

credit unions and responsible financial institutions. But we must not do so at the expense of children receiving court-ordered child support and college students who are targeted by lures of easy credit and already facing thousands of dollars in student financial aid debt.

COLLEGIATE HOUSING AND
INFRASTRUCTURE ACT OF 2003

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 2003

Mr. RYAN of Wisconsin. Mr. Speaker, I am today introducing legislation, along with my colleague Congressman BEN CARDIN, that would allow charitable and educational organizations to make grants to fraternities, sororities, and other collegiate organizations to provide housing and student facilities to the same extent that tax-exempt colleges and universities may provide such facilities for students.

By way of background, taxpayers may generally deduct contributions to non-profit educational organizations (i.e., educational organizations described in section 501(c)(3) of the Internal Revenue Code ("Code")) such as colleges or universities. These colleges and universities may expend their funds (including donated funds) on student facilities such as dormitories, dining halls, study areas, libraries, computers, laundry facilities, physical fitness facilities, and social or recreational areas without jeopardizing their tax-exempt status.

State and private colleges and universities do not, and cannot, provide all of the housing and related student facilities necessary for their student bodies. Collegiate organizations such as fraternities, sororities, and other student associations (e.g., Muslim Students Association, Fellowship of Christian Athletes, and Hillel) fill a large part of the collegiate housing gap. Fraternities and sororities alone provide housing for more than 250,000 students each year. These student associations take on significant financial burdens in order to provide student housing without cost to affiliated colleges and universities.

Fraternities, sororities, and student associations provide collegiate housing through tax-exempt organizations, but their exemption comes under Code section 501(c)(7), with the result that direct contributions to these organizations are not deductible. However, educational organizations established to benefit these fraternities, sororities, and other student associations may qualify under Code section 501(c)(3) to receive deductible contributions.

The current IRS position is that it will not give a tax-exemption ruling to these educational organizations unless they limit student facility grants to those that are solely for educational use (with exceptions for minor social or recreational use). According to this IRS position, a fraternity foundation, for example, may make grants to a fraternity for the construction (or for annual operating expenses) in a fraternity house of a library, study area, computer area, or instructional area. The fraternity foundation may also make grants, for computers, computer desks, and chairs, if similar to what is provided by the specific college with which the fraternity is associated, and for internet wiring, if the specific college also provides internet wiring. However, the

IRS says that fraternity foundations may not make student facility grants for the construction or operation of sleeping quarters, dining areas, laundry facilities, or dedicated social or recreational areas (such as physical fitness facilities or equipment), or hallways or rooms used for both educational and other purposes.

Under the current IRS position, a charitable organization could not make a grant to a section 501(c)(7) collegiate housing organization (or to an affiliated section 501(c)(2) or (c)(7) organization) to provide fire safety upgrades unless those upgrades were limited to areas that are solely for educational use. However, fire safety upgrades will not provide necessary protection unless they are made throughout an entire building. It has been estimated that just the cost of installing sprinklers in fraternity and sorority housing is over \$300 million nationwide.

There is no policy reason for distinguishing between the types of student facilities that may be provided by a tax-exempt college and those that may be provided by another tax-exempt charitable or educational organization to a collegiate organization for the benefit of individuals who are full-time college students. The current IRS position, which we believe is an incorrect interpretation of the law, puts collegiate organizations at a significant disadvantage in obtaining the funds necessary to provide or maintain housing and infrastructure, including the funds necessary to provide fire safety upgrades.

I believe that clarifying that tax-exempt charitable or educational organizations may make collegiate housing and infrastructure grants will encourage private sector contributions to address student housing needs, thus relieving a burden that would otherwise fall on financially strapped colleges and universities. Accordingly, this bill provides that charitable and educational organizations may make grants to collegiate housing organizations (including affiliate organizations holding title to property) for the construction or operation of collegiate housing and infrastructure facilities that are of the type tax-exempt colleges are permitted to provide for their students, including, but not limited to, sleeping quarters, fire safety equipment and upgrades, dining areas, social and recreational areas, study areas, libraries, and computers and related furniture and wiring.

I urge our colleagues to support this worthy legislation.

HONORING THE 20TH ANNIVERSARY OF VOLUNTEERS FOR OUTDOOR COLORADO

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 2003

Mr. UDALL of Colorado. Mr. Speaker, I rise today to commemorate the 20th anniversary of Volunteers for Outdoor Colorado, and to congratulate VOC for its two decades of working to enhance the beauty, accessibility and integrity of Colorado's parks, greenways and public lands.

The work of VOC and its countless volunteers has benefited the entire state. Through countless thousands of hours of strenuous yet rewarding work, trails have been repaired, wheelchair ramps installed, trees planted and

facilities constructed. The results have enhanced the outdoor experiences of visitors to Colorado's public lands splendor.

Poll after poll shows that Americans believe that environmental protection and quality of life are high priorities. And just as many people believe themselves to be "environmentalists." But too often, people lack a way to give practical expression to these views. VOC provides that opportunity.

Participating in VOC activities is fun, easy and user-friendly. You don't need to be an expert, you don't need to know how to drive a tractor or a backhoe. All you need is a passion for the beauty and health of our surroundings—urban, suburban, in the mountains or on the plains—to participate. That, and a healthy willingness to get your hands and feet dirty.

I am especially appreciative of VOC's legacy of active volunteerism because the values it engenders are needed now more than ever.

Since I was first elected to Congress, I have visited high schools throughout Colorado's Second Congressional District. What I've heard from the young people I've met on these visits has reinforced my conviction that we need to provide them with opportunities to develop self-respect and a sense of accomplishment—because those experiences can be antidotes to much of the anger and alienation that can erupt into violence.

Before entering public life, I headed the Colorado Outward Bound school. It provides challenging adventures, such as rappelling down a mountain, fording a rushing river and surviving alone in the wilderness. Outward Bound, not unlike Volunteers for Outdoor Colorado, aims at teaching people to take care of themselves and then to work together. This allows each individual to develop self-reliance and in turn enables each team to accomplish their collective goals.

I think these time-tested principles are very relevant to our search for ways to help our young people and our society. They aren't new—ask any good coach, teacher or VOC project leader—but they do work.

Along those lines, I think we should try to afford more young people the chance to confront challenges, tap into personal reservoirs of resourcefulness, and pull together as a group. And in the West as nowhere else we have a way to provide those experiences—outdoors, on the public lands.

That's why VOC and its projects benefit not only our young people, but people of all ages to get closer to the land and develop stronger ties to their communities, their families and themselves. That's also a major reason why I am a strong supporter of VOC and also why I have introduced legislation in the Congress to promote more volunteerism like the work of VOC—especially on our public lands.

In just a couple of weeks, we will be celebrating Earth Day. VOC, and the work it does every day, demonstrates the very principles that Earth Day was designed to celebrate and encourage. Earth Day gives us a chance to take stock of where we are and where we are going in our relationship with this planet. In this spirit and in recognizing the continuing work of VOC and all its participants, I'd like to read something that was written by my uncle, Stewart Udall.

As many of you know, Stewart was Secretary of the Interior under Presidents Kennedy and Johnson. His book, *The Quiet Crisis*, was considered by many to be a precursor to