

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

.....
**September 4, 2019
Room G-31
Minnesota Judicial Center**
.....

MINUTES

The meeting was called to order by Chair Leppik.

Members present: Flynn, Haugen, Leppik, Moilanen, Rosen (arrived during executive director report), Swanson

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

Although Member Swanson originally planned to attend the meeting by telephone, he ultimately was able to attend in person. Because notice of a meeting by electronic means had been given and because it could not be ascertained whether any members of the public were participating in the meeting by telephone, roll call votes were taken.

MINUTES (August 14, 2019)

After discussion, the following motion was made:

Member Swanson's motion: To approve the August 14, 2019, minutes as drafted.

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

CHAIR'S REPORT

A. Meeting schedule

The next Board meeting is scheduled for 10:30 a.m. on Wednesday, October 2, 2019.

EXECUTIVE DIRECTOR REPORT

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that each year, the Minnesota Department of Revenue prepares a report showing the number of political contribution refunds (PCR) issued in the previous calendar year. Mr. Sigurdson said that this report provides the number of refunds issued and the aggregate amount of those refunds by political party unit and candidate committee. Mr. Sigurdson reviewed the charts in the executive director report that summarized the PCR information. Mr. Sigurdson then answered questions from members regarding PCRs and the public subsidy program in general. In response to a board member request, Mr. Sigurdson agreed to update a report of historic

use of the PCR program and to present it to the Board at the October meeting. Mr. Sigurdson concluded his report by telling members that in response to several requests, staff would be conducting compliance training in greater Minnesota in the fall.

ENFORCEMENT REPORT

A. Waiver requests

<u>Name of Candidate or Committee</u>	<u>Late Fee & Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Steve Jacobson (Chippewa SWCD)	\$100 LFF \$1,000 CP	Original EIS	Official was elected for first time in 2018. He was unfamiliar with EIS requirement, he was busy, and he forgot to complete his EIS despite receiving notices from Board staff. His original EIS was due 3/8/2019 and was filed 8/12/2019. Official has provided a check for \$1,000 but is seeking a waiver or reduction of amount due.	Member Swanson	To keep the late filing fee at \$100 and to reduce the civil penalty to \$150	A roll call vote was taken. Motion passed (5 ayes, Member Haugen voted no)

B. Informational Items

1. Payment of late filing fee for original EIS

Steven Jacobson, \$100

2. Payment of civil penalty for original EIS

Steve Jacobson, \$900 (partial payment)

3. Payment of late filing fee for 2018 year-end report of receipts and expenditures

Shapiro (Mary) for House, \$25
 Klabunde (Bryan) for MN House, \$50

4. Payment of civil penalty for late filing of 2018 year-end report of receipts and expenditures

Klabunde (Bryan) for MN House, \$25

5. Payment of late filing fee for 2017 year-end report of receipts and expenditures

Klabunde (Bryan) for MN House, \$50

6. Payment of civil penalty for late filing of 2017 year-end report of receipts and expenditures

Klabunde (Bryan) for MN House, \$50

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

Allied Waste Industries LLC, \$325
Mentoring Partnership of MN, \$150
Red Lake Tribal Council, \$50

8. Payment of late filing fee for lobbyist principal report due 3/15/2013

Allied Waste Industries LLC, \$5

9. Payment of civil penalty for excess party unit contributions

Klabunde (Bryan) for MN House, \$670

10. Payment of civil penalty for excess special source contributions

Friends for Jeff Peterson, \$35

11. Forward of anonymous contribution for deposit in the state elections campaign account

Tou (Xiong) for 53A, \$50

REVIEW OF 2019 LEGISLATIVE RECOMMENDATIONS

Mr. Sigurdson presented members with a memorandum regarding this issue that is attached to and made a part of these minutes. Mr. Sigurdson said that the memorandum included the Board's 2019 legislative recommendations. Mr. Sigurdson reviewed those recommendations and the 2019 legislative session. Mr. Sigurdson asked members to consider whether to pursue the recommendations in two packages; one for technical proposals and one for policy proposals. Mr. Sigurdson also said that he had discussed potential changes to the lobbying statutes with the Minnesota Governmental Relations Council (MGRC) and would bring those legislative proposals to the Board at the October meeting. Members asked several questions about the legislative process and discussed the proposals. Members asked staff to solicit input on the proposed legislative changes by sending notice of those proposals to people on the Board's email notice lists.

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 had nothing to add to the legal report.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

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

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

Respectfully submitted,



Jeff Sigurdson
Executive Director

Attachments:
Executive director's report
Memorandum regarding review of 2019 legislative recommendations
Legal report



MINNESOTA CAMPAIGN FINANCE BOARD

Date: August 28, 2019

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

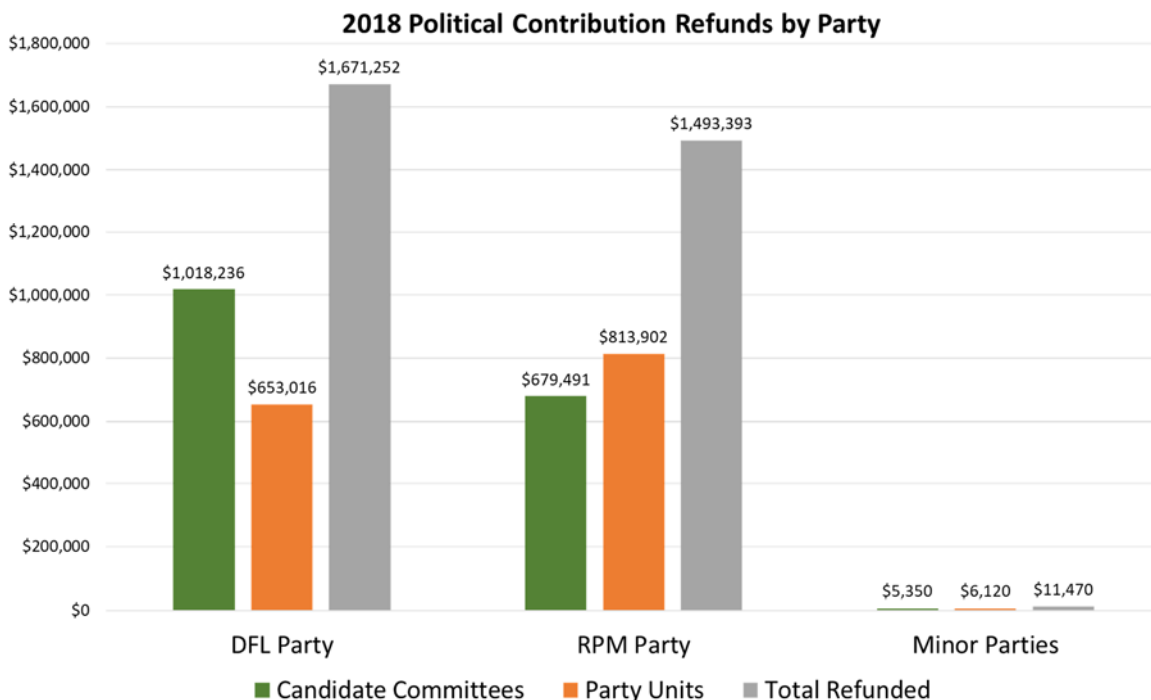
Re: Executive Director's Report

Program Updates

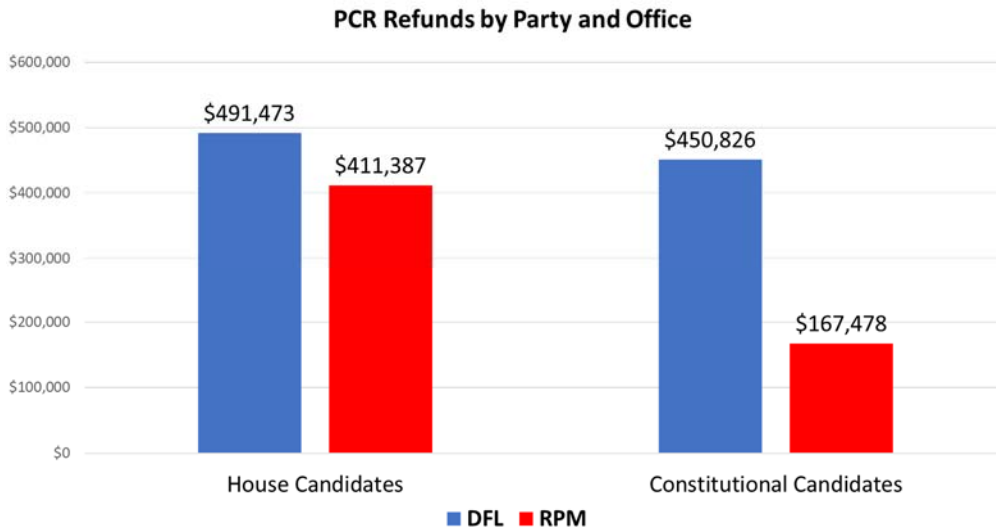
Public Subsidy Program – Political Contribution Refunds

Each year the Department of Revenue provides the Board with a report on the total number of political contribution refunds (PCR) issued by the Department in the prior calendar year. The report provides the number of refunds issued and the aggregate amount of the refunds by political party unit and candidate committee. Both major and minor political party units are eligible to issue PCR receipts to donors. Any state level candidate, regardless of party affiliation, who signs the public subsidy agreement is eligible to issue PCR receipts. The maximum amount of a PCR receipt is \$50 per donor, or \$100 per couple.

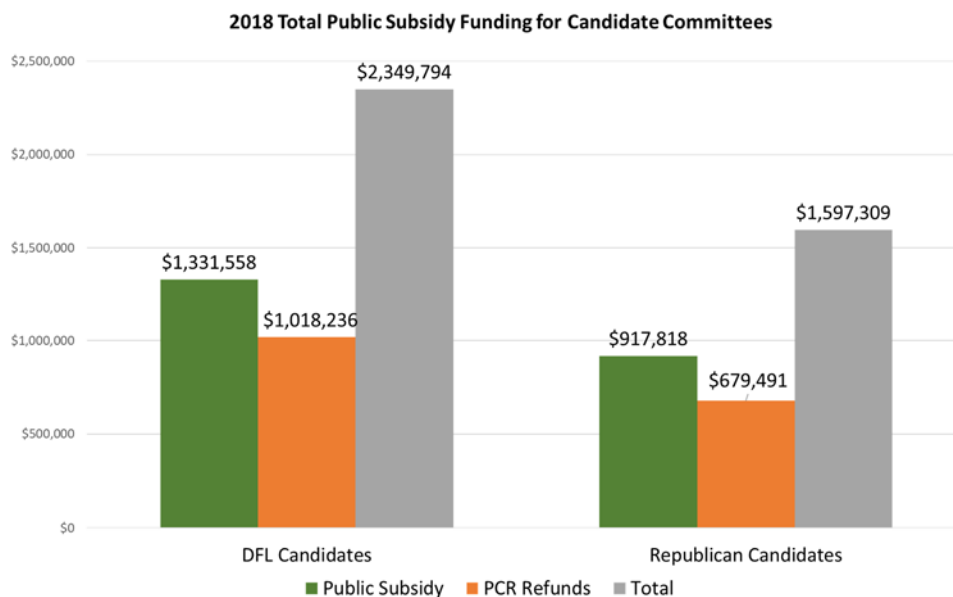
Separate reports of PCR usage by candidate committee and political party unit are attached to this document. In total, PCR refunds were issued to 49,046 eligible Minnesota voters, with a total value of \$3,176,116. The following chart compares the PCR refunds issued by candidate committees and party units.



The use of the PCR program by the DFL and RPM parties is consistent with past years in that DFL candidates issued more PCR receipts than RPM candidates, and RPM party units issued more PCR receipts than DFL party units. However, the majority of the difference in PCR receipts issued by DFL and RPM candidate committees occurred in campaigns for constitutional office. As shown in the chart below, RPM House candidates issued PCR receipts equal to 84% of the total issued by DFL House candidates. In contrast, RPM constitutional candidates issued PCR receipts equal to only 37% of the total issued by DFL constitutional candidates.



The PCR program is an important tool to help candidates raise contributions for their campaigns, and represents a major component of the state funds expended on the public subsidy program. Adding PCR refunds to candidate committee contributors to the public subsidy payments made directly to candidates provides the total state funding to benefit candidates that signed the public subsidy agreement. That total is \$3,947,103. The chart below displays total public subsidy funding to candidate committees by political party during calendar year 2018.



Campaign Finance Training

As the 2020 election approaches Board staff will be ramping up the training offered to committee treasurers and candidates. In particular staff will try to reach committees in greater Minnesota by conducting compliance training this fall in Rochester, Mankato, St. Cloud, Grand Rapids, and Duluth. Staff is also offering a night class in St. Paul in September, and will be scheduling additional classes in St. Paul during the winter.

Attachments

2018 PCR Summary for Candidate Committees

2018 PCR Summary for Political Party Units



MINNESOTA CAMPAIGN FINANCE BOARD

Date: August 28, 2019

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Review of 2019 Legislative Recommendations

The Board provided separate legislative recommendations at the 2018 and 2019 legislative sessions, with drastically different results. The 2018 recommendations were by and large adopted into statute. The 2019 recommendations in contrast were not introduced as a bill in either body, and with one exception, the recommendations were not incorporated into any other proposed legislation.¹ Typically, after passing the budget in the first year of the biennium, legislators have more time to consider policy recommendations during the second year. Hopefully that will prove true in 2020 as well. However, as Board members well know, the legislative process is not particularly predictable. Finding legislators in both bodies and both parties who are willing to carry Board proposals can be challenging, and should start this fall if the Board decides to put forward a package of recommendations.

Attached to this memo are the 2019 recommendations with accompanying draft statutory changes. The recommendations are grouped by program area, and then technical changes are listed separately from policy recommendations. Board members should of course feel free to bring forth other ideas for discussion.

In addition to the 2019 recommendations, I am currently working on proposals to change the registration and reporting requirements for lobbyists in Chapter 10A. I have met twice with members of the Minnesota Governmental Relations Council (MGRC) to discuss in concept what the proposals are trying to accomplish. The MGRC has provided feedback from the organization's membership, which has been very useful in understanding how various changes may negatively impact lobbyists and principals in ways that I had not considered. Understandably, the MGRC wants to see the statutory language for the proposed changes before determining the organization's position on any proposal that the Board may decide to adopt. I will present draft proposals on the lobbying program for Board discussion at the October meeting.

If the Board decides to pursue recommendations in 2020, I would recommend placing a greater emphasis on grouping the technical issues into a single package. This may lead to two separate bills, which creates administrative problems, but which may also increase the likelihood that at least some proposals will be ultimately incorporated into Chapter 10A.

Attachment
2019 Legislative Recommendations

¹ Language similar to the Board's recommendation to modify the definition of express advocacy was added to the House omnibus elections bill. The Senate did not hear campaign finance or election administration bills in 2019.

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
September 2019**

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
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 LF \$1,000 CP \$50 LF	3/6/18	8/10/18			Board is working on the matter. Placed on hold.
Brenden Ellingboe	Ellingboe (Brenden) for House	Unfiled 2015 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	11/29/16	5/26/17			
Katy Humphrey, Kelli Latuska	Duluth DFL	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	3/6/18	8/10/18			Board is working on the matter. Placed on hold. 3/5/19
Christopher John Meyer	Meyer for Minnesota	2016 Year-End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	7/28/17	9/6/17			
Dan Schoen		2017 Annual Statement of Economic Interest	\$100 LF \$1,000 CP	1/28/19	3/27/19			Placed on hold by Board.

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
Kaying Thao	Friends of Kaying	2017 Year-End Report of Receipts and Expenditures	\$1,000 LF \$1,000 CP	7/10/18	8/10/18			The report was filed and the fines were paid. Closed