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Electronic Filing of Senate Campaign Finance Reports

September 21, 2018 (IN10970)

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A FY2019 appropriations measure significantly changes campaign finance reporting requirements for Senate candidates. Report contents will not change, but the method of filing will. The provision appears in <u>H.R. 5895</u>, a minibus package that includes three FY2019 appropriations bills: Energy and Water Development, the Legislative Branch, and Military Construction and Veterans Affairs. The Senate and House adopted the <u>conference report</u> accompanying the bill on September 12 and 13, respectively. The President signed the measure on September 21, 2018. In the 115th Congress, the electronic filing provision originated in Senator Tester's bill, <u>S. 298</u>.

Disclosure Background

In campaign finance policy, *disclosure* refers to public reporting of information about money that campaigns, parties, and some other entities raise and spend to affect elections. By providing the public and regulators (especially the <u>Federal</u> <u>Election Commission</u> [FEC]) with documentation about political fundraising and spending, disclosure is intended to limit real or perceived *quid pro quo* corruption. <u>Other CRS reports</u> contain additional details.

Most provisions in the <u>Federal Election Campaign Act (FECA)</u> apply to *political committees*, which include candidate campaign committees, party committees, and political action committees (PACs). Pursuant to the FECA, political committees must regularly file disclosure reports with the FEC providing information about receipts and expenditures.

Senate Political Committees Previously Filed on Paper with the Secretary of the Senate

Before <u>H.R. 5895</u> became law, Senate political committee filing requirements differed from those for the House and presidential campaigns in two respects. First, Senate political committees filed on paper rather than electronically. Second, Senate political committees filed with the Secretary of the Senate rather than directly with the FEC. Both provisions appeared in FECA at 52 U.S.C. $\S30102(g)$.

As CRS has <u>explained elsewhere</u>, the House and Senate typically defer to one another on campaigns and elections issues affecting only one chamber. The previous Senate preference for filing on paper and with the Senate Secretary appears primarily to have been a matter of institutional prerogative. Before Congress established the FEC in the <u>1974 FECA</u> amendments, the <u>Clerk of the House</u> and <u>Secretary of the Senate</u> were each responsible for their respective chamber's campaign finance filings. Congress shifted the "place of filing" to the FEC for House reports in 1995 (<u>P.L. 104-79</u>,

which amended FECA), when it also permitted the FEC to accept optional electronic filings. Congress required electronic filing for non-Senate filers in an FY2000 appropriations law (P.L. 106-58, §639, which amended FECA).

Under the old disclosure process for Senate reports, FECA required the Senate Secretary to make copies publicly available and to transmit copies to the FEC within "two working days." The FEC then posted them on its website, but relied on a contractor to convert the filings to digital format so that they could be integrated into the rest of the commission's data.

Changing to Electronic Filing with FEC

As enacted, <u>H.R. 5895</u> amends FECA to change the place of filing for Senate campaign finance reports from the Secretary of the Senate to the FEC. The text does not require electronic filing per se. However, per FECA, all political committee reports filed with the commission (except for political committees with less than \$50,000 of annual activity) must be filed electronically. Therefore, changing the place of filing to the FEC changes both the place and method of filing.

Previous Electronic Filing Efforts

Enactment of <u>H.R. 5895</u> ends more than a decade of stalemate over electronic filing of Senate campaign finance reports. During that period, there appears to have been no publicly stated opposition to electronic filing itself.

Most prominently, there was widespread agreement that paper filings were inefficient. Since at least the early 2000s, FEC legislative recommendations proposed requiring Senate electronic filing. Before enactment of <u>H.R. 5895</u>, the FEC called Senate electronic filing an "urgent" need based on expectations for the 2018 election cycle. Most recently, in its 2017 legislative recommendations (pp. 1-2), the FEC reported that "at least \$898,000 per year in costs directly attributable to current Senate filing procedures would be saved by requiring electronic filing." In addition to extra weeks of processing time, <u>one media account</u> recently found that the conversion process had introduced errors in some of the data. It is unclear whether or how these factors affected enactment.

Despite agreement about the efficiencies of electronic filing, institutional and policy concerns remained. Historically, some Senators regarded the chamber's campaign finance reports as Senate documents, and thus inappropriate for filing directly with the FEC. For example, Senator Byrd "felt strongly it was a Senate prerogative" to receive the reports, then-Rules and Administration Committee Chairwoman Feinstein reported at a 2007 markup of electronic filing bill <u>S. 223</u>. (Senator Feinstein supported <u>S. 223</u>.) At the same markup, Senator Stevens expressed reservations that other campaign finance disclosure topics remained unaddressed even as <u>S. 223</u> was advancing. The bill was reported but later died.

Although electronic filing was sometimes included in other campaign finance measures or introduced as separate legislation, the issue made little legislative progress between the 112th Congress (2011-2012) and its inclusion in the FY2019 minibus package. It is unclear why Congress chose to end its previous stalemate on electronic filing at this time. Whatever the reason, enactment of electronic filing for Senate campaign finance reports marks a major change in the speed of public access to campaign finance data. It also represents both a relatively rare example of bipartisan agreement on campaign finance legislation, and a continuation of recent appropriations bills containing targeted campaign finance measures.