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FEDERAL ELECTION COMMISSION



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

2017 NOV 30 PM 4:05

November 30, 2017

**MEMORANDUM**

**To:** The Commission

**Through:** Alec Palmer *EWHP*  
Staff Director

Patricia C. Orrock *PCO*  
Chief Compliance Officer

**From:** Thomas E. Hintermister *TH*  
Assistant Staff Director  
Audit Division

**By:** Zuzana O. Pacious  
Audit Manager *ZOP*

**Subject:** Long Range Budget Estimates for the Presidential Election Campaign Fund  
(PECF) FY2018 – FY2028

The Department of the Treasury, Bureau of the Fiscal Service (BFS), has made its yearly request that the Commission provide estimates of the collections to and disbursements from the PECF from FY 2018 through FY 2028. Further, BFS requested that the Commission provide, if necessary, changes to the narrative text accompanying the President's FY 2019 Budget. (See Attachment 1).

As in prior years, the estimate of PECF expenditures assumes that nominees from both major parties will accept the general election grant. Estimated payments to the general election candidates are calculated using an estimated Consumer Price Index of 2.09% (See Attachment 2 page 2). Estimated payments to primary matching fund candidates in subsequent fiscal years are based on the average of the actual payments from the three preceding relevant fiscal years. Collections for the PECF have declined by an average of 3.31% in the last three years (See Attachment 2 page 3).

**Recommendation**

We recommend that you approve the changes suggested by the Audit Division to PECF budget estimate as outlined in the letter and estimates worksheet (Attachment 2). This matter is being circulated on a 72 hour no objection basis. Should you have any questions, please contact Zuzana Pacious at ext. 1347.



**DEPARTMENT OF THE TREASURY**  
**BUREAU OF THE FISCAL SERVICE**  
**WASHINGTON, DC 20227**

November 15, 2017

Lee E. Goodman  
Commissioner, Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Dear Mr. Goodman:

The Bureau of the Fiscal Service (Fiscal Service) is responsible for compiling long range budget estimates for a number of deposit funds, including the Presidential Election Campaign Fund, in the President's Budget. To prepare the Fiscal Year (FY) 2019 President's Budget, the Fiscal Service requests the following information:

- **Out-year Estimates:** the anticipated dollar amounts collected and outlaid for the Presidential Election Campaign Fund for FY 2018 through 2028 for each of the following: matching funds in primaries, nominating conventions for parties/ Pediatric Research Initiative Fund, and general elections.
- If necessary, changes required to the narrative text for this account. (Enclosure 1 is the proposed language for reference.)

Office of Management and Budget guidance requires actual prior year data be entered in the MAX budget preparation system along with out-year estimates. The FY 2017 data, obtained from the associated SF-133, was entered as required. (Please see Enclosure 2). The Fiscal Service would appreciate out-year estimates and text changes as soon as possible, but not later than Wednesday, November 30, 2017 in order to meet the reporting deadline requirements.

Please submit the requested information to both of the following Budget Branch staff:

Kisha Blair  
[Kisha.Blair@fiscal.treasury.gov](mailto:Kisha.Blair@fiscal.treasury.gov)

Linda Mountain  
[Linda.Mountain@fiscal.treasury.gov](mailto:Linda.Mountain@fiscal.treasury.gov)

If you have any questions, please contact Kisha Blair at 202-874-7790 or Linda Mountain at 202-874-5323. Thank you for your cooperation.

Sincerely,

Joberta L. Burns  
Burns

Digitally signed by Joberta L. Burns  
Date: 2017.11.14 20:00:29 -0500

Jo Lynn Burns  
Budget Officer  
Bureau of the Fiscal Service

Enclosures

Enclosure 1

Proposed FY 2019 President's Budget Appendix Narrative

Individual Federal income tax returns include an optional Federal income tax designation of \$3 that an individual may elect to be paid to the Presidential Election Campaign Fund (PECF). In recent years, fewer than 5 percent of individuals have elected to make this designation, resulting in less than \$30 million being paid into the PECF annually.

The Department of the Treasury collects the income tax designations and makes distributions from the PECF to qualified presidential candidates. Money for the public funding of presidential elections can only come from the PECF; if the PECF were to exhaust its fund balances, no other public funding could be used.

The Federal Election Commission administers the public funding program, determines which candidates are eligible and the amount to which they are entitled, and audits their use of funds. Current uses of the PECF are given below.

*Matching Funds for Presidential Primary Candidates* — Upon certification by the Federal Election Commission — based on a demonstration of broad national support, adherence to spending limits, and other qualifications — every eligible presidential primary candidate is entitled to receive \$250 in Federal matching funds for the first eligible \$250 of private contributions received from an individual. The private contributions must be received after the beginning of the calendar year immediately preceding the election year through the end of the calendar year of the election.

*Candidates for General Elections* — By statute, eligible candidates of each major party in a presidential election are entitled to equal payments in an amount that may not exceed \$20 million (adjusted for inflation since 1974) per party. In 2016, this amounted to \$96.1 million for each candidate, but neither major party candidate accepted general election funding. Eligibility for this funding depends on meeting several criteria, such as agreeing to limit spending to amounts specified by campaign finance laws. In addition, candidates from new parties, minor parties, and non-major parties who receive in excess of 5 percent of the popular vote may be entitled to a pro rata portion of the major party amount in the general election.

Enclosure 2

SF-133 Report  
Fiscal Period: 12/2017

<b>Line</b>	<b>Line Title</b>	<b>020 X5081000</b>
1000	Unobligated balance brought forward, October 1	316,075,107.92
1201	Appropriation (special or trust fund)	26,811,542.00
1203	Appropriation (previously unavailable)	1,945,921.12
1232	Appropriations and/or unobligated balance of appropriations temporarily reduced (-)	(1,849,996.00)
1260	Appropriation, mandatory (total)	26,907,467.12
1910	Total budgetary resources	343,316,449.79
2490	Unobligated balance, end of year (total)	343,181,549.79
4090	Budget authority, gross	26,907,467.12

OFFICE OF THE CHAIR

December xx, 2017

VIA E-MAIL

Ms. Jo Lynn Burns  
Bureau of the Fiscal Service  
Department of the Treasury

Dear Ms. Burns:

This is in response to your request for information to use in connection with the preparation of the FY 2019 President's Budget. Attached are estimates of collections and outlays (expenditures) from the Presidential Election Campaign Fund and the Presidential Primary Matching Payment Account for each fiscal year from 2018 through 2028. Should any of the assumptions change, the estimated payouts will change accordingly.

The estimates were prepared by the Commission's Audit Division based on information available from previous cycles. Assumptions and COLA factors are included on the attached chart. Should you have any questions concerning the estimates, please contact Zuzana Pacious at (202) 694-1347.

On Behalf of the Commission,

Steven T. Walther  
Chairman

Attachments:

Long Range Budget Estimates (FY18-FY28)

Long Range Estimate of Collections to the Presidential Election Campaign Fund

Revised Language for the FY 2019 President's Budget

**LONG RANGE BUDGET ESTIMATE OF EXPENDITURES (FY2018 - FY2028)**  
**Presidential Election Campaign Fund and Presidential Primary Matching Payment Account**

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL FY18 - FY28
<b>RECIPIENTS</b>												
PRESIDENTIAL PRIMARY MATCHING FUND CANDIDATES	\$ -	\$ -	\$ 7,900,000	\$ 402,000	\$ -	\$ -	\$ 7,900,000	\$ 402,000	\$ -	\$ -	\$ 7,900,000	\$ 24,504,000
GENERAL ELECTION CANDIDATES - MAJOR PARTY			\$ 211,475,981				\$ 229,693,084			\$ -	\$ 249,479,456	\$ 690,648,522
<b>TOTAL</b>	\$ -	\$ -	\$ 219,375,981	\$ 402,000	\$ -	\$ -	\$ 237,593,084	\$ 402,000	\$ -	\$ -	\$ 257,379,456	\$ 715,152,522

**Comments/Assumptions:**

1. Minor and new party candidates and their respective nominating conventions will not receive funding.
2. The Consumer Price Index is estimated at 2.09%.
3. No attempt has been made to factor into these estimates any legislative changes which may occur.
4. Outlays are at gross, there is no estimate for possible repayments.
5. Outlays to Primary candidates in the 2020, 2024 and 2028 election cycles are projections of the average of the previous three election cycles [2008, 2012, and 2016].
6. Nominees from both parties will accept the general election grant. (Should only one nominee accept the grant, this amount would be reduced by one half. Similarly, if the nominees from neither party accepts the grant the amount would be \$0.)

Based on CPI Figures through September 2017

**Footnote:**

Due to the convention funding changes enacted by the passage of HR 2019, the Commission no longer provides long range budget estimates for the national conventions.

**Long Range Estimate of Collections to the  
Presidential Election Campaign Fund  
FY 2018 – FY 2028**

<b>FY 2018</b>	<b>\$25,925,261.72</b>
<b>FY 2019</b>	<b>\$25,068,278.25</b>
<b>FY 2020</b>	<b>\$24,239,623.16</b>
<b>FY 2021</b>	<b>\$23,438,360.03</b>
<b>FY 2022</b>	<b>\$22,663,583.40</b>
<b>FY 2023</b>	<b>\$21,914,417.72</b>
<b>FY 2024</b>	<b>\$21,190,016.40</b>
<b>FY 2025</b>	<b>\$20,489,560.84</b>
<b>FY 2026</b>	<b>\$19,812,259.48</b>
<b>FY 2027</b>	<b>\$19,157,346.95</b>
<b>FY 2028</b>	<b>\$18,524,083.15</b>

## SF-133 Information

SF-133 Report  
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## Revised FY 2019 President's Budget Appendix Narrative

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*Candidates for General Elections.*—By statute, eligible candidates of each major party in a presidential election are entitled to equal payments in an amount that may not exceed \$20 million (adjusted for inflation since 1974) per party. In 2016, this amounted to \$96.1 million for each candidate, but neither major party candidate accepted general election funding. Eligibility for this funding depends on meeting several criteria, such as agreeing to limit spending to amounts specified by campaign finance laws. In addition, candidates from new parties, minor parties, and non-major parties who receive in excess of 5 percent of the popular vote may be entitled to a pro rata portion of the major party amount in the general election.