

Report of the Minnesota Campaign Finance and Public Disclosure Board



Covering Fiscal Year 2024

July 1, 2023- June 30, 2024

Issued: April 2025

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 8, 2025

TO: The Honorable Tim Walz, Governor
The Honorable Erin P. Murphy, Senate Majority Leader
The Honorable Lisa Demuth, Speaker of the House
The Honorable Mark T. Johnson, Senate Minority Leader
The Honorable Melissa Hortman, House Minority Leader
The Honorable Jim Carlson, Chair Elections
The Honorable Tou Xiong, Chair State and Local Governments
The Honorable Mike Freiberg, Co-Chair Elections Finance and Government Operations
The Honorable Duane Quam, Co-Chair Elections Finance and Government Operations

FROM: Faris Rashid, Chair
Campaign Finance and Public Disclosure Board

SUBJECT: Report of Board activities during fiscal year 2024.

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 2024.

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; 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, 2023, through June 30, 2024	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	15
Campaign Finance Disclosure Reports Filed	16
Electronic Filing	17
Public Subsidy Payments	18
Political Party Payments	19
Campaign Finance Enforcement Actions	20
LOBBYIST PROGRAM	21
Program Overview	21
Legislative Action and Rulemaking	21
Advisory Opinions	24
Lobbyist Disbursement Reports	26
Principal Reporting	27
Lobbyist Program Enforcement Actions	27
ECONOMIC INTEREST PROGRAM	28
Program Overview	28
Legislative Action and Rulemaking	29
Advisory Opinions	29
OTHER BOARD PROGRAMS	30
STAFF DUTIES	32
Staff Salaries	34
BOARD FINANCIAL INFORMATION	34
Board Operating Budget	35
Penalties Paid for Late Filing of Disclosure Reports and Other Violations of Chapter 10A	36

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 34.

Fiscal year 2024 includes the first six months of calendar year 2024, which is a state election year. To help candidates and treasurers comply with the reporting and compliance issues in Chapters 10A and 211B Board staff conducted virtual training sessions through the end of June 2024. Remote training was initially in response to the COVID pandemic, but it has proved to be very popular with candidates and treasurers who appreciate being able to attend training without travel to a specific location, and who can use recordings of the training sessions at their convenience. Additional information regarding the training the Board conducted is found on page 8.

Staff works in the office three days a week, and remotely from home two days a week. This allows the office to be staffed every day of the week.

On the filing date for the 2023 year-end report of campaign receipts and expenditures there were 550 state-level candidates, 309 political party units, and 404 political committees and funds registered with the Board. Collectively, the year-end reports disclosed \$43,908,061 in receipts and \$32,205,360 in expenditures during calendar year 2023. Additional information regarding the campaign finance program begins on page 11.

About 1,751 lobbyists were registered with the Board at any one time throughout the fiscal year. The lobbyists represented 1,611 principals. The principals reported total lobbying expenditures of \$96,371,501 in calendar year 2023. Additional information on the lobbyist program is found on page 21.

The economic interest disclosure program requires public officials in approximately 3,400 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 28.

During the fiscal year, the Board held twelve scheduled meetings. All regular sessions of Board meetings may be watched and participated in via WebEx or Teams. For the most part, the Board and Board staff appear in person for the meetings. At these meetings, the Board reviewed and approved sixteen conciliation agreements that resolved violations of Chapter 10A as part of the Board's staff reviews and resolved ten complaints filed with the Board.

Introduction to the Board

The Campaign Finance and Public Disclosure Board was established by the state legislature in 1974 through enactment of Chapter 10A of the Minnesota Statutes.

Throughout its history the Board has enforced the provisions of Chapter 10A, promulgated and enforced Minnesota Rules 4501 through 4525, and issued advisory opinions to guide clients in meeting the chapter's requirements.

In 2013 the Board was given authority over 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. This authority is limited to those individuals and associations already subject to the Board's jurisdiction under Chapter 10A.

Mission Statement

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

Functions

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

- registration and public disclosure by state legislative, constitutional office, and judicial office candidates; political party units; political committees; and political funds;
- state public subsidy program that provides public funding to qualified state candidates and the state committees of political parties;
- registration and public disclosure by lobbyists and principals attempting to influence state legislative action, administrative action, and the official action of metropolitan governmental units; and
- disclosure of economic interest, conflicts of interest, and representation of a client for a fee under certain circumstances for designated state and metropolitan governmental unit officials.

Goals and Objectives

Goals and objectives of the Board include the following:

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

Board and Staff

The Board consists of six members, none of who may be an active lobbyist, a state elected official, or an active candidate for state office. The Board is not non-partisan; rather it is multi-partisan, with no more than three of the members of the Board supporting the same political party. The Board was able to maintain eight full-time positions during the fiscal year. Additional information about Board staff is found beginning on page 32.

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, 2023, through June 30, 2024



Margaret Leppik

Margaret (Peggy) Leppik was appointed to the Board in May of 2015 by Governor Dayton for a term ending in January of 2016. Governor Dayton re-appointed Ms. Leppik in January 2016 for a term ending in January of 2020, but because no appointment was made to replace her, Ms. Leppik continued to serve until July 1, of 2020. In August of 2020, Walz reappointed Ms. Leppik to a term ending in January of 2024, but because no appointment was made to replace her, Ms. Leppik continued to serve until June 5, 2024. Ms. Leppik filled a Board position requiring a former Republican legislator. Ms. Leppik served as a state representative from 1991-2003 where she chaired the Higher Education Finance Committee. She served on the Metropolitan Council from 2003-2011 where she was vice chair for three years and chaired the Environmental Committee. A graduate of Smith College, Ms. Leppik is an active volunteer for numerous nonprofit organizations.



Carol Flynn

Carol Flynn was appointed to the Board in February of 2015 by Governor Dayton for a term ending in January of 2019. In August of 2020, Governor Walz reappointed Ms. Flynn to a term ending in January of 2023. Ms. Flynn was appointed again in March of 2023 for a term ending in January of 2027. 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 for senior organizations.



Faris Rashid, Board Chair,

Faris Rashid was appointed to the Board in August of 2020 by Governor Walz. Mr. Rashid was appointed in July of 2021 for a term ending in January of 2023. In March of 2023, Mr. Rashid was appointed again for a term ending in January of 2027. He fills a Board position requiring a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment to the Board. Mr. Rashid supports the DFL party. Mr. Rashid is a trial lawyer and partner at Greene Espel PLLP with a focus on technology, intellectual property, and trade-secrets disputes. He graduated from the University of Wisconsin Law School.



David Asp, Board Chair, 2024

David Asp was appointed to the Board in February of 2022 by Governor Walz for a term ending in January of 2026. He fills a Board position requiring a member who has not been a public official, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the member's appointment to the Board. Mr. Asp has supported the Republican party. Mr. Asp is a partner at Lockridge Grindal Nauen PLLP where his practice focuses on litigation, particularly litigation involving health care and administrative law. Mr. Asp has been an active volunteer on the board of several community and non-profit organizations, and has volunteered with political campaigns, party units, and political committees. He graduated from Augsburg College and the University of Minnesota Law School.



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. In August of 2020, and again in July of 2021, Governor Walz reappointed Mr. Swanson to a term ending in January of 2024. Effective July 2, 2024, Governor Walz reappointed Mr. Swanson to a term ending in January 2028. 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. 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 was employed as a half-time housing attorney with the Volunteer Lawyers Network. Mr. Swanson is presently an arbitrator for the Minnesota Bureau of Mediation Services on the Peace Officer Grievance Arbitration Roster.



George Soule, Board Chair, 2023

George Soule was appointed to the Board in March of 2021 by Governor Walz for a term ending in January of 2025. He occupies an unrestricted Board position and does not have a political party affiliation. Mr. Soule is a trial lawyer and founding partner of Soule & Stull LLC in Minneapolis. He also serves as a tribal court of appeals judge for five Minnesota tribes, including the White Earth Nation, where he is a member. Mr. Soule is a former Chair of the Minnesota Commission on Judicial Selection and serves on the Minnesota State Colleges and Universities Board of Trustees. He graduated from Minnesota State University Moorhead and Harvard Law School.

Summary of Board Activities

Meetings

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

The Campaign Finance and Public Disclosure Board held twelve regularly scheduled meetings during the fiscal year, plus three committee meetings as part of the rule-making process. 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. Individuals or associations may ask for advisory opinions based on real or hypothetical situations to guide their compliance with these laws.

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

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

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:

- 2 remote compliance training sessions attended by 45 candidates and treasurers of principal campaign committees;
- 2 remote compliance training session attended by 57 treasurers and chairs of political party units and political committees and funds;
- 1 remote training for CFRO attended by 119 people from party units, political committees/funds, and principal campaign committees; and
- 1 remote compliance training session attended by 221 lobbyists.

The remote compliance trainings were scheduled for both day and evening start times to accommodate different work schedules for treasurers and candidates. Also, staff recorded the remote campaign finance compliance training class, Campaign Finance Report Online (CFRO) training class, and a lobbying compliant class so that clients could watch the training classes at their convenience. The recorded training classes and the PowerPoint materials and handouts are on the website for clients to access.

As an effort to provide training available at any time and at any location with web access the Board has five online training videos for treasurers on the website. 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 Online (CFRO), which is used to file the campaign finance reports. The videos are available on the Board's website. Additionally Board staff participated in several panels and other events for interested groups of the public on the requirements of Chapter 10A.

Use of Technology

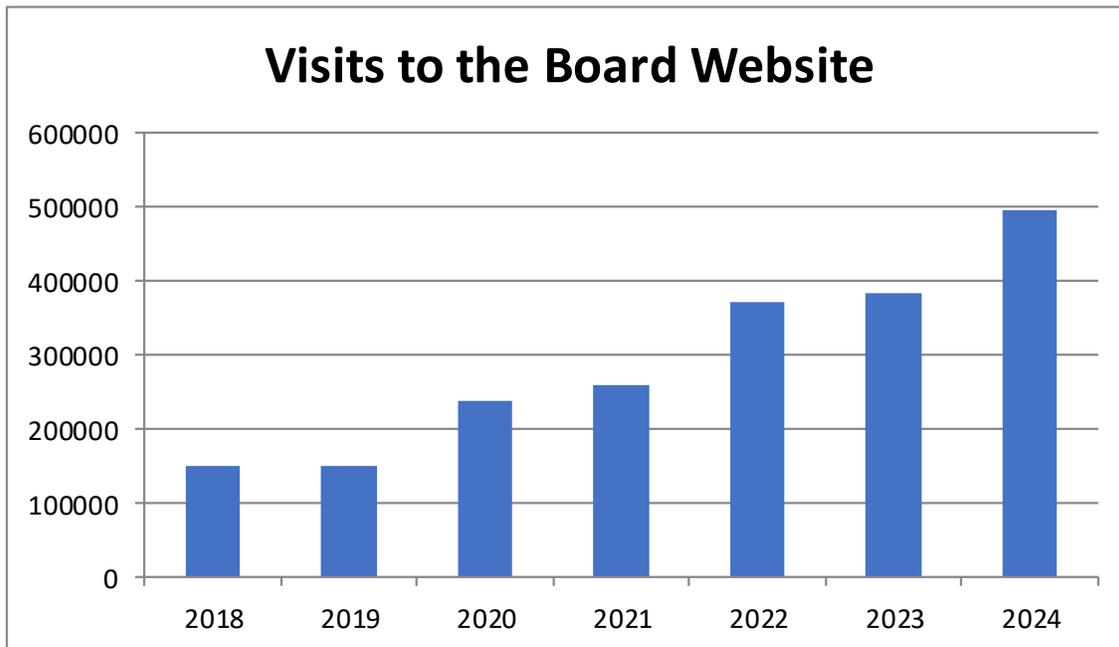
The Board has long recognized the value of receiving disclosure reports in electronic format. Electronic reports may be moved directly into Board databases where the records are analyzed for compliance issues and then exported to the Board's website for faster disclosure to the public. Electronic filing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

Board Website - cfb.mn.gov



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 and ballot question committees and funds.

During calendar year 2024, an election year, these committees and funds filed periodic reports disclosing receipts and expenditures. Information on the number of reports filed is found on page 16.

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 20.

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 2024 is found on page 18.

Legislative Action and Rulemaking

The Board did not make any recommendations regarding Chapter 10A or Chapter 211B for the 2024 legislative session.

There were numerous changes made to the campaign finance provisions of Chapter 10A in the 2024 legislative session. Some of the changes to the campaign finance provisions of Chapters 10A and 211B are outlined on the next several pages.

Legislative Action and Rulemaking (cont.)

The definition of “ballot questions” was updated. The definition previously was limited to constitutional amendments and questions placed on the ballot by Hennepin County, cities within Hennepin County with a population of at least 75,000, and School District 1 (Minneapolis). The definition has been expanded to include a question placed on the ballot by any county, city, school district, township, or special district in the state. This amendment shifts committees formed to support or oppose local ballot questions and local office candidates, other than committees formed by local candidates, to the registration and reporting requirements of Chapter 10A. This section was effective January 1, 2025.

The legislature expanded the definition of “local candidate” to now include all candidates seeking office in any county, city, school district, township, or special district in the state. The previous definition was limited to certain offices in Hennepin County. Local candidates are still required to file campaign finance reports with local election administrators under the provisions of Chapter 211A. This section was effective January 1, 2025.

The legislature also clarified the filing dates for committees, funds, and party units that are required to file reports of receipts and expenditures during an odd-numbered year (non-state election year) because of contributions or expenditures to support or oppose local ballot questions or local candidates. The reference to filing a “pre-primary” report is replaced with the requirement to file a report in July. The change reflects the fact that many political subdivisions do not hold primary elections. This section was effective January 1, 2025.

The legislature also provided that a candidate’s principal campaign committee may not accept a loan from the candidate if the terms of the loan require the committee to pay interest to the candidate. This change was effective January 1, 2025.

Legislative Action and Rulemaking (cont.)

The legislature increased the range of late filing fees and civil penalties available to the Board for a political committee, political fund, candidate committee, or party unit that files a report of receipts and expenditures or a pre-election large contribution notice past the deadline. The modified late filing fees and civil penalties are also available to fine an unregistered association for filing a report of electioneering communications late.

The legislature also provided a new range of penalties for unregistered associations that contribute to independent expenditure committees and funds, or to a ballot question committee or fund, without providing the required statement disclosing the source of funds used for the contribution; and for independent expenditure committees and funds that file a report without including the statement from the unregistered association.

The legislature made changes to the electioneering statutes added in 2023 by expanding the scope of electioneering communications required to be reported to the Board. The change amends the definition of “electioneering communication” in several ways. First, telephone and digital communications are included as a means to distribute electioneering communications. Second, this section clarifies the periods of time when a communication is subject to reporting as an electioneering communication. The definition continues to provide that an electioneering communication may occur in the 60 days before a general election, or the 30 days before a primary election, if the office sought by the candidate referenced in the communication will be on the ballot. In addition, this section clarifies that an electioneering communication may occur in the 30 days before a convention of a party unit that has the authority to endorse a candidate for the office sought by the candidate referred to in the communication.

Legislative Action and Rulemaking (cont.)

The statute now provides that a communication is not an electioneering communication if the communication is a noncommercial opinion poll, survey, or form of data collection for the purpose of opinion research. This exception does not apply if the solicitation is designed to influence the respondents' views on an issue. Additionally, a communication disseminated by telephone, or online, or by other electronic means is not an electioneering communication if the recipient has voluntarily and affirmatively consented to receive messages from the sender.

Previously, a communication could not be an electioneering communication unless it could be received on radio or television by at least 10,000 individuals within the legislative or judicial district of the candidate referenced in the communication, or statewide if the communication referred to a candidate for an office that is voted on statewide. Now, the statute provides a new definition for the term "targeted to the relevant electorate" so that an electioneering communication may also be distributed by telephone, in a digital format online, or by other electronic means.

Additionally, the numerical threshold for potential recipients of communication to qualify as electioneering communication will vary based on the distribution method. The standard remains 10,000 individuals within the relevant election district for communications distributed by radio or television. For a message distributed by telephone, online, or by other electronic means, the communication must generate 2,500 or more contacts within a district during an electioneering communication period as defined in Chapter 10A. The 2,500 or more contacts may be from a single communication, or the 2,500 contacts may be cumulative from multiple communications distributed by the same person if the communications refer to the same candidate and is distributed in the same electioneering communication period.

Legislative Action and Rulemaking (cont.)

The statute also now clarifies that a political committee, political fund, or political party unit that makes a contribution that meets the definition of an electioneering communication will report the cost of the communication as a campaign expenditure or independent expenditure. Previously the text explicitly referred only to political committees. The changes to the electioneering statutes are effective January 1, 2025.

The Board also started a formal rulemaking process in fiscal year 2024, but it will not be completed until fiscal year 2025.

Advisory Opinions Issued Related to Campaign Finance Program

The Board issued two advisory opinions regarding the campaign finance program during fiscal year 2024.

Advisory Opinion 459 provided that the Board cannot issue an advisory opinion without specific factual information, either real or hypothetical, about the requestor's planned conduct. The opinion also stated that the Board declines to interpret the phrase "proximity to the election" within the definition of the term "expressly advocating" to refer to a specific number of days prior to a primary or general election.

Advisory Opinion 462 provided that a partnership consisting of individuals may make political contributions to a general purpose political committee or fund. The opinion provided that such a partnership may be the supporting association of a general purpose political fund and may provide collateral for a line of credit to be used by the political fund. The opinion also stated that Minnesota Statutes section 211B.15, subdivision 17, which allows nonprofit corporations to provide limited administrative assistance to a political committee or fund, does not apply to a partnership.

Campaign Finance Disclosure Reports Filed

Below are the number of reports of receipts and expenditures filed by candidates, political party units, and political committees and political funds during part of the election year 2024, and the 2023 year-end report filed in January of 2024.

	Paper	Electronic	Total
Candidate Committees	57	534	591
Political Party Units	23	301	324
Political Committees or Funds	39	1,241	1,280

Below are the number of reports of receipts and expenditures filed by political party units, political committees, and political funds during local election year 2023 for Hennepin County for three reports filed in fiscal year 2024.

	Paper	Electronic	Total
Political Party Units	0	4	4
Political Committees or Funds	0	113	113

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. Forty-four committees filed electronically using the XML standard.

The Board has ceased supporting the Campaign Finance Reporter (CFR) reporting system that was a software system after the 2023 year-end report. The CFR was replaced by the web-based reporting application, Campaign Finance Reporter Online (CFRO). As an online application, CFRO is available to all committees regardless of the operating system of their computer.

Candidate 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 2024 state general election were made in fiscal year 2025. A report of the public subsidy payments made to each qualified candidate during the 2024 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 2023 the Department of Revenue issued \$447,860 in refunds based on contributions to candidates, and another \$1,616,213 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 2024 the Board made \$60,218 in payments to political parties. By party the payments were as follows:

Party	Payment
Democratic Farmer Labor	\$42,734
Republican Party of Minnesota	\$14,879
Legal Marijuana Now	\$612
Grassroots-Legalize Cannabis	\$443
Libertarian	\$818
Independence Alliance	\$732

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 2024 the Board entered into sixteen conciliation agreements to resolve violations of Chapter 10A or Chapter 211B that were initiated by a staff review. In fiscal year 2024 the Board also resolved seven complaints filed with the Board with either a conciliation agreement, settlement agreement, findings, or dismissal.

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 for most campaign finance reports, and \$25 a day for the year-end report. 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 36.

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 activities 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 subjects 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

The Board started a formal rulemaking process in fiscal year 2024, but it will not be completed until fiscal year 2025.

The Board did not make recommendations regarding the lobbying provisions of Chapter 10A for the 2024 legislative session. There were changes made to the lobbying provisions of Chapter 10A in the 2024 legislative session that are outlined on the next several pages.

Legislative Action and Rulemaking (cont.)

The Legislature applied a stay to the registration and reporting requirements for lobbying a political subdivision that is not a metropolitan governmental unit. The stay is effective until June 1, 2025. In effect, this puts back in place the standard for lobbying local government that existed on December 31, 2023. A lobbyist who has or will be lobbying metropolitan governmental units, as defined in Chapter 10A, will still need to register and report with the Board. An individual who is lobbying only political subdivisions that are not metropolitan governmental units is not required to register and report with the Board while the stay is in place.

Also, the Board is directed to prepare a report that studies the definitions of “lobbyist”, “local official”, “public official”, and “official action of a political subdivision” that was due to the legislature on January 15, 2025.

The Legislature also amended the definition of “lobbyist”. Previously, an individual compensated more than \$3,000 for urging the public to contact public or local officials on an issue was a lobbyist. The section removes “urging others to communicate” from the definition of lobbyist for individuals who are compensated over \$3,000 and for individuals who spend more than \$3,000 of their own money on lobbying. Of note; while this change means that individuals no longer will register for what is commonly known as “grassroots lobbying,” a lobbyist principal will still need to report money spent urging the public to contact officials on an issue, and an association that is not represented by a lobbyist may still become a lobbyist principal if it spends \$50,000 or more on grassroots lobbying within a calendar year.

Legislative Action and Rulemaking (cont.)

The Legislature provided a definition for the term “employee of a political subdivision” which is not a lobbyist if the employee attempts to influence the official action of the political subdivision that hired or appointed the employee. This definition will expand “employee of a political subdivision” to include consultants, independent contractors, and individuals employed by a business hired by a political subdivision to provide legal counsel, professional services, or policy recommendations to the political subdivision.

The Legislature updated the definition of “principal” in two ways. First, the threshold at which an association becomes a lobbyist principal as a result of compensating a lobbyist was raised from \$500 to \$3,000 in a calendar year. This matches the compensation level at which an individual will need to register as a lobbyist. Second, an association that does not pay \$3,000 for lobbyist representation is still a lobbyist principal if the association spends \$50,000 or more to influence official actions, including the official actions of political subdivisions.

The Legislature also made two changes to the annual lobbyist principal report. First, it reduces the allowable rounding of the total amount spent for each of the four types of lobbying from the nearest \$9,000 to the nearest \$5,000. Second, the types of expenditures made by a principal that are included on the annual report was expanded to include “communications and staff costs used for the purpose of urging members of the public to contact public or local officials to influence official actions”. This language was included to clarify that expenditures on grassroots lobbying are still reportable by principals even though individuals are no longer required to register as a lobbyist based on grassroots lobbying.

Advisory Opinions Issued Related to Lobbyist Program

The Board issued six advisory opinions regarding the lobbying program during fiscal year 2024.

Advisory Opinion 456 provided that a membership organization comprised of political subdivisions that communicates with its members about lobbying efforts made on behalf of those members, and suggests that members take action to support those lobbying efforts, is not lobbying its own members.

Advisory Opinion 457 considered multiple complex fact patterns and addressed whether specific activities constitute lobbying. The opinion focused on attorneys who interact with political subdivisions on behalf of clients. The opinion generally provided that attorneys who represent clients by communicating with public or local officials are engaged in lobbying if that communication is intended to influence the official action of a political subdivision.

Advisory Opinion 458 considered multiple complex fact patterns and addressed whether, given specific facts, individuals would be required to register as lobbyists and report their lobbying activity, as well as whether principals would be required to include certain activity when calculating the amount spent on lobbying for purposes of their annual report to the Board. The opinion focused on companies with high-level executives, and trade association members, who may be engaged in lobbying. The opinion generally provided that determining if an individual must register as a lobbyist requires an examination of the communication made by the individual, who the communication was made to, if the communication attempts to influence an official action, and the compensation received for making the communication.

Advisory Opinions Issued Related to Lobbyist Program (cont.)

Advisory Opinion 460 provided that a nonelected local official or employee of a political subdivision is not a lobbyist unless the individual both receives compensation in excess of \$3,000 for lobbying in any year and spends more than 50 hours in any month on lobbying.

Advisory Opinion 461 provided that a vote by elected local officials to adopt a collective bargaining agreement for union employees of a political subdivision is an official action of a political subdivision and attempting to influence that vote is lobbying. The opinion also stated that actions by union representatives to enforce the provisions of a collective bargaining agreement after it has been adopted, or to represent union employees in discussions with human resource staff, is not lobbying.

Advisory Opinion 463 considered the meaning of the phrase “news medium” as used to exclude individuals from the definition of the term “lobbyist.” The opinion also considered several specific fact patterns and addressed whether, given specific facts, individuals would be required to register as lobbyists and report their lobbying activity, as well as whether their employers would be defined as principals. The opinion generally concluded that news media organizations and their employees and agents are not lobbyists as a result of publishing or broadcasting news items, editorial comments, or paid advertisements which directly or indirectly urge official action by public or local officials.

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 reports are available for review on the Board website.

Reporting year	Reports filed	Electronically filed
2023	5,219	95%
2022	4,444	93%
2021	4,319	94%
2020	4,292	94%
2019	4,338	93%
2018	4,201	97%
2017	4,231	95%
2016	4,174	98%
2015	4,076	97%
2014	4,041	96%
2013	3,998	97%
2012	3,823	93%

Principal Reporting

	All Other Lobbying in Minnesota	MN Public Utilities Commission	Total
2023	\$90,012,463	\$6,359,039	\$96,371,501
2022	\$77,134,544	\$6,137,008	\$83,271,552
2021	\$69,005,045	\$5,194,947	\$74,199,992
2020	\$62,974,403	\$5,049,004	\$68,023,406
2019	\$68,408,333	\$7,809,960	\$76,218,293
2018	\$63,727,954	\$15,029,661	\$78,757,615
2017	\$66,029,622	\$9,641,044	\$75,670,666
2016	\$62,140,012	\$6,222,560	\$68,362,572
2015	\$63,947,699	\$5,177,020	\$69,124,719
2014	\$64,517,472	\$5,889,000	\$70,406,472
2013	\$69,185,283	\$5,568,210	\$74,753,493
2012	\$59,060,155	\$2,749,590	\$61,809,745

Lobbyist Program Enforcement Actions

In fiscal year 2024, the Board dismissed two complaints and resolved an additional complaint after an investigation.

Also, during fiscal year 2024, the Board entered into one conciliation agreement with a lobbyist to resolve a campaign finance violation.

Economic Interest Statement Program Overview

The Board administers the provisions of Chapter 10A of the Minnesota Statutes that govern disclosure of economic interests by public officials and local officials in metropolitan governmental units. There were over 3,380 public officials who filed with the Board in fiscal year 2024. Local officials use forms developed by the Board, but file with the local governmental unit.

Original statements of economic interest must be filed at the time of appointment or, for nonjudicial 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.

Filing of Statements

During fiscal year 2024, there were 421 state offices, boards, agencies, or commissions with elected or appointed public officials. The Board processed 4,038 statements of economic interest during the fiscal year, 89% of which were submitted using the Board's electronic filing system, and 11% of which were submitted on paper forms.

During the annual recertification period in January of 2024, staff processed 2,972 statements. Of those statements, 97% were filed electronically.

Legislative Action and Rulemaking

The Board has also started a formal rulemaking process in fiscal year 2024, but it will not be completed until fiscal year 2025.

The Board did not make any legislative recommendations regarding the economic interest program, nor did the Legislature make any changes to the economic interest program in 2024.

Advisory Opinions Issued Related to the Economic Interest Program

No advisory opinions were issued in the economic interest program in fiscal year 2024.

Other Board Programs

Potential Conflict of Interest

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

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

Local Pension Plans

Members of a governing board of a covered pension plan and the chief administrative officer of the plan are required to file an annual statement 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 individuals who filed a statement with the pension plan no later than January 15th of each year. There were 266 plans that filed a certified list covering 2023. Approximately half of those lists were filed by January 15, 2024. This number is expected to decline over time as covered pension plans dissolve to join the Statewide Volunteer Firefighter (SVF) Plan administered by the Public Employees Retirement Association (PERA). The Board does not have jurisdiction over the enforcement of this certification requirement.

Public Employees Retirement Association Trustee Candidates

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

State Board of Investment

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

Representation Disclosure

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

Staff Duties

Executive Director

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

Assistant Executive Director

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

Legal Analyst—Management Analyst

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

Compliance Officer

The compliance officer provides for distribution, collection, data entry, and filing of campaign finance registrations and 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, and monitors cases for Revenue Recapture. The compliance officer also provides compliance advice and guidance to Board staff and clients.

Lobbying Program 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.

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 Campaign Finance Reporter Online (CFRO).

Information Technology Specialist IV 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. Lastly, this position coordinates the work of other IT staff and contractors to ensure that the IT systems complies with Board security and documentation standards.

Staff Salaries FY 2024

Position	Staff Member	FY 2024
Executive Director	Jeffrey Sigurdson	\$134,971
Assistant Director	Megan Engelhardt	\$114,771
Legal - Management Analyst 4	Will Hager (resigned 7/14/23)	\$2,664
Legal - Management Analyst 4	Greta Johnson (joined staff 10/18/23)	\$48,002
Legal - Management Analyst 4	Andrew Olson	\$84,922
Investigator	Melissa Stevens	\$68,342
Information Technology Specialist 4	Jon Peterson	\$109,175
Information Technology Specialist 3	Gary Bauer	\$78,082
Management Analyst 1	Erika Ross	\$62,323
Office Specialist (part time position)	Jodi Pope	\$7,882
Total Salaries		\$711,134

Board Financial Information FY 2024

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The Board's operational appropriation for fiscal 2024 was \$1,993,000. Funds not expended in the first year of a biennium roll forward into the next fiscal year and funds not expended in the second year of a biennium are returned to the state general fund.

Income Summary	FY 2024
Appropriation	\$1,993,000
Expenditure Summary	
Operating budget expenditures	(\$1,172,027)
Carryforward to FY 25	\$820,973

Board Operating Budget—FY 2024

Salary and Benefits	FY 2024
Full time and part time staff (salary and fringe)	\$990,078
Per diem for Board Members	\$3,135
Salary and Benefits Sub Total of Expenditures	\$993,213

Operating Expenses	FY 2024
Office rent	\$45,455
Copier lease	\$5,571
Mail	\$13,614
Printing	\$1,232
Staff development	\$11,627
Supplies	\$9,770
MNIT services	\$20,069
Court reporter, subpoena, and court filing costs	\$4,250
Litigation Expense - Expert Witness	\$20,750
Equipment	\$5,571
Computer systems - software	\$33,562
Travel	\$5,609
Miscellaneous Costs	\$1,734
Operating Expense Sub Total of Expenditures	\$178,814

Board Operating Total Expenditures	\$1,172,027
---	--------------------

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 2024.

Late Filing Fees	FY 2024 Dollars Paid	Number of Violations
Candidate Campaign Committees	\$6,378.35	19
24-Hour Notice	\$2,000	4
Political Committees and Funds	\$16,586.77	37
Political Party Units	\$2,175	3
Economic Interest Statements	\$1,745	35
Lobbyist Disbursement Reports	\$1,625	22
Lobbyist Principal Annual Reports	\$2,875	20
Total Late Fees	\$33,385.12	140
Civil Penalties	FY 2024 Dollars Paid	Number of Violations
Contribution Limits Violations		
Party Unit Limit	\$330	2
Candidates Accepted in Excess of Limit	\$1,475	3
Special Source Aggregate Limit	\$2,645	10
Prohibited Contributions During Session		
Lobbyist	\$100	1
Candidate	\$100	1
Failure to File Disclosure Report		
Candidate Committees	\$22.67	1
Public Official	\$350	2
Lobbyists	\$1,500	2
Lobbyist Principals	\$4,000	1
Disclaimer Violations	\$100	1
Candidate—Certified False Information	\$625	2
Circumvention—false name for contribution	\$200	1
Total Civil Penalties	\$8,411.30	27
Total Late Fees and Civil Penalties Deposited in State General Fund	\$41,796.42	167