

FEDERAL ELECTION COMMISSION Washington, DC 20463

July 25, 2019

CERTIFIED MAIL RETURN RECEIPT REQUESTED

ADVISORY OPINION 2019-13

Ezra W. Reese, Esq. Elizabeth P. Poston, Esq. Perkins Coie LLP 700 13th Street, NW, Suite 600 Washington, D.C. 20005-3960

Dear Mr. Reese and Ms. Poston:

We are responding to your request on behalf of Mary Jennings ("MJ") Hegar and her principal campaign committee, MJ for Texas (the "Committee"), regarding whether the Federal Election Campaign Act of 52 U.S.C. §§ 30101-45 ("the Act") and Commission regulations permit the Committee to use campaign funds to pay for childcare expenses incurred during Ms. Hegar's candidacy. The Commission concludes that the Committee may use campaign funds to pay for the childcare expenses proposed in the request that are the direct result of campaign activity and thus would not exist irrespective of Ms. Hegar's campaign.

Background

The facts presented in this advisory opinion are based on your letter received on June 5, 2019.

Ms. Hegar is a candidate in the 2020 election for U.S. Senate in Texas, and MJ for Texas is her authorized campaign committee.¹ Advisory Opinion Request at AOR001.

Commission records indicate that Ms. Hegar filed her current Statement of Candidacy on April 24, 2019, and that MJ for Texas filed its current Statement of Organization on April 23, 2019. See Mary Jennings "MJ" Hegar, Statement of Candidacy, FEC Form 2 (Apr. 24, 2019), https://docquery.fec.gov/pdf/625/201904249149584625/201904249149584625.pdf; MJ for Texas,

Before becoming a candidate for federal office, Ms. Hegar had a career in military service and as an author and public speaker. *Id.* Ms. Hegar and her husband both worked full time immediately prior to Ms. Hegar's Senate campaign. *Id.* Their two children, who are ages 2 and 4, were enrolled in full-time daycare. *Id.*

After Ms. Hegar launched her candidacy, she left her job to work full time on her campaign. *Id.* As a result, Ms. Hegar is unable to provide full-time care for her children. *Id.* Ms. Hegar's husband also cannot provide full-time care for their children while his wife works full-time on the campaign due to his full-time job.² *Id.* Accordingly, the Committee proposes to use campaign funds to pay for full-time daycare for the children while Ms. Hegar works full-time on her campaign. AOR002. Ms. Hegar proposes to reimburse the Committee for the costs associated with any time she may spend on matters unrelated to the campaign while the children are in full-time daycare. *Id.*

Question Presented

May the Committee use campaign funds to pay for the childcare expenses proposed in the request?

Legal Analysis and Conclusion

Yes, the Committee may use campaign funds to pay for the childcare expenses described in the request during the pendency of Ms. Hegar's campaign.

Under the Act, a candidate's authorized committee may use its funds for several specific purposes, including "otherwise authorized expenditures in connection with the campaign for Federal office of the candidate." 52 U.S.C. § 30114(a)(1). However, an authorized committee may not convert campaign funds to "personal use." See 52 U.S.C. § 30114(b); 11 C.F.R. § 113.1(g)(1)(ii). "Conversion to personal use" is defined as the use of campaign funds "to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign." 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g).

The Act and Commission regulations provide a non-exhaustive list of expenses that, when paid using campaign funds, constitute *per se* conversion to personal use. 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1)(i). For expenses not listed, the Commission determines on a case-by-case basis whether the expense would exist irrespective of the candidate's campaign. 11 C.F.R. § 113.1(g)(1)(ii). If the expense would exist irrespective of the candidate's campaign, then the use of campaign funds to

Statement of Organization, FEC Form 1 (Apr. 23, 2019), https://docquery.fec.gov/pdf/362/201904239149583362/201904239149583362.pdf.

The request noted that Ms. Hegar may choose to draw a campaign salary at a later date, under 11 C.F.R. § 113.1(g)(1)(i)(I). However, because the Committee is not currently paying a salary to Ms. Hegar, the Commission does not address whether a future decision by the Committee to pay the candidate a salary would alter the Commission's conclusion in this advisory opinion.

pay the expense constitutes conversion to personal use. *Id.* If the expense would not exist irrespective of the candidate's campaign, then the use of campaign funds to pay the expense does not constitute conversion to personal use and is permissible. *Id.*

The Act and Commission regulations do not explicitly reference childcare expenses. Therefore, the Commission must evaluate whether such expenses would exist irrespective of the candidate's campaign to determine whether the use of campaign funds to pay them constitutes conversion to personal use. *Id.*

In previous advisory opinions, the Commission has considered whether campaign funds may be used to pay for certain childcare expenses. In Advisory Opinion 2018-06 (Liuba for Congress), a federal candidate gave up her in-home consulting work and hired a caregiver for her children in order to fulfill her campaign responsibilities. Advisory Opinion 2018-06 (Liuba for Congress) at 1-2. The Commission concluded that, under 11 C.F.R. § 113.1(g), the candidate could use campaign funds to pay for such care to the extent that the expenses were a "direct result of campaign activity," because such expenses would not have existed irrespective of the campaign. Advisory Opinion 2018-06 (Liuba for Congress) at 3. Similarly, in Advisory Opinion 1995-42 (McCrery), the Commission concluded it was permissible for a candidate to use campaign funds to pay for occasional childcare costs because such expenses would have resulted only from campaign activity and would not otherwise exist. Advisory Opinion 1995-42 (McCrery) at 2.

The Commission's reasoning and conclusions in Advisory Opinion 2018-06 (Liuba for Congress) and Advisory Opinion 1995-42 (McCrery) are equally relevant here. The request states that the vast majority of Ms. Hegar's time away from her family will relate to campaign activity and, accordingly, she will incur expenses for childcare during that time. AOR001. As in Advisory Opinion 2018-06 (Liuba for Congress) and Advisory Opinion 1995-42 (McCrery), the Commission concludes that the expenses in Ms. Hegar's request, to the extent they are a direct result of campaign activity, would not exist irrespective of her campaign and, therefore, can be paid with campaign funds. See 52 U.S.C. § 30114(a)(1), (b); 11 C.F.R. § 113.1(g). The Commission also concludes that Ms. Hegar's proposal to reimburse the campaign for childcare costs incurred at times she is not campaigning is an appropriate way to ensure that campaign funds are used only for activities that directly result from campaigning.

This response constitutes an advisory opinion concerning the application of the Act and Commission regulations to the specific transaction or activity set forth in your request. See 52 U.S.C. § 30108. The Commission emphasizes that, if there is a change in any of the facts or assumptions presented, and such facts or assumptions are material to a conclusion presented in this advisory opinion, then the requestor may not rely on that conclusion as support for its proposed activity. Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which this advisory opinion is rendered may rely on this advisory opinion. See 52 U.S.C. § 30108(c)(1)(B). Please note that the analysis or conclusions in this advisory opinion may be affected by subsequent developments in the

law including, but not limited to, statutes, regulations, advisory opinions, and case law. Any advisory opinions cited herein are available on the Commission's website.

On behalf of the Commission,

Ellen L. Weintrand

Ellen L. Weintraub

Chair