FEDERAL ELECTION COMMISSION

Press Office
999 E Street, N.W., Washington, D.C. 20463
Phone: 202-219-4155 Toll Free 800-424-9530

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CONTACT: RON HARRIS
SHARON SNYDER
IAN STIRTON
KELLY HUFF

FEC'S ELLIOTT DESCRIBES BUDGET SITUATION TO SENATE RULES PANEL

WASHINGTON -- Commissioner Lee Ann Elliott, Vice Chairman of the Federal Election Commission and Chairman of its Finance Committee, told a Senate panel today that the FEC's present (FY'95) operating budget is "...between a Presidential veto and the threat of additional rescission legislation." She also emphasized that the approval of the Commission's FY'96 funding request is critical to enable the FEC to keep up with the "explosive growth in campaign spending, new laws, and the needs of the public."

A House-Senate conference committee recently voted to rescind $1.4 million of the FEC's FY'95 operating budget of $27.1 million. Although the President vetoed the $16 billion rescissions package, there are currently efforts on Capitol Hill to send another rescissions bill to President Clinton, but the reduction for the FEC will reportedly not be affected. Also, the House Oversight Committee has recommended a decrease of $1.5 million in the FEC's FY'96 budget request of $29 million -- totalling $2.9 million in funding reductions for FY'95 and FY'96.

Vice Chairman Elliott told the Senate Committee on Rules and Administration today, as she has told other Senate and House panels in recent weeks, that "...to understand the Commission's budget and operations, it is important to know the FEC is an agency whose workload is completely dependent upon outside forces. The Commission does not control the number of candidates who run for office (up 34 percent from 1990), the amount of money raised in federal elections (up 54 percent), the number of complaints filed (up 45 percent), or the number of requests for campaign finance information (up 17 percent). The explosive growth in these four areas has had an adverse impact on the FEC's budget and operations."

She was quick to point out that 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."

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The House Appropriations Committee has criticized the FEC for not moving more rapidly on electronic filing of campaign finance reports, and Vice Chairman Elliott addressed that issue early in her testimony to the Senate panel, saying, "Mr. Chairman, no (FEC) Commissioner 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. This is because we have identified seven statutory impediments, including point-of-entry, we are asking Congress to remove in order for us to have a program that works. Otherwise, Congress may be spending money on a program that no one can, or will, use."

She added, "We are determined to avoid the pitfalls other agencies have suffered with hastily-designed systems, such as the SEC's very expensive EDGAR program and Social Security's computer system. Neither will we compromise the high quality of our data base by letting incorrect information be electronically filed in it. It is important to know that 50 percent of all reports are amended."

The FEC's Finance Committee Chairman concluded by saying that the Commission expects another record election cycle for campaign spending in 1996, estimating disbursements will increase another 20 percent to $2.5 billion. She noted, "If we do not receive our FY'96 (budget) request, we will be right back to the disastrous problems we faced in 1992."

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