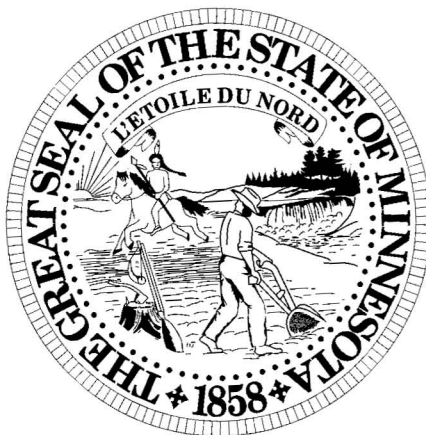


MINNESOTA CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

ANNUAL REPORT

JULY 1, 2002 - JUNE 30, 2003



Issued: September 2003
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DATE: September 17, 2003

TO: The Honorable Timothy Pawlenty, Governor
The Honorable James Metzen, President of the Senate
The Honorable John Hottinger, Senate Majority Leader
The Honorable Steve Sviggum, Speaker of the House
The Honorable Erik Paulson, House Majority Leader
The Honorable Dick Day, Senate Minority Leader
The Honorable Matt Entenza, House Minority Leader

FROM: Clyde Miller, Chair
Campaign Finance and Public Disclosure Board

SUBJECT: Annual Report, in accordance with Minn. Stat. §10A.02, subd. 8(a), July 1, 2002, through June 30, 2003

Pursuant to Minnesota Statutes, chapter 10A.02, subd. 8 (a), the Campaign Finance and Public Disclosure Board submits its Annual Report.

The Board, consistent with their objectives and administrative procedures, provided guidance to the thousands of individuals and associations whose disclosure of certain political, economic interest, and lobbying activities is regulated by the Ethics in Government Act, Minnesota Statutes Chapter 10A.

Included in this Annual Report is information about the campaign finance disclosure and public subsidy payments associated with the 2002 election.

Throughout our activities we affirm the need for timely disclosure, public information, and enforcement, ever mindful of the depth and breadth of volunteer professional resources expended annually to comply with this important public disclosure law. We acknowledge the trust placed in the Board and its staff by the Minnesota Legislature.

The Board's activities during this fiscal year reflect our strong commitment to a reasoned and balanced approach to the public trust as expressed in the Board's mission statement.

EXECUTIVE SUMMARY

The Campaign Finance and Public Disclosure Board is charged with the administration of the Ethics in Government Act, Minnesota Statutes, chapter 10A. A component of that act is the payment of public subsidy to candidates and political parties that meet set conditions. During fiscal year 2003 public subsidy payments were made to 421 candidates and four political party units. Specific information on the payments may be found beginning on page 31.

The Ethics in Government Act also provides for public disclosure of campaign contributions and expenditures. To help implement the disclosure requirements of the act the Board released and supported a second generation of campaign finance software. Contribution information submitted to the Board through the software as well as information from paper reports was made available to the public through an interactive application on the Internet.

The Board held ten regular session meetings, thirteen executive session meetings, and one legislative recommendation subcommittee meeting to conduct business, issued seven advisory opinions, concluded investigations and issued findings in eight complaints, investigated 27 potential violations of Chapter 10A which concluded in settlement of 17 conciliation agreements and eight findings of probable cause, and produced nine publications.

Board staff conducted training classes to aid volunteer treasurers and candidates in recordkeeping, reporting, and *Finance 2002* campaign software; served on several faculties of Continuing Legal Education seminars; spoke to various groups and classes of local colleges and universities about the requirements of Chapter 10A; hosted four foreign dignitaries; and represented the state on the national level at the Council of Governmental Ethics Laws.

Chapter 10A includes four major programs: campaign finance registration and disclosure, public subsidy administration, lobbyist registration and disclosure, and economic interest disclosure by public officials.

The report includes information on the filings of approximately:

- 1,855 registered principal candidate committees, political committees, and political funds who filed by approximately 4,155 reports;
- 1,330 registered lobbyists representing 1,240 associations who filed approximately 5,400 reports;
- 1,230 lobbyist principals; and
- 1,300 public officials required to report to the Board.

INTRODUCTION TO THE BOARD

Authority

The Campaign Finance and Public Disclosure Board was established by the state legislature in 1974 through enactment of the Ethics in Government Act, Minnesota Statutes Chapter 10A. In addition to enforcing the provisions of Chapter 10A, the Board promulgates rules, enforces Minnesota Rules 4501 through 4525, and issues advisory opinions to guide clients in meeting the requirements of the Act.

Function

Core functions of the Board include administration and management of the:

- registration and public disclosure by state legislative and constitutional office candidates, political party units, political committees, and political funds;
- registration and public disclosure by lobbyists and the associations they represent attempting to influence state legislative action, administrative action, and the official action of metropolitan governmental units;
- disclosure of economic interest, conflicts of interest, and representation of a client for a fee under certain circumstances for certain state and metropolitan officials; and
- distribution of payments from the state's public subsidy program that provides public funding to qualified state candidates and the state committee of a political party; and allows those candidates and parties to give political contribution refund receipts to certain campaign contributors.

Membership

The Board is a six-member bi-partisan citizen Board responsible for administration of the Ethics in Government Act. Members of the Board are appointed by the Governor to staggered four-year terms. Their appointments must be confirmed by a three-fifths vote of the members of each house of the legislature. The Board holds regular meetings, which are open to the public, and annually elects its leadership and reports on its activities to the governor, the legislature, and the public.

Two Board members were confirmed by the House of Representatives and the Senate in fiscal year 2003.

Mission Statement

To promote public confidence in state government decision-making through development, administration, and enforcement of disclosure and public financing programs which will ensure public access to and understanding of information filed with the Board.

Goals and Objectives

- Facilitate easier and more universal compliance with the Ethics In Government Act, Minnesota Statutes, chapter 10A.
- Provide fair and consistent enforcement of the Ethics In Government Act.
- Help citizens become better informed about public issues related to the Ethics in Government Act.

Website

The Board's website was redesigned during FY 2003. An October 2002, report on *Electronic Government Services* issued by the Department of Administration, found that the Board's site ranked fourth highest among state agencies in the level of electronic services offered. The site is frequently updated with news of Board actions and publications to provide up-to-date information for Board clients. The site provides many updated and enhanced client service features designed to make the site easy to use. Information available on the Website includes:

- Board meeting notices and minutes
- Board and staff contact information and automatic e-mail access
- Biographies of current Board members
- Minnesota Statutes Chapter 10A and Board Administrative Rules
- Advisory Opinions
- Campaign Finance Summaries, Lobbyist Disbursement Summaries, and the Board's Annual Reports
- Lists of lobbyists and associations, candidate committees, political committees, political funds, and party units, all updated on a daily basis
- Board Findings and Conciliation Agreements
- List of candidates who filed for office in the 2002 election
- Public subsidy payments made in the 2002 election

- Public officials' economic interest disclosure
- Electronic downloadable versions of all Board publications and forms
- Enhanced searchable campaign finance databases that allow access by name of candidate, political committee, political fund, political party unit, or by contributor's name or employer.

BOARD MEMBERS

Clyde Miller



Clyde Miller was appointed in February 2002, by Governor Jesse Ventura and confirmed by the House and Senate in 2002, for a term ending in January 2006. He is a member of the Independence Party of Minnesota and has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of his appointment. He was elected Chair in January 2003. Mr. Miller is a partner and shareholder with Jennings, DeWan, Miller and Anderson, L.L.C., a law firm that concentrates on civil matters, including many involving municipal and general governmental issues, employment law, workers' compensation, contracts, products liability, personal injury, and other civil law matters. He is a graduate of the William Mitchell College of Law. He was named a qualified neutral by the Minnesota Supreme Court in 1997 and is a volunteer supervising attorney for the Lawyers Board of Professional Responsibility. He served as a member of the Governor's and Citizen's League Task Force on Property Tax Reform.

Wil Fluegel



Wil Fluegel was appointed in June 1998, by Governor Arne Carlson and confirmed by the House and Senate in 1999, for a term ending in January 2001, and reappointed in January 2001, by Governor Jesse Ventura and confirmed by the House and Senate in 2001, for a term ending January 2005. He is a member of the Democratic Farmer Labor party with no restrictions on previous activities. Mr. Fluegel is a personal injury attorney in private practice who practices primarily on behalf of claimants in auto accidents, unsafe premises and defective product claims. He is a graduate of the University of Minnesota Law School and is certified as a civil trial specialist by both the National Board of Trial Advocacy and the Minnesota State Bar Association. He currently serves on the MTLA Board of Governors and the Minnesota Supreme Courts No-Fault Arbitration Standing Committee.

Terri Ashmore



Terri Ashmore was appointed in January 2003, by Governor Tim Pawlenty and confirmed by the House and Senate in 2003, for a term ending in 2007. She is a member of the Republican Party of Minnesota and has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of her appointment. Ms. Ashmore is the Managing Director of the Basilica of St. Mary. She serves as the Secretary of State's designee on the Minnesota History Center's Executive Committee and volunteers for the Jeremiah Program, a housing and education program for single mothers.

Doug Kelley



Douglas Kelley was appointed in May 2000, by Governor Jesse Ventura and confirmed by the House and Senate in 2001, for a term ending in January 2004. He is a member of the Republican Party of Minnesota with no restrictions on previous activities. Mr. Kelley is an attorney. He owns and manages a law firm that concentrates on white-collar crime, provides services in compliance programs, internal investigations, Indian gaming, employment law, and complex civil litigation. He is a graduate of the University of Minnesota Law School. He is currently a member of the University of Minnesota Economic Roundtable and the Minnesota Audubon Council. He serves on the Board of Trustees of Outward Bound and the Board of Directors of the Minnesota Orchestra Association. He is Co-chair of the Minnesota League of Conservation Voters.

Bob Milbert



Bob Milbert was appointed in January 2003, by Governor Tim Pawlenty and confirmed by the House and Senate in 2003, for a term ending in January 2007. He is a former member of the legislature from the Democratic Farmer Labor party where he served as a member of the Minnesota House of Representatives for 16 years. He is a graduate of Dartmouth College. Mr. Milbert is the CEO of Milbert Company a Culligan Water dealership. He was a member of the South St. Paul City Council for 12 years and currently serves as a member of the River Heights Chamber of Commerce, is a Board member on the USA Hockey Foundation and Minnesota Amateur Sports Commission, and volunteers for the United Way.

Sidney Pauly



Sidney Pauly was appointed in March 1996, by Governor Arne Carlson and confirmed by the House and Senate in 1997, for a term ending in January 2000, and reappointed by Governor Jesse Ventura in April 2000, and confirmed by the House and Senate in 2001, for a term ending in January 2004. She is a former member of the legislature from the Republican Party of Minnesota. She is a graduate of the University of Minnesota. Ms. Pauly served eight years as a member of the Eden Prairie City Council and 12 years in the Minnesota House of Representatives. She is a member of the board of the friends of the Lower Minnesota River Valley and is active in several local organizations.

SUMMARY OF BOARD ACTIVITIES

Board Policy

In lieu of reminder letters previously sent to treasurers of non-filing candidate committees, political committees, political funds, political party units, and lobbyist and lobbyist principals, the name of the individual required to file the report and the entity with which the individual is associated will be listed on the Board's website if the periodic report is not received in the Board office within five (5) business days after a due date.

Meetings

The Campaign Finance and Public Disclosure Board held ten regular session meetings, 13 executive session meetings, and one legislative recommendation subcommittee meeting.

Advisory opinion procedure

The Board is authorized to issue advisory opinions on the requirements of the Ethics in Government Act (Minn. Stat., chapter 10A) and the Hennepin County Disclosure Law (Minn. Stat. §§ 383B.041 - 383B.058). Individuals or associations may ask for advisory opinions to guide their compliance with these laws.

A request for an advisory opinion and the opinion itself are private data. The Board provides a *Consent to Release Information* form to individuals requesting opinions as part of the procedures under this law. If the requester does not consent to the publication of the requester's identity, the Board generally publishes a public version of the opinion which does not identify the requester.

A written advisory opinion issued by the Board is binding on the Board in any subsequent Board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless: 1) the Board has amended or revoked the opinion before the initiation of the Board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion; 2) the request has omitted or misstated material facts; or 3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

Advisory opinions issued in fiscal year 2003 may be found in this report under the program with which it is associated.

Publications

The Campaign Finance and Public Disclosure Board issued nine publications:

- *Annual Report for Fiscal Year 2002;*
- *Handbook for Candidate Committees;*
- *Handbook for Judicial Candidate Committees;*
- *Handbook for Political Committees and Political Funds;*
- *Handbook for Public Officials;*
- *Handbook for Lobbyists;*
- *Lobbying Disbursement Summary for Fiscal Year 2002;*
- *2002 Campaign Finance Summary; and*
- *Review of States' Registration Fees for Lobbyists, Political Committees, Candidates for Office, and Public Officials.*

Training, education and outreach

Board staff outreach:

- Served as a guest lecturer at a University of Minnesota Journalism class discussing campaign reporting and resources available in the Board office and on the Board's website.
- Served as a guest speaker at a University of Minnesota, Graduate School of Public Health class, *Legislative Advocacy Skills* discussing lobbying registration and reporting requirements as well as the gift ban and campaign finance.
- Spoke to students in the University of St. Thomas Political Science Club about campaign finance registration and reporting requirements as well as lobbyist registration and reporting and the ban on gifts to public officials.
- Served as a guest lecturer at a Hamline University Masters of Public Administration class, entitled *Legislative Practicum*. The class was entitled *Money, Politics, and Lobbying*. The legislative process and resources available in the Board office and on the Board's website were discussed.
- Spoke to members of the Campaign Finance Institute's Task Force on Financing Presidential Nominations and the public in Washington, D.C., presenting information about Minnesota's experience with public funding of political campaigns.

- Served on a panel for a Judicial Campaign Law & Ethics continuing legal education seminar at the judicial center.

Disclosure training offered by Board staff:

- Eleven sessions for use of the Board's Campaign Finance Software.
- Six compliance training classes to assist treasurers in filing the Reports of Receipts and Expenditures during election year 2002.
- One informational meeting for lobbyists attended by 55 individuals.

Training taken by staff:

- Participated in nine classes/seminars for a total of 200 hours of training to attain and maintain a quality of job performance that meets the needs of the state, the Campaign Finance and Public Disclosure Board, and the individual employee.
- Attended the annual Council on Governmental Ethics Laws (COGEL) conference.
- Attended the COGEL Heartland regional conference for staff of COGEL member agencies and presented information about the Board's *Review of States' Registration Fees for Lobbyists, Political Committees, Candidates for Office, and Public Officials*.

Board member activities:

- Spoke at a College of St. Catherine Leadership Institute seminar about the Board and its responsibilities, and the member's experiences serving on the House Ethics Committee.
- Participated in a Continuing Legal Education seminar entitled *The Minnesota Legislative Process* presenting information about lobbying and the gift ban.
- Attended the annual Council on Governmental Ethics Laws conference.

International officials:

- Met with Esther Batiri Williams from Fiji, a guest of the U.S. State Department's International Visitor program, to discuss Minnesota's disclosure laws and public subsidy program.
- Met with Hamdan Zoelva, a member of Parliament from Indonesia and a guest of the U.S. State Department's International Visitor program, to discuss transparency in government as it relates to campaign finance and economic interest disclosure.
- Met with two individuals from Korea as part of the U.S. State Department's International Visitor program to discuss the role of administrative agencies that focus on political fund-raising groups.

Legislative

Legislature:

Recommendations

The Board made the following recommendations to the 2003

- Amend the definition of independent expenditures to provide that independent expenditures do not include those expenditures using first person statements, photos, or audio and video recordings that were originally produced or paid for by the candidate or the candidate's committee and that were sold or provided to the entity making the expenditures by the candidate or the candidate's committee or agent. Minn. Stat. §10A.01, subd. 18.
- The Representation Disclosure provision provide for a late filing fee but no fine for failure to file. The enforcement procedure should be consistent with other provisions of Chapter 10A. Minn. Stat. § 10A.08.
- Provide that the 48-hour notice be required for contributions of:
 - \$1,500 or more to gubernatorial and supreme court candidates;
 - \$750 or more to attorney general and appeals court candidates; and
 - \$400 or more to secretary of state, state auditor, district court, and legislative candidates.
- Provide that a candidate who terminates a committee and then registers a new committee for the same office within four years is required to assume any unpaid liabilities of the previous committee and continuously report the obligations until they are paid or forgiven. Minn. Stat. § 10A.24, subd. 2.

- Review the expenditure and contribution limits for constitutional office candidates. The current amounts for statewide candidates may be too low. Minn. Stats. §§ 10A.25, subd. 2 (a) (1), (2), and (3), and 10A.27, subd. 1(a) (1), (2), and (3).
- A candidate who “has not previously run for office” is entitled to a 10% increase in the election year expenditure limit. There are no time or office limits in the statute. The Board suggests that either specific offices be listed or a 10-year time frame be established so as to allow someone who has either run for a minor office or run 10 years previously to have first-time candidate status. Minn. Stat. §10A.25, subd. 2 (d).
- Add political party units and lobbyists to the list of entities that may not make a contribution that a candidate is prohibited from accepting. Minn. Stat. 10A.27, subd. 1 (c).
- Include lobbyists in the penalty provisions for giving excess contributions. Minn. Stat. § 10A.28, subd. 2.
- Require that the pre-primary *Report of Receipts and Expenditures* must be filed before public subsidy payments are made. Minn. Stat. §10A.31, subs. 6 and 7.
- Provide that if a pre-primary report does not disclose contributions equal to or greater than required by the Affidavit of Contributions, the candidate must supply a list of contributor’s names and addresses with the Affidavit. The list is private data.
- Provide that in a special election a candidate for House of Representatives must raise \$500 and a candidate for senate must raise \$1,000.
- Repeal obsolete and duplicate rules.

The recommendations passed in the Senate and are before the House Governmental Operations and Veterans Affairs Policy committee.

Agency Deposits

Payment of all civil fines and late filing fees in all programs and return of public subsidy in the campaign finance program were deposited in the state general fund.

2003 LEGISLATIVE ACTION

General Provisions

- Allows the Board to accept reports or statements with electronic signatures consisting of passwords assigned by the Board.
- The Board is directed to work with the regulated community (lobbyists, political committees, political funds, political party units, and principal campaign committees) to develop a fair and equitable fee schedule by January 15, 2004. The fees must recover the costs incurred to regulate the entities. The recommended fee schedule must be completed by January 15, 2004. The fees may be no more than necessary to cover the cost of administering the lobbying program. The amount is adjusted each biennium as part of the Board budget request.

CAMPAIGN FINANCE PROGRAM

Advisory Opinions Issued

- Mailings to members of an organization for the purpose of influencing the nomination or election of a candidate is a campaign expenditure that must be made through a political committee.

A mailing to members of an association that supports a legislator and announces that the legislator received an award for his voting history is a campaign expenditure that influences the nomination or election of the legislator. This is true even if the award is based on a ranking of legislative voting that is not in itself intended to influence the outcome of an election. No. 342

- Corporations may contribute funds and services to a political committee or political fund registered to promote a constitutional amendment.

Political committees and political funds (committees) may receive corporate contributions if the committee limits its activities to supporting or opposing a constitutional amendment. Corporations do not need to register with the Board, or provide disclosure to committees to which the corporation has contributed. No. 343

- Judicial Districts May Not Organize and Register as a Political Party Unit Under Chapter 10A

To qualify for registration as a party unit with the Campaign Finance and Public Disclosure Board the party unit must be organized within one of the geographic or political districts provided in Chapter 10A. However, a political party is free to organize a party unit on any basis that the party recognizes. No. 344

- Noncampaign Disbursements for Expenses of a Transition Office

Certain expenses related to the operation of a transition office may be paid by the principal campaign committee of the candidates and reported as non-campaign disbursements. No. 346

Filed complaints

The Board completed eight investigations and issued findings in all eight cases.

- The Board found that there was no probable cause to believe that the MAPE-PAC committee continued to violate the reporting requirements of Minnesota Statutes, Chapter 10A since amending the committee's *Reports of Receipts and Expenditures* for 1998-2001.
- The Board found that there was no probable cause to believe that Representative Jim Knoblach and the House Republican Campaign Committee violated Minnesota Statutes, Chapter 10A when Representative Knoblach requested that the House Republican Campaign Committee stop running an independent expenditure advertisement.
- The Board found that there was no probable cause to believe that Phil Heir violated Minnesota Statutes, Chapter 10A by terminating a principal campaign committee with an outstanding debt, notifying the creditor of the termination, and subsequently registering another principal campaign committee for the same office.
- The Board found that there was probable cause to believe that the Republican Party of Minnesota and the Tim Pawlenty for Governor Committee violated Minnesota Statutes, Chapter 10A by running television advertisements with an inappropriate independent expenditure disclaimer. The Board also found that the Republican Party of Minnesota violated Minnesota Statutes, Chapter 10A when the Republican Party of Minnesota failed to obtain written authorization from the Tim Pawlenty for Governor Campaign for these television advertisements.
- The Board found that there was no probable cause to believe that the Meg Tilley for State House of Representatives Committee violated Minnesota Statutes, Chapter 10A by not disclosing the use of a private residence on the committee's *Report of Receipts and Expenditures* for calendar year 2002.

- The Board found that there was no probable cause to believe that the Progressive Minnesota committee continued to violate the reporting requirements of Minnesota Statutes, Chapter 10A since amending the committee's *Reports of Receipts and Expenditures* for calendar year 2001. The Board found that there was probable cause to believe that Progressive Minnesota violated Minnesota Statutes, Chapter 10A by accepting a contribution in excess of \$100 from an unregistered association.
- The Board found that there was no probable cause to believe that the Mah Mah Wi No Min committee continued to violate Minnesota Statutes, Chapter 10A by failing to provide required information regarding independent expenditures, since the committee's *Report of Receipts and Expenditures* for calendar year 2002 was amended to include an *Affidavit of Independent Expenditures*.
- The Board found that there was no probable cause to believe that the Friends of (Satveer) Chaudhary committee violated Minnesota Statutes, Chapter 10A by failing to disclose the use of office space and telephones on the committee's *Report of Receipts and Expenditures* for calendar year 2000. The Board found that there was no probable cause to believe that the (Satveer) Chaudhary for Senate Committee was required to disclose additional costs for mailing and postage on the committee's *Report of Receipts and Expenditures* for calendar year 2000. The Board found that there was probable cause to believe that then Representative Chaudhary delivered altered checks to the Novak for Congress committee and referred that matter to the Office of the Ramsey County Attorney.

Filing deadlines

Approximately 1,855 principal campaign committees, political committees, and political funds were registered with the Board.

Fees for the late filing of the *Report of Receipts and Expenditures*:

- 154 committees and funds paid late fees totaling \$18,380;
- 25 committees and funds were granted waivers totaling \$11,780; and
- 8 committees and funds had fees reduced by a total of \$3,800.

Staff review of campaign finance reports

Approximately 2,110 reports of receipts and expenditures were filed by political party committees, political committees, and political funds.

Approximately 2,045 reports were filed by principal campaign committees.

Each filed report was reviewed by Board staff for compliance with the disclosure law requirements including accurate accounting and reporting for receipts and expenditures, proper use of required disclosure schedules, and adherence to applicable contribution and expenditure limits.

Election year (Offices filing for election)	Reports filed	Amendments filed
2002 (Constitutional/Senate/House)	4,155	531
2000 (Senate/House)	3,760	554
1998 (Constitutional/House)	3,350	660

Internal investigations

The Board reviewed 27 potential violations of Chapter 10A, involving 26 committees or funds and made eight findings concerning probable cause.

- Twenty-five committees were fined a total of \$105,140; and
- Seventeen of the committees entered into conciliation agreements.

Contribution limits

- Single source contributions from individuals, political committees, and political funds.

All candidates for state executive and legislative offices must abide by statutory contribution limits.

The Board reviewed three potential violations of this law, based on reports filed by principal campaign committees for election year 2002. All three cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$225* on two committees. Three principal campaign committees were also required to return a total of \$375 to three contributors.

* One \$200 civil fine was paid in fiscal year 2002.

- Contributions from special sources (lobbyists, political committees, political funds, and contributions from individuals of more than \$100 and more than one-half the amount of the contribution limit).

All candidates for state executive and legislative offices must limit their contributions from special sources.

The Board reviewed twelve potential violations of this law, based on reports filed by principal campaign committees for election year 2002. All twelve cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$2,624* and required all twelve principal campaign committees to return a total of \$2,938 to contributors.

* \$903 in civil fines from two committees was paid in fiscal year 2004

- Aggregate contributions from political party units

All candidates for state executive and legislative offices must abide by statutory aggregate contribution limits from political party units.

The Board reviewed two potential violations of this law, based on reports filed by principal campaign committees for election year 2002. The two cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$100,416 on the two committees.

Contributions during legislative session

Principal campaign committees are prohibited from soliciting or accepting certain contributions during a regular legislative session.

The Board reviewed five potential violations of this law, based on reports filed by principal campaign committees for election year 2002. Findings of probable cause were issued in all five cases. In lieu of forwarding the public findings of probable cause to the county attorney, the Board imposed civil fines totaling \$1,700 on the five committees.

Contributions between committees

- Principal campaign committees are prohibited from accepting contributions from other principal campaign committees except when the contributing committee is terminating its registration.

The Board reviewed one potential violation of this law, based on reports filed by principal campaign committees for election year 2002. Findings of probable cause were issued requiring the recipient committee to return a \$250 contribution to the donating committee.

- Principal campaign committees are prohibited from accepting contributions from or making contributions to campaign committees of candidates for federal office or a candidate for political subdivision office in any state.

The Board reviewed two potential violations of this law, based on reports filed by principal campaign committees for election year 2002. Findings of probable cause were issued in both cases. Both committees were required to provide documentation to the Board showing that the contributions were returned to the donating committees.

Expenditure limits

All candidates for state executive and legislative offices who wish to receive public subsidy must agree to spending limits in both election and nonelection years.

The Board reviewed one potential violation of this law based on reports filed by principal campaign committees for election year 2002. The candidate entered into a conciliation agreement with the Board. A civil penalty of \$399 was paid by the principal campaign committee.

Independent

expenditures

An individual, principal campaign committee, political committee, political fund, or party unit that independently solicits or accepts contributions or makes expenditures on behalf of a candidate must publicly disclose that the expenditure is an independent expenditure.

The Board reviewed two potential violations of this law, one based on a complaint against a principal campaign committee and one based on reports filed by a political committee. Findings of probable cause were issued in both cases. One political party was fined \$3,000.

Failure to obtain written authorization

An individual or association may not make an approved expenditure of more than \$20 without receiving written authorization from the treasurer of the principal campaign committee of the candidate who approved the expenditure stating the amount that may be spent and the purpose of the expenditure.

The Board reviewed one potential violation of this law based on a complaint. One political party unit was fined \$1,000.

**Civil penalty for
failure to file a report**

Laws of 2002, eliminated the criminal penalty and replaced it with a civil penalty imposed by the Board of up to \$1,000 for failure to file reports and statements within fourteen days after two certified notices have been sent.

Based on the new law, one political committee paid \$1,000 and another paid \$500.

CAMPAIGN FINANCE SOFTWARE

Contract and with Development

In January of 2003, the Board entered into a professional services contract with Gary Goldsmith to develop new compliance checks and enhancements for *Finance 2002*. Staff worked to identify changes made to Chapter 10A that needed to be incorporated into *Finance 2002* and designed enhancements to the software in response to client comments received during the 2002 election cycle.

Approximately 180 candidates and 65 political party units, political committees and political funds used *Finance 2002* software to generate their year-end report for 2002. This represents a 106% increase from election year 2000 when a total of 120 committees and funds used the software to generate reports.

PUBLIC SUBSIDY PROGRAM

Expenditure limit for agreement

In election year 2002, 506 candidates (99%) of the 512 candidates who filed office and registered a principal campaign committee with the Board signed a *Public Subsidy Agreement* with the Board to abide with campaign expenditure limits in order to receive payments from the state elections campaign fund.

Based upon increases in the consumer price index from December 1999, to December 2001, the Board determined 2002 Election Year Expenditure Limits in effect for candidates who signed a *Public Subsidy Agreement* and filed for office as follows:

- \$2,188,090 for governor/lt governor candidates,
- \$364,690 for attorney general candidates,
- \$182,350 for secretary of state and state auditor candidates,
- \$54,740 for senate candidates, and
- \$27,380 for house of representative candidates.

Payment to candidates

A total of \$4,442,829 was paid to 421 candidates during election year 2002. See breakdown of payments starting on page 31.

Return of public subsidy

Under provisions of the public subsidy law a candidate may be required to return some or all of the public subsidy received during the election year. Public subsidy must be returned if:

- Public subsidy received is in excess of a candidate's actual campaign expenditures; two candidates returned a total of \$222; and
- A candidate exceeds the limit on resources, which may be carried forward to the next election cycle. No candidates returned any public subsidy under this requirement.

2003 Special elections

Public subsidy payments in special elections are made with appropriations from the state general fund.

Public subsidy funds were distributed in three special elections held in fiscal year 2003. In each instance, the amount of public subsidy available was the same amount for that office and party in the preceding general election.

- House District 40A (February 3, 2003) – Two candidates filed for election; two candidates qualified for public subsidy totaling \$9,982;
- House District 52B (February 11, 2003) – Eleven candidates filed for office; four candidates qualified for public subsidy totaling \$17,258; and
- House District 32B (February 25, 2003) – Three candidates filed for office; two candidates qualified for public subsidy totaling \$11,401.

Political party payments

Monthly payments are made to political parties that qualify to receive 10% of the tax filer's checkoffs to the party account of the State Elections Campaign Fund.

Based on monthly certification from the Department of Revenue for fiscal year 2003 payments to party units were as follows:

Democratic Farmer Labor	\$76,774
Green Party of Minnesota	12,884
Independence	12,344
Republican Party of Minnesota	<u>64,920</u>
Total payments to State Party Committees:	<u>\$166,922</u>

**STATE PUBLIC SUBSIDY PROGRAM
2002 ELECTION OF STATE SENATE AND HOUSE OF REPRESENTATIVES**

Candidate participation in public subsidy program

	DFL	IPM	RPM	GPM	OTHER	TOTAL
Candidates filing for office:	229	55	216	30	6	536
Filing candidates who registered a committee with the Board	226 (99%)	43 (78%)	213 (99%)	26 (87%)	4 (67%)	512 (95%)
Registered candidates who signed a public subsidy agreement	224 (99%)	42 (98%)	212 (99%)	25 (96%)	3 (75%)	506 (99%)
Registered candidates with PSA who received public subsidy payments	193 (86%)	32 (76%)	184 (87%)	12 (48%)	0 (0%)	421 (83%)

Distribution of Party Account public subsidy by office and party:

Governor

	DFL	IPM	RPM	GPM	TOTAL
Available	\$194,517	\$82,099	\$208,940	\$25,669	\$511,225
Paid to candidates	\$194,517	\$82,099	\$208,940	\$25,669	\$511,225
Paid to party ¹	0	0	0	0	0
Returned to State ²	0	0	0	0	0

Attorney General

	DFL	IPM	RPM	GPM	TOTAL
Available	\$38,870	\$16,415	\$41,753	\$5,134	\$102,172
Paid to candidates	\$38,870	0	\$41,753	0	\$80,623
Paid to party ¹	0	0	0	0	0
Returned to State ²	0	0	0	0	0
Redistributed to Party ³	0	\$16,415	0	\$5,134	\$21,549

Secretary of State

	DFL	IPM	RPM	GPM	TOTAL
Available	\$22,197	\$9,378	\$23,843	\$2,933	\$58,351
Paid to candidates	\$22,197	\$9,378	\$23,843	\$2,933	\$58,351
Paid to party ¹	0	0	0	0	0
Returned to State ²	0	0	0	0	0

State Auditor

	DFL	IPM	RPM	GPM	TOTAL
Available	\$22,197	\$9,378	\$23,843	\$2,933	\$58,351
Paid to candidates	\$22,197	\$9,378	\$23,843	\$2,933	\$58,351
Paid to party ¹	0	0	0	0	0
Returned to State ²	0	0	0	0	0

State Senate

	DFL	IPM	RPM	GPM	TOTAL
Available	\$295,561	\$62,952	\$267,093	\$51,784	\$677,390
Paid to candidates	\$282,407	\$9,072	\$246,068	\$2,932	\$540,479
Paid to party ¹	\$5,600	0	\$2,768	0	\$8,368
Returned to State ²	\$7,554	\$53,880	\$18,257	\$48,852	\$128,543

House of Representatives

	DFL	IPM	RPM	GPM	TOTAL
Available	\$296,065	\$63,043	\$269,528	\$51,846	\$680,482
Paid to candidates	\$275,173	\$9,987	\$250,840	\$2,448	\$538,448
Paid to party ¹	\$10,859	0	\$4,822	0	\$15,681
Returned to State ²	\$10,033	\$53,056	\$13,866	\$49,398	\$126,353

¹ Party account public subsidy designated for an otherwise qualified candidate of the party who is unopposed is paid to the party.

² Party account public subsidy designated for a district and office in which the party has no candidate is returned to the general fund of the state.

³ Party account public subsidy for a constitutional office for which the party has no candidate is redistributed to the candidates of that party at the next state general election.

Distribution of General Account public subsidy by office

	Total Paid	Number of Candidates	Payment Per Candidate
Governor	\$865,852	4	\$216,463
Attorney General	\$173,142	2	\$86,571
Secretary of State	\$110,924	4	\$24,731
State Auditor	\$110,924	4	\$24,731
State Senate	\$709,051	133	\$5,345
House of Representatives	\$709,447	272*	\$2,608

* Two candidates for the House of Representatives received the party account portion of the public subsidy payment, but did not qualify for the general account payment.

Distribution of General Account public subsidy by party

	DFL	IPM	RPM	GPM	TOTAL
Governor	\$216,463	\$216,463	\$216,463	\$216,463	\$865,852
Attorney General	\$86,571	0	\$86,571	0	\$173,142
Secretary of State	\$24,732	\$24,732	\$24,732	\$24,732	\$98,928
State Auditor	\$24,732	\$24,732	\$24,732	\$24,732	\$98,928
State Senate	\$336,749	\$46,244	\$315,368	\$10,690	\$709,051
House of Representatives	\$328,604	\$49,562	\$315,630	\$15,651	\$709,447
Total	\$1,017,851	\$361,732	\$983,496	\$292,269	\$2,655,348

Public subsidy totals by party

	DFL	IPM	RPM	GPM	TOTAL
General Acct Pd to candidates	\$1,017,851	\$361,732	\$983,496	\$292,269	\$2,655,348
Party Acct paid to candidates	\$835,364	\$119,914	\$795,287	\$36,916	\$1,787,481
Party Account paid to party	\$16,459	0	\$7,589	0	\$24,048
Total	\$1,869,674	\$481,646	\$1,786,372	\$329,185	\$4,466,877

Differences between totals shown and individual amounts included in totals are due to rounding.

INCOME TAX AND PROPERTY TAX CHECKOFFS^(A)

TAX RETURN PARTICIPATION RATE

<u>TAX YEAR</u>	<u>INCOME TAX</u>	<u>PROPERTY TAX REFUNDS</u>	<u>TOTAL NO. OF CHECKOFFS</u>	<u>% OF PARTICIPATION</u>
1974 Actual	1,669,794	-	372,311	22.3%
1975 Actual	1,584,086	-	376,223	23.8%
1976 Actual	1,616,441	-	391,799	24.2%
1977 Actual	1,667,924	-	451,512	27.1%
1978 Actual	1,722,053	938,791	516,300	19.4%
1979 Actual	1,761,586	880,185	458,586	17.4%
1980 Actual	1,752,137	797,327	401,566	15.8%
1981 Actual	1,738,194	806,698	395,804	15.6%
1982 Actual	1,712,796	703,470	403,371	16.7%
1983 Actual	1,721,645	660,854	416,606	17.5%
1984 Actual ^(B)	1,773,807	630,530	426,514	17.7%
1985 Actual	1,801,993	571,772	393,424	16.6%
1986 Actual	1,814,958	556,935	367,543	15.5%
1987 Actual	1,963,300	429,993	361,321	15.1%
1988 Actual	1,978,135	524,855	379,544	15.2%
1989 Actual	2,012,123	480,123	379,845	15.2%
1990 Actual ^(C)	2,029,347	544,138	398,235	15.5%
1991 Actual	2,063,233	523,085	355,727	13.8%
1992 Actual	2,059,228	557,892	350,545	13.4%
1993 Actual	2,087,914	554,942	341,034	12.9%
1994 Actual	2,132,617	534,040	335,641	12.6%
1995 Actual	2,178,578	518,236	302,053	11.2%
1996 Actual	2,226,721	499,845	293,312	9.8%
1997 Actual	2,404,536	500,001	284,528	9.0%
1998 Actual	2,455,354	491,768	288,901	9.8%
1999 Actual	2,358,098	501,999	226,270	7.9%
2000 Actual ^(D)	2,442,043	485,330	235,692	8.1%
2001 Actual ^(E)	2,413,952	462,956	300,496	10.4%

(A) Beginning with tax year 1980, taxpayers may check off \$2.00; beginning in tax year 1987 taxpayers may check off \$5.00.

(B) Beginning with tax year 1984, no minor parties qualified for inclusion on the state income tax blank; in 1995 two minor parties qualified.

(C) Beginning with tax year 1990, 3% of check-off is retained in the general fund for administrative costs.

(D) Beginning with tax year 2000, four major parties and three minor parties qualified for inclusion on the state income tax blank.

(E) Beginning with tax year 2001, four major parties qualified for inclusion on the state income tax blank.

TAX RETURN PARTICIPATION RATE

<u>TOTAL NO. OF RETURNS</u>				
<u>TAX YEAR</u>	<u>INCOME TAX</u>	<u>PROPERTY TAX REFUNDS</u>	<u>TOTAL NO. OF CHECKOFFS</u>	<u>% OF PAR- TICIPATION</u>
1974 Actual	1,669,794		372,311	22.3%
1975 Actual	1,584,086		376,223	23.8%
1976 Actual	1,616,441		391,799	24.2%
1977 Actual	1,667,924		451,512	27.1%
1978 Actual	1,722,053	938,791	516,300	19.4%
1979 Actual	1,761,586	880,185	458,586	17.4%
1980 Actual	1,752,137	797,327	401,566	15.8%
1981 Actual	1,738,194	806,698	395,804	15.6%
1982 Actual	1,712,796	703,470	403,371	16.7%
1983 Actual	1,721,645	660,854	416,606	17.5%
1984 Actual	1,773,807	630,530	426,514	17.7%
1985 Actual	1,801,993	571,772	393,424	16.6%
1986 Actual	1,814,958	556,935	367,543	15.5%
1987 Actual	1,963,300	429,993	361,321	15.1%
1988 Actual	1,978,135	524,855	379,544	15.2%
1989 Actual	2,012,123	480,123	379,845	15.2%
1990 Actual	2,029,347	544,138	398,235	15.5%
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1994 Actual	2,132,617	534,040	335,641	12.6%
1995 Actual	2,178,578	518,236	302,053	11.2%
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1997 Actual	2,404,536	500,001	284,528	9.8%
1998 Actual	2,455,354	491,768	288,901	9.8%
1999 Actual	2,396,305	481,316	226,270	7.9%
2000 Actual	2,442,043	485,330	235,692	8.1%
2001 Actual	2,413,952	462,956	300,496	10.4%

Based on 3/10/03 Department of Revenue certification of 2000 and 2001 tax return check offs.

LOBBYIST PROGRAM

2003 Legislative 15, Action

- By August 1, 2003, each lobbyist who was registered on January 15, 2003, must pay a \$50 fee for each client for whom the lobbyist was registered on that date.
- By August 1, 2003, each lobbyist principal who was required to file a report on March 15, 2003, must pay a \$50 fee.
- Changes the definition of lobbyist to provide that:
 - A lobbyist is an individual who is paid more than \$3,000, from all sources, in any year for lobbying;
 - Volunteers who are not paid and do not spend more than \$250 are not required to register; and
 - Administrative support staff, whose salary and associated administrative costs attributable to lobbying are reported as lobbying expenses by a lobbyist, do not need to register if they do not communicate or urge others to communicate with public or local officials.
- Allows lobbyists to file periodic reports electronically.
- Requires lobbyists to file two reports a year on January 15 and June 15.
- On the June 15th report the lobbyist must provide a general description of the subject(s) lobbied on the previous 12 months.
- Each registered lobbyist must pay a \$50 fee on January 15 on behalf of each client.
- Each lobbyist principal must pay a fee of \$50 with the annual March 15th report.
- The fee provisions expire June 30, 2004.
- Allows the Board to assess a late filing fee and a civil penalty for failure to pay the lobbyist or principal fee.
- Allows the Board to bring an action to recover a fee or penalty.

Advisory opinions Issued

- Reporting the cost of producing and disseminating information related to legislative action as a lobbying disbursement

The cost of producing and distributing a video that provides information about an issue before the legislature is a lobbying disbursement that must be disclosed on the *Annual Report of Lobbyist Principal* and on a periodic *Lobbyist Disbursement Report*. No. 347

- Acceptance of Gifts by a Local Official in a Metropolitan Governmental Unit

A metropolitan governmental unit may not retroactively accept gifts to local officials in order to make the gifts permissible under the provisions of Minn. Stat. §10A.071. No. 348

Filed complaints

The Board completed investigations and issued a findings in three complaints.

- The Board concluded that there was probable cause to believe that Carol Overland met the definition of a lobbyist for Public Intervenors Network, Inc., and ordered Ms. Overland to register as a lobbyist with the Board, and provide the required disclosure.
- The Board concluded that there was probable cause to believe that Carol Overland, lobbyist for Public Intervenors Network, Inc., failed to disclose required information on her *Lobbyist Disbursement Report* for the period covering January 1 through June 30, 2002, and ordered Ms. Overland to amend her report to disclose the name and address of all original sources of funding.
- The Board concluded that there was probable cause to believe that St. Paul Mayor Randy Kelly violated Minnesota Statutes, Chapter 10A when he accepted a gift from an agent of a lobbyist principal. The Board concluded that there was probable cause to believe that the Minnesota Wild violated Minnesota Statutes, Chapter 10A when an agent of the Minnesota Wild offered Mayor Randy Kelly a gift.

Filing deadlines

Approximately 5,400 *Lobbyist Disbursement Reports* were filed on behalf of 1,330 registered individuals representing 1,240 associations.

Of the 5,400 reports filed in fiscal year 2003, approximately 6% were filed late. About 6% of the reports were filed late in fiscal year 2002.

Late fees totaling \$805 for the late filing of *Lobbyist Disbursement Reports* were collected from 18 lobbyists.

Staff review of lobbyist disclosure reports

Each report was reviewed by Board staff for compliance with the lobbyist disclosure law.

Reporting year	Reports filed	Amendments filed
2002	5,400	5
2001	9,240	23
2000	9,550	30

Annual Report of calendar Lobbyist Principal

An individual or association spending more than \$500 in a year to compensate a lobbyist is required to file an *Annual Report of Lobbyist Principal*.

The *Annual Report of Lobbyist Principal* covering the period January 1 through December 31, 2002, was due on March 17, 2003, from 1,230 lobbyist principals.

Of the 1,230 reports filed in fiscal year 2003, approximately 11% were filed late. About 6% of the reports were filed late in fiscal year 2002.

Late fees totaling \$350 for the late filing of *Annual Report of Lobbyist Principal* were collected from 20 lobbyist principals.

ECONOMIC INTEREST PROGRAM

2003 Legislative action Changes to agencies whose employees and members must file *Statements of Economic Interest* with the Board:

- The Board of Behavioral Health and Therapy is established. The 13 member Board will be appointed by the Governor. One administrator will be appointed by the Board.
- The Department Children Family and Learning is changed to the Department of Education.
- The Departments of Economic Security and Trade and Economic Development are merged into the Department of Employment and Economic Development.

Filing deadlines

- *Original Statements of Economic Interest*

Approximately 245 *Notices of Appointment* appointing or reappointing a public official who is required to file an *Original Statement of Economic Interest* were received in fiscal year 2003.

Late fees totaling \$70 for the late filing of *Original Statements of Economic Interest* were collected from three public officials.

- *Supplementary Statements of Economic Interest*

Supplementary Statements of Economic Interest are required to be filed annually, if there are changes to be reported from the previously filed statement. To assist public officials in determining their need to file, Board staff mailed 1,303 public officials a copy of the information reported on previously filed statements.

Staff review of statements

Each filed statement was reviewed by Board staff for compliance with disclosure law requirements. A public official whose Statement was incomplete was required to file an amended Statement.

	2002	2001	2000
Original reports filed	245	245	290
Number of public officials	1,303	1,338	1,370
Incomplete supplementary reports requiring amendments	6	5	19

POTENTIAL CONFLICTS OF INTEREST

Advisory Opinion

- Potential conflict of interest from an associated business

Serving on both a state board and as an employee of an organization that receives funding from organizations that are regulated by the state board creates the potential for a conflict of interest. For an action or decision of a board member to be a conflict of interest the board member, or an organization that employs the board member, must benefit from the action or decision to a greater extent than any other individual or organization in the same business, profession, or occupation. No. 345

Filing

A public official who in the discharge of the official's duties would be required to take an action or make a decision that would substantially affect the official's financial interest or those of an associated business must file a *Potential Conflict of Interest* form, or a written statement describing the potential conflict, or if there is insufficient time to comply with the written requirements give oral notice to their immediate supervisor of the possible conflict.

No *Potential Conflict of Interest* notice forms were filed by public officials in fiscal year 2003.

REPRESENTATION DISCLOSURE

Filing

A public official who represents a client for a fee before any individual board, commission or agency that has rule making authority in a hearing conducted under Minnesota Statutes Chapter 14, and in the cases of rate setting, power plant and powerline siting and granting of certificates of need under Minn. Stat. §216.B243, must file a *Representation Disclosure Statement* within 14 days after the appearance has taken place, disclosing the officials part in the action.

No *Representation Disclosure Statement* forms were filed by public officials in fiscal year 2003.

OTHER BOARD PROGRAMS

Public Employees Retirement Association this (PERA) Trustee Candidates

Candidates for election as PERA Trustees are required to file certain campaign finance disclosure reports with the Campaign Finance and Public Disclosure Board under Minn. Stat. § 353.03, subd. 1. Under

statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form.

One seat was up for election in fiscal year 2003. Five *Report of Contribution* forms were filed with the Board.

Minnesota Technology, Inc. (MTI)

Minn. Stats. §§ 1150.03 and 1160.04 require certain disclosure by the board of directors and the president of MTI upon appointment and annually thereafter during the term in office. Under these statutes, the Board prescribes and furnishes to the directors and president the reporting form and instructions for completing the form.

Eleven *Statements of Contributions* forms were filed with the Board in April 2003.

State Board of Investment

Minn. Stat. §11A.075 requires certain disclosure by board members upon appointment and employees upon hire and by both annually thereafter until termination of appointment or employment. Under this statute, the Board prescribes and furnishes to the members and employees the reporting form and instructions for completing the form.

Twenty three *Statement of Expense Reimbursement* forms were filed with the Board in April 2003.

State Pension Funds

Members of a governing board of a covered pension plan and the chief administrative officer of the plan are required to file certain *Statements of Economic Interest* with the governing Board under Minn. Stat. §356A.06, subd. 4.

Under this statute, the Office of the State Auditor prescribes the statement and instructions for completing the statement, which covers the previous calendar year. The chief administrative officer of each covered pension plan must submit a certified list of individuals who have filed *Statements of Economic Interest* and the address where the statements and pension plan may be viewed with the Campaign Finance and Public Disclosure Board annually, no later than January 15th.

Approximately 745 pension plans are required to file with the Board under this law. In fiscal year 2003, 447 pension funds filed copies of the required *Statement of Economic Interest* with the Board.

STAFF DUTIES

Executive Director

Work with the Board to formulate objectives, priorities, and policies. Oversee support for Board meetings and committee activities. Plan and manage agency activities to accomplish Board objectives. Secure and allocate necessary financial and human resources. Direct agency and staff operations. Educate and assist clients to ensure compliance with statutory reporting requirements, limits, and prohibitions. Represent the agency to the legislature, constitutional offices, state agencies, associations, professional groups, and the public.

Assistant Executive

Director

Serve as advisor to the Executive Director and assist in management of the operations for the agency. Draft advisory opinions and administrative rules for Board consideration. Manage the agency's compliance programs and information resources. Serve as the agency's representative on the Minnesota Information Policy Council. Determine public subsidy payment amount to qualifying candidates. Manage development of campaign finance software. Provide compliance and report training to clients. Determine public subsidy payment amounts for qualifying candidates. Manage development of campaign finance software. Provide compliance and report training to clients.

Office Manager

(Office Services Supervisor)

Administer daily financial and biennial budgeting programs. Manage payroll and human resource procedures and systems. Draft Board meeting minutes, annual report, and forms and handbooks to assist clients in meeting statutory requirements. Prepare agency fiscal notes for legislative consideration. Serve as agency liaison to other state agencies.

Compliance Officer

(Investigator)

Investigate written complaints and draft conciliation agreements and findings for Board consideration. Assist clients to ensure compliance with statutory reporting requirements, deadlines, limits and prohibitions. Coordinate investigations and settlements of potential violations of Minnesota Statutes, Chapter 10A. Serve as investigative liaison to the Executive Director, Board, and Attorney General's Office. Refer and monitor cases for Revenue Recapture and the Minnesota Collections Enterprise. Prepare and submit reports to the Department of Finance regarding civil fines.

Programs Administrator
(Office & Administrative
Specialist Principal)

Provide for distribution, collection, data entry, and filing of disclosure required by Minn. Stat. 10A. Collect, store and retrieve data for the preparation and analysis of summaries of documents filed with the Board. Provide database advice and guidance to Board staff and clients. Manage all aspects of special elections.

**Information
Systems
Manager**
(Information Technology
Specialist IV)

Provide operational planning and management for the Board's information technology resources. Perform systems analysis of all Board programs and functions to determine appropriate uses of technology to further Board goals. Provide application design, specification, project management and user training and support for the Board's campaign finance software (*Finance 2002*). Provide management with guidance in design of Board web site and develop high level programming for interactive applications delivered on the web.

**Information
Technology
Specialist II**

Develop, maintain, and manage complex database applications to support administration of all Board programs and activities. Provide technical service, assistance and training to Board staff. Administer local area networks. Develop and maintain Board websites. Administer email system. Install new personal computers and associated hardware and software.

Programs Assistant
(Office and Administrative
Specialist Intermediate)
(9/6/02 – 11/21/02)

Assist with mailing and filing of all required documents filed with the Board office in all agency programs. Enter data from required reports.

Information Assistant
(Customer Service
Specialist Intermediate)
(7/1/02 – 3/11/03)

Serve as agency receptionist. Maintain agency receipts for deposit with the State Treasurer. Administer contribution receipt program. Prepare mailings for monthly Board meetings. Arrange for agency printing, duplicating, and mailing of official notices. Maintain records retention per agency schedule. Provide assistance in typing and word processing to Board staff.

Student Worker
(July 1, 2002 – May 22, 2003)

Assist with mailing and filing of all required documents filed with the Board office in all agency programs. Enter data from filed *Lobbyist Disbursement Reports*.

STAFF SALARIES

July 1, 2002 - June 30, 2003

<u>POSITION</u>	<u>STAFF</u>	<u>SALARY</u>	
Executive Director	Jeanne Olson	\$90,572	
Assistant Executive Director	Jeffrey Sigurdson	64,586	
Office Services Supervisor II	LuAnn Swanson	49,193	
Investigator	Leah Drilias	33,355	
Office and Administrative Specialist Principal	Joyce Larson	38,990	
Information Technology Specialist IV	John Nesbitt	55,654	
Information Technology Specialist II	Xiaowei Cao	40,193	
Office and Administrative Specialist Intermediate	Patricia Klingner	2,351	(9/6/02 – 11/21/02)
Customer Service Specialist Intermediate	Tricia McBrayer	20,958	(7/1/02 – 3/11/03)
Student worker	Monica Fuentes	8,746	(7/1/02 – 5/22/03)
 TOTAL 2003 SALARIES		 <u>\$404,598</u>	

FINANCIAL INFORMATION

INCOME SUMMARY

Appropriation	\$667,000
Photocopy Revenue	4,481
Service Processes Fees Recovered	258
Technology Appropriation	15,000
Technology Carryforward	12,204
Carry forward from fiscal year 2002	89,470
Fiscal year 2003 unallotment	<u>-25,000</u>
TOTAL	<u>\$763,413</u>

EXPENDITURE SUMMARY

Operating budget expenditures	\$687,095
Technology expenditures	<u>27,204</u>
Sub-total	\$714,299
Operating budget carry forward to fiscal year 2003	\$49,114
Technology budget carry forward to fiscal year 2003	<u>0</u>
TOTAL	<u>\$763,413</u>

BOARD OPERATING BUDGET

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The fiscal year budget begins July 1 and ends June 30.

Full time staff (salary and fringe)	\$499,370
Part time staff (salary and fringe)	9,426
Workers Compensation	2,906
Achievement/Incentive	5,100
Vacation Pay Out	1,885
Per Diem	4,785
Office rent	33,539
Postage	21,043
Misc. rents	112
Telephone	3,813
Photocopy machine leases	13,754
In-State Travel – staff	245
Out-State Travel	2,816
Printing	10,095
Board meeting expenses	2,315
Staff / Board development	3,246
Subscriptions, Memberships	471
Supplies	17,310
Equipment	14,381
Repairs	344
Misc. Purchased Services	7,748
Prof/Tech Services	30,234
Legal Costs	1,874
Client Training	<u>285</u>
Total	<u>\$687,095</u>

TECHNOLOGY BUDGET

In fiscal year 2003 the Board received a one-time appropriation for support of campaign finance software *Finance 2002*, and to upgrade agency technology.

Web development	\$7,915
Equipment	4,939
Finance2002 development	<u>14,350</u>
TOTAL	<u>\$27,796</u>

DEPOSITS IN STATE GENERAL FUND

Late Filing Fees

Principal Campaign Committees	\$5,295	55 committees
Political Committees and Funds	13,085	99 committees
Lobbyist Disbursement Reports	1,155	38 lobbyists
Economic Interest Statements	<u>70</u>	<u>3</u> public officials
TOTAL LATE FILING FEES	\$19,605	195

Civil Fines

Contribution limits violations	\$25	1 candidate committee
Contributions during session	1,700	5 candidate committees
Special source aggregate limit	1,722	7 candidate committees
Exceeding spending limit	399	1 candidate committee
Excess party contributions	100,416	2 candidate committees
Written authorization	1,000	1 political party committee
Independent expenditure	3,000	1 political party committee
Failure to file report	<u>1,500</u>	<u>2</u> political committees
TOTAL CIVIL FINES	\$109,762	20

Return of public subsidy	\$222	2 candidate committees
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Contributions on termination	\$2,209	6 candidate committees 1 political committee
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Photocopy receipts

Copies	\$4,481	709 individuals paid (retained by Board to off-set photo copier costs)
State sales tax	313	0
St. Paul sales tax	<u>24</u>	<u>0</u>
TOTAL COPY RECEIPTS	\$4,818	709

Return of service process fees	\$258	6
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TOTAL DEPOSITS IN STATE GENERAL FUND	\$136,874	939
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DEPOSITS IN STATE ELECTIONS CAMPAIGN FUND (SECF)

Anonymous contributions	\$2,981	9 candidate committees 2 political committees
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Contributions to State Elections Campaign Fund	5,297	5 candidate committees 1 political committee
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Contributions from political committees not accepted by receiving committee	575	3 candidate committees
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TOTAL DEPOSITS IN SECF	<u>\$8,853</u>	<u>20</u>
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TOTAL RECEIPTS	<u>\$145,727</u>	<u>959</u>
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