

# FEDERAL ELECTION COMMISSION

PR



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## IMPROVED PROJECTIONS FOR PRESIDENTIAL ELECTION FUND RELEASED BY FEC

**-Competition, Fund Receipts & Inflation Are Key Factors-**

WASHINGTON -- Next year's Presidential candidates will face less of a shortage of federal matching funds during the primaries than previously projected, according to a revised analysis by the Federal Election Commission.

New projections show the Presidential Election Campaign Fund may incur a matching funds shortfall of approximately \$1 million in February and \$2.5 million in March of 1992. As a result, candidates could receive 75 cents on the dollar of matching funds due them during the shortfall. Procedures adopted by the U.S. Treasury Department could impact actual payments to the campaigns.

Key factors in the FEC's adjusted analysis are: an unexpected increase in the Fund's receipts over earlier projections - this amounts to \$6 million for 1991 and 1992; a lower inflation rate, 4.2 percent, than the previously calculated 5 percent; and a decline in the expected candidate competition, which causes less of a demand of matching funds.

Despite the temporary shortfall during the height of primary competition, there should be a balance of \$9 million in the Fund by the end of 1992.

Presidential candidates are now expected to qualify for matching funds of \$14 million in January 1992, when the Fund's balance will be approximately \$17 million. During February and March, candidates could qualify for \$9 million when only \$6 million is available. Fund receipts in April and for the rest of the year should provide enough to fully pay all outstanding requests and all subsequent matching fund submissions. The U.S. Treasury Department decided to set-aside or withhold from use during the primaries \$111 million for the general election grants and the "catch-up" payments for party nominating conventions.

Without legislative action, the ability of the Fund to adequately support all aspects of the 1996 presidential election remains doubtful. A shortfall in excess of \$100 million is expected.

The public funding portion of presidential elections is financed by the Presidential Election Campaign Fund, which receives funds through dollars voluntarily "checked off" by taxpayers on federal income tax forms.

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