

ANNUAL REPORT

JULY 1, 2005 - JUNE 30, 2006



MINNESOTA CAMPAIGN FINANCE and PUBLIC DISCLOSURE BOARD

Issued: September 2006
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Minnesota

Campaign Finance *and* Public Disclosure Board

DATE: September 15, 2006

TO: The Honorable Timothy Pawlenty, Governor
The Honorable James Metzen, President of the Senate
The Honorable Dean Johnson, Senate Majority Leader
The Honorable Steve Sviggum, Speaker of the House
The Honorable Erik Paulson, House Majority Leader
The Honorable Dick Day, Senate Minority Leader
The Honorable Margaret Anderson Kelliher, House Minority Leader

FROM: Bob Milbert, Chair 
Campaign Finance and Public Disclosure Board

SUBJECT: Annual Report, July 1, 2005, through June 30, 2006

Pursuant to Minnesota Statutes, chapter 10A.02, subd. 8 (a), the Campaign Finance and Public Disclosure Board submits its Annual Report.

The Board, consistent with their objectives and administrative procedures, provided guidance to the thousands of individuals and associations whose disclosure of certain political, economic interest, and lobbying activities is regulated by the Ethics in Government Act, Minnesota Statutes, chapter 10A.

Included in this Annual Report is information about the campaign finance disclosure associated with the 2005 nonelection year, four special elections held in fiscal year 2006, and the electronic filing of lobbyist and lobbyist principal reports.

Throughout our activities we affirm the need for timely disclosure, public information, and enforcement, ever mindful of the depth and breadth of volunteer professional resources expended annually to comply with this important public disclosure law. We acknowledge the trust placed in the Board and its staff by the Minnesota Legislature.

The Board's activities during this fiscal year reflect our strong commitment to a reasoned and balanced approach to the public trust as expressed in the Board's mission statement.

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EXECUTIVE SUMMARY

The Campaign Finance and Public Disclosure Board is charged with the administration of the Ethics in Government Act, Minnesota Statutes, chapter 10A. During fiscal year 2006 Board staff continued to keep abreast of technology and the public's continued desire for easy access to information filed with the Board. The Board's website provides searchable databases using a variety of defined inquiries to access information disclosed on reports and statements filed by candidates, political committees, political funds, and political party units. To get information to clients more timely, candidate and lobbyist reports filed in 2006 were scanned and uploaded to the website. Scanned documents include all information on the report and were available on the website the day after the report due date. In addition, lists of principal campaign committees, political committees, political funds, lobbyists, and public officials are updated daily. For clients without access to a computer, public use computers are available in the Board office.

Beginning with the *Lobbyist Disbursement Report* due January 17, 2006, and the *Annual Report of Lobbyist Principal* due March 15, 2006, staff no longer automatically provides copies of paper reports to those lobbyists and principals who are required to file with the Board. Each lobbyist and principal is provided a user name and password to enable them to file their report(s) electronically. Paper reports are made available upon request to those lobbyists and principals unable to file electronically.

The Board held ten regular session meetings and ten executive session meetings; one nominating subcommittee meeting; and one personnel committee meeting. The Board issued thirteen advisory opinions; concluded eight investigations; issued three Findings of probable cause in eight complaints; investigated 51 potential violations of Chapter 10A involving 37 entities which concluded in settlement of 27 Conciliation Agreements and 10 Findings of probable cause; and produced 14 publications.

Board staff conducted training classes to aid volunteer treasurers and candidates in recordkeeping, reporting, and Campaign Finance Reporter software; conducted a lobbyist training session, served on faculties of several Continuing Legal Education seminars; and spoke to various groups and classes at local colleges and universities about the requirements of Chapter 10A.

Public subsidy payments were made to eligible candidates in four special elections and to the state committees of four political parties during fiscal year 2006. Information on payments can be found on page 25.

INTRODUCTION TO THE BOARD

Authority

The Campaign Finance and Public Disclosure Board was established by the state legislature in 1974 through enactment of the Ethics in Government Act, Minnesota Statutes, chapter 10A. Throughout its 31 years the Board has enforced the provisions of Chapter 10A, promulgated and enforced Minnesota Rules 4501 through 4525, and issued 363 advisory opinions to guide clients in meeting the requirements of the Act.

Function

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

- registration and public disclosure by state legislative, constitutional and judicial office candidates, political party units, political committees, and political funds;
- state's public subsidy program that provides public funding to qualified state candidates and the state committee of a political party and allows those candidates and all political party units to give political contribution refund receipts to certain campaign contributors;
- registration and public disclosure by lobbyists and their 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 certain state and metropolitan officials.

Membership

The Board has six bi-partisan citizen members responsible for the administration of the Ethics in Government 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 house of the legislature. The Board holds regular monthly meetings, which are open to the public and executive session meetings which are closed to the public, annually elects its leadership, and reports on its activities to the governor, the legislature, and the public.

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.

Goals and Objectives

- Facilitate easier and more universal compliance with the Ethics In Government Act, Minnesota Statutes, chapter 10A.
- Provide fair and consistent enforcement of the Ethics In Government Act.
- Help citizens become better informed about public issues related to the Ethics in Government Act.

Website

The Board maintains a site on the internet that provides many client services, including:

- Board meeting notices, minutes, Findings, and Conciliation Agreements;
- Advisory Opinions;
- Annual Reports;
- Campaign Finance Summaries;
- Lobbyist Disbursement Summaries;
- Annual Report of Principal Disbursements;
- Lists of lobbyists and associations, candidate committees, political committees, political funds, and party units, all updated on a daily basis;
- Scanned copies of all campaign finance and lobbyist reports;
- Electronic filing for lobbyists;
- Electronic filing for lobbyist principals;
- Public officials disclosure from filed *Statements of Economic Interest*;
- All Board publications and forms;
- Searchable databases of campaign finance information;
- Board and staff contact information and automatic e-mail access;
- Biographies and pictures of current Board members;
- Links to Minnesota Statutes and Board Administrative Rules; and
- Links to candidate's websites.

2006 Legislative Action

- The Board may link candidate's websites to the Board's website.
- The Board must not post on its website any canceled checks, bank account numbers, credit card account numbers, or Social Security numbers that may be in the Board's possession as a result of report or statement filings, complaints, or other proceedings under Chapter 10A.

BOARD MEMBERS



Bob Milbert

Bob Milbert was appointed in January 2003, by Governor Tim Pawlenty and confirmed by the House and Senate in 2003, for a term ending in January 2007.

He is a former member of the legislature from the Democratic Farmer Labor party where he served as a member of the Minnesota House of Representatives for 16 years. He is a graduate of Dartmouth College. Mr. Milbert is the CEO of Milbert Company, a Culligan Water dealership. He was a member of the South St. Paul City Council for 12 years and currently serves as a member of the River Heights Chamber of Commerce, is a former Board member on the USA Hockey Foundation and Minnesota Amateur Sports Commission, and volunteers for the United Way.



Felicia Boyd

Felicia Boyd was appointed in April 2004, by Governor Tim Pawlenty and confirmed by the House and Senate in 2004, for a term ending in January 2008. She is a member of the Republican Party of Minnesota with no restrictions on previous activities.

Ms. Boyd is a partner in the law firm of Faegre & Benson, where she practices in complex intellectual property litigation. She has successfully led plaintiff and defense litigation on infringement claims related to patents, copyrights, trademarks, and trade dress, including multiple jury trials. She is a graduate of the University of Minnesota Law School and St. Olaf College and is a mother of six children.



Terri Ashmore

Terri Ashmore was appointed in January 2003, by Governor Tim Pawlenty and confirmed by the House and Senate in 2003, for a term ending in 2007. She is a member of the Republican Party of Minnesota and 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 date of her appointment. Ms. Ashmore is the Managing Director of the Basilica of St. Mary. She serves as the Secretary of State's designee on the Minnesota History Center's Executive Committee and volunteers for the Jeremiah Program, a housing and education program for single mothers.



Hilda Bettermann

Hilda Bettermann was appointed in April 2004, by Governor Tim Pawlenty and confirmed by the House and Senate in 2004, for a term ending in January 2008. She is a former member of the legislature from the Republican Party where she served in the Minnesota House of Representatives for eight years. Ms. Bettermann is an Interim Associate Dean of Academic Affairs at the Alexandria Technical College, and is currently a member of the Douglas County Hospital Board, and the Central Lakes Area Sanitary District Advisory Council. She is also a former member of the Rural Health Advisory Council, the Workers Compensation Council and the MNSCU Trustee Advisory Council.



Scott Heintzeman

Scott Heintzeman was appointed in February 2006, by Governor Tim Pawlenty and confirmed by the House and Senate in 2006, for a term ending in January 2010. He has no party preference and no restrictions on previous activities. Mr. Heintzeman is the vice president and chief information officer for Carlson Marketing Group where he oversees the company's technology efforts as well as information, security, project management, and technical architecture. He is a graduate of the University of Minnesota and completed the University's Carlson School of Management Minnesota Management program and Minnesota Executive Program. He was inducted into the Hospitality Financial and Technology Professionals' International Hospitality Technology Hall of Fame in 1999.



Sven Wehrwein

Sven Wehrwein was appointed in May 2005, by Governor Tim Pawlenty and confirmed by the House and Senate in 2006, for a term ending in January 2008. He is a member of the Democratic Farmer Labor party with no restrictions on previous activities. Mr. Wehrwein is a member of the Board of Directors of two Twin Cities-based companies, Synovis Life Technologies and Vital Images. He is a graduate of Loyola University in Chicago and earned his MBA in finance at the Sloan School at the Massachusetts Institute of Technology. Mr. Wehrwein has served as an adjunct instructor at the University of Minnesota School of Journalism and Mass Communications and is currently a member of the Loft Literary Center Board. Earlier in his 30-year financial career, he worked as a certified public accountant, investment banker, and chief financial officer.



Clyde Miller

Clyde Miller was appointed in February 2002, by Governor Jesse Ventura and confirmed by the House and Senate in 2002, for a term ending in January 2006. He is a member of the Independence Party of Minnesota and 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 date of his appointment. Mr. Miller is a partner and shareholder with Jennings, DeWan, Miller and Anderson, L.L.C., a law firm that concentrates on civil matters, including many involving municipal and general governmental issues, employment law, workers' compensation, contracts, product liability, personal injury, and other civil law matters. He is a graduate of the William Mitchell College of Law. He was named a qualified neutral by the Minnesota Supreme Court in 1997 and is a volunteer supervising attorney for the Lawyers Board of Professional Responsibility. He served as a member of the Governor's and Citizen's League Task Force on Property Tax Reform.

SUMMARY OF BOARD ACTIVITIES

Meetings

The Campaign Finance and Public Disclosure Board held ten regular session meetings, ten executive session meetings, one nominating subcommittee meeting, and one personnel committee meeting.

Advisory Opinion Procedure

The Board is authorized to issue advisory opinions on the requirements of the Ethics in Government Act (Minn. Stat. chapter 10A) and the Hennepin County Disclosure Law (Minn. Stat. §§ 383B.041 - 383B.058). Individuals or associations may ask for advisory opinions based on real or hypothetical situations to guide their compliance with these laws.

A request for an advisory opinion and the opinion itself are private data. The Board provides a Consent to Release Information form 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.

Advisory opinions issued in fiscal year 2006 are listed under each program.

2006 Administrative Rules

The Board's Rules subcommittee examined and revised the administrative rules implementing the Ethics in Government Act (Minnesota Rules, chapter 4501 - 4525). Committee members completed a rule making procedure which included amendments to rules provisions covering general Board operations and the campaign finance, public subsidy, lobbying, and public officials programs.

Rules covering general Board operations:

- Audit trail means documentation of submission of an electronic file or facsimile transmission to the Board. The audit trail includes the date and time at which the facsimile transmission or electronic file submission was made and a copy of any verification report or message received from the Board.
- Electronic file means a report or statement required by Minnesota Statutes, chapter 10A, and submitted to the Board using an electronic filing system.
- Electronic filing system means the computer-based systems developed by the Board to transfer an electronic file of data that meets the filing and reporting requirements of Minnesota Statutes, chapter 10A.
- “Facsimile transmission” means the use of a fax machine or e-mail to submit an electronic image of a report or statement to the Board.
- Personal identification code is a confidential user name and password provided by the Board and required to use an electronic filing system.
- The original signature of the person responsible for preparation or filing of a report or other document is required to make the report or document complete. Only signed reports or documents may be filed with the Board. A document filed by facsimile transmission meets the requirements of this part if the original document being transmitted bears the required signature. An electronic filing meets the requirement of this part if it is submitted with a personal identification code. The Board must provisionally accept an initial registration submitted without a personal identification code pending a confirmation of the registration.
- A report or statement required under Minnesota Statutes, chapter 10A, must be submitted on the forms provided by the Board for that purpose or by an electronic filing system. The Board may provide alternative methods for submitting information, including other means for the electronic submission of data.
- Completion of filing. A filing with the Board is complete upon: the successful submission of an electronic file to the Board.
- A document filed by facsimile transmission or electronic filing system has the same force and effect as filing an original paper document.

- A facsimile transmission or electronic file received after the close of a business day is considered received at the beginning of the next business day.
- Use of an electronic filing system is optional. In order to provide a secure environment for the submission of electronic files, the Board must require that a filer use a personal identification code when submitting an electronic file. The Board may also request the filer to provide a valid e-mail address in order to receive confirmation and verification messages from the Board.
- After an electronic file is processed by the Board, the information contained in the electronic file becomes the property of the state subject to the terms of the Data Practices Act under Minnesota Statutes, chapter 13.
- . . . If an electronic filing system is used to submit an electronic file to the Board, the filer must retain as documentation the database and information on which the electronic submission of data is based. The database and records are subject to audit as provided in Minnesota Statutes, chapter 10A.
- Within five days of a request by the Board, any person filing a document by facsimile transmission or electronic filing system shall refile the document
- Technical problems that prevent the successful submission of a facsimile transmission or electronic file do not relieve the filer of the responsibility of meeting the requirements of Minnesota Statutes, chapter 10A. An audit trail that demonstrates that the facsimile transmission or electronic file was successfully submitted in a timely fashion may be used by the Board to waive late filing fees.
- Provisions for submitting an oral complaint to the Board were removed.

Rules relating to specific programs are listed under each program.

Publications

The Campaign Finance and Public Disclosure Board issued 14 publications:

- Annual Report for Fiscal Year 2005;
- Governor and Lt. Governor Candidates Quick Reference Guide;

- Attorney General Candidates Quick Reference Guide;
- Secretary of State and State Auditor Candidates Quick Reference Guide;
- Senate Candidates Quick Reference Guide;
- House Candidates Quick Reference Guide;
- Judicial Candidates Quick Reference Guide;
- Lobbyist Quick Reference Guide;
- Public Officials Quick Reference Guide;
- Local Officials Quick Reference Guide;
- List of Registered Principal Campaign Committees, Political Committees, Political Funds, and Lobbyists;
- Lobbying Disbursement Summary January – December 2005;
- Updated version of Minn. Stat. §10A and Minn. Rules 4501 – 4525, with portions of Chapters 211B and 290; and
- Campaign Finance Reporter Manual.

Board Member Activities

- Attended the annual Council on Governmental Ethics Laws (COGEL) conference
- Presented information to the Minnesota Government Relations Council on lobbying reporting problems and proposed Board rules related to lobbyists

Staff Outreach

Served:

- a one-year appointment on the Council on Governmental Ethics Laws Steering Committee and chair of the site selection committee
- as co-chair on the Disaster Recovery/Succession Planning subcommittee of the Council on Governmental Ethics Law's past presidents committee

Education Outreach

Presented information to:

- the Minnesota Government Relations Council on lobbying reporting problems and proposed Board rules related to lobbyists
- a University of Minnesota Graduate School of Public Health class about lobbying and the gift ban

- a University of Minnesota Law School class about lobbying and the gift ban
- a Hamline Law School class on ethical issues concerning the legislature and lobbyists
- the DFL Senate caucus and it's candidates on campaign finance and resources available from Board and staff
- the League of Women Voters on provisions of Chapter 10A as they relate to judicial elections
- employees of Unisys about the gift ban
- the Minnesota Society of Account Executives about lobbying disclosure and the gift ban

Presented information at Continuing Legal Education seminars for:

- "The Legislative Process" about lobbyist registration, reporting and the gift ban
- campaign finance provisions
- Minnesota's Campaign Finance and Unfair Campaign Practices Laws for the 2006 Election and Beyond

Disclosure training offered by Board staff:

- 15 sessions on the use of the Board's Campaign Finance Reporter software attended by approximately 85 clients
- two sessions on report training to assist treasurers in filing the *Report of Receipts and Expenditures* attended by approximately 25 treasurers, candidates, and chairs
- 15 sessions of compliance classes to assist treasurers in understanding the requirements of Minnesota Statutes, chapter 10A attended by approximately 230 treasurers, candidates, and chairs
- one lobbyist training session for about 45 individuals

Staff Training

Attended:

- the annual Council on Governmental Ethics Laws (COGEL) conference
- the COGEL Heartland regional conference for staff of COGEL member agencies
- 12 classes/seminars for a total of 131 hours of training to attain and maintain a quality of job performance that meets the needs of the state, the Campaign Finance and Public Disclosure Board, and the individual employee

Service Delivery Project

The following service delivery improvements were implemented in fiscal year 2006:

- Clients are now able to view scanned campaign finance and lobbyist reports on the Board's website the day after the report is due;
- Persons interested in the Board, Campaign Finance, Lobbying, reporting software and rulemaking activities may now receive automatic e-mail updates;
- More options are available to clients to search contributions and advisory opinions on the Board's website;
- The number of and venues for Campaign Finance Reporter software, compliance, and reporting training were increased to assist clients in meeting the legal requirements of the statute;
- A 'glossary of terms' was developed to assist clients in understanding statutory terms of art in plain language;
- Staff provided campaign finance clients with their last ending cash balance on their *Report of Receipts and Expenditures* to enable them to start with the correct beginning cash balance on the next report; and
- Legislative caucuses and lobbying groups worked with staff to remind clients about the prohibition on sessional fundraising.

All stakeholder comments were addressed and many other changes were made as a direct result of those comments.

CAMPAIGN FINANCE PROGRAM

- 2006 Legislative Action**
- A magnet that is less than six inches in diameter that contains legislator contact information and distributed to constituents is reported as a noncampaign disbursement.

2006 Administrative Rules

- Define fair market value to mean the amount that an individual would pay to purchase the same or similar service or time on the open market
- Provide that the contribution of an automobile to a committee by an individual may be valued at the lowest rate used by the state to reimburse its employees for automobile use. Alternatively, the value of the automobile may be calculated as the actual cost of fuel, maintenance, repairs, and insurance directly related to the use of the automobile. The use of an automobile that exceeds \$20 in value a day is either an expenditure that must be reimbursed or a donation in kind from the individual who provided the use of the automobile. An automobile provided by an association must be valued at the fair market value for renting an equivalent automobile.
- Amend the definition of noncampaign disbursement to include: costs of running a transition office for a winning gubernatorial candidate during the first six months after election
- Add principal campaign committee to the requirement that an agreement to make a loan must be made in writing and signed by the borrower and endorsers.
- Provide that the unpaid year-end balance of all loans from a political committee, political fund, party unit, individual, or candidate to a principal campaign committee for a legislative or constitutional office may not exceed the applicable yearly contribution limit for the entity that made the loan.
- Allow a principal campaign committee that does not reimburse an individual or candidate for an expenditure made on behalf of the committee within 18 months of the date on which the expenditure occurred shall convert the unpaid reimbursement into a loan from the individual or candidate to the committee. The unpaid balance of the loan counts against the contribution limit of the individual or candidate for the year in which the expenditure occurred.

- Require legislative, statewide, and judicial candidates, party units, political committees and funds, and committees and funds to promote or defeat a ballot question to itemize contributions that in aggregate exceed \$100 in a calendar year on reports submitted to the Board. The itemization must include the date on which the contribution was received, the individual or association that provided the contribution, and the address of the contributor. Additionally, the itemization for a donation in kind must provide a description of the item or service received. Contributions that are less than the itemization amount must be reported as an aggregate total.
- Require legislative, statewide, and judicial candidates, party units, political committees and funds, and committees to promote or defeat a ballot question to itemize expenditures and noncampaign disbursements that in aggregate exceed \$100 in a calendar year on reports submitted to the Board. The itemization must include the date on which the committee made or became obligated to make the expenditure or disbursement, the name and address of the vendor that provided the service or item purchased, and a description of the service or item purchased. Expenditures and noncampaign disbursements must be listed on the report alphabetically by vendor.

Advisory Opinions Issued

- Collection of Contributions to Candidates Over the Internet

A political committee may serve as a vendor of Internet-based services to candidates. The cost of the Internet services provided by the committee must reflect the fair market value of equivalent services available to any candidate on the open market. No. 369

- Contributions to a Political Party Unit from a Principal Campaign Committee and Multicandidate Political Party Expenditures

A principal campaign committee may contribute funds to a political party unit with knowledge that the funds will be used on multicandidate political party expenditures. A contribution made with expressed or implied conditions on which candidates benefit from the multicandidate political party expenditure violates the prohibition on earmarking. No. 370

- Unregistered Associations Reporting Obligations; Contributions from Separate Segregated Funds as Corporate Contributions

The 30-day minimum reporting period for unregistered associations is in addition to the reporting periods set forth in Minn. Stat. § 10A.20. A

contribution from a federally-recognized separate segregated fund containing corporate contributions to a Minnesota political organization (other than a ballot question committee) constitutes a prohibited corporate contribution under Minn. Stat. § 211B.15, subd. 2. There is no provision in Chapter 10A that provides for separate accounting for corporate funds held by an organizational contributor to a Minnesota political organization. No. 371

- Timing of Notification Required by Minnesota Statutes Section 10A.25

Candidates must provide written notification of receipts and expenditures in excess of the limits set by Minnesota Statutes, sections 10A.25 and 10A.255 as soon as the necessary facts are available. No. 373

- First Time Candidate Spending Limit; Value of Automobile Use

The increase in the campaign expenditure limit provided to first time candidates applies to all years of the election cycle. The use of an automobile by a principal campaign committee may be reimbursed at a set mileage rate or for the actual costs of using the automobile during the campaign. No. 374

- Segregated Accounts; Registration and Reporting

The obligation of a political committee to register and report contributions and expenditures under Minnesota Statutes, section 10A.20, is not limited or otherwise altered by the use of a segregated account. No. 375

- Multicandidate Political Party Expenditures

Expenditures by a political party unit for party staff services and internet based fundraising efforts that benefit three or more candidates may be classified as multicandidate expenditures and are not contributions to any candidate. No. 377

- Constituent Services; Noncampaign Disbursement

Mileage reimbursement paid to an intern who provided constituent services for a member of the legislature may be classified as a noncampaign disbursement. No. 378

- Campaign Expenditures and Noncampaign Disbursements

A principal campaign committee may not pay compensation to its candidate for running for office. No. 379

- A Web Site Provided as a Donation In Kind to Candidates

To provide the free use of a Web site to candidates is a donation in kind that counts against contribution limits and any applicable expenditure limit. No. 381

Settlement of court case

The 8th Circuit Court of Appeals ruled in the Minnesota Citizens Concerned for Life (MCCL) v. Douglas Kelley et al (291 F.Supp.2d at 1063-64) matter. The case began in 2002 when the MCCL alleged that various provisions of Chapter 10A violated the MCCL's first amendment rights. Some issues upheld related to: contribution limits, aggregate contribution limits from special sources, expenditure limits, and calendar year versus election cycle contribution and expenditure limits. The court did strike down a provision in Chapter 211B that prohibited charities from soliciting contributions from candidates. Having prevailed on one constitutional claim, the MCCL requested an award of attorney's fees related to their appellate legal work to be paid by the Board and Hennepin County. The Board's share of the award, \$5,000, was paid through an appropriation from the general contingency fund of the state approved by the Department of Finance.

Filed Complaints

The Board investigated five complaints and issued five Findings.

- The Board found probable cause to believe that the (Michael) Hatch for Attorney General Committee inadvertently violated Minn. Stat. §10A.20, subd. 3(g), by failing to provide the purpose of certain campaign expenditures made by the Committee and no probable cause to believe that the (Michael) Hatch for Attorney General Committee violated Minn. Stat. §10A.20 by reporting campaign expenditures for "fees" to "volunteers".
- The Board found that: 1) there is probable cause to believe that events held by the David Bly Campaign Committee were fundraising events as defined in Minn. Rules pt 4503.0100, subpt. 4; and 2) there is no probable cause to believe that the noncampaign disbursements reported by the David Bly Campaign Committee were improperly categorized or that the committee failed to provide the disclosure required by Minn. Stat. §10A.20, subd. 3 (l).

- The Board found no probable cause to believe that the DFL House Caucus violated Minn. Stat. §10A.27, subd. 13, when it accepted a contribution from an unregistered committee. The Board found no probable cause to believe that the Upper Sioux Community: 1) violated Minn. Stat. §10A.27, subd. 13, when it contributed to the DFL House Caucus; or 2) violated Minn. Stat. §10A.14, subd. 1, when it did not register a political committee with the Board within 14 days of making a contribution of over \$100 to the DFL House Caucus in 2004.
- The Board found no probable cause to believe that the (Tim) Pawlenty for Governor committee received an in-kind contribution from WCCO radio.
- The Board found no probable cause to believe that the (Michele) Bachmann Re-election Committee violated Minn. Stat. §10A.27, subd. 9 (c), when it displayed signs for Ms. Bachmann's congressional campaign during a parade.

**Filing Deadlines
Late Filing Fees**

Approximately 890 *Reports of Receipts and Expenditures* were filed by principal campaign committees. Approximately 715 reports were filed by political committees, political funds and political party units.

Fees for the late filing of the *Report of Receipts and Expenditures*:

- 40 principal campaign committees paid late fees totaling \$2,427;
- eight principal campaign committees were granted waivers of late fees and legal costs totaling \$3,903; and
- two principal campaign committees had late fees reduced by a total of \$123.
- 15 political committees and political funds paid late fees totaling \$2,105; and
- one political committee was granted a waiver totaling \$25.
- 20 political party units paid late fees totaling \$825

**Civil penalty for
failure to file a report**

A principal campaign committee, political committee, political fund, or political party unit is subject to a civil fine of up to \$1,000 for failure to file reports and statements within fourteen days after two certified notices have been sent.

Civil penalties for the late filing of the *Report of Receipts and Expenditures*:

- four principal campaign committees paid civil penalties totaling \$1,668;

- six principal campaign committees were granted waivers totaling \$4,800;
- two principal campaign committees had civil penalties reduced by a total of \$1,582; and
- one principal campaign committee had a \$1,000 civil penalty stayed pending termination of the committee.
- six political committees and political funds paid civil penalties totaling \$2,600; and
- one political committee had a civil penalty reduced by a total of \$900.
- one political party unit paid a civil penalty of \$300; and
- one political party unit was granted a waiver totaling \$300.

Staff review of campaign finance reports

Each filed report was reviewed by Board staff for compliance with the disclosure law requirements including accurate accounting and reporting for receipts and expenditures, proper use of required disclosure schedules, and adherence to applicable contribution and expenditure limits.

Compliance by all candidates during nonelection years:

Nonelection year	Reports filed	Amendments filed
2005	1,605	155
2003	1,420	101
2001	1,480	89
1999	1,400	344

Internal investigations

The Board reviewed 49 potential violations of Chapter 10A, involving 36 entities and made ten Findings concerning probable cause.

- 27 of the committees entered into Conciliation Agreements;
- 32 entities were fined a total of \$208,888;
- 27 entities returned a total of \$8,310 to contributors; and
- 1 committee returned \$500 to the State General Fund.

Contribution limits

- Single source contributions from individuals, political committees, and political funds.

All candidates for state executive and legislative offices must abide by statutory contribution limits.

The Board reviewed 22 potential violations of this law based on reports filed by principal campaign committees for calendar year 2005. All 22

cases were concluded by Conciliation Agreement. The Board imposed civil fines totaling \$9,300 on 11 committees. Eleven principal campaign committees also were required to return a total of \$3,275 to 18 contributors.

- Single source contributions to principal campaign committees from political committees and political funds

All political committees and political funds must abide by statutory contribution limits when donating to a state executive and legislative office candidate committee.

The Board reviewed two potential violations of this law based on reports filed by political committees and political funds for calendar year 2005. The two cases were concluded by Conciliation Agreement. The Board imposed civil fines totaling \$400 on the two committees. The two political committees and political funds also were required to provide copies of the candidate committee checks returning the contributions to the committees and funds.

- Contributions from special sources (lobbyists, political committees, political funds, and contributions from individuals of more than \$100 and more than one-half the amount of the contribution limit).

All candidates for state executive and legislative offices must limit their contributions from special sources.

The Board reviewed 13 potential violations of this law based on reports filed by principal campaign committees for calendar year 2005. The 13 cases were concluded by Conciliation Agreement. The Board imposed civil fines totaling \$4,490 on 13 committees. Thirteen principal campaign committees were required to return a total of \$4,235 to contributors.

Contributions during legislative session

- Principal campaign committees are prohibited from soliciting or accepting certain contributions during a regular legislative session.

The Board reviewed two potential violations of this law, based on reports filed by principal campaign committees for calendar year 2005. Findings of probable cause were issued in both cases. In lieu of forwarding the public Findings of probable cause to the county attorney, the Board imposed civil fines totaling \$500 on one committee. One principal campaign committee was required to return \$250 to a contributor and one committee paid \$500 to the state general fund.

- Political committees, political funds, lobbyists, and terminating principal campaign committees are prohibited from donating contributions to principal campaign committees during a regular legislative session.

The Board reviewed one potential violation of this law, based on reports filed by principal campaign committees for calendar year 2005 and issued Findings of probable cause. In lieu of forwarding the public Findings of probable cause to the county attorney, the Board imposed a civil fine of \$250 on the donating lobbyist.

Contributions from unregistered associations

- Acceptance of contributions from an unregistered association.

All candidates for state executive and legislative offices, political committees, political funds, and political party units are prohibited from accepting contributions of more than \$100 from associations that are not registered with the Board.

The Board reviewed two potential violations of this law based on reports filed by political committees for calendar year 2005. Findings of probable cause were issued in both cases. The Board imposed civil fines totaling \$190,050 and required one committee to return \$50 to the donating association.

- Contributions made by an unregistered association.

Associations not registered with the Board are prohibited from giving contributions of more than \$100 to candidates for state executive and legislative offices, political committees, political funds, and political party units registered with the Board.

The Board reviewed two potential violations of the law based on reports filed by political committees for calendar year 2005. Findings of probable cause were issued in both cases. The Board imposed a civil fine of \$50 on one unregistered association.

Contribution to a federal committee

All candidates for state executive and legislative offices, political committees, political funds, and political party units are prohibited from contributing to local and federal committees.

The Board reviewed one potential violation of this law based on a report filed by a principal campaign committee for calendar year 2005. The

Board issued Findings of probable cause and the federal candidate returned \$500 to the principal campaign committee. The \$500 contribution was sent to the Board and deposited in the State Elections Campaign Fund.

Expenditure limits

All candidates for state executive and legislative offices who wish to receive public subsidy must agree to spending limits in both election and nonelection years.

The Board reviewed one potential violation of this law based on a report filed with the Board for calendar year 2005. The case was concluded by Conciliation Agreement. The Board imposed a civil fine of \$498.

Commingling funds

Principal campaign committees, political committees, political funds, and political party units are prohibited from commingling committee funds with the funds of officers, members, or associates.

The Board reviewed one potential violation of this law based on a report filed by a political party unit for calendar year 2005. The Board issued Findings of probable cause and imposed a civil fine of \$450 for the commingling of committee and personal funds.

Failure to deposit contribution in committee account

Principal campaign committees, political committees, political funds, and political party units must deposit all receipts in an account designated "Campaign Fund of . . . (name of candidate, committee, fund or party unit)."

The Board reviewed one potential violation of this law based on a report filed by a political party unit for calendar year 2005. The Board issued Findings of probable cause and imposed a civil fine of \$450 for failing to deposit the contribution into the political party account.

Willful failure to amend

Principal campaign committees, political committees, political funds, and are required to amend a *Report of Receipts and Expenditures* within 10 days after (1) the date of the event prompting the change, or (2) the date the treasurer became aware of the inaccuracy or the need to make a change.

The Board reviewed one potential violation of this law based on a report filed by a principal campaign committee for calendar year 2004. The Board issued Findings of probable cause. The Board imposed civil fines of \$1,000 for failure to amend the report and \$1,500 for willful failure to amend.

CAMPAIGN FINANCE SOFTWARE

Software Description

The Board provides computer software for recording and reporting receipts and expenditures to assist principal campaign committees, political committees, political funds, and political party units with the compliance and disclosure requirements of Chapter 10A.

The software provides compliance warnings as records are entered, generates electronic reports for filing that reduces the data entry demands on Board staff, and provides contact management tools for use by committees and funds in administrating their transactions.

Committees filing electronically

Reportin g year	Principal campaign committees	Political committees, political funds, and political party units
2005	174	75
2004	127	91
2003	180	65

PUBLIC SUBSIDY PROGRAM

2006 Administrative Rule

- Candidates who qualify for first-time candidate status receive a ten percent increase in the campaign expenditure limit in all years of the applicable election cycle.

2006 Special Election Payments

Public subsidy payments in special elections are made with appropriations from the state general fund.

Public subsidy funds were distributed in four special elections held in fiscal year 2006. The amount of public subsidy available in a special election is the same amount for that office and party in the preceding general election:

Senate District 19 (November 22, 2005) – Three candidates; three candidates received public subsidy totaling \$24,010.

Senate District 43 (November 22, 2005) - Two candidates; two candidates received public subsidy totaling \$23,646.

Senate District 15 (December 27, 2005) - Two candidates; two candidates received public subsidy totaling \$15,641.

House District 15B (December 27, 2005) - Two candidates; two candidates received public subsidy totaling \$10,141. (One candidate withdrew and returned \$4,759 to the state general fund).

Political Party Payments

The state committees of political parties receive 10% of the checkoffs to the party account of the State Elections Campaign Fund.

Based on monthly certification from the Department of Revenue for fiscal year 2006 payments were as follows:

Democratic Farmer Labor	\$28,810
Green Party of Minnesota	3,463
Independence Party of Minnesota	2,894
Republican Party of Minnesota	23,460
Total payments to State Party Committees:	<u>\$58,627*</u>

* The total payments made to political parties in fiscal year 2006 is artificially low because of a problem in the tracking of party check off money on the state income tax form. Department of Revenue corrected the problem and a payment of \$38,650 rectifying the underpayment was made to the parties in August 2006, fiscal year 2007.

LOBBYIST PROGRAM

2006 Administrative Rules

- Clarify language for imposition of late filing fee for failure to file a *Lobbyist Disbursement Report* to be consistent with a law change.
- Clarify language for imposition of late filing fee for a lobbyist who fails to notify the reporting lobbyist of disbursements made during the reporting period to be consistent with a law change.
- Add web site design and maintenance to the definition of media costs.
- Add cost of surveys, polls, and legal counsel to the definition of fees and allowances.

Advisory Opinion

- Allocation of the Cost of a Media Campaign Used for Multiple Purposes

The cost of an extended media campaign that is used for multiple purposes must be reasonably allocated among the multiple purposes and the appropriate allocated cost reported as a campaign expenditure when the purpose is to promote the election or defeat of a candidate, and as a lobbying disbursement when the purpose is to urge the public to communicate with public officials. No. 376

Filed Complaints

The Board completed three investigations and issued three Findings.

- The Board found no probable cause to believe that the reporting violations alleged in the complaint continue to exist or that the designated lobbyist knowingly omitted information from his *Lobbyist Disbursement Report*. There is probable cause to believe that the Shakopee Mdewankanton (Dakota) Sioux Community violated Minn. Stat. §10A.04, subd. 3, by failing to timely provide the association's designated lobbyist with required information.
- The Board found no probable cause to believe that Governor Pawlenty violated Minn. Stat. §10A.071, subd. 2: 1) by attending the pre-convention event because there is no evidence that the pre-convention event meets the definition of gift; 2) by riding the ATV because there is no evidence that the ATV ride meets the definition of gift; 3) when he did not pay Polaris for damage to the ATV, because there is no evidence that the cost of repairing the ATV

meets the definition gift; the Board found no probable cause to believe that the All Terrain Vehicle Association of Minnesota violated Minn. Stat. §10A.071, subd. 2, by providing Governor Pawlenty an opportunity to attend the pre-convention event because there is no evidence that the pre-convention event meets the definition of gift; or that Polaris violated Minn. Stat. §10A.071, subd. 2: 1) by providing Governor Pawlenty an opportunity to drive an ATV because there is no evidence that the ATV drive meets the definition of gift; 2) by not charging Governor Pawlenty for the damage the ATV incurred because there is no evidence that the cost of repairing the ATV meets the definition of gift.

- The Board found no probable cause to believe that Diane C. Peterson personally spent more than \$250 on lobbying efforts, or was compensated more than \$3,000 for lobbying in Minnesota, and therefore Ms. Peterson did not need to register as a lobbyist for the IAC in 2004, 2005, or 2006. The Board found that the IAC did not meet the definition of Lobbyist Principal in 2004, 2005, or 2006.

Internal Investigations

The Board completed two investigations and issued one Finding.

- The Board found probable cause to believe that Kelley Lindquist, a registered lobbyist, violated Minn. Stat. §10A.273, subd. 1 (b), by making a contribution to a principal campaign committee during the regular session of the legislature in 2004 and imposed a civil fine of \$250.
- The Board found probable cause to believe that Kelley Lindquist, a registered lobbyist, violated Minn. Stat. §10A.15, subd. 5, by making two contributions to a principal campaign committee that did not indicate the lobbyist registration number on the checks and imposed a civil fine of \$500.

Filing Deadlines

Approximately 1,320 registered individuals representing 1,095 associations filed 3,445 *Lobbyist Disbursement Reports*.

Of the 3,445 reports filed in fiscal year 2006, approximately 8% were filed late. About 10% of the reports were filed late in fiscal year 2005.

Fees for the late filing of the *Lobbyist Disbursement Report*:

- 35 lobbyists paid late fees totaling \$1,775; and
- two lobbyists were granted waivers totaling \$140.

Civil penalty for failure to file a report

A lobbyist is subject to a civil fine of up to \$1,000 for failure to file a *Lobbyist Disbursement Report* within fourteen days after two certified notices have been sent.

Civil penalties for the late filing of the *Lobbyist Disbursement Report*:

- two lobbyists paid late fees totaling \$700; and
- two lobbyists were granted waivers totaling \$800

Electronic filing

Beginning in 2004, *Lobbyist Disbursement Reports* could be filed electronically.

Reporting year	Reports filed	Reports filed electronically
2006	3,445	3,031
2005	3,325	1,791
2004	3,260	1,387

Staff review of lobbyist disclosure reports

Each report was reviewed by Board staff for compliance with the lobbyist disclosure law.

Reporting year	Reports filed	Amendments filed
2005	3,445	3
2004	3,325	4
2003	3,260	6

Annual Report of Lobbyist Principal

An individual or association that spends more than \$500 in a calendar year to engage, compensate, or authorize expenditure of money by a lobbyist; or spends more than \$50,000 in a calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units is required to file an *Annual Report of Lobbyist Principal*.

Filing Deadlines

Approximately 1,190 lobbyist principals filed the *Annual Report of Lobbyist Principal*, due on March 15, 2006, covering calendar year 2005.

Of the 1,190 reports filed in fiscal year 2006, approximately 22% were filed late. About 22% of the reports were filed late in fiscal year 2005.

Fees for the late filing of the *Annual Report of Lobbyist Principal*:

- 65 lobbyist principals paid late fees totaling \$2,230

Civil penalty for failure to file a report

A lobbyist principal is subject to a civil fine of up to \$1,000 for failure to file a *Annual Report of Lobbyist Principal* within fourteen days after two certified notices have been sent.

- two lobbyist principals paid civil penalties totaling \$1,100; and
- one lobbyist principal had a fee reduced by a total of \$900.

Electronic filing

Beginning in 2005, *Annual Report of Lobbyist Principal* could be filed electronically.

Reporting year	Reports filed	Reports filed electronically
2006	1,190	951
2005	1,120	445

GIFT BAN

2006 Administrative Rule

- Prohibit a local official from using a gift given by a lobbyist or lobbyist principal to a metropolitan governmental unit until the gift has been formally accepted by an official action of the governing body of the metropolitan governmental unit.

Advisory Opinions Issued

- Gift Prohibition; Services to Assist in Performance of Official Duties

Lobbyist-principals may provide training in the use of specialized equipment to officials to assist the officials in the performance of official duties. Lobbyist-principals may not provide food or drink without charge to the officials who receive the training. No. 372

- Gift Prohibition; Registration Fees for an Educational Program

Lobbyist principals may provide educational programs without cost to legislators if education in the subject of the programs will assist the legislators in the performance of their official duties. No. 380

ECONOMIC INTEREST PROGRAM

2006 Legislative Action Changes to agencies whose employees and members are public officials required to file *Statements of Economic Interest* with the Board:

- The Minnesota Boxing Commission was created. The five member commission will be appointed by the Governor.
- The Minnesota Ballpark Authority was created. The Authority will consist of five members, two appointed by the Governor, two appointed by the Hennepin County Board of Commissioners, and one appointed by the Minneapolis City Council.
- The Legislative – Citizen Commission on Minnesota Resources. The Commission will consist of seventeen members, five citizens members appointed by the Governor, one citizen member appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one citizen member appointed by the Speaker of the House. The other ten members will be legislators or their designees.

2006 Administrative Rule

- Require a public official to list the full name of each security with a value of \$2,500 or more owned in part or in full by the public official at any time during the reporting period.

Filing deadlines

- *Original Statements of Economic Interest*

Approximately 180 *Notices of Appointment* appointing or reappointing a public official who is required to file an *Original Statement of Economic Interest* were received in fiscal year 2006

Fees for the late filing of an *Original Statement of Economic Interest*:

- nine public officials paid late filing fees totaling \$390

- *Supplementary Statements of Economic Interest*

Supplementary Statements of Economic Interest are required to be filed annually, if there are changes to be reported from the previously filed statement. To assist public officials in determining their need to file, Board staff mailed approximately 1,300 public officials a copy of the information reported on previously filed statements.

Civil penalty for failure to file a statement

A public official is subject to a civil fine of up to \$1,000 for failure to file an *Original Statement of Economic Interest* within fourteen days after two certified notices have been sent.

- one public official was granted a waiver totaling \$100

Staff review of statements

Each filed statement was reviewed by Board staff for compliance with disclosure law requirements. A public official whose Statement was incomplete was required to file an amended Statement.

	2005	2004	2003
Original reports filed	180	180	300
Number of public officials	1,300	1,300	1,299
Supplementary Statements filed	447		
Incomplete supplementary reports requiring amendments	2	7	5

POTENTIAL CONFLICTS OF INTEREST

Filing

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 interest or those of an associated business must 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.

No *Potential Conflict of Interest Notices* were filed with the Board by public officials in fiscal year 2006.

REPRESENTATION DISCLOSURE

Filing

A public official who represents a client for a fee before any individual Board, commission, or agency that has rule making authority in a hearing conducted under Minnesota Statutes, Chapter 14, and in the cases of rate setting, power plant and powerline siting, and granting of certificates of need under Minn. Stat. §216.B243, must file a *Representation Disclosure Statement* within 14 days after the appearance has taken place, disclosing the official's part in the action.

No *Representation Disclosure Statements* were filed with the Board by public officials in fiscal year 2006.

OTHER BOARD PROGRAMS

Public Employees Retirement Association (PERA) 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 Minn. Stat. § 353.03, subd. 1.

Under this statute, the Board prescribes and furnishes to trustee candidates the reporting form and instructions for completing the form. No filings were required for fiscal year 2006.

Minnesota Technology, Inc. (MTI)

Minn. Stats. §§1150.03 and 1160.04 require certain disclosure by the Board of directors and the president of MTI upon appointment and annually thereafter during their term in office.

Under these statutes, the Board prescribes and furnishes to the directors and president the reporting form and instructions for completing the form. In April 2006, four reports were filed with the Board.

State Board of Investment (SBI)

Minn. Stat. §11A.075 requires certain disclosure by SBI members upon appointment and SBI employees upon hire and by both annually thereafter 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. In April 2006, 23 reports were filed with the Board.

State Pension Funds

Members of a governing Board of a covered pension plan and the chief administrative officer of the plan are required to file certain *Statements of Economic Interest* with the governing Board under Minn. Stat. § 356A.06, subd. 4.

Under this statute, the Office of the State Auditor prescribes the statement and instructions for completing the statement which covers the previous calendar year. The chief administrative officer of each covered pension plan must submit to the Campaign Finance and Public Disclosure Board a certified list of all pension Board members who filed statements with the pension Board no later than January 15th. Approximately 750 pension plans are required to file with the Board under this law. In fiscal year 2006, approximately 250 pension funds filed the required certification with the Board.

STAFF DUTIES

Executive Director

Facilitate achievement of the Board's goals and objectives. Set agenda and prepare materials for Board and committee meetings. Direct all agency and staff operations. Serve as the Board's representative to the Legislative and Executive Branch. Educate and assist clients in compliance with reporting requirements, limits, and prohibitions. Serve as the Board's Secretary.

Assistant Executive Director

Serve as advisor to the Executive Director and assist in management of the operations for the agency. Draft advisory opinions and administrative rules for Board consideration. Manage the agency's compliance programs and information resources. Serve as the agency's representative on the Minnesota Information Policy Council.

Office Manager

(Office Services Supervisor)

Administer daily financial and biennial budgeting programs. Manage payroll and human resource procedures and systems. Draft Board meeting minutes, annual report, and forms and handbooks to assist clients in meeting statutory requirements. Prepare agency fiscal notes for legislative consideration. Serve as agency liaison to other state agencies.

Compliance Officer

(Investigator)

Investigate complaints and draft Conciliation Agreements and Findings for Board consideration. Serve as investigate liaison to the Board, Executive Director, and Attorney General's office. Monitor cases for Revenue Recapture and the Minnesota Collections Enterprise. Represent the Board in conciliation court. Prepare and submit reports to the Department of Finance regarding civil fines. Prepare and conduct training classes for clients on campaign finance laws and reporting requirements.

Programs Administrator

(Office & Administrative Specialist Principal)

Provide for distribution, collection, data entry, and filing of disclosure required by Minn. Stat. chapter 10A. Collect, store, and retrieve data for the preparation and analysis of summaries of documents filed with the Board. Provide database advice and guidance to Board staff and clients. Manage all aspects of special elections.

**Information
Technology
Specialist II**

Develop, maintain, and manage complex database applications to support administration of all Board programs and activities. Provide technical service, assistance and training to Board staff. Administer local area network and provide technical support to website. Install new personal computers and associated hardware and software.

Programs Assistant
(Office and Administrative
Specialist Intermediate)

Provide assistance with data entry and initial desk review for all filed reports. Assist with mailing, copying, and filing of all documents filed with the Board office in all agency programs. Serve as backup receptionist.

Information Assistant

Serve as agency receptionist. Maintain agency receipts for deposit with the State Treasurer. Administer contribution receipt program. Prepare mailings for monthly Board meetings. Arrange for agency printing duplicating, and mailing of official notices. Maintain records retention per agency schedule. Provide typing and word processing assistance to Board staff.

Management Analyst

Conduct professional legal research and investigations; drafts Findings, Conciliation Agreements, and advisory opinions as needed and as directed by the Executive Director; provides project management, and staff/user support and training for the Board's campaign finance software and other applications. Recommend operational planning and management for the Board's information resources.

**Information
Systems
Manager**
(Information Technology
Specialist IV)

Provide operational planning and management for the Board's information technology resources. Provide user training and support for the Board's campaign finance software (Campaign Finance Reporter). Develop high level programming for interactive applications delivered on the web.

Legal Analyst
(Legal Consultant)

Provide professional legal services, consults in the preparation of case documentation, Findings, and responses as needed and as directed by Executive Director. Research and prepare proposed advisory opinions, Conciliation Agreements, Findings of fact, conclusions, orders, and memoranda for cases as assigned. Provide advice in matters of compliance with Chapter 10A.

STAFF SALARIES

July 1, 2005 - June 30, 2006

<u>POSITION</u>	<u>STAFF</u>	<u>SALARY</u>	
Executive Director	Jeanne Olson	\$89,387	
Assistant Executive Director	Jeffrey Sigurdson	70,838	
Office Services Supervisor II	LuAnn Swanson	50,175	
Investigator	Leah Drilias	7,578	(7/1/05 – 9/14/05)
	Joyce Larson	35,259	(9/14/05 - 6/30/06)
Office and Administrative Specialist Principal	Joyce Larson	7,871	(7/1/05 – 9/14/05)
	Marcia Waller	25,905	(9/14/05 - 6/30/06)
Information Technology Specialist IV	John Nesbitt	50,134	(7/1/05 – 6/9/06)
Information Technology Specialist II	Jon Peterson	40,974	
Office and Administrative Specialist Intermediate	Yalana Johnstone	29,007	
Customer Service Specialist Intermediate	Marcia Waller	6,087	(7/1/05 – 9/14/05)
	Barbara Inman	2,647	(11/7/05 – 12/9/05)
	Sarah Wood	12,393	(1/12/06 - 6/30/06)
Legal Analyst	Susan Gretz	1,044	(7/1/05 – 12/27/05)
Management Analyst 4	Gary Goldsmith	2,765	(6/14/06 – 6/30/06)
TOTAL 2006 SALARIES		<u>\$432,064</u>	

FINANCIAL INFORMATION

INCOME SUMMARY

Appropriation	\$694,000
Photocopy Revenue	1,797
Service Processes Fees Recovered	292
Miscellaneous Income	78
Balance forward from fiscal year 2005	<u>21,680</u>
TOTAL	<u>\$717,847</u>

The Board received a one time appropriation of \$5,000 from the General Contingency Fund approved by the Department of Finance for payment legal fees in MCCL v Kelley.

EXPENDITURE SUMMARY

Operating budget expenditures	\$674,904
Operating budget balance forward to fiscal year 2007	42,943
TOTAL	<u>\$717,847</u>

BOARD OPERATING BUDGET

The Campaign Finance and Public Disclosure Board is funded by a direct appropriation from the Minnesota Legislature. The fiscal year budget begins July 1 and ends June 30.

Full time staff (salary and fringe)	\$570,547
Part time staff (salary and fringe)	3,926
Workers compensation	330
Achievement/Incentive	4,100
Vacation pay out	2,570
Per diem	3,108
Office rent	30,699
Postage	13,309
Telephone	4,662
Photocopy machine leases	9,336
In-State travel – staff	98
Out-State travel	6,297
Printing	2,757
Board meeting expenses	1,934
Staff / Board development	1,505
Subscriptions, Memberships	470
Supplies/Equipment	10,826
Repairs	263
Administrative Rules	1,632
Misc. purchased services	542
E-Government InterTech	487
Legal costs	687
Technology infrastructure	1,144
Client Training	3,353
Administrative Law Judge Hearing Costs	323
Balance forward to fiscal year 2007	<u>42,943</u>
TOTAL	<u>\$717,847</u>

DEPOSITS

Unless otherwise noted, all receipts collected by the Campaign Finance and Public Disclosure Board are deposited in the general fund of the state.

Late Filing Fees

Principal Campaign Committees	\$2,427	40 committees
Political Committees and Funds	2,105	15 committees and funds
Political Party Units	825	20 party units
Economic Interest Statements	390	9 public officials
Lobbyist Disbursement Reports	1,775	35 lobbyists
Lobbyist Principal Annual Reports	<u>2,230</u>	<u>65</u> principals
TOTAL LATE FILING FEES	\$9,752	184

Civil Fines

Unregistered associations		
No disclosure provided	\$192,050	3 unregistered associations
Political Committees and Funds accepted	6,000	3 committees and funds
Political Party Units accepted	50	1 party unit
Contribution limits violations - accepted		
Candidates accepted in excess of limit	\$9,300	11 principal campaign committees
Special source (20%) aggregate limit	4,490	11 candidate committees
Excess party contributions	200	1 candidate committee
Contribution limits violations – given to candidates		
Excess political committee contributions	\$400	2 committees and funds
Contributions during session		
Lobbyists giving	\$950	2 lobbyists
Exceeding spending limit	\$498	1 candidate committee
Failure to file report		
Candidate Committees	\$1,668	4 committees
Political Committees and Funds	2,600	6 committees and funds
Political Party Units	300	1 party unit
Lobbyists	700	2 lobbyist
Lobbyist Principals	1,100	2 lobbyist principals
Commingling of funds	\$450	1 party unit
Failure to deposit in committee account	\$450	1 party unit
Failure to amend report	<u>\$2,500</u>	1 principal campaign committee
TOTAL CIVIL FINES	\$223,706	53
Return of public subsidy	\$4,759	1 candidate committee
Gifts to State		
Contributions on termination	\$1,834	2 candidate committees
Returned contributions	<u>640</u>	3 candidate committees
	\$2,474	6
TOTAL DEPOSIT STATE GENERAL FUND	<u>\$240,691</u>	

DEPOSITED IN THE GENERAL ACCOUNT OF THE STATE ELECTIONS CAMPAIGN FUND

Anonymous contributions	\$869	9 committees
Returned contributions	<u>2,940</u>	6 committees
SUBTOTAL	\$3,809	15 (deposited in the general account of the State Elections Campaign Fund)
Photocopy receipts		
Copies	\$1,797	294 individuals paid (retained by Board to off-set photo copier costs)
State sales tax	126	
St. Paul sales tax	<u>10</u>	
TOTAL COPY RECEIPTS	\$1,932	
Miscellaneous income		
Miscellaneous	\$ 78	1
Return of Service Process Fees	<u>292</u>	4 (retained by Board for legal fees paid to serve clients)
	\$370	
TOTAL RECEIPTS	<u>\$246,802</u>	

Minnesota

Campaign Finance and Public Disclosure Board

www.cfboard.state.mn.us

190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

FAX: 651-296-1722 or 800-357-4114

DATE: 1 March 2006

TO: Senator Chuck Wiger, Chair
Senate Elections Committee

Representative Jeff Johnson, Chair
House Civil Law and Elections Committee

FROM: Jeanne Olson
Executive Director

TELEPHONE: 651/296-1721
800/657-3889

SUBJECT: 2006 Legislation

At its meeting of February 24, 2006, the Campaign Finance and Public Disclosure Board voted to send the following item to the legislature for consideration during the 2006 legislative session:

Amend Minn. Stat. §10A.02, subd. 14, to allow the Board to hire a staff attorney. There are times when representation by the Office of the Attorney General may present a conflict. There are also times that the Board and staff need more legal assistance than can be provided by the Attorney General's office.

In addition, the legislature could provide that Board membership must include (at least) two attorneys who do not support the same political party.

Finally, the Board suggests that the legislature provide an appropriation that would be available to the Board for the current and next fiscal years to purchase only independent legal services, when necessary.

Please call me if you have questions about this issue.

Copy: Peter Wattson
Deb McKnight