

**FEDERAL ELECTION COMMISSION**  
**FISCAL YEAR 2024**  
**CONGRESSIONAL BUDGET JUSTIFICATION**



**March 13, 2023**

Concurrently submitted to Congress and the Office of Management and Budget

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## SUMMARY OF FY 2024 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 the public has 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) 2024 Budget Submission, the FEC’s total requested funding level is \$93.5 million. The request for FY 2024 represents a 14.5 percent increase from the FEC’s FY 2023 appropriation, which follows several years of essentially flat funding for FEC operations between FY 2016 and FY 2022. Funding at the requested level will allow the FEC to continue to rebuild staffing levels and modernize and secure crucial IT systems. The staffing levels proposed in the FY 2023 and FY 2024 Budgets are intended to fill some positions vacated over the past 10 years in order to better serve the public. Between FY 2016 and FY 2022, the FEC reduced IT operational costs and refrained from funding the modernization of certain systems to stay within appropriated levels. This has placed strain on IT operations and the agency predicts that additional funding is needed during the FY 2024 presidential election year to continue services at current levels. At the same time, the agency plans to continue targeted investments towards its modernization efforts to account for significant growth in transactions reported to the FEC and real-time information requests from its website.

Funding at the requested level for FY 2024 will support the agency’s disclosure mission during the current presidential election cycle 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 presidential 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 the previous presidential election cycle.

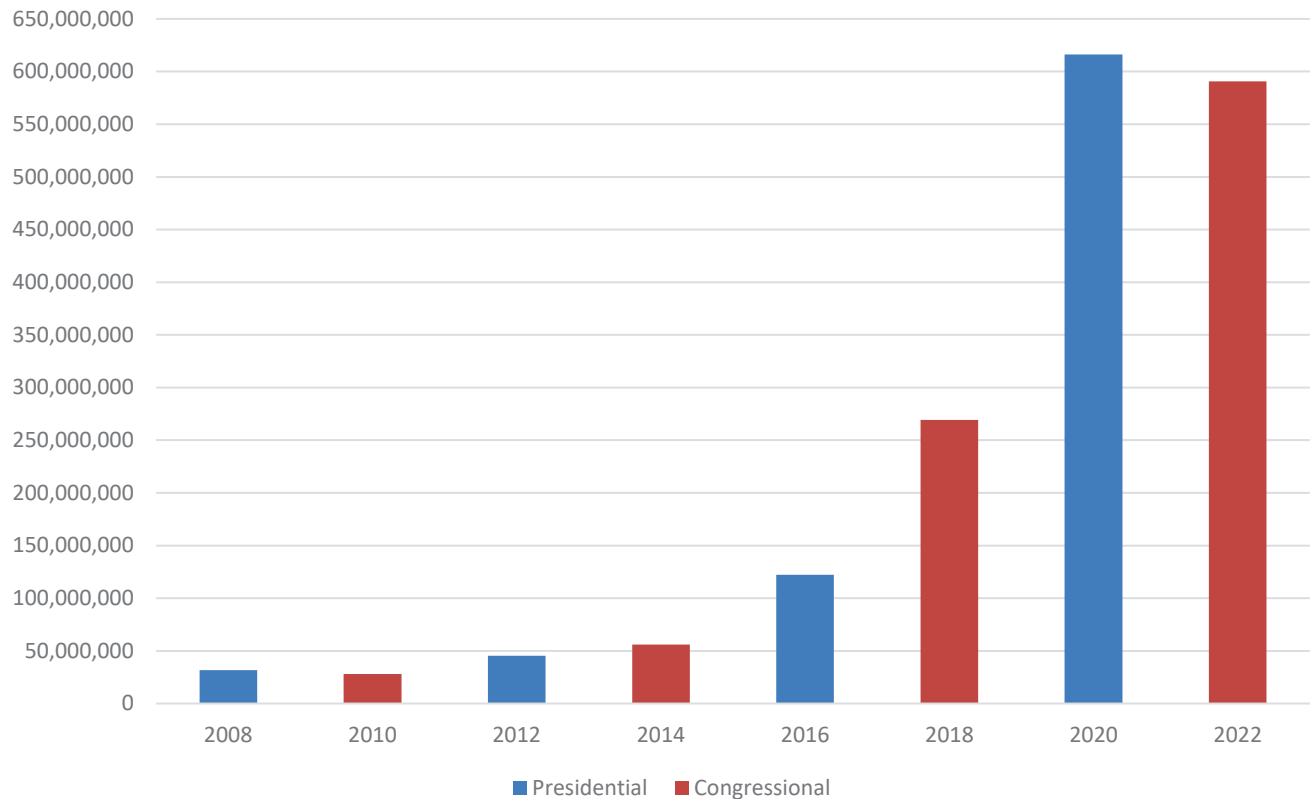
Changes in the way political committees raise and spend funds have contributed to this stark increase in the number of transactions disclosed to the FEC. Campaign finance disclosure data must be received, processed and made available to the public within tight deadlines for public disclosure, and it must be safeguarded to ensure the integrity and accessibility of the information. The chart below illustrates the growth of data transactions in presidential election cycles 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).

## Transactions Reported to the FEC Two-year Periods: 2008-2022



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 presidential 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.

Three Information Technology (IT) Modernization projects in particular are essential components of the FEC's long-term strategy to meet the increase in both reported transactions and public demand for this data: (1) the migration of campaign finance data and applications to a cloud environment; (2) the modernization of the campaign finance data pipeline and applications migrated to the cloud during previous fiscal years; and (3) efforts to modernize the FEC's eFiling system. The FEC anticipates completing the agency's cloud migration during FY 2023. Adequate funding for FY 2024 will help to ensure that the FEC continues work to modernize the eFiling system and internal applications, including

solutions for the Reports Analysis Division's (RAD) review process as well as the voting and certification system used by the Commission. In addition, funding at the requested amount for FY 2024 would allow the FEC to make improvements during the 2024 election cycle to the FEC's "data pipelines," which are a set of automated methods and procedures that process raw data for use by internal applications and on FEC.gov. The successful completion of these projects will ensure the FEC can continue to efficiently, fairly and effectively achieve its mission, as well as help the agency comply with recent government mandates concerning customer service.

Robust workload continues to strain staffing resources as well. During the period FY 2012 to FY 2022, the number of FEC employees has been reduced by approximately 17 percent while the levels of campaign finance activity, and the resulting workload, have increased. During this period the FEC has been able to meet its statutory mission primarily due to efficiencies gained by reassigning staff using details, maximizing operational efficiencies through reorganizations, and improving technology and processes, among other efficiencies. However, in recent years the FEC has begun to exhaust the benefits that can be gained through such efficiencies and has, in some situations, reduced performance targets in response to these reductions in staffing amid increasing campaign finance activity. The FEC has set as a priority filling vacant positions and rebuilding staffing levels during FY 2023 and FY 2024. Full funding at the FY 2024 requested level would allow the agency to continue to grow its staffing levels to meet its increased workload and ensure the agency can satisfy the public's customer service expectations.

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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 2024. 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 2024.

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## Section 1: Purpose and Priorities in FY 2024

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### 1A: Commission Overview and Future Outlook

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

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

As part of its responsibilities, the FEC makes available on its website the campaign finance disclosure reports all federal candidates and federal political committees must file, as required by the Act. These disclosure reports and the data contained in them are made available to the public through the Commission's internet-based public disclosure system on the agency's website at 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 (GPR)*<sup>3</sup> and the *GPR Modernization Act of 2010*,<sup>4</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.

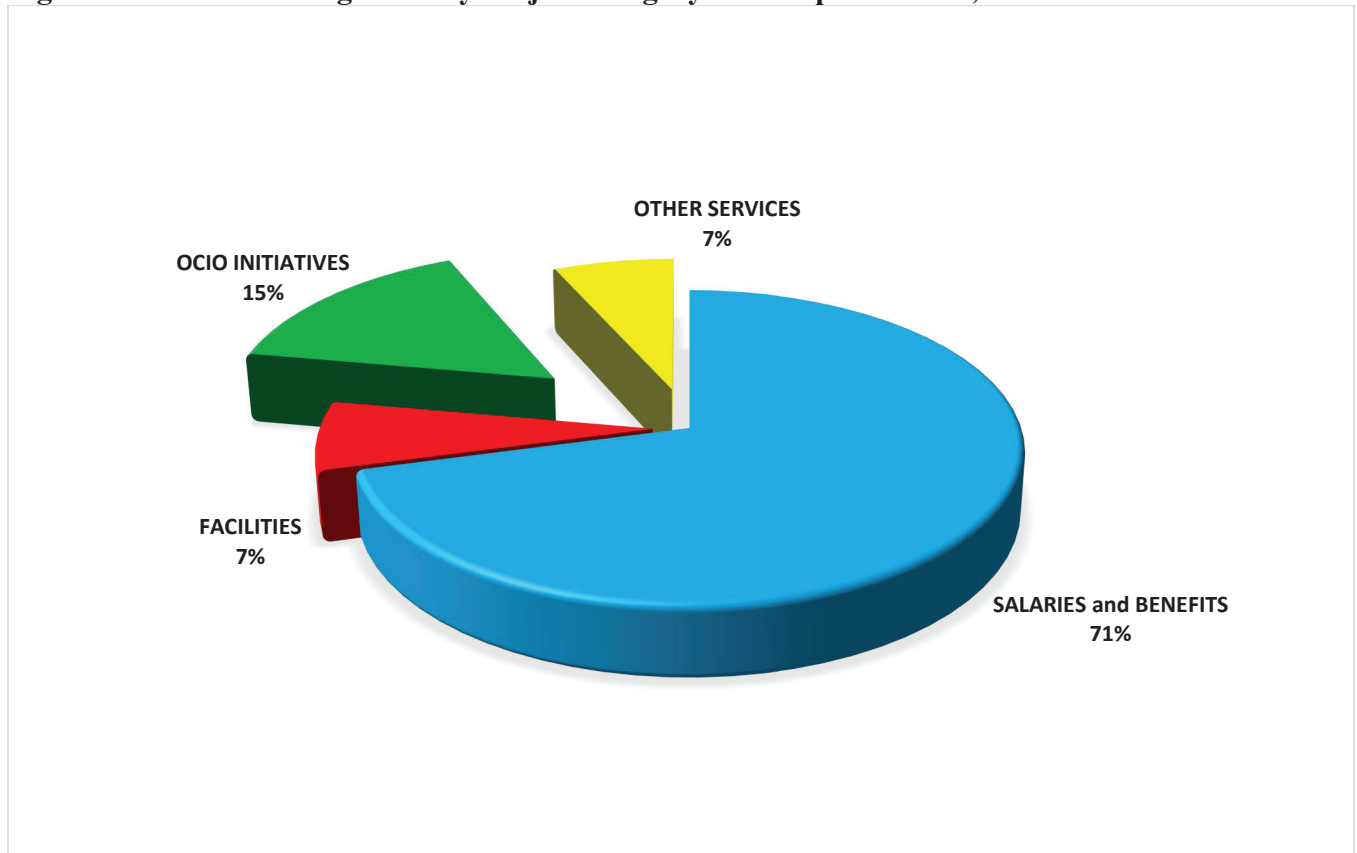
The FEC is currently funded by a single annual appropriation for salaries and expenses. Over 70 percent of the agency's budget is composed of expenses related to personnel, such as salaries and benefits. Of the agency's remaining operational expenses, the largest categories are IT operations, including IT security requirements, and facilities rent. These three requirements constituted 93 percent of the agency's FY 2022 obligations. FY 2022 Budget obligations are shown in Figure one below.

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<sup>3</sup> Public Law 103-62, 107 Stat. 285 (1993) (*codified at 31 U.S.C. § 1115 et seq.*).

<sup>4</sup> Public Law 111-352, 124 Stat. 3866 (2011) (*codified at 31 U.S.C. §§ 1115-24*).

**Figure 1 – FY 2022 Obligations by Major Category as of September 30, 2022**



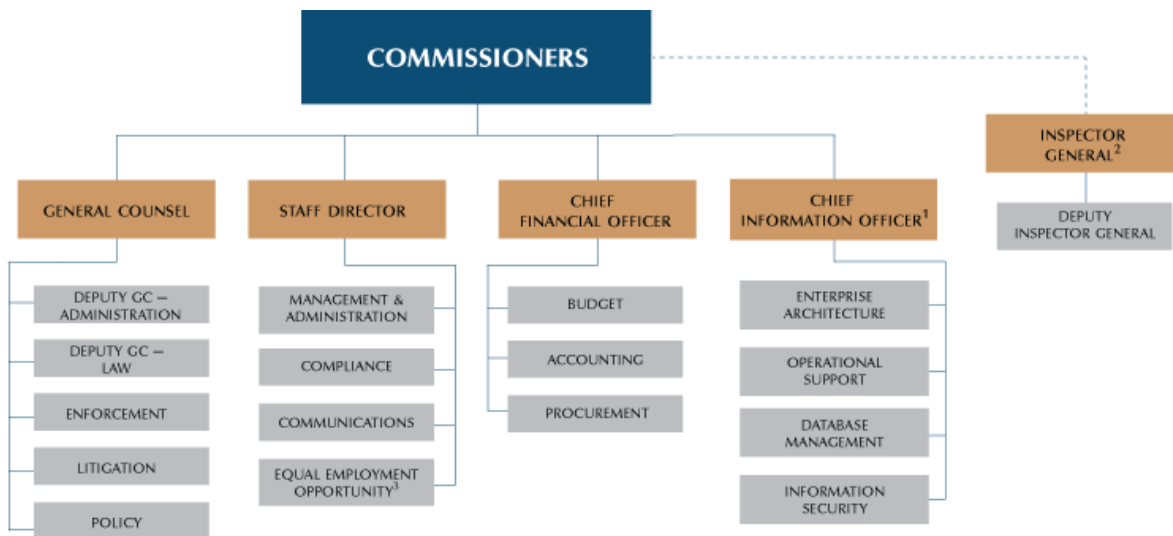
\* OCIO Initiatives includes costs for (1) maintenance of all existing applications and systems that support the FEC’s statutory duties, including the legacy eFiling program; (2) IT modernization initiatives; (3) funding of cloud hosting costs, and (4) contracts for products and services associated with 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>5</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>5</sup> Public Law 100-504, 102 Stat. 2515 (1988).

## **1B: FY 2024 Priorities**

The FEC priorities for FY 2024 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 \$93.5 million would allow the agency to grow FEC staffing levels from the FY 2023 appropriated level and would permit the FEC to take measures to enhance the delivery of campaign finance data and legal resources. The requested funding would also improve the agency's systems and processes, allowing the Commission to make progress reducing its dependency on costly legacy systems and improve the efficiency of the agency's IT infrastructure, including data pipeline modernization, modernization of cloud-hosted applications, improvements to the eFiling platform and continued enhancements to cybersecurity and tools. Also, the funding would permit the FEC to grow staffing levels that have been depleted over time and provide employees with the training and resources needed to foster a culture of high performance. The FEC's priorities for FY 2024 will help to 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 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 \$93.5 million would allow the FEC to make progress improving the quality of services delivered to the public.

Campaign finance reports disclose financial transactions that detail where political committees and other filers raised, spent, refunded, saved or transferred money. The transactions reported to the FEC might show a \$5 contribution to a candidate or a \$50,000 ad buy by a PAC. As a key means of preventing corruption, these transactions document campaign finance activity, which serves as the record commonly used for enforcement, historical and journalistic purposes.

Once the FEC receives a report, that report is nearly immediately put on the FEC website for the public to view. The transactions contained in the report are also reviewed and coded by FEC staff, entered into the FEC's databases and made searchable on the FEC website, which provides decades of transaction-level data for historical research and comparison.

Transaction-level data reported to the FEC is also used by FEC staff to ensure compliance with the FECA. Transaction-level data is reviewed by staff in RAD through its eReview system, which is over 20 years old. Without electronic access to this data, RAD staff would not be able to review reports. This data is also used by other FEC staff via internal systems that support the agency's enforcement and compliance

functions.

### **The FEC's IT Modernization Projects**

The FEC's IT Modernization projects comprise a multi-year plan to migrate and modernize applications and data assets to a cloud environment in order to more effectively process transaction-level data, improve application performance and enhance security. The FEC is undertaking these projects primarily to ensure the agency can continue to receive, review and publicly disclose the increasing volume of campaign finance transactions that are reported. While much of the agency's focus remains on data-related applications, the FEC also recognizes the need to start planning for replacing or modernizing other internal applications that support the agency's ability to achieve its mission, including the eReview system used by RAD and the voting and certification system used by the Commission.

The FEC provides free eFiling software to filers. Approximately \$1.65 million in funds included in this request supports efforts to improve ease-of-use of this software and to make the software platform-independent. The new software will be released for PACs and parties first, with the expectation that the new software will go into production for PACs in early 2024. The new software will go into production for candidates in 2025-2026, with estimated additional costs of \$3 million over the 2025-2026 FYs to complete development of the new software for additional types of filers and to cover support costs. Note that the FEC's eFiling system cannot be taken offline without significant disruption of the FEC's disclosure mission. Thus, during years when the new eFiling software and the FEC's internal systems to support it are in development, overall costs to support eFiling capacity will be higher because the legacy eFiling system must continue to run in tandem with the new system.

Once completed, the new eFiling software will be cloud hosted. The cloud-hosted software will allow the FEC to better control future costs of maintaining the system in an environment of steeply rising campaign finance activity and will make it easier for its users to file reports. The current software was developed in the 1990s when the FEC averaged 1.3 million transactions per election cycle, a small fraction of the number of transactions received during the 2020 and 2022 cycles. Over time, the cost-per-transaction of the FEC's current server-hosted system has become increasingly high. In FY 2022 the FEC spent \$1.4 million annually maintaining and enhancing this 25-year-old system. The cloud-hosted cost-per-transaction of the new system is anticipated to be lower, in addition to other lower costs associated with eFiling support and security.

While the new software is in development, the current legacy eFiling system must be maintained at the \$1.4 million per year cost noted above. Costs to support the new eFiling system/platform are expected to be approximately half of what it would cost to continue under the old system/platform. The transaction-level data received by the eFiling system must be rapidly processed and made available in an accessible format to FEC staff, such as RAD analysts who review campaign finance reports, as well as to the public on the FEC's website. The FY 2024 request includes funding for the data pipeline modernization initiative, which aims to enhance the infrastructure and processes that facilitate the flow of information received through the eFiling system to internal review applications, like eReview, and other systems, then to agency's public website. By modernizing the data pipeline, the FEC can avoid purchasing additional database licenses under the legacy database architecture and ensure that it can continue to effectively fulfill its disclosure mission.

Absent funding to continue improvements to this data pipeline, the agency is not confident of its ability to meet the disclosure demands of the 2024 presidential election cycle. Although the total number of transactions received during the 2022 midterm cycle was slightly lower than that received during the 2020 presidential election cycle, the agency still struggled to successfully process the number of transactions received on any particular day during the 2022 cycle. The maximum processing capacity of the FEC's current data pipeline is 15 million electronically filed transactions per day if the process is to be completed within the agency's internal goals for timely disclosure. However, the number of transactions received per day can vary widely. For example, on a single day during the 2022 cycle the FEC received approximately 49 million transactions reported by a single committee. While receiving this volume of transaction in a day is not a regular occurrence, it is also not uncommon. For the interim, the agency has adopted a partially manual process to ensure that the reported data can be made timely available to the public on the FEC's website. However, without improvements to the data pipeline the FEC cannot ensure that it will continue to be able to meet the high-water mark of reported transactions and make this disclosure data timely available to the public.

Another part of the IT modernization work is to make improvements to the eReview system itself so that the system can host as much data as it needs to and to facilitate RAD's review of increasing and increasingly complicated data. In 2020, the FEC began migrating databases and applications, including RAD's eReview, to the cloud. This was completed in 2022. The next step is to modernize these migrated applications and move to more efficient, cloud-native solutions, starting with eReview. Without significant improvements to eReview, RAD staff will not be able to keep up with the demands of reviewing the increasing load of transactions.

The FEC is also prioritizing modernizing its mission-critical Document Voting System and Certification applications. These applications, utilized by Commissioners for voting and staff for management and workflow organization, are based on an outdated legacy platform that is over two decades old. While these applications have been migrated to the cloud, they are not cloud native and need to be replaced with applications that are designed for modern cloud technologies. Significantly, these outdated applications now present a cybersecurity risk. Funding at the requested amount will allow the FEC to fund the modernization or replacement of these applications, as necessary.

## **Cybersecurity**

The FEC continuously improves its security architecture. The Commission's security operation, along with continuous diagnostics and mitigation, allows the agency to identify and remediate vulnerabilities. In partnership with the Department of Homeland Security (DHS) and other strategic partners, the FEC continuously identifies, protects, detects, responds to and recovers from the impact of known and potential threats. The FEC's FY 2024 funding request includes funding for our information security efforts, including our security operation center and the tools for continuous diagnostics and mitigation, and implementing security controls to address identified cybersecurity gaps. The requested funding would help address identified risks and support the FEC's cybersecurity program and security architecture's ability to continue to safeguard the agency's infrastructure, networks and applications against cyber threats and malicious activities.

These new projects and continued improvements would also not be possible without an increase to our current staff. 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 high performance of current staff and the excellent service that they provide to the public. A critical part of this effort is rebuilding staffing levels across the agency. Staffing levels dropped approximately 17 percent between FY 2012 and FY 2022. The FY 2024 request builds on the FY 2023 appropriation to allow the agency to fill critical vacancies, including in some of the areas where the FEC has experienced increased demands in workload. Overall, the request would increase the FY 2024 funding level to support 340 employees and represents a concerted effort through FY 2024 and beyond to rebuild from reduced staffing levels.

Over the past decade, the FEC has been able to meet its statutory mission primarily due to efficiencies gained by reassigning staff using details, maximizing operational efficiencies through reorganizations, and improving technology and processes, among other efficiencies. However, in recent years the FEC has begun to exhaust the benefits that can be gained through such efficiencies and has, in some situations, reduced services in response to these reductions in staffing amid increasing campaign finance activity.

As one example, the number of inquiries handled by RAD's campaign finance analysts has increased by more than 300 percent between the 2010 and 2022 election cycles, while the number of RAD campaign finance analysts has decreased by 18 percent over the same period. In order to continue to meet core performance measures, RAD stopped having a campaign finance analyst assigned to every authorized committee that reports to the FEC and now responds to inquiries from unassigned committees as availability permits, without the familiarity or established rapport that exists for committees that have an assigned analyst. The FY 2024 request would build off the FY 2023 appropriation to support priority hiring in RAD.

Another example where concerted efforts are being undertaken to rebuild staffing levels to strive to meet current workloads is in the Office of General Counsel (OGC), which is responsible for advising the Commission on enforcement and policy as well as representing the agency in litigation. In FY 2023 to date, OGC has increased its staffing levels overall by eight percent to 61 percent of FY 2012 levels, with additional hires across all divisions in process. Within OGC, the Policy division was able to begin rebuilding its staffing levels, resulting in an increase in its onboard staff of 12 percent to date with additional hires anticipated during FY 2023. This has enabled the Policy division to improve its performance metrics and its ability to meet its increased workload<sup>6</sup>. The FY 2024 request will enable the agency to continue to build on these efforts across RAD, OGC and the agency as a whole.

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<sup>6</sup> During FY 2023 to date, for example, the Commission published documents in multiple open rulemakings, including: final rules in the Internet Communication Disclaimers rulemaking, supplemental NPRM in Technology Modernization, conducted a public hearing on audit procedures for political committees that do not receive public funds in February 2023, published a Notice of Proposed Rulemaking (NPRM) proposing changes to regulations regarding the use of campaign funds by a candidate's principal campaign committee to pay compensation to the candidate and scheduled a public hearing for March 2023.

The request would also allow the FEC to invest in training and awards, so as to improve the skills-base of the workforce and reward high performance. 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. Funding at the requested level is necessary to provide staff the resources needed to meet these goals.

## Section 2: Budget Overview

### 2A: Requested Budget Level

In this section, increases and decreases are identified and the FY 2024 request is compared to the FY 2023 appropriation. For FY 2024 the FEC seeks a 14.5 percent increase over the FY 2023 appropriation. Approximately \$7.7 million of the increased level would be used for personnel costs, both increased costs of current employees and costs of hiring new employees. The remaining requested increase of \$4.1 million in non-personnel increases would help the agency maintain current IT operations and continue targeted investments in modernization along with meeting other increased costs.

**Table 1 Changes from FY 2023 Appropriation to FY 2024 Request**

Category	Amount
<b>FY 2023 Appropriation</b>	<b>\$81,674,000</b>
<b>Personnel Changes</b>	
Personnel Compensation and Benefits	<b>\$7,720,569</b>
<b>Personnel Changes Subtotal:</b>	<b>\$7,720,569</b>
<b>Non-Personnel Changes</b>	
Contracts & Other Services	-254,379
Insurance Claims	-4,000
Communications	19,844
Training	49,400
Printing & Reproduction	50,450
Travel	57,500
GSA Rent	82,810
Non-Capitalized & Capitalized Equipment	83,960
Supplies & Materials	166,444
Federal Goods & Services	347,440
IT Contracts	3,489,149
<b>Non-Personnel Changes Subtotal:</b>	<b>\$4,088,618</b>
<b>Total Change:</b>	<b>\$11,809,187</b>
<b>FY 2024 Request</b>	<b>\$93,483,187</b>

Table 2 highlights the FY 2023 appropriation as compared to the FY 2024 Budget Request and FY 2022 actual obligations.

**Table 2**  
**FY 2024 FEC Congressional Budget Justification**

Object Class Data Federal Election Commission		FY 2022 Actual	FY 2023 Enacted	FY 2024 Request	Change from FY 2023 Enacted to FY 2024 Request	% Change From FY 2023 Enacted to FY 2024 Request
11	Personnel Compensation	37,880,609	41,434,999	48,219,249	6,784,250	16.37%
11.52	Cash Awards	651,631	650,000	685,000	35,000	5.38%
12.1	Personnel benefits	13,908,013	14,968,081	15,831,437	863,356	5.77%
12.18	Transit Subsidy	82,472	237,037	275,000	37,963	16.02%
<b>Subtotal, Personnel</b>		<b>\$52,522,725</b>	<b>\$57,290,117</b>	<b>\$65,010,686</b>	<b>\$7,720,569</b>	<b>13.48%</b>
21	Travel & transportation of persons	23,229	222,500	280,000	57,500	25.84%
23.1	GSA Rent	5,215,071	5,300,000	5,382,810	82,810	1.56%
23.3	Communications, Utilities & Postage	424,059	658,700	678,544	19,844	3.01%
24	Printing & Reproduction	103,000	110,000	160,450	50,450	45.86%
25.11	Training, Commercial Fed. & Tuition	313,135	455,800	505,200	49,400	10.84%
25.14	IT Contracts	10,612,060	11,574,997	15,064,146	3,489,149	30.14%
25.2	Contracts & Other Services	1,289,786	2,094,080	1,839,701	-254,379	-12.15%
25.3	Federal Goods & Services	1,816,414	2,401,500	2,748,940	347,440	14.47%
26	Supplies and Materials	748,478	913,306	1,079,750	166,444	18.22%
31	Non-Capitalized and Capitalized Equipment	1,104,563	599,000	682,960	83,960	14.02%
42	Insurance Claims	800	54,000	50,000	-4,000	-7.41%
<b>Subtotal, Non-Personnel</b>		<b>\$21,650,595</b>	<b>\$24,383,883</b>	<b>\$28,472,501</b>	<b>\$4,088,618</b>	<b>16.77%</b>
<b>TOTAL</b>		<b>\$74,173,320</b>	<b>\$81,674,000</b>	<b>\$93,483,187</b>	<b>\$11,809,187</b>	<b>14.46%</b>



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

**Program Increases and Decreases** .....\$11,809,187

**Personnel Increase** .....\$7,720,569

The FEC’s \$93.5 million funding request builds off the FY 2023 appropriation and would allow the agency to increase staffing levels above the FY 2023 appropriated levels. This funding level would support the Agency’s ability to reach 340 employees in fiscal year 2024. In addition to hiring, increased personnel funding is sought to support required personnel cost increases, such as the proposed and enacted pay raises (5.2 percent and 4.9 percent for calendar years 2023 and 2024) and awards funding at the same level as the FY 2023 President’s Budget.

**Non-Personnel Increases and Decreases** .....\$4,088,618

**Contracts & Other Services** ..... \$-254,379

This decrease is offset by a \$3.5 million increase in IT contracts. FEC would prioritize funding to maintain existing IT support contracts, continue the current eFiling modernization project and begin new projects to increase FEC’s capacity to accept and transmit data as well as replace aging legacy systems. Information technology modernization is also essential to agency operations and with this increase of funds, staff processes will be eased for efficient services to the Commission and the public.

**Insurance Claims** ..... \$-4,000

The FEC experienced an increase of legal claims and indemnities in FY 2023 over FY 2022 levels. It is anticipated in FY 2024 that claims will decrease.

**Communications, Utilities & Postage**.....\$19,844

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.

**Training** .....\$49,400

Training receives a modest increase to continue to invest in the agency’s personnel.

**Printing & Reproduction** .....\$50,450

The agency requests an increase to account for general cost increases and additional in-office activities.

**Travel .....\$57,500**

The agency expects travel costs to increase due to more in-person audits and educational conferences.

**GSA Rent .....\$82,810**

FEC’s rent costs in its lease agreement with GSA increased.

**Non-Capitalized and Capitalized Equipment .....\$83,960**

The FEC seeks efficiencies in equipment spending through its modernization and other efforts. Importantly, the implementation of modernization efforts, especially around cloud storage, would reduce the need for physical servers. Without investing in modernization efforts, the agency would not realize these savings. The FEC will need to replace and refresh hardware and other equipment used by agency staff, such as laptops and A/V equipment. These categories of equipment are aging and will need replacement in FY 2024.

**Supplies and Materials .....\$166,444**

The increase is attributed to agency costs of necessary legal research.

**Federal Goods and Services .....\$347,440**

This increase is for services purchased from other federal agencies, including the FEC’s contract with OPM’s HR Solutions, which provides a significant amount of the FEC’s HR functions, the Federal Protective Service and FEC’s Shared Service Providers, as well as web hosting costs for FEC.gov and eFiling modernization.

**IT Contracts.....\$3,489,149**

Much of this increase would allow the FEC to continue operations at current levels. Over the last two years, the FEC limited IT spending to stay within its appropriation. This has placed pressure on IT operations. The agency projects that additional funding is necessary to maintain those operations. At the same time, the agency recognizes the need to modernize its infrastructure to accommodate the rapid increase in reported transactions and data pulls from the public and to reduce costs to maintain increasingly outdated legacy applications. The modernization projects under consideration to utilize available funding include: (1) Modernization of legacy applications

and the FEC's data pipelines, which in turn will help the agency realize the future savings of these efforts and avoid the cost of maintaining outdated legacy systems; (2) The continued development and implementation of the new eFiling platform during FY 2024, which will allow the agency to retire its legacy eFiling system and realize those savings in future years; (3) Maintenance and support of the agency's legacy eFiling system and data pipelines, which is necessary while the updated platforms and pipelines are being implemented; and (4) Funding of cloud hosting costs, which are increasing due to the significant growth in data. Importantly, this increase is partially offset by savings in the contracts object class.

## **2B: Appropriations Language**

The FEC proposes the following Appropriations Language for FY 2024.

FEDERAL ELECTION COMMISSION  
Federal Funds Salaries and Expenses

*For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, \$93,483,187, of which not to exceed \$5,000 shall be available for reception and representation expenses.*

## 2C: Recommended Legislative Changes

On December 15, 2022, the Commission approved the 2022 Legislative Recommendations.<sup>7</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.

### 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. In the 118<sup>th</sup> Congress, legislation has been introduced in the Senate to make the Administrative Fine Program permanent with bipartisan original cosponsors of Sen. Amy J. Klobuchar (Minnesota) and Sen. Debra S. Fischer (Nebraska), who serve respectively as the Chairwoman and Ranking Member of the Rules and Administration Committee.

*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>8</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>9</sup> Instead of enacting a seventh temporary extension, Congress should act to make the

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<sup>7</sup> FECA § 304(c)(1) (codified at 52 U.S.C. § 30104(c)(1)).

<sup>7</sup> FECA § 301(4)(A) (codified at 52 U.S.C. § 30101(4)(A)).

<sup>7</sup> FECA § 301(4)(C) (codified at 52 U.S.C. § 30101(4)(C)).

<sup>7</sup> FECA § 304(c)(1) (codified at 52 U.S.C. § 30104(c)(1)).

<sup>8</sup> See Pub. L. No. 115-386, 132 Stat. 5161 (2018).

<sup>9</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 reports); Pub. L. No. 110-433, 122 Stat. 4971 (2008) (extending program through 2013 reports); Pub. L. No. 113-72, 127

program permanent.

Through the Administrative Fine Program, the Commission has processed and made public 4,011 cases, with more than \$8.8 million in fines assessed during the period from implementation of the program in 2000 through the end of fiscal year 2022. 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>10</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 the Rate of Pay for FEC Staff Director and General Counsel**

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

*Recommendation:* 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 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

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Stat. 1210 (2013) (extending program through 2018 reports); and Pub. L. No. 115-386, 132 Stat. 5161 (2018) (extending program through 2023 reports).

<sup>10</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.

and oversight duties with respect to both administrative and legal areas, as well as management over almost all agency personnel. According to recruiting specialists who have worked with the Commission, the current limit 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 nine most recent Agency Financial Reports covering 2014 through 2022 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 and amending FECA to specify 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 vacancies arise. Changing the salaries for these two positions would not require an increase in the Commission’s appropriation request.

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

*Section:* 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 FECA section 304(a)(11)(A)(i). However, because electioneering communication reports are not filed by political committees, and because funds spent for electioneering communications are reported as “disbursements,” and not as “expenditures,” the mandatory electronic filing provisions do not apply to electioneering communication reports.

Compared to data from paper reports, data from electronically filed reports is received, processed and disseminated more easily and efficiently, resulting in better use of resources. Reports that are filed electronically are normally available to the public, and may be downloaded, within minutes. In contrast,

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

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.

### **Increase and Index for Inflation Thresholds and Exemptions**

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

*Recommendation:* Congress should increase and index for inflation certain thresholds and exemptions in *FECA* that have not been changed since the 1970s.

*Explanation:* Most of *FECA*'s contribution limits and registration and reporting thresholds were set in the 1970s. Because over twenty years of inflation had effectively reduced *FECA*'s contribution limits in real dollars, the *Bipartisan Campaign Reform Act of 2002* increased most of *FECA*'s contribution limits to adjust for some of the effects of inflation. Furthermore, *BCRA* indexed these limits for inflation to address inflation in the 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>12</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>13</sup> The Commission recommends that Congress increase these thresholds to \$2,000, and then index those amounts for inflation to prevent erosion in the

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<sup>12</sup> FECA § 301(4)(A) (codified at 52 U.S.C. § 30101(4)(A)).

<sup>13</sup> FECA § 301(4)(C) (codified at 52 U.S.C. § 30101(4)(C)).



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>14</sup> The Commission recommends that Congress increase this threshold to \$500 and index this amount for inflation.

Under *FECA*, an individual may spend up to \$1,000 per candidate, per election and up to \$2,000 per calendar year on behalf of all political committees of the same party for food, beverages, and invitations for an event held in the individual's home without making a contribution.<sup>15</sup> *FECA* also permits an individual to spend up to \$1,000 per candidate, per election and up to \$2,000 per calendar year on behalf of all political committees of the same party for unreimbursed travel expenses on behalf of the campaign or political party without making a contribution.<sup>16</sup>

Congress added the current exemption limits in 1979, setting the amount for candidates as the same as the contribution limit then in effect (\$1,000 per election) and setting the amount for political parties as 40% of the contribution limit then in effect for state, district, and local parties (\$5,000 per calendar year) and 10% of the contribution limit then in effect for national parties (\$20,000).<sup>17</sup>

The Commission recommends that Congress update the in-home event exemption and unreimbursed travel expense exemption on behalf of candidates from \$1,000 to \$2,000 and index these amounts for inflation. The Commission further recommends that Congress update the in-home event exemption and unreimbursed travel exemption on behalf of political parties to \$4,000.

Increasing these thresholds and exemptions would take into account many years of inflation and the general increase in campaign cost and would ease the compliance burdens on individuals and smaller organizations. 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 *FECA*.

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<sup>14</sup> *FECA* § 304(c)(1) (codified at 52 U.S.C. § 30104(c)(1)).

<sup>15</sup> *FECA* § 301(8)(B)(ii) (codified at 52 U.S.C. § 30101(8)(B)(ii)).

<sup>16</sup> *FECA* § 301(8)(B)(iv) (codified at 52 U.S.C. § 30101(8)(B)(iv)).

<sup>17</sup> See *FECA Amendments of 1979*, Pub. L. No. 96-187, § 101, 93 Stat. 1339 (1980).

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## **Section 3: FY 2024 Annual Performance Plan and FY 2022 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 *GPRM Modernization Act of 2010*.<sup>18</sup> The FY 2024 Annual Performance Plan and FY 2022 Annual Performance Report are combined in this document to present accomplishments through FY 2022 and performance targets associated with FYs 2022, 2023 and 2024.

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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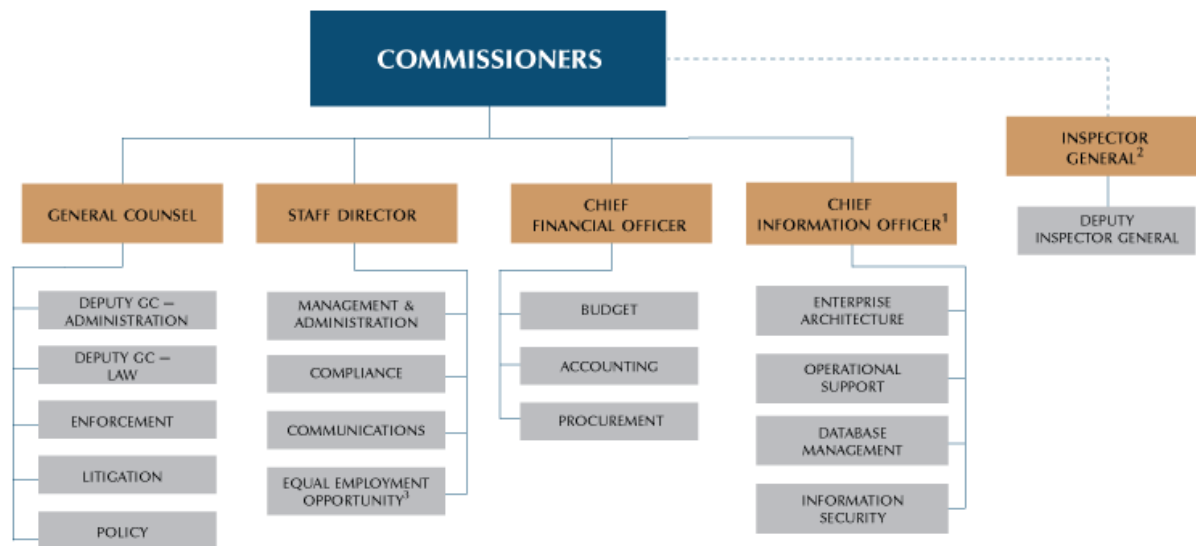
<sup>18</sup> The President’s Budget identifies the lower-priority program activities, where applicable, as required under the *GPRM Modernization Act of 2010*, 31 U.S.C. 1115(b)(10). See <http://www.whitehouse.gov/omb/budget>.

### **3B: Organizational Structure**

The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act* (the Act). 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.



<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. OCIO ensures agency employees have access to the tools and technology platforms that allow them to perform their day-to-day responsibilities administering and enforcing campaign finance law. In addition, OCIO provides a vision and leads the implementation of projects to ensure the FEC continues to modernize strategic systems in order to support the significant growth in campaign finance transactions.

☒ **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 and Deputy Chief Information Officer, Enterprise Architecture*

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 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 through the 2020 cycle, 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 understands it needs to modernize its disclosure data pipeline to receive, process, review and display the increasing volume of transaction-level data reported by political committees active in federal elections. Data pipelines are a set of automated methods and procedures that process raw data files received from filers into the primary campaign database for internal agency use and for public consumption on FEC.gov. They are essential to processing and reviewing campaign finance disclosure information in compliance with FECA's mandates.

During FY 2023, the FEC will begin a multi-year project to improve and modernize its data pipeline. Much of the focus will be on improving the extract, transform and load (ETL) process. This is a three-phase process where data is extracted from a source, transformed or standardized and loaded into a database table. The first milestone consists of four components: 1) refactoring ETL-2, 2) improving query performance, 3) changing database engines and 4) refactoring ETL-1. The FEC has two distinct ETL processes. ETL-1 processes reports and statements received from filers into our primary campaign finance database. ETL-1 adds data descriptions and ensures database tables used for reporting purposes have as-amended data. ETL-2 moves data from our primary campaign finance database to our website and API database. ETL-2 produces aggregations used by the website and produces daily and weekly downloadable bulk data files for the public.

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 2022

The FEC continued its work to receive and make public campaign finance disclosure information. The FEC received 92,767 campaign finance disclosure documents filed during FY 2022 disclosing over 206 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 2022, 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 2022 the agency processed 98 percent of reports within 30 days of receipt.

### 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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
96%	100%	94% <sup>19</sup>	98%	89% <sup>20</sup>	95%	98%	95%	95%

<sup>19</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>20</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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 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%	100%	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	Establish baseline	Documented ETL-2; Average processing capacity for new reports, 1 million transactions per hour; Average processing capacity for amendments, 600,000 transactions per hour	Refactor ETL-2	Improve query performance to allow queries across more than two cycles

**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, public email accounts and a website portal 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 two-day conferences across the country, where Commissioners and staff explain how the Act applies to candidates, parties and political action committees (PACs). These conferences address recent changes in the law and focus on fundraising, methods of candidate support and reporting regulations. The agency supplements its conferences with a series of day-long webinars tailored specifically to candidates, parties and PACs, as well as periodic topic-based webinars and online discussions. These web-based events offer filers a convenient and cost-effective way to receive training.

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, find reporting dates and access examples of how to report specific types of transactions. 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) Education Program (the Program) provides 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 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. Commission-approved threshold requirements used by RAD and the Audit Division are available via the FEC website, subject to limited redactions.

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

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

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

## **Progress Update for FY 2022**

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

During FY 2022, 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 2022, the FEC produced a variety of instructional videos and web content and conducted online training workshops, including 21 fully remote webinars. Because of the pandemic, the Commission converted its planned regional conferences in Orlando and San Diego into all-virtual events, 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 4.55 on a five-point scale.

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

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

During FY 2022, 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 91,058 documents totaling 62.1 million pages. RAD continued to demonstrate its commitment to assisting filers with compliance, handling 11,919 phone calls and meetings, 1,334 electronic mail inquiries, developing reporting examples for the FEC website, and participating in several FEC conferences, seminars and webinars during FY 2022. In addition, the Reports Processing Branch demonstrated its commitment to providing the public with timely data, coding 59.2 million transactions during FY 2022.

### ***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 2022, the Commission closed 245 enforcement cases in an average of 811 days, which included \$2,062,128 in negotiated civil penalties. The Commission closed 55 cases (22 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 2022, the Commission completed 52 ADR cases, which included \$252,650 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 2022, ADRO circulated 96 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 2022, RAD processed 147 reason-to-believe recommendations for Commission consideration. RAD processed 100 percent of these recommendations within 60 days of the original due date of the untimely or not filed report. OAR reviewed 22 challenges submitted by committees in response to a reason-to-believe finding and/or civil money penalty. OAR reviewed 95 percent of these challenges within 60 days of receipt. Overall, OAR has reviewed 864 challenges submitted from the Program’s inception through FY 2022.

***Audit Division***

The Audit Division continues to enforce the *FECA* through a Commission-approved audit process. The Commission’s performance goal is to complete 60 percent of audits within two years. During FY 2022, the Audit Division completed 10 audits, of which 40 percent were completed within the two-year performance goal period. During FY 2022 there were no requests received under the Request for Legal Consideration by the Commission program established in 2011 to allow for challenges to preliminary audit findings, and three requests 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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
4.43	4.53	4.45	4.51	4.36	4.0 or higher on a 5.0 scale	4.55	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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
Increase in the number of E-Learning presentations available on the FEC website	6 new trainings	3 new trainings	9 new trainings	2 new trainings	4 new trainings	4 new trainings	2 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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
68%	62%	56%	62%	34% <sup>21</sup>	50%	22% <sup>22</sup>	50%	50%

<sup>21</sup> The agency’s performance under this measure was negatively impacted by the lack of a quorum for most of FY 2020.

<sup>22</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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 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%	84%	82%	81%	82%	80%	83%	80%	80%
Percent of RFAIs sent within 40 days of report review	88%	88%	88%	86%	91%	75%	90%	75%	75%
Percent of reports reviewed by RAD within 90 days of receipt	77%	92%	76%	92%	85%	75%	93%	75%	75%
Percent of <i>Proposed Final Audit Reports</i> (PFAR) approved by the Commission within two years from the start of fieldwork	25%	45%	100%	N/A <sup>23</sup>	83%	60%	40% <sup>24</sup>	60%	60%
Percent of <i>Reviewing Officer Recommendations</i> circulated within 60 days	97%	100%	97%	100%	91%	75%	95%	75%	75%
Percent of <i>ADRO Recommendations</i> circulated within 140 days of referral	78%	74%	70% <sup>25</sup>	100%	98%	75%	96%	75%	75%

<sup>23</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>24</sup> The agency's ability to meet its target for this performance goal during FY 2022 was negatively impacted by staffing shortages.

<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.



### **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 2022

During FY 2022, the Commission met its goal to issue 100 percent of advisory opinions within the applicable 60- or 20-day statutory deadlines. During FY 2022, the Commission completed work on 24 AO requests and issued 23 opinions in response to those requests.<sup>26</sup> Twenty-two AO requests that the Commission completed in FY 2022 were 60-day AORs (ten of which received extended deadlines) and two were 20-day AORs (one of which received an extended deadline). The average number of days from receipt of a complete AO request to Commission action on it was 43 days for 60-day AORs that did not receive an extended deadline and 88 days for 60-day AORs that did receive an extended deadline.<sup>27</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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
100% <sup>28</sup>	100% <sup>29</sup>	100% <sup>30</sup>	88% <sup>31</sup>	100% <sup>32</sup>	100%	100% <sup>33</sup>	100%	100%

<sup>26</sup> In one advisory opinion request 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>27</sup> For the two 20-day AORs, one was completed within 16 days of receipt of a complete AO request and one received a brief extension and was completed within 22 days of receipt of a complete AO request.

<sup>28</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>29</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>30</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>31</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>32</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.

<sup>33</sup> The Commission obtained extensions to consider eleven advisory opinion requests in FY 2022.

### Supporting Indicators 3-1:

Measure Name	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines	100% <sup>34</sup>	100% <sup>35</sup>	100% <sup>36</sup>	100% <sup>37</sup>	100% <sup>38</sup>	100%	100% <sup>39</sup>	100%	100%
Percent of court filings that meet all deadlines and rules imposed by the courts	98%	99%	97%	98%	100%	100%	100%	100%	100%

<sup>34</sup> The Commission obtained extensions to consider seven advisory opinion requests in FY 2017.

<sup>35</sup> The Commission obtained an extension to consider one advisory opinion request in FY 2018.

<sup>36</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>37</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>38</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.

<sup>39</sup> The Commission obtained extensions to consider eleven advisory opinion requests in FY 2022.

### **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 work to develop and implement an agency-wide training program.

In recent years, the FEC has been challenged to recruit and retain talent necessary to meet the agency's workload and hiring goals. During FY 2022, the FEC identified additional strategic outreach platforms and partnerships to better ensure the agency's hiring efforts reach out to diverse and highly talented potential employees. In addition, the FEC has continued work to ensure staff retention by providing a fair, impartial, inclusive and accessible work environment.

Due to the COVID-19 pandemic and budget constraints, FEC spending on employee training was reduced during FY 2021. In FY 2022, the FEC began adjusting its spending to devote more resources to improve the skills base of the workforce, and the FEC intends to continue doing so in future fiscal years. However, with budget constraints continuing to affect the amount of funds that can be allocated to training, the FEC will focus on ensuring that mandatory training requirements are met first, along with training required to support activities that are deemed to be mission critical. The agency additionally maintains a robust online training library and encourages employees to use these resources to improve their skills.

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. Modernization and refactoring of the agency's legacy applications, systems and data pipeline will help the FEC streamline the processing of information provided to the public while at the same time improve the systems and tools used by agency staff to provide services to the public and ensure compliance with the campaign finance law.

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 and the FEC's primary campaign finance database to a cloud environment.

During FY 2022, the FEC completed migrating legacy mission critical applications, systems and databases identified in the cloud migration plan. In FY 2023, the FEC will continue to migrate network and storage devices and shut down our physical, datacenter-based disaster recovery site. The agency is also focused on reducing the footprint of our on-premise data center and will continue these efforts.

In FY 2023, the agency will begin to modernize and refactor the legacy systems that now reside in the cloud to adopt a cloud-native architecture. This project will include modernizing the data pipeline to help improve the processing of data, as well as automating parts of the review process, that lend themselves to machine learning, based on review standards used by our Reports Analysis Division to check compliance with FECA.

In addition, the Commission's records management program continues to make advancements. FY 2023 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 2022**

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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
85%	73%	53% <sup>40</sup>	73% <sup>41</sup>	87% <sup>42</sup>	65%	87% <sup>43</sup>	65%	65%

<sup>40</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>41</sup> The agency’s performance under this measure was negatively impacted by the lack of a quorum for most of FY 2020.

<sup>42</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.

<sup>43</sup> The agency’s ability to meet its target for this performance goal during FY 2022 was negatively impacted by the lack of a quorum for most of 2020 and staffing shortages during FY 2022.

### Supporting Indicators 4-1:

Measure Name	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2022 Actual	FY 2023 Target	FY 2024 Target
Develop and implement an agency-wide training program	N/A	N/A	N/A	N/A	N/A	Evaluate current program and develop initial recommendations	Began reviewing current program and developing evaluation plan	N/A	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	Evaluate current program and develop initial recommendations	Evaluated current recruitment program and conducted in-depth assessment of piloted expanded workplace flexibilities. Developing limited initial recommendations based on budget constraints.	N/A	N/A
Meet Records Management Presidential Directive milestones	70%	73%	76%	80%	81%	As specified in Presidential Directive	82% of milestones met	As specified in Presidential Directive	As specified in Presidential Directive
Reduce reliance on physical data centers	N/A	100%	N/A	N/A	N/A	N/A	N/A	100% of targeted applications migrated to cloud	Reduce reliance on physical data centers 60%

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

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

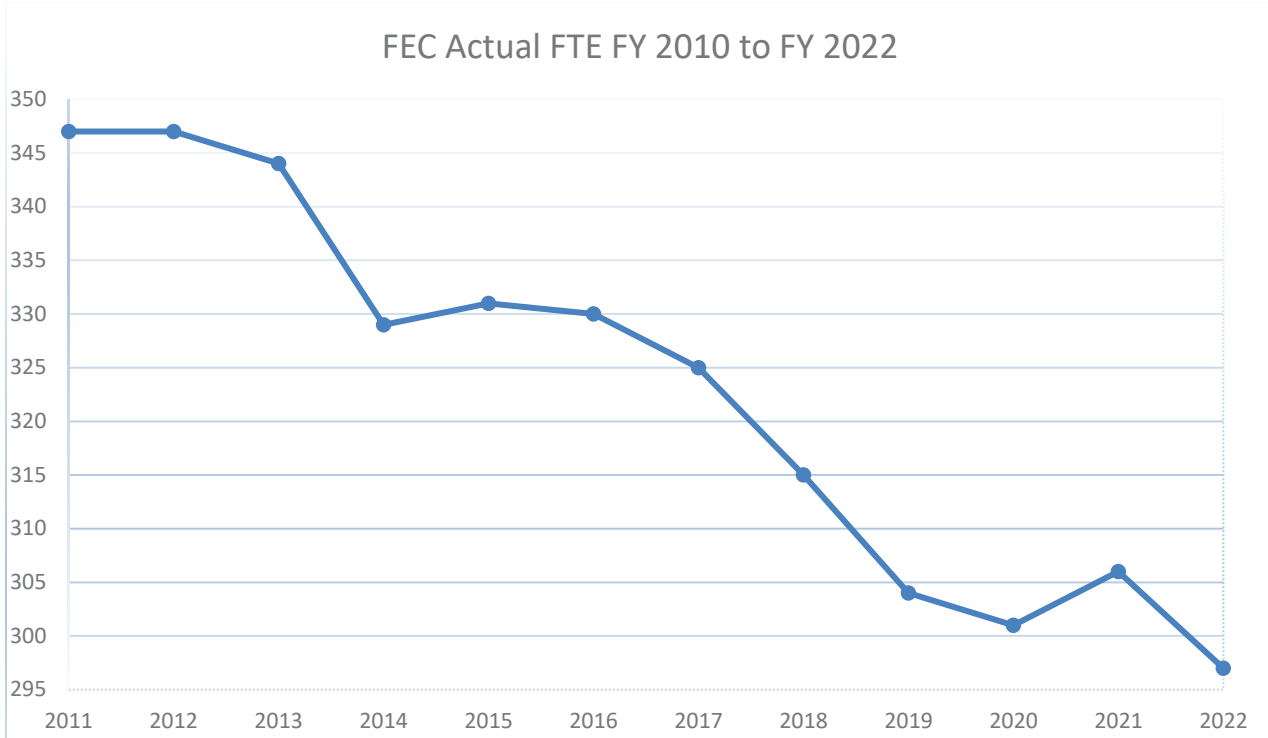
The FEC identified in the agency's FY 2022-2026 Strategic Plan a management objective, Foster a Culture of High Performance, that sets out strategies and measures designed to help the agency deliver greater impact through innovation, increase effectiveness and efficiency, and improve service. Detailed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

The FEC continues to confront a heavy workload and is working to rebuild its staffing levels. Over the past decade, the FEC has been able to meet its statutory mission primarily due to efficiencies gained by reassigning staff using details, maximizing operational efficiencies through reorganizations, and improving technology and processes, among other efficiencies. However, in recent years the FEC has begun to exhaust the benefits that can be gained through such efficiencies and has, in some situations, reduced performance targets in response to these reductions in staffing amid increasing campaign finance activity.

The FEC had 293 employees as of September 30, 2022. As shown on the chart below, the FEC's employment level has contracted substantially during the recent past. During the period FY 2012 to FY 2022, the number of FEC employees has been reduced by approximately 17 percent.



## FEC Total Staffing Levels FY 2012 – FY 2022



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

At the same time, the FEC’s workload has continued to increase with the increase in campaign finance activity. The table below shows Total Reported Receipts and Disbursements for the period 2012 through 2020, the most recent complete election cycle. (Note that presidential election cycles show increased spending compared to nonpresidential election cycles.)

### Total Reported Receipts and Disbursements by Election Cycle<sup>44</sup>

Election Cycle	Total Receipts	Total Disbursements
2012	\$8,884,594,132	\$8,795,764,278
2014	\$5,976,582,396	\$5,815,419,284
2016	\$10,926,836,244	\$10,729,954,205
2018	\$10,333,084,467	\$10,010,442,497
2020	\$27,920,326,860	\$27,179,563,157
2022	\$16,749,759,126	\$16,613,818,671

During FY 2022 the FEC partnered with the Office of Personnel Management’s HR Solutions to improve

<sup>44</sup> The data in the chart are the reported total receipts and disbursements. Reported contributions and expenditures would be a subset of receipts and disbursements.

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, 2022, the IG identified five challenge facing management:

- Growth of campaign spending
- Identifying and regulating unlawful foreign contributions
- Continuity of Operations
- Human Capital Management
- Cybersecurity

The IG's assessment and the FEC's response are included in the FEC's FY 2022 Agency Financial Report, available on the FEC website at [https://www.fec.gov/resources/cms-content/documents/FEC\\_FY\\_2022\\_Agency\\_Financial\\_Report\\_Final\\_11\\_15\\_22.pdf](https://www.fec.gov/resources/cms-content/documents/FEC_FY_2022_Agency_Financial_Report_Final_11_15_22.pdf).

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

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

Many of the FEC's performance measures set goals for the timely completion of tasks that are either internally generated or triggered through 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 2023 and 2024 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 2024 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 \$2,139,053 for fiscal year 2024**, to include:

- \$2,139,053 in the aggregate for the operations of the OIG;
- \$40,000 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 2024.

## OIG Summary of Outstanding FEC Audit Recommendations

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 4 open recommendations with the FY24 budget justification.

<i>OIG Audits/Inspections Reviews/Investigations</i>	<i>Total Recommendations</i>	<i>Total Closed</i>	<i>Total Open as of Feb 2023</i>
Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans <i>10 years outstanding</i>	3	1	2
I21INV00037: Investigation into Allegations of Bias Against FEC Personnel Reviewing 58th Presidential Inaugural Committee Reports <i>1.5 years outstanding</i>	5	1	4
<b>Total Outstanding Recommendations</b>			<b><u>6</u><sup>45</sup></b>

<sup>45</sup> The OIG notes six additional recommendations from one audit, one special review, and one evaluation that are less