

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

.....
April 9, 2021

Meeting conducted remotely though Webex due to COVID-19 pandemic

.....

MINUTES

The meeting was called to order by Chair Swanson.

Members present: Flynn, Leppik, Rashid, Rosen (arrived during review of proposed federal legislation), Soule, Swanson

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

MINUTES (March 3, 2021)

After discussion, the following motion was made:

Member Leppik's motion: To approve the March 3, 2021, minutes as drafted.

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

CHAIR'S REPORT

A. Gary Haugen addressed the Board

Former member Gary Haugen briefly attended the meeting to express his appreciation and to say goodbye to Board staff and members. Mr. Haugen said that he had enjoyed his time on the Board and wished everyone the best. Mr. Haugen also welcomed new member George Soule.

B. Resolution recognizing the service of Gary Haugen

Members thanked Mr. Haugen for his service and wished him well in his future endeavors.

After discussion, the following motion was made:

Member Swanson's motion: To adopt the following resolution:

RESOLVED, that the Campaign Finance and Public Disclosure Board recognizes **Gary Haugen** for his service from 2017 to 2021 as a member of the Board, and offers this resolution in appreciation for his investment of time and energy in support of the mission and objectives of the Minnesota Campaign Finance and Public Disclosure Board.

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

C. Introduction of George Soule

Chair Swanson introduced new member George Soule. Member Soule gave a brief overview of his background and his past experience with elections and campaign finance. The other members then gave brief overviews of their backgrounds and welcomed Member Soule to the Board.

D. 2021 meeting schedule

The next Board meeting is scheduled for 10:00 a.m. on Wednesday, May 5, 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 and staff introduced themselves to Member Soule and welcomed him to the Board. Mr. Sigurdson then briefly reviewed the items in his memorandum. Mr. Sigurdson said that lobbyist principal reports were due on March 15th. Mr. Sigurdson stated that those reports showed that the total amount spent on lobbying in 2020 was the lowest total reported since 2012. Mr. Sigurdson said that this drop was due largely to a decrease in the amount spent to influence the Minnesota Public Utilities Commission (PUC). Mr. Sigurdson stated that several large projects being considered by the PUC, such as the Line 3 project, had ended and that the amount spent to lobby that entity therefore had decreased. Mr. Sigurdson said that the pandemic also may have had an effect on lobbyist principal spending.

Mr. Sigurdson then stated that Member Soule's confirmation had been approved by the House State Government Finance and Elections Committee and now was on the House floor along with the other four members awaiting confirmation. Mr. Sigurdson told members that he continued to remind legislators that the confirmations needed to be approved by the 45th legislative day but that the legislature appeared to be focused on budget matters. Mr. Sigurdson said that he believed that legislators were aware of the confirmation deadline and that he was hopeful that it would be met.

Mr. Sigurdson next told members that House File 1952 was the House omnibus state government finance and elections bill. Mr. Sigurdson said that this bill contained the Board's technical recommendations. Mr. Sigurdson described other provisions in the bill that could affect the Board, including a 2% increase in the Board's budget for each fiscal year. Mr. Sigurdson said that the Board's technical recommendations also were in Senate File 1831, the Senate omnibus state government finance and elections bill. The Senate bill, however, did not contain the Governor's recommended increase in the Board's budget. Mr. Sigurdson also told members that legislators seemed to be concerned about personal security issues and that both omnibus bills had language that would allow a candidate to use committee funds to pay for security-related expenses. Mr. Sigurdson said that he had some concerns about this language because it was very broadly written.

A. Annual Report of the Board for Fiscal Year 2020

Mr. Sigurdson presented members with a draft annual report that is attached to and made a part of these minutes. Mr. Sigurdson told members that the Board was statutorily required to report to the legislature about its activities during the past fiscal year. Mr. Sigurdson said that the proposed draft report described the Board's activities in fiscal year 2020.

After discussion, the following motion was made:

Member Flynn's motion: To approve the draft Annual Report for Fiscal Year 2020.

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

REVIEW OF PROPOSED FEDERAL LEGISLATION – FOR THE PEOPLE ACT OF 2021

Mr. Olson presented members with a memorandum regarding this legislation that is attached to and made a part of these minutes. Mr. Olson told members that the legislation had been passed by the House and contained many election-related provisions. Mr. Olson said that his memorandum and his remarks focused on the provisions related to the Federal Elections Commission (FEC), campaign finance, and public financing of elections. Mr. Olson said that the bill probably would not become law because it lacked bipartisan support. Mr. Olson then briefly discussed the provisions concerning the FEC and stated that these provisions were intended to remove the partisan gridlock that sometimes prevents the FEC from acting. Mr. Olson also briefly reviewed the provisions related to campaign finance and said that these provisions were intended primarily to increase disclosure of large donors for more communications. Finally, Mr. Olson briefly outlined the public financing provisions and the problems that they were intended to address.

ENFORCEMENT REPORT

A. Consent items

1. Withdrawal of registration of Chas Anderson (3337) and Melissa Lesch (1959) as lobbyists for Palo Alto Networks (7523)

Before Mr. Olson's presentation, Member Rosen recused himself from consideration of this matter. Mr. Olson told members that Ms. Anderson and Ms. Lesch had registered as lobbyists on behalf of Palo Alto Networks in February 2019. Mr. Olson said that Palo Alto Networks had retained Park Street Public to make connections with potential purchasers of its products and later learned that Ms. Anderson and Ms. Lesch were not required to register as lobbyists on its behalf because selling goods or services to be paid for by public funds does not constitute lobbying under Chapter 10A. Mr. Olson stated that Board staff had withdrawn the lobbyist registrations of Ms. Anderson and Ms. Lesch on behalf of Palo Alto Networks. Mr. Olson said that the two individuals were the only lobbyists registered on behalf of Palo Alto Networks so the withdrawal eliminated the need to file two outstanding lobbyist principal reports.

After discussion, the following motion was made:

Member Flynn's motion: To approve the item on the consent agenda.

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

B. Waiver requests

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. Great River Rail Commission (7635)	\$25 LFF	2020 Lobbyist Principal	Principal's sole lobbyist provided valid email address for principal's contact person on registration form. Email address was entered incorrectly, resulting in contact person not receiving reminders about need to file and not being able to file report electronically. Paper report was filed one day late. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
2. Itasca County Darkhouse & Winter Angling Association (3145)	\$125 LFF	2020 Lobbyist Principal	Principal's president, who was contact person, died on 2/1/2021 and principal no longer exists. Principal's sole lobbyist terminated his registration as of 12/31/2020 and after being notified that report due 3/15/2021 had not been received, promptly filed report on behalf of principal on 3/22/2021. No lobbyist disbursements were made in 2020. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
3. Ken Fitzgerald for State Rep (18677)	\$400 LFF	2020 Year-end	Treasurer attempted to file report via CFR on due date, 2/1/2021. Board's logs indicate computer used may have lost internet connection during process, resulting in report not being uploaded. After being contacted treasurer promptly filed report on 2/24/2021. Committee reported cash balance of \$340. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
4. Leon Lillie for House (16132)	\$425 LFF	2020 Year-end	Candidate attempted to file report before due date, 2/1/2021, but mistakenly filed another copy of pre-general report instead. After being contacted candidate promptly filed year-end report on 2/25/2021. Committee reported cash balance of \$3,180. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.

5. 2nd Senate District DFL (20377)	\$600 LFF	2020 Year-end	Treasurer attempted to file year-end no-change statement before due date, 2/1/2021, but mistakenly filed another copy of pre-general no-change statement instead. After being contacted treasurer filed year-end no-change statement on 3/8/2021. Party unit reported cash balance of \$1,060. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
6. Committee to Elect Haaris Pasha (18380)	\$425 LFF	2020 Year-end	Candidate attempted to file no-change statement on due date, 2/1/2021, but mistakenly filed three amended 2018 year-end reports instead. After being contacted candidate promptly filed 2020 no-change statement on 2/25/2021. Committee reported cash balance of \$1,942. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
7. Environmental Caucus of the Minnesota DFL (41146)	\$725 LFF	2020 Year-end	Treasurer believed that he had filed report via CFR on due date, 2/1/2021, and later provided copy of report that he printed on that date. Board's computer logs reflect that committee was using software on due date, but there is no record of attempt to upload report. Copy of report was received on 3/15/2021. Each report of this committee over course of more than 5 years has been filed on time. Committee reported cash balance of \$2,123. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
8. Maresh (William) for House (18312)	\$1,000 LFF	2020 Pre-general 24-hour notice	Candidate states that 24-hour notice was filed via CFR on day that large contribution was received, 11/1/2020. Board's logs reflect that committee was using software and performed download on that date, but there is no record of attempt to upload 24-hour notice. Each report of this committee has been filed on time including three 24-hour notices filed in October 2020. Committee reported cash balance of \$9,626 as of 12/31/2020. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
9. 17th Senate District DFL (20898)	\$975 LFF	2020 Year-end	Treasurer attempted to email paper report to Board on due date, 2/1/2021, but mistyped email address and his email client did not provide message stating email was not delivered. After being contacted treasurer tried to email report to Board staff on 3/11/2021 and 3/15/2021 but mistyped email address and again did not receive message	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.

			stating email was not delivered. Report was filed on 3/29/2021. With exception of one report filed one day late in 2019, each report of party unit over past several years has been timely filed. Party unit reported cash balance of \$161. RECOMMENDED ACTION: Waive			
10. Veronica Faye (4650)	\$100 LFF	2nd 2020 Lobbyist	Report due 1/15/2021 was filed 1/22/2021. Person who prepares lobbyist reports for principal had a death in her family shortly before report came due and principal notified Board's executive director that report would be filed late. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
11. Charles Repke (608)	\$1,200 LFFs	2nd 2020 Lobbyist (x 6)	Six reports due 1/15/2021 were filed 1/28/2021, resulting in late filing fee of \$200 for each report. Lobbyist believed reports were due by end of January and he was experiencing considerable health problems when reports came due. He has terminated registration on behalf of two clients and intends to soon terminate registration on behalf of remaining four clients due to health problems. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
12. Reko Howard (4461)	\$1,750 LFFs \$1,000 CP	1st 2020 Lobbyist 2nd 2020 Lobbyist	Lobbyist reports due 6/15/2020 and 1/15/2021 were each filed 3/2/2021, resulting in late filing fee and civil penalty of \$1,000 each for first report and late filing fee of \$750 for second report. Lobbyist principal report due 3/16/2020 was also filed one day late resulting in late filing fee of \$25.	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
13. SAVE MN/4:20 coalition (7487)	\$25 LFF	2019 Principal	Lobbyist experienced considerable health problems in 2020 resulting in multiple hospitalizations and he lacks means to pay accrued penalties. He is principal's sole lobbyist. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.
14. Yele-Mis Yang for State Representative (18262)	\$775 LFF	2020 Year-end	Candidate was seriously ill when report came due on 2/1/2021. No-change statement was filed on 3/17/2021. Committee has not had any financial activity since 2018 and reported cash balance of \$92. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation for requests 1 through 19.	A roll call vote was taken. All members voted in the affirmative.

<p>15. UPS United Parcel Service, Inc. (4346)</p>	<p>\$1,000 LFF \$1,000 CP</p>	<p>2019 Lobbyist Principal</p>	<p>Principal's sole lobbyist, who was contact person, was on leave dealing with significant family medical issues from late 2019 through mid-2020 and then retired. Lobbyist terminated her registration as of end of 2019 and her final disbursement report was timely filed, but she forgot to file principal's report covering 2019. Letters sent regarding matter were ineffective because principal's staff was working remotely due to COVID-19. After principal discovered issue in March 2021, 2019 report was promptly filed. Principal did not make any lobbying disbursements in 2019. RECOMMENDED ACTION: Waive</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 1 through 19.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>16. Daniel Mabley (OAH)</p>	<p>\$20 LFF</p>	<p>Annual EIS</p>	<p>Statement due 1/25/2021 was filed 2/12/2021. Official stopped being official in 2020 and contact information on file was official's work email and mailing address. Official filed statement promptly after being contact by Board staff. RECOMMENDED ACTION: Waive</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 1 through 19.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>17. Vote Maureen Ramirez (17938)</p>	<p>\$425 LFF</p>	<p>2020 Year-end</p>	<p>Treasurer overlooked due date in midst of pandemic and report due 2/1/2021 was filed 2/25/2021, listing cash balance of \$2. Committee was dormant for several years and in 2020 disbursed last of its funds. Committee has terminated. RECOMMENDED ACTION: Waive</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 1 through 19.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>18. Zina Alston Fizer for MN Senate (18668)</p>	<p>\$700 LFFs</p>	<p>2020 Pre- primary 2020 Year-end</p>	<p>Pre-primary report was filed 4 days late resulting in \$200 LFF. Year-end report due 2/1/2020 was filed 3/2/2021 resulting in \$500 LFF. First-time candidate's treasurer quit, candidate didn't understand reporting requirements and lacks means to pay balance owed. Committee has no money and has been terminated. RECOMMENDED ACTION: Waive</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 1 through 19.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>19. Danyika Leonard (4702)</p>	<p>\$25 LFF</p>	<p>2nd 2020 Lobbyist</p>	<p>Report due 1/15/2021 was filed 1/19/2021. New lobbyist stated that pandemic and violence at U.S. Capitol on 1/6/2021 caused report to be filed late. RECOMMENDED ACTION: Waive</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 1 through 19.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>

<p>20. Renewable Energy Partners (7137)</p>	<p>\$250 LFF</p>	<p>2020 Lobbyist Principal</p>	<p>Report due 3/15/2021 was filed 3/29/2021. Principal's contact person doesn't recall filing report in past years and didn't think he was required to do so despite receiving notice regarding report. Principal changed lobbyists in 2020, which likely contributed to confusion. RECOMMENDED ACTION: Reduce to \$125</p>	<p>Member Rosen</p>	<p>To approve the staff recommendation.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>21. Kaehler (Ralph) For MN Senate (18572)</p>	<p>\$1,000 LFF</p>	<p>2020 Pre-general 24-hour notice</p>	<p>24-hour notice due 10/22/2020 was filed 1/27/2021. First-time treasurer thought triggering amount for 24-hour notice was contribution in excess of \$1,000 rather than \$500 and didn't realize error until working on year-end report. Contribution in question was \$600 contribution from political fund. Board typically reduces 24-hour notice late fees for first-time violations to \$250. Committee reported cash balance of less than \$1 and debt of \$2,485 as of 12/31/2020. RECOMMENDED ACTION: Reduce to \$250</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 21 through 23.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>22. Wendling for House (18637)</p>	<p>\$1,000 LFF</p>	<p>2020 Pre-general 24-hour notice</p>	<p>24-hour notice due 10/27/2020 was never filed. First-time candidate wasn't aware of 24-hour notice requirement and didn't timely inform treasurer after receiving \$2,000 contribution from party unit during 24-hour notice period. Board typically reduces 24-hour notice late fees for first-time violations to \$250. Committee has cash balance of approximately \$600. RECOMMENDED ACTION: Reduce to \$250</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 21 through 23.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>
<p>23. ChiroHealth (7138)</p>	<p>\$2,000 LFFs \$2,000 CPs</p>	<p>2018 Lobbyist Principal 2019 Lobbyist Principal</p>	<p>Reports due 3/15/2019 and 3/16/2020 were filed 3/1/2021 after Board staff contacted principal's designated lobbyist. Two lobbyists registered on behalf of principal in 2016. Designated lobbyist stated that potential legislation of concern to principal was never introduced, principal eventually lost interest, and he was not aware that principal reports covering 2018 and 2019 had not been filed. It is unclear why principal's contact person did not respond to notices regarding need to file reports. Lobbyist disbursement reports covering 2018 and 2019 respectively disclosed \$19,426 and</p>	<p>Member Leppik</p>	<p>To approve the staff recommendation for requests 21 through 23.</p>	<p>A roll call vote was taken. All members voted in the affirmative.</p>

			<p>\$1,814 in lobbying disbursements. Staff's recommendation to waive amount owed for 2019 report is based on possibility that LFF and CP for that report may have been avoided had staff contacted designated lobbyist in 2019 regarding 2018 report.</p> <p>RECOMMENDED ACTION: Waive \$1,000 LFF and \$1,000 CP for 2019 report leaving balance owed of \$2,000 for 2018 report.</p>			
--	--	--	---	--	--	--

C. Informational items

1. Final payment of civil penalty for spending limit violation

Doug Wardlow for Attorney General, \$36,117.53

2. Payment of civil penalty for exceeding individual contribution limit

Patricia Torres Ray for State Senate, \$125

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

Melisa Franzen for Senate, \$100

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

Houston County RPM, \$150
 Josh Swedlund Campaign, \$50
 We Win with Edwin (Hahn), \$25
 MNisReady PAC, \$25

5. Payment of late filing fee for 2018 pre-general report of receipts and expenditures

NARAL Pro-Choice Minnesota Election Fund, \$500

6. Payment of late filing fee for 2018 pre-primary report of receipts and expenditures

NARAL Pro-Choice Minnesota Election Fund, \$500

7. Payment of late filing fee for 2016 year-end report of receipts and expenditures

NARAL Pro-Choice Minnesota, \$500

8. Payment of late filing fee for 2014 year-end report of receipts and expenditures

NARAL Pro-Choice Minnesota Election Fund, \$500

9. Payment of late filing fee for lobbyist disbursement report due 1/15/2021

Nancy Hylden, \$425
Margaret Meyer, \$225
Hubert (Buck) Humphrey, \$100
Gary Thaden, \$50
Dave Wager, \$50
Douglas Carnival, \$50
Sarah Greenfield, \$25

10. Payment of late filing fee for lobbyist principal report due 3/16/2020

Neighborhood Recycling Corp., dba Eureka Recycling, \$1,000
NARAL Pro-Choice Minnesota, \$500

11. Payment of civil penalty for lobbyist principal report due 3/16/2020

Neighborhood Recycling Corp., dba Eureka Recycling, \$1,000
NARAL Pro-Choice Minnesota, \$500

12. Payment of late filing fee for lobbyist principal report due 3/15/2019

NARAL Pro-Choice Minnesota, \$500

13. Payment of civil penalty for lobbyist principal report due 3/15/2019

NARAL Pro-Choice Minnesota, \$500

14. Payment of late filing fee for original EIS

Representative Jim Davnie, \$10

15. Payment of late filing fee for 2020 Annual EIS

Landon Olson, \$95
David E Miller, \$50
Zarina Baber, \$5
Mike Opat, \$5
Marcia Stromgren, \$5
Brenda Szymanski, \$5

16. Forwarded anonymous contributions

Kaehler (Ralph) For MN Senate, \$25

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 the pleadings in the Harcus matter had been served earlier that morning.

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:

Resolution recognizing service of Gary Haugen

Executive director report

Annual Report for Fiscal Year 2020

Memorandum regarding review of proposed legislation – For the People Act of 2021

Legal report



**Certificate of the
Campaign Finance and Public Disclosure Board
Authorizing Resolution**

RESOLVED, that the Campaign Finance and Public Disclosure Board recognizes **Gary Haugen** for his service from 2017 to 2021 as a member of the Board, and offers this resolution in appreciation for his investment of time and energy in support of the mission and objectives of the Minnesota Campaign Finance and Public Disclosure Board.

I, Stephen Swanson, do hereby certify that I am a member and Chair of the Campaign Finance and Public Disclosure Board, a board duly authorized under the laws of Minnesota, and that the above is a true, complete, and correct copy of a resolution adopted by unanimous vote at a meeting of the Campaign Finance and Public Disclosure Board duly and properly called and held on the 9th day of April, 2021.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of April, 2021.

Stephen Swanson, Chair

Daniel N. Rosen, Member



MINNESOTA CAMPAIGN FINANCE BOARD

Date: April 1, 2021

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report

Lobbyist Principal Report

As of the date of this memo the annual principal report for 2020 has been received from 1,433 of the 1,438 principals required to file. The filing deadline was March 15th. The reports filed so far disclose that **\$62,626,775** was spent in 2020 to influence the official actions of the legislature, administrative agencies, and metropolitan governmental units.

The amount spent to influence administrative action by the Minnesota Public Utilities Commission in cases of rate setting, power plant and power line siting, and granting of certificates of need is reported separately. In 2020, principals reported spending **\$5,206,080** to influence administrative actions of the Minnesota Public Utilities Commission. This amount is significantly lower than the amounts reported for 2017 and 2018, and is more in line with the amounts reported prior to 2017 when less contentious issues came before the Minnesota Public Utilities Commission.

Total lobbying expenditures currently reported for 2020 amount to **\$67,832,855** which is the lowest total reported since 2012. Below is a table showing the total spending reported on the annual principal reports for the last nine years. A principal is permitted, but not required, to round the amount reported to the nearest \$20,000.

Year	Amount Spent to Influence Legislative Actions, Administrative Actions, and Actions of Metropolitan Governmental Units	Amount Spent to Influence the Actions of the MN Public Utilities Commission	Total Amount of Spending Reported by Principals
2020	\$62,626,755	\$5,206,080	\$67,832,855
2019	\$68,363,214	\$7,809,960	\$76,173,174
2018	\$63,768,044	\$15,029,661	\$78,797,705
2017	\$66,029,621	\$9,641,044	\$75,670,665
2016	\$62,140,012	\$6,222,560	\$68,362,572
2015	\$64,039,699	\$5,177,019	\$69,216,718
2014	\$64,733,179	\$5,673,292	\$70,406,471
2013	\$69,420,091	\$5,337,767	\$74,757,859
2012	\$59,725,768	\$2,749,590	\$62,475,358

Board Member Confirmation Hearings

New member George Soule was appointed to the Board effective March 30, 2021, for a term that expires on January 6, 2025. The House State Government Finance and Elections Committee will hold a confirmation hearing for Mr. Soule on April 6, 2021. Members Carol Flynn, Margaret Leppik, Stephen Swanson, and Faris Rashid were approved by this same committee on February 25, 2021, and are on the confirmation calendar for consideration by the House.

Information on the Board appointments has also been provided to the Senate State Government Finance and Policy and Elections Committee, but as of the date of this memo a confirmation hearing has not been scheduled.

Confirmation of Board appointments must occur in both the House and Senate by the 45th legislative day after appointment, or by adjournment sine die in the second year of the legislative session, whichever occurs first. Without at least four members the Board will not have the quorum needed to meet in regular or executive session. For reference, March 26th was the 31st legislative day. The days on which the legislature meets for the rest of session have not been set. In March the legislature was meeting an average of three times a week. If that continues, the 45th legislative day will occur in the first week of May. If the legislature meets in session an average of four times a week going forward the 45th day would occur in the last week of April.

Legislative Update

Board Budget The Board budget recommended by the Governor is \$1,145,000 in FY 22 and \$1,167,000 in FY 23. This would be about a 2% increase per fiscal year over the current budget of \$1,123,000 for FY 21. This year the state government committees are breaking each agency's budget request into a separate bill. In the Senate the Board's budget is contained in SF 1877, Senator Kiffmeyer is the author. In the House the Board's budget is contained in HF 1778, Representative Nelson is the author. The Senate State Government Finance and Policy and Elections Committee considered SF 1877 on March 24. I testified on the bill, explaining to the committee that the increase in funding was needed to offset the anticipated increase in staff compensation and health benefit costs. The bill was laid over, as have been all appropriation bills heard in that committee. A hearing for HF 1778 has not been scheduled as of the date of this memo.

Board Legislative Recommendations

Technical Changes – Housekeeping Bill In the Senate the Board's technical recommendations are in SF 1714, Senators Kiffmeyer and Rest are the authors. The bill passed the Senate State Government Finance and Policy and Elections committee without opposition on March 10, and was re-referred to the Civil Law and Data Practices committee. The bill was heard in that committee on March 11, and was again passed without opposition. It was read for the second time in the Senate on March 15.

In the House the technical recommendations are in HF 1803, Representatives Her and Nelson are the authors. The bill passed the House State Government Finance and Elections committee without opposition on March 9. The bill was read in the House for the second time on March 10.

The bills are not identical. In the Senate the bill was amended to provide a process for candidates and treasurers to provide personal contact information to the Board that would be private data that could be only used for the administration of Chapter 10A. Additionally, the Senate version provides that a candidate may use up to \$2,000 of principal campaign committee funds per biennium on security measures for the candidate's residence and identity theft monitoring services.

Lobbying Proposal The Board's lobbying proposal was introduced as HF 2173, Representative Nelson is the author. The bill was heard in State Government Finance and Elections on March 12 and laid on the table. The first legislative deadline was March 12, so by failing to pass out of committee, the bill will not move forward this session. The lobbying recommendations were not introduced as a bill in the Senate.

Economic Interest Statement and Campaign Finance Policy Proposals The Board's recommendations in these two areas will not be heard this year.

Report of the Minnesota Campaign Finance and Public Disclosure Board



Covering Fiscal Year 2020

July 1, 2019- June 30, 2020

Issued: April 2021

CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

Suite 190, Centennial Building

658 Cedar Street

St. Paul MN 55155-1603

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

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

Email: cf.board@state.mn.us

Website: www.cfb.mn.gov

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



MINNESOTA CAMPAIGN FINANCE BOARD

DATE: April 7, 2021

TO: The Honorable Tim Walz, Governor
The Honorable, Paul Gazelka, Senate Majority Leader
The Honorable Melissa Hortman, Speaker of the House
The Honorable Susan Kent, 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 2020.

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 2020.

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, 2019, through June 30, 2020	4
Summary of Board Activities.....	7
Meetings	7
Advisory Opinion Procedure	7
Education and Training Outreach	8
Use of Technology.....	9
CAMPAIGN FINANCE PROGRAM.....	11
Program Overview	11
Legislative Action and Rulemaking	11
Advisory Opinions	12
Campaign Finance Disclosure Reports Filed	12
Electronic Filing.....	13
Public Subsidy Payments.....	14
Political Party Payments	14
Campaign Finance Enforcement Actions	15
LOBBYIST PROGRAM.....	16
Program Overview	16
Legislative Action and Rulemaking	16
Advisory Opinions	17
Lobbyist Disbursement Reports.....	17
Principal Reporting.....	18
Lobbyist Program Enforcement Actions	19
ECONOMIC INTEREST PROGRAM.....	19
Program Overview	19
Legislative Action and Rulemaking	20
Advisory Opinions	20
OTHER BOARD PROGRAMS.....	20
STAFF DUTIES	22
Staff Salaries.....	25
BOARD FINANCIAL INFORMATION	25
Board Operating Budget	26
Penalties Paid for Late Filing of Disclosure Reports and Other Violations of Chapter 10A	27

Executive Summary

The Campaign Finance and Public Disclosure Board is charged with the administration of the Campaign Finance and Public Disclosure Act, Chapter 10A of Minnesota Statutes. There are three major programs governed by Chapter 10A: 1) the regulation of campaign finance contributions and expenditures for state-level candidates, party units, and political committees; 2) the registration and reporting of lobbyists and the principals the lobbyists represent; and 3) the collection and disclosure of economic interest statements required of public officials. A brief overview of each program is provided here, with reference to the page in the annual report where detailed information 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 22.

During fiscal year 2020, the Board presented the Governor and the Legislature with a number of legislative recommendations to improve the disclosure provided in the economic interest statement and to improve the regulation and identification of independent expenditures. The Board also began to develop revised registration and reporting requirements for the lobbying program by working with the lobbying community to disclose more meaningful information on lobbying in Minnesota.

Fiscal year 2020 included preparations for the 2020 state elections, which was made difficult 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. Board staff conducted in-person training the fall of 2019, including some in greater Minnesota. More in-person training was planned for April - June 2020; however, Board staff had to suspend all in-person training on March 16, 2020. Starting in July 2020, Board staff began conducting virtual trainings, and recorded some trainings so that interested parties could watch the videos on their own time. Additional information regarding the training the Board conducted is found on page 8.

Due to the COVID-19 pandemic, the Board was limited to a small number of staff physically present in the office, which a majority of staff working from home. Board staff worked diligently to support clients in the regulated community under challenging conditions. The May and June Board meetings were conducted remotely because of the pandemic.

On the filing date for the 2019 year-end report of campaign receipts and expenditures there were 656 state-level candidates, 316 political party units, and 412 political committees and funds registered with the Board. Collectively, the year-end reports disclosed \$36,993,949 in receipts and \$26,201,391 in expenditures during the 2019 calendar year. Additional information regarding the campaign finance program begins on page 11.

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 \$76,218,293 in calendar year 2019. Additional information on the lobbyist program is found on page 16.

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

During the fiscal year, the Board held ten scheduled meetings. At these meetings, the Board issued three advisory opinions, reviewed and approved twenty-seven conciliation agreements resolving violations of Chapter 10A, and issued four 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.

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

Mission Statement

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

Functions

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

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

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

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

Goals and Objectives

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

Board and Staff

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

Board Member Qualifications

The Board consists of six citizen members who are responsible for the administration of the Campaign Finance and Public Disclosure Act. Members of the Board are appointed by the Governor to staggered four-year terms. Their appointments must be confirmed by a three-fifths vote of the members of each body of the legislature. Two members must be former members of the legislature who support different political parties; two members must be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members must support different political parties.

Board Members

July 1, 2019, through June 30, 2020



Margaret Leppik Board Chair, July - December 2019

Margaret (Peggy) Leppik was appointed to the Board in May of 2015 by Governor Dayton for a term ending in January of 2016. Governor Dayton re-appointed Ms. Leppik in January 2016 for a term ending in January of 2020, but because no appointment was made to replace her, Ms. Leppik continued to serve until July 1, of 2020. 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 July of 2019, Governor Walz reappointed Ms. Flynn to a term ending in January of 2023. She fills a Board position requiring a former DFL legislator. Ms. Flynn served as a state senator from 1990-2000 where she was Majority Whip and chaired the Judiciary and Transportation Committees. Ms. Flynn worked and studied at the University of Minnesota. She served on the Metropolitan Waste Control Commission and Metropolitan Council where she chaired the Systems Committee. She currently volunteers on several union retiree organizations.



Robert Moilanen Board Chair, January - June 2020

Robert Moilanen was initially appointed by Governor Dayton to the Board in October of 2016. Mr. Moilanen was reappointed in June of 2017 for a term ending in January of 2019. In July of 2019, Governor Walz reappointed Mr. Moilanen to a term ending in January of 2023. However, because his nomination was not confirmed by the legislature prior to adjournment of the regular session, his term on the Board ended on July 1, 2020. He occupied a Board position for a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment. Mr. Moilanen is a graduate of Gustavus Adolphus College and George Washington University Law School. Mr. Moilanen spent nearly thirty years in the private practice of law with the majority of that time spent as a partner at the law firm of Popham, Haik, Schnobrich, Kaufman and Doty. Mr. Moilanen concluded his professional career working as the Director of Securities for the State of Minnesota from 2011-2014.



Daniel N. Rosen

Daniel N. Rosen was initially appointed in July of 2014, by Governor Dayton for a term ending in January of 2018. Governor Dayton re-appointed Mr. Rosen in January 2018 for a term ending in January of 2022. He fills a Board position requiring a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment to the Board. A lawyer in Minneapolis, Mr. Rosen is a graduate of the University of Minnesota Law School and the lead Minnesota partner of the Kluger Kaplan law firm, where he practices in the field of business and real estate litigation. Prior to law school Mr. Rosen was as an officer in the United States Navy and served in Operations Desert Shield and Desert Storm.



Stephen Swanson

Stephen D. Swanson was appointed to the Board in July of 2017 by Governor Dayton for a term ending in January of 2020, but because no appointment was made to replace him, Mr. Swanson continued to serve until July 1, of 2020. He occupies an unrestricted Board position and supports the DFL party. Mr. Swanson is a graduate of the University of Cincinnati College of Law, and holds a Master of Laws degree from New York University. Following a career as an attorney with Mid-Minnesota Legal Assistance, Inc. Mr. Swanson served as a Hennepin County District Court Judge from July of 1989 to February of 2007 and as a Senior Judge from January of 2009 to April of 2014. Most recently, he served as a temporary administrative law judge with the Minnesota Office of Administrative Hearings from May 2014 to May 2017. Mr. Swanson has served as an international judge on the Court of Bosnia and Herzegovina, and worked in USAID-sponsored rule of law projects in Afghanistan, Kosovo, and Lebanon. Mr. Swanson is employed as a part-time housing attorney with the Volunteer Lawyers Network.



Gary Haugen

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

Summary of Board Activities

Meetings

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

The Campaign Finance and Public Disclosure Board held ten scheduled meetings during the fiscal year. The May and June meeting in 2020 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 neces-

sary to comply with the amended or revoked opinion; 2) the request has omitted or misstated material facts; or 3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

Three advisory opinions, Advisory Opinions 451-453, were issued in fiscal year 2020. Summaries of these advisory opinions are provided in the reviews of the campaign finance and lobbying programs.

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:

- 12 in-person compliance training sessions attended by 237 candidates and treasurers of principal campaign committees, political party units, and political committees and funds;
- 5 computer lab training classes attended by 67 treasurers who use the Campaign Finance Reporter software.

An ongoing problem in providing compliance training to treasurers is the difficulty in reaching St. Paul from many locations in Minnesota, which was made even more difficult by the COVID-19 pandemic. The Board suspended all in-person training on March 16, 2020, due to the pandemic. Prior to that date, Board staff conducted five in-person compliance training classes in greater Minnesota and seven compliance training classes in St. Paul during the 2020 fiscal year. The compliance trainings held in St. Paul were scheduled for both day and evening start times to accommodate different work schedules for treasurers and candidates.

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

Use of Technology

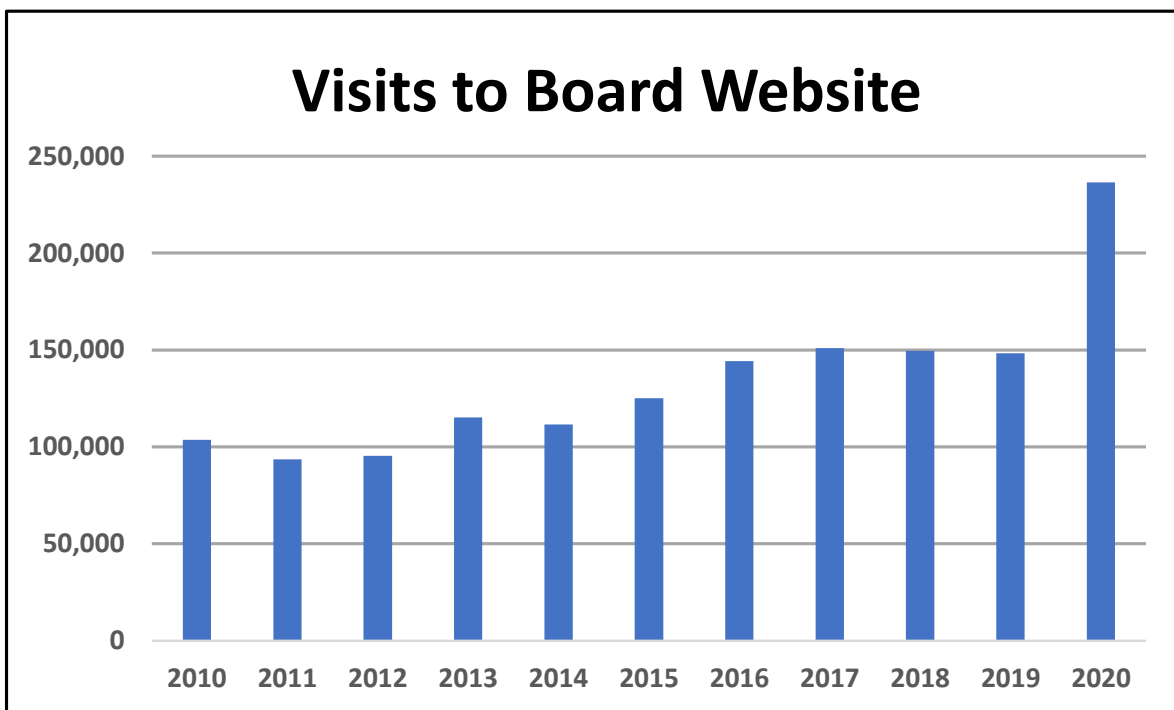
The Board has long recognized the value of receiving disclosure reports in electronic format. Electronic reports may be moved directly into Board databases where the records are analyzed for compliance issues and then exported to the Board's website for faster disclosure to the public. Electronic filing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

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

The 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 2019, a non-election year, these committees and funds filed only a year-end report disclosing receipts and expenditures. Information on the number of reports filed is found on pages 12 and 13.

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

As a part of the campaign finance program the Board administers and regulates the distribution of payments for the state's public subsidy program, which provides public funding to qualified state candidates and the state committees of political parties. Payments are made following the state primary election to candidates and monthly to the state committees of political parties. Information on public subsidy payments made during fiscal year 2020 is found on page 14.

Legislative Action and Rulemaking

In fiscal year 2020, the Board submitted legislative proposals that would have affected the campaign finance program. Suggested technical changes included simplified reporting for political party units that are registered with both the Board and the Federal Election Commission, and modifying the definition of multicandidate political party expenditures to include web based communications. Policy recommendations included redefining independent expenditures so that communications that use words that are the functional equivalent of express advocacy would be reportable to the Board. The legislature took no action on the recommendations.

Advisory Opinions Issued Related to Campaign Finance Program

The Board issued two advisory opinions in the campaign finance program in fiscal year 2020.

- Advisory Opinion 453 provided that committees may jointly purchase services and products from a commercial vendor without the use of a third-party intermediary. Committees that agree to make a joint purchase, and that wish to avoid making an in-kind contribution, will need to determine beforehand that all committees have a bona fide use for the services and that each committee pays for an equal or proportionate share of the service.
- Advisory Opinion 454 provided that a legislator may produce or participate in a podcast to discuss public policy and current events and may pay for the podcast with personal funds. Whether the podcast expenses must be accounted for through the legislator’s principal campaign committee depends on the content of the podcast.

Campaign Finance Disclosure Reports Filed

During a year when there is no state election registered committees only need to file a year-end report of receipts and expenditures. Below are the number of year- end reports filed by candidates, political party units, and political committees and political funds for calendar year 2019 in January of 2020.

	Paper	Electronic	Total
Candidate Committees	122	516	638
Political Party Units	88	228	316
Political Committees or Funds	71	329	400

Electronic Filing of Reports

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

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

The Board has developed and distributed a XML schema that is the standard for the electronic filing of campaign finance reports using a third party vendor's software. Twenty eight committees filed electronically using the XML standard. The table below shows the increase in electronic filing from 2006 to 2019.

Reporting Year	Candidate Campaign Committees	Political Committees, Political Funds, and Political Party Units
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, and will be detailed in the next annual report of the Board. A report of the public subsidy payments made to each qualified candidate during the 2020 state election is available on the Board’s website.

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 2019 the Department of Revenue issued \$802,770 in refunds based on contributions to candidates, and another \$1,563,505 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 \$59,582 in payments to political parties. By party the payments were as follows:

Party	Payment
Democratic Farmer Labor	\$38,241
Republican	\$15,922
Independence	\$1,890
Green	\$958
Libertarian	\$728
Legal Marijuana Now	\$1,190
Grassroots-Legalize Cannabis	\$653

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 2020 the Board entered into twenty-seven conciliation agreements to resolve violations of Chapter 10A or Chapter 211B. In fiscal year 2020 the Board also issued four findings to conclude investigations, dismissed two complaints at the probable cause determination stage, dismissed one complaint at the prima facie determination stage, dismissed one staff review, and issued one audit report.

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

Lobbying Program Overview

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

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

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

Legislative Action and Rulemaking

In fiscal year 2020 there were no statutory or rule changes to the lobbying provisions.

Advisory Opinions Issued Related to Lobbyist Program

In fiscal year 2020 the Board issued one advisory opinion related to the lobbying program.

- Advisory Opinion 452 determined that providing meals to public officials is not a prohibited gift as long as the funding for the meals is from an association that is not a principal in Minnesota, and the meals are not provided to the public officials at the request of a lobbyist or principal.

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
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
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 2020 the Board did not conduct any investigations or receive any complaints regarding possible violations concerning the lobbyist program.

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 2020. 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 2020, there were 370 state offices, boards, agencies, or commissions with elected or appointed public officials. The Board processed 4,094 statements of economic interest during the fiscal year, 83% of which were submitted using the Board's electronic filing system, and 17% of which were submitted on paper forms.

During the annual recertification period in January of 2020, staff processed 2,923 statements. Of those statements, 92% were filed electronically.

Legislative Action and Rulemaking

In fiscal year 2020, the Board submitted legislative proposals that would have affected the economic interest statement program. Suggested technical changes included standardizing economic interest statement reporting periods. Policy recommendations included establishing a two-tiered disclosure system so that soil and water conservation district supervisors, and members of watershed districts, would disclose information appropriate for the office held. The Board also recommended that public officials disclose direct interest in government contracts and beneficial interest that may create a conflict of interest. The legislature took no action on the recommendations.

Advisory Opinions Issued Related to the Economic Interest Program

No advisory opinions were issued in the economic interest program in fiscal year 2020.

Other Board Programs

Potential Conflict of Interest

A public or local official who in the discharge of the official's duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business must under certain circumstances file a Potential Conflict of Interest Notice, or a written statement describing the potential conflict. If there is insufficient time to comply with the written requirements, oral notice must be given to the official's immediate supervisor of the possible conflict.

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

Public Employees Retirement Association Trustee Candidates

Candidates for election as PERA Trustees are required to file certain campaign finance disclosure reports with the Campaign Finance and Public Disclosure Board under Minnesota Statutes, section 353.03, subdivision 1. Under this statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form.

Enterprise Minnesota, Inc.

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

State Board of Investment

Minnesota Statutes section 11A.075, requires certain disclosure by SBI members upon appointment and SBI employees upon hire and by both annually until termination of appointment or employment. Under this statute, the Board prescribes and furnishes to the members and employees the reporting form and instructions for completing the form.

Representation Disclosure

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

Local Pension Plans

Members of a governing board of a covered pension plan and the chief administrative officer of the plan are required to file certain statements of economic interest with the governing board under Minnesota Statutes section 356A.06, subdivision 4.

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

Staff Duties

Executive Director

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

Assistant Executive Director

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

Legal Analyst—Management Analyst

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

Compliance Officer

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

Programs Administrator

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

Programs and Education Analyst

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

Information Technology Specialist III Database Management

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

Information Technology Specialist III Application Development

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

Staff Salaries FY 2019

Position	Staff Member	FY 2020
Executive Director	Jeffrey Sigurdson	\$121,057
Assistant Director	Megan Engelhardt	\$102,725
Legal - Management Analyst	Jodi Pope	\$81,517
Legal - Management Analyst	Andrew Olson	\$64,506
Investigator	Melissa Stevens	\$56,685
Information Technology Specialist 3	Jon Peterson	\$93,722
Information Technology Specialist 3	Gary Bauer	\$81,765
Office and Administrative Specialist	Marcia Waller	\$56,592
Program and Education Analyst (Left the Board on 1/8/2020)	Kevin Lochner	\$21,596
Total Salaries		\$680,165

Board Financial Information FY 2020

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The Board's operational appropriation for fiscal 2020 was \$1,123,000. Funds not expended in the first year of a biennium roll forward into the next fiscal year. Almost the entire amount available for carryforward to fiscal year 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 2020
Appropriation	\$1,123,000
Carry forward from fiscal year 2019	\$0
Total	\$1,123,000
Expenditure Summary	
Operating budget expenditures	(\$1,050,987)
Carryforward to fiscal year 2021	\$72,013

Board Operating Budget—FY 2020

Salary and Benefits	FY 2020
Full time staff (salary and fringe)	\$915,148
Part time seasonal staff	\$13,913
Per diem for Board Members	\$3,245
Unemployment Compensation	\$6,253
Workers compensation insurance	\$442
Salary and Benefits Sub Total of Expenditures	\$939,001
Operating Expenses	
Office rent	\$42,834
Copier lease	\$7,018
Postage	\$10,799
Printing	\$0
Travel	\$3,579
Staff development	\$1,464
Supplies	\$6,854
MNIT services	\$13,146
Court reporter, subpoena, and court filing costs	\$723
Equipment	\$3,185
Computer systems development - software	\$20,153
Other purchased services	\$2,231
Operating Expense Sub Total of Expenditures	\$111,986
Board Operating Total Expenditures	\$1,050,987

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 2020.

Late Filing Fees	FY 2020 Dollars Paid	Number of Violations
Candidate Campaign Committees	\$2,992.11	19
24-Hour Notice	\$1,160.00	5
Political Committees and Funds	\$10,442.50	26
Political Party Units	\$500.00	1
Economic Interest Statements	\$455.00	8
Lobbyist Disbursement Reports	\$2,750.00	23
Lobbyist Principal Annual Reports	\$3,705.00	21
Total Late Fees	\$22,004.61	103
Civil Penalties	FY 2020 Dollars Paid	Number of Violations
Contribution from Unregistered Association		
Unregistered Association	\$50.00	1
Political Committees and Funds	\$960.00	4
Candidate	\$300.00	3
Contribution Limits Violations		
Candidates Accepted in Excess of Limit	\$1,040.44	6
Special Source Aggregate Limit	\$2,945.00	10
Candidate Exceeded Spending Limit	\$200.00	2
Political Committee Contribution in Excess of Limit	\$175.00	2
Prohibited Contributions During Session		
Political Committee and Funds	0	0
Candidate	0	0
Failure to File Disclosure Report		
Candidate Committees	\$2,507.17	7
Political Committees and Funds	0	0
Political Party Units	0	0
Lobbyist Principals	0	0
Conversion of Committee Funds	\$500.00	1
Disclaimer	\$6,100.00	2
Total Civil Penalties	\$14,777.61	38
Total Late Fees and Civil Penalties Deposited in State General Fund	\$36,782.22	141



MINNESOTA CAMPAIGN FINANCE BOARD

Date: April 2, 2021

To: Board members

From: Andrew Olson, Legal/Management Analyst

Telephone: 651-539-1190

Re: For the People Act of 2021 (H.R. 1 / S. 1)

Overview

The For the People Act of 2021 passed in the United States House of Representatives on a nearly party-line vote on March 3, 2021. The bill was introduced in the United States Senate on March 17, 2021, but it is very unlikely to become law unless the Senate votes to eliminate the filibuster or a procedural mechanism is used to change the threshold needed for cloture.

The 884-page bill would result in substantial changes to voter registration, existing voter identification laws, early voting and voting by mail, the purging of voter rolls, the restoration of voting rights for felons, Congressional redistricting, and funding for improvements to election security and administration. The bill would also result in the creation of ethics rules for U.S. Supreme Court justices, lower the threshold at which individuals are required to register as federal lobbyists, create a national clearinghouse for registration statements filed by federal lobbyists and foreign agents, impose conflict of interest and ethics rules on members of the executive branch including the president and presidential transition teams, strengthen conflict of interest rules for members of Congress, and tighten restrictions designed to prevent foreign interference in elections. The bill includes multiple provisions related to the structure of the Federal Election Commission (FEC) and campaign finance and public financing for federal candidates.

FEC Structural Provisions

The bill would change the number of FEC members from six to five, require that no more than two members belong to the same party, and require the president to appoint one member as chair. The chair would have broad authority over the FEC and its staff including the ability to establish its budget. A quorum of the FEC would be defined as a majority of members currently serving and a majority vote of those serving would be sufficient to take actions requiring member approval. FEC members would be limited in most instances to serving a single six-year term and members would be allowed to serve no longer than one year after the expiration of their term. Also, the decision to open an investigation or dismiss a complaint would be made

by the FEC's general counsel without seeking member approval, although the FEC would have the power to override such a decision within 30 days. Those changes are designed, in part, to prevent partisan deadlocks and allow the FEC to remain fully functional despite vacancies.

The bill would establish a 15-year statute of limitations for civil violations of the Federal Election Campaign Act (FECA) and extend the statute of limitations for criminal violations from five to 10 years. The federal District Court for the District of Columbia would be required to treat the FEC's failure to act on a complaint for one year as a dismissal of the complaint, increasing the level of judicial scrutiny of such complaints. Also, members of Congress would be allowed to intervene in any action challenging the constitutionality of a provision of the FECA or its implementing regulations.

Campaign Finance Provisions

The bill would classify some spending that is currently classified as independent expenditures or as electioneering communications as coordinated expenditures and thereby as a contribution to the candidate supported by the expenditure. The general definition of coordination would be similar to that established by Minnesota Statutes section 10A.175, subdivision 5. However, the bill would also include the cost of communications that include videos, photos, and other campaign material produced by a candidate or a committee, so a Super PAC would not be allowed to copy video or photographs from a candidate committee's website and then use that media in independent expenditure advertisements. Similarly to Minnesota Statutes section 10A.176, the bill establishes a number of circumstances under which an expenditure would be deemed to be a coordinated expenditure. Those include instances in which the spender was formed at the request or with the encouragement of the candidate, the candidate or their committee has engaged in fundraising on behalf of the spender, the spender was established or managed by the candidate, a member of the candidate's immediately family, or a former employee or consultant of the candidate, or there is overlap between the vendors used by both the spender and the candidate, aside from vendors providing accounting and legal services.

The bill includes a version of the DISCLOSE Act,¹ which would generally require an organization that spends over \$10,000 within a two-year cycle on federal election campaigns to disclose the identity of any donor that gave at least \$10,000. Organizations such as 501(c) and 527 organizations, corporations, and labor unions, that spend more than \$10,000 within a reporting period would be required to file disclosure reports itemizing campaign-related disbursements greater than \$1,000 and naming the candidates identified in any paid communications. Organizations would be permitted to establish a segregated bank account funded solely by external donations in order to avoid disclosing donors whose funds are not used for campaign-related disbursements. The bill would require a committee that receives a contribution in excess of \$5,000 within 20 days of an election to disclose that contribution within 48 hours of receipt. The overarching purpose of those provisions is to require the disclosure of large donors to organizations that spend a significant amount of money on federal campaigns

¹ The [DISCLOSE Act](#) passed in the United States House of Representatives in 2010.

but do not meet the legal definition of a political committee, and to prevent contributions from being routed through intermediaries, which undermines existing disclosure requirements.

Presidential inauguration committees would be barred from accepting contributions from anyone other than individuals who are not foreign nationals and each individual would be allowed to contribute no more than \$50,000 to a specific committee. Individuals would be barred from making straw donations to presidential inauguration committees and committees would likewise be prohibited from knowingly accepting straw donations. Such committees would be required to disclose a contribution of \$1,000 or more within 24 hours of receipt and would be required to file a final report itemizing contributors who gave, and vendors who were paid, \$200 or more. The bill would also bar funds held by such a committee from being converted to personal use.

Three restrictions imposed by an appropriations law passed in December 2020 would be repealed. As a result, the Internal Revenue Service would be permitted to establish a standard for determining whether an organization is properly classified under section 501(c)(4) of the Internal Revenue Code. The Securities and Exchange Commission would be permitted to promulgate rules requiring companies to inform shareholders of certain political activity. Also, the federal executive branch would be permitted to require that federal contractors disclose all of their political spending.

The bill would prohibit foreign nationals from making decisions regarding political contributions or campaign-related expenditures. That ban would include spending related to ballot measures and referenda. The bill would likewise expand the prohibition on election-related communications by foreign governments and their agents to include electioneering communications and issue-oriented communications made during an election year. The ability of candidates and committees to exchange nonpublic information with foreign nationals would be further curtailed and companies would be required to implement measures designed to prevent foreign nationals from purchasing political advertisements. Committees would be required to notify the Federal Bureau of Investigation (FBI) and the FEC of any attempt by certain foreign nationals to offer a contribution or to make an expenditure, or to offer information or services, related to an election. Each publicly traded company would also be required to assess the preferences of its shareholders, excluding foreign nationals, prior to spending money for political purposes.

The bill would subject electioneering communications disseminated via the internet to the same disclaimer requirements as communications disseminated via television, radio, and print media. The bill would also require disclaimers on independent expenditure and electioneering communication advertisements made by individuals. The disclaimer requirement, as applied to Super PACs and similar groups, would generally be expanded for internet and video communications to require the disclosure of the spender's top-five funders, and for audio communications to require the disclosure of the spender's top-two funders, or the URL of a website where that list may be obtained. Also, the bill would generally prohibit the malicious dissemination of certain deceptive media within 60 days of a federal election, including deepfake videos and other types of deceptively manipulated audio or visuals.

The bill would require websites and social media networks with more than 50 million users to maintain a public database of requests to purchase political advertisements mentioning federal candidates and issues. Nonincumbent candidates would be able to use campaign funds for expenses related to care for children, elders, and dependents, as well as for health insurance premiums. Also, political parties would be allowed to create segregated accounts consisting solely of contributions from individuals who give \$200 or less per calendar year and use those funds to contribute up to \$10,000 to any federal candidate, which is twice the current limit, or spend an unlimited amount of money in coordination with federal candidates. The bill would require candidates to dispose of any unused campaign funds within six years of their last election and prior to registering as a lobbyist or as a foreign agent.

Public Financing Provisions

The bill would create a public financing system for congressional candidates starting during the 2027-2028 election cycle whereby contributions of up to \$200 would be matched on a 6-1 basis.² The program would be funded by criminal and civil penalties paid by corporations and their officers, and in some cases by high-income individuals who violate the Internal Revenue Code. In order to qualify a candidate would need to raise at least \$50,000 in contributions of \$200 or less from at least 1,000 individuals, itemize each contribution given by an individual of \$1 or more, contribute no more than \$50,000 to their own campaign, adhere to an individual contribution limit of \$1,000 per election, and refrain from accepting contributions from any source other than individuals, political party committees, and multicandidate committees. Public funding provided to any particular congressional candidate would be capped at an amount likely to be several million dollars.³

The bill would also create a pilot program whereby three states would operate a voucher program for United States House of Representatives candidates during the two election cycles spanning the years 2027-2030. The funding mechanism would be the same as for the matching contributions program. The amount allocated to any given state would be capped at \$10 million over the course of the four-year period. Each participating state would be required to issue a \$25 voucher to any individual who requests a voucher, resides in the state, will be old enough to vote in the next federal election, and is not prohibited from making a contribution under federal law. Participating states would be required to issue vouchers in paper or electronic form depending on the preference of each individual that requests a voucher. Each voucher recipient could allocate their voucher to one or more House candidates in increments of \$5. Voucher recipients could transmit their vouchers to one or more candidates or to the FEC either electronically or in paper form. Payments to candidates resulting from the allocation of vouchers generally would be eligible for the matching contributions program.

² This system is very similar to the system envisioned by the [Government by the People Act of 2014](#), a version of which was included as part of the [For the People Act of 2019](#), which passed in the United States House of Representatives on a straight party-line vote in March 2019.

³ The amount is capped at 50% of the amount spent by the average of the 20 highest-spending winning House candidates from the previous election cycle. If the cap was calculated based on the most recent completed cycle, the amount would be approximately \$6.7 million. It is unclear whether the bill is intended to provide for a higher cap for Senate candidates, but as written the cap would be based on the past spending of House candidates.

The bill would significantly modify the public financing system for presidential candidates starting with those seeking election in 2028. Currently the system is funded solely by a \$3 tax checkoff and participation by taxpayers has declined from a high of 28.70% in 1980 to a low of 3.56% in 2020. Currently each eligible presidential candidate may participate in one program to fund their primary campaign and a separate program to fund their general election campaign. Currently a candidate who participates in the primary election program receives a 1-1 match of each contribution from an individual up to \$250 made during the period from January 1 of the year before a presidential election through the date the candidate is nominated by their party or ceases to be a candidate.⁴ A presidential candidate who participates in the general election program after receiving their party's nomination receives a lump-sum payment based on the amount of funds available, which in 2020 would have been \$103.7 million per candidate.⁵ Under current law candidates participating in each program are required to comply with spending limits. Primary candidates are limited in the amount they can spend to campaign in any given state, which makes it particularly difficult to be competitive in smaller states with an early primary or caucus. General election candidates are generally barred from accepting private contributions, which puts major party candidates who accept public financing at a significant disadvantage because the amount of the general election grant is drastically less than the amount of money a major party candidate is able to raise from private contributions.

The funding mechanism for the new system would be the same as that for the new matching contributions program for congressional candidates described above. The bill would eliminate the spending limits imposed under the current system and each contribution from an individual of up to \$200 would be matched on a 6-1 basis regardless of whether the contribution was for the primary or the general election campaign. In order to qualify candidates would need to commit to using public financing during both the primary and general election campaigns, raise at least \$25,000 in contributions of \$200 or less from individuals residing in at least 20 states, contribute no more than \$50,000 to their own campaign, adhere to an individual contribution limit of \$1,000 per election, and refrain from accepting contributions from any source other than individuals, political party committees, and multicandidate committees. Total public funds provided to any one candidate would initially be capped at \$250 million and that amount would be indexed to inflation. The bill would also allow political parties to spend more money in coordination with presidential candidates and would bar candidates who receive public financing from establishing multicandidate committees.

Potential Impact on Chapter 10A

The bill does not appear to contain any provisions that would directly impact Chapter 10A. The bill contains a number of provisions that would have significant effects on voter registration, voting rights for felons, Congressional redistricting, and election administration, in Minnesota, but those changes are beyond the scope of this memorandum.

⁴ The last major party presidential candidate to participate in the public financing program for primary candidates was Martin O'Malley in 2016 and the last candidate to participate in the program for primary candidates who won the general election was Bill Clinton in 1996.

⁵ The last major party presidential candidate to participate in the public financing program for general election candidates was John McCain in 2008 and the last candidate to participate in the program for general election candidates who won the general election was George W. Bush in 2004.

A couple provisions may affect campaign finance for state-level candidates and ballot questions in Minnesota. First, the bill would subject to deportation any alien who engages in improper interference in an election, which would be defined to include violating campaign finance law or engaging in fraudulent or deceptive acts designed to influence the result of an election or undermine public confidence in election processes or institutions. That provision applies to federal, state, and local elections and caucuses, including ballot measures such as a proposed state constitutional amendment or a local bond referendum. The FEC has interpreted the existing prohibition on contributions from foreign nationals to extend only to elections involving candidates, so that change would impose a federal prohibition on contributions from foreign nationals related to ballot measures for the first time. Second, the bill requires the FEC to notify a state if it determines that a foreign national has “attempted to initiate a disinformation campaign targeted at an election for public office” within that state. Although unlikely, if the FBI or the FEC were to detect that a foreign national was seeking to perpetrate a disinformation campaign, the Board could become involved if that effort appeared to violate Chapter 10A or a section of Chapter 211B within the jurisdiction of the Board.

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
April 2021

ACTIVE 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
Sandra (Sandi) Blaeser		2018 Public Official Statement of Economic Interest 2019 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP \$100 LFF and \$1,000 CP	9/11/20				
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$1,000 LFF \$1,000 CP \$50 LFF	3/6/18	8/10/18 1/8/21			Placed on hold for Board settlement discussions
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			
Kelly Gunderson		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/23/20	2/25/21			

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
Marcus Harcus	MN Campaign for Full Legalization	Original Statement of Economic Interest, due 6/16/20	\$100 LFF \$1,000 CP	10/5/20				
		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				
Tim Johnson		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/11/20				

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
Steve Laitinen		2018 Public Official Statement of Economic Interest 2019 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP \$100 LFF and \$1,000 CP	9/23/20				
Jaden Partlow		Candidate Statement of Economic Interest due 6/15/20	\$100 LFF \$1,000CP	9/23/20				
Jenny Rhoades		Candidate Statement of Economic Interest due 6/15/20	\$100 LFF \$1,000CP	9/23/20				

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
Margaret Meyer	NARAL Pro-Choice Minnesota Election Fund (30552); NARAL Pro-Choice Minnesota (30638), and NARAL Pro- Choice Minnesota (5837)	Multiple reports	\$6,000 LFF \$2,000 CP	9/3/20	1/8/21			Matter Settled. Closed 3/19/21