



November 6, 2024

Andrew Olson  
Legal/Management Analyst  
Campaign Finance and Public Disclosure Board  
[Andrew.d.olson@state.mn.us](mailto:Andrew.d.olson@state.mn.us)

**Re: Comments on Rule Draft 4809**

To the Minnesota Campaign Finance and Public Disclosure Board:

The Minnesota Council of Nonprofits (MCN) is the largest statewide association of nonprofits in the country, representing over 2,000 member organizations across the state, most of which are 501(c)(3) nonprofits who also report their lobbying activity to the IRS. MCN's mission is to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector, and a large part of that work is done through our public policy advocacy and lobbying initiatives.

We appreciate this opportunity to comment on your proposed rule changes. As noted in our comments to the Board at the October 25, 2024 hearing, MCN's focus is on lobbying rules and procedures being as clear as possible, so that a nonprofit staff person who engages in some lobbying can easily understand if they need to register, and if so, what they need to report as lobbying activities.

We are suggesting edits to the following sections:

**4501.0100 DEFINITIONS**

**Subp. 4. Compensation.**

We appreciate the clarification here in adding health care and retirement to the list of compensation included in the definition of compensation. However, we think the rules can go farther in this clarification.

It is a common practice for nonprofit employers to provide their employees with a personalized benefits statement that provides a comprehensive list of all types of compensation provided to the employee. These lists usually include: salary, stipends, medical insurance, dental insurance, HSA contributions, long- and short-term disability insurance, life insurance, 403(b) plan contributions, Social Security tax, Medicare tax, and paid leave benefits (the dollar amount that paid time off including vacation and sick time would be worth if it was paid out).

MCN recommends adding the following items to the current list of what is not included in the definition of compensation: insurance premiums for short- and long- term disability and life insurance, Medicare tax, and paid leave benefits. If the CFB disagrees and determines that any of these items should be included in the calculation of compensation, that must be clearly spelled out in this section.

We think it would also be very beneficial to add non-exhaustive list of what is included in compensation. That list would include: salary, stipends, and contributions to retirement accounts.

MCN's goal in recommending these changes is that when a nonprofit staff person engages in lobbying activity and reads in the lobbying handbook that they need to register if they have been paid more than \$3,000 to lobby, that they can easily understand what number to use to determine their compensation under these rules.

#### **4511.0100 DEFINITIONS**

##### **Subp 4. Lobbyist's disbursements**

Given that the definition of "disbursement" has changed drastically, and is not a commonly used term, we recommend retitling this section "Lobbyist's gifts."

Further, we recommend changing "each" to "any." The word "each" could be construed to imply all lobbyists should be reporting something here. "Any" provides clarity that a lobbyist may have no gifts to report.

Lastly in this section, we recommend adding "to an official" after "gift given," in an effort to be exceedingly clear.

##### **Subp. 5a. Pay or consideration for lobbying.**

We ask the Board to remove the word "gross" before "compensation," because compensation is defined in section 4501.0100. Adding "gross" in this section signals that the calculation is different than the calculation for "compensation," which we do not think is the intent.

#### **4511.1100 MAJOR DECISION OF NONELECTED LOCAL OFFICIALS**

##### **Subp. 1. Major decision regarding the expenditure of public money.**

##### **Subp. 2. Actions that are a major decision regarding public funds.**

Subparts 1 and 2 in this section are clear that a major decision regarding the expenditure or investment of public money includes selecting recipients for government grants from the political subdivision, and that attempting to influence a nonelected official is lobbying if that

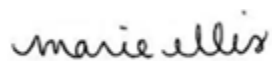
person may make, recommend, or vote on a major decision regarding an expenditure or investment of public money.

We strongly encourage the CFB to clarify this language to include that responding to a grant program's request for proposals or otherwise applying for an existing grant program does not constitute lobbying. Additionally, answering any follow-up questions from the municipality regarding the content of grant application is not lobbying. And finally, that if a potential grantee communicates with a nonelected official about a grant opportunity outside of the normal grant process, and with the intent to influence the nonelected official to choose their proposal, that is lobbying.

We hope these suggestions are helpful in providing the clearest rules possible for lobbyists and potential lobbyists.

As we said in our October comments, MCN's goal is to ensure that Minnesota's legislative process remains open and accessible to all, and that the rules do not inadvertently create or perpetuate structural barriers to participation for smaller organizations and the communities they represent — communities that are often already underrepresented in our state's policymaking. This accessibility is critical to a healthy democracy.

Thank you again for the opportunity to provide input. We look forward to working with you to find solutions that enhance both transparency in and equitable access to Minnesota's legislative process.



Marie Ellis  
Public Policy Director  
Minnesota Council of Nonprofits  
(651) 757-3060  
mellis@minnesotanonprofits.org