

**FEDERAL ELECTION COMMISSION**

**FISCAL YEAR 2017**

**CONGRESSIONAL BUDGET JUSTIFICATION**



**February 9, 2016**

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## SUMMARY OF FY 2017 BUDGET JUSTIFICATION

The Federal Election Commission (FEC) is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971* (“FECA” or “Act”), as amended.<sup>1</sup> FECA reflects Congress’s efforts to regulate federal campaign finance 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, other political committees and other political actors. Second, the 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) 2017 Budget Submission, the FEC’s total requested funding level is \$80.5 million: an operational budget of \$72.5 million to provide the necessary funding level to support the Agency’s mission and an additional \$8 million in two-year funds to cover expenses related to the expiration of the FEC’s office space lease.

### FEC Operational Budget Request

The FEC protects the integrity of the Federal campaign finance process by providing the public with accurate and accessible information about how candidates raise and spend funds to support their campaigns. Because of the large and rising number of political committees and the ever-growing number of financial disclosure reports filed with the FEC, the Commission anticipates significant campaign finance disclosure activity during FY 2017. In an average fiscal year, the FEC receives campaign finance reports, statements and other disclosure documents from more than 10,000 political committees and other filers. During FY 2017, the historical trend toward greater numbers of reports filed and transactions disclosed is expected to be amplified due to the highly competitive Presidential race. The staff-intensive work of reviewing disclosure reports related to the 2016 elections for compliance with the FECA and undertaking audit and enforcement matters, as necessary, is expected to continue into subsequent budget years.

By providing the public with transparency regarding campaign financing and ensuring that campaign finance law is fairly and effectively enforced and administered, the Commission provides the public with crucial information. To support this mission, the FEC provides the public with campaign finance information and gives timely advice and support so that candidates, committees and the public can fully understand and comply with the requirements of campaign finance law. In order to make certain that campaign finance disclosure data are quickly available and easily accessible to the public, and that the Commission provides legal and compliance information that is easy for a broad audience to search, understand and use, the Commission is undertaking an extensive, multiyear effort to redesign the FEC’s website. The FEC’s FY 2017

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<sup>1</sup> Public Law 92-225, 86 Stat. 3 (1972) (*codified at* 52 U.S.C. §§ 30101-30145).

<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).

request includes funds to continue this project. This effort will not only provide better and more accessible information to the public, but will also help the Agency improve its efficiency and IT security. In addition, the Commission's FY 2017 request includes funds to improve its electronic filing platform and begin a transition to cloud computing to provide secure, scalable and cost-effective data storage for the Agency. The request also includes funds to make improvements to Agency processes and infrastructure to ensure that it can make the best use of limited staff resources and continue to meet increasing public demand for its services.

An appropriation for the FEC's operational budget of \$72.5 million for FY 2017 would permit the Agency to carry out its mission and accomplish the priorities described herein during FY 2017.

### **FEC Lease Expiration Expenses**

On September 30, 2017, the FEC's current lease for its office space at 999 E Street, NW, Washington, D.C., will expire. The FEC is working closely with General Services Administration (GSA) to plan for the Agency's office space needs beyond the current lease. Based on GSA and OMB guidance, the FEC is seeking an appropriation of \$8 million—in addition to the \$72.5 million in annual funds identified above—that would be available until September 30, 2018, to cover costs related to its lease expiration. These necessary costs will include furniture, fixtures and equipment, IT data center, cabling and equipment and telecommunications.

The \$8 million in two-year funds requested for FY 2017 is in addition to the \$5 million in two year funds included in the *Financial Services and General Government Appropriations Act, 2016*<sup>3</sup> to cover initial expenses related to the expiration of the FEC's lease. This total amount, \$13 million, is based on GSA and OMB guidance and is consistent with the anticipated schedule for approval of the FEC's Housing Plan, which is pending before the Transportation & Infrastructure Committee in the House of Representatives and the Committee on the Environment & Public Works in the Senate.

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<sup>3</sup> Public Law 114-113, 129 Stat. 2242 (2015).

## MISSION STATEMENT

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

Congress created the FEC to administer, enforce and formulate policy with respect to the *FECA*. The *Act* reflects Congress's efforts to ensure that voters are fully informed of the sources of 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 the *FECA* and related statutes; (3) to interpret the *FECA* and related statutes; and (4) to foster a culture of high performance.

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

This Budget Justification is organized in three sections. Section 1 addresses the Agency's purpose and priorities in FY 2017. 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 2017.

## Section 1: Purpose and Priorities in FY 2017

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### 1A: Commission Overview and Future Outlook

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

The FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. Each member serves a six-year statutory term, and two seats are subject to appointment every two years. Commissioners may continue to serve beyond their six-year terms until new Commissioners are confirmed. The Commission's Chairmanship rotates for one-year terms among the members, with no member serving as Chairman more than once during a six-year term. The Commissioners meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires the affirmative vote of four members of the Commission to approve 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 the *Act*, including the handling of civil litigation arising from any legal actions brought by or against the Commission. Additionally, the Commission promulgates regulations implementing the *Act*. The Commission also has a statutory responsibility to issue advisory opinions responding to inquiries regarding interpretation and application of the *Act* and the Commission's regulations to specific factual situations.

The FEC's Strategic Plan for FY 2014 through FY 2019, developed pursuant to the *Government Performance and Results Act of 1993 (GPR)*<sup>4</sup> and the *GPR 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.

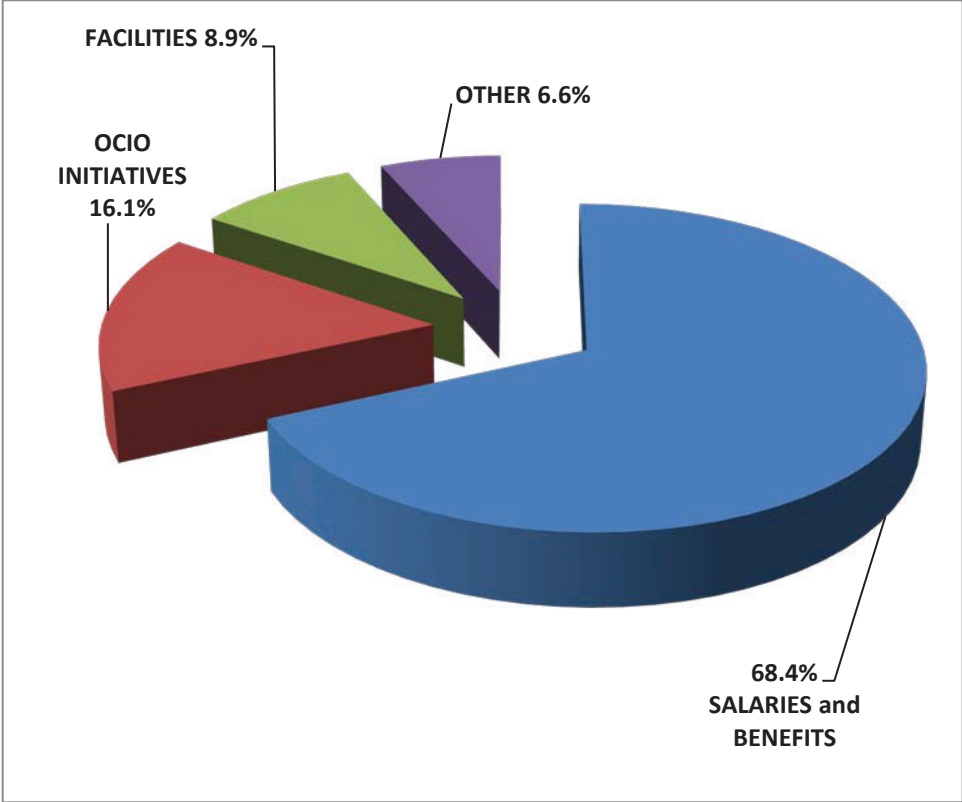
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<sup>4</sup> Public Law 103-62, 107 Stat. 285 (1993) (*codified at 31 U.S.C. § 1115 et seq.*).

<sup>5</sup> Public Law 111-352, 124 Stat. 3866 (2011) (*codified at 31 U.S.C. §§ 1115-1124*).

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. The Agency received two-year funds in FY 2016 and is seeking additional two-year funds in FY 2017 to cover expenses related to the expiration of the FEC’s office space lease. More than two-thirds of the Agency’s operational expenses are composed of personnel salary and benefits. Of the Agency’s remaining operational expenses, the largest categories are IT initiatives, including IT security initiatives, and facilities. These three requirements constitute over 90 percent of the Agency’s budget. Actual spending for FY 2015, which is shown in Figure 1 below, reflects the historical trend. The FEC expects the percentages in each category for its FY 2017 operational budget will be comparable to FY 2015.

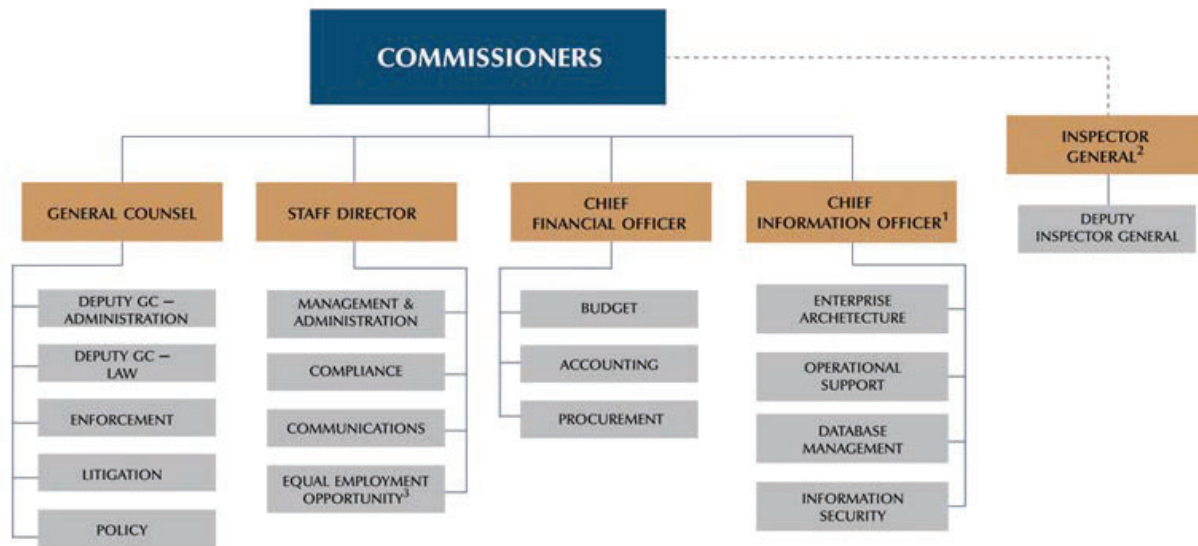
**Figure 1 – FY 2015 Obligations by Major Category as of September 30, 2015**





## 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 2017 Priorities**

The FEC priorities for FY 2017 are limited to those needs that will allow the Agency to fulfill its mission as required by law. Funding at the full amount of this request for operational expenses, \$72.5 million, would permit the FEC to take measures to enhance the delivery of campaign finance information and legal resources while improving efficiency and IT security. Full funding would also improve the Agency's processes and infrastructure, including cloud computing, improvements to the eFiling platform, continued enhancements to IT security and tools to maximize the capability and efficiency of staff. These priorities will ensure that the Agency can make the best use of limited staff resources and continue to meet increasing public demand for its services. Separate from its operational budget, the FEC requires an additional \$8 million of two-year funds to pay for costs associated with the September 2017 expiration of the FEC's lease. These are the FEC's priorities for FY 2017, and they are discussed in more detail below.

### **Meeting the Public's Information Needs while Improving Efficiency and IT Security**

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 amount of this request, \$72.5 million, would permit the FEC to improve the quality of services delivered to the public.

The Commission is undertaking an extensive effort to redesign the FEC's website. In partnership with 18F, an organization within the General Services Administration (GSA), the FEC is developing an agile, navigable, user-based online platform to deliver campaign finance information to its diverse base of users. Once complete, the redesigned FEC website will better meet the needs of an audience that spans from individual citizens seeking information about the candidates on their ballots to journalists and researchers who specialize in campaign finance issues, to filers and other political participants seeking legal guidance and compliance information. The FEC provides the public with a wealth of complex information, including current and historical campaign finance data, detailed information regarding the requirements of the campaign finance law and legal resources such as advisory opinions issued by the Commission and information on closed enforcement matters. The redesign effort will provide open, intuitive ways for the public to access and utilize the information most useful to them, including campaign finance data, compliance tools and legal resources. The redesign effort is a multiyear project, which will continue through FY 2017.

In addition to creating a robust, agile, user-centric website for the public, the redesign effort will also allow the FEC to make more efficient use of its resources and improve IT security by moving the campaign finance database to a cloud environment. Hosting the campaign finance database in the cloud will allow the Agency to save money in future years on the costs of server hardware and

hosting services while continuing to grow the database. This new cloud environment, which meets all National Institute of Standards and Technology (NIST) IT security requirements, will also help the Agency improve IT security while allowing us to share the costs and burdens of protecting our information and systems.

Funding at the full request level for FY 2017 will allow the FEC to make other related improvements to ensure the most efficient use of Agency resources. Launching the FEC's campaign finance database into a cloud environment is a first step in a wholesale transition to cloud computing, which will provide secure and cost-effective data storage for the Agency. Hosting data in a cloud environment will ensure the FEC can meet the public's growing demand for campaign finance information by providing faster and more customizable searches of campaign finance data. The Agency's move to cloud computing will provide a flexible infrastructure that is able to meet peak demand for services and present faster and more customizable searches of campaign finance data. During FY 2016, the FEC will complete a full study to determine which applications and data sources can appropriately be migrated into a cloud environment. Funding at the \$72.5 million level for Agency operations will allow the FEC to implement this transition during FY 2017.

In addition, the FEC seeks funds to improve its eFiling platform to make filing easier for users and make reviewing and disclosing the filed information easier for the Agency. Planned improvements to the 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.

### **Efficiency and Effectiveness of FEC Operations**

The FEC also requests FY 2017 funds to make improvements to its processes and infrastructure to ensure that the Agency can continue to meet increasing public demand for its services. The FEC requests funds to improve and maintain its existing level of IT security. During FY 2015, the Commission set as a priority improving its IT security program. The FEC purchased additional hardware and implemented a series of tools that substantially improved the Agency's IT security posture. Although the FEC has completed its initial phase of IT security upgrades, each additional security enhancement now requires ongoing support and maintenance. Thus, additional funds are needed to cover larger licensing and maintenance fees, hardware support and replacement costs, and staffing increases to implement and monitor new cyber security protocols that have become part of IT's baseline operations.

In order to meet the Commission's objectives, the FEC must continue to maximize the capability of staff at all levels and ensure that the FEC can plan for the future to maximize efficiency. Toward this end, the Commission requests funds to conduct a comprehensive management analysis of the Agency and its operations. The last such analysis was conducted in 1999, as directed by Congress in the *Independent Agencies Appropriation Act, 1998*.<sup>7</sup> The FEC is overdue

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<sup>7</sup> Public Law 105-61, 111 Stat. 1272, 1295 (1997).

for a review of its current functions and future needs in order to ensure the most efficient use of resources.

The Commission additionally seeks funds to improve employee services and support in order to ensure that it continues to hire and retain a highly talented workforce. Providing support to employees will help the FEC to recruit more skilled employees, reduce costly attrition and contribute to improved employee morale. The Commission is committed to ensuring that it recruits and retains an effective and high-performing staff and that it has resources in place to build the workforce needed for the future.

### **Expenses Related to September 2017 Lease Expiration**

The FEC currently maintains its sole headquarters in the heart of Washington, D.C. This central location supports the Agency's efforts to meet its statutory obligations by providing opportunities for the public to visit FEC headquarters to meet with Commissioners and staff, get help with filing campaign finance reports, research campaign finance disclosure data, attend public meetings of the Commission and attend training sessions. The Agency's current lease will expire in September 2017. The FEC is working closely with GSA to plan for the Agency's office space needs beyond the current lease. Based on recommendations from a GSA review, the FEC anticipates that total costs associated with the Agency's lease expiration expenses will be \$13 million. The *Financial Services and General Government Appropriations Act, 2016*,<sup>8</sup> included \$5 million in two-year funds to be used solely for initial expenses related to the expiration of its lease. Based on GSA and OMB guidance, the Agency seeks an additional \$8 million in two-year funds in FY 2017 to cover expenses associated with the lease expiration, including furniture, fixtures and equipment, IT data center, cabling and equipment, and telecommunications.

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<sup>8</sup> Public Law 114-113, 129 Stat. 2242 (2015).

## Section 2: Budget Overview

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### 2A: OMB Budget Guidance Level

In this section, pursuant to the Office of Management and Budget (OMB) guidance, budget increases and decreases are identified, and the FY 2017 budget request is compared to the FY 2016 appropriation. For FY 2017, the proposed FEC operating budget is \$4.4 million higher than FY 2016, primarily to address the priorities identified in section 1. Included in the request is a \$3.0 million increase in funds to be used for expenses related to the lease expiration. The other \$1.4 million increase is related to normal operations.

**Table 1**  
**Changes from FY 2016 Appropriation to FY 2017 Agency Request**

Category	Amount
<b>FY 2016 President's Budget (Includes Lease Expiration Expenses)</b>	<b>\$76,119,000</b>
<b>Personnel Changes</b>	
Personnel Compensation and Benefits	752,934
<b>Personnel Changes Subtotal:</b>	<b>\$752,934</b>
<b>Non-Personnel Changes</b>	
Federal Goods and Other Services	\$3,059,175
Non Capitalized and Capitalized Equipment	381,000
Contracts and Other Services	279,900
GSA Rent	165,090
Supplies and Materials	119,272
Training, Commercial, Fed & Tuition	62,260
IT Contracts	(398,631)
<b>Non-Personnel Changes Subtotal:</b>	<b>\$3,668,066</b>
<b>Total Change:</b>	<b>\$4,421,000</b>
<b>FY 2017 Budget Request (Includes Lease Expiration Expenses)</b>	<b>\$80,540,000</b>

## 2A.1: Description of Budget Increases

**Program Increases and Decreases (includes a \$3 million increase in lease expiration expenses) .....\$4,421,000/+5 FTE**

**Personnel Increases .....\$752,934/+5 FTE**

This increase in funding would cover higher salary and retirement benefits. Total Funding at \$80.5 million would allow the FEC to maintain the quality of services it delivers to the public and pursue the identified priorities in section 1. The decrease in the Transit Subsidy is due to a one time retroactive catch-up payment projected for FY 2016. The Agency currently has vacancies in key positions that may not get filled until FY 2017. The funding increase would also assist the FEC with recruiting and maintaining a mission driven, high-performing staff. The agency is projecting funding for up to 365 FTEs for FY 2017.

**Non-Personnel Increases and Decreases (includes lease expiration expenses) ..... \$3,668,066**

*Federal Goods and Services..... \$3,059,175*

Based on GSA and OMB guidance, the FEC requested \$5 million in FY 2016 to cover lease expiration expenses. In FY 2017 the FEC is requesting \$8.0 million in two-year funding, a \$3 million increase, to cover expenses related to the expiration of its lease. The funding would cover, costs associated with furniture, fixtures, and equipment. Funding would also cover IT Infrastructure, cabling, telecommunications and other associated costs. The funding would allow the Agency to adapt the acquired space to fit its use for the next 15 years and meet GSA specific space requirements.

*Non Capitalized and Capitalized Equipment ..... \$381,000*

This increase is to fund IT related equipment including personal computers, notebooks/tablets and servers. Funding would allow the Agency to replace the oldest equipment in its inventory with newer technology.

*Contracts & Other Services ..... \$279,900*

This increase will be used to supply contracting support to the Agency to compliment staffing. Areas of contractor support include Information Technology and Finance. Part of the increase is also due to regular contract price escalations for renegotiated contracts.

*GSA Rent..... \$165,090*

This increase is to fund normal increased rent costs that are built into the lease.

*Supplies and Materials* ..... \$119,272

The increase is needed to provide for increased costs for a computer-assisted legal research tool in the Office of General Counsel. The tool is instrumental in assisting the FEC’s legal team in performing valuable legal research. Other supplies and materials increases are included as well.

*Training* ..... \$62,260

The Commission plans to utilize the increase in training funds by funding current and new staff training opportunities. The training funds will be used to assist with staff training to keep up with ever changing requirements. The Agency plans to use web based, on site group training and to send employees to traditional classes to maximize use of the training budget.

*IT Contracts* ..... (\$398,631)

In FY 2017, a decrease in IT Contracts is budgeted because in FY 2015 and 2016 the Agency made a significant investment to address IT vulnerabilities. The funding was needed to ensure that the Agency can continue to meet the increasing public demand for its services. In FY 2016, the Agency is expected to obligate up to \$1 million on National Institute of Standards and Technology (NIST) and DATA ACT requirements. The FEC has completed its initial phase of IT security upgrades and believes that the FY 2017 funding level will allow it to sustain IT operations.

Table 2 highlights the FY 2017 OMB Budget Request as compared to the FY 2016 Appropriation and the FY 2015 actual obligations. The FEC's FY 2017 Budget Request is 5.8 percent greater than the amount the FEC included in the FY 2016 Appropriation. The \$4.4 million increase is necessary to achieve adequate staffing levels in order to accomplish our mission and includes a \$3 million increase to fund expenses related to the FY 2017 lease expiration.

**Table 2**  
**FY 2017 Budget Request**  
**Object Class Data**  
[in dollars]

Federal Election Commission		*FY 2015 Actual	**FY 2016 Budget	***FY 2017 Budget Request	change from FY 2016 to FY 2017	% change from FY 2016 to FY 2017
11	Personnel Compensation	\$34,799,225	\$35,868,138	\$36,370,210	\$502,072	1.40%
11.52	Cash Awards	422,691	-	-	-	-
12.1	Personnel benefits	10,401,868	10,996,278	11,372,790	376,512	3.42%
12.18	Transit Subsidy	335,341	555,000	429,350	-125,650	-22.64%
<b>Subtotal, Personnel</b>		<b>\$45,959,125</b>	<b>\$47,419,416</b>	<b>\$48,172,350</b>	<b>\$752,934</b>	<b>1.59%</b>
21	Travel & transportation of persons	158,817	318,279	318,279	-	-
23.1	GSA Rent	5,989,682	5,990,032	6,155,122	165,090	2.76%
23.3	Communications, Utilities & Postage	515,206	435,359	435,359	-	-
24	Printing & Reproduction	103,404	103,075	103,075	-	-
25.11	Training, Commercial Fed. & Tuition	439,040	451,540	513,800	62,260	13.79%
25.14	IT Contracts	8,008,899	9,414,838	9,016,207	-398,631	-4.23%
25.2	Contracts & Other Services	937,137	1,247,568	1,527,468	279,900	22.44%
25.3	Federal Goods & Services	1,312,288	6,977,475	10,036,650	3,059,175	43.84%
26	Supplies and Materials	952,246	1,215,918	1,335,190	119,272	9.81%
31	Non-Capitalized and Capitalized Equipment	2,875,702	2,545,500	2,926,500	381,000	14.97%
<b>Subtotal, Non-Personnel</b>		<b>\$21,292,422</b>	<b>\$28,699,584</b>	<b>\$32,367,650</b>	<b>\$3,668,066</b>	<b>12.78%</b>
<b>TOTAL</b>		<b>\$67,251,547</b>	<b>\$76,119,000</b>	<b>\$80,540,000</b>	<b>\$4,421,000</b>	<b>5.81%</b>

\*FY 2015 Actual does not include Reimbursable Funds.

\*\*FY 2016 Appropriation includes \$5.0 million lease expiration expenses.

\*\*\*FY 2017 Request includes \$8.0 million lease expiration expenses.



## **2A.2: Request for Lease-Expiration Funds**

On September 30, 2017, the FEC's current lease for its office space at 999 E Street, NW, Washington, D.C. will expire. In fiscal year 2013, the FEC began working closely with GSA to plan for the FEC's office space needs beyond the current lease. Based on GSA's Workplace Recommendations Report, GSA advised the FEC to request \$13.0 million in two-year funding in connection with the expiration of its lease. For FY 2016, the Agency received \$5 million in two-year funding for the initial lease expiration expenses in the *Financial Services and General Government Appropriations Act, 2016*. For FY 17, the FEC is requesting the remaining \$8 million for furniture, fixtures and equipment, IT data center, cabling and equipment and telecommunications lease-related expenses. Combined with the FEC's operational budget, these expenses associated with lease expiration bring the FEC's total budget request for FY 2017 to \$80,540,000.

## **2B: Appropriations Language**

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, \$80,540,000, of which \$8,000,000 shall remain available until September 30, 2018, for lease expiration and replacement lease expenses; and of which not to exceed \$5,000 shall be available for reception and representation expenses.*

## 2C: Recommended Legislative Changes

On December 16, 2015, the Commission adopted seven Legislative Recommendations, which are available at <http://www.fec.gov/pdf/legrec2015.pdf>. All were submitted in accordance with the OMB FY 2017 Budget Guidance as proposals that would increase effectiveness and reduce fragmentation, overlap and duplication. Of these seven Legislative Recommendations, the two described below would generate significant cost-savings. The first was included in the appropriations bills reported out of the Senate Appropriations Committee for both FY 2015 and FY 2016, as well as in the President's FY 2014 through FY 2017 Budgets.

**Electronic Filing of Senate Reports:** The Commission recommends that Congress enact legislation that will require Senate candidates and their authorized committees to file campaign finance reports electronically. Mandatory electronic filing for Senate reports will create considerable cost savings and will result in easier, more efficient dissemination of data.

Under current law, any committee or other filing entity (other than Senate candidates and their authorized committees) that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, must submit its reports electronically. These electronically filed reports are normally available, and may be downloaded by the public, within minutes of submission. In contrast, reports filed by Senate candidates and committees are mailed to the Secretary of the Senate and considered timely if postmarked by the filing deadline. Due to postal delays and the time it takes the Secretary of the Senate to scan paper copies of these reports that often consist of thousands of pages, there is first a delay between the time a report is filed and when the FEC first receives it. Then, there is an additional delay between the receipt of a report and its initial appearance on the Commission's website—the processing of paper-filed reports can take up to 48 hours to complete. Moreover, a Senate campaign filing often consists of thousands of pages, and data from the filings themselves take up to 30 days to be integrated into the Commission's searchable databases. If such reports were electronically filed, the data could be integrated within a few days. The Commission estimates that mandatory electronic filing for Senate reports will yield savings of at least \$681,000 per year in costs directly attributable to the current paper filing system at the FEC, with additional savings at the Secretary of the Senate.

**Make Permanent the Administrative Fine Program for Reporting Violations:** The Commission recommends that Congress make the Administrative Fine Program permanent. This program was recently extended so that it will expire during FY 2019. The Administrative Fine Program has been remarkably successful. Over the course of the program, the number of late and nonfiled reports has dramatically decreased, thus fulfilling the Agency's goal of ensuring timely public access to complete disclosure filings. To date, the number of late and nonfiled reports has decreased from an average of 21 percent of reports filed late to less than 10 percent filed late. With fewer late reports and fewer challenges to administrative fines, the Commission has been able to reduce the number of employees who work on this program. Specifically, in July 2010, the Office of Administrative Review, which considers challenges to administrative fines, was reduced by reassignment from three full-time employees to one. In addition, the program has generated more than \$5.3 million in fines assessed since its inception in 2000.

## **Section 3: FY 2017 Annual Performance Plan and FY 2015 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) 2014-2019, and designed to provide a solid framework for performance planning and reporting in accordance with the requirements of the *GPRM Modernization Act of 2010*. To take advantage of the opportunity to relate prior year performance with plans for the current year and budget year, the FY 2017 Annual Performance Plan and FY 2015 Annual Performance Report are combined in this document. This APP/APR presents accomplishments through FY 2015 and performance targets associated with FYs 2015, 2016 and 2017.

This plan prepares the agency to promote compliance and to engage and inform the public about campaign finance data and rules. In order to meet these challenges, given the expected increase in campaign finance activity, the FEC must maintain a workforce that is highly qualified to achieve the agency's mission effectively and efficiently. Therefore, this plan also addresses activities that include recruiting and retaining a diverse and high-performing workforce, updating agency-wide policies and procedures, and updating the records management program.

#### **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.

### 3B: Organizational Structure

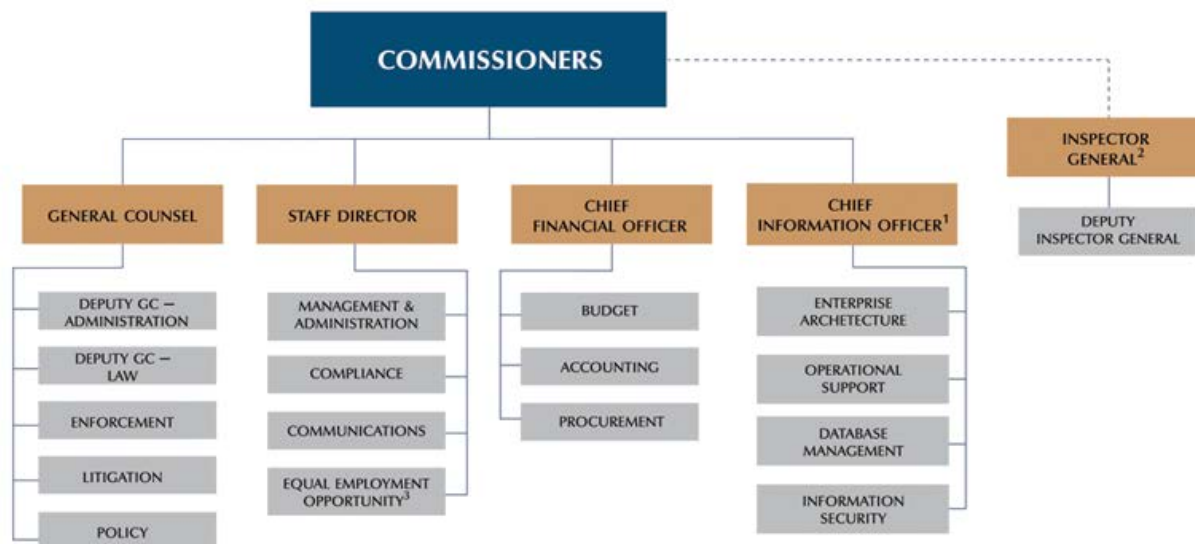
The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *FECA*.<sup>9</sup> The Commission is also responsible for administering the Federal public funding programs for Presidential campaigns. This responsibility includes certifying and auditing 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 as well as in a public records office at the Commission's Washington, D.C. headquarters. The FEC also has exclusive responsibility for civil enforcement of the *Act*, and has litigating authority independent of the Department of Justice in U.S. district court and the courts of appeals. Additionally, the Commission promulgates regulations implementing the *Act* and issues advisory opinions responding to inquiries.

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. The Chairmanship of the Commission rotates among the members, with no member serving as Chair more than once during his or her term. The Commissioners are responsible for administering and enforcing the *FECA* and meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires at least four votes for the Commission to approve 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>9</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).



1 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.

2 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.

3 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 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, 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 Division; (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 Office of Complaints Examination and Legal Administration, 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 supervises the Compliance Advice Team and the agency’s ethics program. The Policy Division drafts for Commission consideration advisory opinions and regulations interpreting the Federal campaign finance law. The Enforcement Division recommends to the Commission appropriate action to take with respect to administrative complaints and apparent violations 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 does not result in a conciliation agreement during the administrative process, the Commission may authorize suit in district court, at which point the matter is transferred to the Litigation Division. The Litigation Division represents the Commission before the Federal district courts and courts of appeals in all civil litigation involving the 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 laws. 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, other political committees and other political actors. 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 participants in Federal elections following clear and well-defined rules and facing consequences for non-compliance. Thus, the FEC’s second strategic objective focuses on the Commission’s efforts to promote voluntary compliance through educational outreach and to enforce campaign finance laws effectively and fairly. The third strategic objective is to interpret the *FECA* and related statutes, providing timely guidance to the public regarding the requirements of the law. The Commission also understands that organizational performance is driven by employee performance and that the agency cannot successfully achieve its mission without a high-performing workforce that understands expectations and delivers results. The FEC’s fourth strategic objective is to foster a culture of high performance in order to ensure that the agency delivers its mission efficiently and effectively. The 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**

*Leader: Assistant Staff Director for Reports Analysis 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 that it is 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 is improving its campaign finance disclosure database and public interface. Specifically, the FEC is developing application programming interfaces (APIs) and other tools to improve access to campaign finance data. The agency is also committed to ensuring that FEC staff has the tools and knowledge to help the public find and understand the campaign finance information relevant to their questions and needs. 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 e-filing 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. During the 2013-2014 election cycle, over 8,000 committees and other filers used the eFiling platform to file campaign finance disclosure reports. The FEC plans 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 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.

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.<sup>10</sup> 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. The FEC has launched an initiative to develop an automated data capture process to convert paper-filed reports into structured, machine-readable data. Automating the data capture process will decrease data processing time and increase the timeliness in making data available to the public. In addition, the agency is exploring the feasibility of undertaking a long-term project to convert all remaining microfilm reels of financial reports to images, making this historical campaign finance data easily accessible to the public.

The Commission is also currently redesigning its website, in part, to increase the public's access to and understanding of the agency's extensive data offerings. In partnership with 18F, a data services delivery team within the General Services Administration (GSA), the FEC is developing a user centered online platform to deliver campaign finance information to its diverse base of users. Once complete, the redesigned FEC website will better meet the needs of an audience that spans from individual citizens seeking information about the candidates on the ballot in their state to journalists and researchers who specialize in campaign finance issues, to filers and other political participants seeking legal guidance and compliance information. The FEC provides the public with a wealth of complex information, including current and historical campaign finance data, detailed information regarding the requirements of the campaign finance law and legal resources, such as advisory opinions issued by the Commission and information on closed enforcement matters. This multiyear 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.

The Commission continues to provide detailed and comprehensive campaign finance data through the Candidate and Committee Viewer and the Data Catalog. During Presidential election years, users can access through the Presidential Map the amount of funds raised on a state-by-state basis,

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10 The Commission's mandatory electronic filing ("e-filing") rules require any committee that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, to submit its reports electronically. Under the Act, these mandatory e-filing provisions apply to any political committee or other person required to file reports, statements or designations with the FEC, except for Senate candidate committees (and certain other persons who support Senate candidates only).

contributions, cash-on-hand and the distribution of contributions by amount with a simple click at [www.fec.gov](http://www.fec.gov). Users can also access lists of contributors by name, city and amounts of contributions within the first three digits of any zip code. Contribution and disbursement data are updated within one day of the FEC's receipt of electronically filed disclosure reports. The Candidate and Committee Viewer, the House and Senate Map and the Data Catalog are updated nightly with all data that have been entered into the Commission's database. Generally, summary financial data are available the day following receipt of the report. Transactions—detailed information about receipts and disbursements—are processed on a rolling basis and added to the Commission's database nightly. The agency also provides a Compliance Map to assist members of the public in their efforts to comply with campaign finance law. The Compliance Map lists all reporting dates and other significant information tied to each state's election calendar, such as the time periods when special requirements for electioneering communications and Federal election activity apply. Like the interactive Disclosure Map of contribution information, the Compliance Map provides quick access to information on a state-by-state basis in an easy-to-use format.

In addition, the FEC is developing internal tools to help improve the service provided by staff members who give daily guidance to the public and the press. In order to better guide the public through the FEC's vast quantity of campaign finance information and promote voluntary compliance with the campaign finance law, FEC staff is developing a web-based knowledge management tool for staff use. Like many Federal agencies, the FEC faces challenges in preserving staff knowledge lost through turnover and attrition, as well as finding meaningful ways to share this information with staff to achieve the agency's mission efficiently and effectively. This knowledge management tool will capture and organize staff knowledge in a way that is accessible and useful and will enable FEC staff to provide the public with quick, comprehensive and consistent staff responses. As outlined in the charts below, the FEC expects to complete both the campaign finance data (Objective 1) and voluntary compliance (Objective 2) aspects of this tool in FY 2016.

The level of availability and accessibility of campaign finance data serves as a measurement of success in improving the public's access to information about how campaign funds are raised and spent. Additional 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 on the FEC website and that staff have the tools and knowledge to provide excellent service to the public.

## **Progress Update for FY 2015**

The FEC's first publicly available offering as a result of its website redesign project was a campaign finance API (application programming interface) that provides disclosure data in a structured, machine readable format. The API allows for new features and visualizations to be quickly developed based on existing data, either by the FEC or any outside group. The FEC released its campaign finance API to the public on July 8, 2015. The campaign finance API received over one million hits during the first four months following its release.

In addition, during FY 2015, 18F and the FEC completed work to move the agency's campaign finance data into a cloud environment, which provides on-demand scalable infrastructure and is Federal Risk and Authorization Management Program certified. The new website also meets Hypertext Transfer Protocol Secure (HTTPS) requirements, which protects against "man-in-the-

middle" attacks by providing bidirectional encryption of communications between a web browser and website. The Agency also implemented a new Content Management System (CMS) for the FEC website. The CMS is open source and will allow for easier web content authoring, collaboration and administration.

Development of the campaign finance API and infrastructure improvements to the FEC's systems allowed for the release of beta.FEC.gov on October 28, 2015. A beta site is a fully working prototype that can be tested with a broad group of users. Launching in beta allows the FEC to continuously improve on this prototype while the website is still being developed. This process allows the agency to respond to user-identified needs, helping to ensure that the final product meets the public's expectations. The first phase of beta.FEC.gov focused on creating an improved campaign finance data interface. New elements available via the beta site that are not part of the FEC's existing website include:

- individual maps that show the sources of contributions by state for each committee;
- ability to sort contributions by size, committee, employer and occupation;
- capacity to sort and filter by purpose of disbursement and recipient (including by vendor);
- election pages that allow users to compare candidates within a single race according to the size of their contributions and the states from which those contributions were raised; and
- a zip code search function that will allow users to easily find their Congressional district and identify all candidates in a particular race.

The FEC also continued its work to receive and make public campaign finance disclosure information. The FEC received 76,790 campaign finance disclosure documents filed during FY 2015 disclosing more than 28.4 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 2015, the FEC ensured that 91 percent of paper filed reports were made available to the public within two business days, falling short of its goal of 100 percent, but met its goal of ensuring 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. However, the FEC has been challenged to meet this goal in recent years, and in FY 2015 was able to process 92 percent of reports within 30 days of receipt.

One significant factor contributing to the agency's workload in processing and coding reports is the size of Senate campaign finance disclosure reports. While most filing entities submit their reports electronically, the *FECA* requires Senate campaign finance disclosure reports to be filed on paper. A Senate campaign filing often consists of thousands of pages, and data from these filings consume a disproportionate amount of time to be integrated into the Commission's searchable databases. After these reports are received by the Secretary of the Senate, that office must scan the reports and then deliver them electronically to the FEC. Once the FEC receives a paper report from the Secretary of the Senate, an additional 48 hours can be required to place the report on the Commission's website, and additional time is required to enter the transaction level data into the

database for public consumption. The increasing volume of these reports can delay scanning and delivery to the FEC, and ultimately integration into the FEC’s searchable online database. In contrast, if such reports were electronically filed, the data could be integrated within a few days. The Commission estimates that mandatory electronic filing for Senate reports will yield savings of at least \$681,000 per year in costs directly attributable to the current paper filing system at the FEC, with additional savings at the Secretary of the Senate. Since 2000, the Commission has unanimously recommended to Congress a legislative change to apply mandatory electronic filing rules to Senate reports.

In order to address the difficulty in coding and entering transaction-level data from paper-filed reports and to make the data available to the public sooner, the FEC initiated a project during FY 2015 to develop an automated data capture process to convert paper-filed reports into structured, machine-readable data. The FEC anticipates that the new process will be in place during FY 2016 and will help to mitigate some of the difficulty in processing paper-filed reports.

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

Key Indicator: Enhanced availability of campaign finance data as measured by increased capabilities to retrieve and analyze data.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	75%	75%	86%	75%	75%

### Supporting Indicators 1-1:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 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%	100%	100%	100%	100%	100%	91% <sup>11</sup>	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	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%
Percent of reports processed within 30 days of receipt	91%	71%	94%	88%	79%	95%	92%	95%	95%
Script staff responses to common disclosure inquiries for staff reference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Complete by FY 2016	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*

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 through its Information Division, Reports Analysis Division (RAD), Press Office and Office of Congressional, Legislative and Intergovernmental Affairs. The FEC measures its progress in meeting this Objective through two performance measures: one that measures the agency’s efforts to encourage voluntary compliance through educational outreach and information and another that measures the FEC’s efforts

<sup>11</sup> During FY 2015, the Commission developed an automated process to measure this metric in order to provide a more accurate assessment.

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 the campaign finance law and give the public the context necessary to interpret the campaign finance data 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 the campaign finance law and its reporting requirements. The FEC also operates Press and Congressional Affairs offices.

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 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 the 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 an E-Learning section on its Educational Outreach web page and its own YouTube channel, which can be found at <http://www.youtube.com/FECTube>. The E-Learning page offers instructional videos and tutorials, as well as interactive presentations that enable users to obtain guidance tailored to their specific activities. The curriculum currently includes a variety of presentations about the Commission and the campaign finance law. During FYs 2016 and 2017, the Commission will continue to create online video tutorials for reporting specific types of activity, which will provide filers with another tool for disclosure compliance.

The agency's educational outreach program has been significantly enhanced with the addition of an online training service that enables political committees and other groups to schedule live, interactive online training sessions with FEC staff. This on-demand service allows the FEC to provide tailored



presentations and training to the members of the public wherever they have access to the Internet. 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. The FEC has historically measured the success of its educational outreach programs based on satisfaction surveys of conference attendees. Beginning in FY 2014, the agency initiated a program to measure user satisfaction across all aspects of its outreach program.

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

The FEC has set 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 online through the Commission's Enforcement Query System at <http://eqs.sdrdc.com/eqs/searcheqs>.

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 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. Threshold requirements approved by the Commission and used by RAD and the Audit Division are public, subject to limited redactions.

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, audits, 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.

The FEC conducts audits of those committees that, according to internal thresholds, have not substantially complied with the law. Audit Reports and related documents are located at [http://www.fec.gov/audits/audit\\_reports.shtml](http://www.fec.gov/audits/audit_reports.shtml).

## **Progress Update for FY 2015**

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

*During FY 2015, the Commission continued to meet its mandate to assist the public by providing access to campaign finance 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 2015, the Commission continued and expanded its educational and outreach programs. The FEC held a regional conference in Chicago, Illinois and a series of one-day seminars and topic-based roundtables online. The online programs reduce registration and travel costs for attendees.*

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

## **Reports Analysis Division**

During FY 2015, RAD continued to ensure that campaigns and political committees file timely and accurate disclosure reports that fully disclose their financial activities. During the year, RAD reviewed 82,734 documents totaling 10.5 million pages. RAD continued to demonstrate its commitment to assisting filers with compliance, handling 11,822 phone calls and meetings, developing YouTube

reporting tutorials and participating in several FEC conferences, seminars and webinars during FY 2015. In addition, as a result of a reorganization of the Public Disclosure Division, RAD welcomed the processing, coding and entry staff as the new Reports Processing Branch. This group demonstrated its commitment to providing the public with timely data, coding 1.8 million transactions during FY 2015.

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

OGC continues to meet its obligations to the Commission and the public to handle its caseload efficiently and effectively despite staffing challenges. In FY 2015, the Commission closed 88 enforcement cases in an average of 20.8 months, which included \$346,569 in negotiated civil penalties. The Commission closed 43 cases (49 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 2015, the Commission completed 49 ADR cases, which included \$141,079 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. Ninety percent of cases met the 140-day benchmark.

### ***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 2015, RAD processed 191 reason-to-believe recommendations for Commission consideration. RAD processed 93 percent of these recommendations within 60 days of the original due date of the untimely or not filed report. OAR reviewed 34 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 48.6 days. Overall, OAR has reviewed 704 challenges submitted from the Program's inception through FY 2015.

### ***Audit Division***

The Audit Division continues to fairly enforce the *FECA* through an open and transparent audit process. During FY 2015, the Audit Division publicly released 14 Audit Reports of which 6, or 43 percent, were completed within the two-year performance goal period. Two political committees had the opportunity to present oral arguments in Audit Hearings before the Commission regarding matters in their Audit Reports. In addition, during FY 2015 a political committee brought a challenge to the preliminary audit findings under the program established in 2011 for requesting consideration of legal questions by the Commission.

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

Key Indicator: Percent of educational outreach programs (webinars, seminars, publications and E-Learning presentations) and events that achieve targeted satisfaction rating on user surveys.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Target
N/A	N/A	N/A	N/A	Develop methods for surveying user satisfaction with webinars, publications and E-Learning presentations.	4.0 or higher on a 5.0 scale	4.34	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Increase in the number of E-Learning presentations and webinars available on the FEC website	N/A	N/A	N/A	N/A	13 new trainings	4 new trainings	1 new training	4 new trainings	4 new trainings
Script staff responses to common questions for staff reference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Complete by FY 2016	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
75%	89%	70%	72%	28%	75%	49%	75%	75%

## Supporting Indicators 2-2:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Percent of enforcement matters resolved through conciliation <sup>12</sup>	N/A	N/A	N/A	N/A	12%	N/A	16%	N/A	N/A
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	N/A	N/A	N/A	N/A	73%	80%	93%	80%	80%
Percent of RFAIs sent within 40 days of report review	N/A	76%	63%	72%	84%	75%	92%	75%	75%
Percent of reports reviewed by RAD within 90 days of receipt	N/A	76%	87%	73%	85%	75%	79%	75%	75%
Percent of Proposed Final Audit Reports (PFAR) approved by the Commission within two years from the start of fieldwork	N/A	64%	68%	38%	93%	60%	43%	60%	60%
Percent of Reviewing Officer Recommendations circulated	100%	77%	90%	93%	100%	75%	97%	75%	75%

<sup>12</sup>

This measure is intended to provide context for the Commission's activities in resolving enforcement matters during the year, and the Commission does not intend to set a target for the number of enforcement matters resolved through conciliation.

within 60 days									
Percent of ADRO Recommendations circulated within 140 days of referral	N/A	N/A	N/A	91%	72%	75%	90%	75%	75%
Create an interdisciplinary quality control board	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A
Summarize common violations and make this information available to the public	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Complete by FY 2016	N/A

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

*Leaders: 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 *FECA* applies to specific situations through the advisory opinion process and represents itself in most litigation before the Federal district courts and the courts of appeals. The Commission’s three primary means for providing interpretive guidance for the *FECA* 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* 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 courts and courts of appeals 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 *FECA* authorizes the Commission to institute civil actions to enforce the *FECA*.



## 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 conduct and complete rulemakings and advisory opinions necessary to clarify the requirements of 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 *FECA*. 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.

The Commission also continues to ensure that reporting forms are timely revised, when necessary, to facilitate the public's compliance with regulations. The Commission must accurately and clearly explain what is required to be reported under the law, thus allowing filers to completely and correctly report their activity.

## Progress Update for FY 2015

During FY 2015, the Commission met its goal to provide 100 percent of legal guidance within statutory and court-ordered deadlines. The Commission also met its goal to issue 100 percent of advisory opinions within the applicable 60- or 20-day statutory deadlines. During FY 2015, the Commission completed work on 15 AO requests and issued 14 AOs.<sup>13</sup> These AOs addressed issues such as: the matching of contributions through donations to charity; testamentary bequests to national party committees; and donations from a Member of Congress to a candidate for office in a foreign country. The Commission completed work on 13 60-day AO requests and 2 extended deadline requests during FY 2015. The average number of days from receipt of a complete AO request to Commission action on it was 46 days for 60-day requests that did not have extended deadlines.

The Commission's litigation docket at the close of FY 2015 included three cases challenging the Commission's handling of enforcement matters in which entities were not found to be required to register and report as political committees, two challenges to the *FECA*'s name identification requirements regarding the use of candidate names in the names of political committees, an as-applied constitutional challenge to the limits on contributions to political party committees, an as-applied constitutional challenge to the *Act*'s prohibition on contributions by government contractors, and two cases enforcing *FECA*'s prohibition on conversion of campaign funds to personal use.

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<sup>13</sup> The Commission obtained extensions to consider two advisory opinion requests in FY 2015.

**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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	100% <sup>14</sup>	100%	100% <sup>15</sup>	100%	100%

<sup>14</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>15</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.

## Supporting Indicators 3-1:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Percent of reporting forms revised within 90 days of approval of regulations that require conforming changes to forms	N/A	N/A	N/A	N/A <sup>16</sup>	N/A <sup>17</sup>	100%	N/A <sup>18</sup>	100%	100%
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines	100% <sup>19</sup>	100% <sup>20</sup>	100% <sup>21</sup>	100% <sup>22</sup>	100% <sup>23</sup>	100%	100% <sup>24</sup>	100%	100%
Percent of court filings that meet all deadlines and rules imposed by the courts	100%	98%	97%	100%	100%	100%	100%	100%	100%

<sup>16</sup> There were no regulations approved by the Commission in FY 2012 or FY 2013 that required conforming changes to forms.

<sup>17</sup> The Commission did not complete any rulemakings during FY 2014 that required conforming changes to forms.

<sup>18</sup> The Commission did not complete any rulemakings during FY 2015 that required conforming changes to forms.

<sup>19</sup> Three 60-day advisory opinions had extended deadlines.

<sup>20</sup> Four 60-day advisory opinions and one 20-day advisory opinion had extended deadlines.

<sup>21</sup> Three 60-day advisory opinions and two 20-day advisory opinions had extended deadlines.

<sup>22</sup> Four 60-day advisory opinions had extended deadlines.

<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.

### **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 2014-2019, 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. A focus for the Commission in FY 2016 will be to ensure 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. During FY 2016, the FEC's Office of Human Resources (OHR) will focus on expanding recruiting efforts to attract the best talent, and decreasing the time to hire.

The FEC is also participating in and contributing to the government-wide Records Management initiative. In compliance with the *Federal Records Act*, the FEC is updating its records management program. The updated program will increase efficiency and improve performance by eliminating paper and using electronic recordkeeping to the fullest extent possible. During FYs 2016 and 2017, the FEC will continue its efforts to preserve and disclose agency activities and decisions by modernizing the Commission's records management policies and procedures and implementing a training process regarding those modernized policies and procedures.

### **Progress Update for FY 2015**

In addition to assessing the agency's progress in fostering a workforce that delivers results by ensuring that internal performance targets are met, the Commission tracks the agency's efforts to reduce staff turnover among high-performing employees and to ensure that staff members receive regular performance evaluations and feedback.

The Commission is also working to update its records management program, in compliance with the *Federal Records Act*. During calendar year 2015, the FEC continued work to meet the 2016 goals to manage all email records electronically and to submit records schedules for all existing non-electronic records. The FEC additionally provided training for all of the Agency's records liaisons.

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

Key Indicator: Commission-required quarterly updates meet targeted performance goals.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	73%	60%	80%	65%	65%

### Supporting Indicators 4-1:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Reduced turnover of high-performing employees	N/A	N/A	N/A	N/A	3%	3%	1%	3%	3%
Percent of eligible employees who receive an annual performance evaluation each performance period	N/A	N/A	N/A	N/A	100%	99%	61%	99%	99%
Percent of agency IT initiatives within 15% variance of approved budgets	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%
Meet Records Management Presidential Directive milestones	N/A	N/A	N/A	100%	50%	As specified in Presidential Directive	N/A <sup>25</sup>	As specified in Presidential Directive	As specified in Presidential Directive

<sup>25</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 has identified 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 to support its mission objectives where those activities are deemed crucial to the success of the objective.

The Commission's first strategic objective is to engage and inform the public about campaign finance data. A crucial part of the FEC's mission is to provide transparency in the campaign finance process. Since the FEC was established in 1974, it has collected and made public a vast quantity of campaign finance data reported by political committees, campaigns and other groups required by the FECA to disclose their financial activity. Transparency requires more than simply allowing access to data. The data must also be provided to the public in an easily accessible way. Accordingly, the agency maintains a strong commitment to providing searchable, well-explained and user-friendly information to the public. During FY 2016, the FEC will continue to work, in collaboration with the 18F team from GSA, to redesign the FEC website to ensure that the FEC provides campaign finance disclosure information in a manner that is most beneficial to the public. This partnership will also ensure that the FEC continues to develop innovative and intuitive methods of providing legal resources and compliance information to the public. 18F relies on an agile development model, where new products are quickly developed in their simplest forms and put before users immediately in order to test the developers' assumptions. This evidence-based development model will allow user experience and feedback to drive the development process and ensure that the FEC can provide improved services to the public as they become available over time, rather than having to wait until the entire project is completed. The website redesign project is further detailed in section 3C:2.1.

The FEC also plans to undertake a suite of projects during FYs 2016 and 2017 to ensure that its information technology systems support emerging technologies and that the agency continues to provide excellent information services to the public. The FEC will continue to replace hardware and servers as existing equipment becomes obsolete in order to ensure that the agency continues to realize the full potential of its previous IT investments and that the FEC's hardware continues to support the agency's IT security program. In addition, the FEC plans to launch FEC data into a cloud environment.

During FYs 2016 and 2017, the Commission will continue to expand programs to automate processes where such automation improves the efficiency and effectiveness of the FEC's services. For example, RAD will continue to focus on process improvements such as expanding its Data Services program to increase staff efficiency in tracking contribution limits across campaign finance disclosure reports and automating the reporting process through web versions of FEC forms. During FY 2016, the FEC will also continue to develop an automated process to convert paper-filed reports into structured, machine-readable data. Automating the data capture process

will decrease data processing time and increase the timeliness in making data available to the public.

The Commission is also continuing its efforts to reach out directly to the public to gain feedback from individuals and groups who do business with the FEC. The FEC Chair and Vice Chairman hosted a number of public forums to allow for open discussions of campaign finance issues and Commission operations. The Commission plans to continue to hold such forums, which provide an invaluable opportunity to get policy and operational feedback directly from the public, as necessary, during FYs 2016 and 2017 to ensure that policies, procedures and outreach initiatives are properly aligned with and support the public's needs.

The FEC is additionally taking steps during FYs 2016 and 2017 to meet the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act), an OMB directive slated for May 2017 implementation. In FY 2017 the Agency will implement the DATA Act by leveraging our relationship with our Federal Shared Service Provider (FSSP). Presently the Agency's procurement system is compliant with the Procurement Data processing requirement. The Procurement Data System - Next Generation (FPDS-NG) will be the mechanism for reporting award-level information. The Agency may need to either upgrade or migrate to a new procurement system to facilitate other reporting requirements for the DATA Act.

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 16, 2015, the IG identified three challenges facing management: Information Technology Project Planning and Management, Governance Framework and Human Capital Management/Human Resources Operations. The IG's assessment and the FEC's response are included in the FEC's FY 2015 Agency Financial Report, [http://www.fec.gov/pages/budget/fy2015/FY2015\\_AFR.pdf](http://www.fec.gov/pages/budget/fy2015/FY2015_AFR.pdf).

### **3D:2 Data Validation and Verification**

OMB Circular A-136, as revised, and the *GPRAMA 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 2016 and 2017 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.



## Office of Inspector General's Fiscal Year 2017 Budget Request

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. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

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

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

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

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

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

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

Following the requirements as specified above, the OIG of the Federal Election Commission submits the following information relating to the OIG's requested budget for fiscal year 2017:

- the aggregate budget request for the operations of the OIG is \$1,347,368;
- the portion of this amount needed for OIG training is \$21,000; and
- the portion of this amount needed to support the CIGIE is an estimated \$3,364.

I, Lynne A. McFarland, certify as the IG of the Federal Election Commission that the amount I have requested for training satisfies all OIG training needs for fiscal year 2017.