across the country, where Commissioners and staff explain how the *Act* applies to candidates, parties and political action committees. These conferences address recent changes in the law and focus on fundraising, methods of candidate support and reporting regulations.

The FEC also devotes considerable resources to ensuring that staff can provide distance learning opportunities to the general public. The Commission's website is one of the most important sources of instantly accessible information about the *Act*, Commission regulations, and Commission proceedings. In addition to viewing campaign finance data, anyone with Internet access can use the website to track Commission rulemakings, search advisory opinions, audits and closed enforcement matters, view campaign finance data, and find reporting dates. The Commission places a high emphasis on providing educational materials about campaign finance law and its requirements. Toward this end, the FEC has moved its focus away from the printing and manual distribution of its educational materials and instead looked for ways to leverage available technologies to create and disseminate dynamic and up-to-date educational materials through the website. While the Commission continues to make available printed copies of its educational brochures and publications, transitioning to primarily web-based media has allowed the agency to reduce significantly its printing and mailing costs and use of resources while at the same time encouraging new and expanded ways of communicating with the public via the website.

As part of this broad effort to improve its Internet communications and better serve the educational needs of the public, the Commission maintains its own YouTube channel, which can be found at <http://www.youtube.com/FECTube>. The YouTube channel offers a variety of instructional videos and tutorials that enable users to obtain guidance tailored to their specific activities.

The agency's educational outreach program has been significantly enhanced with the addition of an online training service that enables political committees, reporters, students and other groups to schedule live, interactive online training sessions with FEC staff. This on-demand service allows the FEC to provide tailored, distance learning presentations and training to the public in a manner that will significantly increase the availability of FEC staff to serve the public. The service also offers an efficient and effective way for alternative dispute resolution and other enforcement respondents to satisfy the terms of their agreements with the agency.

*Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.*

The FEC has formed strategies for ensuring that its enforcement and compliance programs are fair, effective and timely. The Commission's statutory obligation is to administer, interpret and enforce the *Federal Election Campaign Act*, which serves the compelling governmental interest in deterring corruption and the appearance of corruption in financing elections. In doing so, the Commission remains mindful of the First Amendment's guarantees of freedom of speech and association, and the practical implication of its actions on the political process.

The FEC has exclusive jurisdiction over civil enforcement of Federal campaign finance laws. It consults with the U.S. Department of Justice, as appropriate, on matters involving both civil and criminal enforcement of the *Act*. Commission enforcement actions, which are handled primarily by the Office of General Counsel (OGC), originate from a number of sources, including external complaints, referrals from other government agencies and matters generated by information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. Enforcement matters are handled by OGC pursuant to the requirements of the *FECA*. If the Commission cannot settle or conciliate a matter involving an alleged violation of the *Act*, the Commission may initiate civil litigation by filing and prosecuting a civil action in Federal district court to address the alleged violation. Closed enforcement matters are available via the FEC website.

To augment OGC's traditional enforcement role, the Office of Compliance manages several programs that seek to remedy alleged violations of the *Act* and encourage voluntary compliance. These programs include: 1) the Alternative Dispute Resolution Program, 2) the Administrative Fine Program and 3) the Audit Program. The Commission's Alternative Dispute Resolution Program is designed to resolve matters more swiftly by encouraging the settlement of less-complex enforcement matters with a streamlined process that focuses on remedial measures for candidates and political committees, such as training, internal audits and hiring compliance staff. Violations involving the late submission of, or failure to file, disclosure reports are subject to the Administrative Fine Program. This Program is administered by the Reports Analysis Division (RAD) and the Office of Administrative Review (OAR), which assess monetary penalties and handle challenges to the penalty assessments. The Audit Program conducts "for cause" audits under the *FECA* in those cases where political committees have failed to meet the threshold requirements for demonstrating substantial compliance with the *Act*, and conducts mandatory audits under the public funding statutes. Subject to limited redactions, threshold requirements approved by the Commission and used by RAD and the Audit Division are public.

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 the FEC's review identifies an apparent violation or raises questions about the information disclosed on a report, RAD sends a request for additional information (RFAI letter) to the filer, affording an opportunity to take remedial action or correct the public record, if necessary. If the filer is able to resolve the FEC's concerns, it may avoid an enforcement action. If not, the Commission has several tools available to it, such as the Administrative Fine Program, Audit Program, the Alternative Dispute Resolution Program and the traditional enforcement program.

The Alternative Dispute Resolution (ADR) Program was implemented in FY 2001 with the primary objective to enhance the agency's overall effectiveness through more expeditious resolution of enforcement matters with fewer resources required to process complaints and internal referrals. A case is closed when the Commission votes on the recommendation made by the ADR Office as to what final action should be taken.

In response to a legislative mandate, an Administrative Fine (AF) Program was implemented in July 2000 to address late and non-filing of disclosure reports in a more efficient and effective manner. The AF Program is administered by RAD and Office of Administrative Review (OAR), which are within the Office of Compliance.

## **Progress Update for FY 2019**

*Encourage voluntary compliance with FECA requirements through educational outreach and information.*

During FY 2019, the Commission continued to meet its mandate to assist the public by providing access to campaign finance compliance information. The Commission is deeply committed to providing candidates, committees and the public timely advice and support so they can fully understand and comply with the *Act*. The Commission also continues to strive to better understand and meet the needs of the public and other stakeholders. During FY 2019, the FEC produced a variety of instructional videos and web content, conducted online training workshops and held a comprehensive two-day conference in Chicago, Illinois. The FEC again exceeded its customer service target for conferences and webinars, achieving an average attendee satisfaction rating of 4.45 on a five point scale.

*Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.*

### ***Reports Analysis Division***

During FY 2019, RAD continued to ensure that campaigns and political committees file timely and accurate disclosure reports that fully disclose their financial activities. During the fiscal year, RAD reviewed 93,060 documents totaling 34.9 million pages. RAD continued to demonstrate its commitment to assisting filers with compliance, handling 12,562 phone calls and meetings, 658 electronic mail inquiries, developing reporting examples for the FEC website, and participating in several FEC conferences, seminars and webinars during FY 2019. In addition, the Reports Processing Branch demonstrated its commitment to providing the public with timely data, coding 26.4 million transactions during FY 2019.

### ***Office of General Counsel***

OGC continues to seek improvement in meeting its obligations to the Commission and the public to handle its caseload efficiently and effectively despite staffing challenges. In FY 2019, the Commission closed 189 enforcement cases in an average of 21 months, which included \$2,153,036 in negotiated civil penalties. The Commission closed 106 cases (56 percent) within 15 months.

### ***Alternative Dispute Resolution***

The ADR program continued to promote compliance with Federal campaign finance law and Commission regulations and to reduce the cost of processing complaints by encouraging settlements outside the agency's normal enforcement track. During FY 2019, the Commission completed 49 ADR cases, which included \$265,755 in negotiated civil penalties. The Commission's performance measure for ADR is to circulate 75 percent of cases to the Commission within 140 days of a case being referred. Seventy percent of cases met the 140-day benchmark. The ADR program's ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from

December 22, 2018 to January 25, 2019.

***Administrative Fine Program***

The Administrative Fine Program continues to successfully reduce the number of late and non-filed reports and encourage campaign finance transparency through the timely filing of campaign finance reports. During FY 2019, RAD processed 262 reason-to-believe recommendations for Commission consideration. RAD processed 88 percent of these recommendations within 60 days of the original due date of the untimely or not filed report. OAR reviewed 37 challenges submitted by committees in response to a reason-to-believe finding and/or civil money penalty. OAR reviewed 97 percent of these challenges within 60 days of receipt. The average completion time for challenges was 43 days. Overall, OAR has reviewed 790 challenges submitted from the Program's inception through FY 2019

***Audit Division***

The Audit Division continues to enforce the *FECA* through an audit process approved by the Commissioners each cycle. During FY 2019, the Audit Division publicly released 10 Audit Reports, all of which were completed within the two-year performance goal period. During FY 2019 there were no challenges to preliminary audit findings under the Request for Legal Consideration by the Commission program established in 2011, nor were there any Audit Hearings requested.

**Performance Goal 2-1: Encourage voluntary compliance with FECA requirements through educational outreach and information.**

Key Indicator: Educational outreach programs and events achieve targeted satisfaction rating on user surveys.								
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
N/A	4.34	4.53	4.43	4.53	4.0 or higher on a 5.0 scale	4.45	4.0 or higher on a 5.0 scale	4.0 or higher on a 5.0 scale

**Supporting Indicators 2-1:**

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Increase in the number of E-Learning presentations available on the FEC website	13 new trainings	1 new training	4 new trainings	6 new trainings	3 new trainings	4 new trainings	9 new trainings	4 new trainings	4 new trainings
Implement correspondence tracking tool for public-facing offices	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A

**Performance Goal 2-2: Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.**

Key Indicator: Of the enforcement matters resolved during the fiscal year, the percentage that was resolved within 15 months of the date of receipt.								
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
28%	49%	38%	68%	62%	50%	56%	50%	50%

## Supporting Indicators 2-2:

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Percent of notifications provided within five days of complaints filed with the FEC	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percent of enforcement matters presented to the Commission for initial review within one year of the date of receipt	73%	93%	86%	86%	84%	80%	82%	80%	80%
Percent of RFAIs sent within 40 days of report review	84%	92%	92%	88%	88%	75%	88%	75%	75%
Percent of reports reviewed by RAD within 90 days of receipt	85%	79%	93%	77%	92%	75%	76%	75%	75%
Percent of <i>Proposed Final Audit Reports (PFAR)</i> approved by the Commission within two years from the start of fieldwork	93%	43%	56%	25%	45%	60%	100%	65%	65%
Percent of <i>Reviewing Officer Recommendations</i> circulated within 60 days	100%	97%	82%	97%	100%	75%	97%	75%	75%
Percent of <i>ADRO Recommendations</i> circulated within 140 days of referral	72%	90%	97%	78%	74%	75%	70% <sup>15</sup>	75%	75%

<sup>15</sup> The agency's ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from December 22, 2018 to January 25, 2019.

### **3C:2.3 Strategic Objective 3:** Interpret the FECA and Related Statutes

*Leader: Deputy General Counsel—Administration; Deputy General Counsel—Law*

Commission initiatives, Congressional action, judicial decisions, petitions for rulemaking or other changes in campaign finance law may necessitate that the Commission update or adopt new regulations. Consequently, the FEC undertakes rulemakings either to write new Commission regulations or revise existing regulations. The Commission also provides guidance on how the *Act* applies to specific situations through the advisory opinion process and represents itself in most litigation before the Federal district and appellate courts. The Commission’s three primary means for providing interpretive guidance for the *Act* and related statutes are discussed below.

#### ***Regulations***

The Policy Division of OGC drafts various rulemaking documents, including Notices of Proposed Rulemaking (NPRMs), for Commission consideration. NPRMs provide an opportunity for the public to review proposed regulations, submit written comments to the Commission and, when appropriate, testify at public hearings at the FEC. The Commission considers the comments and testimony and deliberates publicly regarding the adoption of the final regulations and the corresponding Explanations and Justifications, which provide the rationale and basis for the new or revised regulations.

#### ***Advisory Opinions***

Advisory opinions (AO) are official Commission responses to questions regarding the application of Federal campaign finance law to specific factual situations. The *Act* generally requires the Commission to respond to AO requests within 60 days. For AO requests from candidates in the two months leading up to an election, the *Act* requires the Commission to respond within 20 days. On its own initiative, the Commission also makes available an expedited process for handling certain time-sensitive requests that are not otherwise entitled to expedited processing under the *Act*. The Commission strives to issue these advisory opinions in 30 days.

#### ***Defending Challenges to the Act***

The Commission represents itself in most litigation before the Federal district and appellate courts and before the Supreme Court with respect to cases involving publicly financed Presidential candidates. It also has primary responsibility for defending the *Act* and Commission regulations against court challenges. In addition, the *Act* authorizes the Commission to institute civil actions to enforce the *Act*.

#### **Strategies and Next Steps**

The Office of General Counsel continues to focus on its processes to ensure that staff provides timely and well-written advice to the Commission so that it can meet its obligations to administer and enforce campaign finance law. The Commission considers it a high priority to ensure that guidance is provided through the advisory opinion process within the timeframes established by the *Act*. OGC continues to ensure that court filings meet all deadlines and rules imposed by the courts and has set as a performance target meeting 100 percent of these deadlines and rules.

## **Progress Update for FY 2019**

During FY 2019, the Commission met its goal to provide 100 percent of legal guidance within statutory and court-ordered deadlines. The Commission also met a separate goal to issue 100 percent of advisory opinions within the applicable 60- or 20-day statutory deadlines. During FY 2019, the Commission completed work on 18 AO requests and issued 14 opinions in response to those requests.<sup>16</sup> Of the 18 AO requests that the Commission completed in FY 2019, 17 were 60-day AORs (six of which received extended deadlines), and one was a 20-day AOR. These AOs addressed a variety of issues, including cybersecurity threats faced by political committees, the permissible/impermissible uses of campaign funds by federal candidates and officeholders, state party committee status, online contribution-processing applications, earmarking of contributions and cryptocurrency. The average number of days from receipt of a complete AO request to Commission action on it was 44 days for 60-day requests that did not have extended deadlines, 127 days for 60-day requests with extended deadlines, and 20 days for the 20-day request.

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<sup>16</sup> Two advisory opinion requests resulted in split decisions in which the Commission issued a closeout letter rather than an advisory opinion because the Commission could not approve an advisory opinion by the required number of affirmative votes. Two advisory opinion requests were withdrawn.

**Performance Goal 3-1: Provide timely legal guidance to the public.**

Key Indicator: Percent of legal guidance provided within statutory and court-ordered deadlines.								
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
100% <sup>17</sup>	100% <sup>18</sup>	100% <sup>19</sup>	100% <sup>20</sup>	100% <sup>21</sup>	100%	100% <sup>22</sup>	100%	100%

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<sup>17</sup> The Commission obtained extensions to consider ten advisory opinion requests in FY 2014; four of those extensions were attributable to the Federal government shutdown during October 2013. The Commission did not have any rulemakings during FY 2014 with statutory or court-ordered deadlines.

<sup>18</sup> The Commission obtained extensions to consider two advisory opinion requests in FY 2015. The Commission did not have any rulemakings during FY 2015 with statutory or court-ordered deadlines.

<sup>19</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2016.

<sup>20</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>21</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>22</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2019; two of those extensions were lengthened by the partial Federal government shutdown during the first and second quarters of FY 2019.

### Supporting Indicators 3-1:

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines	100% <sup>23</sup>	100% <sup>24</sup>	100% <sup>25</sup>	100% <sup>26</sup>	100% <sup>27</sup>	100%	100% <sup>28</sup>	100%	100%
Percent of court filings that meet all deadlines and rules imposed by the courts	100%	100%	100%	98%	99%	100%	97%	100%	100%

<sup>23</sup> The Commission obtained extensions to consider ten advisory opinions during FY 2014; four of those extensions were attributable to the Federal government shutdown during October 2013.

<sup>24</sup> The Commission obtained extensions to consider two advisory opinion requests in FY 2015.

<sup>25</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2016.

<sup>26</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>27</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>28</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2019; two of those extensions were lengthened by the partial Federal government shutdown during the first and second quarters of FY 2019.

### **3C:2.4 Strategic Objective 4:** Foster a Culture of High Performance

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

One of the objectives from the FEC's Strategic Plan, FY 2018-2022, Foster a Culture of High Performance, 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. Supporting targets and results are detailed in the charts below.

#### **Strategies and Next Steps**

The Commission understands that the success of its programs depends upon the skills and commitment of its staff. The Commission is focused on ensuring that staff training needs are assessed and met at every level of the agency and that agency leaders receive training necessary to help manage and maintain a fully engaged and productive workforce. The FEC is also focused on decreasing the time to hire, improving the agency's performance management systems and developing a supervisory and managerial training program for senior leaders, mid-career managers and first time supervisors.

The FEC is also implementing a multi-phase plan to reduce reliance on physical servers and migrate appropriate systems and data to a cloud environment. In conjunction with the redesign of the agency's website, the FEC successfully migrated its largest database, the campaign finance database, to a cloud environment and shut down one physical data center during FY 2018. Cloud hosting offers a number of benefits for the FEC's campaign finance database and website. The agency's Internet traffic is variable, with many more visitors accessing the website during election years and near reporting deadlines. With a cloud-hosted application and database infrastructure, the FEC only needs to pay for the actual usage, rather than constantly maintaining the capacity to support peak usage, even during periods of reduced usage. Website downtime is minimized and server maintenance is managed by the cloud computing provider. During FY 2020, the FEC is conducting a study to determine how best to migrate other appropriate systems and databases to the cloud, allowing the agency to realize greater efficiency and performance in future years. The FEC will focus on implementing the results of this study during FY 2021.

The Commission's records management program continues to make advancements, as described below. Fiscal Years 2020 and 2021 will bring continued focus on updating the agency's records schedules in compliance with the Transition to Electronic Records Memorandum, updating the agency's Records Management Program, and training all staff on the agency and government-wide records schedules, policies and responsibilities.

#### **Progress Update for FY 2019**

In accordance with the Transition to Electronic Records Memorandum, which superseded the Managing Government Records Presidential Directive as of June 28, 2019, the Commission has made important progress toward the Memorandum's goal of managing all permanent records in an electronic format with

appropriate metadata by 2022. In support of that goal, the Commission received approval from the Archivist of the United States for its National Archives and Records Administration (NARA) form 1005 (NA-1005) *Verification for Implementing GRS 6.1*. This established the Commission's agency-wide Email Management Policy via the Capstone approach. The Commission also received approval from the Archivist of the United States for its Commission Meeting Records Schedule. The Commission is seeking approval of its January 2018 request, pending with NARA, to electronically maintain all records associated with the Office of Alternative Dispute Resolution's case files, as NARA seeks to finalize and formally add to its regulations digitization standards applicable to paper records that are ultimately digitized.

During FY 2019, the FEC partnered with the Office of Personnel Management's HR Solutions to improve the FEC's staffing, classification and performance management processes. To begin streamlining and better documenting the agency's hiring procedures, the FEC and HR Solutions created new standard operating procedures (SOPs) and began to implement these new procedures during the third quarter of FY 2019. With these procedures, hiring managers are more directly involved throughout the hiring process, are receiving high quality advice and are able to onboard new hires more quickly. Despite time lost to the FEC's lapse in appropriations, from December 22, 2018 to January 25, 2019, the agency reduced average days to hire from 153 days in FY 2018 to 132 days during FY 2019. In FY2020 and 2021, the FEC will continue to focus on using the new SOPs to further streamline the hiring process and fill vacant positions faster.

In addition, the FEC implemented a new web-based performance management system for non-bargaining unit employees during FY 2019. The FEC also leveraged the partnership with the Office of Personnel Management to bring broad, high-quality supervisory trainings to the agency's supervisors during the year.

Consistent with its commitment to fostering the talents and skills of its employees and providing excellent service to the public, the FEC launched an Innovation Center during FY 2019. The FEC's Innovation Center is a cross-functional group within the agency that develops and implements user-centered, evidence-based design solutions for achieving the FEC's mission efficiently and effectively. Partnering with staff from across the agency, the core Innovation Center team will leverage staff business process knowledge and emerging technological advancements to improve the delivery of mission critical functions. The Innovation Center will improve organizational decision making and be tasked with harnessing the creativity and ideas of agency employees, and emerging technologies, to restructure systems, tools and processes, while building a 21st century IT infrastructure to better serve the American public.

**Performance Goal 4-1: Foster a workforce that delivers results.**

Key Indicator: Commission-required quarterly updates meet targeted performance goals.								
FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
73%	80%	76%	85%	73%	65%	53% <sup>29</sup>	65%	65%

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<sup>29</sup> The agency’s ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from December 22, 2018 to January 25, 2019.

## Supporting Indicators 4-1:

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Average number of days to hire	N/A	N/A	N/A	N/A	153	80 days	132 <sup>30</sup>	80 days	120 days
Implement new performance management system	N/A	N/A	N/A	N/A	N/A	Non-bargaining unit implementation	100%	N/A	N/A
Develop program for tiered supervisory training	N/A	N/A	N/A	N/A	Baseline Supervisory Training provided	Launch mid-career manager program	Baseline Supervisory Training provided	N/A	N/A
Meet Records Management Presidential Directive milestones	50%	N/A <sup>31</sup>	60%	70%	73%	As specified in Presidential Directive	76%	As specified in Presidential Directive	As specified in Presidential Directive
Reduce reliance on physical data centers	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A
Develop and implement Innovation Center	N/A	N/A	N/A	N/A	N/A	Complete by 2019	100%	N/A	N/A

<sup>30</sup> The agency's ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from December 22, 2018 to January 25, 2019.

<sup>31</sup> There were no Records Management Presidential Directive milestones for calendar year 2015.

### **3D: Implementation Factors**

#### **3D:1 Major Management Priorities, Challenges and Risks**

The FEC identified in the agency's FY 2018-2022 Strategic Plan a management objective, Foster a Culture of High Performance, that sets out strategies and measures designed to help the agency deliver greater impact through innovation, increase effectiveness and efficiency, and improve service. Detailed information about this Strategic Objective is available in section 3C:2.4, above. In addition, the Commission has identified management initiatives as strategic activities in the strategic plan to support its mission objectives where those activities are deemed crucial to the success of the objective.

During FY 2019 the FEC partnered with the Office of Personnel Management's HR Solutions to improve the FEC's staffing, classification and performance management processes. Goals for the FEC's human capital management processes are detailed in section 3C:2.4.

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 October 17, 2019, the IG identified five challenge facing management: governance and management framework:

1. The resignation of a Commissioner leaves the Commission without a four-person quorum;
2. Improve IT governance to prevent external threats into FEC systems;
3. The lack of a dedicated, full-time, Chief Information Officer (CIO) and vacancies in key leadership positions within the agency;
4. Address outstanding IG audit recommendations to improve agency operations for compliance and effectiveness;
5. Address the results from the annual Federal Employee Viewpoint Survey (FEVS) and *2016 Root Causes of Low Employee Morale Study* to inform and guide management decisions to increase employee morale.

The IG's assessment and the FEC's response are included in the FEC's FY 2019 Agency Financial Report, available on the FEC website at [https://www.fec.gov/resources/cms-content/documents/FEC\\_FY2019\\_AFR.pdf](https://www.fec.gov/resources/cms-content/documents/FEC_FY2019_AFR.pdf).

#### **3D:2 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.

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. 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 has completed 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 the completeness, consistency and accuracy of the reported data of their respective strategic activity.

### **3E: Conclusion**

As described in this section, the FEC's plans and strategies for FYs 2020 and 2021 are designed to ensure that the agency is well-prepared to provide full campaign finance transparency to the public despite the expected increase in campaign finance activity.

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## Office of Inspector General's Fiscal Year 2021 Budget Request

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The Inspector General Reform Act (Pub. L. 110-409) was signed by the President on October 14, 2008. Section 6(f)(1) of the Inspector General Act of 1978, 5 U.S.C. app., 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 2021:

- the aggregate budget request for the operations of the OIG is \$2,001,946.
- the portion of this amount needed for OIG training is \$42,000; and
- the portion of this amount needed to support the CIGIE is an estimated \$6,585.

I, Christopher L. Skinner, certify as the IG of the Federal Election Commission that the amount I have requested for training satisfies all OIG training requirements for fiscal year 2021.

## OIG Summary of Outstanding FEC OIG Audit Recommendations

The FEC OIG provides the table detailed herein for informational purposes only. It provides an update to FEC management as to the current status of the total outstanding recommendations reported in the OIG's most recent semiannual report for the period ending September 30, 2019.

OIG Audits/Inspections	Total Outstanding Recommendations as of September 30, 2019	Total Closed Recommendations (Oct 1, 2019-Jan 23, 2020)	Total Open as of February 2020 <sup>32</sup>
2010 Follow-up Audit of Privacy and Data Protection <i>9 years outstanding</i> <sup>33</sup>	17	5	12
Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans <i>7 years outstanding</i>	7	0	7
Audit of the FEC's Office of Human Resources <i>6.5 years outstanding</i>	2	0	2
Inspection of FEC's Compliance with FMFIA/OMB A-123 <i>5.5 years outstanding</i>	1	1	0
Audit of the FEC Telework Programs <i>3.5 years outstanding</i>	2	0	2
2017 and 2019 Required Review Under the DATA Act Audit <sup>34</sup> <i>2 years outstanding</i>	3	0	3
Outstanding Recommendations from prior Annual Financial Statement (FS) Audits <sup>35</sup> <i>At least 1 year outstanding</i>	8	2	6
Totals	40	8	32
<b>Total Outstanding Recommendations</b>			<b><u>32</u></b> <sup>36</sup>

<sup>32</sup> OIG has determined that FEC management has not adequately implemented the remaining recommendations.

<sup>33</sup> Timelines are calculated based on the final report issuance date.

<sup>34</sup> OIG notes that the (3) recommendations identified in the 2017 DATA Act audit were closed considering those recommendations were repeated in the 2019 Data Act audit and as a result, remain open and are reported herein.

<sup>35</sup> OIG recommendations are tracked, reviewed, and updated during the annual financial statement audit which was last updated in November 2019.

<sup>36</sup> The remaining outstanding recommendations include open recommendations from prior financial statement audits which the OIG does not provide in its semiannual report to Congress. Therefore, the total number of outstanding OIG recommendations excluding financial statement audit recommendations is 26.

