

**FEDERAL ELECTION COMMISSION**

**FISCAL YEAR 2016**

**CONGRESSIONAL BUDGET JUSTIFICATION**



**February 2, 2015**

Concurrently submitted to Congress and the Office of Management and Budget

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## SUMMARY OF FY 2016 BUDGET JUSTIFICATION

The Federal Election Commission (FEC) is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971* (“*FECA*” or “the *Act*”), as amended.<sup>1</sup> As the foundation of Federal campaign finance regulation, *FECA* reflects Congress’s efforts to ensure that voters are fully informed about the sources of financial support for Federal candidates, political committees and others. The *FECA* imposes amount limitations and source prohibitions on contributions received by certain types of political committees. The Commission’s responsibilities also include overseeing the Federal public funding programs for Presidential campaigns.<sup>2</sup>

For the fiscal year (FY) 2016 Budget Submission, the FEC’s total requested funding level is \$76.1 million: an operational budget of \$71.1 million to provide the necessary funding level to support the agency’s mission and an additional \$5.0 million in two-year funds to cover initial expenses related to the expiration of the FEC’s office space lease.

### FEC Operational Budget Request

The FEC protects the integrity of the Federal campaign finance process by providing the public with accurate and accessible information about how candidates raise and spend funds to support their campaigns. Because of the large and rising number of political committees and the ever-growing number of financial disclosure reports filed with the FEC, the Commission anticipates significant campaign finance disclosure activity during FY 2016. In an average fiscal year, the FEC receives campaign finance reports, statements and other disclosure documents from more than 10,000 political committees and other filers. During FY 2016, the historical trend toward greater numbers of reports filed and transactions disclosed is expected to be amplified due to what is likely to be a highly competitive Presidential race.

By providing the public with transparency regarding campaign financing, and ensuring that the campaign finance law is fairly and effectively enforced and administered, the Commission provides the public with crucial information by which to evaluate candidates for Federal office. To support this mission, the FEC must provide the public with robust access to campaign finance information as well as ensure that timely advice and support is provided so that candidates, committees and the public can fully understand and comply with the requirements of campaign finance law. In order to make certain that campaign finance disclosure information is quickly available and easily accessible to the public, the Commission must also support its enhanced information technology (IT) delivery systems. Thus, for FY 2016, the Commission has prioritized maintaining the services it provides to the public and supporting and protecting IT delivery systems. A third priority for FY 2016 is to better serve the public by improving the efficiency and effectiveness of the FEC’s staff in order to ensure that the agency can realize the highest level of performance from its employees and retain its highest-performing staff members.

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<sup>1</sup> Public Law 92-225, 86 Stat. 3 (1972) (*codified at 52 U.S.C. §§ 30101-30145*) (*formerly at 2 U.S.C. §§ 431-55*).

<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*).

An appropriation of \$71.1 million for the FEC's operations during FY 2016 would permit the agency to carry out its mission and accomplish limited priorities as described above..

### **FEC Lease Expiration Expenses**

On September 30, 2017, the FEC's current lease for its office space at 999 E Street, NW, Washington, D.C., will expire. The FEC is working closely with General Services Administration (GSA) to plan for the agency's office space needs beyond the current lease. Based on GSA and OMB guidance, the FEC is seeking an appropriation of \$5.0 million—in addition to the \$71.1 million in annual operating funds identified above—that would be available until September 30, 2017, to cover initial costs related to its lease expiration, including costs associated with design and construction.

The \$5.0 million in two-year funds to cover initial expenses related to the expiration of the FEC's lease are necessary because of the anticipated schedule for approval of the FEC's Housing Plan and construction design expenses. Based on GSA and OMB guidance, the FEC anticipates seeking approximately \$8.0 million in additional funding in subsequent budgets for furniture, fixtures, equipment and other expenses associated with the lease expiration.

## MISSION STATEMENT

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

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

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

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

This Budget Justification is organized in three sections. Section 1 addresses the agency's purpose and priorities in FY 2016. 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 progress during the past fiscal year and its performance goals, indicators and targets to ensure continued progress toward meeting these objectives during FY 2016.

## **Section 1: Purpose and Priorities in FY 2016**

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### **1A: Commission Overview and Future Outlook**

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

The FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. Each member serves a six-year statutory term, and two seats are subject to appointment every two years. Commissioners may continue to serve beyond their six-year terms until new Commissioners are confirmed. The Commission's Chairmanship rotates for one-year terms among the members, with no member serving as Chairman more than once during a six-year term. The Commissioners meet regularly to formulate policy and to vote on significant legal and administrative matters. The Act requires the affirmative vote of four members of the Commission to approve official actions, thus requiring bipartisan decision making.

As part of its responsibilities, the FEC administers the Act's requirement that all Federal candidates and Federal political committees file financial disclosure reports by making the disclosure reports and the data contained in them available to the public through the Commission's Internet-based public disclosure system on the Commission's website at [www.fec.gov](http://www.fec.gov). The FEC also has exclusive responsibility for civil enforcement of the Act, including the handling of civil litigation arising from any legal actions brought by or against the Commission. Additionally, the Commission promulgates regulations implementing the Act. The Commission also has a statutory responsibility to issue advisory opinions responding to inquiries regarding interpretation and application of the Act and the Commission's regulations to specific factual situations.

The FEC's Strategic Plan for FY 2014 through FY 2019, developed pursuant to the *Government Performance and Results Act of 1993 (GPR A)*<sup>3</sup> and the *GPR A 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.

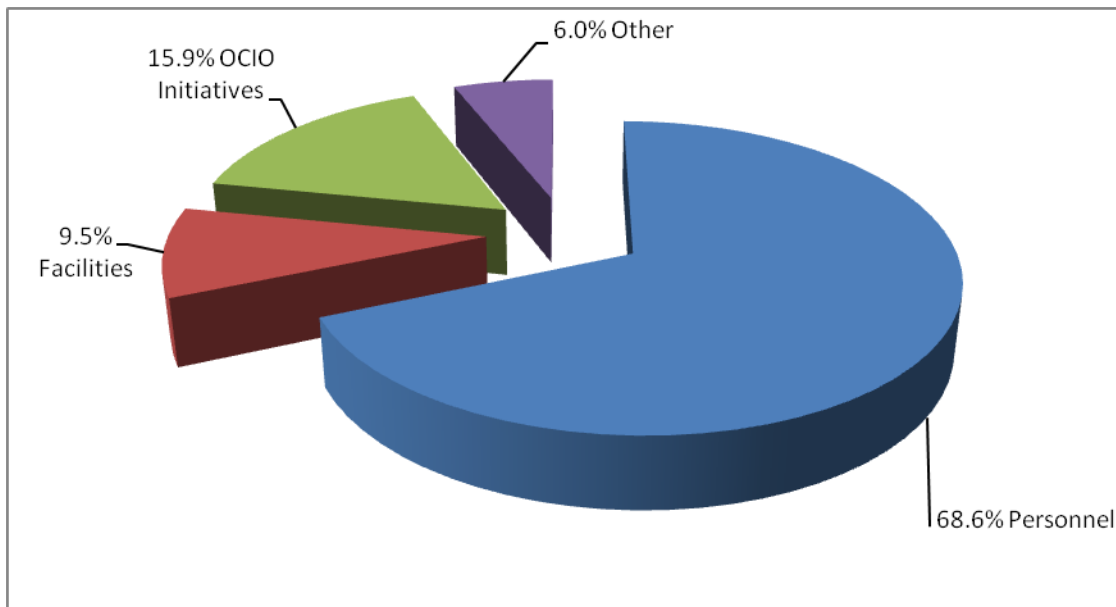
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<sup>3</sup> Public Law 103-62, 107 Stat. 285 (1993).

<sup>4</sup> Public Law 111-352, 124 Stat. 3866 (2011).

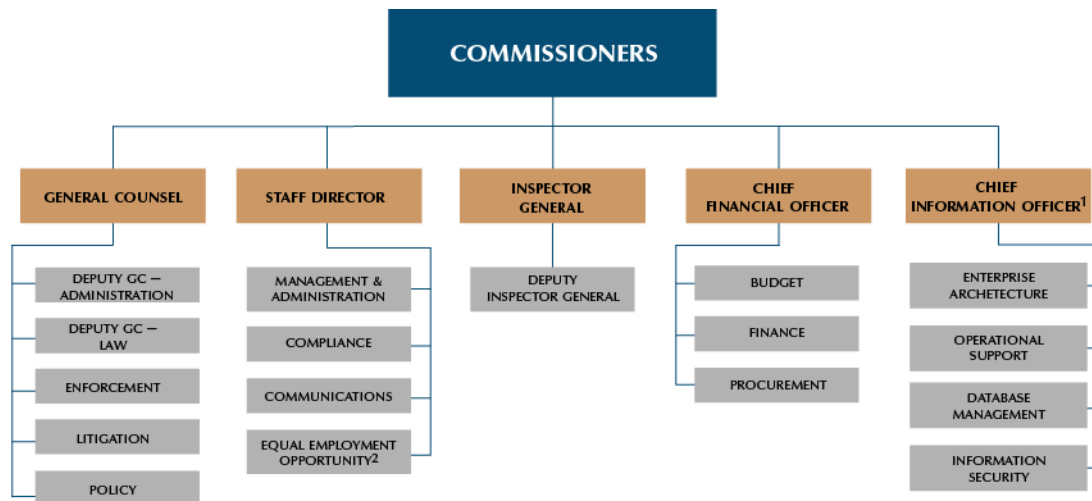
The FEC is funded currently by a single annual appropriation for salaries and expenses and is authorized to collect fees only to offset the costs of the agency's educational conferences. More than two-thirds of the agency's expenses are composed of personnel salary and benefits. Of the agency's remaining expenses, the largest categories are IT initiatives, including IT security initiatives, and facilities. These three requirements constitute over 90 percent of the agency's budget. Actual spending for FY 2014, which is shown in Figure 1 below, reflects the historical trend. For FY 2016, the FEC expects the percentages in each category to be comparable to FY 2014, with a slight percentage increase in the Salaries and Benefits category.

**Figure 1 – FY 2014 Obligations by Major Category  
as of September 30, 2014**



## 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 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 at <http://www.fec.gov/about.shtml>.



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



## **1B: FY 2016 Priorities**

The FEC priorities for FY 2016 are limited to those needs that will allow the FEC to fulfill its mission as required by law. The FEC must ensure that it provides the public with timely, reliable, useful and accessible campaign finance data to meet the public's right to access campaign finance information. Funding at the full amount of this request for operational expenses, \$71.1 million, would permit the FEC to maintain the quality of services delivered to the public, continue to provide IT delivery of campaign finance data and maintain the efficiency and effectiveness of its staff. In addition, augmenting the budget by \$5.0 million of two-year funds is required to pay for initial costs associated with the September 2017 expiration of the FEC's lease. These are the FEC's priorities for FY 2016, and they are discussed in more detail below.

### **Service Delivery to the Public**

The FEC is obligated to protect 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 that it is provided to the public in an easily accessible way. The Commission is committed to providing the public with robust access to campaign finance information and providing candidates, committees and the public timely advice and support so they can fully understand and comply with the Act. Funding at the full amount of this request, \$71.1 million, would permit the FEC to maintain the quality of services delivered to the public.

Over the past decade, the FEC has seen a steady increase in the number of reports filed and transactions disclosed. During FY 2016, this trend is expected to be amplified due to what is likely to be a highly competitive Presidential race. The Commission plans to implement tools to further automate the Report Analysis Division's (RAD) processes in ways that will help to ensure that the FEC can continue to provide timely, individualized support to filers and make comprehensive and accurate campaign finance information more quickly and easily available to the public.

### **Smart IT Delivery**

For the past several fiscal years, the Commission has prioritized the enhancement of the public's access to the FEC's campaign finance data and the development of efficiencies in the disclosure of that data. During FYs 2014 and 2015, the FEC will complete a suite of information technology projects that will significantly increase the level of service the FEC is able to provide to the public. These enhancements include improving the FEC website, implementing a data warehouse framework and enterprise search capability, upgrading the Case Management System, transitioning all staff to a common Enterprise Content Management system and improving enterprise-wide IT security systems. The FEC's FY 2016 request includes funds to replace hardware and servers as existing equipment becomes obsolete in order to ensure that the agency continues to realize the full potential of these new and enhanced systems and that the FEC's hardware continues to support the agency's IT security program. Funding at the full request amount will also allow the FEC to expand these projects to ensure that the FEC's IT systems continue to grow with emerging technologies. For example, building on previous fiscal years' IT development and implementation projects, the Commission plans to initiate a study to explore the requirements and build a plan to

launch FEC data into a cloud environment. The Commission's FY 2016 request also includes funds to ensure that the agency is able to maintain and improve upon current efforts to re-design [www.fec.gov](http://www.fec.gov). In the rapidly changing world of information technology, agencies must proactively improve their systems in order to maintain them. Funding at the full request level will ensure that the FEC preserves, protects and builds upon these IT investments.

### **Efficiency and Effectiveness of FEC Staff**

The Commission recognizes that its most valuable asset is its people. In order to meet the Commission's objectives, the FEC needs a highly skilled workforce that can adapt to changing needs. The FEC must maximize the capability of staff at all levels and ensure that the FEC can plan for the future to maximize efficiency. Due to the budget constraints of the past several fiscal years, the agency has been forced to cut back on all but the most critical areas of staff training. Full funding would allow the Commission to provide necessary staff training during FY 2016. Funding at the full request level will also allow the Commission to pursue steps to recruit and retain high-performing staff.

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

The FEC currently maintains its sole headquarters in the heart of Washington, D.C. This central location supports the agency's efforts to meet its statutory obligations by providing opportunities for the public to visit FEC headquarters to meet with Commissioners and staff, get help with filing campaign finance reports, research campaign finance disclosure data, attend public meetings of the Commission or attend training sessions. However, the agency's current lease will expire in September 2017. The FEC is working closely with GSA to plan for the agency's office space needs beyond the current lease. The FEC anticipates, based on findings from a GSA review, that total costs for the agency's lease expiration expenses would total \$13.0 million. The FEC requests \$5.0 million in two-year funds during FY 2016, above the requested funding for operational expenses, to be used solely for initial expenses related to the expiration of its lease. The agency is seeking two-year funds for these expenses because a project of this magnitude involves multiple variables in the project timeline, which may require funds to be obligated over two fiscal years. Based on GSA and OMB guidance, the agency anticipates seeking an additional \$8.0 million in lease-related funds in subsequent budgets to cover other expenses associated with the lease expiration, including furniture, fixtures and equipment.

## Section 2: Budget Overview

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### 2A: OMB Budget Guidance Level

In this section, pursuant to the Office of Management and Budget (OMB) guidance, budget increases are identified, and the FY 2016 budget request is compared to the FY 2015 budget. For FY 2016, the proposed FEC operating budget is \$3.6 million higher than in FY 2015, primarily to address the priorities identified in section 1. Additionally, the agency requests \$5.0 million in two-year funds to be used for expenses related to the lease expiration.

**Table 1**  
**Summary of Changes from FY 2015 to FY 2016 Agency Request**  
[in dollars]

Category	Amount
<b>FY 2015 President's Budget</b>	<b>\$67,500,000</b>
<b>Personnel Changes</b>	
Personnel Compensation and Benefits	1,888,408
<b>Personnel Changes Subtotal:</b>	<b>1,888,408</b>
<b>Non-Personnel Changes</b>	
Federal Goods and Services (includes \$5.0 million lease expiration expenses)	\$5,734,101
IT Contracts and Equipment	\$494,198
Communications, Utilities and Postage	\$151,241
Training	\$128,118
Contracts and Other Services	\$84,990
Building Rent	\$68,832
Travel	\$51,614
Supplies and Materials	\$17,498
<b>Non-Personnel Changes Subtotal:</b>	<b>6,730,592</b>
<b>FY 2016 Budget Request</b> (includes \$5.0 million lease expiration expenses)	<b>\$76,119,000</b>

## 2A.1: Description of Budget Increases

**Program Increases (includes lease expiration expenses of \$5.0 million).... \$8,619,000/+15 FTE**

**Personnel Increases..... \$1,888,408/+15 FTE**

Personnel – The FEC is a small, personnel-intensive organization, with approximately 71 percent of the annual operating budget used for salaries and benefits. In FY 2014, the personnel percentage slipped to 68%, with several critical positions left vacant. In FY 2015 and 2016, the agency is projected to fill these and other vacancies brought about due to attrition. Additionally, the funding would cover salary and retirement benefit increases. Funding at \$76.1 million would permit the FEC to maintain the quality of services it delivers to the public and pursue the identified priorities in section 1. It would also assist the FEC with recruiting and maintaining a high-performing staff. The agency is projecting funding for 360 FTEs for FY 2016.

**Non-Personnel Increases (includes lease expiration expenses)..... \$6,730,592/+0 FTE**

Non-Personnel – Increasing non-personnel by approximately \$6.7 million would allow the agency to maintain the services it provides to the public. The FEC requests \$5.0 million in two-year funds during FY 2016, above the requested funding for operational expenses, to be used solely for initial expenses related to the expiration of its lease. The Commission plans to further automate RAD’s processes in ways that will help to ensure that the FEC can continue to provide timely, individualized support to filers and make comprehensive and accurate campaign finance information more quickly and easily available to the public. This amount would also assist with maintaining efficiency and effectiveness of staff.

*Federal Goods & Services..... \$5,734,101/+0 FTE*

Based on GSA and OMB guidance, the FEC is requesting \$5.0 million in two-year funding to cover initial expenses related to the expiration of its lease, including costs associated with design and construction. The FEC also needs funding to determine which of the four OMB - approved service providers’ financial management system/platform is best suited for the agency. The OMB Memorandum M-13-08 and Treasury Office of Financial Innovation and Transformation (OFIT) mandate using one of the four identified service providers. In addition, the agency plans to enhance and integrate its procurement system. The agency also requests funds to comply with National Archives and Records Administration (NARA) Managing Government Records Directive pertaining to electronic recordkeeping.

*IT Contracts and Equipment.....\$494,198/+0 FTE*

Increased IT security requirements necessitate increased funds for IT contracts and equipment. These funds will assist the agency with keeping up with technology advances and maintaining the efficiency of the agency’s overall IT infrastructure. As outlined in OMB Memorandum M-08-05, the Trusted Internet Connection (TIC) Initiative will optimize and standardize the security of individual external network connections currently in use by Federal agencies, including

connections to the Internet. Implementing this initiative will improve the Federal government's security posture and incident response capability through the reduction and consolidation of external connections and provide enhanced monitoring and situational awareness of external network connections.

*Communications, Utilities and Postage..... \$151,241/+0 FTE*

This area covers phone usage, postage and copier costs. The agency realized savings by changing copier vendors in the previous year. The increase in FY 2016 represents expanded use of communication technology and escalation costs for exercising option years.

*Training.....\$128,118/+0 FTE*

The FEC requires funding for continued training for staff, including mandatory government-wide training and occupation-specific training. For example, the FEC's Office of the Inspector General auditors recommend additional IT security training for staff. Additional Records Management courses are needed for Records Liaisons to meet training requirements of NARA's Managing Government Records Directive.

*Contracts and Other Services..... \$84,990/+0 FTE*

The agency continues to use contractors for professional and support services to maintain the level of service delivered to the public. This increase supports annual cost escalations.

*Building Rent..... \$68,832/+0 FTE*

This area includes the agency lease and annual cost escalations.

*Travel..... \$51,614/+0 FTE*

The audit division requires travel funding to conduct mandatory audits under the public funding statutes and perform "for cause" audits under the FECA. Travelling to the audited committees' offices dramatically reduces the length of the audit process and increases efficiency.

*Supplies and Materials..... \$17,498/+0 FTE*

Supplies and Materials will increase by 1.5% to cover cost escalation in an existing contract for computer-assisted legal research.

**Table 2**  
**FY 2016 Budget Request, Object Class Data**  
[in dollars]

Federal Election Commission		FY 2014 Actual *	FY 2015 Projected Budget	FY 2016 Request	Change from FY 2015 to FY 2016	% Change from FY 2015 to FY 2016
11	Personnel Compensation	\$34,504,237	\$36,400,118	\$37,835,308	\$1,435,190	3.94%
11.52	Cash Awards	380,285	-	-	-	-
12.1	Personnel Benefits	9,869,686	11,176,774	11,612,992	436,218	3.90%
12.18	Transit Subsidy	301,610	318,000	335,000	17,000	5.35%
<b>Subtotal, Personnel</b>		<b>\$45,055,818</b>	<b>\$47,894,892</b>	<b>\$49,783,300</b>	<b>\$1,888,408</b>	<b>3.94%</b>
21	Travel & Transportation of Persons	\$157,881	\$315,600	\$367,214	\$51,614	16.35%
23.1	Building Rent-GSA	5,922,515	5,990,032	6,058,864	68,832	1.15%
23.3	Communications, Utilities & Postage	635,162	440,359	591,600	151,241	34.34%
24	Printing & Reproduction	106,609	103,007	103,007	-	0.00%
25.11	Training, Commercial Fed. & Tuition	339,374	372,900	501,018	128,118	34.36%
25.14	IT Contracts	7,848,375	6,617,629	7,095,700	478,071	7.22%
25.2	Contracts & Other Services	1,163,508	1,137,252	1,222,242	84,990	7.47%
25.3	Federal Goods & Services **	1,277,507	1,337,175	7,071,276	5,734,101	428.82%
26	Supplies and Materials	1,172,035	1,129,281	1,146,779	17,498	1.55%
31	Non-Capitalized and Capitalized Equipment	2,032,276	2,161,873	2,178,000	16,127	0.75%
<b>Subtotal, Non-Personnel</b>		<b>\$20,655,242</b>	<b>\$19,605,108</b>	<b>\$26,335,700</b>	<b>\$6,730,592</b>	<b>34.33%</b>
<b>TOTAL</b>		<b>\$65,711,060</b>	<b>\$67,500,000</b>	<b>\$76,119,000</b>	<b>\$8,619,000</b>	<b>12.77%</b>

\*FY 2014 Actual does not include Reimbursable Funds.

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

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

On September 30, 2017, the FEC's current lease for its office space at 999 E Street, NW, Washington, D.C. will expire. In fiscal year 2013, the FEC began working closely with the GSA to plan for the FEC's office space needs beyond the current lease. Based on GSA's Workplace Recommendations Report, the GSA advised the FEC to request \$13.0 million in connection with the expiration of its lease. Accordingly, the FEC is requesting \$5.0 million in FY 2016 two-year funds and the remaining \$8.0 million in FY 2017 funds. Combined with the FEC's operational budget, these expenses associated with lease expiration bring the FEC's total budget request for FY 2016 to \$76.119 million.

## **2B: Appropriations Language**

The FEC is including the following Appropriations Language.

FEDERAL ELECTION COMMISSION  
Federal Funds  
Salaries and Expenses

*For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, \$76,119,000, of which \$5,000,000 shall remain available until September 30, 2017, for lease expiration and replacement lease expenses; and of which not to exceed \$5,000 shall be available for reception and representation expenses.*

## **2C: Recommended Legislative Changes**

On December 11, 2014, the Commission adopted seven Legislative Recommendations, which are available at <http://www.fec.gov/law/legrec2014.pdf>. All were submitted in accordance with the OMB FY 2016 Budget Guidance as proposals that would increase effectiveness and reduce fragmentation, overlap and duplication. Of these seven Legislative Recommendations, the two described below would generate significant cost-savings. The first was included in the President's FY 2014, FY 2015 and FY 2016 Budgets.

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

Under current law, any committee or other filing entity other than Senate candidates and committees that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, must submit its reports electronically. These electronically filed reports are normally available, and may be downloaded, within minutes of submission. In contrast, reports that are filed on paper can be submitted timely if mailed to the Secretary of the Senate and postmarked by the filing deadline. After the postal service delivers the reports to the Secretary of the Senate, that office must scan the reports to create an electronic image of the reports. The increasing volume of Senate reports, which often consist of thousands of pages, can result in scanning delays. Once scanned, the reports are delivered electronically to the FEC. An additional 48 hours can be required after the FEC's receipt of the report to place it on the Commission's website. Moreover, a Senate campaign filing often consists of thousands of pages, and data from the filings themselves take up to 30 days to be integrated into the Commission's searchable databases. If such reports were electronically filed, the data could be integrated within a few days. The Commission estimates that mandatory electronic filing for Senate reports will yield savings of at least \$430,000 per year in costs directly attributable to the current paper filing system at the FEC, with additional savings at the Secretary of the Senate.

**Make Permanent the Administrative Fine Program for Reporting Violations:** The Commission recommends that Congress make the Administrative Fine Program permanent. This program was recently extended so that it will expire during FY 2019. The Administrative Fine Program has been remarkably successful. Over the course of the program, the number of late and nonfiled reports has dramatically decreased, thus fulfilling the agency's goal of ensuring timely public access to complete disclosure filings. To date, the number of late and nonfiled reports has decreased from an average of 21 percent of reports filed late to less than 10 percent filed late. With fewer late reports and fewer challenges to administrative fines, the Commission has been able to reduce the number of employees who work on this program. Specifically, in July 2010, the Office of Administrative Review, which considers challenges to administrative fines, was reduced by reassignment from three full-time employees to one. In addition, the program has generated more than \$5.0 million in fines assessed since its inception in 2000.



## **Section 3: FY 2016 Annual Performance Plan and FY 2014 Annual Performance Report**

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### **3A: Introduction**

This Annual Performance Plan and Report (APP/APR) is considered the companion to the Federal Election Commission's Strategic Plan for Fiscal Years (FY) 2014-2019, and designed to provide a solid framework for performance planning and reporting in accordance with the requirements of the *GPRRA Modernization Act of 2010*. To take advantage of the opportunity to relate prior year performance with plans for the current year and budget year, the FY 2016 Annual Performance Plan and FY 2014 Annual Performance Report are combined in this document. This APP/APR presents accomplishments through FY 2014 and performance targets associated with FYs 2014, 2015 and 2016.

This plan addresses activities that include ensuring that the agency is well-prepared to provide full campaign finance transparency to the public despite the expected increase in campaign finance activity, promoting compliance and engaging and informing 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. Therefore, this plan addresses activities that include recruiting and retaining a diverse and high-performing workforce, updating agency-wide policies and procedures, and updating the records management program.

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

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

### 3B: Organizational Structure

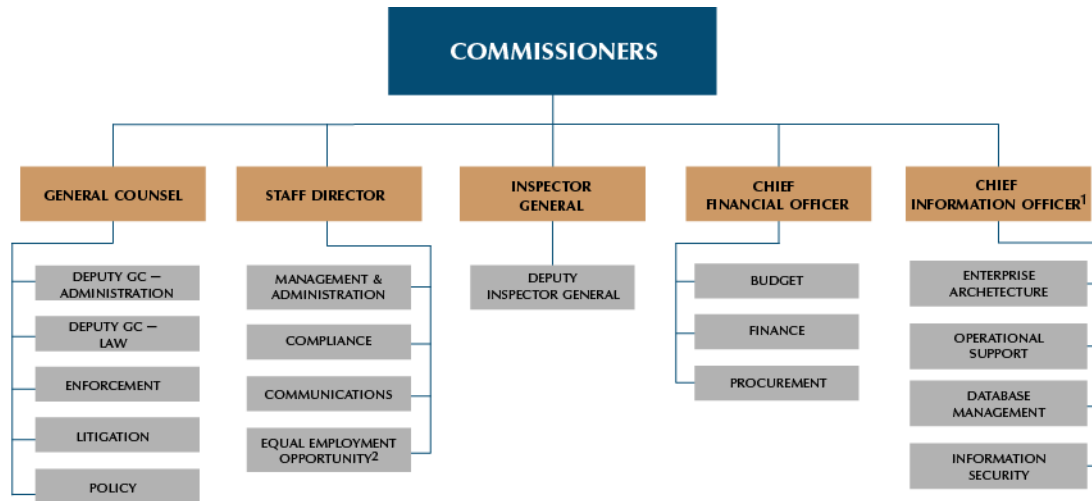
The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *FECA*.<sup>5</sup> The Commission is also responsible for administering the Federal public funding programs for Presidential campaigns. This responsibility includes certifying and auditing all participating candidates and committees and enforcing the public funding laws.

Under the *Act*, all Federal political committees, including the committees of Presidential, Senate and House candidates, must file reports of receipts and disbursements. The FEC makes disclosure reports available to the public through the Commission's Internet-based public disclosure system as well as in a public records office at the Commission's Washington, D.C. headquarters. The FEC also has exclusive responsibility for civil enforcement of the *Act*, and has litigating authority independent of the Department of Justice in U.S. district court and the courts of appeals. Additionally, the Commission promulgates regulations implementing the *Act* and issues advisory opinions responding to inquiries.

To accomplish its legislative mandate, the FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners may be members of the same political party. Each member serves a six-year term, and two seats are subject to appointment every two years. The Chairmanship of the Commission rotates among the members, with no member serving as Chair more than once during his or her term. The Commissioners are responsible for administering and enforcing the *FECA* and meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires at least four votes for the Commission to approve official actions, thus requiring bipartisan decision-making. The FEC has its headquarters in Washington, D.C. and does not have any regional offices.

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<sup>5</sup> The Commission's primary responsibilities pertain to the *Federal Election Campaign Act of 1971*, Public Law 92-225, 86 Stat. 3 (1972) as amended (*codified at* 52 U.S.C. §§ 30101-30145) (formerly at 2 U.S.C. §§ 431-55) (the *Act* or the *FECA*). The Commission's responsibilities for the Federal public funding programs are contained in the *Presidential Election Campaign Fund Act*, Public Law 92-178, 85 Stat. 562 (1971) (*codified at* 26 U.S.C. §§ 9001-13) and the *Presidential Primary Matching Payment Account Act*, Public Law 93-443, 88 Stat. 1297 (1974) (*codified at* 26 U.S.C. §§ 9031-42).



<sup>1</sup> The position of the 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 Director for Equal Employment Opportunity reports to the Staff Director on administrative issues but has direct reporting authority to the Commission on all EEO matters. See 29 CFR 1614.102(b)(4).

Figure 1: FEC Organizational Chart

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

#### Office of the Staff Director (OSD)

The Office of the Staff Director consists of four offices: 1) Management and Administration; 2) Compliance; 3) Communications; and 4) Equal Employment Opportunity. The Office of Management and Administration is responsible for the FEC’s strategic planning and performance and works with the Commission to ensure the agency’s mission is met economically and effectively. In addition, this office houses the Commission Secretary functions, the Office of Human Resources (OHR) and the Administrative Services Division (ASD). The primary responsibilities of the Office of Compliance are review of campaign finance reports, audits, administrative fines and alternative dispute resolution. The Office of Communications includes four divisions charged with receiving campaign finance reports and making this information available to the public, encouraging voluntary compliance with the *Act* through educational outreach and ensuring effective communication with Congress, executive branch agencies and the media. The Equal Employment Opportunity Office administers and ensures compliance with applicable laws, regulations, policies and guidance that prohibit discrimination in the Federal workplace based on race, color, national origin, religion, age, disability, sex, pregnancy, genetic information or retaliation. The EEO Officer reports to the Staff Director on administrative issues, but has direct reporting authority on all EEO matters. See 29 CFR 1614.102(b)(4).

**Office of General Counsel (OGC)**

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

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

The Office of the Chief Information Officer meets the increasing public interest in and demand for the agency’s disclosure information. In addition, fast changing information technology provides substantial opportunities for efficiency and effectiveness. The OCIO is working to upgrade the FEC’s systems to meet internal and external demands and ensure that information is available to all of the Commission’s stakeholders in a rapid and user-friendly fashion.

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

The Office of the Chief Financial Officer is responsible for complying with all financial management laws and standards, and all aspects of budget formulation, budget execution and procurement.

## **3C: Performance Framework**

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

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

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

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

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

*Leader: Assistant Staff Director for Disclosure*

The FEC is obligated to protect the integrity of Federal campaigns by providing transparency and fairly enforcing and administering Federal campaign finance laws. Full disclosure and fair enforcement 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 that it is provided to the public in an easily accessible way. In order to make certain that campaign finance disclosure information is quickly available and easily accessible to the public, the agency is committed to improving its campaign finance disclosure database and the interfaces it offers to the public at [www.fec.gov](http://www.fec.gov). The agency is also committed to ensuring that FEC staff has the tools and knowledge to help the public find and understand the campaign finance information relevant to their questions and needs. The FEC gauges its effectiveness through a series of indicators designed to measure performance in areas that promote confidence in the campaign finance process, as detailed in the charts below.

## Strategies and Next Steps

The FEC's e-filing system acts as the point of entry for submission of electronically filed campaign finance reports, providing faster access to reports and streamlining operations. Specifically, the 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's Public Disclosure Division ensures that a copy is available for public inspection within 48 hours of receipt, both electronically on the website and at the FEC's offices in Washington, D.C.<sup>6</sup> The FEC is committed to providing timely and transparent campaign finance disclosure to the public and delivering data in accessible and easy-to-use formats. The FEC has launched an initiative to develop an automated data capture process to convert paper-filed reports into structured, machine-readable data. Automating this labor-intensive process will decrease data processing time, increase the accuracy of data and reduce the overall costs of capturing data from paper forms.

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

In addition, the FEC is developing internal tools to help improve the service provided by staff members who give daily guidance to the public and the press. In order to better guide the public through the FEC's vast quantity of campaign finance information and promote voluntary compliance with the campaign finance law, FEC staff is developing a web-based knowledge management tool for staff use. Like many Federal agencies, the FEC faces challenges in preserving staff knowledge lost through turnover and attrition, as well as finding meaningful ways

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<sup>6</sup> The Commission's mandatory electronic filing ("e-filing") rules require any committee that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, to submit its reports electronically. Under the Act, these mandatory e-filing provisions apply to any political committee or other person required to file reports, statements or designations with the FEC, except for Senate candidate committees (and certain other persons who support Senate candidates only).

to share this information with staff to achieve the agency's mission efficiently and effectively. This knowledge management tool will capture and organize staff knowledge in a way that is accessible and useful and will enable FEC staff to provide the public with quick, comprehensive and consistent responses from FEC staff. During FY 2014, FEC staff completed much of the collection and categorization of information and procedures across public-facing offices and divisions and will continue to build the knowledge management tool during FY 2015. As outlined in the charts below, the FEC expects to complete both the campaign finance data (Objective 1) and voluntary compliance (Objective 2) aspects of this tool in FY 2016.

The level of availability and accessibility of campaign finance data serves as a measurement of success in improving the public's access to information about how campaign funds are raised and spent. This key indicator represents a new area of performance reporting for the agency. The FEC collected baseline performance data during FY 2014 in order to establish appropriate targets for future years, as detailed below. Additional performance measures for assessing progress on this Strategic Objective include measures to ensure that data from campaign finance reports are quickly made available to the public on the FEC website and that staff have the tools and knowledge to provide excellent service to the public.

### **Progress Update for FY 2014**

During FY 2014, the FEC placed special emphasis on enhancing its systems and programs to engage and inform the public about campaign finance data and information. The FEC's recent efforts build on a series of multi-year projects to improve the public's ability to find and use disclosure data and campaign finance information. For the past several fiscal years, the Commission has prioritized the enhancement of the public's access to the FEC's campaign finance data and the development of efficiencies in the disclosure of that data. During FYs 2014 and 2015, the FEC will complete a suite of multi-year information technology projects that will significantly increase the level of service the FEC is able to provide to the public. In addition to the agency's continuing efforts to improve the FEC website and enhance enterprise-wide IT security systems, the FEC is implementing a data warehouse framework that will contain information currently stored across a range of systems. Once fully implemented, the data warehouse will become the Commission's primary information retrieval source for FEC staff and the public. For example, the data warehouse will provide data to the new disclosure portal and internal reporting systems. The data warehouse can be searched using various tools, including the FEC's enterprise search system. In addition to searching for information contained in the data warehouse, the enterprise search system can be used to search any data source. The FEC also continues to upgrade its Case Management System, an internal system for tracking enforcement cases through each stage of the enforcement process, and to transition staff to a common Enterprise Content Management system for sharing and storing documents in a way that fosters collaboration and supports compliance with agency document policies and records management.

To improve the delivery of campaign finance data to the public, the FEC has launched an extensive effort to redesign the FEC website. In partnership with 18F, a newly formed organization within the General Services Administration (GSA), the FEC is developing an agile, navigable, user-based online platform to deliver campaign finance information to its diverse base of users. Once complete, the redesigned FEC website will better meet the needs of an audience that spans from individual citizens seeking information about the candidates on the ballot in their state to journalists and researchers who specialize in campaign finance issues, to filers and other political

participants seeking legal guidance and compliance information. 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. The Commission is committed to ensuring that this website redesign project is user-driven and meets the needs of the FEC's diverse audience. On September 7, 2014, the Commission hosted a public forum seeking broad public input for its website improvement project. The Commission will continue to actively engage the public in this effort to provide easily accessible, intuitive and comprehensive campaign finance data and information.

The FEC received 68,765 campaign finance disclosure documents filed during FY 2014 disclosing more than 26 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 2014, the FEC met its goal of ensuring 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 data are coded and entered into the FEC's database for review to assess accuracy and ensure complete disclosure of campaign finance information. The agency's goal is to code and enter 95 percent of the reports within 30 days of receipt. However, the FEC has been challenged to meet this goal in recent years, and in FY 2014 was able to process 79 percent of reports within 30 days of receipt.

One significant factor contributing to the agency's workload in processing and coding reports is the size of Senate campaign finance disclosure reports. While most filing entities submit their reports electronically, the *FECA* requires Senate campaign finance disclosure reports to be filed on paper. A Senate campaign filing often consists of thousands of pages, and data from these filings consume a disproportionate amount of time to be integrated into the Commission's searchable databases. After these reports are received by the Secretary of the Senate, that office must scan the reports and then deliver them electronically to the FEC. Once the FEC receives a paper report from the Secretary of the Senate, an additional 48 hours can be required to place the report on the Commission's website. The increasing volume of these reports can delay scanning and delivery to the FEC, and ultimately integration into the FEC's searchable online database. In contrast, if such reports were electronically filed, the data could be integrated within a few days. The Commission estimates that mandatory electronic filing for Senate reports will yield savings of at least \$430,000 per year in costs directly attributable to the current paper filing system at the FEC, with additional savings at the Secretary of the Senate. Since 2000, the Commission has unanimously recommended to Congress a legislative change to apply mandatory electronic filing rules to Senate reports.

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



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

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

**Supporting Indicators 1-1:**

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percent of reports and statements filed on paper with the FEC made available on the FEC website within two business days of receipt	100%	100%	100%	100%	100%	100%	100%	100%
Percent of 24- and 48-hour reports on independent expenditure spending filed on paper made available on the FEC website within one business day of receipt	N/A	N/A	N/A	N/A	100%	100%	100%	100%
Percent of reports processed within 30 days of receipt	91%	71%	94%	88%	95%	79%	95%	95%
Script staff responses to common disclosure inquiries for staff reference.	N/A	N/A	N/A	N/A	Complete by FY 2016	N/A	N/A	Complete by FY 2016

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

*Leaders: Deputy Staff Director/Chief Compliance Officer; Deputy General Counsel—Administration*

Helping the public understand its obligations under the *Act* is an essential component of voluntary compliance. The FEC places a significant emphasis on encouraging compliance through its Information Division, Reports Analysis Division (RAD), Press Office and Office of Congressional, Legislative and Intergovernmental Affairs. The FEC measures its progress in meeting this Objective through two performance measures: one that measures the agency’s efforts to encourage voluntary compliance through educational outreach and information and another that measures the FEC’s efforts to seek adherence to *FECA* requirements through fair, effective and timely enforcement and compliance programs. Progress against these measures and supporting indicators is detailed in the charts below.

## Strategies and Next Steps

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

The FEC's education and outreach programs provide information necessary for compliance with the campaign finance law and give the public the context necessary to interpret the campaign finance data filers disclose. The FEC maintains a toll-free line and public email accounts to respond to inquiries regarding the campaign finance law and data. Additionally, Campaign Finance Analysts in RAD provide assistance with completing and filing disclosure reports. The FEC also operates Press and Congressional Affairs offices.

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

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

As part of this broad effort to improve its Internet communications and better serve the educational needs of the public, the Commission has added an E-Learning section to its Educational Outreach web page and launched its own YouTube channel, which can be found at <http://www.youtube.com/FECTube>. The E-Learning page offers instructional videos and tutorials, as well as interactive presentations that enable users to obtain guidance tailored to their specific activities. The curriculum currently includes a variety of presentations about the Commission and the campaign finance law. During FYs 2015 and 2016, the Commission will create online video tutorials for reporting specific types of activity, which will provide filers with another tool for disclosure compliance.

The agency's educational outreach program has been significantly enhanced with the addition of FEC Connect, a new online training service that enables political committees and other groups to schedule live, interactive online training sessions with FEC staff. FEC Connect, launched in May 2014, 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. FEC Connect also offers an efficient and effective way for alternative dispute resolution and other enforcement respondents to satisfy the terms of their agreements with the agency. The FEC has historically measured the success

of its educational outreach programs based on satisfaction surveys of conference attendees. Beginning in FY 2014, the agency initiated a program to measure user satisfaction across all aspects of its outreach program by developing methods for effectively and consistently surveying user satisfaction with publications, webinars and E-Learning presentations. This program will be implemented during FY 2015 to help the FEC better understand and meet the public's expectations and needs regarding the agency's educational outreach efforts.

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

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

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

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

The Office of Compliance's Reports Analysis Division (RAD) reviews an ever-increasing volume of reports to track compliance with the law and to ensure that the public record provides a full and

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

The Alternative Dispute Resolution (ADR) Program was implemented in FY 2001 to facilitate settlements outside of the traditional enforcement or litigation processes. The ADR Program's primary objective is 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. Since the AF Program's inception in July 2000 through September 30, 2014, the Commission has closed 2,683 cases and assessed fines of \$5.04 million.

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

## **Progress Update for FY 2014**

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

During FY 2014, the Commission continued to meet its mandate to assist the public by providing the public with access to campaign finance information. The Commission is deeply committed to providing candidates, committees and the public timely advice and support so they can fully understand and comply with the *Act*. The Commission also continues to strive to better understand and meet the needs of the public and other stakeholders.

During FY 2014, the Commission continued and expanded its educational and outreach programs. The FEC held regional conferences in San Francisco, California, and Tampa, Florida and a series of one-day seminars and topic-based roundtables at FEC headquarters. These programs were also available simultaneously as webinars for online attendees in order to reduce registration and travel costs for attendees.

The Commission also hosted an informal public forum to discuss agency operations that affect local, state and national political parties with Commissioners and senior staff. The forum addressed operational aspects of the Commission's dealings with political party committees, including interactions with the Alternative Dispute Resolution Office, the Audit Division, the Office of General Counsel and the Reports Analysis Division.

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

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

During FY 2014, RAD continued to ensure that campaigns and political committees file timely and accurate disclosure reports that fully disclose their financial activities. During the year, RAD reviewed 68,282 documents totaling 9.2 million pages. RAD continued to demonstrate its commitment to assisting filers with compliance, handling 10,677 phone calls and meetings and developing six YouTube reporting tutorials during FY 2014. In addition, during the year, RAD measured the quality of its service through a survey that was sent to all registered filers. The survey response provided overwhelmingly favorable results. RAD will rely on information gained from these survey results as it continues to build and improve its service and operations in future years.

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

OGC continues to meet its obligations to the Commission and the public to handle its caseload efficiently and effectively despite staffing challenges. In FY 2014, the Commission closed 132 enforcement cases in an average of 17.3 months, which included \$206,235 in negotiated civil penalties. The Commission closed 37 cases (28 percent) within 15 months.

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

The ADR program continued to promote compliance with Federal campaign finance law and Commission regulations and to reduce the cost of processing complaints by encouraging settlements outside the agency's normal enforcement track. During FY 2014, the Commission completed 72 ADR cases, which included \$255,381 in negotiated civil penalties. The Commission's performance measure for ADR is to circulate 75 percent of cases to the Commission within 140 days of a case being referred. Seventy-two percent of cases met the 140-day benchmark.

### ***Administrative Fine Program***

The Administrative 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 2014, OAR reviewed six challenges submitted by committees in response to a reason-to-believe finding and/or civil money penalty. OAR reviewed 100 percent of these challenges within 60 days of receipt. The average completion time for challenges was 32.5 days. Overall, OAR has reviewed 670 challenges submitted from the Program's inception through FY 2014.

### ***Audit Division***

The Audit Division continues to fairly enforce the *FECA* through an open and transparent audit process. During FY 2014, the Audit Division publicly released 14 Audit Reports of which 13, or 93 percent, were completed within the two-year performance goal period. Two political committees had the opportunity to present oral arguments in Audit Hearings before the Commission regarding matters in their Audit Reports. In addition, during FY 2014 a political committee brought forth two separate challenges to preliminary audit findings under the program established in 2011 for requesting consideration of legal questions by the Commission.

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

Key Indicator: Percent of educational outreach programs (webinars, seminars, publications and E-Learning presentations) and events that achieve targeted satisfaction rating on user surveys.							
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
N/A	N/A	N/A	N/A	Develop methods for surveying user satisfaction with webinars, publications and E-Learning presentations.	N/A	4.0 or higher on a 5.0 scale	4.0 or higher on a 5.0 scale

**Supporting Indicators 2-1:**

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Increase in the number of E-Learning presentations and webinars available on the FEC website	N/A	N/A	N/A	N/A	4 new trainings	13 new trainings	4 new trainings	4 new trainings
Script staff responses to common questions for staff reference	N/A	N/A	N/A	N/A	Complete by FY 2016	N/A	N/A	Complete by FY 2016

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

Key Indicator: Of the enforcement matters resolved during the fiscal year, the percentage that was resolved within 15 months of the date of receipt.							
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
75%	89%	70%	72%	75% by FY 2015	28%	75%	75%



## Supporting Indicators 2-2:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percent of enforcement matters resolved through conciliation <sup>7</sup>	N/A	N/A	N/A	N/A	Set baseline in FY 2014	12%	N/A	N/A
Percent of notifications provided within five days of complaints filed with the FEC	100%	100%	100%	100%	100%	100%	100%	100%
Percent of enforcement matters presented to the Commission for initial review within one year of the date of receipt	N/A	N/A	N/A	N/A	95%	73%	80%	80%
Percent of RFAs sent within 40 days of report review	N/A	76%	63%	72%	75%	84%	75%	75%
Percent of reports reviewed by RAD within 90 days of receipt	N/A	76%	87%	73%	75%	85%	75%	75%
Percent of Proposed Final Audit Reports (PFAR) approved by the Commission within two years from the start of fieldwork	N/A	64%	68%	38%	50%	93%	60%	60%
Percent of Reviewing Officer Recommendations circulated within 60 days	100%	77%	90%	93%	75%	100%	75%	75%
Percent of ADRO Recommendations circulated within 140 days of referral	N/A	N/A	N/A	91%	75%	72%	75%	75%
Create an interdisciplinary quality control board	N/A	N/A	N/A	N/A	Complete by FY 2014	100%	N/A	N/A
Summarize common violations and make this information available to the public	N/A	N/A	N/A	N/A	Complete by FY 2016	N/A	N/A	Complete by FY 2016

<sup>7</sup> This measure is intended to provide context for the Commission's activities in resolving enforcement matters during the year, and the Commission does not intend to set a target for the number of enforcement matters resolved through conciliation.

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

*Leaders: 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 *FECA* applies to specific situations through the advisory opinion process and represents itself in most litigation before the Federal district courts and the courts of appeals. The Commission's three primary means for providing interpretive guidance for the *FECA* and related statutes are discussed below.

#### ***Regulations***

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

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

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

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

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

## Strategies and Next Steps

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

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

## Progress Update for FY 2014

During FY 2014, the Commission met its goal to provide 100 percent of legal guidance within statutory and court-ordered deadlines. The Commission also met its goal to issue 100 percent of advisory opinions within the applicable 60- or 20-day statutory deadlines. During FY 2014, the Commission completed work on 18 AO requests and issued 13 AOs. These AOs addressed issues such as; the purchase of candidates' books by the candidates' campaigns; political committees' acceptance of contributions made in the form of bitcoin; and Federal preemption of certain state regulations. The Commission completed work on 16 60-day AO requests and two 20-day AO requests during FY 2014. The average number of days from receipt of a complete AO request to Commission action on it was 33 days for 60-day requests that did not have extended deadlines and 20 days for 20-day AOs that did not have extended deadlines.

The Commission's litigation docket at the close of FY 2014 included an as-applied constitutional challenge to *FECA*'s prohibition on contributions by government contractors,<sup>8</sup> as-applied constitutional challenges to the limits on contributions to political party committees,<sup>9</sup> two cases challenging the Commission's handling of enforcement matters in which entities were not found to be required to register and report as political committees,<sup>10</sup> a challenge to an FEC regulation governing whether persons who give funds to corporations and unions that make electioneering communications must be disclosed<sup>11</sup> and enforcement of the *Act's* prohibition on conversion of campaign funds to personal use.<sup>12</sup>

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<sup>8</sup> *Wagner v. FEC*, No. 13-5162 (D.C. Cir.).

<sup>9</sup> *Rufer v. FEC*, \_\_\_ F. Supp. 2d \_\_\_, 2014 WL 4076053 (D.D.C. Aug. 19, 2014).

<sup>10</sup> *Public Citizen v. FEC*, No. 14-1599 (D.C. Cir.) / No. 14-148 (D.D.C.); *Citizens for Responsibility and Ethics in Washington v. FEC*, No. 14-1419 (D.D.C.).

<sup>11</sup> *Van Hollen v. FEC*, \_\_\_ F. Supp. 3d \_\_\_, 2014 WL 6657240 (D.D.C.).

<sup>12</sup> *FEC v. Craig for U.S. Senate*, \_\_\_ F. Supp. 3d \_\_\_, 2014 WL 48223874 (D.D.C. Sept. 30, 2014).

**Performance Goal 3-1: *Provide timely legal guidance to the public.***<sup>13</sup>

Key Indicator: Percent of legal guidance provided within statutory and court-ordered deadlines.							
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
N/A	N/A	N/A	N/A	100%	100%	100%	100%

<sup>13</sup> The Commission obtained extensions to consider ten advisory opinion requests in FY 2014; four of those extensions were attributable to the Federal government shutdown during October 2013. The Commission did not have any rulemakings during FY 2014 with statutory or court-ordered deadlines.

## Supporting Indicators 3-1:

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percent of reporting forms revised within 90 days of approval of regulations that require conforming changes to forms	N/A	N/A	N/A	N/A <sup>14</sup>	100%	N/A <sup>15</sup>	100%	100%
Percent of advisory opinions issued within 60-day and 20-day statutory deadlines	100% <sup>16</sup>	100% <sup>17</sup>	100% <sup>18</sup>	100% <sup>19</sup>	100%	100% <sup>20</sup>	100%	100%
Percent of court filings that meet all deadlines and rules imposed by the courts	100%	98%	97%	100%	100%	100%	100%	100%

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

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

One of the objectives from the FEC’s Strategic Plan, FY 2014-2019, Foster a Culture of High Performance, cuts across the organization and reflects the agency’s strategic priorities for improving the efficiency and effectiveness of its workforce and management processes. The FEC’s primary measure of success in developing and maintaining a result-driven workforce is at the program level: a workforce that delivers results will meet the internal performance targets set by the Commission. This performance goal represents a new area of performance measurement for the agency. The Commission set a baseline for this measure in FY 2014 and appropriate targets for future years. Supporting targets and results are detailed in the charts below.

<sup>14</sup> There were no regulations approved by the Commission in FY 2012 or FY 2013 that required conforming changes to forms.

<sup>15</sup> The Commission did not complete any rulemakings during FY 2014 that required conforming changes to forms.

<sup>16</sup> Three 60-day advisory opinions had extended deadlines.

<sup>17</sup> Four 60-day advisory opinions and one 20-day advisory opinion had extended deadlines.

<sup>18</sup> Three 60-day advisory opinions and two 20-day advisory opinions had extended deadlines.

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

<sup>20</sup> The Commission obtained extensions to consider ten advisory opinions during FY 2014; four of those extensions were attributable to the Federal government shutdown during October 2013.

## **Strategies and Next Steps**

The Commission understands that the success of its programs depends upon the skills and commitment of its staff. A focus for the Commission in FY 2016 will be to ensure that staff training needs are assessed and met at every level of the agency and that agency leaders receive training necessary to help manage and maintain a fully engaged and productive workforce. During FYs 2015 and 2016, the FEC's Office of Human Resources (OHR) will focus on expanding recruiting efforts to attract the best talent, and decreasing the time to hire. The FEC will also improve its talent management strategies, including developing a program to on-board new staff in a manner that ensures a true integration into the agency while developing career paths for every occupation.

The FEC remains committed to increased engagement between leaders and employees. A component of the FEC's engagement is to build an effective and collaborative relationship with the National Treasury Employee Union (NTEU), which is the exclusive representative of bargaining unit employees. In accordance with Executive Order 13522, Creating Labor-Management Forums to Improve Delivery of Government Services, the FEC and the NTEU have established the FEC Labor-Management Forum (Forum). The Forum is intended to promote improvements in overall FEC efficiency and effectiveness, improve employee satisfaction, assist in the development of cooperative and productive labor-management relations and encourage the involvement of employees in workplace issues through their union representatives. During FY 2014, the Forum launched a multi-year program to assess and improve employee workplace engagement and satisfaction based, in part, on the results of OPM's annual Federal Employee Viewpoint Survey. During FYs 2015 and 2016, FEC management will partner with the NTEU Local Chapter 204 through the Forum to develop and implement employee-driven plans to improve staff productivity and engagement.

The FEC is also participating in and contributing to the government-wide Records Management initiative. In compliance with the *Federal Records Act*, the FEC is updating its records management program. The updated program will increase efficiency and improve performance by eliminating paper and using electronic recordkeeping to the fullest extent possible. During FYs 2015 and 2016, the FEC will continue its efforts to preserve and disclose agency activities and decisions by modernizing the Commission's records management policies and procedures and implementing a training process regarding those modernized policies and procedures.

## **Progress Update for FY 2014**

In addition to assessing the agency's progress in fostering a workforce that delivers results by ensuring that internal performance targets are met, the Commission tracks the agency's efforts to reduce staff turnover among high-performing employees and to ensure that staff members receive regular performance evaluations and feedback. During FY 2014, 100 percent of eligible employees received a required performance evaluation.

The Commission is also working to update its records management program, in compliance with the *Federal Records Act*. During calendar year 2014, the FEC reaffirmed a Senior Agency Official for Records Management and delivered the FEC's Annual Reports to the Chief Records Officer. The FEC also established a method to inform all employees of their records management

responsibilities in law and policy, and is developing suitable records management training for all staff. The agency made progress in implementing the training process and ensuring that the Records Officer holds the National Archives and Records Administration's Records Management Certificate.

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

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

**Supporting Indicators 4-1:**

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

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

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

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

The Commission's first strategic objective is to engage and inform the public about campaign finance data. A crucial part of the FEC's mission is to provide transparency in the campaign finance process. Since the FEC was established in 1974, it has collected and made public a vast quantity of campaign finance data reported by political committees, campaigns and other groups required by the campaign finance law to disclose their financial activity. Transparency requires more than simply allowing access to data. The data must also be provided to the public in an easily accessible way. Accordingly, the agency maintains a strong commitment to providing searchable, well-explained and user-friendly information to the public. During FY 2015, the FEC will continue to work, in collaboration with the 18F team from GSA, to redesign the FEC website to ensure that the FEC provides campaign finance disclosure information in a manner that is most beneficial to the public. This partnership will also ensure that the FEC continues to develop innovative and intuitive methods of providing this data to the public. 18F relies on an agile development model, where new products are quickly developed in their simplest forms and put before users immediately in order to test the developers' assumptions. This evidence-based development model will allow user experience and feedback to drive the development process and ensure that the FEC can provide improved services to the public as they become available over time, rather than having to wait until the entire project is completed. The website redesign project is further detailed in section 3C:2.1.

In order to better support the FEC's IT delivery and ensure the integrity of the FEC's campaign finance disclosure database, which contains in excess of 14.4 billion data elements, the Office of the Chief Information Officer will complete a major IT security upgrade during FY 2015. In collaboration with the Department of Homeland Security (DHS), the FEC has designed a multi-faceted plan based on best-practice research and DHS's comprehensive data on the current and emerging cyber-threats facing Federal agencies. With improved detection and prevention tools and continuous monitoring of the FEC's network, the agency will be well-placed to manage IT security risks in FY 2015 and in future years.

During FYs 2015 and 2016, the Commission will continue to expand programs to automate processes where such automation improves the efficiency and effectiveness of the FEC's services. For example, RAD will continue to focus on process improvements such as expanding its Data Services program to increase staff efficiency in tracking contribution limits across campaign finance disclosure reports and automating the registration process through web versions of FEC committee and candidate registration forms. During FY 2015, the FEC will also develop an automated process to convert paper-filed reports into structured, machine-readable data. Automating the data capture process will decrease data processing time, increase the accuracy of



data and reduce the overall costs of capturing data from paper forms.

In addition, the FEC is pursuing activities to improve the service provided by staff members who provide daily guidance to the public and the press. For example, during FY 2014 RAD emailed a survey to filers to help identify opportunities to improve the service that RAD provides to filers. During FY 2015, RAD staff will develop strategies to improve its service and outreach efforts based on the results of this survey. In addition, in order to better guide the public through the FEC's vast quantity of campaign finance information and to better promote voluntary compliance with the campaign finance law, FEC staff are developing a knowledge management tool for internal use. The development and use of this tool cut across the agency's strategic objectives to ensure that information flows freely and efficiently across staff in all offices and divisions. Details regarding this project are provided in section 3B:2.1.

The Commission is also continuing its efforts to reach out directly to the public to gain feedback from individuals and groups who do business with the FEC. The FEC Chairman and Vice Chair hosted an informal public forum at the FEC to discuss agency operations that affect local, state and national political parties with Commissioners and senior staff. The Forum specifically addressed operational aspects of the Commission's dealings with political party committees, including interactions with the Alternative Dispute Resolution Office, the Audit Division, OGC and RAD. The Commission plans to continue to hold such forums, which provide an invaluable opportunity to get policy and operational feedback directly from the public, as necessary, during FYs 2015 and 2016 to ensure that policies, procedures and outreach initiatives are properly aligned with and support the public's needs.

The FEC continues to face staffing challenges. Due to limited funding in FY 2013, agency staffing reached its lowest level in the last 10 years in FY 2014. Over FY 2014 and 2015, to recover from these staffing shortages, the FEC is expected to bring on board more than 30 new employees to fill priority positions. The FEC remains challenged in maintaining staffing levels needed to meet performance targets and workloads.

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 15, 2014, the IG identified three challenges facing management: Information Technology Security, Governance Framework and Human Capital Management/Human Resources Operations. The IG's assessment and the FEC's response are included in the FEC's FY 2014 Agency Financial Report, [http://www.fec.gov/pages/budget/fy2014/FY2014\\_AFR.pdf](http://www.fec.gov/pages/budget/fy2014/FY2014_AFR.pdf).

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

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

Many of the FEC's performance measures set goals for the timely completion of tasks that are either internally generated or triggered through reports or complaints filed with the Commission. As a result, the universe of data the FEC must collect and verify to support its performance information is generally small, centrally located and easily verified. The FEC tracks data to support its performance measures through its internal databases and with spreadsheets maintained by program managers. In cases where performance is measured based on the timeframe for completing a decision, matter or inquiry, the universe of data to be measured and the dates on which performance milestones are reached are tracked electronically. Data provided by the agency's litigation, policy, enforcement and compliance offices are reported at least quarterly to the Commission, which provides regular opportunities for the accuracy of the data to be verified.

The FEC also tracks its performance in making campaign finance information available to the public. Reports filed with the FEC represent the largest universe of data the agency must consider in determining its performance. Campaign finance reports and statements filed electronically are made available on the FEC website nearly instantaneously, and reports and statements filed on paper with the FEC are placed on the FEC website within 48-hours of receipt. In addition, FEC staff process the data contained in campaign finance reports so that the information can be accurately organized, categorized and searched in the agency's databases. The FEC sets as a performance goal processing 95 percent of reports through its data and coding system within 30 days. The entry and completion dates for each report are retrievable through the FEC's electronic systems. The FEC also rates its performance in meeting its statutory obligation to make reports and statements filed on paper available to the public within 48 hours of receipt. The agency stamps reports in the FEC's mailroom with the date and time of arrival. Any instance of a report appearing on the FEC website after the 48-hour deadline is tracked manually.

During FY 2014, the FEC 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. Furthermore, in FY 2014 the FEC formed a data verification and validation team, composed of strategic activity leads, to assess the data collection and management process of the entire agency and design a revised and improved process. This team has developed data definition templates, established standard processes for data collection and trained staff to follow the established standards for each measure included in this plan. The strategic activity leads will review and update the V&V process on an annual basis to ensure data reported to stakeholders is consistent, accurate and complete.

### **3E: Conclusion**

As described in this section, the FEC's plans and strategies for FYs 2015 and 2016 are designed to ensure that the agency is well-prepared to provide full campaign finance transparency to the public despite the expected increase in campaign finance activity.

## Office of Inspector General's Fiscal Year 2016 Budget Request

The Inspector General Reform Act (Pub. L. 110-409) was signed by the President on October 14, 2008. Section 6(f)(1) of the Inspector General Act of 1978, 5 U.S.C. § app. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

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

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

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

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

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

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

Following the requirements as specified above, the OIG of the Federal Election Commission submits the following information relating to the OIG's requested budget for fiscal year 2016:

- the aggregate budget request for the operations of the OIG is \$1,279,816;
- the portion of this amount needed for OIG training is \$18,000; and
- the portion of this amount needed to support the CIGIE is an estimated \$3,454.

I, Lynne A. McFarland, certify as the IG of the Federal Election Commission that the amount I have requested for training satisfies all OIG training needs for fiscal year 2016.