

FEDERAL ELECTION COMMISSION



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FEC'S McDONALD RENEWS REQUEST FOR FY 95 BUDGET -Reiterates FEC's need for increased funds and staff-

WASHINGTON -- Testifying before the Treasury, Postal Service and General Government Subcommittee of the House Appropriations Committee, Federal Election Commission Vice-Chairman Danny McDonald today asked support for a FY 1995 budget request of \$31.8 million and staff necessary to handle an "exploding workload". McDonald also cited the need for enhanced computer capabilities and said that the FEC expected a record volume of financial activity for the 1994 Congressional elections.

"Given the key role the Commission plays in the campaign finance arena, I believe the FEC has an extremely strong case for our full request of \$31.8 million and 347 staff," McDonald said. "At a minimum, we need full funding for the 320 staff authorized for FY 1994."

The FEC annually submits its budget request concurrently to OMB and to Congress. This year, the agency's request is \$4.6 million higher than OMB's and the agency's staffing request is for 53 more than OMB recommends, but McDonald contended the OMB proposed budget would not meet the basic needs of the agency. In fact, he said the OMB numbers were significantly less than FY 94 levels.

"The OMB proposal would effectively force the Commission to reduce its authorized work force by 44 employees from our FY 1994 authorized level. It makes no sense for the Commission to staff up to 320 full time staff, then immediately reduce the staff to 294 or below. OMB's proposed budget is less than the amount required to maintain current authorized FEC operations," McDonald told Subcommittee members.

Noting the tight fiscal climate, McDonald stressed that his agency's request was necessary to allow it to keep pace with the volume of campaign finance activity and the work this has created for the staff.

"The number of enforcement matters we face continues to grow faster than we can handle them," said McDonald. "We recently closed 137 enforcement cases, partially because of a lack of staff. Our caseload, however, continues to explode." McDonald added that the Commission can audit only 20% of the approximately 100 committees meeting the "for cause" review standard because of a lack of audit staff.

"The sheer volume of financial activity to be regulated and processed for the 1992 election cycle overwhelmed staff resources in many programs," said McDonald. "Congressional spending for the 1992 elections increased by more than 40% compared to the 1988 elections. It represented a dramatic impact on our workloads across-the-board." McDonald added that staff resources needed to meet these increases had basically remained fixed for several fiscal years.

Given the potential for the 1994 workload, which has already exceeded what was seen in 1991, McDonald said that increasing workload volumes could endanger the timely processing and release of campaign finance information.

"More candidates and more spending means more demands on the FEC," he said. "Therefore," McDonald emphasized, "we must at least be able to continue staffing levels at 320 full time personnel, the amount authorized for FY 1994."

Approximately \$4 million requested in the Commission's full budget would provide for some computerization initiatives in response to suggestions made last year by oversight and appropriations committees. These include staff, hardware, software and other support costs to implement electronic filings for some committees. The Commission has also sought to upgrade the agency's existing ADP system with more modern, more cost-effective technology.

If Congress authorizes the lower OMB budget and staffing figures, McDonald asked that the FEC be given discretion as to how to manage the lesser amount. Specifically, he explained that if the Commission received less than the \$31.8 million requested, it would not be able to invest \$4 million for an electronic filing program and other ADP enhancements without serious long-term effects in other areas of the Commission's work.

The FEC has also requested funds for specific audit and enforcement programs. The agency needs to replace GAO staff formerly lent to the Commission for presidential election cycles, as they will be unavailable for 1996. A more comprehensive audit program is needed for non-Presidential candidates, PAC's and political party committees, as well as a program for enforcing the \$25,000 annual contribution limit.

McDonald ended his testimony saying, "The full \$31.8 million budget and the requisite 347 full time employees are what is needed to undertake the initiatives we have outlined. This request reflects concerns voiced to the Commission and addresses specific requests from our oversight and appropriations committees. Undoubtedly, the funding level will dictate our ability to handle the huge workload generated by the 1994 elections and the upcoming 1996 presidential election."