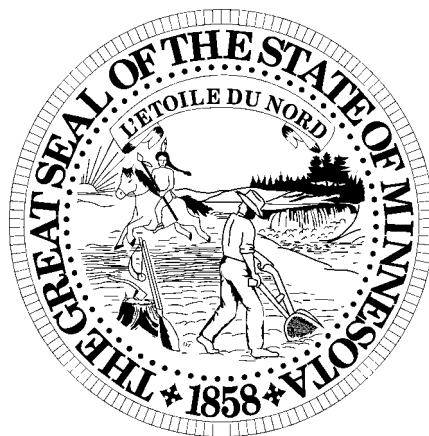


MINNESOTA STATE

CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

ANNUAL REPORT

JULY 1, 1999 - JUNE 30, 2000



Issued: October 1, 2000
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DATE: September 21, 2000

TO: The Honorable Jesse Ventura, Governor
The Honorable Allan Spear, President of the Senate
The Honorable Roger Moe, Senate Majority Leader
The Honorable Steve Sviggum, Speaker of the House
The Honorable Tim Pawlenty, House Majority Leader
The Honorable Dick Day, Senate Minority Leader
The Honorable Tom Pugh, House Minority Leader

FROM: Wilbur Fluegel, Chair
Campaign Finance and Public Disclosure Board

SUBJECT: Annual Report, in accordance with Minn. Stat. §10A.02, subd. 8, July 1, 1999, through June 30, 2000

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 Government Act, Minnesota Statutes, chapter 10A.

Included in this Annual Report is information about the campaign finance disclosure associated with the 1999 nonelection year and three special elections held in fiscal year 2000.

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 place 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. During fiscal year 2000 Board staff continued to keep abreast of technology and the public's continued desire for easy access to information filed with the Board. A request for bid was published in the *State Register* for the development of a second generation of the Board's campaign finance software. Development is expected to begin in fiscal year 2001 with a final product ready for client use in election year 2002. Staff maintains an agency inter-active web site with information that is updated daily and public use computers are available in the Board office for clients needing staff assistance or clients without access to a computer.

The Board met four times to conduct business, issued six advisory opinions, adopted one new Board policy, concluded investigations and issued findings in one complaint, investigated 39 potential violations of Chapter 10A which concluded in settlement of 30 conciliation agreements and eight findings of probable cause, and produced ten publications.

Board staff conducted training classes to aid volunteer treasurers and candidates in recordkeeping, reporting, and Finance 98 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 11 foreign dignitaries; and represented the state on the national level at the Council of Governmental Ethics Laws.

Chapter 10A includes three major programs: campaign finance disclosure, lobbyist disclosure, and disclosure by public officials.

The report includes information on the filings of approximately:

- 1,400 registered principal candidate committees, political committees, and political funds who filed by approximately 1,400 reports;
- 1,490 registered lobbyists representing 1,432 associations who filed approximately 9,550 reports;
- 1,270 lobbyist principals; and
- 1,370 public officials required to report to the Board.

Also included is information on public subsidy payments to eligible candidates in three special elections and six political party units during nonelection year 1999. Information on payments can be found beginning on page 25.

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 and enforces Minnesota Rules 4501 through 4525.

Function

The Board is a six-member bi-partisan citizen Board responsible for administration of the 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.

The Board develops and administers registration, disclosure, and enforcement programs to ensure that the requirements of the Ethics in Government Act are met.

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.

Website

The Board maintains a site on the internet that provides many client services, including the following:

- Electronic posting of Board meeting notices, minutes, and findings;
- Electronic publication of Advisory Opinions;
- Publication of lists of lobbyists and associations, candidate committees, political committees, political funds, and party units, all updated on a daily basis;
- List of candidates who filed for office in the 2000 election;
- Election 2000 public subsidy estimates;

- Electronic versions of many Board publications and forms;
- Links to the Minnesota Statutes and Board Administrative Rules;
- Link to the **Finance 98** campaign software homepage;
- Link to filings of Minnesota federal candidates;
- Board and Staff contact information and automatic e-mail access;
- Public officials disclosure from filed economic interest statements;
and
- Biographies and pictures of current Board members.

BOARD MEMBERS

Sidney Pauly

Sidney Pauly was appointed in March 1996, by Governor Arne Carlson for a term ending in January 2000, and reappointed by Governor Jesse Ventura for a term ending in January 2004. She is a former member of the legislature from the Republican Party of Minnesota whose appointment was confirmed by the House and Senate in 1997 and 2000. She served as Board Chair from May 1999, to June 2000. Ms. Pauly previously served as Vice Chair from July 1998, to May 1999, and Secretary from July 1997, to June 1998. 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 the chair of the International School of Minnesota Foundation and is active in several civic organizations.

Wil Fluegel

Wil Fluegel was appointed in June 1998, by Governor Arne Carlson for a term ending in January 2001. He is a member of the Democratic Farmer Labor party. His appointment, with no restrictions on previous activities, was confirmed by the House and Senate in 1999. He served as the Vice Chair from May 1999, to June 2000. He previously served as Secretary from July 1998, to May 1999. 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.

	<p>Shirley Chase</p> <p>Shirley Chase was appointed in May 1999, by Governor Jesse Ventura for a term ending in January 2003. Because Ms. Chase's appointment was not confirmed in a timely manner, the Governor reappointed her in July 2000, to the same term. Ms. Chase has no political affiliation 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. Chase is an attorney who works as a consultant with Chase and Associates. She is a graduate of the University of Minnesota and the William Mitchell College of Law. She is a past president of EduServ Technologies, Inc. and served as a member of the Arden Hills Human Rights Commission.</p>
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	<p>Doug Kelley</p> <p>Doug Kelley was appointed in May 2000, by Governor Jesse Ventura for a term ending in January 2004. He is a member of the Republican Party of Minnesota. His appointment, with no restrictions on previous activities, was confirmed by the House and Senate in 2000. 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.</p>
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	<p>Donald Roggenbauer</p> <p>Donald Roggenbauer was appointed in June 1999, by Governor Jesse Ventura for a term ending in January 2002. Because Mr. Roggenbauer's appointment was not confirmed in a timely manner, the Governor reappointed him in July 2000, to the same term. Mr. Roggenbauer has no political affiliation 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 attended the Milwaukee Area Technical College and Marquette University's Law Enforcement & Criminal Justice Programs. He served as a city law enforcement officer and senior special agent with the Federal Bureau of Alcohol, Tobacco and Fire Arms. He is currently employed as a private sector investigator and security consultant.</p>
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Thomas Heffelfinger

Position held..... Secretary (5/99-7/99)
Board Term 1/98 - 01/00
Occupation Attorney
Party Affiliation Republican
Board position Unrestricted activity

Tim Penny

Board Term 6/99 - 1/00
Occupation Consultant
Party Affiliation Democratic-Farmer-Labor
Board position Former legislator

Board Goals and Objectives

Facilitate easier and more universal compliance with the Ethics In Government Act, Minnesota Statutes, chapter 10A

The Board works to accomplish this objective by:

- Providing effective client education programs and publications
- Simplifying and improving reporting forms and procedures
- Providing clarity and consistency in actions taken by the Board
- Providing and continually improving a campaign finance management software application and encourage its use by the maximum number of political committees and political funds
- Working with the legislature to simplify and improve the Ethics in Government Act while maintaining its effectiveness

Provide fair and consistent enforcement of the Ethics In Government Act

The Board works to accomplish this objective by:

- Reaching timely decisions that are impartial, non-partisan, and reasonable
- Imposing sanctions consistent with the serious and important purposes of the Ethics In Government Act
- Using technology more effectively to identify compliance problems and provide clients with resources to avoid problems
- Evaluating and improving Board enforcement activities on an ongoing basis

Help citizens become better informed about public issues related to the Ethics in Government Act

The Board works to accomplish this objective by:

- Providing the public with reports and publications that are clear and informative
- Assuring that actions taken by the Board are described in language that the general public should understand
- Using the internet and other technology more effectively to provide information to the public and to encourage involvement by citizens in public issues
- Evaluating and improving the effectiveness of the educational programs and information that the Board provides to the public

LEGISLATIVE AUDIT OF BOARD

The Office of the Legislative Auditor conducted a biennial audit of the Campaign Finance and Public Disclosure Board. The audit covered the period from July 1, 1997, to June 30, 1999.

The audit scope and findings included:

1. Public subsidy grants to qualified state candidates and the state committees of political parties.

The audit concluded that the Board properly recorded, allocated, and distributed State Elections Campaign Fund monies to eligible candidates and state committees of political parties. For the items tested, the Board complied with legal provisions applicable to the State Elections Campaign Fund.

2. Payroll and per diem expenditures.

The report concluded that the Board accurately reported payroll and per diem expenditures in the accounting system. The Board complied with applicable statutory provisions and bargaining unit agreements for the items tested

SUMMARY OF BOARD ACTIVITIES

Meetings

The Campaign Finance and Public Disclosure Board held:

- Four regular meetings; and
- One Board retreat.

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 opinion requesters 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 exercises an option provided in the law to publish 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 2000 may be found in this report by program.

Board policy adopted

- Reduced civil fines

If the Board votes to reduce a fine and the fine is not paid within 30 days of notice from the Board, the original fine is automatically reinstated and staff

is authorized to initiate subsequent legal enforcement action. Persons whose fines are reduced shall be notified of this policy in writing at the time they are notified of the fine reduction.

Publications

The Campaign Finance and Public Disclosure Board issued ten publications:

- Annual Report for Fiscal Year 1999;
- Handbook for Candidate Committees;
- Handbook for Political Committees and Political Funds;
- Handbook for Political Parties;
- Handbook for Lobbyists;
- List of Registered Committees, Funds, and Lobbyists;
- Compilation of Advisory Opinions, Nos. 314 - 320;
- Guide to Interpretation of Minn. Stat. §10A.071;
- Lobbying Disbursement Summary for Fiscal Year 1999; and
- 1999 Campaign Finance Summary.

Training, education and outreach

Board staff:

- Spoke to members of the Republican House Caucus staff about the Board's administration of the prohibition on gifts.
- Attended a legislative liaison training class mandated by the Governor's office.
- Spoke at two orientations for new Board members and executive directors offered by the Governor's office about public officials' reporting responsibilities and the gift ban provisions.
- Attended a training class titled "Strategic Information Resource Management Planning for Minnesota Government".
- Participated in a customer service training program. The program was a pilot project and was being tested to determine if the Department of Administration should offer the program to state employees.

- Attended a training class on State Employee Ethics offered to state employees through the Department of Employee Relations.
- Spoke to a William Mitchell College Legislative Advocacy class about the Board, advisory opinions, lobbyist registration and reporting, and the gift ban.
- Spoke to a Hamline University Legislative Process class about the Board, campaign finance, and the gift ban.
- Led a discussion about Lobbyist registration and reporting. About 12 people attended the session.
- Led two sessions at the State Capitol about lobbyist registration and reporting requirements as part of a League of Women Voters legislative process seminar. About 15 people attended the sessions.
- Spoke to a Hamline University Graduate School Public Administration class about lobbyist registration, reporting, and the prohibition on gifts from lobbyists to public officials. About 15 students attended the class.
- Participated on the faculty of a Minnesota State Bar Association Continuing Legal Education program on the Legislative Process.
- Served on the faculty of a Minnesota State Bar Association Continuing Legal Education program on Campaign Finance and Lobbying.
- Participated in 37 classes/seminars for a total of 645 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.

Campaign Finance Software Training classes:

- Demonstrated the Board's campaign finance software at the Republican Party of Minnesota's convention.
- Provided training and demonstrated campaign finance software to party unit treasurers of the Republican Party of Minnesota.

- Nine sessions for use of the Board's software were offered to about 100 people.

Compliance/Report completion training:

- Between March 30 and June 24, over 140 individuals from principal campaign committees, political committees, political funds, and political party units attended compliance training.

Council on Governmental Ethics Laws (COGEL):

- Attended a meeting with a candidate for the position of Secretariat of the COGEL.
- Attended the annual COGEL conference.
- Attended a COGEL strategic planning session and 2000 conference planning meeting.
- Attended a meeting on electronic filing and standardized electronic reporting among all jurisdictions.
- Attended the Heartland regional conference for staff of COGEL member agencies.

Board members:

- Attended the annual Council on Governmental Ethics Laws conference.

International officials:

- Met with three individuals from Peru and their interpreter. The Peruvians were part of the U.S. State Department's International Visitor Program and were interested in Election Observation, Voter Education, and the Board's administration of Chapter 10A.
- Met with eight individuals from Kyrgyzstan (a former Soviet Republic) as part of the U.S. State Department's International Visitor Program. The visitors were interested in campaign finance and economic interest disclosure as it relates to the concept of "Transparency in Government" (allowing individuals to see who and what is influencing elected officials).

CAMPAIGN FINANCE PROGRAM

Court Decision

Republican Party of Minnesota v. Campaign Finance and Public Disclosure Board

The Honorable Ann Montgomery, District Court Judge, found unconstitutional, under the First Amendment to the United States Constitution, the portion of Minn. Stat. §10A.01, subd. 10b, that limits independent expenditures by a political party on behalf of its candidates.

Advisory opinions issued

- Use of principal campaign committee funds

Costs of civil litigation which is not related to a candidate's election or to the candidate's principal campaign committee are not the type of legal fees that may be paid as a noncampaign disbursement. Costs of litigation are not expenses of serving in office that may be paid as a noncampaign disbursement. Nos. 314 and 318

- Providing on-line contribution service

A company may, consistent with Minnesota Statutes Chapter 10A, provide internet-based credit card contribution services which include credit card processing and accumulation of funds into a company account for forwarding to the beneficiary principal campaign committees. Certain recordkeeping and reporting issues arise, about which principal campaign committees should be notified. Issuance of this opinion does not constitute endorsement of the requester or of its plan. No. 319

- Reporting of political expenditures

A corporation may bundle services provided to entities registered with the Campaign Finance and Public Disclosure Board, however for reporting purposes, the recipients must allocate the costs among the actual types of underlying services provided. When engaging in joint development projects, or the reselling of data developed for other clients, a corporation and its clients must ensure that each client pays the reasonable value for the goods or services provided so that neither the corporation nor any client subsidizes the benefit received by another client. No. 320

Complaints

The Board completed an investigation and issued a finding in one complaint.

- The Board found there was no statutory or administrative rule that provided a sufficient basis to find probable cause that Education Minnesota or a legislator attending an Education Minnesota legislative dinner that was the subject of the complaint, violated the law in connection with the giving and accepting of the meal.

Filing deadlines

Approximately 1,400 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:

- 33 committees and funds paid late fees totaling \$3,430; and
- 1 committee was granted a waiver totaling \$1,000.

Late filing fees were deposited in the state general fund.

Two delinquent candidate committees were referred to the Minnesota Collections Enterprise (MCE) to collect late filing fees owed.

Staff review of campaign finance reports

Approximately 740 reports of receipts and expenditures were filed by political party committees, political committees, and political funds. Approximately 660 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.

Nonelection year	Reports filed	Amendments filed
1999	1,400	344*
1997	1,195	96
1995	1,285	77

*This increase is due to the Board's continued effort to seek full compliance with campaign finance disclosure laws including full address and employment information from itemized contributors, specific purposes of expenditures, and dates on all transactions. Better methods of reconciling reports between committees and funds and information received from the Department of Revenue have assisted staff in meeting the goal of full compliance.

Investigations

The Board reviewed investigations of 39 potential violations of Chapter 10A, involving 36 committees or funds and made eight findings.

The Board issued eight findings showing probable cause. Two committees were fined a total of \$400, six violations carry no penalty under current law. Thirty 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 ten potential violations of this law, based on reports filed by principal campaign committees for 1998. All ten cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$2,040 on the ten committees*. Four principal campaign committees were also required to return a total of \$290 to four contributors. Payments of the civil fines were deposited in the state general fund.

* In one instance the Board refunded a contribution of \$450 after receiving further information and an amended report from the principal campaign committee.

- 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 seven potential violations of this law, based on reports filed by principal campaign committees for 1998 and 1999. All seven cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$2,439 and required all seven principal campaign committees to return a total of \$1,639 to 12 contributors. Payments of the civil fines were deposited in the state general fund.

- 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 five potential violations of this law, based on reports filed by principal campaign committees for 1999. All five cases were concluded by conciliation agreement. The Board imposed civil fines totaling \$1,109 on the five committees. Four principal campaign committees were also required to return a total of \$1,069 to four party units. One principal campaign committee returned \$40 to the state in lieu of refunding a party unit. Payments of the civil fines and the return to the state were deposited in the state general fund.

Contributions during legislative session

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

The Board reviewed two potential violations of this law, based on reports filed by principal campaign committees for 1998. The Board imposed civil fines on the two principal campaign committees totaling \$400. Payments of civil fines were deposited in the state general fund.

- The Board found there is probable cause to believe that a principal campaign committee violated Minn. Stat. §10A.065 when it accepted contributions totaling \$150 from one political committee and one lobbyist during the regular session of the Legislature in 1998. In lieu of forwarding the public finding of probable cause to the county attorney, the Board imposed a civil fine of \$150 on the principal campaign committee for acceptance of the contributions.
- The Board found there is probable cause to believe that a principal campaign committee violated Minn. Stat. §10A.065, when it accepted a \$250 contribution from a lobbyist during the regular session of the Legislature in 1999. In lieu of forwarding the public finding of probable cause to the county attorney, the Board imposed a civil fine of \$250 on the principal campaign committee for acceptance of the contributions*.

* The Board vacated the finding at its August Board meeting and returned the \$250 civil fine after receiving further information and an amended report from the principal campaign committee.

Contributions between committees

Principal campaign committees are prohibited from accepting contributions from other principal campaign committees except upon the contributing committees termination.

The Board reviewed nine potential violations of this law, based on reports filed by principal campaign committees for 1999. Nine principal campaign committees were required to return a total of \$4,500 to ten contributing principal campaign committees.

CAMPAIGN FINANCE SOFTWARE DEVELOPMENT

Appropriation

A one time appropriation of \$234,000 for the 2000 – 2001 biennium was approved to upgrade and broaden the scope of Finance 1998, an accounting and reporting application currently offered at no charge to Board clients. The improved software, known as Finance 2002, will help political committees, political funds, and political party units, in accounting for their campaign finance activities and reporting them electronically to the Board. The software will provide compliance checking of contributions and expenditures, as well as ease the data entry burden of the user by providing the name and addresses of entities registered with the Board.

Implementation

A request for proposal for the development of Finance 2002 was published in the State Register on June 26, 2000. The request for proposal calls for the submission of responses no later than August 18, 2000, and provides that the project completion date for Finance 2002 is no later than November 1, 2001.

Development

The development of Finance 2002 will be helped by the addition of the position of Information Systems Manager to the Board staff. John Nesbitt has been hired by the Board to support the integration of technology into Board programs and functions. For Finance 2002, Mr. Nesbitt wrote a design document defining the product the Board required, and will serve as the project manager and vendor interface during the development of Finance 2002.

PUBLIC SUBSIDY PROGRAM

2000 Legislative action

- Political Contribution Refund Receipts

The treasurer as well as the chair of a political party unit is authorized to sign Political Contribution Refund Receipt forms.

Certification of new parties

- Major party

Constitution Party of Minnesota (formerly Minnesota Taxpayers)

- Minor parties

Green Party of Minnesota
Progressive Minnesota

Decertification of parties

- Minor parties

Grassroots Party
Libertarian Party of Minnesota

1999 Special elections

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

Public subsidy funds were distributed in four special elections held in fiscal year 2000. In each instance, the amount of public subsidy available is the same amount for that office and party in the preceding general election:

- Senate District 18 (November 2, 1999) - Four candidates; three candidates received public subsidy totaling \$38,684;
- House District 7A (November 2, 1999) – Three candidates; two candidates received public subsidy totaling \$13,829; and
- Senate District 4 (December 14, 1999) – Three candidates; two candidates received public subsidy totaling \$29,048.

**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 the final certification from the Department of Revenue for fiscal years 1999 and 2000, payments for fiscal year 2000 were as follows:

Constitution Party of Minnesota	\$ 1,165
Democratic Farmer Labor	28,419
Green Party of Minnesota	2,545
Independence (formerly Reform Party)	16,292
Progressive Minnesota	378
Republican Party of Minnesota	<u>33,732</u>
Total payments to State Party Committees:	\$82,531

LOBBYIST PROGRAM

Advisory opinions issued

- Application of gift prohibition - definition of official

The gift prohibitions established in Minn. Stat. § 10A.071 do not apply to the director or employees of a state government office if those individuals are not “officials” as defined under the statute. No. 316

- Gift to officials of informational book

An informational book that is available without charge to the public has “unexceptional value” for the purposes of Minn. Stat. § 10A.071 and, thus, is not a prohibited gift when given to officials. No. 317

Filing deadlines

Approximately 1,490 registered individuals representing 1,432 associations filed approximately 9,550 Lobbyist Disbursement Reports.

Of the 9,550 reports, approximately 7% were filed late. About 8% of the reports were filed late in fiscal year 1999.

Fees for the late filing of Lobbyist Disbursement Reports:

- 38 delinquent lobbyists paid late fees totaling \$2,285
- 1 lobbyist had fees reduced from \$100 to \$25

Late filing fees were deposited in the state general fund.

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
2000	9,550	30
1999	9,040	88
1998	9,010	70

Annual report of lobbyist principal

An individual or association spending more than \$500 in a calendar year to compensate a lobbyist is required to file an annual report.

A Report of Lobbyist Principal covering the period January 1 through December 31, 1999, was due on March 15, 2000, from 1,270 lobbyist principals. Eleven principals failed to file a report. Minn. Stat. §10A provides no penalty for failure to file a lobbyist principal report.

ECONOMIC INTEREST PROGRAM

2000 Legislative action Changes to agencies whose employees and members must file Statements of Economic Interest with the Board:

- Removed from the list of public officials – Minnesota World Trade Center Corporation, effective August 1, 2000; and
- Increase in membership of the State Designer Selection Board from five to seven members.

Filing deadlines

- Original Statements of Economic Interest

Approximately 290 Notice of Appointments appointing or reappointing a public official who is required to file an Original Statement of Economic Interest were received in fiscal year 2000.

Late fees totaling \$40 for the late filing of Original Statements were collected from two delinquent public officials.

Late filing fees were deposited in the state general fund.

- 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 1,370 public officials a copy of the information reported on previously filed statements. Approximately 350 public officials or 25% of those who were mailed statements filed a statement with changes.

Staff review of statements

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

	2000	1999	1998
Original reports filed	290	326	186
Number of public officials	1,370	1,458	1,400
Supplementary reports filed	350	745*	1,097
Incomplete supplementary reports requiring amendments	19	28	205**

* Decrease due to staff mailing copies of previously filed statements to assist public officials in determining accuracy of filed statements and their need to amend.

** 1998 marked the first year that staff provided public officials with copies of statements showing their previously filed information.

POTENTIAL CONFLICTS OF INTEREST

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.

Potential Conflict of Interest Notice forms were filed by three public officials in fiscal year 2000.

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 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.

One Representation Disclosure notice form was filed by a public official in fiscal year 2000.

OTHER BOARD PROGRAMS

Public Employees Retirement Association (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 this statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form. No filings were required for fiscal year 2000.

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. In April 2000, 14 reports were filed with the Board.

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. In April 2000, 29 reports were filed with the Board.

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 copy of all filed statements with the Campaign Finance and Public Disclosure Board annually, no later than January 15th. Approximately 730 pension plans are required to file with the Board under this law. In fiscal year 2000, 263 pension funds filed copies of the required statements with the Board.

STAFF DUTIES

Executive Director

Facilitate achievement of the Board's goals and objectives. Set agenda and prepare materials for Board and committee meetings. Direct all agency and staff operations. Serve as the Board's representative to the Legislative and Executive Branch. Educate and assist clients in compliance with reporting requirements, limits, and prohibitions. Represent State of Minnesota on the Council on Governmental Ethics Laws steering committee.

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.

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.

Information Systems Manager

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 98 and Finance 2002). Provide management with guidance in design of Board web site, 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 network and modifications to website. Install new personal computers and associated hardware and software.

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.

Compliance Officer (Investigator) Investigate written complaints, draft conciliation agreements and findings for Board consideration. Coordinate investigations and settlements of potential violations of Minn. Stat. Chapter 10A. Provide guidance in case management to Board staff assigned to assist this position. Serve as investigate liaison to the Executive Director, Board, and Attorney General's office. Refer and monitor cases for Revenue Recapture and the Minnesota Collections Enterprise. Represent the Board in conciliation court. Prepare and submit reports to the Department of Finance regarding civil fines. Prepare and submit cash receipt reports to the Board. Prepare and conduct training classes for clients on campaign finance laws and reporting requirements. Serve on help desk for Finance 98 software.

Programs Assistant (Office and Administrative Specialist Intermediate) Perform enforcement activities by initiating communications with clients who need to file or amend filed documents under the guidance of the Board Investigator. Provide support to the investigator. Provide technical advice and guidance to Board clients. Data enter and file reports filed with the Board. Track delinquent reports and late filing fees, and refer non-filing clients to the Attorney General's office. Assist Investigator with training classes on campaign finance laws and reporting requirements.

Information Assistant (Customer Service Specialist Intermediate) Provide assistance in typing and word processing to Board staff. 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.

Intern (May 27 - August 26, 1999) Conducted a reconciliation of public officials of state agencies required to file with the Board. Entered data from filed Lobbyist Disbursement Reports into a computer database. Assisted staff with mailing and filing of lobbyist and lobbyist principal reports.

Intern (April 11 -
May 31, 2000)

Developed a prototype and template for documenting all office functions in a procedure manual. Following development of the prototype, the intern documented office procedures used to register lobbyists, register public officials, record statements of economic interest, update the agency web site, create documents of the agency web site, and create software cd's for clients.

Intern (June 5 -
August 1, 2000)

Assisted with mailing and filing of all required documents filed with the Board office in all agency programs. Entered data from filed Lobbyist Disbursement Reports into a computer database. Verified telephone numbers and completed the conversion of new area codes in agency client databases.

STAFF SALARIES

July 1, 1999 - June 30, 2000

<u>POSITION</u>	<u>STAFF</u>	<u>SALARY</u>
Executive Director	Jeanne Olson	\$79,728
Assistant Executive Director	Gary Goldsmith Jeffrey Sigurdson	38,711 (7/1/99 – 4/11/00) 16,980 (3/13/00 – 6/30/00)
Office Services Supervisor II	LuAnn Swanson	43,208
Investigator	Billie Claire Errico	39,656
Office and Administrative Specialist Intermediate	Patricia Klingner	23,214
Information Technology Specialist IV	John Nesbitt	42,363 (9/1/99 - 6/30/00)
Information Technology Specialist II	Greg Messetler Tom Thao	5,383 (7/1/99 - 8/27/99) 28,552 (11/18/99 - 6/30/00)
Office and Administrative Specialist Principal	Kelly Hansen	33,714
Customer Service Specialist Intermediate	Joyce Larson	29,830
TOTAL 2000 SALARIES		<u>\$381,339</u>

FINANCIAL INFORMATION

INCOME SUMMARY

Appropriation	\$712,000
Photocopy Revenue	3,207
Legal Fee Appropriation	37,299
Service Processes Fees Recovered	<u>259</u>
TOTAL	<u>\$752,765</u>

EXPENDITURE SUMMARY

Operating budget expenditures	\$601,308
Technology budget expenditures	42,755
Sub-total	644,063
Carry forward to fiscal year 2001	<u>108,702</u>
TOTAL	<u>\$752,765</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	\$470,855
Workers Compensation	321
Per Diem	1,815
Vacation Pay Out	779
Office rent	29,526
Misc. rents	1,085
Photocopy machine leases	12,665
Printing	7,903
Legal costs	37,569
Postage and freight	10,919
Telephone	2,875
In-State Travel - staff	367
Out-State Travel	4,414
Board meeting expenses	2,790
Staff / Board development	4,779
Subscriptions, Memberships	335
Supplies	10,665
Special Expenses	84
Equipment	434
Repairs	433
Misc. Purchased Services	<u>695</u>
 TOTAL	 \$601,308

TECHNOLOGY BUDGET

Fiscal year 2000 is the first year of the one time 00/01 biennium appropriation of \$404,000 for the development, production, and distribution of software to assist political committees and funds in accounting for their campaign finance activities and reporting them electronically to the Board, an appropriation increase for an additional Information Technology position*, and a one-time appropriation to reconfigure office space to accommodate the new position.

Software Development	\$ 462
Staff Development	6,918
Supplies	3,037
Equipment	4,802
Partition Project	<u>27,536</u>
 TOTAL	 \$42,755

*The appropriation for Information Systems Specialist position is included in salaries in the Board Operating Budget.

DEPOSITS

Unless otherwise noted, all receipts collected by the Campaign Finance and Public Disclosure Board are deposited in the general fund of the state.

Late Filing Fees

Principal Campaign Committees	\$ 2,775	26 committees
Political Committees and Funds	655	7 committees
Lobbyist Disbursement Reports	2,285	38 lobbyists
Economic Interest Statements	<u>40</u>	2 public officials
TOTAL LATE FILING FEES	\$5,755	

Civil Fines

Contribution limits violations	\$2,639	13 candidate committees
Contributions during session	150	1 candidate committees
Special source aggregate limit	<u>3,422</u>	8 candidate committees
TOTAL CIVIL FINES	\$6,211	

Gift to the state upon committee termination	1,383	3 candidate committees
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Anonymous contributions	\$1,499	2 committees (deposited in the general account of the State Elections Campaign Fund)
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Photocopy receipts		
Copies	\$3,208	431 individuals paid (retained by Board to off-set photo copier costs)
State sales tax	244	
St. Paul sales tax	<u>17</u>	
TOTAL COPY RECEIPTS	\$3,469	

TOTAL RECEIPTS	<u>\$18,317</u>	
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