

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

.....  
**April 26, 2023**  
**Blazing Star Room**  
**Centennial Office Building**  
.....

**MINUTES**

The meeting was called to order by Chair Soule.

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

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

The meeting did not strictly follow the order of business set forth in the agenda with respect to the enforcement report.

**MINUTES** (March 1, 2023)

The following motion was made:

Member Flynn's motion: To approve the March 1, 2023, minutes as drafted.

Vote on motion: Unanimously passed (Asp absent).

**CHAIR'S REPORT**

**2023 meeting schedule**

The next Board meeting is scheduled for 9:30 a.m. on Wednesday, June 7, 2023.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Sigurdson presented members with a memorandum that is attached to and made a part of these minutes. Mr. Sigurdson stated that this is the first year that lobbyist principals have reported over \$80 million in lobbying expenditures. Mr. Sigurdson said that staff has resumed conducting campaign finance compliance training and 21 individuals attended a training held in early April. Mr. Sigurdson stated that staff has begun rolling out the web-based replacement for the Campaign Finance Reporter software. Mr. Sigurdson explained that filers will be migrated in batches and eventually over 1,400 filers will be migrated to the new application. Mr. Sigurdson said that the new application will provide various benefits including being accessible to filers that use an Apple computer or a Chromebook,

allowing for multiple individuals to enter data for the same filer, and making it easier for Board staff to support the application.

Mr. Sigurdson stated that there is a conference committee for H.F. 1830, the state government finance bill. Mr. Sigurdson said that the bill includes both of the budget increases requested for the Board, including money for staff compensation and for moving the Board’s IT resources to cloud servers. Mr. Sigurdson stated that the budget increase included within each version of the bill would likely allow the Board to employ up to three additional staff members. Mr. Sigurdson said that the Legislature plans to significantly increase the funding available within the general account for public subsidy payments. Mr. Sigurdson also stated that Members Flynn and Rashid appeared before the Senate Elections Committee for a confirmation hearing yesterday.

**COMMENTS FROM ALAN ROEBKE**

Mr. Roebke was not present so the Board proceeded to the next agenda item.

**ENFORCEMENT REPORT**

**B. Waiver Requests**

The following motion was made:

Member Leppik’s motion: To approve the staff recommendation with respect to waiver requests 1-16, 18-19, 21, and 23, listed below.

Vote on motion: Unanimously passed.

Entity	Late Fee/ Civil Penalty	Report Due	Factors and Recommended Action	Board Member's Motion	Motion	Vote on Motion
1. Campaign For Lisa Pohlman (18685)	\$425 LFF	2022 Year-End	Report due January 31, 2023, and filed February 24, 2023. Treasurer quit before report due. Candidate did not update their address when they moved in 2021. Did not receive notice until certified letter was sent and then quickly contacted Board staff to resolve issue. This is a termination statement and the balance as of 12/31/22 was \$92. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed

2. Nels (Pierson III) for House (17651)	\$350 LFF	2022 Year-End	Report due January 31, 2023, and filed February 21, 2023. Treasurer moved out of state so candidate filed report. Was late due to trying to figure out new software and account information. Balance as of 12/31/22 was \$5,385.78. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
3. Erickson (Mike) for House District 35A (18575)	\$350 LFF	2022 Year-End	Report due January 31, 2023, and filed February 21, 2023. This is a no change statement and termination report with a \$0 balance in the account. Worked with Board staff to try to get report in timely. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
4. Minnesota for Freedom (30733)	\$4,000 LFFs	4x Pre-General 24-Hour Notice	Four notices due before general election but not filed until year-end report. Treasurer attempted to file the notices with the Board but was disconnected. This appears to be an IT issue on the Board's end. Fund has terminated. Balance as of 12/31/22 was \$0. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
5. Maria Regan Gonzalez (Richfield-Bloomington WMO)	\$20 LFF	2022 Annual EIS	EIS due January 30, 2023, and filed February 18, 2023. Previous six EISs were filed timely. This individual is no longer a public official. Was out of town during a large portion of the filing period. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
6. Susan Morris (Isanti County)	\$50 LFF	2022 Annual EIS	EIS due January 30, 2023, and filed February 27, 2023. Previous six EISs were filed timely. This individual is no longer a public official. Was out of town getting surgery during most of the reporting period. Spoke with Board staff multiple times in an attempt to get the EIS filed. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed

<p>7. Joel Larson        (Board of Water &amp;        Soil Resources)</p>	<p>\$100 LFF        \$1,000        CP</p>	<p>2022        Annual        EIS</p>	<p>EIS due January 30, 2023,        and filed March 20, 2023. Mr.        Larson was on medical leave        from September 2022 and did        not return until March 20,        2023, which is when he        promptly filed the EIS. There        was no change to his previous        EIS. RECOMMENDED        ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff        recommendation</p>	<p>Unanimously        passed</p>
<p>8. Tama Theis for        MN House (17635)</p>	<p>\$275 LFF</p>	<p>2022        Year-End</p>	<p>Report due January 31, 2023,        and filed February 15, 2023.        Candidate who is her own        treasurer had personal losses        during summer 2022.        Candidate chose to run for        Senate but did not terminate        the House committee and did        not know she needed to file a        year-end report for the House        committee. Candidate did not        have access to the email        account associated with this        committee after December        2022 as she was no longer an        elected official. Accordingly,        she did not receive CFB        communications regarding        filing the report. Candidate        intends to terminate the        committee soon.        RECOMMENDED ACTION:        Waive</p>	<p>Leppik</p>	<p>Approve staff        recommendation</p>	<p>Unanimously        passed</p>
<p>9. Rebecca Delahunt        (5080)</p>	<p>\$450 LFF</p>	<p>2nd 2022        Lobbyist</p>	<p>Report due January 17, 2023,        and filed February 10, 2023.        The individual within the        principal's organization who        files the reports was out on        medical leave during this time.        Contacted staff prior to due        date to explain the situation        and filed as quickly as        practicable. RECOMMENDED        ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff        recommendation</p>	<p>Unanimously        passed</p>
<p>10. Gregory Roiger        (Brown SWCD        SC/Area 6)</p>	<p>\$35 LFF</p>	<p>2022        Annual        EIS</p>	<p>Report due January 30, 2023,        and filed February 23, 2023.        The individual is no longer on        the watershed district and has        health issues that prevented        timely filing. Spouse worked        with staff to get the issue        resolved. RECOMMENDED        ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff        recommendation</p>	<p>Unanimously        passed</p>

<p>11. Foundation for Minnesota's Future (7994)</p>	<p>\$350 LFF</p>	<p>2023 Lobbyist Principal</p>	<p>Report due March 15, 2023, and filed March 29, 2023. This is a new principal that was unaware of the requirement. Contact person was out of the office during the time when the report was due and notices were sent, so he did not receive notice until the day the report was filed. RECOMMENDED ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff recommendation</p>	<p>Unanimously passed</p>
<p>12. John Carlson (Beltrami County)</p>	<p>\$60 LFF</p>	<p>Original EIS</p>	<p>Statement due March 6, 2023, and filed April 5, 2023. This is a new public official and the address provided was the public official's previous address, so notice had to be forwarded to the new address. When the public official learned the statement needed to be filed, he worked with staff to timely file the statement. RECOMMENDED ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff recommendation</p>	<p>Unanimously passed</p>
<p>13. People for Maria Isa (Perez-Hedges) (Senate) (18734)</p>	<p>\$1,000 LFF \$1,000 CP</p>	<p>2022 Year-End</p>	<p>Report due January 31, 2023, and received by the Board April 10, 2023. This committee was formed for the candidate's Senate race but the candidate decided to run for House instead in 2022. When the committee realized there was a report required for the previous committee, they worked with staff to get it filed. This is a termination report with an ending balance of \$75. RECOMMENDED ACTION: Waive</p>	<p>Leppik</p>	<p>Approve staff recommendation</p>	<p>Unanimously passed</p>

14. Lyle Grochow (Sibley County)	\$100 LFF	Original EIS	Report due March 6, 2023, and received by the Board April 17, 2023. The public official indicated his town does not deliver mail to his physical address and instead uses a PO box system. The Board did not have his PO box or email to send him notifications. When he received the notice he promptly worked with staff to file the statement and provided the PO box and email to ensure he will get notices in the future. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
15. AHIP (Americas Health Ins Plans) (269)	\$325 LFF	2022 Lobbyist Principal	Report due March 15, 2023, and filed April 3, 2023. The notices were apparently going to a former employee. When the information was forwarded to the appropriate person, it was filed the same day. RECOMMENDED ACTION: Waive	Leppik	Approve staff recommendation	Unanimously passed
16. Nu2Government (Michael Heidelberger) (18979)	\$500 LFF	Pre-General 24-Hour Notice	Report due October 31, 2022, and filed November 15, 2022. This is a first time candidate with five kids who was very busy during the time of the general election. The candidate would use the check date for the receipt date. Ending cash on December 31, 2022, was \$1,154.89. RECOMMENDED ACTION: Reduce to \$125	Leppik	Approve staff recommendation	Unanimously passed
18. Dornink (Gene) for Senate Committee (18058)	\$1,000 LFF	Pre-Primary 24-Hour Notice	Notice due August 9, 2022, was not filed. The committee is unsure how they missed reporting. This is a first-time violation. Balance as of December 31, 2022 was \$329. RECOMMENDED ACTION: Reduce to \$250	Leppik	Approve staff recommendation	Unanimously passed

19. Dennis Groebner (Redwood County)	\$100 LFF \$1,000 CP	2022 Annual EIS	EIS due January 30, 2023, and filed April 4, 2023. Official indicated he thought he emailed the form to staff but did not. He subsequently went on vacation and did not realize it still needed to be submitted until his return on April 2, 2023. RECOMMENDED ACTION: Waive CP leaving balance of \$100 for LFF	Leppik	Approve staff recommendation	Unanimously passed
21. Pine County DFL (20126)	\$1,250 LFFs \$1,000 CP	2022 Pre- Primary 2022 Pre- General	Pre-Primary report due July 25, 2022, and never received. Pre-general report due October 31, 2022, and received November 7, 2022. This is a new treasurer who has committed to attending training and implementing controls so this does not happen again in the future. Board laid the matter over at the March meeting with instructions for the treasurer to verify they have completed offered online training. Treasurer verified training completed on 3/6/23. Ending cash balance as of December 31, 2022, was \$460. RECOMMENDED ACTION: Reduce to \$250 total	Leppik	Approve staff recommendation	Unanimously passed
23. Leech Lake PAC (40889)	\$1,000 LFF	Pre- Primary 24-Hour Notice	Notice due July 22, 2022, and not provided. The individual completing the reporting is new to the organization and was not aware of the requirement. This payment was from the Leech Lake Band of Ojibwe. Ending cash as of December 31, 2022, was \$13,823.72. RECOMMENDED ACTION: Reduce to \$250	Leppik	Approve staff recommendation	Unanimously passed

Following consideration of the waiver requests listed above, the Board considered the three waiver requests listed below.

### **17. Friends for Ethan Cha (18874)**

Mr. Hager stated that the Cha committee incurred late filing fees totaling \$5,425 for six pre-general 24-hour notices and for the 2022 pre-general report. Mr. Hager said that the staff recommendation is to reduce the late filing fees for the 24-hour notices to a total of \$250 and to reduce the late filing fee for the pre-general report to \$250, leaving a balance owed of \$500. Representative Ethan Cha appeared before the Board by Webex. Representative Cha explained the circumstances that resulted in the late filing fees including the death of his mother in October.

The following motion was made:

Member Asp's motion: To approve the staff recommendation.

Vote on motion: Unanimously passed.

### **20. Roslyn Robertson (Department of Labor and Industry)**

Chair Soule stated that Roslyn Robertson incurred a late filing fee of \$100 and a civil penalty of \$1,000 for a statement of economic interest. Chair Soule said that the staff recommendation is to waive the civil penalty leaving a balance owed of \$100. Ms. Robertson appeared before the Board by Webex. Ms. Robertson explained that she was the Commissioner of Labor and Industry until August 2022, at which time she returned to her home state of Louisiana. Ms. Robertson stated that other mail from state agencies was delivered to her Louisiana address but the notice regarding the need to file a statement of economic interest (EIS) was not delivered to that address. Ms. Robertson said that she did not realize there was a problem until March of 2023 when she visited her son in Minnesota, who had received the notices mailed by the Board. Ms. Robertson said she then promptly filed the EIS. In response to a question from Chair Soule, Mr. Hager stated that the email address Board staff had on file for Ms. Robertson was her state email address, so she would not have received the email reminders.

After discussion the following motion was made:

Member Flynn's motion: To approve the staff recommendation.

Vote on motion: Members Flynn, Leppik, and Swanson voted in the affirmative.  
Members Asp, Rashid, and Soule voted in the negative.

The following motion was made:

Member Rashid's motion: To waive the late filing fee and civil penalty.

Vote on motion: Members Asp, Leppik, Rashid, and Soule voted in the affirmative.  
Members Flynn and Swanson voted in the negative.



## **20. John Ulrick for Public Office (18219)**

The Ulrick committee and Mr. Ulrick owe a total of \$2,066.34 in late filing fees and \$2,000 in civil penalties for the 2017 year-end report, the 2020 pre-primary and year-end reports, the 2021 year-end report, and two candidate statements of economic interest. Due to the total amount of fees owed staff did not offer a recommendation. Ms. Engelhardt explained that the amount owed for late filing fees is an odd amount because some of the late filing fees incurred were paid through revenue recapture and a portion of the late filing fee from the 2017 year-end report remains unpaid.

Mr. Ulrick appeared before the Board in person. Mr. Ulrick said he spent 32 years in the military before retiring in October of 2015, he spent 4 ½ years in Iraq and Afghanistan, and he was suffering from extreme PTSD. Mr. Ulrick stated that when he first ran for office he did not receive his party's endorsement so he thought he was done and did not need to file a campaign finance report. Mr. Ulrick explained that at the time, because of his PTSD, he never read his mail. Mr. Ulrick said that he was just recently diagnosed with cancer for a second time and would like the Board to waive the outstanding balance owed. Mr. Ulrick stated that he did not take advantage of the Political Contribution Refund program. Mr. Ulrick also said that the balance owed is more than he spent on his campaigns.

In response to questions from Chair Soule, Mr. Ulrick stated that he first sought election to the House of Representatives during the 2017-2018 election cycle, and has run in each election since then. Mr. Olson explained that Mr. Ulrick has had the same campaign committee registered with the Board throughout that period, that he filed to appear on the primary ballot in 2020 and 2022 and in each case lost in the primary election, and that he filed a public subsidy agreement for the 2019-2020 election cycle but did not receive a public subsidy payment because he lost the primary election. Mr. Ulrick said he did not file to appear on the primary ballot in 2018 because he chose to abide by his party's endorsement of another candidate. In response to a question from Chair Soule, Ms. Engelhardt stated that \$253.66 has been paid by Mr. Ulrick through revenue recapture.

In response to a question from Vice Chair Asp, Mr. Ulrick said that he does not plan to run for state office again unless he is asked to do so, but he is now serving as the chair of a party unit in Morrison County. Mr. Ulrick said that he plans to terminate his principal campaign committee.

The following motion was made:

Member Leppik's motion: To waive the late filing fees and civil penalties on the condition that the committee be terminated within 30 days.

Vote on motion: Unanimously passed.

**C. Informational Items**

**1. Payment of late filing fee for 2022 year-end report of receipts and expenditures**

Breanna Ellison for Duluth, \$450

**2. Return of 2022 public subsidy**

Fisher (Bill) for 31B/ Fisher (Bill) for Mn House, \$3,317.82

Jason Ruffalo, \$307.50

Campaign of William Johnston, \$1,508.84

**3. Payment of late filing fee for pre-general 24-hour notice of large contribution**

More Voices Minnesota, \$1,100

ODP-MN, \$1,000

Firefighters Assoc of Mpls Political Fund, \$1,000

Aric (Putnam) for MN, \$2,000

**4. Payment of late filing fee for 2022 pre-general report of receipts and expenditures**

60<sup>th</sup> Senate District DFL (New), \$100

Ashton for MN Committee, \$200

**5. Payment of late filing fee for 2022 pre-primary report of receipts and expenditures**

More Voices Minnesota, \$50

**6. Payment of late filing fee for lobbyist disbursement report due 1/17/2023**

Paul Austin, \$50

Cat Salonek, \$25

Mark Kulda, \$350

ThoaMee Xiong, \$375

**7. Partial payment of civil penalty for annual statement of economic interest due 1/25/2021**

Jae Hyun Shim, \$100

**8. Payment of late filing fee for annual statement of economic interest due 1/25/2021**

Jae Hyun Shim, \$100

**9. Payment of late filing fee for candidate EIS**

Ashton Ramsammy, \$35

**10. Payment of civil penalties for exceeding the special source contribution limit**

Neighbors for Dan (Wolgamott), \$1,550

**11. Payment of civil penalty for exceeding the individual contribution limit**

Rescue Minnesota, \$1,000  
Dr. Scott Jensen for Governor, \$700  
Doug Wardlow for Attorney General, \$500

**12. Payment of late filing fee for original EIS**

Natalie Walker, \$30

**LEGAL REPORT**

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn stated that a default judgment hearing has been scheduled for the Martinez-Perez matter. Mr. Hartshorn said that Environment America is working to file its missing report and address the balance owed. Mr. Hartshorn stated that he has attempted to contact an attorney listed in the Board's records as having previously represented Trace.

**OTHER BUSINESS**

Mr. Sigurdson sought direction from the Board regarding individuals who wish to appear before the Board during a Board meeting to address a matter that is not part of the meeting agenda. Mr. Sigurdson suggested adding an individual to the meeting agenda only if they provide an outline of the material or topics they wish to address while appearing before the Board. The general consensus of the Board was in agreement with that suggestion.

**EXECUTIVE SESSION**

Chair Soule recessed the regular session of the meeting and called to order the executive session.

**ENFORCEMENT REPORT**

Upon recess of the executive session, Chair Soule noted that the Board did not vote on any motions expressly addressing the four items listed as discussion items within the enforcement report.

The following motion was made:

Member Swanson's motion: To approve the requests described within discussion items 1-4, listed below.

Vote on motion: Unanimously passed.

## **A. Discussion Items**

### **1. Balance adjustment request – Gruenhagen (Glenn) for State Rep (17123)**

Mr. Hager stated that this committee's 2021 year-end report listed an ending cash balance of \$18,410.00, rather than \$18,621.27, the amount in the committee's bank account, and its treasurer, Gary Carter, is unable to determine the cause of the discrepancy and stated that he believes the discrepancy predates his tenure as the committee's treasurer, which began in late 2016. Mr. Hager said that the committee is thereby requesting an upward adjustment of \$211.27 to its reported 2021 ending cash balance, changing the balance from \$18,410.00 to \$18,621.27. Mr. Hager stated that the committee's registration with the Board was terminated in February 2023.

### **2. Balance adjustment request – Elkins (Steve) for House (18349)**

Mr. Hager stated that this committee's amended 2021 year-end report has an ending cash balance of \$20,417.36, but the committee's 2022 beginning cash balance is \$20,214.27. Mr. Hager said that the committee's current treasurer, Paula Stein Clark, took over for the previous treasurer in April 2022 and realized that the 2022 beginning cash balance did not match the bank balance. Mr. Hager stated that she worked with a Board staff member to adjust the 2022 beginning cash balance in the software, but was not informed that she needed to request a balance adjustment. Mr. Hager explained that Ms. Stein Clark has reviewed 2022 and is certain that the issue arose prior to her taking over as treasurer, and the committee is thereby requesting a downward adjustment of \$203.09 to the 2022 beginning cash balance, changing the balance from \$20,417.36 to \$20,214.27.

### **3. Balance adjustment request – People for (Gregory) Davids (12604)**

Mr. Hager stated that this committee's amended 2022 year-end report listed an ending cash balance of \$3,615.33, rather than \$4,735.33, the amount in the committee's bank account. Mr. Hager explained that the committee's previous treasurer, Jaynie Sheffer, passed away in 2022, and had been the treasurer for a significant period of time. Mr. Hager said that her husband, Joseph Sheffer, took over as treasurer in 2022, and as he started reviewing the reports, he discovered several errors resulting initially in a balance discrepancy of approximately \$8,000. Mr. Hager stated that Mr. Sheffer and Rep. Davids worked with Board staff, and brought in an accountant to review the committee's records, and were able to resolve many issues but were unable to resolve a \$1,120 balance discrepancy. Mr. Hager said that the committee is thereby requesting an upward adjustment of \$1,120 to its reported 2022 ending cash balance, changing the balance from \$3,615.33 to \$4,734.33.

#### **4. Administrative termination of lobbyist Sophie Wallerstedt (4225)**

Mr. Hager stated that Be the Match/National Marrow Donor Program (NMDP) requested that the lobbyist registration of Ms. Wallerstedt be terminated as she ceased lobbying on behalf of that principal as of May 17, 2021. Mr. Hager said that Ms. Wallerstedt terminated her employment with the principal, NMDP is the only principal represented by Ms. Wallerstedt, and Ms. Wallerstedt is the only lobbyist registered on NMDP's behalf. Mr. Hager explained that Ms. Wallerstedt continued filing lobbyist disbursement reports through June 2022, so there will be no outstanding reports if the termination is made retroactive to 2021. Mr. Hager stated that NMDP has not filed a principal's report for 2022 and if the termination is made retroactive to 2021, that will eliminate the requirement to file a principal's report for 2022.

#### **EXECUTIVE SESSION**

Upon the conclusion of the enforcement report, Chair Soule reported into regular session the Order of Dismissal in the Matter of the Complaint of Matthew Sullivan regarding TakeAction Minnesota, the TakeAction Political Fund, and the Take Action PAC.

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

Respectfully submitted,



Jeff Sigurdson  
Executive Director

Attachments:  
Executive Director's report  
Legal report



# MINNESOTA CAMPAIGN FINANCE BOARD

**Date:** April 19, 2023

**To:** Board Members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Executive Director's Report

## **Board Operations**

### **Lobbyist Principal Report**

The Annual Principal Report, which disclosed total expenditures on lobbying during 2022, was due on March 15, 2023. As of April 19, 2023, reports have been received from 1,476 of the 1,483 principals required to file. The reports filed so far disclose that **\$75,955,499** was spent in 2022 to influence the official actions of the legislature, administrative agencies, and metropolitan governmental units. Additionally, 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 came to **\$6,129,008**. Total lobbying expenditures currently reported for 2022 amount to **\$82,084,507**. This is the largest amount ever reported for lobbying disbursements in Minnesota.

Below is a table showing the total spending reported on the Annual Principal Reports for the last ten 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
2022	\$75,955,499	\$6,129,008	\$82,084,507
2021	\$69,140,652	\$5,177,947	\$74,318,599
2020	\$62,974,402	\$5,049,003	\$68,023,406
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

## Campaign Finance Training

Staff conducted the first campaign finance compliance training for treasurers of the year on April 4. Twenty-one individuals attended the training, which was presented via WebEx. The training presented information on reporting contributions and independent expenditures for the Hennepin County elections which now must be reported to the Board.

## Initial Rollout of the Online Version of the Campaign Finance Reporter Application

The Board provides at no cost campaign finance reporting software to all candidates, party units, political committees and political funds. The Campaign Finance Reporter software was originally developed in 1998 using Microsoft Visual Basic as the development tool. The software has been updated over the years, but it has several significant limitations. For example, the software cannot be easily used on an Apple computer, and cannot be used at all on a Chromebook. Further, Visual Basic is no longer supported by Microsoft, so updating the software was increasingly problematic and required distributing a new version to all users. In short, the software is increasingly difficult to support and use.

The Board's IT staff started development of a web-based reporting application in 2020, and a beta version was finished in 2022. I was not comfortable with the idea of staff being able to support rolling out the application for all committees during a state election year, but the application was used by five committees to successfully report receipts and expenditures during 2022.

The goal now is to provide the application to all registered committees during 2023, and to finish the migration to the application before the filing of the year-end report due in January of 2024. The application is supported by a new username/password system which allows committees to have multiple people enter transactions into the application and access up-to-date status reports. Staff has also developed a migration process that will transfer all data entry already done in Campaign Finance Reporter in 2023, and all donors and vendors created at any time, into the online application.

Trying to move the 1,450 committees of all types registered with the Board to the application at one time would be more than staff can support. Therefore, the rollout will be in segments. The first release will be to the seventy-seven registered independent expenditure committees and funds, and will occur at the end of this month. Additional releases will occur throughout the spring and summer, with all committees offered the application by this fall.

To support treasurers in using the application staff has so far developed thirteen online training videos on how to enter contributions and expenditures, and is developing another eighteen videos on generating reports, PCR receipts, and other specific features. This is a major project for the year, and all staff are involved with the application release.

## **Update on Legislative Action**

As I reported last month the two budget change items requested by the Board; \$50,000 a year to pay for moving the Board's databases and applications to the Azure cloud, and \$110,000 a year needed to fund the current staff complement, were both included in the Governor's budget request. The Senate and House state government finance bills (SF 1646 and HF 1723) adopted the Governor's budget recommendations for the Board, so I'm relatively confident that funding for the requested change items will be approved.

The Board's policy recommendations have generally been accepted as well. The lobbying proposal has been included in the election/campaign finance policy bills for both the House and Senate (SF 1362 and HF 1723).

The economic interest statement proposal to require the disclosure of property and investments held by the public official's spouse is moving forward in both bodies, but disclosing the investments and property of a domestic partner did not have any support. The proposal to disclose any contract, professional license, lease, or franchise issued by an agency for which the public official works is in the policy bills for both bodies, as is the proposal for reduced disclosure required for soil and water district supervisors and water district and watershed management organizations.

The campaign finance proposals on technical issues were accepted in both bodies, as was the proposal to provide a procedure for accepting virtual currency contributions. However, the language on virtual currency contributions was modified in the Senate to include contributions made through an application like Venmo, so the language for that issue is no longer the same in both bodies. The Board recommended language that would change the standard for independent expenditures from expressly advocating to the functional equivalent of expressly advocating was not accepted, but similar language first introduced by Rep. Greenman in HF 3 is moving forward, and has been passed by the House. The Board's recommendations on noncampaign disbursements received mixed reactions. The House passed out of committee all of the recommendations. However, the Senate only accepted the recommendation to acknowledge recount costs as a non-campaign disbursement. The recommendation to increase the maximum amount of the political contribution refund was not heard in the House, and a bill to increase the maximum refund from \$50 to \$100 was heard in the Senate, but did not leave committee.

There are several other significant policy changes that appear likely to pass this year. I have listed a policy change below only if it is moving forward in both bodies.

- **Foreign-influenced corporations.** Political contributions from for-profit foreign-influenced corporations are prohibited, including contributions to independent expenditure committees. All for-profit corporations must certify to the Board that they are not a foreign-influenced corporation and are eligible to contribute to independent expenditure or ballot question committees and funds.
- **Scope of lobbying.** Currently registration and reporting of lobbying of local government is limited to those lobbying metropolitan governmental units (the seven counties in the metro area, cities in the metro area with a population of over 50,000, the Metropolitan Council and Metropolitan Airport Commission, and regional railroad authorities). The scope of lobbying is changed to include lobbying of all political subdivisions of the state. That includes 80 more counties, 839 more cities, 330 school districts, and 1,764 townships. In addition to registration and reporting for individuals who meet the definition of a lobbyist because of their activity to influence official actions at the local level, the local officials of those political subdivisions will now be subject to the gift prohibition for lobbyists and principals. In the fiscal notes for this proposal I requested an additional staff member to help administer the lobbying program; both the Senate and House finance bills provide funding for an additional staff member.
- **Electioneering communications.** This provision would require associations to report to the Board the cost of certain communications that list a recognized candidate that occur within 60 days before a state general election, or 30 days before a state primary election. The communication must be reported to the Board if the cost exceeds



\$10,000, the communication is targeted to an audience that can vote on the candidate, and the communication is on broadcast television, cable television, satellite television, or a radio station. There are a lot of specifics to this provision that I will not go into now, but if passed this will be a significant policy change for the Board to administer.

- **Increased funding for the public subsidy program.** Both bodies are significantly increasing the amount of money available through the public subsidy program. The House is looking at an increase of approximately \$3 million, and the Senate is moving to add over \$4 million per election.
- **Additional Board staffing.** The Board is currently authorized to conduct random audits of registered committees, but rarely does so because of a lack of staff time available for that activity. Both the House and Senate believe that the Board needs to be better staffed in order to enforce Chapter 10A, and have provided funding for two additional staff positions.

**Board Member Confirmations.** The Senate Elections Committee will hold a confirmation hearing for members Flynn and Rashid on April 25<sup>th</sup>. The House has not yet scheduled a hearing.

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**  
**April 2023**

**ACTIVE FILES**

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Personally Served	Default Hearing Date	Date Judgment Entered	Case Status
	Environment America dba Environment Minnesota Contacts: Timothy Schaefer, Chuck Caldart	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				
Martinez-Perez, Ashley, Candidate	Ashley Martinez-Perez for MN House	2020 pre-general report of receipts and expenditures due 10/26/20, filed 10/28/20  2020 year end report of receipts and expenditures due 1/31/22, not filed	\$100 LFF  \$1,000 LFF	6/13/22	8/12/22	5/2/23		
Thompson, John	John Thompson for 67A	Civil Penalty and late filing fee for the committee's 2022 year-end report	\$1,000 LFF \$1,000 CP	3/10/23				
	Trace, LLC Contacts: Ashley Moore, Patrick Hynes	2021 Annual Report of Lobbyist Principal, due 3/15/22	\$1,000 LFF \$1,000 CP	12/6/22				

**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

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