

Minnesota

Campaign Finance and Public Disclosure Board Meeting

Wednesday, November 3, 2021
10:00 A.M.
Conducted remotely via Webex due to COVID-19 pandemic

REGULAR SESSION AGENDA

1. Approval of October 6, 2021, minutes
2. Chair's report
 - a. 2021 and 2022 meeting schedule
3. Executive director report
 - a. Annual Report of Board Operations – Fiscal Year 2021
4. Enforcement report
5. Legal report
6. Other business

EXECUTIVE SESSION

Immediately following regular session

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

.....
October 6, 2021

Meeting conducted remotely though Webex due to COVID-19 pandemic

.....
MINUTES

Members present: Flynn, Leppik, Rashid, Rosen (arrived during executive director's report, left during executive session), Soule (left during executive session), Swanson

Others present: Sigurdson, Engelhardt, Olson, Pope, staff; Hartshorn, counsel

The meeting did not strictly follow the order of business set forth in the agenda.

MINUTES (September 1, 2021)

After discussion, the following motion was made:

Member Flynn's motion:

To approve the September 1, 2021, minutes as drafted.

Vote on motion:

A roll call vote was taken. All members voted in the affirmative (Rosen absent).

CHAIR'S REPORT

A. 2021 meeting schedule

The next Board meeting is scheduled for 10:00 a.m. on Wednesday, November 3, 2021.

EXECUTIVE DIRECTOR REPORT

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that staff had conducted one compliance training in September for 40 attendees and that another training would be held on October 7th. Mr. Sigurdson said that the September training also had been recorded and posted on the Board's website.

Mr. Sigurdson next reviewed the 2020 Political Contribution Refund (PCR) Report. Mr. Sigurdson said that in August of each year, the Department of Revenue (DOR) reports to the Board the number of PCR refunds, and the total value of the refunds, issued to donors in the prior calendar year. Mr. Sigurdson stated that this report provides the refund totals for individual candidate committees and for political party units. Mr. Sigurdson then compared the total refunds, and percentage of contributions refunded, for donors to candidates of different political parties and to party units. Mr. Sigurdson noted that this was the first year that more refunds were issued to donors to Democratic party units than to

donors to Republican party units. Mr. Sigurdson also noted that 2008 was the peak year for refunds and that participation in the program had been declining since that year.

Mr. Sigurdson then presented the 2019-2020 Campaign Finance Summary to members. Mr. Sigurdson said that Mr. Olson had overseen the completion of the summary for the first time and that Mr. Sigurdson greatly appreciated Mr. Olson's efforts to quickly become familiar with the campaign finance database and the numerous queries needed to generate the report. Mr. Sigurdson said that the summary was provided for informational purposes only and that no Board action was necessary.

ENFORCEMENT REPORT

A. Discussion items

1. Administrative termination of lobbyist Rafael Espinosa (4696)

Mr. Olson told members that AFSCME 65 and Carver County Local 2789 had asked that the lobbyist registration of Mr. Espinosa be terminated retroactive to February 9, 2021, as he was no longer employed by those principals. Mr. Olson said that Board staff had attempted to contact Mr. Espinosa to ask him to file termination statements, but he had not done so. Mr. Olson stated that a reporting lobbyist for the same principals had filed disbursement reports inclusive of Mr. Espinosa through May 2021, so there would be no outstanding reports if the termination was retroactive to February 2021.

After discussion, the following motion was made:

Member Leppik's motion:

To approve the administrative termination of lobbyist Rafael Espinosa.

Vote on motion:

A roll call vote was taken. All members voted in the affirmative.

2. Balance adjustment request – Mahoney (Tim) for House (15823)

Mr. Olson told members that the Mahoney committee's actual cash balance at the end of 2020 was \$3,010.42, which was \$400.17 less than the ending cash balance of \$3,410.59 listed on the committee's amended 2020 year-end report. Mr. Olson said that the committee believed that the discrepancy likely accumulated over the course of several years, prior to 2019, and was unsure of the cause. Mr. Olson stated that the committee was requesting a downward balance adjustment of \$400.17 to its 2020 ending cash balance. Mr. Olson said that the committee would file a termination report by mid-October.

After discussion, the following motion was made:

Member Rashid's motion: To approve the Mahoney committee's request for a downward balance adjustment of \$400.17.

Vote on motion. A roll call vote was taken. All members voted in the affirmative.

B. Waiver requests

1. Jaden Partlow (Senate candidate) – Candidate EIS - \$100 LFF, \$1,000 CP

Candidate's EIS was due 6/15/2020 and was filed 7/8/2021. Candidate stated that he was unaware of the need to file an EIS despite multiple communications from Board staff and no motion was made to grant his waiver request at the July 2021 Board meeting. Candidate is seeking reconsideration of his request due to his inability to pay the amount owed, and in the alternative has requested a payment plan of \$100 per month. Candidate was referred to the Attorney General's Office in Sept. 2020 and was served with a summons and complaint on 6/18/2021. RECOMMENDED ACTION: Approve requested payment plan of \$100 per month.

Jaden Partlow then addressed the Board. Mr. Partlow told members that he filed for office on a whim and didn't think that anything would come of his filing. Mr. Partlow said that he didn't understand that he needed to file anything other than his affidavit of candidacy. He stated that he let the matter slip until he was contacted by Board staff. In response to questions from members, Mr. Partlow said that he had never registered a committee with the Board and had no plans to run for office again.

After discussion, the following motion was made:

Member Rosen's motion: To reduce the civil penalty to \$700 and to allow the executive director to enter into an agreement with Mr. Partlow spreading payment of the remaining \$800 owed over six months.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

Name of Candidate or Committee	Late Fee/ Civil Penalty Amount	Reason for Fine	Factors for Waiver and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. Duluth Building Trades Voluntary Party Fund (30217)	\$1,000 LFF	2020 Pre-primary 24-hour notice	24-hour notice due 7/25/2020 regarding \$2,000 contribution from fund's supporting association was not filed and contribution was first disclosed on September report filed 9/22/2020. Supporting association was unaware of 24-hour notice requirement. Over past decade, fund has not reported receipt of any contributions that would have triggered 24-hour notice requirement. Board typically reduces 24-hour notice late fees for first-time violations to \$250. Fund reported cash balance of \$547 as of 12/31/2020. RECOMMENDED ACTION: Reduce LFF to \$250	Member Leppik	To approve the staff recommendation.	A roll call vote was taken. All members voted in the affirmative.

C. Informational Items

1. Payment of civil penalty for corporate contribution

Sibley County DFL, \$500

2. Payment of civil penalty for recordkeeping violation

Mahoney (Tim) for House, \$475

3. Payment of civil penalty for prohibited contribution during legislative session

Minnesotans for Julie Blaha, \$250

4. Partial payment of civil penalties for conversion to personal use and false certification

Tamara Jones, \$186

5. Payment of civil penalty for exceeding individual contribution limit

IFO Political Action Committee Fund (Inter Faculty Organization), \$100

6. Payment of civil penalty for exceeding party unit aggregate contribution limit

Citizens for Jeff Backer Jr House, \$100

7. Payment of late filing fee for 2020 year-end report of receipts and expenditures

60th Senate District RPM, \$250
Somali American Women Political Action Committee, \$250
Minnesotans for Julie Blaha, \$75 (failure to timely amend)

8. Payment of late filing fee for 2020 pre-general 24-hour notice

Volunteers for Dori (Trossen), \$250
Take Action PAC, \$250

9. Payment of late filing fee for 2020 pre-primary 24-hour notice

North Central States Carpenters PAC, \$250

10. Payment of late filing fee for 2019 year-end report of receipts and expenditures

Joe Patino Campaign, \$250

11. Partial payment of late filing fee for lobbyist disbursement report due 1/15/2020

Marcus Harcus, \$150

12. Payment of late filing fee for original EIS

Kelly Gunderson, \$100

13. Payment of civil penalty for original EIS

Kelly Gunderson, \$500

14. Return of public subsidy due to subsidy exceeding expenditures

Matt Klein for Senate, \$1,468.57

15. Forwarded anonymous contributions

Freeborn County RPM, \$50

RECONCILIATION OF CONTRIBUTIONS IN 2020

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that in 2013, the Star Tribune discovered that over \$20 million dollars in contributions reported between registered committees during the years 2000 to 2012 could not be reconciled. Mr. Sigurdson said that staff confirmed that this problem existed and worked through early 2015 to reduce the unreconciled contributions. Mr. Sigurdson stated that in August 2015, staff reported on the reconciliation and the steps that had been implemented to prevent this issue from occurring again. Mr. Sigurdson said that the Board then directed staff to stop the active

reconciliation of pre-2014 contributions and to report annually to the Board regarding the reconciliation of contributions for the prior reporting year.

Mr. Sigurdson next told members that for the 2020 year-end reports, 93.73% of the contributions between registered entities on those reports initially reconciled and \$2,533,949 in reported contributions did not reconcile. Mr. Sigurdson said that by one week ago, the unreconciled amount had been reduced to \$3,065. By October 6, 2021, the unreconciled amount had been further reduced to approximately \$1,000. Mr. Sigurdson stated that the reconciliation process takes considerable staff time to complete. Staff initially reach out informally through email to treasurers with reconciliation issues and ask them to review their records on specific contributions. Mr. Sigurdson said that although the informal approach resolves a significant number of problems, formal letters requiring a response had to be mailed to 343 candidate committees and 281 political committees and party units. Mr. Sigurdson stated that in almost all cases, amendments were secured from the donor, the recipient, or both to resolve the discrepancies. Mr. Sigurdson said that staff member Melissa Stevens was primarily responsible for the reconciliation outreach and he commended her for her efforts.

ADVISORY OPINION 454

Mr. Sigurdson presented members with both public and nonpublic memoranda regarding this matter. Only the public version of the memorandum is attached to and made a part of these minutes. Mr. Sigurdson told members that the requester of this opinion was a political party unit registered with the Board that had not agreed to make the matter public. Consequently, the requester's name remained private and public and nonpublic versions of the draft advisory opinion had been prepared. Mr. Sigurdson said that the requester asked for guidance on three issues related to the operation of a meeting facility that would be available only to dues paying members. Mr. Sigurdson stated that the requester had explained that memberships would be offered to office holders affiliated with the requester's political party and to selected members of the public. Mr. Sigurdson said that the request asked if the use of the facility would represent a contribution from the party unit to the elected members; if the membership dues paid to the party unit would have to be disclosed to the Board as contributions received; and what limitations would apply if a lobbyist paid for membership. Mr. Sigurdson told members that the draft opinion provided that Chapter 10A required disclosure of an approved expenditure by the party unit for the benefit of using the facility by elected members; that the membership dues must be disclosed as contributions to the party unit; and that the legislative sessional prohibition on contributions from lobbyists did not prevent a lobbyist from using the facility during a legislative session as long as the membership dues had been paid before the start of the legislative session.

After discussion, the following motion was made:

Member Rosen's motion:

To adopt both the public and the nonpublic versions of the advisory opinion as drafted.

Vote on motion:

A roll call vote was taken. All members voted in the affirmative.

LEGAL COUNSEL'S REPORT

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn told members that since the legal report was prepared, a judgment had been entered in the Swing Right matter, a summary judgment motion had been filed in the Blaeser matter, and a default judgment motion had been filed in the Hullermann matter.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the chair had nothing to report into regular session.

There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,

Jeff Sigurdson
Executive Director

Attachments:
Executive director report
2020 Political Contribution Refund Report – Candidates
2020 Political Contribution Refund Report – Political Parties
2019-2020 Campaign Finance Summary
Memorandum regarding reconciliation of contributions in 2020
Memorandum regarding Advisory Opinion 454
Draft public version of Advisory Opinion 454
Legal report



MINNESOTA

CAMPAIGN FINANCE BOARD

Board Meeting Dates for Calendar Year 2021

Meetings are at **10:00 A.M.** unless otherwise noted.

2021

Wednesday, December 1

2022

Wednesday, January 5

Wednesday, February 2

Wednesday, March 2

Wednesday, April 6

Wednesday, May 4

Wednesday, June 1

Wednesday, July 6

Wednesday, August 3

Wednesday, September 7

Wednesday, October 5

Wednesday, November 2

Wednesday, December 7



MINNESOTA CAMPAIGN FINANCE BOARD

Date: October 26, 2021

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report

Campaign Finance Training: Staff conducted a Webex campaign finance compliance training class in the evening of October 7, 2021. About 29 candidates and treasurers attended the training. Evening classes are popular with the regulated community, and will be held throughout the 2022 election year.

Beta Testing of Online Version of Campaign Finance Reporter Application

Board staff is working with five committees that have offered to be beta testers for the Campaign Finance Reporter online (CFRO) application. The CFRO application will ultimately replace the PC based Campaign Finance Reporter (CFR) software that was originally provided to treasurers in 1998. The initial rollout of CFRO for beta testing is a significant milestone in the development of the application.

If testing goes well, the application will be offered more broadly to treasurers in late November for use in filing the 2021 year-end report, which is due on February 1, 2022. CFRO is designed to import all data entry from CFR, so treasurers will not need to reenter contributions or expenditures when migrating to CFRO. Because CFRO is browser based it may be used on Chrome, Apple, and Windows based computers; which has long been a limitation with CFR.

Annual Report of Board Operations for Fiscal Year 2021

Staff has completed for Board approval a draft report of the Board's operations during fiscal year 2021 (July 1, 2020 – June 30, 2021). This report is required by Minnesota Statutes section 10A.02, subdivision 8. The report is provided to the governor, legislative leadership, the legislative library, and is made available to the public through the Board's website. The report is required to contain the fiscal operations of the Board, including the names, and duties of Board members and staff. The report also reviews the major programs administered by the Board. A copy of the report is attached. Because the report is issued to the legislature, a Board motion to approve and draft and release the report is required.

Attachments

Annual Report of Board Operations – Fiscal Year 2021

Report of the Minnesota Campaign Finance and Public Disclosure Board



Covering Fiscal Year 2021

July 1, 2020- June 30, 2021

Issued: November 2021

CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

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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 4, 2021

TO: The Honorable Tim Walz, Governor
The Honorable, Jeremy Miller, Senate Majority Leader
The Honorable Melissa Hortman, Speaker of the House
The Honorable Melisa López Franzen, Senate Minority Leader
The Honorable Kurt Daudt, House Minority Leader
The Honorable Mary Kiffmeyer, Chair State Government Finance and Policy and Elections
The Honorable Michael Nelson, Chair State Government Finance and Elections

FROM: Stephen Swanson, Chair
Campaign Finance and Public Disclosure Board

SUBJECT: Report of Board activities during fiscal year 2021.

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 2021.

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, 2020, through June 30, 2021	4
Summary of Board Activities.....	7
Meetings	7
Advisory Opinion Procedure	8
Education and Training Outreach	9
Use of Technology.....	10
CAMPAIGN FINANCE PROGRAM.....	12
Program Overview	12
Legislative Action and Rulemaking	12
Advisory Opinions	14
Campaign Finance Disclosure Reports Filed	15
Electronic Filing.....	15
Public Subsidy Payments.....	16
Political Party Payments	17
Campaign Finance Enforcement Actions	18
LOBBYIST PROGRAM.....	19
Program Overview	19
Legislative Action and Rulemaking	19
Advisory Opinions	19
Lobbyist Disbursement Reports.....	20
Principal Reporting.....	21
Lobbyist Program Enforcement Actions	22
ECONOMIC INTEREST PROGRAM.....	22
Program Overview	22
Legislative Action and Rulemaking	23
Advisory Opinions	24
OTHER BOARD PROGRAMS.....	24
STAFF DUTIES	26
Staff Salaries.....	28
BOARD FINANCIAL INFORMATION	28
Board Operating Budget	29
Penalties Paid for Late Filing of Disclosure Reports and Other Violations of Chapter 10A	30

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 is located. Additionally, the annual report provides information on Board members who served during the fiscal year beginning on page 4, and on the Board's staff, budget, and other financial activity during the fiscal year starting on page 26.

During fiscal year 2021, the Board proposed several legislative recommendations to the 2021 legislature. Most of the recommendations were based on the Board's legislative proposals in 2019 and 2020. Although the legislature did not adopt the Board's policy proposals, the majority of the Board's technical recommendations, along with some proposals not initiated by the Board, were enacted into law at 2021 Laws, chapter 31, article 4.

Fiscal year 2021 included the 2020 state elections, which was made difficult to administer by the COVID-19 pandemic. Typically, during an election year, Board staff holds a significant number of compliance trainings both here in St. Paul and in various cities in greater Minnesota. Starting in July 2020, Board staff began conducting virtual trainings, and recorded some trainings so that interested parties could watch the videos at their convenience. During fiscal year 2021, staff conducted six virtual training sessions. Both the compliance training and the software training was recorded and made available on the website for clients to watch at their convenience. Additional information regarding the training the Board conducted is found on page 9.

Due to the COVID-19 pandemic, the Board was limited to a small number of staff physically present in the office, with a majority of staff working from home. Board staff worked diligently to support clients in the regulated community under challenging conditions.

On the filing date for the 2020 year-end report of campaign receipts and expenditures there were 719 state-level candidates, 311 political party units, and 407 political committees and funds registered with the Board. Collectively, the year-end reports disclosed \$101,819,347 in receipts and \$108,281,885 in expenditures during the 2020 calendar year. Additional information regarding the campaign finance program begins on page 12.

About 1,460 lobbyists were registered with the Board at any one time throughout the fiscal year. The lobbyists represented 1,527 principals. The principals reported total lobbying expenditures of \$68,023,406 in calendar year 2020. Additional information on the lobbyist program is found on page 19.

The economic interest disclosure program requires public officials in approximately 3,100 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 22.

During the fiscal year, the Board held nine scheduled meetings. The Board did not have a full Board at two points during the fiscal year—in July of 2020 and from April to June 2021 because of either a lack of confirmations by the Legislature or a delay in appointments from the Governor. All of the Board meetings, except for the August 2021 Board meeting, were conducted remotely because of the pandemic. At these meetings, the Board reviewed and approved fifteen conciliation agreements resolving violations of Chapter 10A, and issued eight findings to conclude Board investigations involving alleged violations of Chapter 10A.

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.

In 2013 the Board was given authority 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

Goals and objectives of the Board include the following:

- 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 eight full-time positions during the fiscal year. Additional information about Board staff is found beginning on page 26.

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, 2020, through June 30, 2021



Margaret Leppik

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, but because no appointment was made to replace her, Ms. Leppik continued to serve until July 1, of 2020. In August of 2020, Walz reappointed Ms. Leppik to a term ending in January of 2024. Ms. Leppik 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

Carol Flynn was appointed to the Board in February of 2015 by Governor Dayton for a term ending in January of 2019. In August of 2020, 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.



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.



Faris Rashid

Faris Rashid was appointed to the Board in August of 2020 by Governor Walz. Mr. Rashid was appointed again in July of 2021 for a term ending in January of 2023. 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. Mr. Rashid is a trial lawyer and partner at Greene Espel PLLP with a focus on technology, intellectual property, and trade-secrets disputes. He graduated from the University of Wisconsin Law School.



Stephen Swanson Board Chair, March 2021 to June 2021

Stephen D. Swanson was appointed to the Board in July of 2017 by Governor Dayton for a term ending in January of 2020, but because no appointment was made to replace him, Mr. Swanson continued to serve until July 1, of 2020. In August of 2020, Governor Walz reappointed Mr. Swanson to a term ending in January of 2023. 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. Mr. Swanson is employed as a part-time housing attorney with the Volunteer Lawyers Network.



Gary Haugen Board Chair, August 2020—February 2021

Gary J. Haugen was appointed to the Board in September of 2017 by Governor Dayton for a term ending in January of 2021. He filled 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.



George Soule

George Soule was appointed to the Board in March of 2021 by Governor Walz for a term ending in January of 2025. He occupies an unrestricted Board position and does not have a political party affiliation. Mr. Soule is a trial lawyer and founding partner of Soule & Stull LLC in Minneapolis. He also serves as a tribal court of appeals judge for four Minnesota tribes, including the White Earth Nation, where he is a member. Mr. Soule is a former Chair of the Minnesota Commission on Judicial Selection and serves on the Minnesota State Colleges and Universities Board of Trustees. He graduated from Minnesota State University Moorhead and Harvard 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 nine scheduled meetings during the fiscal year. All nine meetings in the fiscal year were conducted remotely because of the pandemic. 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 requester does not consent to the publication of the requester's identity, the Board generally publishes a public version of the opinion, which does not identify the requester.

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

There were no advisory opinions issued in fiscal year 2021.

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:

- 5 remote compliance training sessions attended by 232 candidates and treasurers of principal campaign committees, political party units, and political committees and funds;
- 1 remote computer lab training classes attended by 33 treasurers who use the Campaign Finance Reporter software.

The Board suspended all in-person training on March 16, 2020, due to the pandemic. The five remote compliance trainings were scheduled for both day and evening start times to accommodate different work schedules for treasurers and candidates, and included one Saturday morning compliance training class. Also, staff recorded the remote compliance training class and remote computer lab training class so that clients could watch the training classes at their convenience. The recorded training classes and the PowerPoint materials and handouts are on the website for clients to access.

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. Additionally Board staff participated in panels and spoke to interested groups of the public on the requirements of Chapter 10A.

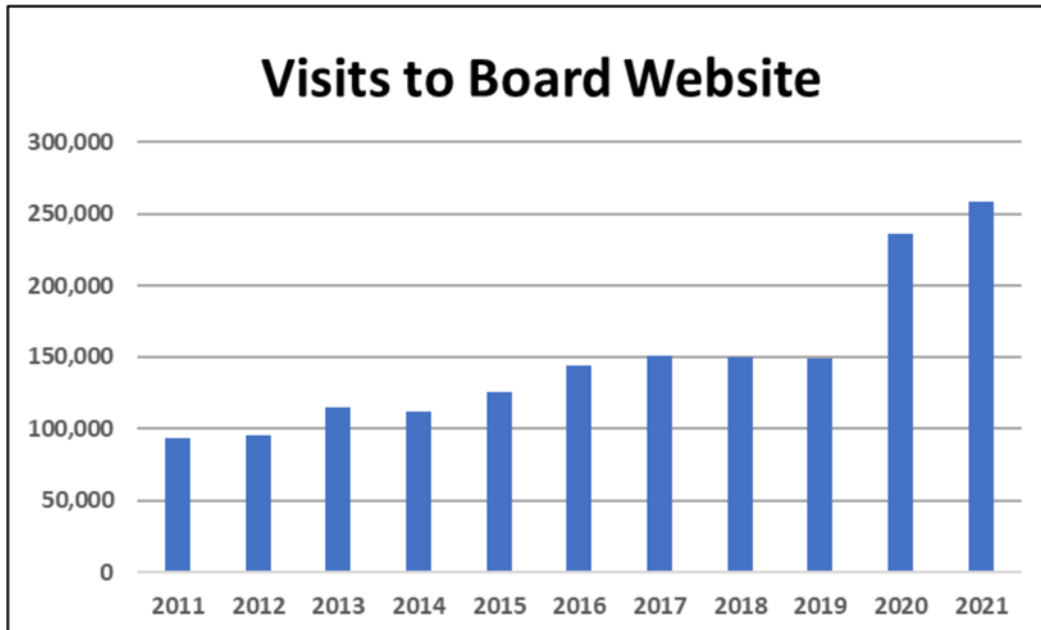
Use of Technology

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 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 2020, an election year, these committees and funds filed periodic reports disclosing receipts and expenditures. Information on the number of reports filed is found on page 15.

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 18.

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 2021 is found on page 16.

Legislative Action and Rulemaking

The Board proposed several legislative recommendations to the 2021 legislature. Most of the recommendations were based on the Board's legislative proposals in 2019 and 2020. Although the legislature did not adopt the Board's policy proposals, the majority of the Board's technical recommendations, along with some proposals not initiated by the Board, were enacted into law at 2021 Laws, chapter 31, article 4. Unless otherwise noted, the effective date of these provisions is August 1, 2021, and the changes are outlined on the next two pages. The Board did not pursue any rulemakings in fiscal year 2021.

Noncampaign disbursements

A new noncampaign disbursement category is created for security expenses for a candidate. This category includes payments for home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services. The expenses are capped at \$3,000 per two-year election segment. This section was effective May 26, 2021, and applies to payments made on or after January 1, 2021.

Alternate contact information

The Board may now collect contact information from candidates, chairs, and treasurers that is different from the contact information provided on registration forms. The alternate contact information is classified as private data on individuals. The Board may use the alternate contact information only to contact the filer for purposes of administering Chapter 10A.

Underlying disclosure with contributions

An association that is not registered with the Board must provide a statement with additional information about its receipts and expenses with any contribution to a candidate, a political committee or fund, or a party unit that is more than \$200. When an underlying disclosure statement is available on a government website, the unregistered association required to submit that statement with a contribution now may provide the government website address of the statement in lieu of the written disclosure.

Also, the underlying disclosure requirement is eliminated for in-kind contributions from the federal committee of a political party to the state central committee, or a party organization within a house of the state legislature, of the same political party.

Multicandidate political party expenditures

The list of multicandidate political party expenditures that do not constitute contributions to candidates is expanded to include direct text message services, direct voice mail services, and emails. The new activities must meet the existing standard of naming three or more individuals who will appear on the ballot.

Transfer of registration and reporting by Hennepin County political committees and funds and political party units to the Board

Responsibility for campaign finance registration and reporting for political committees and funds and political party units that currently must register with and report to Hennepin County under Chapter 383B will be transferred to the Board. Candidates for local office in Hennepin County previously subject to Chapter 383B will be subject to Chapter 211A, and relevant home rule charter provisions, and will file their reports with their local governments. The new provisions are effective January 1, 2022, and apply to reports required to be filed on or after that date. Additional reporting will be required in odd-numbered years from political committees and funds, and party units, that spend more than \$200 to influence the local elections in Hennepin County that previously were governed by Chapter 383B.

Correction of cross-referencing errors

Cross-referencing errors are corrected in 1) the statute specifying how to report reimbursements to third parties; 2) the statute that bars multicandidate political party expenditures from being allocated to candidates as approved or independent expenditures; and 3) the statute specifying when affidavits of contributions must be filed to qualify for public subsidy payments.

In fiscal year 2021 the Board did not issue any advisory opinions related to the campaign finance program.

Campaign Finance Disclosure Reports Filed

Below are the number of reports of receipts and expenditures filed by candidates, political party units, political committees, and political funds during election year 2020, and the 2020 year-end report filed in February of 2021.

	Paper	Electronic	Total
Candidate Committees	190	1,374	1,564
Political Party Units	247	717	964
Political Committees or Funds	335	1,977	2,312

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 of 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. 31 committees filed electronically using the XML standard.

Reporting Year	Candidate Campaign Committees	Political Committees, Political Funds, and Political Party Units
2020	575	556
2019	516	557
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 2020 state general election were made in fiscal year 2021.

The Board distributed \$2,131,750 in public subsidy payments to 349 candidates who ran for senate and house of representatives in the 2020 state general election.

A report of the public subsidy payments made to each qualified candidate during the 2020 state election is available on the Board’s website. Total public subsidy payments for the 2020 election by party and office is shown in the table below.

	DFL	RPM
House of Representatives	\$663,539	\$404,397
Senate	\$670,054	\$393,709
TOTAL	\$1,333,643	\$798,106

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 2020 the Department of Revenue issued \$1,325,912.36 in refunds based on contributions to candidates, and another \$2,190,120.28 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 2020 the Board made \$62,454 in payments to political parties. By party the payments were as follows:

Party	Payment
Democratic Farmer Labor	\$42,717
Republican	\$15,051
Legal Marijuana Now	\$1,007
Grassroots-Legalize Cannabis	\$638
Libertarian	\$915
Independence Alliance	\$1,688
Green	\$438

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 2021 the Board entered into fifteen conciliation agreements to resolve violations of Chapter 10A or Chapter 211B. In fiscal year 2021 the Board also issued eight findings to conclude investigations, dismissed four complaints at the probable cause determination stage, dismissed two 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 30.

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 2021, the Board submitted legislative proposals that would have changed the focus of lobbyist disclosure from reporting the costs associated with lobbying to reporting the subjects of interest that were lobbied on for the principal. The proposal also would have required lobbyists to identify the administrative agencies and metropolitan governmental units that were lobbied. In addition, the proposal would have required the disclosure of any advertising over \$2,000 that urged the public to contact public or local officials to take official actions. The legislative proposal was introduced as House File 2173. A hearing was held on the proposal during the 2021 session, but the bill was laid on the table and did not leave the committee. The Board did not pursue any rulemaking in the lobbying program in fiscal year 2021.

Advisory Opinions Issued Related to Lobbyist Program

In fiscal year 2021 the Board did not issue any advisory opinions related to the lobbying program.

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
2020	4,292	94%
2019	4,338	93%
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
2020	\$62,974,403	\$5,049,004	\$68,023,406
2019	\$68,408,333	\$7,809,960	\$76,218,293
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 2021, the Board did not conduct any investigations or receive any complaints regarding possible violations concerning the lobbyist program. However, during fiscal year 2021 the Board entered into one conciliation agreement with a lobbyist to resolve a campaign finance violation.

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 2021. 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 2021, there were 370 state offices, boards, agencies, or commissions with elected or appointed public officials. The Board processed 3,670 statements of economic interest during the fiscal year, 91% of which were submitted using the Board's electronic filing system, and 9% of which were submitted on paper forms.

During the annual recertification period in January of 2021, staff processed 3,040 statements. Of those statements, 92% were filed electronically.

Legislative Action and Rulemaking

The Board proposed several legislative recommendations to the 2021 legislature. Most of the recommendations were based on the Board's legislative proposals in 2019 and 2020. Although the legislature did not adopt the Board's policy proposals, the majority of the Board's technical recommendations were enacted into law at 2021 Laws, chapter 31, article 4. The effective date of these provisions is August 1, 2021, and are outlined below. The Board did not pursue any rulemakings in fiscal year 2021.

Minnesota State Colleges and Universities chancellor and trustees

The chancellor and the trustees of Minnesota State Colleges and Universities are added to the list of public officials who must file statements of economic interest. These officials had been filing statements under a general provision that arguably no longer applied to them.

Statement of economic interest reporting period

The reporting period for all asset schedules on original and annual statements of economic interest is now standardized. The reporting period for the original statement is the month before the month in which the person became a public or local official or filed an affidavit of candidacy. The reporting period for the annual statement is any time served as a public or local official in the previous calendar year.

Honoraria disclosure

The threshold for disclosure of honoraria on an annual statement is raised from \$50 to \$250.

Local official clarifications

Language suggesting that local officials and local candidates must file their statements of economic interest with the Board is removed. Other language in the statute specifically requires these officials and candidates to file their statements with their local units of government. The requirement that local governments provide the Board with notices of appointment for local officials is eliminated.

Advisory Opinions Issued Related to the Economic Interest Program

No advisory opinions were issued in the economic interest program in fiscal year 2021.

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.

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 570 pension plans are required to file with the Board under this law. This number has gone down in recent years as covered local pension plans dissolve to join the Statewide Volunteer Firefighter Retirement Plan. The Board does not have jurisdiction over enforcement of this certification requirement.

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.

Minnesota Statutes, sections 116O.03 and 116O.04, requires the members and president of Enterprise Minnesota, Inc. to file statements with the Board showing contributions made to public officials, political committees and funds, and political party units. These contributions also are disclosed on the recipients' campaign finance reports. To eliminate this repetitive disclosure, the reporting requirement for the members and president of Enterprise Minnesota, Inc. is repealed effective August 1, 2021.

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.

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 rule-making, 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

Programs Administrator

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.

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 2021

Position	Staff Member	FY 2021
Executive Director	Jeffrey Sigurdson	\$126,283
Assistant Director	Megan Engelhardt	\$104,901
Legal - Management Analyst	Jodi Pope	\$86,176
Legal - Management Analyst	Andrew Olson	\$68,948
Investigator	Melissa Stevens	\$59,842
Information Technology Specialist 3	Jon Peterson	\$100,278
Information Technology Specialist 3	Gary Bauer	\$88,164
Office and Administrative Specialist	Marcia Waller (retired in October)	\$15,058
Office and Administrative Specialist	Erika Ross (started in December)	\$26,781
Program and Education Analyst	(unfilled due to hir- ing freeze)	
Total Salaries		\$676,431

Board Financial Information FY 2021

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The Board's operational appropriation for fiscal 2021 was \$1,123,000. Funds not expended in the first year of a biennium roll forward into the next fiscal year and funds not expended in the second year of a biennium are returned to the state general fund. Almost the entire amount available for carryforward to fiscal year 2021 is a result of salary savings for positions that were not filled immediately after a vacancy occurred. in fiscal year 2020.

Income Summary	FY 2021
Appropriation	\$1,123,000
Carry forward from fiscal year 2020	\$72,013
Total	\$1,195,013
Expenditure Summary	
Operating budget expenditures	(\$1,036,347)
Returned to state general fund	\$158,414

Board Operating Budget—FY 2021

Salary and Benefits	FY 2021
Full time staff (salary and fringe)	\$928,162
Retirement Benefit Payout	\$9,589
Per diem for Board Members	\$2,860
Workers compensation insurance	\$459
Salary and Benefits Sub Total of Expenditures	\$941,070

Operating Expenses	FY 2021
Office rent	\$43,694
Copier lease	\$6,595
Postage	\$12,207
Printing	\$2,297
Staff development	\$445
Supplies	\$4,054
MNIT services	\$12,869
Court reporter, subpoena, and court filing costs	\$1,918
Equipment	\$9,013
Computer systems development - software	\$2,007
Travel	\$77
Operating Expense Sub Total of Expenditures	\$95,176

Board Operating Total Expenditures	\$1,036,246
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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 2021.

Late Filing Fees	FY 2021 Dollars Paid	Number of Violations
Candidate Campaign Committees	\$8,250.30	39
24-Hour Notice	\$4,350.00	14
Political Committees and Funds	\$8,500.00	41
Political Party Units	\$2,997.96	16
Economic Interest Statements	\$1,410.00	31
Lobbyist Disbursement Reports	\$5,475.00	41
Lobbyist Principal Annual Reports	\$5,275.00	16
Total Late Fees	\$36,258.26	198
Civil Penalties	FY 2021 Dollars Paid	Number of Violations
Contribution from Unregistered Association		
Unregistered Association	\$375.00	1
Political Party Unit	\$1,000.00	3
Political Committees and Funds	\$100.00	1
Candidate	\$400.00	3
Contribution Limits Violations		
Candidates Accepted in Excess of Limit	\$850.00	5
Special Source Aggregate Limit	\$100.00	1
Candidate Exceeded Spending Limit	\$36,217.53	2
Political Committee Contribution in Excess of Limit	\$125.00	1
Prohibited Contributions During Session		
Lobbyist	\$100.00	1
Political Committee and Funds	\$200.00	2
Failure to File Disclosure Report		
Candidate Committees	\$3,300.43	5
Political Committees and Funds	\$1,000.00	1
Lobbyists	\$2,000.00	2
Lobbyist Principals	\$2,000.00	2
Conversion of Committee Funds	\$1,186.00	2
Disclaimer	\$1,250.00	3
Certified False Information	\$1,686.00	2
Total Civil Penalties	\$51,889.96	37
Total Late Fees and Civil Penalties Deposited in State General Fund	\$88,148.22	235



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: October 27, 2021

To: Board members
Counsel Hartshorn

From: Andrew Olson, Legal/Management Analyst

Subject: Enforcement report for consideration at the November 3, 2021 Board meeting

A. Waiver Requests

#	Committee/ Entity	Late Fee/ Civil Penalty	Report Due	Factors	Prior Waivers	Recommended Action
1	Campaign Fund for Husniyah Dent Bradley (18227)	\$100 LFF	2020 Pre-Primary 24-Hour Notice	24-hour large contribution notice due 8/1/2020 was filed 8/4/2020. The committee's treasurer had difficulty using the CFR software and her computer malfunctioned during the time when the notice was due, causing it to be filed late. The committee terminated its registration with the Board as of the end of 2020.	No	Waive
2	Raines (Brian) for 34A (18503)	\$3,000 LFFs	2020 Year-End Two 2020 Pre-General 24-Hour Notices	Year-end report due 2/1/2021 was filed 3/30/2021. New treasurer attempted to file the report via CFR on the due date but was unable to do so because she had not updated the software to list herself as the treasurer. She contacted Board staff and Board staff responded, but the treasurer states she did not see the emails from Board staff. Treasurer states she attempted to file the year-end report on 2/4/2021 and the software said the report was uploaded, but the Board's logs do not reflect any uploads between 2/1/2021 and 3/29/2021. Two 24-hour large contribution notices due 10/31/2020 were filed 2/1/2021. The notices were filed late due to miscommunication as to whether the outgoing or incoming treasurer was responsible for entering contributions received immediately prior to the general election. The Board typically reduces 24-hour notice late fees for first-time violations to \$250. The committee reported a cash balance of \$690 as of 12/31/2020.	No	Waive LFF for year-end report and reduce LFFs for 24-hour notices to a total of \$250

B. Informational Items

1. Payment of civil penalty for exceeding aggregate special source contribution limit

Benson (Michelle) for Senate, \$5,400 (stayed portion of civil penalty from conciliation agreement signed in 2019)

Benson (Michelle) for Senate, \$1,185

2. Partial payment of civil penalties for conversion to personal use and false certification

Tamara Jones, \$186

3. Payment of civil penalty for disclaimer violation

Veterans Party of Minnesota, \$100

4. Payment of civil penalty for exceeding individual contribution limit

Education Minnesota PAC, \$50

5. Payment of late filing fee for 2020 year-end report of receipts and expenditures

Committee to Elect Heidi Gunderson for House, \$125

6. Payment of late filing fee for 2020 pre-general 24-hour notice

Planned Parenthood of Minnesota Political Action Fund, \$3,400 (3 x \$1,000 + 1 x \$400)

7. Payment of late filing fee for 2020 pre-primary 24-hour notice

Duluth Building Trades Vol Party Fund, \$250

8. Payment of late filing fee for 2019 year-end report of receipts and expenditures

Committee to Elect Heidi Gunderson for House, \$125

9. Payment of late filing fee for lobbyist disbursement report due 6/15/2021

Robert Vanasek, \$100 (4 x \$25)

10. Partial payment of late filing fee for lobbyist disbursement report due 1/15/2020

Marcus Harcus, \$150

From: Husniyah Dent <gently75@gmail.com>
Sent: Monday, October 11, 2021 11:53 AM
To: Engelhardt, Megan (CFB) <megan.engelhardt@state.mn.us>
Cc: Victoria B <victoria.balko@gmail.com>
Subject: Re: Reg No 18227

Hello Megan,

Thank you for your email explaining the situation. We did not receive the first letter. During the filing of this donation the treasurer was having issues with the CFBC software and worked with your IT department to resolve the issue. There were other issues with the computer where it shut down and had to be restored, etc. so that is why it was received late in the software. This campaign committee has been terminated. I ask the board if they would forgive or reverse the fee.

Thanks,
Husniyah Dent Bradley

On Fri, Oct 1, 2021 at 2:47 PM Engelhardt, Megan (CFB) <megan.engelhardt@state.mn.us> wrote:

Hello Victoria and Husniyah,

Attached please find the two late filing fee letters—one from 2020 and one from 2021. This stems from a late 24-hour notice. On July 31, 2020, Bertha Daniels gave your candidate committee (18227) a \$1,000 contribution. The 24-hour notice should have been filed within 24 hours (August 1, 2020) using the software because it was a large contribution in the period before the primary election. The 24-hour notice was not filed until August 4, 2020. It is a \$50 per day late filing fee, but we only count weekdays, so the late filing fee is \$100 (for two late days). As the letters state, you can file a waiver request. The waiver request can be just an email to me explaining why the 24-hour notice was late and any good reason why you should not have to pay the late filing fee. Please note that waiver requests are public information. If you apply for a waiver request, I would recommend including the information that your committee has already terminated.

If you choose to pay the late filing fee, please mail a check to our address with your committee number and name at the address below. The check should be made out to the State of Minnesota. Thank you.

Megan

Megan Engelhardt
Assistant Executive Director
Minnesota State Campaign Finance and Public Disclosure Board
190 Centennial Building
658 Cedar Street
St. Paul, MN 55155-1603
651-539-1182
Megan.Engelhardt@state.mn.us

09/29/21

Dear Mr. Olson,

Thank you for reaching out. Below you will find the information you requested.

[REDACTED]

We would like to request a waiver of the late filing fees for the 2020 year-end report and the 24-hour contribution notices. For an explanation as to the year-end report, please see my email correspondence with Melissa Stevens on February 3 and March 31 of this year.

With regard to the 24-hour contribution notices, these were also discovered during my difficulties submitting the year-end report and my subsequent audit. These were due entirely to a miscommunication as to who was taking care of reporting following submission of the pre-general report. It was my understanding that my predecessor was handling reporting through the year-end report, and it was his understanding that I was able to access the software and was doing the entry following the pre-general report. It wasn't until I was finally able to access the software and see where his entries had left off that I discovered the notices had not been submitted, and I did so.

With regard to the \$253.57 public subsidy payment, the check was not deposited until 02/02/21. It will appear on the 2021 year-end report.

Please let me know if anything additional is needed from me. I am best reached at 612-810-1502.

Sincerely,

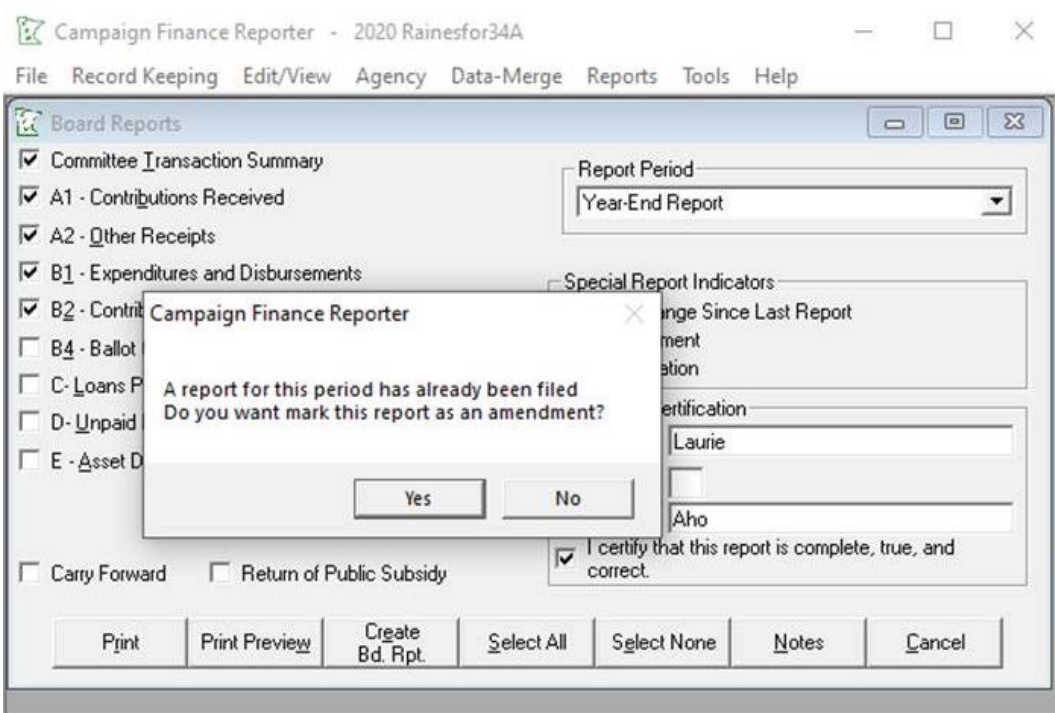
Laurie Aho
Treasurer
Raines for 34A

From: Laurie Aho <laurieaho@gmail.com>
Sent: Wednesday, March 31, 2021 1:25 PM
To: Stevens, Melissa (CFB) <melissa.stevens@state.mn.us>
Cc: Engelhardt, Megan (CFB) <megan.engelhardt@state.mn.us>
Subject: Re: FW: 2020 year-end report-Brian Raines #18503

Hi, Melissa!

First of all, I'm so sorry I never responded to this email! For some reason, this particular one went to my "Social" folder in Gmail and got mixed in with all my GoodReads notifications. No idea how, since I got your previous ones!

I submitted the report again last night. I had initially sent it (and thought I had) the day after my last email back in February after I ran an update and it let me type in my name, finally. It went through the upload, flashed the confirmation notification, and then closed out the program. I thought that was odd, so I tried submitting again, and it gave me this notification (replicated last night so I could show you), so I thought I was good to go.



Then I got your letter a few days ago, freaked out, and tried submitting again, but it went back to telling me that I wasn't authorized to sign. I uninstalled/reinstalled the program, called Gary, and he showed me how to fix it. Now it seems to be working.

Additionally, when I went to submit the report this time after uninstalling/reinstalling, it flagged the account as having a negative balance, so I went back through and did an audit of everything Tim (our former treasurer) did. Turns out he was missing a check. I added that in, and was able to submit, so it went in last night.

I did see a few very small things in my audit, like a \$10 cash donation that was double-entered in October, so I'm going to do an amendment to fix those to make sure everything is perfect as of the start of 2021, but I just need one question answered from Brian before I do that to make sure.

Basically, it's a perfect storm of dumb stuff, but I am fixing the errors, it appears I've got the software working, and I am confident that now that this is fully in my hands, we'll be good to go and the long nightmare will be over. I just wanted to lay out what happened, so you didn't think I had been ignoring this the whole time. I honestly thought I had already submitted. One heck of a learning curve on taking over as treasurer for the first time... yikes.

Please let me know if there's anything else I need to do, apart from submitting the amendments once I get that last piece of info from Brian. It won't change anything big, but I want everything matching perfectly. You know, like it should.

Thank you so much for your help!

Laurie Aho | ■ [612-810-1502](tel:612-810-1502)
she/her | ■ laurieaho@gmail.com

On Wed, Feb 24, 2021 at 4:06 PM Stevens, Melissa (CFB) <melissa.stevens@state.mn.us> wrote:

Laurie,

We still have not received the year-end report. Did you try to submit it again?

Melissa M. Stevens

Compliance Officer

Minnesota Campaign Finance and Public Disclosure Board

658 Cedar Street, Suite 190

St Paul MN 55155

Tel: 651-539-1188

Website: www.cfb.mn.gov

From: Stevens, Melissa (CFB)

Sent: Thursday, February 04, 2021 8:22 AM

To: Laurie Aho <laurieaho@gmail.com>

Subject: RE: 2020 year-end report

Hi Laurie,

You have not been updated as treasurer. See below in the screen shot the new info. You may need to run an update first but if you have issues, please reach out to Gary Bauer @651-539-1185.

Date: February 4, 2021

To: Laurie Aho
Raines (Brian) for 34A
8680 Old Cedar Avenue S #101
Bloomington, MN 55425

Committee name: Raines (Brian) for 34A
Registration number: 18503

Dear Treasurer,

Thank you for using the Campaign Finance Reporter software. The current software version is 2.4.95 for Windows.

Your committee has been assigned the following username and password so that Campaign Finance Reporter can communicate with the Board's data server:

Username: [REDACTED] Password: [REDACTED]

From: Laurie Aho <laurieaho@gmail.com>

Sent: Wednesday, February 03, 2021 8:47 PM

To: Stevens, Melissa (CFB) <melissa.stevens@state.mn.us>

Subject: 2020 year-end report

This message may be from an external email source.

Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Hi Melissa,

I attempted to submit Brian Raines' year-end report last night, but the software told me that I'm not authorized to submit. I figured the paperwork hadn't processed yet that switches me to the treasurer for the campaign. I waited until today, but I am getting the same error, so it must still not be processed. Just wanted to let you know that I'm not just ignoring it, and to see if there's anything I'm doing wrong.

Thanks!

Laurie Aho |  [612-810-1502](tel:612-810-1502)

she/her



laurieaho@gmail.com

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
November 2021**

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
Sandra (Sandi) Blaeser		2018 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP	9/11/20	6/3/21	2/3/22 (summary judgment)		
		2019 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP					
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LFF \$1,000 CP	3/6/18	8/10/18 1/8/21 2/18/21	11/15/21 (summary judgment)		
		Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$50 LFF					

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
Marcus Harcus	MN Campaign for Full Legalization	Original Statement of Economic Interest, due 6/16/20	\$100 LFF \$1,000 CP	10/5/20	4/27/21			Payment plan established. Board requested hold until fees and penalties are paid.
		Lobbyist Disbursement Report due 6/15/20	\$1,000 LFF \$1,000 CP					
		Lobbyist Disbursement Report due 1/15/20	\$1,000 LFF \$1,000 CP					
		Late Filing of Lobbyist Disbursement Report due 1/15/19; filed on 6/16/19	\$1,000 LFF					
		Late Filing of Lobbyist Disbursement Report due 6/15/18, filed on 6/27/18	\$200 LFF					
		Annual Lobbyist Principal Report, due 3/16/20	\$1,000 LFF \$1,000 CP					
Beau Hullerman		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/23/20	6/18/21	12/28/21		
Tim Johnson		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/11/20	8/9/21			

CLOSED FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Alyssa Eichman	Swing Right PAC	Unfiled 2018 Year-End Report of Receipts and Expenditures Late Filing of 2018 Pre-General Report due 10/29/18; filed on 10/30/18	\$1,000 LFF \$1,000 CP \$50 LFF	10/5/20	2/23/21 3/6/21	9/24/21	9/28	Court granted default judgment at 9/24 hearing