

FEDERAL ELECTION COMMISSION



Press Office
1325 K Street, N.W., Washington, D.C. 20463
Phone: Local 823-4066 Toll Free 800-424-9630

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CONTACT: FRED EILAND
SHARON ENICER
KAREN FINUCAN

FEC HIT HARD BY MANDATED BUDGET CUTS

WASHINGTON—Drastically curtailed public disclosure of federal campaign finance information will result from a series of budget cuts forced upon the Federal Election Commission. The disclosure agency's fiscal year 1986 budget has been reduced to \$11,898,000, some \$858,000 below its steady-state budget needs.

A staff freeze below approved levels, reduced computerized campaign finance data and cutbacks in public education efforts will result from the reductions in the Commission's budget.

The FEC was cut by \$323,000 earlier this year in the President's failed effort to reduce federal salaries by five percent. Although Congress killed that effort, it did not return the money to the FEC budget. More recently, the automatic operation of the Gramm-Rudman-Hollings Act took an additional 4.3% or \$535,000 from the agency's budget.

The FEC approved its plan of action today, to be effective as of March 1. While candidate and political committee reports will continue to be available on microfilm for public review and copying, the computerization of itemized information filed by political committees on the '86 election will be reduced severely. The FEC will continue to enter gross receipts and disbursements, but will be required to terminate its data entry contract and take other actions that will reduce computer storage by 20 percent and computer memory by 25 percent. These losses will result in the following:

—Remove from the on-line data base all information from election cycles prior to 1984;

—No longer enter detailed information from candidate reports, including contributions from individuals, transfers within a campaign, contributions from candidates to other candidates, etc.

—Reduce the amount of detailed entry from other reports (i.e. PAC, party), eliminating individual contributions, transfers to affiliates, and earmarked contributions.

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—Cancel the October Report on Financial Activity, which provided an analysis of campaign finance activities for the first 18 months of the 1985-86 election cycle.

In addition, the Commission no longer will finance the State Access Program in which it shares its data base with Secretaries of State.

Among the effects of the reduction in computerization will be a reduction in timeliness, since data entry time probably will double; accuracy of detailed information may be reduced because less expensive methods of data entry will be used; and availability of detailed information will be reduced.

In an effort to salvage some data, the FEC will attempt, on a trial basis, to continue entry of political action committee (PAC) contributions to candidates, independent expenditures and communication costs by corporations and labor unions. In June, the Commission will assess this effort on the basis of timeliness and quality. If minimum levels are met the effort will continue; if not, all itemized data entry will be discontinued.

The budget cuts also will adversely affect research and publications capabilities of the FEC's National Clearinghouse on Election Administration; will eliminate the contract for court reporting Commission executive sessions, so there will no longer be prepared transcripts. Instead, the Commission will provide audio tapes to requesters.

In addition to holding staff hires below the approved level, the FEC has ordered reductions in staff travel, training, printing, publications, mailings, supplies, equipment purchases and administrative expenses. Among other effects, these will result in a curtailment of the FEC's outreach efforts, workshops and public information.

The forced cuts in public disclosure services would be even more drastic except for the Commission's saving of some \$237,000 in rent resulting from a delay in moving to new offices. This saving has been applied to the overall cut of \$858,000.

The Commission's response to this year's budget cut was to:

*Maintain mandated activities at close to normal levels; and to

*Retain the core staff and contractual capabilities in the curtailed discretionary activities. This will permit the FEC to resume normal levels at some future time.

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