

Report of the Minnesota Campaign Finance and Public Disclosure Board



Covering Fiscal Year 2019

July 1, 2018 - June 30, 2019

Issued: November 6, 2019

CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

Suite 190, Centennial Building

658 Cedar Street

St. Paul MN 55155-1603

Telephone: 651-539-1180 or 800-657-3889

Fax: 651-539-1196 or 800-357-4114

Email: cf.board@state.mn.us

Website: www.cfb.mn.gov

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529.



MINNESOTA CAMPAIGN FINANCE BOARD

DATE: November 6, 2019

TO: The Honorable Tim Walz, Governor
The Honorable, Paul Gazelka, Senate Majority Leader
The Honorable Melissa Hortman, Speaker of the House
The Honorable Thomas Bakk, Senate Minority Leader
The Honorable Kurt Daudt, House Minority Leader
The Honorable Mary Kiffmeyer, Chair State Government Finance and Policy and Elections
The Honorable Raymond Dehn, Chair Subcommittee on Elections

FROM: Margaret Leppik, Chair
Campaign Finance and Public Disclosure Board

SUBJECT: Report of Board activities during fiscal year 2019.

Pursuant to Minnesota Statutes section 10A.02, subdivision 8 (a), the Campaign Finance and Public Disclosure Board submits this report of the Board's activities during fiscal year 2019.

The Board, consistent with its objectives and administrative procedures, provided guidance to the thousands of individuals and associations whose disclosure of certain political, lobbying and economic interest activities is regulated by the Campaign Finance and Public Disclosure Act, Minnesota Statutes Chapter 10A.

Included in this report is information about campaign finance disclosure, the filing of lobbyist disbursement and lobbyist principal reports, and the filing of statements of economic interest by public officials.

Throughout its activities the Board strives to accomplish its mission; which is to promote public confidence in state government decision-making through development, administration, and enforcement of disclosure and public financing programs and ensure public access to and understanding of information filed with the Board.

We recognize the importance the State of Minnesota places on public disclosure laws and the regulation of campaign finance activity and appreciate the trust placed in the Board and its staff by the Legislature and the Office of the Governor.

Table of Contents

EXECUTIVE SUMMARY	1
INTRODUCTION TO THE BOARD	2
Authority	2
Mission Statement	2
Functions.....	2
Goals and Objectives.....	3
Board and Staff	3
Board Member Qualifications.....	3
Board Members - July 1, 2018, through June 30, 2019	4
Summary of Board Activities.....	7
Meetings	7
Advisory Opinion Procedure	7
Education and Training Outreach	8
Use of Technology.....	9
CAMPAIGN FINANCE PROGRAM.....	11
Program Overview	11
Legislative Action and Rulemaking	11
Advisory Opinions	12
Campaign Finance Disclosure Reports Filed	12
Electronic Filing.....	13
Public Subsidy Payments.....	14
Political Party Payments	15
Campaign Finance Enforcement Actions	15
LOBBYIST PROGRAM.....	16
Program Overview	16
Legislative Action and Rulemaking	17
Advisory Opinions	17
Lobbyist Disbursement Reports.....	17
Principal Reporting.....	18
Lobbyist Program Enforcement Actions	19
ECONOMIC INTEREST PROGRAM.....	19
Program Overview	19
Legislative Action and Rulemaking	20
Advisory Opinions	20
OTHER BOARD PROGRAMS.....	20
STAFF DUTIES.....	22
Staff Salaries.....	25
BOARD FINANCIAL INFORMATION	25
Board Operating Budget	26
Penalties Paid for Late Filing of Disclosure Reports and Other Violations of Chapter 10A	27

Executive Summary

The Campaign Finance and Public Disclosure Board is charged with the administration of the Campaign Finance and Public Disclosure Act, Chapter 10A of Minnesota Statutes. There are three major programs governed by Chapter 10A: 1) the regulation of campaign finance contributions and expenditures for state-level candidates, party units, and political committees; 2) the registration and reporting of lobbyists and the principals the lobbyists represent; and 3) the collection and disclosure of economic interest statements required of public officials. A brief overview of each program is provided here, with reference to the page in the annual report where detailed information about that program is located. Additionally, beginning on page 4, the annual report provides information on Board members who served during the fiscal year, and starting on page 22 the Board's staff, budget, and other financial activity during the fiscal year is reviewed.

Fiscal year 2019 included the majority of the activity related to the 2018 state election. Board staff focused on helping clients meet the compliance and reporting obligations of Chapter 10A by conducting class room training and by developing user guides and videos that were available on the Board's website. The Board also finished the deployment of a new, enhanced website during the fiscal year. The website provides powerful tools that allow the public to directly access and download disclosure information reported to the Board.

On the filing date for the 2018 year-end report of campaign receipts and expenditures there were 665 state-level candidates, 317 political party units, and 418 political committees and funds registered with the Board. The Board issued public subsidy payments totaling \$2,249,376 to 245 qualified candidates during the 2018 election. Additional information regarding the campaign finance program begins on page 11.

About 1,450 lobbyists were registered with the Board at any one time throughout the fiscal year. The lobbyists represented 1,460 principals. The principals reported total lobbying expenditures of \$78,757,615 in calendar year 2018. Additional information on the lobbyist program is found on page 16.

The economic interest disclosure program requires public officials in approximately 2,900 positions to file economic interest statements with the Board. Depending on the position, these officials file their statements when they initially file their affidavits of candidacy for state-level office or when they take office. Additionally, public officials must review and update their statements in January of each year. Details on the economic interest disclosure program start on page 19.

During the fiscal year, the Board held thirteen scheduled meetings. At these meetings, the Board issued three advisory opinions, reviewed and approved twenty four conciliation agreements resolving violations of Chapter 10A, issued seven findings to conclude Board investigations, and dismissed eight complaints that alleged violations of Chapter 10A at either the prima facie or probable cause determination stage.

Introduction to the Board

The Campaign Finance and Public Disclosure Board was established by the state legislature in 1974 through enactment of Chapter 10A of the Minnesota Statutes. Throughout its history the Board has enforced the provisions of Chapter 10A, promulgated and enforced Minnesota Rules 4501 through 4525, and issued advisory opinions to guide clients in meeting the chapter's requirements.

New authority was given to the Board in 2013, which extended the Board's jurisdiction to three sections of Chapter 211B. Those sections are (1) 211B.04, which governs the "prepared and paid for" form of disclaimer, (2) 211B.12, which specifies the purposes for which campaign money legally may be used, and (3) 211B.15, which governs corporate contributions. The new authority is limited to those individuals and associations already subject to the Board's jurisdiction under Chapter 10A. The Board's new jurisdiction means that it may conduct investigations of possible violations of these statutes and may also issue advisory opinions on these provisions.

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.

Functions

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

- registration and public disclosure by state legislative, constitutional office, and judicial office candidates; political party units; political committees; and political funds;
- state public subsidy program that provides public funding to qualified state candidates and the state committees of political parties;
- registration and public disclosure by lobbyists and principals attempting to influence state legislative

action, administrative action, and the official action of metropolitan governmental units; and

- disclosure of economic interest, conflicts of interest, and representation of a client for a fee under certain circumstances for designated state and metropolitan governmental unit officials.

Goals and Objectives

- Create better compliance with the Campaign Finance and Public Disclosure Act by providing easy access to information and training.
- Provide fair and consistent enforcement of the Act.
- Help citizens become better informed about public issues related to the Act.

Board and Staff

The Board consists of six members, none of who may be an active lobbyist, a state elected official, or an active candidate for state office. The Board is not non-partisan; rather it is multi-partisan, with no more than three of the members of the Board supporting the same political party. The Board was able to maintain nine full-time positions during the fiscal year. Additional information about Board staff is found beginning on page 22.

Board Member Qualifications

The Board consists of six citizen members who are responsible for the administration of the Campaign Finance and Public Disclosure 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 body of the legislature. Two members must be former members of the legislature who support different political parties; two members must be persons who have not been public officials, 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 their appointment; and the other two members must support different political parties.

Board Members

July 1, 2018, through June 30, 2019



Margaret Leppik – Board Chair, 2019

Margaret (Peggy) Leppik was appointed to the Board in May of 2015 by Governor Dayton for a term ending in January of 2016. Governor Dayton re-appointed Ms. Leppik in January 2016 for a term ending in January of 2020. Because the Senate was not able to schedule a vote to confirm her appointment before adjourning sine die, her appointment ended in May of 2016. She was reappointed by Governor Dayton in July of 2016 to the same position, and was appointed again in June of 2017 for a term that expires in January of 2020. She fills a Board position requiring a former Republican legislator. Ms. Leppik served as a state representative from 1991-2003 where she chaired the Higher Education Finance Committee. She served on the Metropolitan Council from 2003-2011 where she was vice chair for three years and chaired the Environmental Committee. A graduate of Smith College, Ms. Leppik is an active volunteer for numerous nonprofit organizations.



Carol Flynn - Board Chair, 2018

Carol Flynn was appointed to the Board in February of 2015 by Governor Dayton for a term ending in January of 2019. In July of 2019, Governor Walz reappointed Ms. Flynn to a term ending in January of 2023. She fills a Board position requiring a former DFL legislator. Ms. Flynn served as a state senator from 1990-2000 where she was Majority Whip and chaired the Judiciary and Transportation Committees. Ms. Flynn worked and studied at the University of Minnesota. She served on the Metropolitan Waste Control Commission and Metropolitan Council where she chaired the Systems Committee. She currently volunteers on several union retiree organizations.



Robert Moilanen

Robert Moilanen was initially appointed by Governor Dayton to the Board in October of 2016. Mr. Moilanen was reappointed in June of 2017 for a term ending in January of 2019. In July of 2019, Governor Walz reappointed Mr. Moilanen to a term ending in January of 2023. He occupies a Board position for a member who 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 member's appointment. Mr. Moilanen is a graduate of Gustavus Adolphus College and George Washington University Law School. Mr. Moilanen spent the early part of his legal career working in the public sector. Subsequently, he spent nearly thirty years in the private practice of law with the majority of that time spent as a partner at the law firm of Popham, Haik, Schnobrich, Kaufman and Doty. His private practice career primarily focused on securities fraud. Mr. Moilanen concluded his professional career working as the Director of Securities for the State of Minnesota from 2011-2014.



Daniel N. Rosen

Daniel N. Rosen was initially appointed in July of 2014, by Governor Dayton for a term ending in January of 2018. Governor Dayton re-appointed Mr. Rosen in January 2018 for a term ending in January of 2022. He fills a Board position requiring a member who 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 member's appointment to the Board. A lawyer in Minneapolis, Mr. Rosen is a graduate of the University of Minnesota Law School and the lead Minnesota partner of the Kluger Kaplan law firm, where he practices in the field of business and real estate litigation. Prior to law school Mr. Rosen was as an officer in the United States Navy and served in Operations Desert Shield and Desert Storm.



Stephen Swanson

Stephen D. Swanson was appointed to the Board in July of 2017 by Governor Dayton for a term ending in January of 2020. He occupies an unrestricted Board position and supports the DFL party. Mr. Swanson is a graduate of the University of Cincinnati College of Law, and holds a Master of Laws degree from New York University. Following a career as an attorney with Mid-Minnesota Legal Assistance, Inc. Mr. Swanson served as a Hennepin County District Court Judge from July of 1989 to February of 2007 and as a Senior Judge from January of 2009 to April of 2014. Most recently, he served as a temporary administrative law judge with the Minnesota Office of Administrative Hearings from May 2014 to May 2017. Mr. Swanson has served as an international judge on the Court of Bosnia and Herzegovina, and worked in USAID-sponsored rule of law projects in Afghanistan, Kosovo, and Lebanon. Currently, Mr. Swanson is employed as a part-time housing attorney with the Volunteer Lawyers Network.



Gary Haugen

Gary J. Haugen was appointed to the Board in September of 2017 by Governor Dayton for a term ending in January of 2021. He fills a Board position that has no restrictions on previous political activities. Mr. Haugen is an attorney with Maslon LLP where he has handled complex litigation matters for more than 35 years. A central focus of his practice has been the litigation of product liability, mass tort, insurance-related disputes, and professional liability claims. Mr. Haugen has also been a member of the adjunct faculty at Vanderbilt University Law School and the University of Minnesota Law School, where he currently serves on the Board of Advisors. He is the former chair of the Federal Practice Committee for the U.S. District Court for the District of Minnesota. He is a graduate of St. Olaf College and the University of Minnesota Law School.

Summary of Board Activities

Meetings

The Board holds regular monthly meetings, which are open to the public, and executive session meetings, which are closed to the public.

The Campaign Finance and Public Disclosure Board held thirteen scheduled meetings during the fiscal year. Minutes of Board meetings are published on the Board's website.

Advisory Opinion Procedure

The Board is authorized to issue advisory opinions on the requirements of the Campaign Finance and Public Disclosure Act, Minnesota Statutes Chapter 10A; Minnesota Statutes sections 211B.04, 211B.12, and 211B.15 if the requestor is under the jurisdiction of Chapter 10A; and the Hennepin County Disclosure Law (Minn. Stat. §§ 383B.041 - 383B.058). Individuals or associations may ask for advisory opinions based on real or hypothetical situations to guide their compliance with these laws.

A request for an advisory opinion and the opinion itself are nonpublic data. The Board provides consent to release information forms to individuals requesting opinions as part of the procedures under this law. If the requestor does not consent to the publication of the requestor's identity, the Board generally publishes a public version of the opinion, which does not identify the requestor.

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.

Three advisory opinions, Advisory Opinions 448-450, were issued in fiscal year 2019. Summaries of these advisory opinions are provided in the review of the campaign finance program.

Education and Training

To accomplish the goal of educating clients and the interested public on the compliance and reporting requirements of Chapter 10A Board staff conducted the following training during the fiscal year:

- 4 compliance training sessions attended by 65 candidates and treasurers of principal campaign committees, political party units, and political committees and funds; and
- 7 computer lab training classes attended by 49 treasurers who use the Campaign Finance Reporter software.

An ongoing problem in providing compliance training to treasurers is the difficulty in reaching St. Paul from many locations in Minnesota. Board staff schedules training classes in greater Minnesota in state election years, and intends to expand non-election year training in greater Minnesota in fiscal year 2020.

As an effort to provide training available at any time and at any location with web access the Board contracted to develop five online training videos for treasurers. The modules allow viewers to move at their own pace through the topics covered and incorporate quizzes during the training to make the modules more interactive. The Board also maintains videos on specific topics related to using Campaign Finance Reporter. The videos are available on the Board's website. Based on favorable client feedback both of these training tools will be used extensively in the future.

Additionally Board staff participated in numerous panels, presented at many continuing legal education courses, and spoke to interested groups of the public on the requirements of Chapter 10A.

Use of Technology

The Board has long recognized the value of receiving disclosure reports in electronic format. Electronic reports may be moved directly into Board databases where the records are analyzed for compliance issues and then exported to the Board's website for faster disclosure to the public. Electronic filing eliminates the cost and errors associated with data entry of paper reports.

To facilitate electronic filing, the Board developed web based applications for filing lobbyist disbursement reports, lobbyist principal reports, and economic interest statements. Use of these web based applications is optional, clients may still file a paper report, but all three applications have participation rates of over 85%, which indicates that clients also prefer electronic filing.

The new Board website offers the following:

- Board meeting notices and minutes;
- Board enforcement actions, including findings and conciliation agreements;
- Advisory opinions;
- Lists of lobbyists and principals, candidate committees, political committees, political funds, party units, and public officials;
- Copies of all campaign finance and lobbyist reports;
- Electronic filing for lobbyists and lobbyist principals;
- Electronic filing of statements of economic interest for public officials;
- All Board publications and forms;
- Searchable databases of campaign finance contributions;
- Searchable database of independent expenditures;
- Campaign Finance Summaries;

- Lobbyist Disbursement Summaries;
- Annual Reports of Lobbyist Principal Expenditures; and
- Training videos on campaign finance compliance and the use of Campaign Finance Reporter.



Program Reviews

The Board administers three major and several minor programs as authorized by Minnesota Statutes Chapter 10A. The major programs are campaign finance, lobbying, and economic interest disclosure. The review of each major program includes a general description of the program, a review of legislation passed during the fiscal year that affects the program, a review of any Board advisory opinions issued during the time period for the program area, and an overview of administrative activity that occurred during the fiscal year.

Campaign Finance Program Overview

The Board administers the provisions of Chapter 10A of the Minnesota Statutes. These laws govern campaign finance for principal campaign committees, political committees, political funds, political party units, and independent expenditure committees and funds.

During calendar year 2018, an election year, these committees and funds filed periodic reports disclosing receipts and expenditures before the primary and general elections, as well as a year-end report. Information on the number of reports filed is found on pages 12 and 13.

Each filed report is reviewed by Board staff for compliance with the disclosure law requirements, including accurate accounting and reporting and adherence to applicable contribution and expenditure limits. Violations of contribution and expenditure limits are resolved through either a conciliation agreement, or in some cases, a Board order. Information on Board investigations and enforcement actions is found on page 15.

As a part of the campaign finance program the Board administers and regulates the distribution of payments for the state's public subsidy program, which provides public funding to qualified state candidates and the state committees of political parties. Payments are made following the state primary election to candidates and monthly to the state committees of political parties. Information on public subsidy payments made during fiscal year 2019 is found on pages 14 and 15.

Legislative Action and Rulemaking

In fiscal year 2019, the Board submitted legislative proposals that would have affected the campaign finance program. Suggested technical changes included simplified reporting for political party units that are registered with both the Board and the Federal Election Commission, and modifying the definition of multicandidate political party expenditures to include web based communications. Policy recommendations included redefining independent expenditures so that communications that use words that are the functional equivalent of express advocacy would be reportable to the Board. The legislature took no action on the recommendations.

Advisory Opinions Issued Related to Campaign Finance Program

The Board issued three advisory opinions in the campaign finance program in fiscal year 2019.

- Advisory Opinion 448 provided that a principal campaign committee is the vehicle for depositing and reporting any loans made to benefit a candidate's campaign. The opinion concluded that a personal loan made to the candidate to allow the candidate to campaign on a full-time basis would be made to benefit the candidate's campaign and therefore would be subject to the applicable reporting requirements and limits in Chapter 10A.
- Advisory Opinion 449 provided that an association's advertising policies for accepting political advertisements were not governed by Chapter 10A. The opinion cautioned, however, that associations should be aware of how their advertising policies could result in prohibited corporate contributions to candidate campaign committees.
- Advisory Opinion 550 provided that a principal campaign committee could pay for certain expenses related to the operation of a legislative caucus that qualified as noncampaign disbursements under Chapter 10A.

Campaign Finance Disclosure Reports Filed

Below are the number of reports of receipts and expenditures filed by candidates, political party units, and political committees and political funds during election year 2018, and the 2018 year-end report filed in January of 2019.

	Paper	Electronic	Total
Candidate Committees	203	1,243	1,446
Political Party Units	78	353	431
Political Committees or Funds	90	229	319

Electronic Filing of Reports

Principal campaign committees, political committees, political funds, and political party units have been using the Campaign Finance Reporter software since 1998. The Board provides the software to registered committees without charge. The maintenance, upgrade, training, and helpdesk support for the software is provided by Board staff. The software provides compliance checks and warnings as records are entered, generates electronic reports for filing that reduce the data entry demands on Board staff, and provides contact management tools for the committees that use the software.

Electronic filing of campaign finance reports became mandatory beginning with the 2012 election cycle. The Board may grant a waiver from the requirement to file electronically if the total financial activity of a committee is less than \$5,000, or if there are technical or other valid reasons why the electronic filing requirement would be an unreasonable burden to the committee.

The Board has developed and distributed a XML schema that is the standard for the electronic filing of campaign finance reports using a third party vendor's software. Thirty-one committees filed electronically using the XML standard. The table below shows the increase in electronic filing from 2006 to 2018.

Reporting Year	Candidate Campaign Committees	Political Committees, Political Funds, and Political Party Units
2018	576	582
2017	499	525
2016	557	548
2015	442	524
2014	516	543
2013	479	526
2012	581	594
2011	327	237
2010	376	174
2009	292	154
2008	278	135
2007	201	114
2006	228	126

Public Subsidy Payments

The Board administers the distribution of payments for the state’s public subsidy program, which provides public funding to qualified state candidates and the state committees of political parties. Payments to qualified candidates during the 2018 state general election were made in fiscal year 2019.

The Board distributed \$2,249,376 in public subsidy payments to 245 candidates who ran for governor, attorney general, secretary of state, state auditor, or the house of representatives in the 2018 state general election.

A report of the public subsidy payments made to each qualified candidate is available on the Board’s website. Total public subsidy payments for the 2018 election by party and office is shown in the following table.

	DFL	RPM
Governor	\$480,333	\$361,259
Attorney General	\$96,066	\$72,252
Secretary of State	\$54,895	\$41,287
State Auditor	\$54,895	\$41,287
House of Representatives	\$645,369	\$401,733
Total	\$1,331,558	\$917,818

Political Contribution Refund Program

State candidates who sign the public subsidy agreement and political parties are allowed to give political contribution refund receipts to individual contributors. In calendar year 2018 the Department of Revenue issued \$1,703,077 in refunds based on contributions to candidates, and another \$1,473,039 in refunds based on contributions to political parties.

Political Party Payments

The state central committees of political parties receive 10% of the tax check-offs to the party account of the State Elections Campaign Fund. Based on monthly certification from the Department of Revenue during fiscal year 2019 the payments to political parties were as follows:

Party	Payment
Democratic Farmer Labor	\$43,338
Republican	\$18,715
Independence	\$2,358
Green	\$1,217
Libertarian	\$964
Legal Marijuana Now	\$1,528
Grassroots-Legalize Cannabis	\$723

Campaign Finance Enforcement Actions

The Board conducts investigations of possible violations of the provisions of Chapter 10A or those sections of 211B under the Board's jurisdiction. An investigation is started in response to a complaint filed with the Board or may be initiated by staff based on information disclosed on documents filed with the Board.

Investigations of many types of violations are typically resolved by conciliation agreement. The conciliation agreement will set the terms under which the violation is to be remedied, provide for remedial measures to correct the offending behavior, and provide for a civil penalty to the committee. Violations not resolved by conciliation agreement are resolved through the issuance of a Board order. If warranted, the Board may also issue an order stating that no violation occurred.

During fiscal year 2019 the Board entered into twenty-four conciliation agreements to resolve violations of Chapter 10A or Chapter 211B. In fiscal year 2019 the Board also issued seven findings to conclude investigations, dismissed three complaints at the probable cause determination stage, dismissed five complaints at the prima facie determination stage, and issued one audit report.

To ensure compliance with disclosure deadlines Chapter 10A provides for late fees applied at the rate of \$50 a day for reports of receipts and expenditures due prior to primary and general elections, and \$25 a day for other reports. Reports that are filed more than 7 days after the Board has sent notice by certified mail of the failure to file a report also incur a \$1,000 civil penalty. Civil penalties and late fees collected by the Board are deposited in the state general fund. A breakdown of late fees and civil penalties collected through enforcement is provided on page 27.

Lobbying Program Overview

The Board administers the provisions of Chapter 10A that govern registration and public disclosure by lobbyists and principals attempting to influence state legislative action, state administrative action, and the official action of metropolitan governmental units.

Lobbyists are required to report disbursements for lobbying purposes to the Campaign Finance and Public Disclosure Board two times each year (January 15 and June 15). On the June 15th report the lobbyist must provide a general description of the subject(s) lobbied on during the previous 12 months.

Individuals or associations that hire lobbyists or spend \$50,000 or more to influence legislative action, administrative action, or the official action of metropolitan governmental units, are principals and are required to file an annual report disclosing total expenditures on these efforts. The report is due March 15th, and covers the prior calendar year.

Legislative Action and Rulemaking

In fiscal year 2019 there were no statutory or rule changes to the lobbying provisions.

Advisory Opinions Issued Related to Lobbyist Program

The Board did not issue any advisory opinions in the lobbying program in fiscal year 2019.

Lobbyist Disbursement Reports

The Board has developed a web-based reporting system for lobbyists. Use of the system is voluntary, but as shown below it is used by most lobbyists as the reporting method of choice. Lobbyist disbursement reports are available for review on the Board website.

Reporting year	Reports filed	Electronically filed
2018	4,201	97%
2017	4,231	95%
2016	4,174	98%
2015	4,076	97%
2014	4,041	96%
2013	3,998	97%
2012	3,823	93%
2011	3,959	94%
2010	3,950	98%
2009	4,028	93%
2008	4,022	92%
2007	3,798	90%

Principal Reporting

Chapter 10A requires principals to file an annual report disclosing expenditures made in Minnesota to influence legislative actions, administrative actions, or official actions by a metropolitan governmental unit. The disclosure is a single number which may be rounded to the nearest \$20,000. Starting in 2012 principals are required to break out the amount spent influencing administrative action of the Minnesota Public Utilities Commission from all other lobbying.

	All Other Lobbying in Minnesota	MN Public Utilities Commission	Total
2018	\$63,727,954	\$15,029,661	\$78,757,615
2017	\$66,029,622	\$9,641,044	\$75,670,666
2016	\$62,140,012	\$6,222,560	\$68,362,572
2015	\$63,947,699	\$5,177,020	\$69,124,719
2014	\$64,517,472	\$5,889,000	\$70,406,472
2013	\$69,185,283	\$5,568,210	\$74,753,493
2012	\$59,060,155	\$2,749,590	\$61,809,745
2011	\$65,241,174		\$65,241,174
2010	\$59,172,799		\$59,172,799

Lobbyist Program Enforcement Actions

In fiscal year 2019 the Board issued one conciliation agreement to resolve a violation of Minnesota Statutes section 10A.273, subdivision 1, paragraph (b), which prohibits lobbyists from making contributions to state candidate committees during a regular session of the legislature.

Economic Interest Statement Program Overview

The Board administers the provisions of Chapter 10A of the Minnesota Statutes that govern disclosure of economic interests by public officials and local officials in metropolitan governmental units. There were over 3,100 public officials who filed with the Board in fiscal year 2019. Local officials use forms developed by the Board, but file with the local governmental unit.

Filing of Statements

Original statements of economic interest must be filed at the time of appointment or, for candidates, when the candidate files for office. All incumbent office holders and appointed officials must annually review and recertify their statements. The annual recertification is due by the last Monday in January and covers all time served during the previous calendar year. The Board has developed a web based system for submitting economic interest statements.

During fiscal year 2019, there were 370 state offices, boards, agencies, or commissions with elected or appointed public officials. The Board processed 3,439 statements of economic interest during the fiscal year, 87% of which were submitted using the Board's electronic filing system, and 13% of which were submitted on paper forms.

During the annual recertification period in January of 2019, staff processed 2,777 statements. Of those statements, 92% were filed electronically.

Legislative Action and Rulemaking

In fiscal year 2019, the Board submitted legislative proposals that would have affected the economic interest statement program. Suggested technical changes included standardizing economic interest statement reporting periods. Policy recommendations included establishing a two-tiered disclosure system so that soil and water conservation district supervisors, and members of watershed districts, would disclose information appropriate for the office held. The Board also recommended that public officials disclose direct interest in government contracts and beneficial interest that may create a conflict of interest. The legislature took no action on the recommendations.

Advisory Opinions Issued Related to the Economic Interest Program

No advisory opinions were issued in the economic interest program in fiscal year 2019.

Other Board Programs

Potential Conflict of Interest

A public or local 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 interests or those of an associated business must under certain circumstances file a Potential Conflict of Interest Notice, or a written statement describing the potential conflict. If there is insufficient time to comply with the written requirements, oral notice must be given to the official's immediate supervisor of the possible conflict.

If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the public official must file the notice with the Board and a local official must file with the governing body of the official's political subdivision. The statement must be filed within one week of the action taken.

Public Employees Retirement Association 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 Minnesota Statutes, section 353.03, subdivision 1. Under this statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form.

Enterprise Minnesota, Inc.

The agency name was changed from Minnesota Technology, Inc. (MTI) to Enterprise Minnesota, Inc. in 2008. Minnesota Statutes, sections 116O.03 and 116O.04, require certain disclosure by the board of directors and the president of Enterprise Minnesota upon appointment and annually thereafter during their terms in office. Under these statutes, the Board prescribes and furnishes to the directors and president the reporting form and instructions for completing the form.

State Board of Investment

Minnesota Statutes section 11A.075, requires certain disclosure by SBI members upon appointment and SBI employees upon hire and by both annually 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.

Representation Disclosure

A public official who represents a client for a fee before any individual board, commission, or agency that has rulemaking authority in a hearing conducted under Minnesota Statutes Chapter 14, and in the cases of rate setting, power plant and power line siting, and granting of certificates of need under Minnesota Statutes section 216B.243, must file a Representation Disclosure Statement within 14 days after the appearance has taken place, disclosing the official's part in the action.

Local Pension Plans

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 Minnesota Statutes section 356A.06, subdivision 4.

The Office of the State Auditor prescribes the statement and instructions for completing the statement. The chief administrative officer of each covered pension plan must submit to the Campaign Finance and Public Disclosure Board a certified list of all pension board members who filed statements with the pension board no later than January 15th. Approximately 755 pension plans are required to file with the Board under this law. The Board does not have jurisdiction over enforcement of this certification requirement.

Staff Duties

Executive Director

The executive director facilitates achievement of the Board's goals and objectives, sets the agenda and prepares materials for Board and committee meetings, and directs all agency and staff operations. The executive director also drafts advisory opinions for Board consideration, serves as the Board's representative to the Legislature and the Executive Branch. The executive director is responsible to insure that the information technology resources of the agency are best used to support the Board's missions and goals. The executive director is responsible for the calculation of public subsidy payments made to candidates and political party units. Lastly, the executive director administers the preparation of the biennial budget.

Assistant Executive Director

The assistant executive director serves as advisor to the executive director and assists in management of the operations for the agency. The assistant executive director conducts complex investigations and prepares drafts for Board consideration, reconciles and reports on the Board's financial systems, and supervises the agency's compliance programs. The assistant executive director prepares and conducts training classes for clients on campaign finance reporting requirements.

Legal Analyst—Management Analyst

Two staff members hold this position. The legal analysts – management analysts perform legal analysis, make recommendations, and assist in agency administrative rulemaking, the conduct of Board investigations, and drafting findings and orders for Board consideration. These positions also serve as internal management consultants providing support and analysis to the executive director and assistant executive director.

Compliance Officer

The compliance officer provides for distribution, collection, data entry, and filing of campaign finance reports required by Chapter 10A. The compliance officer reviews the reconciliation of reported contributions, performs compliance checks on campaign finance reports filed with the Board, assists in the conduct of Board audits, monitors cases for Revenue Recapture and Minnesota Department of Revenue Collections Division, and prepares and submits reports to the Department of Finance regarding civil penalties. The compliance officer also provides compliance advice and guidance to Board staff and clients.

Programs Administrator

The programs administrator provides for distribution, collection, data entry, and filing of lobbyist disclosure required by Chapter 10A. The programs administrator collects, stores, and retrieves data for the preparation and analysis of summaries of documents filed with the Board. The programs administrator also provides database advice and guidance to Board staff and clients.

Programs and Education Analyst

The programs and education analyst provides for distribution, collection, data entry, and filing of economic interest disclosure required by Chapter 10A. The programs and education analyst provides database advice and guidance to Board staff and clients and designs and maintains electronic training materials. The programs and education analyst also administers website content.

Information Technology Specialist III Database Management

This information technology specialist develops, maintains, and manages complex database applications to support administration of all Board programs and activities. The position provides technical service, LAN administration, and training to Board staff. The position also develops, administers, and provides technical support for the Board's website and provides client training and support in the use of the Campaign Finance Reporter software.

Information Technology Specialist III Application Development

This information technology specialist ensures that the technology resources of the Board support applicable business rules and statutory obligations. The position develops online applications for use by clients in reporting to the Board. The position also develops and administers applications for use by staff and in response to management requests. The position also supports multiple complex relational databases.

Staff Salaries FY 2019

Position	Staff Member	FY 2019
Executive Director	Jeffrey Sigurdson	\$115,258
Assistant Director	Megan Engelhardt	\$100,424
Legal - Management Analyst	Jodi Pope	\$76,259
Legal - Management Analyst (Started – 8/27/2018)	Andrew Olson	\$51,356
Investigator	Melissa Stevens	\$53,163
Information Technology Specialist 3	Jon Peterson	\$88,805
Information Technology Specialist 3	Gary Bauer	\$76,583
Office and Administrative Specialist	Marcia Waller	\$54,932
Program and Education Analyst	Kevin Lochner	\$44,035
Total Salaries		\$660,815

Board Financial Information FY 2019

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The Board's operational appropriation for fiscal 2019 was \$1,046,000. Funds not expended in the first year of a biennium roll forward into the next fiscal year. Almost the entire amount available for carryforward to fiscal year 2019 is a result of salary savings for positions that were not filled immediately after a vacancy occurred in fiscal year 2018.

Income Summary	FY 2019
Appropriation	\$1,046,000
Carry forward from fiscal year 2018	\$141,722
Total	\$1,187,722
Expenditure Summary	
Operating budget expenditures	(\$1,045,624)
Returned to state general fund	\$142,098

Board Operating Budget—FY 2019

Salary and Benefits	FY 2019
Full time staff (salary and fringe)	\$900,556
Full time staff overtime	\$3,854
Per diem for Board Members	\$4,184
SEGIP insurance	\$861
Workers compensation insurance	\$383
Salary and Benefits Sub Total of Expenditures	\$909,838
Operating Expenses	
Office rent	\$41,960
Copier lease	\$6,407
Postage	\$12,151
Printing	\$519
Travel	\$3,897
Staff development	\$4,617
Supplies	\$8,533
MNIT services	\$13,242
Court reporter, subpoena, and court filing costs	\$2,733
Equipment	\$28,561
Computer systems development - software	\$11,979
Other purchased services	\$1,187
Operating Expense Sub Total of Expenditures	\$135,787
Board Operating Total Expenditures	\$1,045,624

Penalties Paid for Late Filing Fees and Other Violations of Chapter 10A

The following is a listing of fees and fines paid during the fiscal year. Some fees and fines may have been assessed prior to fiscal year 2019.

Late Filing Fees	FY 2019 Dollars Paid	Number of Violations
Candidate Campaign Committees	\$7,675.45	49
24-Hour Notice	\$10,450.00	21
Political Committees and Funds	\$15,325.00	52
Political Party Units	\$3,965.00	22
Economic Interest Statements	\$1,855.94	26
Lobbyist Disbursement Reports	\$2,797.10	20
Lobbyist Principal Annual Reports	\$2,525.00	15
Total Late Fees	\$44,593.49	205
Civil Penalties	FY 2019 Dollars Paid	Number of Violations
Contribution from Unregistered Association		
Unregistered Association	\$315.00	2
Political Committees and Funds	\$225.00	1
Candidate	\$140.00	2
Contribution Limits Violations		
Candidates Accepted in Excess of Limit	\$115.00	1
Special Source Aggregate Limit	\$2,170.00	6
Candidate Exceeded Spending Limit	\$10,000.00	1
Prohibited Contributions During Session		
Political Committee and Funds	\$75.00	1
Candidate	\$75.00	1
Failure to File Disclosure Report		
Candidate Committees	\$1,650.00	6
Political Committees and Funds	\$2,350.00	6
Political Party Units	\$375.00	3
Lobbyist Principals	\$700.00	1
Economic Interest Statements	\$175.00	2
Candidate – Certified False Information	\$1,981.48	1
Disclaimer	\$950.00	4
Party Unit Failure to Keep Records	\$15,400.00	2
Total Civil Penalties	\$36,696.48	40
Total Late Fees and Civil Penalties Deposited in State General Fund	\$81,289.97	245