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## OLR Bill Analysis

### sSB 761

#### ***AN ACT PERMITTING THE USE OF CITIZENS' ELECTION PROGRAM GRANT FUNDS TO OFFSET A PARTICIPATING CANDIDATE'S CHILD CARE COSTS.***

#### **SUMMARY**

This bill requires the State Elections Enforcement Commission (SEEC), on or after July 1, 2021, to amend the Citizens' Election Program (CEP) regulations to permit expenditures for child care services. It authorizes qualified candidate committees (i.e., those of participating CEP candidates that SEEC has approved for a Citizens' Election Fund (CEF) grant) to make expenditures for these services using CEF grants, subject to certain limits and conditions, after SEEC amends the regulations. Currently, participating CEP candidates who have qualified for a grant may use CEF grants for these expenditures under a 2020 Superior Court decision (see BACKGROUND).

The bill defines "child care services" as necessary services rendered to a candidate for the care of a child younger than age 13 and for whom the candidate is the parent or legal guardian when the services (1) are a direct result of campaign activity and (2) would not exist but for the candidate's campaign.

By law, the CEP is the state's voluntary public campaign financing program open to candidates running for statewide office or the General Assembly.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

#### **PERMISSIBLE EXPENDITURES FOR CHILD CARE SERVICES**

State law establishes permissible expenditures that candidate committees and exploratory committees may make to accomplish their

lawful purposes (e.g., compensation for staff). The law applies broadly to candidates participating in the CEP, as well as to those who are privately funded and running in a state or municipal election. However, the law also requires SEEC to adopt regulations on permissible expenditures specifically for participating CEP candidates who qualify for a grant (see BACKGROUND).

The bill requires SEEC, on or after July 1, 2021, to amend the CEP regulations on permissible expenditures. After the regulations are amended, it authorizes participating candidates who qualify for a grant to make expenditures for child care services using CEF grants, subject to the following conditions and limits:

1. aggregate child care services expenditures may not exceed the amount of qualifying contributions (QCs) required to qualify for a CEF grant (e.g., in 2020, \$16,000 for candidates for state senator and \$5,300 for candidates for state representative);
2. candidates may not use CEF grants to compensate themselves or immediate family members for child care services; and
3. any compensation for child care services must be reasonable and customary for the services rendered.

By law, participating CEP candidates may provide their campaign with a limited amount of personal funds (e.g., \$2,000 for state senator and \$1,000 for state representative). The bill exempts child care services expenditures made directly from a candidate's personal funds from these limits, as long as the candidate does not seek reimbursement from his or her candidate committee. The exemption applies once SEEC amends the CEP regulations as required by the bill.

Finally, the bill clarifies that privately funded candidates may pay for child care services using campaign funds, thus conforming the law to current practice.

## **BACKGROUND**

### ***Related Bill***

SB 883, favorably reported by the reported by the Government Administration Elections Committee, contains the same provisions on the CEP and expenditures for child care services.

***Related Declaratory Ruling***

In Declaratory Ruling 2019-02, SEEC (1) ruled that under current CEP regulations, child care services are not a permissible expense for candidates who have been approved for a CEF grant and (2) indicated that a change to the law or its regulations would be necessary to permit these expenditures.

SEEC also reaffirmed its 1976 advisory opinion concerning privately funded candidates. In that opinion, the commission held that privately funded candidates may generally use campaign funds to pay for childcare services, provided the payments are (1) a direct result of campaign activity which would not exist but for the candidate's campaign, (2) reasonable and customary for the services rendered, and (3) properly documented by the campaign (AO 1976-23).

***Related Case***

In *Pereira v. State Elections Enforcement Commission*, the Superior Court sustained an administrative appeal from Declaratory Ruling 2019-02. It held that expenditures for child care services that meet the three conditions outlined in AO 1976-23 are permissible under CEP regulations. Specifically, they satisfy the requirement that all funds in a qualified candidate committee's depository account be used only for campaign-related expenditures that directly further the candidate's nomination for election or election (Not Reported, 2020 WL 5624102 (2020)).

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15 Nay 3 (03/29/2021)