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Friends of Les Aspin
Post Office Box 211
Racine, Wisconsin 53401

101627 RECEIVED

81 SEP 14 AIO: 41

September 3, 1981

AOR 1981-44

Federal Election Commission
Office of General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

81 SEP 14
RECEIVED
GENERAL COUNSEL
FEDERAL ELECTION COMMISSION
AIO: 58

Dear Sirs:

This is a request under Section 308 of the Federal Election Campaign Act of 1971 as amended (2 USC 437 f), for an advisory opinion concerning the application of the Act to certain activities of the National Conservative Political Action Committee (NCPAC) and Representative Les Aspin of the First District of Wisconsin. The applicant is chairman of Representative Aspin's authorized political committee, the Friends of Les Aspin, and this request is made in that capacity.

It is contended here that the activities outlined constitute a contribution of NCPAC to Rep. Aspin or to each of his announced opponents and are therefore subject to the \$5,000 limitation of Section 315 (a) (2) (A) of the Act (2 USC 441a (a)(2)(A)).

FACTS

The facts underlying this request are as follows:

1. The NCPAC threat. On July 22, 1981, NCPAC announced it was committing more than \$500,000 to a direct mail and radio and newspaper ad campaign against 14 congressmen, including Representative Aspin, who it claimed were "working against the Reagan tax cut" (see exhibit A). The next day, July 23, Rep. Aspin denied the substance of this claim, stating that he had not made up his mind on the tax cut proposals, and pointing out that neither the bill incorporating the administration's tax cut nor the alternative of the Democratically-controlled House Ways and Means Committee had been put in a form that would permit him to make up his mind (see Exhibit B).

2. The NCPAC offer. On July 23, 1981, NCPAC made a written offer to Rep. Aspin. It offered to withdraw the planned campaign against him, and to run a radio and newspaper ad campaign "applauding" him, if he announced his support of the President's tax cut package (see Exhibit C). The following day, July 24, Representative Aspin responded to the NCPAC offer with a letter reiterating his undecided status and pointing out how difficult the NCPAC offer

LES ASPIN



made it to vote for whatever tax cut was finally proposed by the President (see Exhibit D).

3. Representative Aspin's vote. On July 28, 1981, Representative Aspin announced he would be voting against both the Reagan Administration and the House Ways and Means Committee tax bills, and for the alternative tax bill sponsored by Congressmen Udall, Reuss and Obey (see Exhibit E). The next day he voted for the Udall-Reuss-Obey bill and against the administration-backed bill; since the House Ways and Means Committee bill did not come up for a separate vote, he was unable to vote against that bill.

4. The NCPAC campaign. On July 31, 1981, NCPAC commenced the campaign against Representative Aspin that it had promised with a spot commercial on radio stations WLIP and WJZQ in Kenosha, Wisconsin, and WFNY and WRJN, Racine, Wisconsin. The commercial stressed Representative Aspin's vote against the administration-backed tax bill. It ran until August 6, 1981. (Exhibit F is a transcript of the commercial.)

ARGUMENT

It is contended that the requested advisory opinion should conclude NCPAC spending against Rep. Aspin is limited by Section 315 (a)(2)(A) of the Federal Election Campaign Act of 1971. That Section limits the amount a "multicandidate political committee" may contribute to a candidate and his authorized political committee to \$5,000.

The limits of Section 315 may only be avoided if what is forthcoming from the multicandidate political committee may be characterized as an "independent expenditure" rather than a "contribution." Section 301 (17) of the Act defines an independent expenditure as one made "by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate." (Emphasis added.)

NCPAC spending against Aspin is clearly a contribution and not an independent expenditure. Before spending its money, NCPAC consulted with Representative Aspin and offered him the opportunity to determine the direction of its campaign. Had Representative Aspin gone along with NCPAC's preference for the administration-backed tax bill, and had NCPAC made good on its promise to applaud him in print, there would be no doubt that its spending was forthcoming after a consultation and was therefore a contribution subject to Section 315.

The same conclusion should follow from the actual course of events. Aspin refused to go along with NCPAC's tax bill preferences, but his refusal was no less a part of NCPAC's offer than his acceptance would have been. The offer covered both alternatives. Accordingly, the NCPAC spending was made after a consultation with Representative Aspin and is a contribution to him, not an independent expenditure.

Federal Election Commission

Page 3

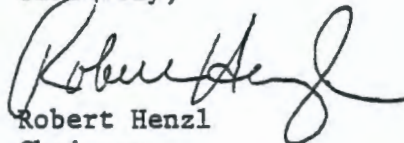
September 3, 1981

It is conceded that the idea of classifying spending that opposes a candidate as a contribution to him is at first somewhat unusual. The Campaign Act, however, not only does not foreclose this interpretation, but in fact reinforces it. "Contribution" is not defined to require that what is contributed be in support of a candidate, merely that it be something of value given "for the purpose of influencing any election for Federal office," (Section 301 (8)(A)).

Moreover, such an interpretation of the Act is necessary to fully effectuate its purpose. The Act was intended, among other things, to limit the influence of affluent individuals on candidates for Federal office--to short circuit the connection between wealth and power. This can only be done if spending conditioned on the behavior of a candidate is curbed, regardless of whether the spending is for or against the candidate.

Such an interpretation of Section 315 of the Act does not, of course, curb truly independent expenditures. Individuals and organizations would be free to back their beliefs to the hilt with whatever expenditures they see fit. When, however, they seek to influence directly the behavior of a candidate for Federal office, then the Act's limits should be imposed.

Sincerely,



Robert Henzl
Chairman

RH:dcm

- Exhibit A
42

National Conservative Political Action Committee

1500 wilson blvd. suite 513 arlington, va. 22209 (703) 522-2800

STATEMENT OF JOHN T. (TERRY) DOLAN
CHAIRMAN, NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE (NCPAC)
HOLD FOR RELEASE: JULY 22, 1981, 3:00 P.M.

Since his election to the Presidency last November, Ronald Reagan has made it clear that he intends to do everything in his power to deliver on his campaign promises to cut both federal spending and individual tax rates.

We at the National Conservative Political Action Committee, like most Americans, support these goals. We applauded them during last year's campaign and we're proud of the fact that at long last America has a President who believes promises are made to be kept.

Two other things have become clear since the election.

The first is that such a tax rate cut as the President promised has the continual support of the American people. They know as we do that taxes are too high; the highest they've ever been. And they know that they are contributing to the stagnant economy under which we are all suffering.

This support is reflected in our polls. We have continually asked voters if they would be "more or less likely to support politicians who oppose the Reagan tax plan." The results have been consistent and we will gladly share them with those who are opposing the tax cut: the people want the Reagan tax cut and they are inclined to vote against those politicians who are trying to block it.

The second is that the Democratic leadership under House Speaker O'Neill seems determined to stop the President. Their reasoning has been inconsistent, but their goal has been steady--stop the President by defeating his plan.

At first they opposed any tax cut this year as "irresponsible," but quickly reversed field when they discovered the public really does want one. Then they decided to come up with their own which will destroy the

supply-side impact of what the President has proposed and give them the option of raising taxes again in two or three years.

Well, the people want the Reagan program. They are leery of an alternative put together by men who they know don't want to cut taxes and don't believe in what they're doing.

That's why we are committing over half million dollars of resources today to a campaign to alert voters in selected congressional districts to the fact that their congressman is working against the Reagan tax cut and, indeed, against the mandate they gave him last November.

We will be focusing on the liberal voting records of:

<i>unidentified source told national in case</i>	CA-36	George E. Brown	56461	Tulsa	NJ-1	James J. Florio
<i>the firm is in California</i>	CO-3	Ray Kogovsek	54761	Chino	NY-2	Thomas J. Downey
<i>no in 1982</i>	CT-5	William R. Ratchford	53422		NY-39	Stanley N. Lundine
	IL-24	Paul Simon			NC-5	Stephen L. Neal
	IN-10	Philip R. Sharp	53041		PA-7	Robert W. Edgar
	IO-4	Neal Smith	54486		WA-5	Thomas S. Foley
	MS-1	Jamie L. Whitten			WI-1	Les Aspin

Beginning on Saturday, 150,000 pieces of direct mail will go out to these targeted districts. Radio ads will begin Monday in these districts. Newspaper ads, similar to the one we've passed out will also appear next week.

The Congressmen we are focusing on have two choices:

- 1) They can support the President's bill, or
- 2) They can face the prospect of defeat in November 1982 by failing to represent the wishes and needs of their constituents.

We hope they will select the first course of action, but if they do not we are prepared to expose their records to the voters in their districts by running additional, harder-hitting commercials.

It's that important to us, to the President, and to the American people.

Thank you.

Congressman Downey wants you to pay higher taxes.

Sounds incredible, doesn't it? But your Congressman is opposing the Reagan Administration plan to cut rates across the board.

Many economists believe the Reagan Plan will:

- Put more money into your pocket
- Stimulate Savings
- Revitalize the American Economy
- Create thousands of new jobs
- Generate the tax revenues needed over the next few years to bring the budget into balance

But your Congressman, House Speaker "Tip" O'Neill (D-Mass.) and other spokesmen for business as usual in Washington are opposing the Reagan Plan on the grounds that it's "irresponsible" to cut taxes or unwise to let our productive citizens benefit from such a cut. They urge instead that the government ought to budget even more relief to those who already benefit from bloated government programs. They say they have an "alternative," but remember, those are the folks who've raised our taxes 25% per year for the last decade.

The vote on the President's tax program will take place next week. If you agree with us that taxes are too high, please contact your Congressman today. Tell him you support the President and expect him to do the same.

Remind him that he works for you and that if he votes against you next week you can vote against him next year.

***And, Remember
A Vote Against the President's
Tax Cut is a Vote against You***

Help us tell others the truth about your Congressman. If your Congressman won't support the tax cut the people want, we'll use your contribution to get the facts to the voters. Help us print more newspaper ads like this one and broadcast more television and radio ads. Send your contribution, large or small.

Yes, I want to help inform the American public of my Congressman's record.

Enclosed is my contribution of \$_____ to help buy t.v., radio, and newspaper ads like this to support the President's campaign to lower taxes.

Name _____

Address _____

Occupation _____

Principal Place of Business _____

SEND TO:
THE NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE
1500 WILSON BLVD. SUITE 515
ARLINGTON, VIRGINIA 22209

81SEP14 AID: 42

PRESS RELEASE FROM CONGRESSMAN LES ASPIN
RELEASE DATE:
Thursday, July 23, 1981, P.M. Papers

442 Cannon Building
Washington, D.C. 20515
608 752-9074

For further inquiry contact Tim Elverman

WASHINGTON, D.C. -- Congressman Les Aspin today accused a rightwing lobbying group of inventing positions for him on legislation.

"I'm being attacked for taking a position I haven't taken," Aspin said.

The National Conservative Political Action Committee (NCPAC), an east coast, far right lobbying organization, announced Wednesday that it would place ads next week in the districts of 14 congressmen it says have declared they will vote against the Reagan administration tax bill.

NCPAC said it had contacted the offices of each of the 14 congressmen as late as Wednesday morning to determine their stands.

Aspin said, "Nobody from NCPAC has talked to me or to my administrative assistant or my legislative assistant."

"It sounds to me like NCPAC is once again just making things up as it goes along."

Aspin said that Congress will be faced with a choice between two tax proposals, an administration backed bill and one from the Democrats on the House Ways and Means Committee.

"I'm not taking a position yet because the Democratic bill isn't finished and the administration bill has been changing.

"My constituents didn't send me here to buy a pig in a poke. I'll take a stand when both bills are finished and I can see just what the choices are," Aspin said.

The congressman said that in daily efforts at compromise the two bills are being modified and are getting closer to one another. "At this point they both look lousy," Aspin said. "I'm concerned that there are too many little favors for special interest groups tucked away in both bills."

MORE

NCPAC announced that it would run newspaper and radio ads in Aspin's congressional district beginning on Monday attacking him for his "opposition" to the administration plan.

"I dare say that it's going to be hard to vote for the administration bill after a media blitz has established in the minds of my constituents that I'm opposing the bill," Aspin said. "But it would sure be nice if folks would give you a chance to look over the options before attacking you."

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National Conservative Political Action Committee

BT SEP 14 AIO: 42

1500 wilson blvd. suite 513 arlington, va. 22209 (703) 522-2800

July 23, 1981

Congressman Les Aspin
442 Cannon House Office Building
Washington, D.C. 20515

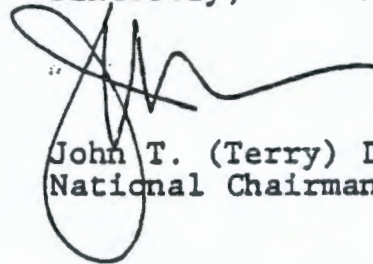
Dear Congressman Aspin:

I understand from a UPI wire story that you are now "undecided" about your support for President Reagan's tax cut program. Also, according to the UPI story, you said that if NCPAC ran its radio and newspaper ad campaign in your district it would be very difficult for you to vote for the President's tax cut.

If you will make a public statement in support of the President's tax cut package and state that you intend to vote for it, we will withdraw all radio and newspaper ads planned in your district. In addition, we will be glad to run radio and newspaper ads applauding you for your vote to lower taxes.

I am awaiting your immediate response.

Sincerely,



John T. (Terry) Dolan
National Chairman

JTD/sdb

WISCONSIN
142 CANNON BUILDING
WASHINGTON, D.C. 20515
202-225-3031

Congress of the United States
House of Representatives
Washington, D.C. 20515

1661 De Witts Avenue
RACINE, WISCONSIN 53404
414-632-4446

210 DODGE STREET
JANESVILLE, WISCONSIN 53545
608-752-9074

KENOSHA
414-551-7414

Exhibit D

July 24, 1981

Mr. John T. Dolan
National Chairman
National Conservative Political Action Committee
1500 Wilson Blvd.
Suite 513
Arlington, VA 22209

Dear Terry:

Thanks for your letter. Contrary to your first paragraph, I am not "now" undecided about support for President Reagan's tax cut program. I have always been undecided about it. The President's bill has changed vastly since the spring and remains in flux. The Ways & Means bill hasn't even been reported out of committee yet and seems to change daily. We are not talking about two bills, we are talking about loose leaf notebooks in which the pages change with blinding speed.

From what I know of it, the Republican bill is not without its merits. My colleague on the Budget Committee, Congressman Phil Gramm, was talking with me at dinner the other night and made some good arguments for someone like me to support the Republican bill -- a lower deficit by \$4 or \$5 billion, he said, and less of a giveaway to the oil companies.

Basically, I am not enthusiastic about either the Reagan or Ways & Means bills as they are forming up. There has been an ugly rush on both sides to buy the support of this or that interest group with more goodies. Phil Gramm said if I voted with him for the Republican substitute, he would vote with me against the whole mess on final passage. Perhaps his tongue was caught in his cheek, but we agreed to meet again.

Then came your surprise announcement that I was against the President's bill.

Before deciding, I'm still waiting to see the final version of both bills (for instance, is indexing of the tax rates now in the Reagan bill or not? -- maybe you know). I also promised Phil Gramm I would talk to him again after the two proposals are final and before making a decision.

In the meantime, you guys are not making it any easier for me to vote for the President's program. Your latest offer of support if I do only makes matters worse. Suppose the National Education Association announced it would give my campaign the maximum contribution if I voted for establishing the Department of Education and give the maximum to my opponent if I voted nay. How could I then vote for it? It would look as though my vote were up for sale.

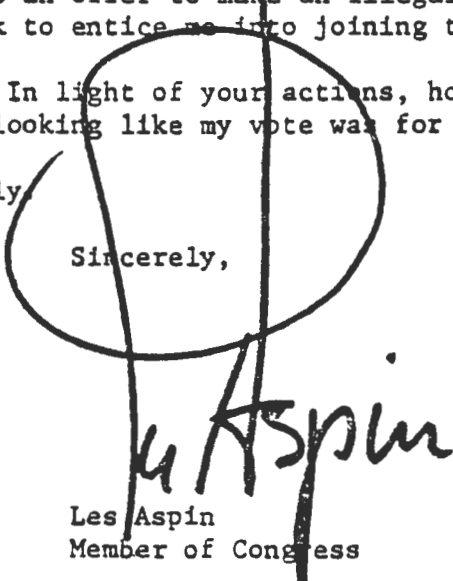
I could say that I was not taking the money. But the charge would be made that the contribution would be coming later or some other deal was cut. In fact, you and your organization might well be the ones to make just such a charge!

Furthermore, I would hope that you of all people would be aware of the federal statutes that govern political action groups like your own. Political expenditures on behalf of a candidate by anyone other than the candidate's official, registered campaign committee is forbidden unless there is a complete absence of any contact or collusion. Your letter boils down to an offer to make an illegal campaign contribution on my behalf and to seek to entice me into joining the illegality.

So I have one question for you. In light of your actions, how can I now vote for the President's tax cut without looking like my vote was for sale?

I am anxiously awaiting your reply.

Sincerely,



Les Aspin
Member of Congress

LA:whg

01 SEP 14 10:42

PRESS RELEASE FROM CONGRESSMAN LES ASPIN
RELEASE DATE:
Wednesday, July 29, 1981, P.M. Papers
For further inquiry contact Dick Clark

442 Cannon Building
Washington, D.C. 20515
202 225-3031

ASPIN TO OPPOSE BOTH TAX BILLS

WASHINGTON, D.C. -- Rep. Les Aspin (D-Wis.) announced today that he will vote against both the Republican and the Democratic tax bills because "they are equally loaded down with special interest bailouts."

The congressman said he would vote in favor the the Udall-Reuss-Obey substitute bill. "I hope it wins because it's designed to bring tax relief to middle income families without all the other baubles."

Aspin said, "Neither the Democratic or Republican bill does credit to either party -- or to our political system. They represent politics at its worst."

The congressman said that both parties have been in a race to attract support. "Both bills now look like Christmas trees. Almost every day for weeks each party has tacked another bauble onto its bill to gain backing, usually from a narrow special interest group.

"These are no longer tax reduction bills; they are now tax loophole bills -- both of them," Aspin said.

"What we need first is tax cuts to spur new investment -- and I emphasize the word new -- that will generate more jobs and improve productivity so that we can meet the challenge of foreign competition. These bills fail on that score.

"Second, we need a balanced budget. This administration promises to balance the budget three years from now. Jimmy Carter made the same promise when he took office. But the public isn't dumb; it knows that like tomorrow 'three years from now' never comes. Let's not wait three years," Aspin said.

Third, we need lower interest rates. Only through lower rates will we get the automobile and housing industries, two vital pieces of our economy, back on their feet. Since both bills put off balancing the budget, both would tend to keep rates at their currently high level.

"Fourth, when the budget is balanced, we need tax relief for middle income

families -- not welfare provisions for giant oil firms or coupon-clippers."

Aspin said, "These are the foremost national goals as I see them. And I am voting for the Udall-Reuss-Obey substitute because those four goals are addressed in that substitute.

"The substitute's provisions are keyed to spurring investment. The substitute provides for a balanced budget in the here and now -- not in some distant, cloudy future that is forever out of reach. The substitute is geared to bring down interest rates. It provides tax relief focused on middle class Americans beginning in 1983. And it is not adorned with baubles for those whose only claim to special privilege is that they are already specially privileged and have access to the offices of the mighty in Washington," Aspin said.

Aspin listed nine of the points he found objectionable. He said these were "just a few of the snakes" allowed into the two bills.

o Oil Windfall Profits: Both bills undo parts of the oil windfall profits tax to the benefit of the oil companies and royalty owners. After a lengthy legislative battle, this tax was imposed last year on the enormous gains accruing to oil companies and royalty owners following decontrol of the price of U.S. oil. "The same reasons that made the tax a good idea -- that part of the gains from decontrol belong to the public instead of the seven sisters and their coupon-clipping cousins -- are still valid today," Aspin said.

o Inheritance Tax: Both bills reduce the tax on multi-million dollar estates from 70% to 50%. "Tax relief to permit farms and small businesses to be passed on within the same family make sense. To go way beyond this and give a break to the unfortunates inheriting an estate worth \$2.5 million doesn't make sense," Aspin said.

o Unearned Income: Both bills do away with tax rates above 50% and in the process lower the maximum tax on capital gains to 20%. This change is only important for people having large dividend or interest incomes or those with sizable capital gains. The highest rate for people with earned income is already

50%. "The big ticket item in this give-away is the capital gains cut. "It's supposed to encourage productive investment. With the highest capital gains rate now at 28%, I can't see that the reduction will amount to a hill of beans in terms of new investment," Aspin said.

o Commodity Tax Avoidance: Both bills eliminate a tax loophole that allows commodity futures traders to turn ordinary income into capital gains. In doing this, however, they exempt commodity brokers. "The only reason for the exemption is that commodity brokers are more reliable contributors to political campaigns in both parties than other taxpayers," Aspin said.

o Stock Options: Both bills give more favorable tax treatment to executives who receive part of their compensation through stock options. Right now stock options are subject to two tax treatments. First, to the extent the option price is lower than the market value on the date the option is granted, this difference is treated as ordinary income in the year of the grant. Second, if the executive exercises the option and sells the stock for more than the option price, and the sale takes place more than a year after the date of the option grant, the profit is treated as a capital gain. Under both bills, both profits would be taxed as capital gains. "It's a complex, obscure but very effective way to lower taxes for top corporate executives," Aspin said.

o Truckers: Both bills will permit truckers to write off any decline in the value of their business attributable to deregulation. "This give-away is a very bad precedent. If it becomes law, why shouldn't the airlines also ask for the same treatment? Or the railroads, when they're deregulated? Or any other business subject to regulations that change?" Aspin asked.

o Corporate Tax Rates: Both bills extend a very favorable depreciation write-off, while the Ways and Means Committee bill also reduces corporate tax rates. "I have advocated corporate tax reductions for small corporations so they would be treated like the big corporations for a change. But few small corporations are so capital intensive as to benefit greatly from the new depreciation

01 SEP 14 AIO: 41

The vote on President Reagan's tax program made one thing clear - if you want long term tax relief, you're going to have to help defeat Cong. Les Aspin in the next election. Because, you see, Cong. Les Aspin just voted for higher taxes. Along with House Speaker Tip O'Neill and the liberals who have controlled Congress for 30 years he proved himself once again to be an enemy of the American taxpayer. Is that what you elected him to do? Perhaps he's forgotten he works for you. Or maybe he doesn't realize that our taxes have been increasing by almost 25 percent a year for a decade. Or maybe he just doesn't care. Maybe he really believes you should pay more taxes.

Well, he's had his chance. And in the next election, you'll have yours. Because one of the beauties of our system is that if your congressman fails to represent you, you can fire him. And that is just exactly what you ought to do to Cong. Les Aspin. -----the preceding was paid for by the National Conserv. Pol.

Action Comm.

write-off rules. For large corporations, however, the rate reductions are a double-dip," Aspin said. The Ways and Means Committee would reduce the top corporate rate from the present 46% to 30%.

o Indexing Personal Income Tax: The Republican substitute bill would index tax schedules so inflation won't push people into higher tax brackets. "This is a good idea. In fact, I introduced an indexing bill last year. But the Republican index is seriously defective. The Republicans want to use the Consumer Price Index as the measure of inflation. From its use to index other federal programs -- Social Security, Food Stamps, government employee pensions, etc. -- we know that the CPI over-corrects for inflation. This over-correction would have a disastrous effect on tax revenues. If we're going to correct tax rates for inflation automatically, we should use one of the other available indices that doesn't have the defects of the CPI," Aspin said.

o Marriage penalty: Both bills contain provisions that are advertised as eliminating the marriage penalty, under which many married couples find they pay more in taxes than a similar couple living together out of wedlock. "Both bills do reduce the marriage penalty, but many married couples will still find that they are paying a penalty next year," Aspin said. "The marriage penalty should be killed, not just trimmed down."

The congressman said there were good points in both the Republican and Democratic bills that he regretted voting against. "But the two bills are so larded down with other evils, that I feel the negatives far outweigh the positives," Aspin said.

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
AGENDA DOCUMENT #81-141

RECEIVED
OFFICE OF THE
COMMISSIONER SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

31 AUG 14 P 1: 29

MEMORANDUM

TO: COMMISSIONERS
FROM: B. ALLEN CLUTTER, 
STAFF DIRECTOR
SUBJECT: FY 1983 BUDGET REQUEST
DATE: AUGUST 13, 1981

AGENDA ITEM

For Meeting of: 8-20-81

Agenda Item No: _____

Exhibit No: _____

I. Summary of Issue and Recommendation

At the July 30, 1981 Commission meeting, I presented Agenda Document #81-128. In that document I indicated that I would prepare a \$10.3 million budget (plus approximately \$375,000 to cover the October 1, 1981 pay raise) with staffing levels of approximately 239 total positions, full time equivalent (FTE). In addition, the Commission requested on July 30, 1981 that a budget identifying the resources required to maintain current levels of activity be prepared. A budget document defining both of these levels of activity is before the Commission for consideration.

Following closely the guidance received from OMB for FY 1983, the two levels of activity are identified as "the reduction/agency request level" and the "current policy level." I am recommending that the Commission submit a budget request of \$10,545,642 and 242.22 total FTE positions at the "reduction/agency request level" and \$11,341,111 and 277.97 total FTE positions at the "current policy level."

As calculated, the reduction level represents \$10,217,990 and 226.47 permanent positions plus 15.75 temporary positions for a total of 242.22 total positions, FTE. When the effective cost of the October 1, 1981 pay raise is calculated for the personnel costs of \$6,826,085, an additional \$327,652 is required. This brings the total "reduction" request to \$10,545,642.

For the "current policy" level, the calculated costs are \$10,997,716, plus \$363,395 for the October 1, 1981 pay raise, producing a total of \$11,341,111. The "current policy" level also represents 251.22 permanent positions plus 26.75 temporary positions for a total of 277.97 total positions, FTE.

II. Background

Agenda Document #81-128 contained a lengthy discussion of the background for this proposal. I believe that the recent budget history of the Commission is an indication of the necessity of the recommended approach. The "reduction" level represents a reasonable request of slightly over 7% more than the \$9,883,000 level set by OMB for the Commission in FY 1983.

III. Support for Action Policy Decisions

Inherent in the "reduction" level request are several policy decisions. Because the request is a reduction below planned levels of staffing in FY 1981, and actual levels in FY 1980, it represents the elimination of some positions. The "reduction" level also means cut backs in some programs. These are highlighted by office below.

A. Staff Director

The "reduction" level does not provide for an assistant to the Director of Legislative, Congressional and Intergovernmental Affairs, while the "current policy" level does. Neither level provides for senior management training, and the travel and training funds are reduced for Personnel, Planning & Management, and the Staff Director at the "reduction" level. Planning & Management would have a staff of only 3 positions at both levels, thus eliminating the Commission's Internal Review Program.

The Commission Secretary would be maintained at present levels but with no temporary help. The Personnel Office would be maintained at present levels, with no increase in grade levels.

B. General Counsel

With respect to the impact on the programs of the Office of General Counsel and FY 1981 resource utilization, the implications are as follows:

	<u>FY83 Current Policy in MY**</u>	<u>FY83 Reduction Level in MY*</u>	<u>FY81 in MY*</u>
1. Regulations	3.25	3.0	2.09
2. Advisory Opinions	5.75	5.25	4.38
3. Legal Review Non-Pres.	3.5	2.75	4.20
4. Offensive Litigation	9.5	7.5	4.32
5. External Enforcement	15.25	13.0	11.33
6. Internal Non-Presidential Enforcement	6.5	5.5	9.55

* MY = Man Years (1 Man Year = 1 position, FTE).

Resource usage in FY 1981 indicates that the "reduction" level for FY 1983 will be sufficient to handle the regulations program and the Advisory Opinions program at existing levels. Secondly, the "reduction" level provides resource levels below the FY 1981 resource levels in Legal Review Non-Presidential and Internal Non-Presidential Enforcement. Such reductions are consistent with trends in these two programs as a result of the implementation of the Reports Analysis Review and Referral Procedure. However, at this "reduction" level the Reports Analysis Review and Referral Procedure will require reexamination. The manner in which requests for Legal Review Non-Presidential are handled must be changed either by devising methods to limit the requests or expediting the responses.

In the first step in reducing the budget from the "current policy" level, the Office of General Counsel made reductions in the legal review program. In the second request to reduce the budget to \$10,545,642, I am recommending greater cuts in the enforcement and litigation programs than those identified by the General Counsel. However, with the exception of Internal Enforcement Non-Presidential, the "reduction" level still provides more resources than utilized in FY 1981.

C. Administration

The "reduction" level provides for elimination of the records management officer position; the printing procurement specialist would assume these duties in addition to his present duties, and would be transferred from Information to Administration. One position in the Accounting and Payroll branch would be eliminated. Total staff would be 15 positions. Microfilm Prints, "800" phone lines, and mailgrams are allocated to their respective program decision units.

Several non-personnel categories are reduced, including: Supplies and Materials, Equipment Purchases, Equipment Rental, Administrative Expenses, etc.

D. Data Systems

The "reduction" level eliminates 19 positions for data entry, replacing them with an outside contract for data entry. In addition, the following items are eliminated from Pass III data entry:

1. Earmarked intermediaries
2. Unregistered entities (committees)
3. Bank loans
4. Loans from individuals

Also, 2 more positions are eliminated: a senior supervisory analyst/programmer, and a junior analyst/programmer. Several additions or inclusions to the basic computer contract anticipated in the current level are eliminated. Thus, the computer capability of the Commission would be reduced somewhat over originally anticipated needs for FY 1983. Data coding would be transferred from RAD to Data Systems but retained as in-house staff (no outside contract).

E. Public Disclosure

Virtually the present staff would be maintained (9.75 MY), but no growth is provided to handle any anticipated increase in the volume of visitors and/or requests.

F. Information

At the "reduction" level, one information specialist is eliminated. The printing specialist is being transferred to the Administration Division. The Coordinator of State Disclosure would assume the duties of OIA Officer, freeing the Press staff for press duties only.

The Public Communication response program would be reduced to provide for an outreach program consisting of 5 regional seminars on campaign finance. This was proposed by the Information Division; they preferred seminars, even at a "cost" to the response program. RAD staff would be included at the seminars.

Current publications program would be maintained with non-registered entities on the mailing list paying to subscribe to the Record, and some curtailment of free publications for mass requests (\$18,000 savings). No new publications would be developed.

The cost of major amendments to the FECA would require an additional \$86,101 in publications costs, which is not included in this budget. All temporary positions in Information or the Clearinghouse would be eliminated.

Clearinghouse would be reduced to 2 full time positions, \$15,000 in state workshops, and three basic contracts:

1. Election Law Survey
2. Voting Systems Standards Study
3. Voting-Computer Applications Project

Reduced Advisory Panel and travel.

G. Audit

On October 1, 1982, the Audit Division would begin FY 1983 with 30 full time positions. By September 30, 1983, the Division will consist of 36 full time positions. From October 1, 1982 through April 30, 1983, four (4) auditors will be detailed to the Reports Analysis Division to assist in reports review. The "reduction" level does not provide for a threshold audit program as conducted during the 1980 Presidential election cycle. At the "reduction" level a limited threshold certification and systems review is provided with 1.5 man years available.

The Audit Division anticipates a total of 10 candidates being active during the 1984 Presidential election. It is expected that 5 candidates will be certified during the fourth quarter FY 1983 to receive Presidential matching funds.

The "reduction" level has resources available for a total of sixty-two (62) 437g and/or 438(b) audits: authorized committees the first half of FY 1983, unauthorized committees the latter half.

H. Reports Analysis

The reduction level in RAD provides for eliminating one Deputy Assistant Staff Director and 2 GS-5 analyst trainee positions at the "reduction" level. Four auditors would be assigned to RAD the first half of the fiscal year: this represents 40 people available for review, compliance, etc. This would be reduced to 36 the second half of the fiscal year.

The FY 1983 "current policy" level assumes that a backlog of 3,800 reports requiring condensed review will remain at the end of FY 1983. This is based on total RAD staff of 39 positions and a 10% increase in committees filing in the 1982 elections. The "reduction" level would mean that a backlog of 4,600 reports requiring condensed review would exist at the end of FY 1983. The major difference between the "current policy" level and the "reduction level" is that the "current" level has more resources the second half of the fiscal year to complete the condensed reviews.

An additional 3.75 man years above the "current policy" level would allow RAD to complete all basic reviews, including unauthorized committees, by March 1, 1983. The 3,800 backlog of condensed reviews would still exist at the end of FY 1983. A change in the RAD Review and Referral Procedure would be required to eliminate the backlog and meet the March 1, 1983 deadline for all basic reviews at the "current policy" or "reduction" level staffing.

IV. Summary

In summary, I recommend the Commission approve the FY 1983 budget at the reduction level. Given the current budgetary climate I believe the "reduction" level request is the best alternative for the Commission. Clearly, the proposals reduce Commission programs; however, the budget as recommended does not significantly alter the existing functional organization of the Commission. Between now and FY 1983 certain policy decisions will need to be made to accomodate the reduced budget.

V. Alternatives

As I stated in Agenda Document #81-128, I believe that the most viable alternative for the Commission is the submission of the "reduction level" request. However, alternatives for the Commission to consider are submission of the "current policy" level budget or the "change level" budget at \$12.2 million, which the staff believes is necessary to accomplish the mandates of the FECA.

VI. Coordination

All Divisions and Offices were requested to submit reductions to the original "no change" budget level in Agenda Document #81-128. When these submissions were not sufficient to achieve the \$10.3 million target figure, I discussed further reductions with the Deputy Staff Director and the Acting Director of Planning and Management. Once final reductions were identified, the effected managers were notified of their implications.

PROGRAM SCHEDULES -- REDUCTION LEVEL

PROMOTE DISCLOSURE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Data Systems	\$ 376,287	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 476,534	\$219,627*	\$1,072,448
Reports Analysis								
-Adm, Training & Liaison	173,374	-0-	7,500	-0-	-0-	-0-	-0-	180,874
-Review of Reports	468,699	-0-	-0-	-0-	-0-	-0-	-0-	468,699
-Coding & Data Entry	41,058	-0-	-0-	-0-	-0-	-0-	-0-	41,058
-File Room	25,887	-0-	-0-	-0-	-0-	-0-	42,500**	68,387
Public Disclosure	182,659	500	500	-0-	-0-	-0-	42,500**	226,159
Press Office	93,902	-0-	-0-	-0-	900	-0-	-0-	94,802
Sec. of State Liaison	27,378	-0-	-0-	-0-	-0-	-0-	-0-	27,378
	<u>\$1,389,244</u>	<u>\$ 500</u>	<u>\$ 8,000</u>	<u>\$ -0-</u>	<u>\$ 900</u>	<u>\$ 476,534</u>	<u>\$304,627</u>	<u>\$2,179,805</u>

*Data Entry Contract
**Microfilm Prints

POLICY GUIDANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	\$18,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 931,293
Staff Director & Deputy	162,464	-0-	-0-	-0-	-0-	-0-	-0-	162,464
Cong. Affairs	49,204	-0-	-0-	-0-	3,000	-0-	-0-	52,204
General Counsel								
-GC & Admin.	168,767	-0-	5,000	-0-	-0-	-0-	-0-	173,767
-Advisory Opinions	154,693	-0-	-0-	-0-	-0-	-0-	-0-	154,693
-Regulations	89,606	-0-	-0-	-0-	-0-	-0-	-0-	89,606
-Cong. Inquiries & Legs.	12,807	-0-	-0-	-0-	-0-	-0-	-0-	12,807
-Legal Review - Pres.	71,453	-0-	-0-	-0-	-0-	-0-	-0-	71,453
-Legal Review - Non-Pres.	79,582	-0-	-0-	-0-	-0-	-0-	-0-	79,582
-AO/MUR Index	10,468	-0-	-0-	-0-	-0-	-0-	-0-	10,468
Data Systems	42,469	-0-	-0-	-0-	-0-	58,722	-0-	101,191
	<u>\$1,754,806</u>	<u>\$18,000</u>	<u>\$ 5,000</u>	<u>\$ -0-</u>	<u>\$ 3,000</u>	<u>\$ 58,722</u>	<u>\$ -0-</u>	<u>\$1,839,528</u>

PROVIDE INFORMATION

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Information Admin.	\$ 101,291	\$ -0-	\$ 2,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 103,291
Public Comm. - Response	82,407	-0-	-0-	-0-	-0-	-0-	122,000*	204,407
Public Comm. - Outreach	82,407	25,000	-0-	4,000	-0-	-0-	-0-	111,407
Publications	63,753	-0-	-0-	106,452	-0-	-0-	-0-	170,205
Clearinghouse Research	26,286	5,000	-0-	10,000	-0-	-0-	142,000**	183,286
Clearinghouse Info & Liaison	17,236	-0-	-0-	7,000	1,500	-0-	-0-	25,736
Clearinghouse Educ. & Training	15,994	7,000	-0-	-0-	-0-	-0-	15,000**	37,994
OGC Library	41,093	-0-	-0-	-0-	50,620	-0-	-0-	91,713
Data Systems	2,875	-0-	-0-	-0-	-0-	17,098	-0-	19,973
	<u>\$ 433,342</u>	<u>\$37,000</u>	<u>\$ 2,000</u>	<u>\$127,452</u>	<u>\$ 52,120</u>	<u>\$ 17,098</u>	<u>\$279,000</u>	<u>\$ 948,012</u>

*"800" Phone Line

**Contracts

PUBLIC FINANCING

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Audit Certification	\$ 118,469	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 118,469
Threshold Certification	43,924	15,000	-0-	-0-	-0-	-0-	-0-	58,924
OGC Pres. Audit Review	44,026	-0-	-0-	-0-	-0-	-0-	-0-	44,026
Data Systems	7,605	-0-	-0-	-0-	-0-	21,373	-0-	28,978
	<u>\$ 214,024</u>	<u>\$15,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 21,373</u>	<u>\$ -0-</u>	<u>\$ 250,397</u>

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OBTAIN COMPLIANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Reports Analysis								
-Non-Filers	\$ 36,235	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 28,000*	64,235
-Compliance	119,330	-0-	-0-	-0-	-0-	-0-	-0-	119,330
Audits - 437g/438b	738,828	226,000	5,000	-0-	-0-	-0-	-0-	969,828
OGC Audit Review - Non-Pres.	50,444	-0-	-0-	-0-	-0-	-0-	-0-	50,444
OGC Defensive Lit.								
-437g	62,155	2,500	2,500	10,000	-0-	-0-	-0-	77,155
-437h	86,731	6,500	-0-	15,000	-0-	-0-	-0-	108,231
-Other	136,476	10,000	-0-	20,000	-0-	-0-	-0-	166,476
OGC Offensive Lit.								
-437g	217,970	20,000	2,500	20,000	-0-	-0-	-0-	260,470
-437d	35,775	5,000	-0-	-0-	-0-	-0-	-0-	40,775
OGC Enforcement								
-External	387,761	15,000	-0-	-0-	-0-	-0-	-0-	402,761
-Internal Pres.	74,615	2,000	-0-	-0-	-0-	-0-	-0-	76,615
-Internal Non-Pres.	175,120	4,000	-0-	-0-	-0-	-0-	-0-	179,120
Data Systems	18,591	-0-	-0-	-0-	-0-	53,144	-0-	71,735
	<u>\$2,140,031</u>	<u>\$291,000</u>	<u>\$ 10,000</u>	<u>\$ 65,000</u>	<u>\$ -0-</u>	<u>\$ 53,144</u>	<u>\$ 28,000</u>	<u>\$2,587,175</u>

*Mailgrams (Telegrams)

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ADMINISTRATIVE SUPPORT

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Personnel Office	\$ 133,745	\$ 500	\$ 2,000	\$ -0-	\$ 1,000	\$ -0-	\$ -0-	\$ 137,245
Commission Sec.	93,651	-0-	-0-	-0-	-0-	-0-	-0-	93,651
EEO Officer	-0-	2,000	1,000	-0-	-0-	-0-	-0-	3,000
FOIA - Information	13,452	-0-	-0-	-0-	-0-	-0-	-0-	13,452
Planning & Mgmt. Office	92,644	-0-	1,500	-0-	-0-	-0-	-0-	94,144
Admin. Division	334,905	2,500	2,000	119,296	2,500	-0-	1,279,323	1,740,524
Data Systems	159,434	3,400	5,500	2,200	2,410	91,306	-0-	264,250
OGC Admin., Law	58,511	-0-	-0-	-0-	-0-	-0-	-0-	58,511
OGC Union	8,296	-0-	-0-	-0-	-0-	-0-	-0-	8,296
	<u>\$ 894,638</u>	<u>\$ 8,400</u>	<u>\$ 12,000</u>	<u>\$121,496</u>	<u>\$ 5,910</u>	<u>\$ 91,306</u>	<u>\$1,279,323</u>	<u>\$2,413,073</u>

TOTAL

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Promote Disclosure	\$1,389,244	\$ 500	\$ 8,000	\$ -0-	\$ 900	\$ 476,524	\$304,627	\$2,179,805
Policy Guidance	1,754,806	18,000	5,000	-0-	3,000	58,722	-0-	1,839,528
Provide Information	433,342	37,000	2,000	127,452	52,120	17,098	279,000	948,012
Public Financing	214,024	15,000	-0-	-0-	-0-	21,373	-0-	250,397
Obtain Compliance	2,140,031	291,000	10,000	65,000	-0-	53,144	28,000	2,587,175
Administrative Support	894,638	8,400	12,000	121,496	5,910	91,306	1,279,323	2,413,073
	<u>\$6,826,085</u>	<u>\$369,900</u>	<u>\$ 37,000</u>	<u>\$313,948</u>	<u>\$ 61,930</u>	<u>\$ 718,177</u>	<u>\$1,890,950</u>	<u>\$10,217,990</u>

OFFICE AND DIVISION SCHEDULE

REDUCTION LEVEL

<u>ORGANIZATION</u>	<u>PERSONNEL DOLLARS</u>	<u>PERSONNEL NUMBERS</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	20p	\$ 18,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 931,293
Staff Director	531,708	16p	2,500	4,500	-0-	4,000	-0-	542,708
Administration	334,905	15p	2,500	2,000	119,296	2,500	1,279,323 (1)	1,740,524
Audit	959,785	33p*	241,000	5,000	-0-	-0-	-0-	1,205,785
General Counsel	1,966,349	65.75p	65,000	10,000	65,000	50,620	-0-	2,156,969
Information & Clearinghouse	524,106	18.72p	37,000	2,000	127,452	2,400	279,000 (2)	971,958
Data Systems	607,261	14p 14t	3,400	5,500	2,200	2,410	937,804 (3)	1,558,575
Public Disclosure	182,659	8p 1.75t	500	500	-0-	-0-	42,500 (4)	226,159
Reports Analysis	806,019	36p*	-0-	7,500	-0-	-0-	70,500 (5)	884,019
	<u>\$6,826,085</u>	<u>226.47p 15.75t</u>	<u>\$369,900</u>	<u>\$ 37,000</u>	<u>\$313,948</u>	<u>\$ 61,930</u>	<u>\$2,609,127</u>	<u>\$10,217,990</u>
		242.22T						

* 2 man years of Audit staff are allocated to Reports Analysis programs.

(1) Administration: Witness Fees - \$2,000; Motor Pool - \$4,500; Transportation of Things - \$3,300; GSA Space Rental - \$567,223; Commercial Space Rental - \$15,000; Equipment Rental - \$221,000; Administrative Expenses - \$50,000; Supplies and Materials - \$108,600; Local Telephone - \$95,000; Long Distance Tolls - \$4,000; Postage - \$84,700; Equipment Purchases - \$65,000; Recurring Services - \$54,000; Non-Recurring Services - \$5,000 - TOTAL \$1,279,323.

(2) Information and Clearinghouse: Clearinghouse Research Contracts \$142,000
Clearinghouse Workshop Contracts + 15,000
TOTAL \$157,000

Information "800" Lines \$122,000.

(3) Data Systems: Data Services Contract \$718,177
Data Entry Contract 219,627
TOTAL \$937,804

(4) Public Disclosure: Microfilm Prints - \$42,500.

(5) Reports Analysis: Microfilm Prints \$42,500
Mailgrams 28,000
TOTAL \$70,500

PROGRAM SCHEDULES--CURRENT POLICY LEVEL

PROMOTE DISCLOSURE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Data Systems	\$ 579,282	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 500,481	\$ -0-	\$1,079,763
Reports Analysis								
-Admn, Training & Liaison	173,374	-0-	10,000	-0-	-0-	-0-	-0-	183,374
-Review of Reports	450,748	-0-	-0-	-0-	-0-	-0-	-0-	450,748
-Coding & Data Entry	41,058	-0-	-0-	-0-	-0-	-0-	-0-	41,058
-File Room	25,887	-0-	-0-	-0-	-0-	-0-	-0-	25,887
Public Disclosure	182,659	1,000	-0-	-0-	-0-	-0-	-0-	183,659
Press Office	86,119	-0-	-0-	-0-	900	-0-	-0-	87,019
Sec. of State Liaison	36,503	-0-	-0-	-0-	-0-	-0-	-0-	36,503
	<u>\$1,575,630</u>	<u>\$1,000</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 900</u>	<u>\$ 500,481</u>	<u>\$ -0-</u>	<u>\$2,088,011</u>

POLICY GUIDANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	\$24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	83,112	2,500	-0-	-0-	-0-	-0-	-0-	85,612
Cong. Affairs	73,265	-0-	-0-	-0-	3,000	-0-	-0-	76,265
General Counsel								
-GC & Admin.	168,767	-0-	10,000	-0-	-0-	-0-	-0-	178,767
-Advisory Opinions	171,455	-0-	-0-	-0-	-0-	-0-	-0-	171,455
-Regulations	96,583	-0-	-0-	-0-	-0-	-0-	-0-	96,583
-Cong. Inquiries & Legs.	12,807	-0-	-0-	-0-	-0-	-0-	-0-	12,807
-Legal Review - Pres.	73,181	-0-	-0-	-0-	-0-	-0-	-0-	73,181
-Legal Review - Non-Pres.	103,969	-0-	-0-	-0-	-0-	-0-	-0-	103,969
-AO/MUR Index	10,468	-0-	-0-	-0-	-0-	-0-	-0-	10,468
Data Systems	50,129	-0-	-0-	-0-	-0-	61,673	-0-	111,802
	<u>\$1,757,029</u>	<u>\$26,500</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 3,000</u>	<u>\$ 61,673</u>	<u>\$ -0-</u>	<u>\$1,858,202</u>

* For use in the final OMB documents, Telegrams \$28,000, Microfilm Prints \$85,000, and "800" Lines \$104,000, were transferred from Administration to Reports Analysis, Public Disclosure, and Information Division(s).

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PROVIDE INFORMATION

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Information Admin.	\$ 99,857	\$ -0-	\$ 2,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 101,857
Public Comm. - Response	171,089	-0-	-0-	-0-	-0-	-0-	-0-	171,089
Public Comm. - Outreach	28,778	7,000	-0-	-0-	-0-	-0-	-0-	35,778
Publications	87,812	-0-	-0-	124,452	-0-	-0-	-0-	212,264
Printing Support	10,245	-0-	-0-	-0-	-0-	-0-	-0-	10,245
Clearinghouse Research	28,719	10,000	-0-	10,000	-0-	-0-	177,825 *	226,544
Clearinghouse Info & Liaison	27,776	-0-	-0-	7,000	1,100	-0-	-0-	35,876
Clearinghouse Educ. & Training	19,236	12,000	-0-	-0-	-0-	-0-	20,000 *	51,236
OGC Library	41,093	-0-	-0-	-0-	50,620	-0-	-0-	91,713
Data Systems	2,875	-0-	-0-	-0-	-0-	17,958	-0-	20,833
	<u>\$ 517,480</u>	<u>\$29,000</u>	<u>\$ 2,000</u>	<u>\$141,452</u>	<u>\$ 51,720</u>	<u>\$ 17,958</u>	<u>\$197,825</u>	<u>\$ 957,435</u>

* Contracts

PUBLIC FINANCING

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Audit Certification	\$ 118,469	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 118,469
Threshold Audits	102,488	25,345	-0-	-0-	-0-	-0-	-0-	127,833
OGC Pres. Audit Review	44,026	-0-	-0-	-0-	-0-	-0-	-0-	44,026
Data Systems	8,080	-0-	-0-	-0-	-0-	22,447	-0-	30,527
	<u>\$ 273,063</u>	<u>\$25,345</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 22,447</u>	<u>\$ -0-</u>	<u>\$ 320,855</u>

OBTAIN COMPLIANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Reports Analysis								
-Non-Filers	\$ 36,235	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 36,235
-Compliance	161,271	-0-	-0-	-0-	-0-	-0-	-0-	161,271
Audits - 437g/438b	738,828	261,648	12,500	-0-	-0-	-0-	-0-	1,012,976
OGC Audit Review - Non-Pres.	50,444	-0-	-0-	-0-	-0-	-0-	-0-	50,444
OGC Defensive Lit.								
-437g	66,933	2,500	-0-	10,000	-0-	-0-	-0-	79,433
-437h	90,737	6,500	-0-	15,000	-0-	-0-	-0-	112,237
-Other	146,578	10,000	-0-	20,000	-0-	-0-	-0-	176,578
OGC Offensive Lit.								
-437g	296,549	20,000	-0-	20,000	-0-	-0-	-0-	336,549
-437d	36,025	5,000	-0-	-0-	-0-	-0-	-0-	41,025
OGC Enforcement								
-External	461,186	15,000	-0-	-0-	-0-	-0-	-0-	476,186
-Internal Pres.	74,615	2,000	-0-	-0-	-0-	-0-	-0-	76,615
-Internal Non-Pres.	209,955	4,000	-0-	-0-	-0-	-0-	-0-	213,955
Data Systems	20,136	-0-	-0-	-0-	-0-	55,814	-0-	75,950
	<u>\$2,389,492</u>	<u>\$326,648</u>	<u>\$ 12,500</u>	<u>\$ 65,000</u>	<u>\$ -0-</u>	<u>\$ 55,814</u>	<u>\$ -0-</u>	<u>\$2,849,454</u>

ADMINISTRATIVE SUPPORT

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Personnel Office	\$ 133,745	\$2,000	\$ 4,000	\$ -0-	\$ 1,000	\$ -0-	\$ -0-	\$ 140,745
Commission Sec.	93,651	-0-	-0-	-0-	-0-	-0-	-0-	93,651
EEO Officer	-0-	2,000	1,000	-0-	-0-	-0-	-0-	3,000
FOIA - Information	12,110	-0-	-0-	-0-	-0-	-0-	-0-	12,110
FOIA - Data Systems	8,140	-0-	-0-	-0-	-0-	10,920	-0-	19,060
Deputy Staff Dir.	79,352	1,000	-0-	-0-	-0-	-0-	-0-	80,352
Planning & Mgmt. Office	92,644	-0-	3,000	-0-	-0-	-0-	-0-	95,644
Admin. Division	358,036	2,500	2,000	119,296	2,500	-0-	1,596,023	2,080,355
Data Systems	211,823	3,400	5,500	2,200	2,410	84,973	-0-	310,306
OGC Admin., Law	60,240	-0-	-0-	-0-	-0-	-0-	-0-	60,240
OGC Union	8,296	-0-	-0-	-0-	-0-	-0-	-0-	8,296
	<u>\$1,058,037</u>	<u>\$10,900</u>	<u>\$ 15,500</u>	<u>\$121,496</u>	<u>\$ 5,910</u>	<u>\$ 95,893</u>	<u>\$1,596,023</u>	<u>\$2,903,759</u>

TOTAL

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Promote Disclosure	\$1,575,630	\$ 1,000	\$ 10,000	\$ -0-	\$ 900	\$ 500,481	\$ -0-	\$2,088,011
Policy Guidance	1,757,029	26,500	10,000	-0-	3,000	61,673	-0-	1,858,202
Provide Information	517,480	29,000	2,000	141,452	51,720	17,958	197,825	957,435
Public Financing	273,063	25,345	-0-	-0-	-0-	22,447	-0-	320,855
Obtain Compliance	2,389,492	326,648	12,500	65,000	-0-	55,814	-0-	2,849,454
Administrative Support	<u>1,058,037</u>	<u>10,900</u>	<u>15,500</u>	<u>121,496</u>	<u>5,910</u>	<u>95,893</u>	<u>1,596,023</u>	<u>2,903,759</u>
	<u>\$7,570,731</u>	<u>\$419,393</u>	<u>\$ 50,000</u>	<u>\$327,948</u>	<u>\$ 61,530</u>	<u>\$ 754,266</u>	<u>\$1,793,848</u>	<u>\$10,977,716</u>

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OFFICE AND DIVISION SCHEDULE

CURRENT POLICY LEVEL

ORGANIZATION	PERSONNEL DOLLARS	PERSONNEL NUMBERS		TRAVEL	TRAINING	PRINTING	PUBLICATIONS	OTHER	TOTAL
Commissioners	\$ 913,293	20p		\$ 24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	555,769	17p		7,500	8,000	-0-	4,000	-0-	575,269
Administration	358,036	16p		2,500	2,000	119,296	2,500	1,596,023 (1)	2,080,355
Audit	959,785	33p		286,993	12,500	-0-	-0-	-0-	1,259,278
General Counsel	2,223,907	71.5p	1t	65,000	10,000	65,000	50,620	-0-	2,414,527
Information & Clearinghouse	608,243	20.72p	1t	29,000	2,000	141,452	2,000	197,825 (2)	980,520
Data Systems	880,466	26p	23t	3,400	5,500	2,200	2,410	754,266 (3)	1,648,242
Public Disclosure	182,659	8p	1.75t	1,000	-0-	-0-	-0-	-0-	183,659
Reports Analysis	888,573	39p		-0-	10,000	-0-	-0-	-0-	898,573
	<u>\$7,570,731</u>	<u>251.22p</u>	<u>26.75t</u>	<u>\$419,393</u>	<u>\$ 50,000</u>	<u>\$327,948</u>	<u>\$ 61,530</u>	<u>\$2,548,114</u>	<u>\$10,977,716</u>
			277.97T						

- (1) Administration: Witness Fees - \$1,500; Motor Pool - \$5,000; Transportation of Things - \$7,000; GSA Space Rental - \$567,223; Commercial Space Rental - \$15,000; Equipment Rental - \$226,000; Microfilm Prints - \$85,000; Administrative Expenses - \$67,800; Supplies and Materials - \$125,000; Local Telephone - \$106,000; Long Distance Tolls - \$4,500; Western Union - \$28,000; Postage - \$100,000; Intercity Telephone - \$104,000; Equipment Purchases - \$75,000; Recurring Services - \$64,000; Non-Recurring Services - \$15,000 - TOTAL \$1,642,393.
- (2) Information and Clearinghouse: Clearinghouse Research Contracts \$177,825
Clearinghouse Workshop Contracts + 20,000
TOTAL \$197,825
- (3) Data Systems: Data Services Contract - \$754,266.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AGENDA ITEM

For Meeting of: 7-30-81

Agenda Item No: _____

Exhibit No: _____

81 JUL 21 P12: 05

MEMORANDUM

TO: Commissioners

FROM: B. Allen Clutter *BA*
Staff Director

SUBJECT: Status Report on FY 1983 Budget Request

DATE: July 20, 1981

I. SUMMARY OF ISSUE AND RECOMMENDATION

The Commission has received written guidance, supplemented by verbal direction from our budget examiner, that OMB expects the FEC to submit an "agency request" of \$9.833 million for FY 1983. The guidance also calls for a staffing allocation of 223 permanent positions, with a total staff of 239 positions, full time equivalent. 1/

As a result of my instructions in March of this year, the staff has completed preparation of two separate budget requests. The first is a "no change" request which would maintain current levels of activity during FY 1983. The second is a "change" request which would expand upon current levels of activity. At the "no change" level, the FEC budget request amounts to \$10.977 million (plus approximately \$375,000 to cover the October 1, 1981 pay raise). Staffing allocations for this "no change" budget are 278 total positions of which 251 are permanent, FTE. At the "change" level the FEC budget request amounts to \$12.231 million (plus approximately \$375,000 to cover the October 1, 1981 pay raise). Staffing allocations for this "change" budget are 311 total positions of which 278 are permanent, FTE.

In view of the fact that the "no change" and "change" budget requests prepared by FEC staff substantially exceed the \$9.833 million OMB figure and the stated concern by OMB with regard to staffing levels, I have instructed the staff to prepare a budget request of approximately \$10.3 million for FY 1983 (plus approximately \$375,000 for the October 1981 pay raise which is currently projected at 4.8%). I have further instructed the staff to aim toward staffing levels of approximately 239 total positions, FTE. It is anticipated that the \$10.3 million budget request will be ready for consideration by the Commission on August 20.

1/ Full time equivalent (FTE) means that this represents the equivalent of 239 full-time employees (40 hours per week), which could include several part-time employees. This is the same as the Commission's use of man years to represent full time equivalents, i.e., a man year represents one full-time worker.

In order to develop and prepare such a budget request, it is my recommendation that the Commission approve the following recommendations:

A. The preparation and submission of a \$10.3 million (plus approximately \$375,000 to cover the October 1, 1981 pay raise) budget request with staffing levels of approximately 239 total positions, FTE.

B. That the preparation of the \$10.3 million request will be based upon recommendations from the staff, a reexamination of those areas identified in Section II, E. of this document and changes in staffing patterns which will reduce the "no change" request to the target figure of \$10.3 million.

C. That the Commission's final budget submission will include two levels: the "agency request/reduction" level of \$10.3 million (plus the October pay raise) and the "current policy" level of \$10.977 million (plus the October pay raise).

II. BACKGROUND

A recommendation for a budget request of \$10.3 million in FY 1983 would be a departure from past Commission budget submissions, in that \$10.3 million represents a reduction of \$677,000 below what the staff estimates it would require to maintain existing staffing and program levels into FY 1983. In other words, a request of \$10.3 million represents a reduction below our calculated "no change" level of \$10,977,716 for FY 1983.

Therefore, submitting a request of \$10.3 million would mean that the Commission, for the first time, would be requesting an appropriation which would effectively reduce the staff and restrict program activities. Thus, this memorandum represents a status report on the preparation of the FY 1983 budget request, as well as an action paper to request Commission decisions on several policy questions regarding the budget request. Finally, it represents an overview of some of the issues under consideration to achieve the reductions necessary to produce a budget request of \$10.3 million (plus the October pay raise).

A. History of FY 1983 Budget Process

The Commission received communications in February and March, 1981 that the new Administration was reducing the OMB recommendation for the Commission in FY 1982 from \$10.339 million to \$9.746 million. In addition, guidance was received that changed the long range projections for the Commission. This guidance reduced the OMB target for the FEC from \$10.574 million to \$9.833 million in FY 1983. There have been no other formal directives as to the OMB target for the Commission in FY 1983, other than a verbal confirmation of the \$9.833 million target from our budget examiners.

In January of 1981, the Planning and Management staff, at the direction of the Staff Director, developed a program-based budgeting and planning system for the Commission, using the techniques of management-by-objectives and program-based budgeting.

Formal guidance to the managers was issued on March 25, 1981, directing the staff to develop FY 1983 budget requests based upon the guidance provided. This budget structure centered around the six Commission goals described in Attachment A, and called for two levels: a "no change" and a "change" level. There was no provision for a reduction level, nor for a priority ranking system.

As a result of events occurring during the congressional hearing process for the FY 1982 budget request, I determined that I would develop a budget request below the "no change" level. In addition, direction was received from OMB that Decision Units and a ranking sheet would be retained in the FY 1983 budget process.

After reviewing the manager's original submissions, guidance was given to the staff to develop reduction levels for programs, and to provide a priority ranking for programs. A review of OMB Circular A-11 (formal guidance for FY 1983, received July 7, 1981) confirmed the need for the managers to produce both a ranking and a reduction level. Responses to this request are due July 20, 1981 to the Deputy Staff Director for Management.

B. Status of Staff Preparation of FY 1983 Request

The Deputy Staff Director, Planning and Management and Administration have reviewed the requests as submitted by the managers. The attached charts summarize the requests in three forms: 1) by the six Commission goals; 1/ 2) by Office and Division; and 3) by object class for the whole Commission. Table I provides the breakdown by the Commission Goals; Table II by Division; Table III by object class; and Table IV identifies the personnel required for each Division or Office. Also provided under separate cover for your review are the packages as submitted by the managers.

The summaries were prepared based upon two levels: "no change" and "change". As stated previously, "no change" reflects FY 1981 Management Plan levels, similar to the "current" levels used in the previous zero-based-budgeting submissions made by the Commission. The "change" level reflects those new programs or expansions of existing programs which the managers would undertake given additional resources. The "no change" level represents \$10,977,716 and 251.22 permanent positions, while the "change" level represents \$12,231,446 and 277.87 permanent positions, FTE.

1/ Attachment A defines the six Commission goals and relates them to the program structure. These are the six basic goals or objectives of the Commission.

TABLE I
NO-CHANGE LEVEL

COMMISSION GOAL	PERSONNEL	% OF TOTAL PERS.	TOTAL COSTS	% OF TOTAL
PROMOTE DISCLOSURE	\$1,575,630	21%	\$2,088,011	19%
POLICY GUIDANCE	1,757,029	23%	1,858,202	17%
PROVIDE INFORMATION	517,480	7%	957,435	9%
PUBLIC FINANCING	273,063	4%	320,855	3%
ENCOURAGE COMPLIANCE	2,389,492	31%	2,849,454	26%
ADMIN. SUPPORT	1,058,037	14%	2,903,759	26%
TOTALS	\$7,570,731	100%	\$10,977,716	100%

CHANGE LEVEL

COMMISSION GOAL	PERSONNEL	% OF TOTAL PERS.	TOTAL COSTS	% OF TOTAL
PROMOTE DISCLOSURE	\$1,854,780	23%	\$2,391,298	19%
POLICY GUIDANCE	1,866,791	23%	1,982,964	16%
PROVIDE INFORMATION	568,671	7%	1,070,426	9%
PUBLIC FINANCING	279,782	3%	327,574	3%
ENCOURAGE COMPLIANCE	2,457,267	30%	2,917,229	24%
ADMIN. SUPPORT	1,209,572	14%	3,541,955	29%
TOTALS	\$8,236,863	100%	\$12,231,446	100%

TABLE II
NO-CHANGE LEVEL

DIVISION/ OFFICE	PERSONNEL	% OF TOTAL PERS.	TOTAL COSTS	% OF TOTAL
COMMISSIONERS	\$ 913,293	12%	\$ 937,293	9%
STAFF DIRECTOR	555,769	7%	575,269	5%
OGC	2,223,907	29%	2,414,527	22%
RAD	888,573	12%	898,573	8%
DATA SYSTEMS	880,466	12%	1,648,242	15%
ADMINISTRATION	358,036	5%	2,080,355	19%
AUDIT	959,785	13%	1,259,278	11%
INFORMATION & CLEARINGHOUSE	608,243	8%	980,520	9%
DISCLOSURE	182,659	2%	183,659	2%
TOTALS	\$7,570,731	100%	\$10,977,716	100%

CHANGE LEVEL

DIVISION/ OFFICE	PERSONNEL	% OF TOTAL PERS.	TOTAL COSTS	% OF TOTAL
COMMISSIONERS	\$ 913,293	11%	\$ 937,293	8%
STAFF DIRECTOR	705,682	8%	753,682	6%
OGC	2,367,366	29%	2,572,986	21%
RAD	1,040,374	13%	1,050,374	9%
DATA SYSTEMS	935,919	11%	1,703,695	14%
ADMINISTRATION	398,346	5%	2,578,826	21%
AUDIT	959,785	12%	1,259,278	10%
INFORMATION & CLEARINGHOUSE	684,799	8%	1,125,676	9%
DISCLOSURE	231,299	3%	249,636	2%
TOTALS	\$8,236,863	100%	\$12,231,446	100%

TABLE III
NO-CHANGE LEVEL

CHANGE LEVEL

PERSONNEL	\$7,570,731	\$8,236,863
TRAVEL	419,393	446,393
TRAINING	50,000	103,500
PRINTING	327,948	364,885
PUBLICATIONS	61,530	63,530
ADP CONTRACT	754,266	754,266
RESEARCH CONTRACTS	197,825	207,825
ADMIN. SUPPORT	1,596,023	2,054,184
TOTALS	\$10,977,716	\$12,231,446

TABLE IV
PERSONNEL FY 1983

	NO-CHANGE		(MAN YEARS)	CHANGE	
	PERM.	TEMP.		PERM.	TEMP.
COMMISSIONERS	20	0	20	0	
STAFF DIRECTOR	17	0	21.5	1.5	
ADMINISTRATION	16	0	19	0	
AUDIT	33	0	33	0	
OGC	71.5	1	73.5	2.5	
INFORMATION & CLEARINGHOUSE	20.72	1	26.72	0	
PUBLIC DISCLOSURE	8	1.75	10	2.75	
DATA SYSTEMS	26	23	27	26.25	
RAD	39	0	47.15	0	
TOTALS	251.22	26.75	277.87	33	

The managers have been directed to submit proposals by July 20 identifying further reductions in an effort to submit a request of \$10.3 million (plus the October pay raise) and approach the OMB target of 223 permanent positions. It is projected that the Budget Task Force will receive a proposed \$10.3 million budget request on July 30, with a target of August 7 for an agenda document. Commission discussion would take place on August 20.

C. Current OMB Guidance and Past Commission Policy

The Budget Guidance from OMB states that agencies should submit three levels: an "agency request" level, a "current policy" level, and a "reduction" level. OMB's guidance states that: \$9,833,000 represents the "agency request" level (Stockman letter of March 24, 1981, attached); \$9,746,000 represents the "current policy" level; with no specific guidance as to a reduction level (presumed below \$9,746,000) so far. Indications are that we won't receive any "reduction" guidance.

The Commission has taken the position in previous years that staffing levels and program activities, not the dollar amount, reflect the current or "current policy" level. Therefore, past Commission practice would maintain that the "no change" level of \$10,977,716 (plus approximately \$375,000 for the October 1, 1981 pay raise) represents "current policy."

In order to be consistent with the position the Commission has taken in previous years with regard to the definition of "current policy," as well as to maintain same resemblance to the OMB format, I have recommended that the Commission submit a budget request of \$10.3 million (plus approximately \$375,000 for the October 1981 pay raise) as its "Agency Request/Reduction" level plus its "no change" budget request of \$10.977 million (plus approximately \$375,000 for the October 1, 1981 pay raise) as its "Current Policy" level. Since OMB guidance does not allow for requests in excess of the Agency Request level, I do not propose submitting our "change" level at \$12.231 million (plus approximately \$375,000 for the October 1, 1981 pay raise). Furthermore, I do not propose submitting requests at the OMB Agency Request level of \$9.833 million, the OMB Current Policy level of \$9.746 million, or the OMB Reduction level. To summarize:

- FEC "Change" Level \$12.231 million (plus pay raise)
(Not to be submitted)
- FEC "No Change" Level. \$10.977 million (plus pay raise)
(To be submitted as "Current Policy")
- FEC Staff Director Recommendation. \$10.3 million (plus pay raise)
) (To be submitted as "Agency Request/Reduction")

OMB Agency Request \$9.833 million
(Not to be submitted)

OMB Current Policy \$9.746 million
(Not to be submitted)

OMB Reduction. ?
(Not to be submitted)

D. FY 1983 Budget Request Format

The basic format of the Submission would utilize the Six Commission Goals as the Decision Units. These six goals have been used in the Budget Preparation process so far, and are very similar to the five Decision Units contained in the Commission's FY 1982 budget request. For each Decision Unit there will be a summary chart and a narrative justification, which combine the narrative from the Decision Unit Overview and Decision Packages of previous submissions. Finally, the Commission is required to submit a ranking sheet, which ranks the Decision Units in order of priority, as it has in previous fiscal years.

The format suggested by OMB will be followed as much as possible while remaining consistent with Commission policy as to the request level(s) and other Commission decisions. The Budget Task Force has been informed of this and briefed as to the basic content of the submission.

E. Issues Raised in Submitting a \$10.3 Million Request

As stated previously, the managers have been requested to identify potential savings and/or reductions below the "no change" level. In the event that the efforts of the managers do not result in a \$10.3 million request, some basic decisions concerning significant policy determinations will be required. Therefore, I have directed the Deputy Staff Director and the planning staff to consider the following issues for possible recommendation to the Commission in the final budget request:

1. Reports Analysis Review and Referral Policy--whether to maintain the existing policy, or whether to increase or decrease the review thresholds.
2. 438(b) Audits--whether to increase or decrease the audit thresholds to change the number of audits generated.
3. General Counsel and Enforcement--whether to increase the thresholds for action on referrals from RAD and/or Audit, in order to decrease resources required for Enforcement, particularly for internally generated matters.

4. Publications Policy and the Funds Allocated to Printing--whether to institute subscriptions or other charges for all or some publications; and possible elimination of some publications.

5. Information Outreach and Response Programs--whether to fund campaign finance seminars, and whether to reduce funds allocated to the informational response program.

6. Data Entry Procedures--whether to reduce the amount and types of information included in the Disclosure data base, with a view towards reducing costs and improving timeliness of entry.

Items such as training may have to be reduced to achieve the \$10.3 million target. A major concern is, of course, the long-term impact of reductions on the productivity of the staff. The impact upon the ability of the Commission to be prepared for the Presidential elections in 1984 is also a factor to be considered when examining potential cuts in the Audit Division. These issues reflect the fact that the Commission may have to significantly alter its enforcement, audit, reports review, information, publications, or data entry policies.

III. SUPPORT FOR RECOMMENDATION

My recommendation of a request level of \$10.3 million (plus approximately \$375,000 for the October pay raise) has several advantages. First, it represents a smaller increase over the FY 1982 OMB recommendation of \$9.746 million (approximately a 9.5% increase) than do the FEC "no change" and "change" levels. Second, it maintains the Commission's independence in the area of budget submissions, while not greatly exceeding the OMB "agency request" level. Third, while it does represent a reduction of current activities, it also represents a request level that the Commission may have a chance of receiving. The disadvantage is that it represents neither the strict OMB guidance, nor the funds necessary to at least maintain present program levels. In order to address this last concern and to identify the resource requirements needed to maintain the agency at current levels of operation, the FEC "no change" level of \$10.977 million will be submitted as the "Current Policy."

IV. ALTERNATIVES CONSIDERED

A. Follow OMB Guidance on Levels

Under this alternative, the Commission would submit a request containing an "agency request" level of \$9.833 million and a "current policy" level of \$9.746 million. Total staff requested would be 239, FTE, with 223 permanent positions. This alternative would represent an "agency request" level of more than \$1.144 million below that required to maintain existing staff. It would also represent a reduction of 28 permanent positions from the "no change" level as prepared by the Staff.

Benefits gained by this alternative would be that it would place the Commission in compliance with OMB guidelines and directives, which may be helpful in receiving support from OMB during the Congressional appropriation process. The Commission appropriation has been less than the OMB number for several of the previous fiscal years. Of course, this alternative may be viewed as jeopardizing the Commission's independence with regard to the budget process.

B. Submit Several Levels, Including the "Change" Level

Following this alternative, the Commission would submit its "no change" and "change" levels of activity. This would provide the Commission with the opportunity to present arguments for funds for programs it believes necessary, but for which resources have not been available in the past.

The disadvantage to this alternative is that the Commission may incur the ill will of OMB and the Congressional staffs in many instances. In addition, it would mean requests for funds at a level the Commission in reality has no chance of receiving, given the present economic and budgetary outlook.

V. COORDINATION REQUIRED

None required in terms of the policy decision. The budget requests submitted were developed by the managers. In addition, all Assistant Staff Directors and the General Counsel have received notification of the Staff Director's intent to recommend a budget request of \$10.3 million (plus approximately \$375,000 for the October 1, 1981 pay raise). They have also been given the opportunity to rank their programs in terms of priority, and to identify areas for reductions.

VI. ATTACHMENTS

- A. Six Commission Goals-Decision Units
- B. Communications from OMB as to Guidance for FY 1983
- C. Back-up to Tables Summarizing "No Change" and "Change"
- D. Summary of FY 1983 Requests by Managers
- E. Copies of Managers' Requests (circulated separately - not as an agenda document).

FEC STATUTORY REQUIREMENTS AND GOALS

The overall mission or objective of the Commission is stated in 2 U.S.C. 437c(b)(1): "The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to this act (FECA), and Chapter 95 and Chapter 96 of Title 26 (U.S.C.). The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions."

In order to achieve this mission, the Commission has six major goals, as follows:

- I. Promote Disclosure - to facilitate public disclosure of campaign finance information to the public, the media, academia, and the political community from reports filed with the Commission.

- II. Provide Policy Direction and Guidance - to facilitate administration of the FECA by providing policy guidance and direction to the Commission staff and candidates and political committees who are required to file reports with the Commission.

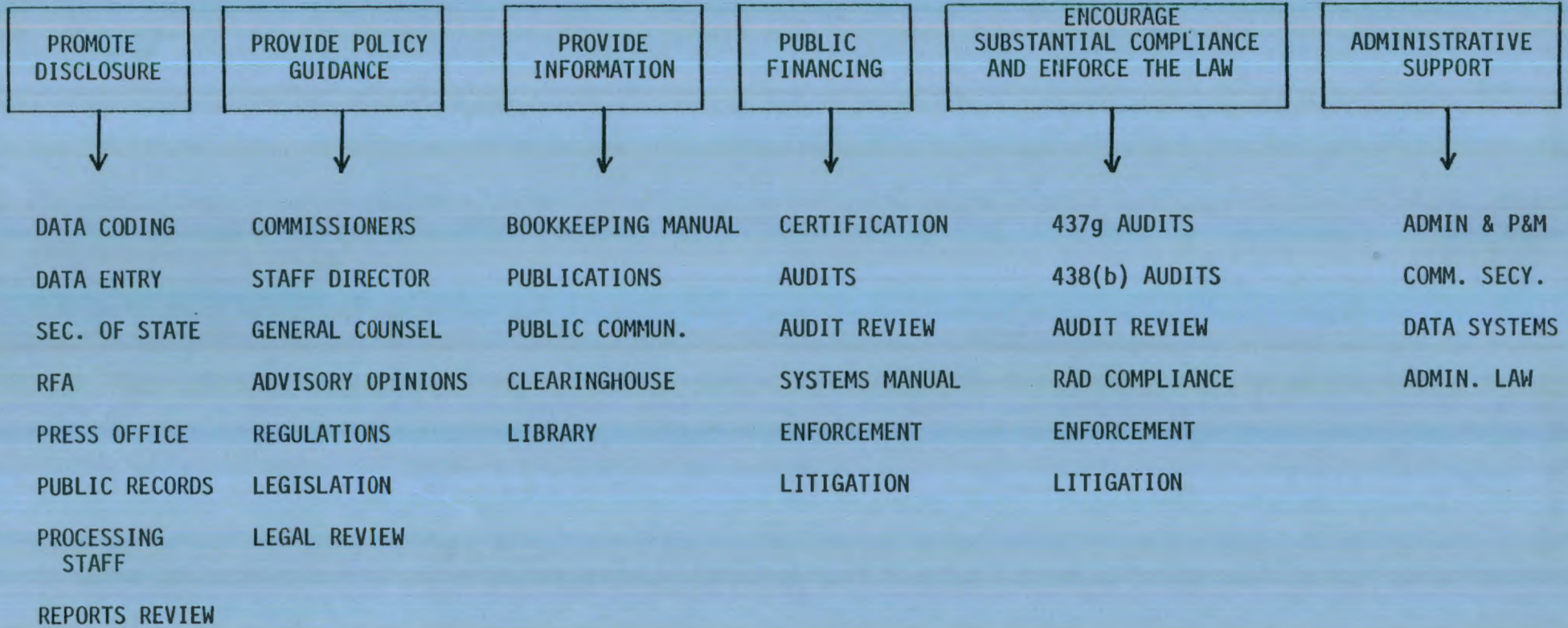
- III. Disseminate Educational Information on FECA - to prepare and distribute educational and public information materials on FECA to assist candidates and political committees to comply with the law.

- IV. Administer the Public Financing Provisions of FECA and Title 26 - to implement the public financing provisions of the statute and Title 26, and promptly disburse and then monitor the expenditure of public funds in accordance with the FECA and Title 26.

V. Encourage Substantial Compliance and Enforce the Law - to obtain substantial voluntary compliance with the provisions of the Act and Title 26; when efforts to achieve voluntary compliance are unsuccessful, through litigation, enforce the FECA, and defend the FEC and the FECA in court.

VI. Provide Internal Support and Administration - to ensure the necessary administrative support for the Commission and the staff in their efforts to achieve the other five goals; to comply with all general governmental statutory and regulatory requirements as an agency of the federal government.

COMMISSION GOALS



17



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 24 1981

81 MAR 25 P 5: 19

RECEIVED
OFFICE OF THE
COMPTROLLER
GENERAL OF THE
FEDERAL GOVERNMENT

Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Chairman:

Now that the 1982 Budget reflecting President Reagan's economic recovery program has been transmitted to the Congress, I wish to advise you formally of the revised budget allowances and significant policy determinations for your agency. The President has approved for your agency budget authority for 1981 and 1982 as shown on the enclosed page of the budget accounts listing supporting the 1982 Budget Revisions.

Enclosure A shows estimates of budget authority and outlays for 1983-1986 which are based on the decisions reached thus far by the President. However, please recognize in your planning that the President is committed to substantial new reductions in outlays for 1983 through 1986. In fact, he is committed to a 1983 outlay total that is approximately \$30 billion below the amounts that were specifically identified in agency totals in his revised 1982 Budget. This means that many agencies will have to plan on further program reductions beginning in 1983 which will bring budget authority and outlays substantially below the numbers shown.

As President Reagan has stated, the review process through which the new allowances were developed was, of necessity, much more compressed than would normally be desirable and was not as comprehensive as will be our future budget reviews. The results of the review do achieve this Administration's initial goal to reduce the growth in the size of government; however, as indicated above, major new reductions will be required in FY 1983 and future years. Now that the budget revisions have been transmitted to the Congress, I ask that you take all of the actions necessary to ensure that the operations of your agency are based on the President's decisions and his commitment to bring government spending under control.

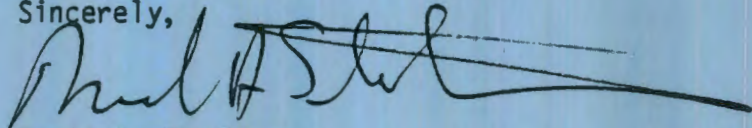
Ceilings on civilian employment for your agency are set forth in Enclosure B. The President has assigned these ceilings in keeping with his commitment to reduce the size of the Federal work force and to increase its efficiency. We expect that the ceilings provided will accomplish the objectives stated in the President's memorandum of January 20, 1981, placing a hiring freeze on the Executive Branch of the Government. Therefore, the President has decided that you may lift or moderate the hiring freeze for your agency, provided the revised lower employment ceilings in Enclosure B are not exceeded. Note that employment ceilings for 1981 are for the end-of-year and ceilings for 1982 are for full-time equivalent (FTE) or workyears.

In conjunction with the moratorium on procurement of certain equipment, your agency was required to submit a plan for reducing procurement of equipment during fiscal year 1981, as prescribed by OMB Bulletin No. 81-9. Your plan has been approved, as submitted, and procurement of items covered by the moratorium may be resumed within the constraints of the approved plan. Accordingly, obligations for 1981 for procurement of these items shall not exceed \$35,000.

I ask that your agency continue to identify major policy and program changes that will provide additional support to the President's comprehensive economic program to reduce spending, reduce taxes, and to remove unnecessary regulatory burdens.

I was disappointed by your March 10, 1981, letter which indicated that you did not plan to support the President's revised budget. As you know, budget reductions are spread widely throughout the Government in an effort to achieve the President's overall economic objectives. I hope that you will reconsider this matter, and that you will support the President's comprehensive economic program.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Stockman", with a long horizontal flourish extending to the right.

David A. Stockman
Director

Enclosures

Multi-year Planning Estimates
(in thousands of dollars)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Budget Authority	9,833	9,910	9,972	10,092
Outlays	9,833	9,910	9,972	10,092

Details concerning the derivation of these totals can be provided by staff of this office.

<u>Employment Ceilings</u>	<u>Sept. 1981 (End-of-Year positions)</u>	<u>1982 (Full-time equivalents (workyears))</u>
Total employment, excluding disadvantaged youth and personnel participating in the Worker-Trainee Opportunity Program (WTOP)	252	244
Full-time permanent employment, excluding personnel participating in WTOP	235	227

These ceilings represent for your agency:

- a. For September 30, 1981, upper limits on the number of employees,
and,
- b. For FY 1982, the maximum number of full-time equivalents
(workyears) allowed.

THE WHITE HOUSE

WASHINGTON

February 7, 1981

MEMORANDUM FOR: HEADS OF NON-CABINET AGENCIES

SUBJECT: REVISIONS OF THE 1982 BUDGET

The comprehensive economic program that I will present to the Congress on February 18, 1981, will describe spending reductions, tax reductions and actions to remove unnecessary regulatory burdens.

For the past several weeks, members of the Cabinet and I have been identifying major policy and program changes that must be made to begin bringing spending under control. These major changes will be outlined in my February 18th address.

In addition to these major items, reductions will have to be made in virtually every agency for fiscal year 1981, 1982 and the future. This memorandum is to ask your cooperation in this second phase of our review and to outline the process and schedule that we must follow in order to submit a fully revised 1982 budget — including the details of the major changes I announce on February 18th and all other revisions of the budget submitted by President Carter on January 15th — to the Congress by March 10, 1981.

At my direction, the full review of the remainder of the Carter budget is already underway in the Office of Management and Budget. The remaining steps in the revision process will of necessity be much more compressed than would normally be possible and the procedure will be very demanding for all of us. More specifically:

- During the next 9 days, OMB will complete its review, consult with my senior advisers and me as appropriate, and at my direction, will advise each agency of additional reductions that are needed from the Carter budget to achieve our spending and employment reduction goals.
- If you believe there are better ways of achieving the reductions, I ask that you convey your views to the Director of OMB in writing within 48 hours after receiving the revised budget and employment limits.
- I will look to you and the Office of Management and Budget to resolve any differences promptly and, in those few cases where they cannot be resolved, to bring those differences to me jointly for final decision. Of necessity, I need to receive such items within 4 days of the time that you receive the initial notification from OMB.

Some agencies will begin receiving the initial notification by February 9th. The entire process must be completed promptly for all departments and agencies to allow time for your preparation of supporting materials and for compiling and printing the revised budget. Your cooperation in this effort is appreciated.

Ronald Reagan

PROGRAM SCHEDULES -- NO CHANGE LEVEL

ATTACHMENT C

PROMOTE DISCLOSURE

ACTIVITY	PERSONNEL	TRAVEL	TRAINING	PRINTING	PUBLICATIONS	DATA PROCESSING	OTHER	TOTAL
Data Systems	\$ 579,282	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 500,481	\$ -0-	\$1,079,763
Reports Analysis								
-Admn, Training & Liaison	173,374	-0-	10,000	-0-	-0-	-0-	-0-	183,374
-Review of Reports	450,748	-0-	-0-	-0-	-0-	-0-	-0-	450,748
-Coding & Data Entry	41,058	-0-	-0-	-0-	-0-	-0-	-0-	41,058
-File Room	25,887	-0-	-0-	-0-	-0-	-0-	-0-	25,887
Public Disclosure	182,659	1,000	-0-	-0-	-0-	-0-	-0-	183,659
Press Office	86,119	-0-	-0-	-0-	900	-0-	-0-	87,019
Sec. of State Liaison	36,503	-0-	-0-	-0-	-0-	-0-	-0-	36,503
	<u>\$1,575,630</u>	<u>\$1,000</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 900</u>	<u>\$ 500,481</u>	<u>\$ -0-</u>	<u>\$2,088,011</u>

POLICY GUIDANCE

ACTIVITY	PERSONNEL	TRAVEL	TRAINING	PRINTING	PUBLICATIONS	DATA PROCESSING	OTHER	TOTAL
Commissioners	\$ 913,293	\$24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	83,112	2,500	-0-	-0-	-0-	-0-	-0-	85,612
Cong. Affairs	73,265	-0-	-0-	-0-	3,000	-0-	-0-	76,265
General Counsel								
-GC & Admin.	168,767	-0-	10,000	-0-	-0-	-0-	-0-	178,767
-Advisory Opinions	171,455	-0-	-0-	-0-	-0-	-0-	-0-	171,455
-Regulations	96,583	-0-	-0-	-0-	-0-	-0-	-0-	96,583
-Cong. Inquiries & Legs.	12,807	-0-	-0-	-0-	-0-	-0-	-0-	12,807
-Legal Review - Pres.	73,181	-0-	-0-	-0-	-0-	-0-	-0-	73,181
-Legal Review - Non-Pres.	103,969	-0-	-0-	-0-	-0-	-0-	-0-	103,969
-AO/MUR Index	10,468	-0-	-0-	-0-	-0-	-0-	-0-	10,468
Data Systems	50,129	-0-	-0-	-0-	-0-	61,673	-0-	111,802
	<u>\$1,757,029</u>	<u>\$26,500</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 3,000</u>	<u>\$ 61,673</u>	<u>\$ -0-</u>	<u>\$1,858,202</u>

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PROVIDE INFORMATION

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Information Admin.	\$ 99,857	\$ -0-	\$ 2,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 101,857
Public Comm. - Response	171,089	-0-	-0-	-0-	-0-	-0-	-0-	171,089
Public Comm. - Outreach	28,778	7,000	-0-	-0-	-0-	-0-	-0-	35,778
Publications	87,812	-0-	-0-	124,452	-0-	-0-	-0-	212,264
Printing Support	10,245	-0-	-0-	-0-	-0-	-0-	-0-	10,245
Clearinghouse Research	28,719	10,000	-0-	10,000	-0-	-0-	177,825 *	226,544
Clearinghouse Info & Liaison	27,776	-0-	-0-	7,000	1,100	-0-	-0+	35,876
Clearinghouse Educ. & Training	19,236	12,000	-0-	-0-	-0-	-0-	20,000 *	51,236
OGC Library	41,093	-0-	-0-	-0-	50,620	-0-	-0-	91,713
Data Systems	2,875	-0-	-0-	-0-	-0-	17,958	-0-	20,833
	<u>\$ 517,480</u>	<u>\$29,000</u>	<u>\$ 2,000</u>	<u>\$141,452</u>	<u>\$ 51,720</u>	<u>\$ 17,958</u>	<u>\$197,825</u>	<u>\$ 957,435</u>

* Contracts

PUBLIC FINANCING

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Audit Certification	\$ 118,469	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 118,469
Threshold Audits	102,488	25,345	-0-	-0-	-0-	-0-	-0-	127,833
OGC Pres. Audit Review	44,026	-0-	-0-	-0-	-0-	-0-	-0-	44,026
Data Systems	8,080	-0-	-0-	-0-	-0-	22,447	-0-	30,527
	<u>\$ 273,063</u>	<u>\$25,345</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 22,447</u>	<u>\$ -0-</u>	<u>\$ 320,855</u>

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OBTAIN COMPLIANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Reports Analysis								
-Non-Filers	\$ 36,235	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 36,235
-Compliance	161,271	-0-	-0-	-0-	-0-	-0-	-0-	161,271
Audits - 437g/438b	738,828	261,648	12,500	-0-	-0-	-0-	-0-	1,012,976
OGC Audit Review - Non-Pres.	50,444	-0-	-0-	-0-	-0-	-0-	-0-	50,444
OGC Defensive Lit.								
-437g	66,933	2,500	-0-	10,000	-0-	-0-	-0-	79,433
-437h	90,737	6,500	-0-	15,000	-0-	-0-	-0-	112,237
-Other	146,578	10,000	-0-	20,000	-0-	-0-	-0-	176,578
OGC Offensive Lit.								
-437g	296,549	20,000	-0-	20,000	-0-	-0-	-0-	336,549
-437d	36,025	5,000	-0-	-0-	-0-	-0-	-0-	41,025
OGC Enforcement								
-External	461,186	15,000	-0-	-0-	-0-	-0-	-0-	476,186
-Internal Pres.	74,615	2,000	-0-	-0-	-0-	-0-	-0-	76,615
-Internal Non-Pres.	209,955	4,000	-0-	-0-	-0-	-0-	-0-	213,955
Data Systems	20,136	-0-	-0-	-0-	-0-	55,814	-0-	75,950
	<u>\$2,389,492</u>	<u>\$326,648</u>	<u>\$ 12,500</u>	<u>\$ 65,000</u>	<u>\$ -0-</u>	<u>\$ 55,814</u>	<u>\$ -0-</u>	<u>\$2,849,454</u>

ADMINISTRATIVE SUPPORT

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Personnel Office	\$ 133,745	\$2,000	\$ 4,000	\$ -0-	\$ 1,000	\$ -0-	\$ -0-	\$ 140,745
Commission Sec.	93,651	-0-	-0-	-0-	-0-	-0-	-0-	93,651
EEO Officer	-0-	2,000	1,000	-0-	-0-	-0-	-0-	3,000
FOIA - Information	12,110	-0-	-0-	-0-	-0-	-0-	-0-	12,110
FOIA - Data Systems	8,140	-0-	-0-	-0-	-0-	10,920	-0-	19,060
Deputy Staff Dir.	79,352	1,000	-0-	-0-	-0-	-0-	-0-	80,352
Planning & Mgmt. Office	92,644	-0-	3,000	-0-	-0-	-0-	-0-	95,644
Admin. Division	358,036	2,500	2,000	119,296	2,500	-0-	1,596,023	2,080,355
Data Systems	211,823	3,400	5,500	2,200	2,410	84,973	-0-	310,306
OGC Admin., Law	60,240	-0-	-0-	-0-	-0-	-0-	-0-	60,240
OGC Union	8,296	-0-	-0-	-0-	-0-	-0-	-0-	8,296
	<u>\$1,058,037</u>	<u>\$10,900</u>	<u>\$ 15,500</u>	<u>\$121,496</u>	<u>\$ 5,910</u>	<u>\$ 95,893</u>	<u>\$1,596,023</u>	<u>\$2,903,759</u>

TOTAL

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Promote Disclosure	\$1,575,630	\$ 1,000	\$ 10,000	\$ -0-	\$ 900	\$ 500,481	\$ -0-	\$2,088,011
Policy Guidance	1,757,029	26,500	10,000	-0-	3,000	61,673	-0-	1,858,202
Provide Information	517,480	29,000	2,000	141,452	51,720	17,958	197,825	957,435
Public Financing	273,063	25,345	-0-	-0-	-0-	22,447	-0-	320,855
Obtain Compliance	2,389,492	326,648	12,500	65,000	-0-	55,814	-0-	2,849,454
Administrative Support	1,058,037	10,900	15,500	121,496	5,910	95,893	1,596,023	2,903,759
	<u>\$7,570,731</u>	<u>\$419,393</u>	<u>\$ 50,000</u>	<u>\$327,948</u>	<u>\$ 61,530</u>	<u>\$ 754,266</u>	<u>\$1,793,848</u>	<u>\$10,977,716</u>

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OFFICE AND DIVISION SCHEDULE

NO CHANGE LEVEL

<u>ORGANIZATION</u>	<u>PERSONNEL DOLLARS</u>	<u>PERSONNEL NUMBERS</u>		<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	20p		\$ 24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	555,769	17p		7,500	8,000	-0-	4,000	-0-	575,269
Administration	358,036	16p		2,500	2,000	119,296	2,500	1,596,023 (1)	2,080,355
Audit	959,785	33p		286,993	12,500	-0-	-0-	-0-	1,259,278
General Counsel	2,223,907	71.5p	1t	65,000	10,000	65,000	50,620	-0-	2,414,527
Information & Clearinghouse	608,243	20.72p	1t	29,000	2,000	141,452	2,000	197,825 (2)	980,520
Data Systems	880,466	26p	23t	3,400	5,500	2,200	2,410	754,266 (3)	1,648,242
Public Disclosure	182,659	8p	1.75t	1,000	-0-	-0-	-0-	-0-	183,659
Reports Analysis	888,573	39p		-0-	10,000	-0-	-0-	-0-	898,573
	<u>\$7,570,731</u>	<u>251.22p</u>	<u>26.75t</u>	<u>\$419,393</u>	<u>\$ 50,000</u>	<u>\$327,948</u>	<u>\$ 61,530</u>	<u>\$2,548,114</u>	<u>\$10,977,716</u>
		<u>277.97T</u>							

(1) Administration: Witness Fees - \$1,500; Motor Pool - \$5,000; Transportation of Things - \$7,000; GSA Space Rental - \$567,223; Commercial Space Rental - \$15,000; Equipment Rental - \$226,000; Microfilm Prints - \$85,000; Administrative Expenses - \$67,800; Supplies and Materials - \$125,000; Local Telephone - \$106,000; Long Distance Tolls - \$4,500; Western Union - \$28,000; Postage - \$100,000; Intercity Telephone - \$104,000; Equipment Purchases - \$75,000; Recurring Services - \$64,000; Non-Recurring Services - \$15,000 = TOTAL \$1,642,393.

(2) Information and Clearinghouse: Clearinghouse Research Contracts \$177,825
 Clearinghouse Workshop Contracts + 20,000
 TOTAL \$197,825

(3) Data Systems: Data Services Contract - \$754,266.

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PROGRAM SCHEDULES -- CHANGE LEVEL

PROMOTE DISCLOSURE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Data Systems	\$ 624,238	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 500,481	\$ -0-	\$1,124,719
Reports Analysis								
-Admn, Training & Liaison	173,374	-0-	10,000	-0-	-0-	-0-	-0-	183,374
-Review of Reports	602,549	-0-	-0-	-0-	-0-	-0-	-0-	602,549
-Coding & Data Entry	41,058	-0-	-0-	-0-	-0-	-0-	-0-	41,058
-File Room	25,887	-0-	-0-	-0-	-0-	-0-	-0-	25,887
Public Disclosure	231,299	1,000	5,000	12,137	200	-0-	-0-	249,636
Press Office	119,872	2,000	-0-	-0-	1,700	-0-	-0-	123,572
Sec. of State Liaison	36,503	4,000	-0-	-0-	-0-	-0-	-0-	40,503
	<u>\$1,854,780</u>	<u>\$7,000</u>	<u>\$ 15,000</u>	<u>\$ 12,137</u>	<u>\$ 1,900</u>	<u>\$ 500,481</u>	<u>\$ -0-</u>	<u>\$2,391,298</u>

POLICY GUIDANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	\$24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	130,707	2,500	-0-	-0-	-0-	-0-	-0-	133,207
Cong. Affairs	85,966	-0-	-0-	-0-	3,000	-0-	-0-	88,966
General Counsel								
-GC & Admin.	199,067	-0-	25,000	-0-	-0-	-0-	-0-	224,067
-Advisory Opinions	178,790	-0-	-0-	-0-	-0-	-0-	-0-	178,790
-Regulations	97,819	-0-	-0-	-0-	-0-	-0-	-0-	97,819
-Cong. Inquiries & Legs.	13,954	-0-	-0-	-0-	-0-	-0-	-0-	13,954
-Legal Review - Pres.	76,400	-0-	-0-	-0-	-0-	-0-	-0-	76,400
-Legal Review - Non-Pres.	109,625	-0-	-0-	-0-	-0-	-0-	-0-	109,625
-AO/MUR Index	11,041	-0-	-0-	-0-	-0-	-0-	-0-	11,041
Data Systems	50,129	-0-	-0-	-0-	-0-	61,673	-0-	111,802
	<u>\$1,866,791</u>	<u>\$26,500</u>	<u>\$ 25,000</u>	<u>\$ -0-</u>	<u>\$ 3,000</u>	<u>\$ 61,673</u>	<u>\$ -0-</u>	<u>\$1,982,964</u>

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PROVIDE INFORMATION

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Information Admin.	\$ 100,936	\$ -0-	\$ 9,500	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 110,436
Public Comm. - Response	110,009	-0-	-0-	-0-	-0-	-0-	-0-	110,009
Public Comm. - Outreach	105,599	25,000	-0-	4,000	-0-	-0-	-0-	134,599
Publications	112,480	-0-	-0-	145,252	-0-	-0-	-0-	257,732
Printing Support	13,076	-0-	-0-	-0-	-0-	-0-	-0-	13,076
Clearinghouse Research	28,765	10,000	-0-	10,000	-0-	-0-	177,825 *	226,590
Clearinghouse Info & Liaison	27,973	-0-	-0-	7,000	1,100	-0-	-0-	36,073
Clearinghouse Educ. & Training	19,297	13,500	-0-	-0-	-0-	-0-	30,000 *	62,797
OGC Library	44,162	-0-	-0-	-0-	50,620	-0-	-0-	94,782
Data Systems	6,374	-0-	-0-	-0-	-0-	17,958	-0-	24,332
	<u>\$ 568,671</u>	<u>\$48,500</u>	<u>\$ 9,500</u>	<u>\$166,252</u>	<u>\$ 51,720</u>	<u>\$ 17,958</u>	<u>\$207,825</u>	<u>\$1,070,426</u>

* Contracts

PUBLIC FINANCING

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Audit Certification	\$ 118,469	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 118,469
Threshold Audits	102,488	25,345	-0-	-0-	-0-	-0-	-0-	127,833
OGC Pres. Audit Review	47,245	-0-	-0-	-0-	-0-	-0-	-0-	47,245
Data Systems	11,580	-0-	-0-	-0-	-0-	22,447	-0-	34,027
	<u>\$ 279,782</u>	<u>\$25,345</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 22,447</u>	<u>\$ -0-</u>	<u>\$ 327,574</u>

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OBTAIN COMPLIANCE

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Reports Analysis								
-Non-Filers	\$ 36,235	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 36,235
-Compliance	161,271	-0-	-0-	-0-	-0-	-0-	-0-	161,271
Audits - 437g/438b	738,828	261,648	12,500	-0-	-0-	-0-	-0-	1,012,976
OGC Audit Review - Non-Pres.	51,076	-0-	-0-	-0-	-0-	-0-	-0-	51,076
OGC Defensive Lit.								
-437g	71,332	2,500	-0-	10,000	-0-	-0-	-0-	83,832
-437h	118,704	6,500	-0-	15,000	-0-	-0-	-0-	140,204
-Other	148,547	10,000	-0-	20,000	-0-	-0-	-0-	178,547
OGC Offensive Lit.								
-437g	298,203	20,000	-0-	20,000	-0-	-0-	-0-	338,203
-437d	37,439	5,000	-0-	-0-	-0-	-0-	-0-	42,439
OGC Enforcement								
-External	480,837	15,000	-0-	-0-	-0-	-0-	-0-	495,837
-Internal Pres.	78,002	2,000	-0-	-0-	-0-	-0-	-0-	80,002
-Internal Non-Pres.	216,657	4,000	-0-	-0-	-0-	-0-	-0-	220,657
Data Systems	20,136	-0-	-0-	-0-	-0-	55,814	-0-	75,950
	<u>\$2,457,267</u>	<u>\$326,648</u>	<u>\$ 12,500</u>	<u>\$ 65,000</u>	<u>\$ -0-</u>	<u>\$ 55,814</u>	<u>\$ -0-</u>	<u>\$2,917,229</u>

ADMINISTRATIVE SUPPORT

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Personnel Office	\$ 161,196	\$3,500	\$ 30,000	\$ -0-	\$ 2,000	\$ -0-	\$ -0-	\$ 196,696
Commission Sec.	127,909	-0-	-0-	-0-	-0-	-0-	-0-	127,909
EEO Officer	27,908	2,000	1,000	-0-	-0-	-0-	-0-	30,908
FOIA - Information	10,289	-0-	-0-	-0-	-0-	-0-	-0-	10,289
FOIA - Data Systems	11,639	-0-	-0-	-0-	-0-	10,920	-0-	22,559
Deputy Staff Dir.	79,352	1,000	-0-	-0-	-0-	-0-	-0-	80,352
Planning & Mgmt. Office	92,644	-0-	3,000	-0-	-0-	-0-	-0-	95,644
Admin. Division	398,346	2,500	2,000	119,296	2,500	-0-	2,054,184	2,578,826
Data Systems	211,823	3,400	5,500	2,200	2,410	84,973	-0-	310,306
OGC Admin., Law	80,170	-0-	-0-	-0-	-0-	-0-	-0-	80,170
OGC Union	8,296	-0-	-0-	-0-	-0-	-0-	-0-	8,296
	<u>\$1,209,572</u>	<u>\$12,400</u>	<u>\$ 41,500</u>	<u>\$121,496</u>	<u>\$ 6,910</u>	<u>\$ 95,893</u>	<u>\$2,054,184</u>	<u>\$3,541,955</u>

TOTAL

<u>ACTIVITY</u>	<u>PERSONNEL</u>	<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>DATA PROCESSING</u>	<u>OTHER</u>	<u>TOTAL</u>
Promote Disclosure	\$1,854,780	\$ 7,000	\$ 15,000	\$ 12,137	\$ 1,900	\$ 500,481	\$ -0-	\$2,391,298
Policy Guidance	1,866,791	26,500	25,000	-0-	3,000	61,673	-0-	1,982,964
Provide Information	568,671	48,500	9,500	166,252	51,720	17,958	207,825	1,070,426
Public Financing	279,782	25,345	-0-	-0-	-0-	22,447	-0-	327,574
Obtain Compliance	2,457,267	326,648	12,500	65,000	-0-	55,814	-0-	2,917,229
Administrative Support	1,209,572	12,400	41,500	121,496	6,910	95,893	2,054,184	3,541,955
	<u>\$8,236,863</u>	<u>\$446,393</u>	<u>\$103,500</u>	<u>\$364,885</u>	<u>\$ 63,530</u>	<u>\$ 754,266</u>	<u>\$2,262,009</u>	<u>\$12,231,446</u>

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OFFICE AND DIVISION SCHEDULE

CHANGE LEVEL

<u>ORGANIZATION</u>	<u>PERSONNEL DOLLARS</u>	<u>PERSONNEL NUMBERS</u>		<u>TRAVEL</u>	<u>TRAINING</u>	<u>PRINTING</u>	<u>PUBLICATIONS</u>	<u>OTHER</u>	<u>TOTAL</u>
Commissioners	\$ 913,293	20p		\$ 24,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 937,293
Staff Director	705,682	21.5p	1.5t	9,000	34,000	-0-	\$ 5,000	-0-	753,682
Administration	398,346	19p		2,500	2,000	119,296	2,500	2,054,184 (1)	2,578,826
Audit	959,785	33p		286,993	12,500	-0-	-0-	-0-	1,259,278
General Counsel	2,367,366	73.5p	2.5t	65,000	25,000	65,000	50,620	-0-	2,572,986
Information & Clearinghouse	684,799	26.72p		54,500	9,500	166,252	2,800	207,825 (2)	1,125,676
Data Systems	935,919	27p	26.25t	3,400	5,500	2,200	2,410	754,266 (3)	1,703,695
Public Disclosure	231,299	10p	2.75t	1,000	5,000	12,137	200	-0-	249,636
Reports Analysis	1,040,374	47.15p		-0-	10,000	-0-	-0-	-0-	1,050,374
	<u>\$8,236,863</u>	<u>277.87p</u>	<u>33t</u>	<u>\$446,393</u>	<u>\$103,500</u>	<u>\$364,885</u>	<u>\$ 63,530</u>	<u>\$3,016,275</u>	<u>\$12,231,446</u>
		310.87T							

(1) Administration: Witness Fees - \$1,500; Motor Pool - \$5,000; Transportation of Things - \$7,000; GSA Space Rental - \$567,223; Commercial Space Rental - \$15,000; Equipment Rental - \$301,000; Microfilm Prints - \$42,500; Administrative Expenses - \$199,775; Supplies and Materials - \$139,458; Local Telephone - \$116,564; Long Distance Tolls - \$4,950; Western Union - \$28,000; Postage - \$122,000; Intercity Telephone - \$114,364; Equipment Purchases - \$310,850; Recurring Services - \$64,000; Non-Recurring Services - \$15,000 = TOTAL \$2,143,054.

(2) Information and Clearinghouse: Clearinghouse Research Contracts \$177,825
Clearinghouse Workshop Contracts + 30,000
TOTAL \$207,825

(3) Data Systems: Data Services Contract - \$754,266.

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Summary of "No-Change" Level

This is a very brief summary of the "no change" level submitted by the managers. For detailed information, the packages should be reviewed. The "no change" level represented in this submission would maintain current staffing levels for most Divisions and/or Offices. The exception would be the Audit Division, which would be reduced from its present strength of 37 permanent positions to a strength of 30 at the start of the fiscal year (FY 83). The staff would be increased to 36 by the end of FY 83 to prepare for the certification and auditing of presidential committees for the 1984 elections. Effectively, this level of funding would enable the Audit Division to prepare for 10 publicly financed presidential candidates in 1984, and to perform 438(b) audits in the first half of FY 1983. In all probability the productivity of the Division would decline from the 1980 election, as the newer staff would have to be trained, while in 1980 the Commission had a staff of 39 experienced auditors.

Reference is made in the following analyses to the "change" level in the context of pointing out the programs or activities which cannot be carried out or are not included at the "no change" level.

Reports Analysis

The "no change" level would provide for an increase of 30% in House candidates, and a 10% increase in unauthorized committees. The assumption was made that there would be a 30% increase in House candidates due to reapportionment, as occurred in 1972. This estimate will be revised to assume a 10% increase in financial activity.

With this 30% increase in activity, the "no change" level of 39 staff in RAD would mean a reduction in the number of committees reviewed under the existing policy. With 2.25 additional staff the present policy could be performed. The "change" level would provide for another 6 additional positions to speed up the time-frame for unauthorized committee basic reviews, and would extend these basic reviews to more committees as resources permitted (3,200 basic reviews). At this level, 4,500 authorized and 3,650 unauthorized basic reviews would be performed; 22,213 condensed reviews would also be performed. Compliance tracking and non-filer programs would be continued at present levels.

Disclosure

The "no change" level maintains existing staff levels, and would maintain present service levels for requests for information. Disclosure is concerned that the volume of visitors and requests will continue to expand, meaning that steady state resources will result in deterioration of service. At the "change" level, Disclosure had recommended discontinuing all paper copies in Public Records. However, the microfilm print cost savings would be more than offset by required new viewing equipment. The Staff Director has determined that he is not ready to recommend abolishing paper copies without a further analysis of the impact upon equipment costs, photocopying costs in Public Records, and on coding and entry in RAD.

Audit

As noted previously, this "no change" level would provide for the preparation for certification of 10 presidential candidates (Five receiving threshold audits in FY 83.) and for 72 438(b) and 437g audits.

General Counsel

The "no change" level basically maintains current staffing levels, i.e., from FY 1981, with some changes to reflect the different point in the presidential election cycle in FY 1983. Regulations would be allocated 3.25 man-years, Advisory Opinions 5.75 man-years representing 134 AOs, the AO/MUR Index .5 man-years, and a new Administrative Law Team 1.75 man-years. The "change" level would add one support position to this team.

Legal Review would be allocated 5.5 man-years, with 2.0 of that allocated to presidential legal analyses. Audit Review would receive 3.5 man-years, 1.5 allocated to Presidential Audit Review.

Defensive Litigation would receive a total of 9.5 man-years:

2.0 for 437g(a)(8), for an estimated 6-7 cases

3.0 for 437h, for an estimated 4-5 cases

4.5 for Public Financing, for an estimated 9-10 cases.

The Offensive Litigation total would be as follows (a total of 10.5 man-years):

9.5 for 437g including non-filers, for an estimated 10 cases

1.0 for 437d, for an estimated 8-10 cases.

External Enforcement would receive 15.25 man-years to resolve an estimated 95 complaints. Internal Enforcement would receive 9.0 man-years to resolve 85 internal matters; 6.5 man-years for 78 non-presidential matters and 2.5 man-years for 7 presidential matters. Therefore, the General Counsel's budget request, as submitted, contains resource allocations very similar to those in the FY 1981 Management Plan, with a slight decrease projected for presidential and public financing matters.

Information

The "no change" level for Information would not provide for funding of campaign finance seminars. It would also not provide for a major revision of the FECA. The Publications Office has determined that printing costs for publications resulting from an amended law would be \$86,101. This was identified, but not included in either the "change" or "no change" levels.

The "no change" level maintains the Press Office and the State Coordinator programs at current levels. Publications, Press, and State Coordinator programs all envisioned more specific targeting of information to identified groups, but only at the "change" level would these activities be funded.

Clearinghouse

The total funding for the Clearinghouse research effort would be \$177,825 at both the "change" and "no change" levels. Proposed research projects include:

1. Internal generation of the annual Election Directory.
2. Completion of the mandatory study of voting equipment standards in cooperation with the Bureau of Standards; preparation of final report.
3. Completion of Phase II of the Application of Computer to Elections Administration project projected to begin in FY 1982.
4. Continued Quarterly cumulative production of the Election Law Updates and Election Case Law series.
5. Publication of the finished research projects outlined above.

As a whole, costs for the Clearinghouse have been reduced over previous fiscal years. This is in part the result of allocating the time of the Assistant Staff Director and his Administrative Assistant to Division Management, leaving the Clearinghouse with a three person staff.

Data Systems

Current levels of activity with regard to the production of RFAs and maintaining the disclosure data base are included at the "no change" level. The budget request for the Data Systems Division projected the 30% increase in House candidates in terms of an increase in data entry requirements. (Note: This will be revised in the final submission at the \$10.3 million level to reflect a 10% across-the-board increase in financial activity.)

This submission projects the entry of 467,000 items into the data base in FY 1983 from disclosure documents and statements. Note also that this submission has the coding and data entry teams located in the Data Systems Division.

Staff Director

The "no change" level largely maintains existing staff levels, with the exception of Planning and Management, which is reduced from five to three positions. All cash awards, QSI's, and other incentive awards would be placed in the Personnel Office and administered by that Office. At the "no change" level the assistant to the coordinator of Congressional and Intergovernmental Affairs would be included.

Several items not included in the "no change" level, but which would be provided for in the "change" level include a revitalized intern program, temporary assistance for the Commission Secretary's Office, and a Senior Management training program. Also provided for would be full-time EEO and FOIA officers.

Administration

The "no change" level provides for the existing staff levels and administrative support. The "change" level would provide for some new expenditures or items such as equipment replacement. However, other items considered but not included were new carpeting, new word processing equipment, and a large scale equipment replacement program. The final Staff Director's proposal will provide for the attribution of some funds directly to programs to reduce the total of administrative support costs. For example, the cost of the microfilm and paper prints will be allocated to Disclosure rather than to Administration.