

**FEDERAL ELECTION COMMISSION**  
**FISCAL YEAR 2023**  
**CONGRESSIONAL BUDGET JUSTIFICATION**



**March 28, 2022**

Concurrently submitted to Congress and the Office of Management and Budget

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## SUMMARY OF FY 2023 BUDGET JUSTIFICATION

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The Federal Election Commission (FEC) is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971* (“*FECA*” or the “*Act*”), as amended.<sup>1</sup> As the foundation of federal campaign finance regulation, *FECA* reflects Congress’s efforts to prevent corruption through two principal means. First, it ensures that voters have access to information about the sources of financial support for federal candidates, political party committees and other political committees. Second, *FECA* imposes amount limitations and source prohibitions on contributions received by certain types of political committees. The Commission’s responsibilities also include overseeing the federal public funding programs for presidential campaigns.<sup>2</sup>

For the fiscal year (FY) 2023 Budget Submission, the FEC’s total requested funding level is \$81.7 million. The request for FY 2023 represents a 9.6 percent increase from the FEC’s FY 2022 appropriation. Importantly, Section 2 compares the requested level to the *FY 2022 Consolidated Appropriations Act*. The FY 2022 continuing resolution level is also shown to match the President’s Budget appendix presentation. The requested level reflects an increase after flat funding in FY 2021, operating under an extended continuing resolution during FY 2022, and essentially flat funding for FEC operations between FY 2016 and FY 2021. Funding at this level would allow the agency to fill many high-priority positions that were not filled over the past 10 years and utilize these positions to better serve the public. The request would also allow the FEC to maintain essential support functions, as well as contribute to its ongoing efforts to modernize its IT infrastructure and realize the attendant future efficiencies of these efforts.

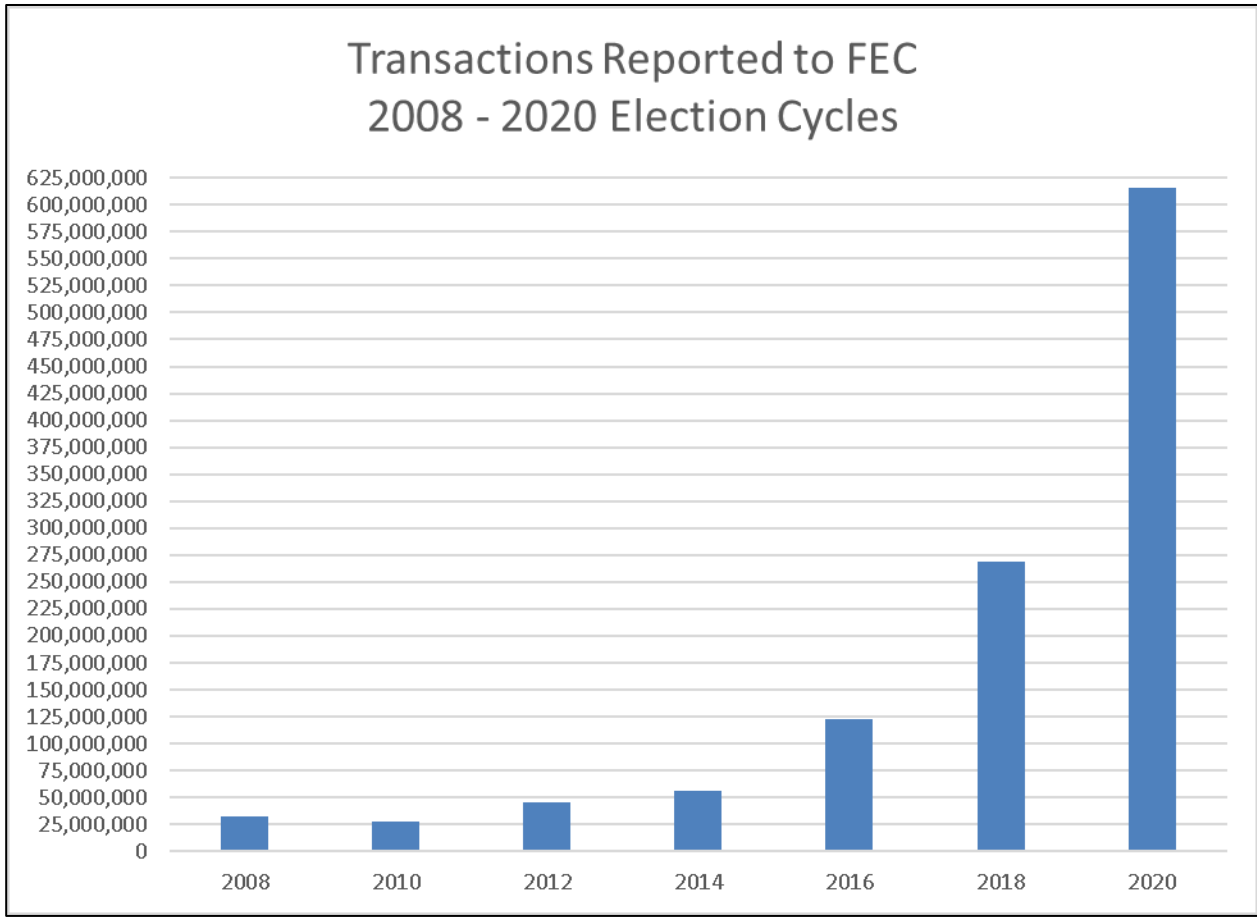
Funding at the requested level for FY 2023 will support the agency’s disclosure mission during FY 2023 and in future years. Currently, the FEC receives campaign finance reports, statements and other disclosure documents from more than 16,000 political committees and other filers. During the 2020 election cycle, these filers reported more than 600 million financial transactions, which were reviewed by FEC staff and disclosed to the public on the FEC’s website. This is more than double the number of transactions reported in the previous election cycle, and a nearly 400 percent increase compared to 2016, the last presidential election cycle.

Changes in the way political committees raise and spend funds have contributed to this stark increase in the number of transactions disclosed to the FEC. This ever-growing volume of campaign finance disclosure data must be received, processed and made available to the public within the agency’s tight deadlines for public disclosure, and must be safeguarded to ensure the integrity and accessibility of the information. The chart below illustrates the exponential growth of data transactions that the FEC needs to process, store, search and display to support the FEC’s disclosure mission.

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

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



Aside from the substantial increase in the number of transactions reported to the FEC, the FEC website’s Application Programming Interface (API), which permits users to customize data searches making vast quantities of campaign finance data readily available, received over 407 million hits during the 2020 election cycle. With the steep rise in transactions reported every election cycle comes a heavier burden on the FEC’s API to quickly search across the FEC’s campaign finance database and display the data requested by the public. These trends in campaign finance activity illustrate how crucial it is for the agency to continue to implement new programs and systems to ensure the timely disclosure of this increasing volume of campaign finance data. The migration of campaign finance data to a cloud environment, modernization of applications migrated to the cloud during previous fiscal years, and efforts to modernize the FEC’s eFiling system are essential components of these efforts. Adequate funding for FY 2023 will help to ensure that the FEC continues to meet its mission to provide transparency in the campaign finance process.

The FEC is facing challenges in processing and reviewing historically high levels of campaign finance disclosure information, while satisfying an increased demand for customer service and data information requests from the public. Funding at the requested level will help the agency modernize applications essential to processing and reviewing campaign finance disclosure information. The agency has moved these applications to the cloud and now needs to modernize them to fully utilize all the advantages of the cloud. For the FEC to manage the pressures of increased workload, data processing, security concerns and

customer service requests, the FEC requests a funding level that will assist the agency in striving to ensure it is able to efficiently, fairly and effectively achieve its mission objectives.

Funding at the \$81.7 million level will allow the agency to fund government-wide mandates and cybersecurity requirements and to sustain basic operations and maintenance, fund existing IT contracts that support the agency's mission, and continue work on ongoing projects, such as eFiling and IT modernization.

In recent years, the federal government has also put into place an initiative to reduce the reliance on physical data centers.<sup>3</sup> The FEC has migrated to the cloud its primary campaign finance database, which contains over forty years of transaction-level campaign finance data reported to the agency, the searchable legal systems and related databases, and legacy mission-critical applications. As a result of these efforts, the FEC has been able to reduce its physical datacenter footprint, and it plans to continue to do so. However, moving our legacy applications to the cloud is only an intermediate step. To fully realize all the advantages of a cloud environment, we must modernize our legacy applications to be cloud-native. The FEC is pursuing an IT modernization plan which requires investment now and over the next several years. The return on this investment will help the agency avoid steep rises in costs for physical data center space and equipment, help minimize potential cybersecurity risks and help agency staff more effectively perform their duties. These modernized applications will be more secure and will help staff process and review our increasing volume of data.

In addition, the FEC is currently working to upgrade the agency's eFiling platform. In FY 2017, the Commission published a study of its current eFiling platform, including a survey of the existing functionality of the FEC's free filing software and an in-depth investigation of needs expressed by filers. The FEC is relying on the recommendations of this study to improve its eFiling platform to allow greater operating system flexibility for users when generating filings for submission to the Commission, and to increase the consistency and accuracy of reporting. The FEC's new eFiling platform is expected to improve data quality and data validation, provide users with inline feedback and generate modern file outputs that will provide for more flexibility in accessing data. The FEC's request for FY 2023 includes funding that will be used to continue development and work toward implementation of the new eFiling platform during FY 2023. The requested funding level will allow the agency to continue funding these essential projects.

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<sup>3</sup> Guidance for Federal agencies is provided at <https://datacenters.cio.gov/policy/>

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## MISSION STATEMENT

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

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

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

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

This Budget Justification is organized in three sections. Section 1 addresses the agency's purpose and priorities in FY 2023. 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 2023.

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## Section 1: Purpose and Priorities in FY 2023

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### 1A: Commission Overview and Future Outlook

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

The FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. The Commissioners meet regularly to formulate policy and to vote on significant legal and administrative matters. The Act requires the affirmative vote of four members of the Commission to approve official actions, thus requiring bipartisan decision making.

As part of its responsibilities, the FEC makes available on its website the campaign finance disclosure reports that 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 [FEC.gov](http://FEC.gov). The FEC also has exclusive responsibility for civil enforcement of *FECA*, including the handling of civil litigation arising from any legal actions brought by or against the Commission. Additionally, the Commission promulgates regulations implementing the *Act*. The Commission also has a statutory responsibility to issue advisory opinions responding to inquiries regarding interpretation and application of the *Act* and the Commission's regulations to specific factual situations.

The FEC's Strategic Plan for FY 2022 through FY 2026, developed pursuant to the Government Performance and Results Act of 1993 (GPRA)<sup>4</sup> and the GPRA Modernization Act of 2010<sup>5</sup>, provides the agency's strategic management framework. This framework is designed to ensure that every employee works in support of the FEC's strategic goal and objectives, and that the effectiveness of these efforts can be regularly and meaningfully measured.

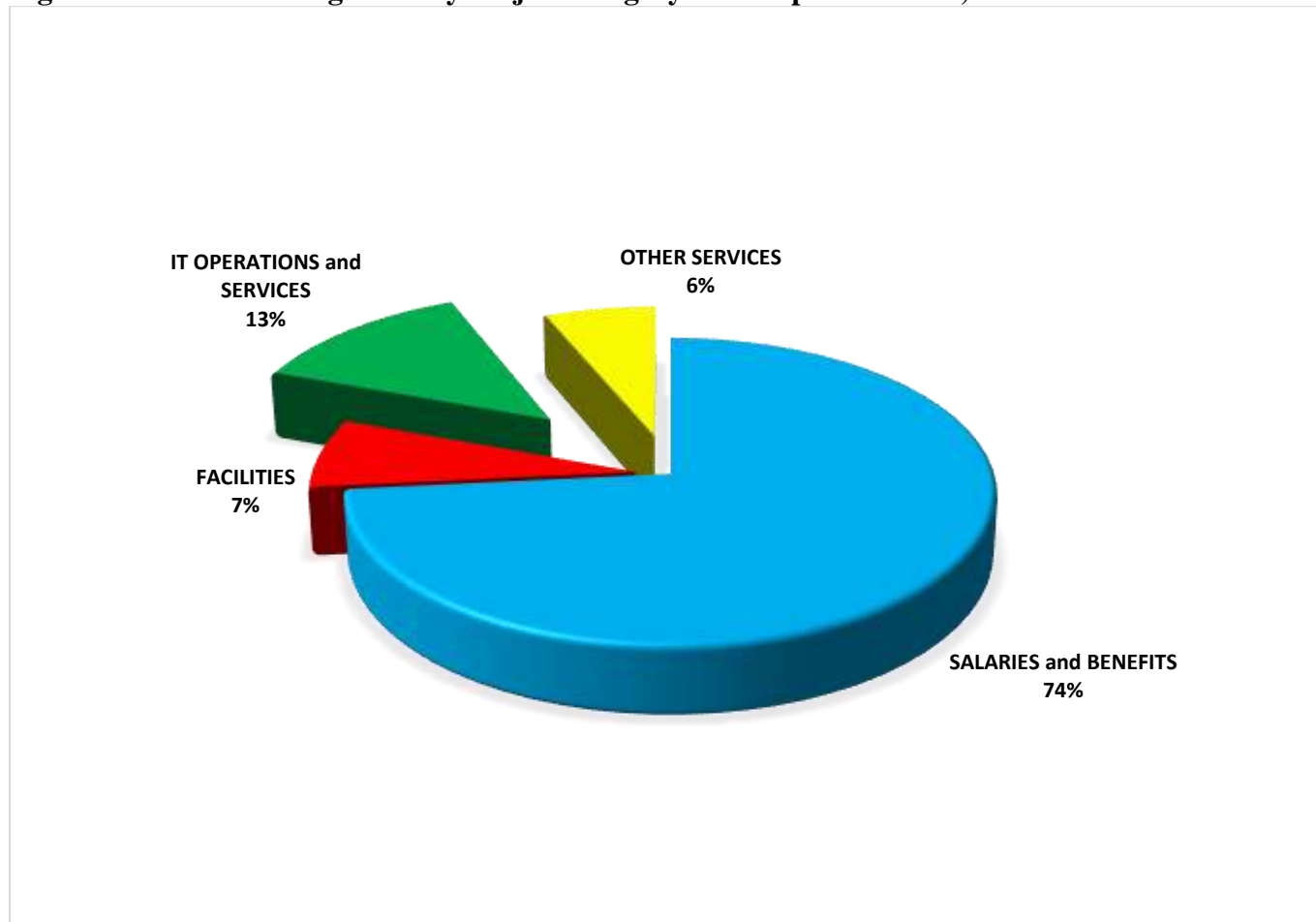
The FEC is currently funded by a single annual appropriation for salaries and expenses. Over 70 percent of the agency's FY 21 obligations were related to personnel, such as salaries and benefits. Of the agency's remaining operational expenses, the largest categories are facilities and IT operations and services, which includes costs for (1) maintenance of all existing applications and systems that support the FEC's statutory duties, including the legacy eFiling program; (2) IT initiatives such as cloud migration of legacy applications and the eFiling modernization program; (3) funding of cloud hosting costs, and (4) contracts for products and services associated with maintaining the FEC's defenses against cybersecurity threats. Together, facilities and IT operations and services constitute 77 percent of the agency's FY 2021 non-personnel obligations. The FY 2021 obligations are shown in Figure 1 below.

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

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

**Figure 1 – FY 2021 Obligations by Major Category as of September 30<sup>th</sup>, 2021**



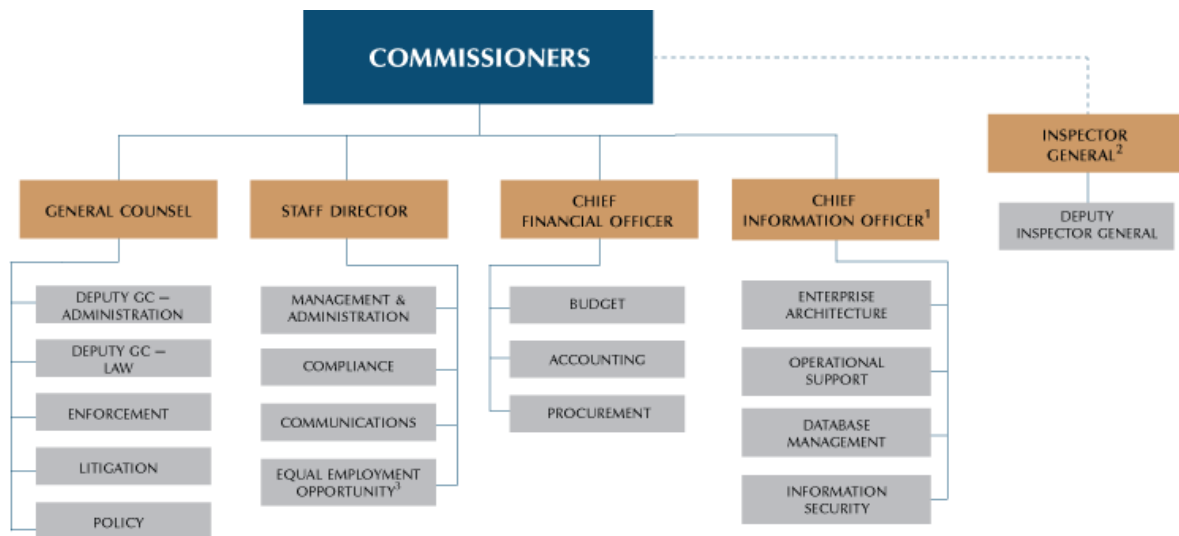
\* “IT Operations and Services” includes costs for (1) maintenance of all existing applications and systems that support the FEC’s statutory duties, including the legacy eFiling program; (2) IT initiatives such as cloud migration of legacy applications and the eFiling modernization program; (3) funding of cloud hosting costs, and (4) contracts for products and services associated with maintaining the FEC’s defenses against cybersecurity threats.



## 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:

<https://www.fec.gov/about/leadership-and-structure/fec-offices>.



<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 2023 Priorities**

The FEC priorities for FY 2023 are aligned with the agency's FY 2022 to 2026 Strategic Plan and are limited to those needs that will allow the agency to fulfill its mission as required by law and support the President's Management Agenda. As discussed below, funding at the requested amount of \$81.7 million would allow the agency to make investments in FEC staff to permit the FEC to take measures to enhance the delivery of campaign finance data and legal resources. The requested level would allow the agency to sustain its current level of IT operations and services, and make some progress on cybersecurity initiatives, eFiling modernization and IT modernization. However, to fully realize the efficiencies of our ongoing modernization efforts, the agency will need sustained investment for several years to modernize legacy applications, make enhancements to cybersecurity, fully implement our new eFiling platform and rebuild the agency's workforce and provide employees with the training and resources needed to foster a culture of high performance. The FEC's priorities for FY 2023 will ensure that the agency can improve customer experience and service delivery as it meets increasing public demand for its services. These priorities are discussed in more detail below.

### **Prioritizing Information Technology (IT) Modernization and Cybersecurity**

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 requested amount of \$81.7 million would permit the FEC to maintain the current quality of services delivered to the public; as well as continue work on modernization projects and initiatives.

The FEC provides free electronic filing software, FECFile, to support political committees of federal candidates, political parties and other filers in reporting their campaign finance activity to the FEC. The FEC has completed and published a study that helped to determine ways to modernize the agency's eFiling system, platform and software to receive better quality data, be more responsive to user needs and handle the increasing volume of data reported<sup>7</sup>. In this request, the agency seeks funds for FY 2023 to continue development and work toward to implementing these improvements to the eFiling platform and support its release to the filing community. The redesigned eFiling platform will improve ease of filing for users by allowing greater operating system flexibility when generating filings for submission to the Commission. The FEC's new eFiling platform will also improve the process for validating filings prior to acceptance and generate modern file outputs that will provide for more flexibility in accessing data. In addition, the modernization efforts will provide for seamless integration with the data portion of the website and, therefore, more efficient use of the agency's resources. The study of the FEC's eFiling system showed that 59 percent of electronic filers use the agency's software. Therefore, the eFiling modernization project continues to be an important priority for the Commission. Funding at the requested

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

amount of \$81.7 million allows the FEC to continue development and work toward implementation of the eFiling platform.

At the same time, the FEC is undertaking a multi-year effort to move appropriate systems and databases to a cloud environment and modernize legacy applications. To more quickly realize the cost and efficiency benefits of migrating applications and systems to a cloud environment, the first step of modernization, the FEC began implementation of its cloud migration plan during FY 2021. During FY 2021 and FY 2022, the FEC completed migration of its primary campaign finance database, its searchable legal systems and certain mission-critical applications. With funding at the requested level, work to migrate remaining applications and systems identified as appropriate for cloud hosting will continue during FY 2023.

The move to a cloud-hosted model also provides the Commission with opportunities to retire a number of other costly legacy systems and reduce the agency's datacenter footprint.<sup>8</sup> During FY 2021 and FY 2022, the agency began shutting down physical servers within our data centers in favor of cloud-hosted servers after related applications were migrated to the cloud. Continued funding of the IT modernization and eFiling modernization projects will be needed to continue this shift of assets from physical data centers to the cloud. The agency currently pays physical data center and cloud hosting costs. Without this funding level the agency is at risk of pausing these projects and incurring additional costs to resume these projects later.

In response to the ever-growing cybersecurity threats in today's world, the FEC must improve its security posture to protect equipment and information systems. The FEC continuously develops, maintains and improves its security architecture that mitigates threats. In partnership with the Department of Homeland Security (DHS) and numerous strategic partners, the FEC identifies, protects, detects, responds to and recovers from the impact of known and potential threats. Funding at this level allows the agency to provide security coverage, including our security operation center and continuous diagnostics and mitigation and allows the agency to address some identified cybersecurity gaps.

Operating applications in a cloud environment requires specialized design, development and security considerations to ensure both the security of our systems and the integrity and accessibility of our data. It is essential that the FEC takes a more comprehensive view of the risk to our information systems, establishes a governance framework and remediates the vulnerabilities of our critical infrastructure. Funding at the requested level would allow the FEC to seek the necessary expertise to manage our cybersecurity requirements in a cloud environment.

### **Implementing Government Mandated IT Initiatives**

In FY 2021, the FEC also awarded two contracts to begin its required transition to GSA's Enterprise Infrastructure Solutions (EIS) service. This transition is mandated for all federal agencies and is the vehicle responsible for our telecommunication and infrastructure services, such as the agency's 800-line, Contact Center Service (CCS), all digital and analog lines, and secure network services. Agencies must transition from GSA's expiring legacy contract, Networx, or risk having services shut down. The deadline

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<sup>8</sup> The FEC's efforts to reduce spending on operation and maintenance costs is consistent with the Government Accountability Office's May 2016 report, *Federal Agencies Need to Address Aging Legacy Systems* (<https://www.gao.gov/assets/680/677454.pdf>) and recent guidance from OMB (<https://datacenters.cio.gov/policy/>).

for the transition to EIS is September 30, 2022, with funding per current award continuing into FY 2033. Funding at the requested amount will allow the FEC to meet the requirements of this mandated service.

In recent years, the federal government has issued numerous cybersecurity-related initiatives to defend federal government information systems from the escalation of cyber-attacks, the increased activity of ransomware compromises, and the attacks to widespread use of software systems. Funding at the requested level would allow the FEC to seek the necessary expertise to comply with these mandates.

These new projects and continued improvements would also not be possible without an increase to our current staff in the Office of the Chief Information Officer. The additional positions would help support mission critical innovations, especially when related to prioritizing information technology modernization and cybersecurity.

### **Strengthening the Workforce to Achieve the FEC's Mission**

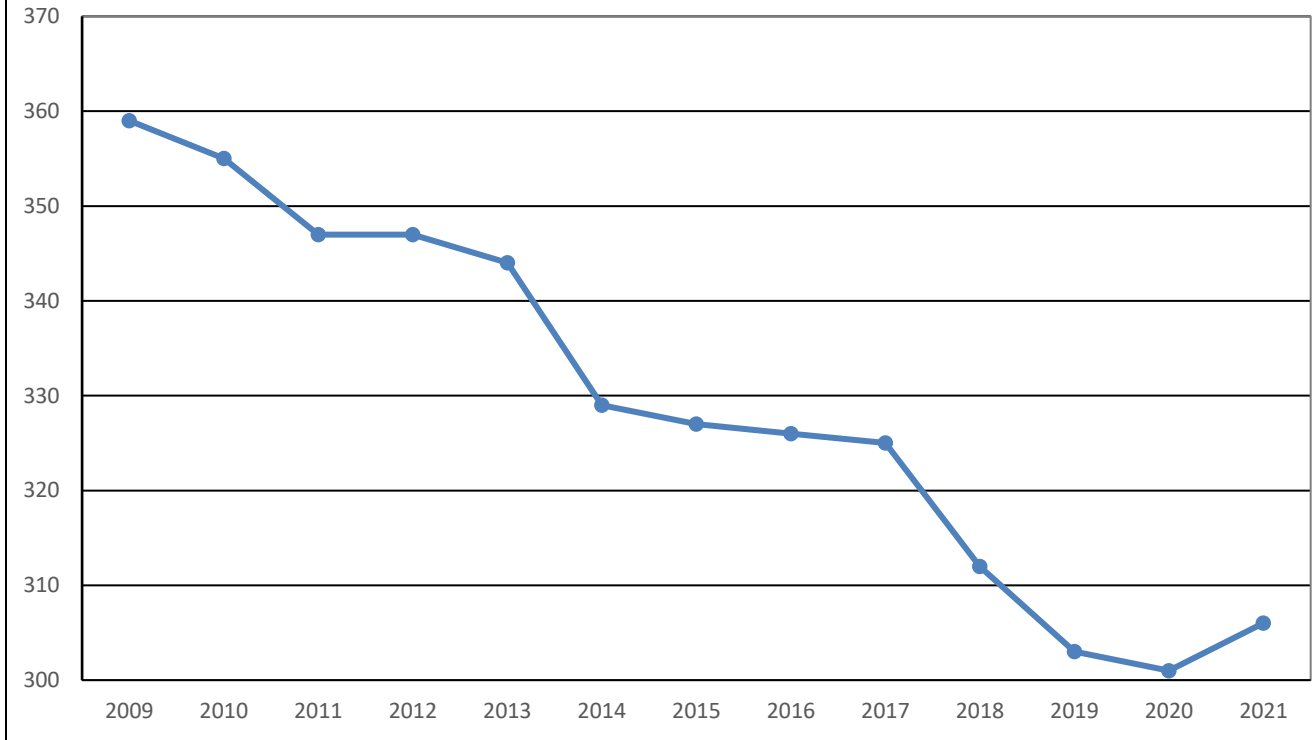
The FEC intends to continue its efforts to maintain the current high performance of staff and the excellent service that they provide to the public. A critical part of this effort is promoting adequate staffing levels across the agency. The FY 2023 request would allow the agency to backfill some of the critical vacancies that are currently unfunded, including some of the areas where the FEC has experienced increased demands in workload, and add a limited number of positions to meet the increased workload and better serve the public.<sup>9</sup> This funding level would permit the FEC to help rebuild staffing levels that have been depleted over time. The requested funding level would yield approximately 330 staff by the end of FY 2023. This takes into account current staffing levels, the FY 2022 appropriation, the pace of hiring under regular appropriations and continuing resolutions, and anticipated attrition.

The request would also allow the FEC to increase investments in training and awards from FY 2022 levels to improve the skills base of the workforce and reward high performance and to make these investments comparable to levels prior to FY 2021. Finally, the Commission has established a series of data-driven metrics to measure customer satisfaction with educational outreach efforts and to ensure that matters are moved efficiently and fairly through the enforcement and compliance processes with complainants and respondents afforded sufficient transparency regarding the processes.

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<sup>9</sup> Citing the FEC's "critical mission" and the "exponential growth in the volume of campaign finance data," the Committee on Appropriations of the House of Representatives "encourage[d] the FEC to develop a staffing model to determine the number of personnel needed to ensure the agency is appropriately resourced to meet its mission." H.R. Rep. 117-79, at 69 (July 1, 2021). The increase in FEC staffing levels included in the FY 2023 request are the agency's proposed first steps toward reaching an appropriate human resource level.

### FEC Actual FTE FY 2010 to FY 2021



\*Figures are from Actual Column of the President's Budget Appendix.

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## **Section 2: Budget Overview**

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### **2A: Requested Budget Level**

In this section, increases and decreases are identified and the FY 2023 request is compared to the *FY 2022 Consolidated Appropriations Act*. The FY 2022 continuing resolution level is also shown to match the President's Budget appendix presentation. For FY 2023 the requested appropriation is \$7.2 million higher than the FY 2022 appropriation, a 9.6 percent increase.

The requested increase is split with 73 percent directed to personnel expenses and 27 percent directed to non-personnel expenses. For personnel expenses, the increase is driven by the 4.6 percent pay raise, benefits and backfilling positions lost over the last several years. For non-personnel expenses, the increases mainly affect the information technology area, and a scheduled increase in FEC's lease with GSA.

**Table 1 Changes from FY 2022 Omnibus to FY 2023 Request**

Category	Amount
<b>FY 2022 CR Level</b>	<b>\$74,500,000</b>
<b>Personnel Changes</b>	
Personnel Compensation and Benefits	<b>\$5,873,13</b>
<b>Personnel Changes Subtotal:</b>	<b>\$5,873,13</b>
<b>Non-Personnel Changes</b>	
Contracts & Other Services	-679,063
Non-Capitalized & Capitalized Equipment	-21,026
Printing & Reproduction	4,103
Travel	7,804
Training	15,342
Supplies & Materials	28,432
Communications	41,118
Federal Goods & Services	60,599
GSA Rent	247,379
IT Contracts	1,596,182
<b>Non-Personnel Changes Subtotal:</b>	<b>\$1,300,869</b>
<b>Total Change:</b>	<b>\$7,174,000</b>
<b>FY 2023 Request</b>	<b>\$81,674,000</b>

Table 2 highlights the FY 2022 Omnibus level as compared to the FY 2023 Budget Request and FY 2021 actual obligations.

**Table 2**  
**FY 2023 FEC Budget Request**

Object Class Data Federal Election Commission		FY 2021 Actual	FY 2022 Annualized CR level	FY 2022 Omnibus*	FY 2023 Request	Change from FY 2022 Omnibus to CBJ	% Change From FY2022 Omnibus to FY 2023 Request
11	Personnel Compensation	38,453,751	38,521,112	40,060,420	43,938,758	3,878,338	9.68%
11.52	Cash Awards	244,113	245,039	633,007	650,000	16,993	2.68%
12.1	Personnel benefits	13,597,523	13,615,120	12,699,004	14,667,523	1,968,519	15.50%
12.18	Transit Subsidy	42,500	120,000	345,719	355,000	9,281	2.68%
<b>Subtotal, Personnel</b>		<b>\$52,337,887</b>	<b>\$52,501,271</b>	<b>\$53,738,150</b>	<b>\$59,611,281</b>	<b>\$5,873,131</b>	<b>10.93%</b>
21	Travel & transportation of persons	14,683	55,000	290,696	298,500	7,804	2.68%
23.1	GSA Rent	5,161,065	5,200,000	5,135,431	5,382,810	247,379	4.82%
23.3	Communications, Utilities & Postage	527,023	540,000	525,882	567,000	41,118	7.82%
24	Printing & Reproduction	86,821	90,000	152,837	156,940	4,103	2.68%
25.11	Training, Commercial Fed. & Tuition	283,608	285,000	571,498	586,840	15,342	2.68%
25.14	IT Contracts	8,587,485	7,162,838	6,910,326	8,506,508	1,596,182	23.10%
25.2	Contracts & Other Services	1,082,836	2,404,162	2,518,764	1,839,701	-679,063	-26.96%
25.3	Federal Goods & Services	1,610,742	1,800,000	2,257,301	2,317,900	60,599	2.68%
26	Supplies and Materials	705,784	700,000	1,059,088	1,087,520	28,432	2.68%
31	Non-Capitalized and Capitalized Equipment	880,312	758,729	1,340,026	1,319,000	-21,026	-1.57%
42	Insurance Claims	400	0	0	0	0	0.00%
<b>Subtotal, Non-Personnel</b>		<b>\$18,940,758</b>	<b>\$18,995,729</b>	<b>\$20,761,850</b>	<b>\$22,062,719</b>	<b>\$1,300,869</b>	<b>6.27%</b>
<b>TOTAL</b>		<b>\$71,278,645</b>	<b>\$71,497,000</b>	<b>\$74,500,000</b>	<b>\$81,674,000</b>	<b>\$7,174,000</b>	<b>9.63%</b>
*FY 2022 Omnibus allocations reflect a pro-rata reduction from the FY 2022 request to reduce total amounts from \$76.5 to \$74.5 million. Final estimated allocations will be presented in the FEC's reprogramming report.							



**2A.1: Description of Budget Increases and Decreases at Request Level**

**Program Increases and Decreases .....\$10,117,000**

**Personnel Increase .....\$5,873,131/32FTE**

FEC seeks an addition of \$5.9 million above the FY 2022 Omnibus levels to support salaries, awards, and other personnel benefits. These funds would provide the agency with flexibility to backfill critical vacancies after several years of flat or reduced employment levels. Importantly, the hiring initiative would take account of the increase provided in the FY 2022 appropriation as well a historical hiring patterns. The requested level would also support required personnel cost increases, such as pay raises and higher employer benefits contributions, *e.g.*, transit subsidies, that were artificially lowered by the pandemic and budget constraints in FY 2021.

**Non-Personnel Increases and Decreases .....\$1,300,869**

This increase would provide funding for critical non-personnel areas to continue and maintain FEC’s IT modernization efforts and other essential initiatives that could not be funded in FY 2022.

**Contracts & Other Services ..... -\$679,063**

This decrease is partially offset by a \$1.5 million increase in IT contracts. While the amount devoted to IT contracts is increased, FEC would need to prioritize funding to maintain existing IT support contracts. Any additional funding would go to support eFiling and IT modernization projects.

**Non-Capitalized and Capitalized Equipment ..... \$-21,026**

The FEC is expecting to achieve savings in equipment as it continues to pursue its modernization efforts.

**Printing & Reproduction .....\$4,103**

As the agency returns to normal operations, printing costs are projected to modestly increase.

**Travel .....\$7,804**

The agency anticipates modest increases in travel expenses as it continues to resume normal operations after the COVID-19 pandemic.

**Training .....\$15,342**

The agency reduced FY 2021 training levels in order to meet the enacted funding levels is working to build back to historic levels. This modest increase would keep pace with expected training needs.

**Supplies and Materials .....\$28,432**

This number reflects the agency’s continued return to normal operations after the pandemic.

**Federal Goods and Services .....\$60,599**

This increase is due to the increased costs of FEC’s Shared Service Providers (SSP), HR support and the Federal Protective Service.

**Communications, Utilities & Postage.....\$41,118**

This level would provide for expected increases in communication contracts, including contracts that implement GSA’s mandated Enterprise Infrastructure Solutions (EIS) telecommunications program and mobile phones used by agency staff.

**GSA Rent .....\$247,379**

FEC’s increased rent costs are in a lease agreement and supplied by GSA.

**IT Contracts.....\$1,596,182**

Funding at the request level would allow the agency to maintain its existing applications and systems, including GSA’s mandated Enterprise Infrastructure Solutions (EIS) program, and support its statutory duties during an era of exponential data growth and expanded cybersecurity threats. Other projects that this level might support include: (1) Continued cloud migration and modernization/redesign of migrated legacy applications, which in turn will help the agency realize the future savings of these efforts and avoid the cost of maintaining outdated legacy systems; (2) Continuing the implementation of the new eFiling platform during FY 2023. Implementation of this program will allow the agency to retire its legacy eFiling system and realize efficiencies in future years; (3) Maintenance and support of the agency’s legacy eFiling system which is necessary while the updated platform is being implemented; (4) Funding of web hosting costs, which are increasing due to the exponential growth in data and the migration of systems and applications to the cloud; and (5) Funding the contracts for products and services associated with maintaining our defenses against cybersecurity threats.

## **2B: Appropriations Language**

The FEC proposes the following Appropriations Language for FY 2023.

FEDERAL ELECTION COMMISSION  
Federal Funds Salaries and Expenses

*For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, \$81,674,000, of which not to exceed \$5,000 shall be available for reception and representation expenses.*

## 2C: Recommended Legislative Changes

On May 6, 2021, the Commission submitted legislative recommendations to Congress and the Administration.<sup>10</sup> Four of these recommendations represent bold proposals to streamline agency processes, including those for disclosing campaign finance data to the public, and ensure that the agency can operate more effectively and at a lower cost to taxpayers.

These initiatives require statutory changes to be enacted through legislation and proposed statutory language for each was approved by the Commission and provided to the Congress and the Administration.

### Electronic Filing of Electioneering Communication Reports

*Section:* Federal Election Campaign Act of 1971, as amended (FECA) § 304(a)(11)(A)(i) (codified at 52 U.S.C. § 30104(a)(11)(A)(i))

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

*Explanation:* The Treasury and General Government Appropriations Act, 2000,<sup>11</sup> required the Commission to make electronic filing mandatory for political committees and other persons required to file with the Commission who, in a calendar year, have, or have reason to expect to have, total contributions or total expenditures exceeding a threshold amount set by the Commission (which is currently \$50,000). In addition, many independent expenditure reports are already subject to mandatory electronic filing under section 304(a)(11)(A)(i) of the Federal Election Campaign Act of 1971, as amended (FECA).<sup>12</sup> However, because electioneering communication reports are not filed by political committees, and because funds spent for electioneering communications are reported as “disbursements,” and not as “expenditures,” the mandatory electronic filing provisions do not apply to electioneering communication reports.

Compared to data from paper reports, data from electronically filed reports is received, processed and disseminated more easily and efficiently, resulting in better use of resources. Reports that are filed

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<sup>10</sup> FECA § 304(c)(1) (codified at 52 U.S.C. § 30104(c)(1)).

<sup>10</sup> FECA § 301(4)(A) (codified at 52 U.S.C. § 30101(4)(A)).

<sup>10</sup> FECA § 301(4)(C) (codified at 52 U.S.C. § 30101(4)(C)).

<sup>10</sup> FECA § 304(c)(1) (codified at 52 U.S.C. § 30104(c)(1)).

<sup>11</sup> Pub. L. No. 106-58, § 639, 113 Stat. 430, 476 (1999).

<sup>12</sup> Pub. L. No. 92-225, 86 Stat. 3 (1972), as amended, codified at 52 U.S.C. § 30104(a)(11)(A)(i).

electronically are normally available to the public, and may be downloaded, within minutes. In contrast, the time between the receipt of a report filed through the paper filing system and its initial appearance on the Commission's web site is 48 hours.

Electronic filings are not subject to delay due to post office processing or disruptions in the delivery of mail, such as those arising from health and security measures related to the COVID-19 pandemic or the discovery of anthrax powder and ricin in mail. Because of these measures, the Commission's receipt of mailed paper filings is delayed. In contrast, electronic filings are not subject to these delays.

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

### **Authority to Create Senior Executive Service Positions**

*Sections:* 5 U.S.C. § 3132(a)(1)  
FECA § 306(f)(1)  
(codified at 52 U.S.C. § 30106(f)(1))

*Recommendation:* Congress should delete the exclusion of the Federal Election Commission from eligibility for the Senior Executive Service (SES) under the Civil Service Reform Act of 1978 (as amended by the Federal Election Campaign Act Amendments of 1979).<sup>13</sup> Additionally, Congress should revise section 306 of FECA, to delink the salaries of the Staff Director and the General Counsel from Level IV and Level V of the Executive Schedule.

*Explanation:* The Commission believes that these statutory changes are needed to bring the Commission's personnel structure in line with that of other comparable federal agencies. This would ensure that the Commission is better able to compete with other government agencies in recruiting and retaining key management personnel.

Currently, the Commission is prohibited by law from creating Senior Executive Service positions within the agency.<sup>14</sup> The Commission recommends that it be made eligible to create Senior Executive Service positions because: (1) the agency currently has several top management positions that the Commission believes would fully satisfy the criteria for SES positions set forth in 5 U.S.C. § 3132 (*e.g.*, directing the work of an organizational unit, monitoring progress toward organizational goals, etc.); and (2) the SES

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<sup>13</sup> See Pub. L. No. 96-187, § 203, 93 Stat. 1339, 1368 (1980), codified at 5 U.S.C. § 3132(a)(1)(C).

<sup>14</sup> 5 U.S.C. § 3132(a)(1)(C).

system would provide institutional benefits to the agency and agency employees.

As a result of the current prohibition, the Commission's senior managers (other than the Staff Director and the General Counsel) are employed in Senior Level positions. The current Senior Level positions (the Chief Financial Officer, the Inspector General, the Deputy Inspector General, four Deputy Staff Directors, two Deputy General Counsels, and three Associate General Counsels) oversee major programmatic areas and supervise not only staff, but other managers as well. Although these twelve top management positions are designated as Senior Level, because supervisory and executive responsibilities occupy 100% of the time of the employees filling these positions, the positions would be more appropriately designated as SES.<sup>15</sup>

The FEC's expenses would not increase significantly if it were permitted to participate in the SES program. In 2008, legislation brought the salary ranges for Senior Level employees into parity with Senior Executive Service employees.<sup>16</sup> Like SES employees, Senior Level employees may now carry over 720 hours of annual leave into the next year, rather than the previous Senior Level limit of 240. Nonetheless, the SES system would provide institutional benefits to the Commission and its employees by enhancing the quality and quantity of the pool of persons available to fill vacancies that may arise.

SES candidates must go through a competitive selection process in order to enter a Candidate Development Program. Completion of a Candidate Development Program by candidates within the agency ensures that a cadre of SES-approved employees is available for selection and thereby assists in good succession planning. In addition, the SES system enables agencies to hire experienced and skilled leaders from a *government-wide*, not just intra-agency, pool with relative ease and with the assurance that all such employees have met the same standards of development and experience. For example, because SES-certified applicants from outside the agency will have met all of the Executive Core Qualifications, the Commission would be able to evaluate their applications with the assurance that fundamental competencies have already been developed.

The current provision in FECA specifies that the Staff Director and General Counsel are to be paid at Level IV and Level V of the Executive Schedule, respectively. Both positions supervise personnel at the GS-15 and Senior Level pay scales, which often provide higher salaries than Levels IV and V of the Executive Schedule. The Staff Director and General Counsel have significant responsibilities and oversight duties with respect to both administrative and legal areas, as well as management over almost all agency personnel. According to recruiting specialists working with the Commission, the current limit

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<sup>15</sup> In fact, OPM's guidance on the Senior Level positions indicates that the Senior Level system is generally for positions in which supervisory duties occupy less than 25% of the employee's time. See <http://www.opm.gov/policy-data-oversight/senior-executive-service/scientific-senior-level-positions/> (last visited May 6, 2021). OPM's guidance does note, however, that "in a few agencies [such as the Federal Election Commission] that are statutorily exempt from inclusion in the Senior Executive Service (SES), executive positions are staffed with SL employees."

<sup>16</sup> See Senior Professional Performance Act of 2008, Pub. L. No. 110-372, 122 Stat. 4043 (2008).

makes attracting a strong pool of applicants to these positions more challenging. The appointment and retention of these key leaders have been identified as ongoing management and performance challenges to the Commission by the Inspector General in the eight most recent Agency Financial Reports covering 2014 through 2021 and in previous Performance and Accountability Reports. The General Counsel's position is currently filled on an acting basis.

The Commission proposes removing the statutory references to the Executive Schedule, so that the Staff Director and General Counsel would be compensated under the same schedule as the Commission's other senior managers. This revision will remedy the current situation where the Commission's top managers are compensated at a lower rate than many of their direct reports and will ensure that the Commission can retain highly qualified individuals to serve in those positions as well as enable it to remain competitive in the marketplace for Federal executives when filing the current vacancy or when further vacancies arise. This change will not require an increase in the Commission's appropriation request.

Accordingly, the Commission believes that the positions of Staff Director and General Counsel, as well as the current Senior Level positions within the agency, would be more appropriately categorized as SES positions. Because salary ranges for Senior Executive Service employees and Senior Level employees are in parity, as discussed above, the foregoing amendments will affect the salary expenses for only two positions: the Staff Director and the General Counsel.

### **Make the Administrative Fine Program for Reporting Violations Permanent**

*Section:* FECA § 309(a)(4)(C)(v)  
(codified at 52 U.S.C. § 30109(a)(4)(C)(v))

*Recommendation:* Congress should make permanent the Commission's authority to assess administrative fines for violations of the law requiring timely reporting of receipts and disbursements. The Commission's current Administrative Fine Program only covers violations that relate to reporting periods through December 31, 2023.

*Explanation:* On December 21, 2018, President Trump signed legislation that extended the Administrative Fine Program, which authorized the Commission to include in the Program certain violations of FECA that relate to reporting periods through December 31, 2023.<sup>17</sup> Congress has acted six times to extend the Administrative Fine Program, extending the initial covered period from two years to cover 24 years.<sup>18</sup> Instead of enacting a seventh temporary extension, Congress should act to make the

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<sup>17</sup> See Pub. L. No. 115-386, 132 Stat. 5161 (2018).

<sup>18</sup> Pub. L. No. 107-67, §642, 115 Stat. 514, 555 (2001) (extending program through 2003 reports), Pub. L. No. 108-199, § 639, 118 Stat. 3, 359 (2004) (extending program through 2005 reports, leaving gap in coverage from January 1 to February 10, 2004); Pub. L. No. 109-155, § 721, 119 Stat. 2396, 2493-94 (2005) (extending program through 2008

program permanent.

Through the Administrative Fine Program, the Commission has processed and made public 3,482 cases, with more than \$6.8 million in fines assessed during the period from implementation of the program in 2000 through the end of fiscal year 2020. The Administrative Fine Program has been remarkably successful: over the course of the program, the number of late and nonfiled reports has dramatically decreased. For election cycles 1992 through 2000, an average of 21% of campaign finance reports were filed late. Since the inception of the Administrative Fine Program, the percentage of late reports has dropped to below 10%. As a result, the Administrative Fine Program has become an integral part of the Commission's mission to administer and enforce the Act. 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. By making the program permanent, Congress would ensure that the Commission would not lose one of the most cost-effective and successful programs in its history.

Under the Administrative Fine Program, the Commission considers reports to be filed late if they are received after the due date, but within 30 days of that due date. Election-sensitive reports<sup>19</sup> are considered late if they are filed after their due date, but at least five days before the election. Committees filing reports after these dates are considered nonfilers. Civil money penalties for late reports are determined by the amount of activity on the report, the number of days the report was late and any prior penalties for violations under the administrative fine regulations. Penalties for nonfiled reports are determined by the estimated amount of activity on the report and any prior violations. Committees have the option to challenge the Commission's finding, proposed penalty or both, or they may pay the civil penalty assessed.

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

*Sections:* FECA §§ 301, 304 and 315  
(codified at 52 U.S.C. §§ 30101, 30104 & 30116)

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

*Explanation:* Most of the Federal Election Campaign Act's contribution limits and registration and reporting thresholds were set in the 1970s. Because over twenty years of inflation had effectively reduced FECA's contribution limits in real dollars, the Bipartisan Campaign Reform Act of 2002 increased most

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reports); Pub. L. No. 110-433, 122 Stat. 4971 (2008) (extending program through 2013 reports); Pub. L. No. 113-72, 127 Stat. 1210 (2013) (extending program through 2018 reports); and Pub. L. No. 115-386, 132 Stat. 5161 (2018) (extending program through 2023 reports).

<sup>19</sup> Election sensitive reports are those filed immediately before an election and include pre-primary, pre-special, pre-general, October quarterly and October monthly reports.



of the Act's contribution limits to adjust for some of the effects of inflation. Furthermore, BCRA indexed these limits for inflation to address inflation in future. The Commission proposes extending this approach to registration and reporting thresholds, which have been effectively reduced by inflation since those thresholds were established in 1971 or 1979.

Since 1971, FECA has provided that any group of persons that receives contributions or makes expenditures in excess of \$1,000 in a calendar year must register and report as a political committee.<sup>20</sup> FECA also requires political committees to abide by the contribution limits and source prohibitions specified in FECA. Since 1979, FECA has provided that local political party organizations are also subject to a \$1,000 threshold for federal political committee status.<sup>21</sup> The Commission recommends that Congress increase these thresholds to \$2,000, and then index those amounts for inflation to prevent erosion in the future. Raising this threshold would be particularly beneficial for local and Congressional district committees of political parties. These organizations frequently breach the \$1,000 threshold. An increased threshold would permit limited spending on federal elections without triggering federal political committee status for local and Congressional district committees of political parties.

Since 1979, FECA has required persons (other than political committees) who make independent expenditures in excess of \$250 in a calendar year to report such expenditures to the Commission.<sup>22</sup> The Commission recommends that Congress increase this threshold to \$500 and index this amount for inflation.

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

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<sup>20</sup> FECA § 301(4)(A) (*codified at* 52 U.S.C. § 30101(4)(A)).

<sup>21</sup> FECA § 301(4)(C) (*codified at* 52 U.S.C. § 30101(4)(C)).

<sup>22</sup> FECA § 304(c)(1) (*codified at* 52 U.S.C. § 30104(c)(1)).

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## **Section 3: FY 2023 Annual Performance Plan and FY 2021 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) 2022-2026, and designed to provide a solid framework for performance planning and reporting in accordance with the requirements of the *GPRA Modernization Act of 2010*.<sup>23</sup> The FY 2023 Annual Performance Plan and FY 2021 Annual Performance Report are combined in this document to present accomplishments through FY 2021 and performance targets associated with FYs 2021, 2022 and 2023.

This plan positions the agency to promote compliance and to engage and inform the public about campaign finance data and rules. In order to meet these challenges, the FEC must maintain a workforce that is highly qualified to achieve the agency’s mission effectively and efficiently.

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

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

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<sup>23</sup> The President’s Budget identifies the lower-priority program activities, where applicable, as required under the *GPRA Modernization Act of 2010*, 31 U.S.C. 1115(b)(10). See <http://www.whitehouse.gov/omb/budget>.

### 3B: Organizational Structure

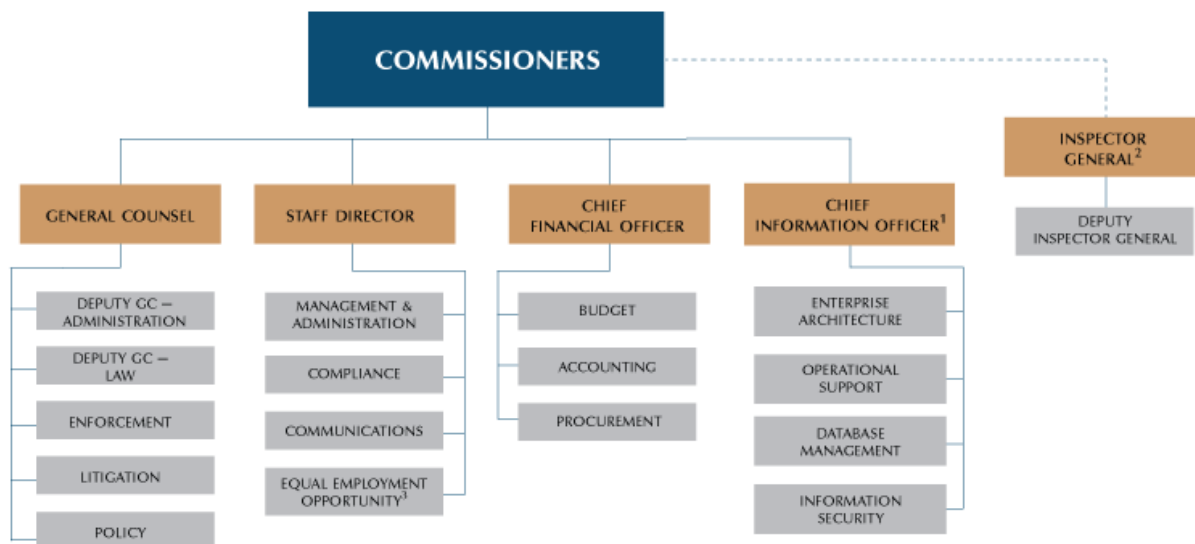
The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act* (the *Act*).<sup>24</sup> The Commission is also responsible for administering the federal public funding programs for presidential campaigns. This responsibility includes certifying and auditing all participating candidates and committees and enforcing the public funding laws.

Under the *Act*, all federal political committees, including the committees of presidential, Senate and House candidates, must file reports of receipts and disbursements. The FEC makes disclosure reports available to the public through the Commission's Internet-based public disclosure system at [www.fec.gov](http://www.fec.gov) as well as through a public records office at the Commission's Washington, D.C. headquarters. The FEC also has exclusive responsibility for civil enforcement of the *Act*, and has litigating authority independent of the Department of Justice in U.S. District Court and the Courts of Appeals. Additionally, the Commission promulgates regulations implementing the *Act* and issues advisory opinions responding to inquiries.

To accomplish its legislative mandate, the FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners may be members of the same political party. Each member serves a six-year term, and two seats are subject to appointment every two years. Commissioners may serve beyond their six-year terms until new Commissioners are confirmed. The Chairmanship of the Commission rotates among the members, with no member serving as Chair more than once during a six-year term. The Commissioners are responsible for administering and enforcing the *Act* and meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires at least four votes for the Commission to approve certain 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>24</sup> The Commission's primary responsibilities pertain to the *Federal Election Campaign Act of 1971*, Public Law 92-225, 86 Stat. 3 (1972) as amended (*codified at* 52 U.S.C. §§ 30101-30145) (formerly at 2 U.S.C. §§ 431-55) (the *Act* or the *FECA*). The Commission's responsibilities for the Federal public funding programs are contained in the *Presidential Election Campaign Fund Act*, Public Law 92-178, 85 Stat. 562 (1971) (*codified at* 26 U.S.C. §§ 9001-13) and the *Presidential Primary Matching Payment Account Act*, Public Law 93-443, 88 Stat. 1297 (1974) (*codified at* 26 U.S.C. §§ 9031-42).



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

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

<sup>3</sup> The Director for Equal Employment Opportunity reports to the Staff Director on administrative issues but has direct reporting authority to the Commission on all EEO matters. See 29 CFR 1614.102(b)(4).

Figure 1: FEC Organizational Chart

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

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

The Office of the Staff Director consists of four offices: 1) Management and Administration; 2) Compliance; 3) Communications; and 4) Equal Employment Opportunity. The Office of Management and Administration is responsible for the FEC’s strategic planning and performance and works with the Commission to ensure the agency’s mission is met efficiently. In addition, this office houses the Office of the Commission Secretary, the Office of Human Resources (OHR) and the Administrative Services Division (ASD). The primary responsibilities of the Office of Compliance are making campaign finance reports and data available to the public, review of campaign finance reports, assistance with compliance, audits, administrative fines and alternative dispute resolution. The Office of Communications includes divisions charged with making enforcement, policy and other Commission documents, as well as

presidential candidates' personal financial disclosure reports, available to the public, encouraging voluntary compliance with the *Act* through educational outreach and training, and ensuring effective communication with Congress, executive branch agencies, states, the media and researchers, and the general public. The Equal Employment Opportunity Office administers and ensures compliance with applicable laws, regulations, policies and guidance that prohibit discrimination in the Federal workplace based on race, color, national origin, religion, age, disability, sex, pregnancy, genetic information or retaliation. The EEO Director reports to the Staff Director on administrative issues, but has direct reporting authority on all EEO matters. See 29 CFR 1614.102(b)(4).

**- Office of General Counsel (OGC)**

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

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

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

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

The Office of the Chief Financial Officer consists of three offices: (1) Budget; (2) Accounting; and (3) Procurement. The OCFO is responsible for complying with all financial management laws and standards, and all aspects of budget formulation, budget execution and procurement.

## **3C: Performance Framework**

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

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

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

The *Act* reflects a belief that democracy works best when voters can make informed decisions in the political process—decisions based in part on knowing the sources of financial support for federal candidates, political party committees and other political committees. As a result, the FEC’s first strategic objective is to inform the public about how federal campaigns and committees are financed. Public confidence in the political process also depends on the knowledge that participants in federal elections follow clear and well-defined rules and face consequences for non-compliance. Thus, the FEC’s second strategic objective focuses on the Commission’s efforts to promote voluntary compliance through educational outreach and to enforce campaign finance laws effectively and fairly. The third strategic objective is to interpret the *FECA* and related statutes, providing timely guidance to the public regarding the requirements of the law. The Commission also understands that organizational performance is driven by employee performance and that the agency cannot successfully achieve its mission without a high-performing workforce that understands expectations and delivers results. Consequently, the FEC’s fourth strategic objective is to foster a culture of high performance in order to ensure that the agency accomplishes its mission efficiently and effectively. The FEC’s strategies for reaching these objectives are outlined below.

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

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

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

## **Strategies and Next Steps**

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

The number of financial transactions reported to the FEC has nearly doubled each election cycle for the past several election cycles, resulting in a steep rise in the number of transactions that must be received, processed and made available to the public. This increase in reported activity places a strain on staff, systems and databases. For example, the number of financial transactions received during October 2020 alone was more than what was received during the entire 2016 election cycle. Each transaction must be received and processed by the FEC and made available to the public on the FEC website. This transaction-level data is also used by the FEC internally and supports much of the FEC's mission-related work.

The FEC is taking steps to ensure it can continue to meet the agency's disclosure mission in future years even as the amount of reported activity continues to rise. As political committees active in federal elections continue to develop new methods for raising funds, the volume of transactions reported can change significantly. During FY 2022, as projections for the volume of campaign finance transactions become available for the election cycle, the FEC will establish a baseline for the performance of the campaign finance application programming interface (API) and campaign finance database. The agency will use this baseline to develop future plans to improve the agency's capacity to process campaign finance data.

The Commission is also improving and refining its website through iterative development, ensuring the FEC continues to provide an effective, user-centered online platform to deliver campaign finance information to its diverse base of users. This effort will ensure that the FEC provides full and meaningful campaign finance data and information in a manner that meets the public's increasing expectations for data customization and ease of use.

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

## **Progress Update for FY 2021**

The FEC continued its work to receive and make public campaign finance disclosure information. The FEC received 90,607 campaign finance disclosure documents filed during FY 2021 disclosing over 244 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 2021, the FEC ensured that 100 percent of paper filed reports were made available to the public within two business days and that 100

percent of independent expenditure filings were made available to the public within one business day.

After reports are imaged for disclosure purposes, the information is coded and entered into the FEC's database for review to assess accuracy and ensure complete disclosure of campaign finance information. The agency's goal is to code and enter 95 percent of the reports within 30 days of receipt. In FY 2021 the agency processed 89 percent of reports within 30 days of receipt. The agency's ability to meet its target for this performance goal during FY 2021 was negatively impacted by staff shortages and an unprecedented volume of filings received during the 2020 election cycle.



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

Key Indicator: Percent of reports processed within 30 days of receipt.								
FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
100%	96%	100%	94% <sup>25</sup>	98%	95%	89% <sup>26</sup>	95%	95%

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

<sup>26</sup> The agency’s ability to meet its target for this performance goal during FY 2021 was negatively impacted by staff shortages and an unprecedented volume of filings received during the 2020 election cycle.

### Supporting Indicators 1-1:

Measure Name	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Percent of reports and statements filed on paper with the FEC made available on the FEC website within two business days of receipt	99%	99%	99%	100%	100%	100%	100%	100%	100%
Percent of 24- and 48-hour reports on independent expenditure spending filed on paper made available on the FEC website within one business day of receipt	100%	100%	100%	100%	100%	100%	100%	100%	100%
Improve capacity to process campaign finance data	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Establish baseline	N/A

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

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

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

#### Strategies and Next Steps

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

The FEC’s education and outreach programs provide information necessary for compliance with campaign finance law and give the public the context necessary to interpret the campaign finance data filers disclose. The FEC maintains a toll-free line and public email accounts to respond to inquiries regarding campaign finance data disclosed to the public and questions about how to comply with campaign finance law and its reporting requirements.

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

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

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

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

In addition, the Reports Analysis Division (RAD) established and implemented the RAD Education Program (the Program) to provide an informal, education-based means for resolving compliance issues. The goal of the program is to educate political committees on disclosure and compliance requirements to ensure future compliance with the Federal Election Campaign Act and Commission regulations. The Program provides eligible committees with an opportunity to participate in tailored training focused on the issues identified during the review of the committees' reports and cited in Requests for Additional Information sent during the election cycle, in lieu of a referral for an audit. Further, committees that are not otherwise eligible for an audit referral, but that meet certain criteria, are invited to participate in the Program in order to prevent future compliance issues.

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

The FEC has formed strategies for ensuring that its enforcement and compliance programs are fair, effective and timely. The Commission's statutory obligation is to administer, interpret and enforce the

*Federal Election Campaign Act*, which serves the compelling governmental interest in deterring corruption and the appearance of corruption in financing elections. In doing so, the Commission remains mindful of the First Amendment's guarantees of freedom of speech and association, and the practical implication of its actions on the political process.

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

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

The Office of Compliance's Reports Analysis Division (RAD) reviews an ever-increasing volume of reports to track compliance with the law and to ensure that the public record provides a full and accurate representation of reported campaign finance activity. If the FEC's review identifies an apparent violation or raises questions about the information disclosed on a report, RAD sends a request for additional information (RFAI letter) to the filer, affording an opportunity to take remedial action or correct the public record, if necessary. If the filer is able to resolve the FEC's concerns, it may avoid an enforcement action. If not, the Commission has several tools available to it, such as the Administrative Fine Program, Audit Program, the Alternative Dispute Resolution Program and the traditional enforcement program.

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

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

The Commission generally conducts audits when a committee appears not to have met the threshold requirements for substantial compliance. The audit determines whether the committee complied with the limitations, prohibitions and disclosure requirements of the *Act*. In addition, the Commission is required by law to audit presidential campaigns that accept public funds.

### **Progress Update for FY 2021**

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

During FY 2021, the Commission continued to meet its mandate to assist the public by providing access to campaign finance compliance information. The Commission is deeply committed to providing candidates, committees and the public timely advice and support so they can fully understand and comply with the *Act*. The Commission also continues to strive to better understand and meet the needs of the public and other stakeholders. During FY 2021, the FEC produced a variety of instructional videos and web content, conducted online training workshops, including 23 fully remote webinars while staff worked from home. Because of the pandemic, the Commission converted its planned two-day Denver Regional Conference into an all-virtual event, held exclusively online. Despite these challenges, the FEC again exceeded its customer service target for conferences and webinars, achieving an average attendee satisfaction rating of 4.36 on a five-point scale.

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

### **Reports Analysis Division**

During FY 2021, RAD continued to ensure that campaigns and political committees file timely and accurate disclosure reports that fully disclose their financial activities. During the fiscal year, RAD reviewed 102,219 documents totaling 187 million pages. RAD continued to demonstrate its commitment to assisting filers with compliance, handling 13,634 phone calls and meetings, 968 electronic mail inquiries, developing reporting examples for the FEC website, and participating in several FEC conferences, seminars and webinars during FY 2021. In addition, the Reports Processing Branch demonstrated its commitment to providing the public with timely data, coding 134.3 million transactions during FY 2021.

### **Office of General Counsel**

OGC continues to seek improvement in meeting its obligations to the Commission and the public to handle its caseload efficiently and effectively despite staffing challenges. In FY 2021, the Commission closed 194 enforcement cases in an average of 852 days, which included \$803,878 in negotiated civil penalties. The Commission closed 66 cases (34 percent) within 15 months.

### *Alternative Dispute Resolution Office*

The ADRO 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 2021, the Commission completed 72 ADR cases, which included \$322,085 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. During fiscal year 2021, ADRO circulated 98 percent of recommendations within that timeframe.

***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 2021, RAD processed 384 reason-to-believe recommendations for Commission consideration. RAD processed 94 percent of these recommendations within 60 days of the original due date of the untimely or not filed report. OAR reviewed 44 challenges submitted by committees in response to a reason-to-believe finding and/or civil money penalty. OAR reviewed 91 percent of these challenges within 60 days of receipt. Overall, OAR has reviewed 842 challenges submitted from the Program’s inception through FY 2021.

***Audit Division***

The Audit Division continues to enforce the *FECA* through a Commission-approved audit process. During FY 2021, the Audit Division publicly released six Audit Reports, of which five, or 83 percent, were completed within the two-year performance goal period. During FY 2021 there was one request received under the Request for Legal Consideration by the Commission program established in 2011 to allow for challenges to preliminary audit findings, and one request for an Audit Hearing.

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

Key Indicator: Educational outreach programs and events achieve targeted satisfaction rating on user surveys.								
FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
4.53	4.43	4.53	4.45	4.51	4.0 or higher on a 5.0 scale	4.36	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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Increase in the number of E-Learning presentations available on the FEC website	4 new trainings	6 new trainings	3 new trainings	9 new trainings	2 new trainings	4 new trainings	4 new trainings	4 new trainings	4 new trainings

**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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
38%	68%	62%	56%	62%	50%	34% <sup>27</sup>	50%	50%

<sup>27</sup> The agency’s performance under this measure was negatively impacted by the lack of a quorum for most of FY 2020.



## Supporting Indicators 2-2:

Measure Name	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Percent of notifications provided within five days of complaints filed with the FEC	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percent of enforcement matters presented to the Commission for initial review within one year of the date of receipt	86%	86%	84%	82%	81%	80%	82%	80%	80%
Percent of RFAIs sent within 40 days of report review	92%	88%	88%	88%	86%	75%	91%	75%	75%
Percent of reports reviewed by RAD within 90 days of receipt	93%	77%	92%	76%	92%	75%	85%	75%	75%
Percent of <i>Proposed Final Audit Reports</i> (PFAR) approved by the Commission within two years from the start of fieldwork	56%	25%	45%	100%	N/A <sup>28</sup>	60%	83%	60%	60%
Percent of <i>Reviewing Officer Recommendations</i> circulated within 60 days	82%	97%	100%	97%	100%	75%	91%	75%	75%
Percent of <i>ADRO Recommendations</i> circulated within 140 days of referral	97%	78%	74%	70% <sup>29</sup>	100%	75%	98%	75%	75%

<sup>28</sup> The Audit Division was unable to obtain approval for any audit reports during FY 2020 because doing so requires the vote of the Commission, which lacked a quorum for approximately 11 months of the fiscal year.

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

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

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

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

#### ***Regulations***

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

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

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

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

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

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

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

## Progress Update for FY 2021

During FY 2021, the Commission met its goal to issue 100 percent of advisory opinions within the applicable 60- or 20-day statutory deadlines. During FY 2021, the Commission completed work on eleven AO requests and issued eight opinions in response to those requests.<sup>30</sup> All eleven AO requests that the Commission completed in FY 2021 were 60-day AORs (five of which received extended deadlines). These AOs addressed a variety of issues, including sale and use of contributor data, residential and personal security expenses for federal officeholders, an online contribution-processing platform, a federal officeholder serving as the chair of a state party committee and a sponsored advertising service. The average number of days from receipt of a complete AO request to Commission action on it was 79 days.<sup>31</sup> The Commission also provided legal guidance within statutory and court-ordered deadlines 100 percent of the time.

### 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
100% <sup>32</sup>	100% <sup>33</sup>	100% <sup>34</sup>	100% <sup>35</sup>	88% <sup>36</sup>	100%	100% <sup>37</sup>	100%	100%

<sup>30</sup> One advisory opinion request was withdrawn. And in two advisory opinion requests the Commission issued a closeout letter rather than an advisory opinion because a majority of Commissioners did not vote to approve a draft advisory opinion.

<sup>31</sup> This number is higher than usual because the Commission lacked a quorum to vote on advisory opinion requests during the first quarter of FY 2021 and requestors granted the Commission extensions until after it regained a quorum.

<sup>32</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2016.

<sup>33</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>34</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>35</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2019; two of those extensions were lengthened by the partial Federal government shutdown during the first and second quarters of FY 2019.

<sup>36</sup> This corrects the figure in the 2020 Agency Financial Report, which indicated that 100% of legal guidance was provided within statutory and court-ordered deadlines. The Agency Financial Report did not take into account one rulemaking that the Commission approved after the statutory deadline, due to the lack of a Commission quorum for most of FY 2020. The Commission approved the rulemaking—which adjusted for inflation civil monetary penalties—in July 2020, when a quorum was briefly restored.

<sup>37</sup> The Commission obtained extensions to consider five advisory opinion requests in FY 2021; one of those extensions was lengthened by the lack of a Commission quorum during the first quarter of FY 2021.

### Supporting Indicators 3-1:

Measure Name	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines	100% <sup>38</sup>	100% <sup>39</sup>	100% <sup>40</sup>	100% <sup>41</sup>	100% <sup>42</sup>	100%	100% <sup>43</sup>	100%	100%
Percent of court filings that meet all deadlines and rules imposed by the courts	100%	98%	99%	97%	98%	100%	100%	100%	100%

<sup>38</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2016.

<sup>39</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>40</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>41</sup> The Commission obtained extensions to consider six advisory opinion requests in FY 2019; two of those extensions were lengthened by the partial Federal government shutdown during the first and second quarters of FY 2019.

<sup>42</sup> Due to the lack of a quorum for most of FY 2020, the Commission sought extensions from all advisory opinion requestors. Two advisory opinion requestors declined to grant an extension and, once the deadline for responding to those requests expired, the Commission notified those requestors that it was unable to approve an advisory opinion by the required affirmative vote of four commissioners.

<sup>43</sup> The Commission obtained extensions to consider five advisory opinion requests in FY 2021; one of those extensions was lengthened by the lack of a Commission quorum during the first quarter of FY 2021.

### **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 2022-2026, 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. To ensure the agency can recruit and retain the best talent in support of its mission, the agency will work to increase strategic outreach and recruitment efforts and to provide a fair, impartial, inclusive and accessible work environment. The FEC is also committed to continuously improving the performance of staff in support of the agency's mission objectives. To ensure staff development opportunities and trainings are provided fairly, effectively and strategically in support of mission objectives, the FEC will develop and implement an agency-wide training program.

The FEC is undertaking a multi-year IT modernization project to reduce overall costs to maintain the FEC's systems and data, improve services provided to the public and better ensure the security of the FEC's networks, systems and data. Ongoing improvements to the eFiling system will provide an opportunity to migrate the eFiling data center to a cloud environment, reducing costs for the support and maintenance of the legacy eFiling physical data center. Migrating additional assets, including legacy applications used by FEC staff to perform their mission, to a cloud environment will result in improved efficiency and effectiveness of these systems and applications and help control the long-term costs of maintaining these systems and applications.

In FY 2018, the FEC completed the migration of its website and one of its campaign finance databases from a physical datacenter to a cloud environment, allowing the agency to shut down one of its physical datacenters. This migration effort allowed the agency to reduce its physical datacenter footprint by 25 percent. During FY 2020, the FEC conducted a study of its remaining legacy systems to develop a cloud migration plan for these legacy applications and systems. The cloud migration plan developed during FY 2020 also included recommendations for migrating the FEC's disaster recovery environment to a cloud environment and for migrating the FEC's primary campaign finance database.

In addition, the Commission's records management program continues to make advancements. FY 2022 will bring continued focus on updating the agency's Records Management Program and training staff on the agency and governmentwide records schedules, policies and responsibilities.

### **Progress Update for FY 2021**

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

appropriate metadata by 2022. The Commission previously received approval from the Archivist of the United States for its National Archives and Records Administration (NARA) Form 1005 (NA-1005) *Verification for Implementing GRS 6.1*. This established the Commission's agency-wide Email Management Policy via the Capstone approach. In support of that goal, the Commission has continued to develop the implementation of that policy. The Commission is still seeking approval of its January 2018 request, pending with NARA, to electronically maintain all records associated with the Office of Alternative Dispute Resolution's case files, as NARA seeks to finalize and formally add to its regulations digitization standards applicable to paper records that are ultimately digitized. Further, to conform with Executive Order 13556, the Commission is also developing a Directive on Controlled Unclassified Information, which will develop a program to manage information that is not classified for national security purposes but nevertheless requires safeguarding or dissemination controls.

The FEC began implementation of the FY 2020 cloud migration study's recommendations in FY 2021 and has completed the migration of its primary campaign finance database. It has also set a performance target to complete the migration of the legacy applications identified in the cloud migration plan during FY 2023 and start refactoring (or modernizing) the legacy system and processes to take advantage of cloud-native architecture. Migrating these legacy applications from physical datacenters to a cloud environment will reduce future costs for hosting these applications and lower costs for maintaining legacy systems in the FEC's physical datacenters over time.

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

Key Indicator: Commission required quarterly updates meet targeted performance goals.								
FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
76%	85%	73%	53% <sup>44</sup>	73% <sup>45</sup>	65%	87% <sup>46</sup>	65%	65%

<sup>44</sup> The agency’s ability to meet its target for this performance goal during FY 2019 was negatively impacted by the lapse in appropriations from December 22, 2018 to January 25, 2019.

<sup>45</sup> The agency’s performance under this measure was negatively impacted by the lack of a quorum for most of FY 2020.

<sup>46</sup> The agency’s ability to meet its target for this performance goal during FY 2021 was negatively impacted by staff shortages and an unprecedented volume of filings received during the 2020 election cycle.

## Supporting Indicators 4-1:<sup>47</sup>

Measure Name	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Develop and implement an agency-wide training program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Evaluate current program and develop initial recommendations	N/A
Increase strategic outreach and recruitment efforts to ensure the FEC continues to attract and retain a diverse and high-performing workforce	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Evaluate current program and develop initial recommendations	N/A
Meet Records Management Presidential Directive milestones	60%	70%	73%	76%	80%	As specified in Presidential Directive	81%	As specified in Presidential Directive	As specified in Presidential Directive
Reduce reliance on physical data centers	N/A	N/A	100%	N/A	N/A	N/A	N/A	N/A	100% of targeted applications migrated to cloud

### 3D: Implementation Factors

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

The FEC identified in the agency’s FY 2022-2026 Strategic Plan a management objective, Foster a Culture of High Performance, that sets out strategies and measures designed to help the agency deliver greater impact through innovation, increase effectiveness and efficiency, and improve service. Detailed information about this Strategic Objective is available in section 3C:2.4, above. In addition, the

<sup>47</sup> One additional supporting indicator tied to the FEC’s previous strategic plan had a target for FY 2021. Average number of days to hire was assigned a FY 2021 target of 120 days. The FY 2021 actual result was 91 days, compared to 130 days in FY 2020 and 132 days in FY 2019.



Commission has identified management initiatives as strategic activities in the strategic plan to support its mission objectives where those activities are deemed crucial to the success of the objective.

During FY 2021 the FEC partnered with the Office of Personnel Management's HR Solutions to improve the FEC's staffing, classification and performance management processes. Goals for the FEC's human capital management processes are detailed in section 3C:2.4.

Each year the FEC's Inspector General (IG) is required to provide a summary and assessment of the most serious management and performance challenges facing the FEC. In a memorandum dated October 26, 2021, the IG identified five challenge facing management:

- Growth of campaign spending
- Identifying and regulating unlawful foreign contributions
- COVID-19 pandemic
- Senior leadership salary structure
- Cybersecurity

The IG's assessment and the FEC's response are included in the FEC's FY 2021 Agency Financial Report, available on the FEC website at [https://www.fec.gov/resources/cms-content/documents/FY\\_2021\\_Agency\\_Financial\\_Report.pdf](https://www.fec.gov/resources/cms-content/documents/FY_2021_Agency_Financial_Report.pdf).

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

OMB Circular A-136, as revised, and the *GPRMA 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 requests, 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 2022 and 2023 are designed to ensure that the agency is well-prepared to provide full campaign finance transparency to the public despite the expected increase in campaign finance activity.

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## Office of Inspector General's Fiscal Year 2023 Budget Request

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

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

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

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

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

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

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

Accordingly, **the FEC OIG requests an earmark within the FEC's budget appropriation of not less than \$2,211,376 for fiscal year 2023**, to include:

- \$2,211,376 in the aggregate for the operations of the OIG;
- \$50,000 of that amount for OIG training; and
- \$7,961 of that amount to support the CIGIE.

I, Christopher L. Skinner, certify as the IG of the Federal Election Commission that the amount I have requested for training satisfies all OIG training requirements for fiscal year 2023.

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## OIG Summary of Outstanding FEC Audit Recommendations

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The Good Accounting Obligation in Government Act requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by the agency's inspectors general (IGs) which has remained unimplemented for **one year or more** from the annual budget justification submission date. Accordingly, the OIG reports a total of 10 open recommendations with the FY23 budget justification.

<i>OIG Audits/Inspections Reviews/Investigations</i>	<i>Total Recommendations</i>	<i>Total Closed</i>	<i>Total Open as of Feb 2022</i>
2010 Follow-up Audit of Privacy and Data Protection <i>10 years outstanding</i>	9	4	5
Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans <i>9 years outstanding</i>	3	1	2
TranServe Special Review <i>1.5 years outstanding</i>	3	0	3
<b>Total Outstanding Recommendations</b>			<b><u>10</u><sup>48</sup></b>

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<sup>48</sup> The OIG notes 15 additional recommendations from two audits and two investigations that are less than one year old, resulting in a total of 25 open recommendations to date.