

FEDERAL ELECTION COMMISSION



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COMMISSION SEEKS \$29 MILLION APPROPRIATION FOR FY'96; CITES EXPLOSIVE GROWTH IN CAMPAIGN FINANCE ACTIVITY

WASHINGTON -- Saying there has been an "explosive growth" in federal election campaign activity that the Federal Election Commission is required by law to monitor, Commission Vice Chairman Lee Ann Elliott told a House subcommittee today: "Any budget reductions will completely jeopardize the Commission's ability to keep pace with campaign finance activity."

Elliott, in her capacity as the Commission's Finance Committee Chairman, testified before the Committee on Appropriations' Subcommittee on Treasury, Postal Service, and General Government. The FEC is requesting \$29,021,000 for FY'96, Elliott noting that "...this figure actually represents a \$2.8 million decrease from our original request to OMB."

Coupled with that decrease is the possibility of a rescission of some \$2.8 million in the current FY'95 operating budget of \$27.1 million, an action taken by the appropriations subcommittee on Feb. 23. Elliott said that the stated reason by the subcommittee for the rescission involved the FEC's alleged delay in instituting a complete computerization program within the agency, including the capability of receiving electronic filing from political campaigns and committees.

Elliott told the subcommittee, "You may remember hearing last year about either cutting or 'fencing' \$3.5 million of our appropriation toward computer initiatives. The most important thing to know, however, is when OMB and the Commission were talking about fencing, we were using our budget request of \$31 million. We never received that request. We took a \$4 million cut off the top last year, which took us down to \$27 million. After that, the House proposed we still spend \$3.5 million of what we had left on computers. That is what we said we couldn't do. What we said we could do is spend \$1.5 million over two years on computer initiatives, including some form of electronic filing for FEC filers with more than \$50,000 in receipts. So I must disagree with the premise and arithmetic of the Committee's rescission report...No one at the Commission is against electronic filing. We work on it every day. But if we had electronic filing in place today, not one candidate could file electronically with us."

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That is because, the Commission Vice Chairman said, there are at least seven statutory impediments that must be overcome before the Commission can implement electronic filing, one of the foremost being point-of-entry for campaign reports. That point of entry is Clerk of the House of Representatives and Secretary of the Senate.

Concerning the FY'96 budget request, Elliott noted that the FEC's budgetary needs are driven by forces not within the control of the Commission, including the number of candidates who run for office (up 34 percent in 1994 from 1990), the amount of money raised and spent in federal elections (up 54 percent from 1990), number of complaints filed (a 45 percent increase), and the number of requests for campaign finance information (up 17 percent).

"The explosive growth in these four areas since 1990 has had an adverse impact on the FEC's budget and operations," Elliott testified, but said, "Despite these circumstances, the Commission continues to show progress in the way we enter campaign finance information into our data base and process the numerous enforcement matters and audits we must undertake."

Elliott cited as examples of that progress:

-- Streamlining the FEC's audit process, so that by the end of 1994 the Commission's Audit Division had completed and released every final audit report for all candidates and committees in the 1992 Presidential elections.

-- Institution of a prioritization system in the Office of General Counsel to handle the "absolutely incredible increase in the number and seriousness" of complaints filed with the agency, Elliott said.

-- Placing a premium on "customer service" by making more campaign finance information available more quickly "than at any other time in Commission history;" some 15,000 public and media inquiries per month being logged in 1994.

Elliott concluded, "We anticipate another record election cycle for campaign spending in 1996. Because it is a Presidential year, we estimate campaign disbursements will go up another 20 percent to \$2.25 billion. Our budget request, however, only seeks a modest \$1.9 million increase...But if our FY'95 budget is rescinded, and we do not receive our full FY'96 request, we will be right back to the disastrous problems we faced in 1992. We can only keep up with the explosive growth in campaign spending, new laws and the needs of the public, with the help of this (appropriations) committee."

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