

produce exhaustive reports on their participation for 5 years in public affairs. All freedom-loving Americans should oppose this attack on the core principal of our democracy.

Mr. Speaker, I include the document for the RECORD.

HOUSE OF REPRESENTATIVES, COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,

Washington, DC.

Memo to: Executive Director.

From: Chairman David McIntosh.

Date: September 20, 1995.

Re: Oversight Questions Concerning Political Activity of Federal Grantees.

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs will conduct a series of oversight hearings regarding Federal grantees' use of Federal funds for political activity. Thank you for agreeing to testify at the first such hearing.

Pursuant your conversation yesterday with Mildred Webber, Staff Director for the Subcommittee, attached are several questions and requests for documents that are relevant to our oversight investigation. In addition, Subcommittee counsel may contact you prior to the hearing to set up a meeting to ask any follow up questions we may have concerning your responses.

Please respond to each of the attached questions in writing by 5:00 p.m. Monday, September 25. Deliver your responses to Room B377 Rayburn H.O.B. If you have any questions regarding the scope or meaning of any of the questions, please contact Jon Praed, counsel to the Subcommittee, at 202-225-4407.

Thank you for your cooperation. I look forward to your testimony next week.

#### REQUESTS FOR DOCUMENTS

1. Please produce complete copies of your organization's publicity available Form 990 tax forms for the past two years.

2. Please produce a copy of the founding documents and/or charter for your organization that sets forward its founding or guiding principles.

3. Please produce a copy of your organization's annual report for the past two years.

4. Please produce all independent audits conducted of your organization in the past two years.

#### GENERAL BACKGROUND QUESTIONS

1. What is the tax status of your organization under Internal Revenue Code (IRC) section 501(c)?

2. If your organization is a section 501(c)(3) tax exempt organization, has it made the 501(h) election for purposes of political advocacy? If not, why not?

3. Identify each organization affiliated with your organization (by stating the affiliate's name, tax-status, tax identification number, place of incorporation, principal business address, telephone and facsimile number). For each affiliate that is a section 501(c)(3) tax-exempt organization, state whether it has made the 501(h) election for purposes of political advocacy. If not, explain why not.

4. Identify all transfers of monetary or non-monetary assets from your organization to any affiliated organizations, and from any affiliated organizations to your organization for the past 12 months.

5. How much federal taxes would your organization have owed last year had your organization not been tax-exempt? In the past 5 years? During the existence of your organization?

6. In addition to the tax windfall enjoyed by your organization, identify all other benefits your organization gains from its tax-ex-

empt status, including mail postage rate discounts (by describing the benefits and estimating the annual value of this benefit).

7. What is your understanding of the justification for your organization's tax-exempt status?

8. Does your organization believe that the current IRC limitations on the amount of non-Federal funds that can be spent by tax-exempt organizations on political advocacy, lobbying, and electioneering violate the First Amendment, or are otherwise unconstitutional? If so, please identify the limitations that are unconstitutional and explain the basis for your organization's belief. Is it your organization's belief that any of the limitations contained in the attached legislation violate the First Amendment or are otherwise unconstitutional? If so, please identify the limitations, explain the basis for your organization's belief, and distinguish this belief from its belief on the constitutionality of the current IRC limitations.

9. Does your organization engage in any non-tax-exempt business activities? If so, please describe those activities, and estimate the amount of revenue earned from those activities?

10. In the past five years, has your organization endorsed any products, goods or services? If so, identify the endorsements, and state the amount of any compensation your organization received for these endorsements.

11. How would your organization spend an extra \$1,000 this year? \$100,000? \$1,000,000?

12. For each of the past five years: state your organization's expenditures on salaries (including wages, bonuses, expense accounts and all other forms of compensation); itemize the salaries (including wages, bonuses, expense accounts and all other forms of compensation) paid to your top five officers and directors for the past five years.

13. What percentage of your organization's annual revenues are spent on fund raising?

14. If your organization is a coalition or association of organizations, please identify the member organizations by stating their full names, tax status, principal business address, telephone and facsimile numbers, and chief executive officer, and please state the amount of annual dues or membership fees paid to your organization by each member organization.

#### POLITICAL ADVOCACY INFORMATION

1. In the past five years, has your organization engaged in political advocacy as defined in the attached legislation? If so, please provide a brief description of the type of political advocacy engaged in, and a good faith estimate of the expenditures on each activity. Please answer for each affiliated organization.

2. Does your organization devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, as that term is used in the Internal Revenue Code? What safeguards has your organization created, if any, to ensure that this limitation is not exceeded?

3. What percentage of your non-federal budget do you spend on political advocacy (as defined in the attached legislation), and what is the total amount?

4. Does your organization directly or indirectly participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office? If so, please describe your organization's activities.

5. Does your organization disclose its political advocacy activities to its donors and potential donors? If so, please produce copies of all documents containing such disclosures. If not, please explain why not. Also, please

produce copies of all promotional and fund-raising materials distributed to potential donors.

#### GRANT INFORMATION

1. Has your organization received any federal grant funds since 1990? If so, please itemize for each grant received: the grant identification number; the amount or value of the grant (including all administrative and overhead costs awarded); a brief description of the purpose or purposes for which the grant was awarded; the identity of each Federal, State, local and tribal government entity awarding or administering the grant, and program thereunder; the name and tax identification number of each individual, entity or organization to whom your organization made a grant. Please answer this question with respect to each affiliate organization.

2. Does your organization receive donations, membership fees or dues from any other organizations that receive federal grant funds? If so, please identify the organizations and the amount(s) each of them have transferred to your organizations for the past two years. Were these organizations' contributions made possible by their receipt of federal grant funds? If not, how do you know? If so, justify your organization's decision to accept these contributions.

3. How does your organization separate federal grant funds from its non-federal funding? Is this record-keeping available to the public for inspection? Will you please make it available to the subcommittee for our review?

#### QUESTIONS REGARDING ABILITY TO COMPLY WITH THE PROPOSED LEGISLATION

1. Does your organization maintain accounting books and records relating to its activities? Are these books and records based on Generally Accepted Accounting Principles (GAAP)? If not, why are they not based on GAAP?

2. Does your organization allocate, disburse, or contribute any monetary or in-kind support to any individual, entity, or organization whose expenditures for political advocacy in any of the past five years exceeded 15 percent of its total expenditures for that year? 25%? 50%? 75%? 95%? For each of these thresholds, please identify each individual, entity or organization receiving the support, and the amount of support provided. If you are unable to answer this question for any of these thresholds, please explain why you are unable to answer.

3. Does your organization make available the results of nonpartisan analysis, study, research, or debate? If so, please identify the types of work made available by your organization in the past year.

4. Does your organization provide technical advice or assistance to a governmental body or to a committee or other subdivision thereof in response to a written request by such body or subdivision? If so, please identify the type of technical advice or assistance provided and the governmental body receiving it.

#### DROP SUNSET PROVISION FOR LOW INCOME HOUSING TAX CREDIT

(Mr. ORTON asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. ORTON. Mr. Speaker, I rise today to express my strong opposition to the Ways and Means Committee proposal to sunset the low-income housing tax credit, which is to be included in the House reconciliation bill.

As evidence of how unwise this proposal is, I would like to enter into the RECORD a letter I received from the Governor of my home State, Mike Leavitt. This letter urges the deletion of the committee's sunset of the low-income housing tax credit. It also points out that this private sector tax incentive accounts for virtually all of new construction of Utah's apartment units which are affordable to hard working, low income renters.

Mr. Speaker I urge my colleagues on the other side to listen to Governor Leavitt, who incidentally is the chair of the Republican Governors Association. Let's drop this misguided proposal from the reconciliation bill.

Mr. Speaker, I submit the following for the RECORD.

STATE OF UTAH,  
WASHINGTON OFFICE OF THE GOVERNOR,  
*Washington, DC., September 19, 1995.*

Hon. BILL ORTON,  
*House of Representatives,*  
*Washington, DC.*

DEAR REPRESENTATIVE ORTON: House Ways and Means Committee Chairman Bill Archer has released his proposed Budget Reconciliation to members of his Committee. It calls for the sunset of the Low Income Housing Tax Credit [LIHTC] after December 31, 1997.

As you know, the LIHTC is the only incentive remaining today in Utah, as well as the nation, for the production of affordable rental housing. According to the Utah Housing Finance Agency which administers the tax credit program for our state, the 6,000 units financed in Utah by LIHTC accounts for virtually all this state's apartment construction that have rents which are affordable to hard-working, yet lower income renters. This represents fully half of all the new apartments that have been constructed in Utah since 1987. It also finances rehabilitation of large numbers of old apartments into decent and affordable places for low income families to live.

The LIHTC is not a direct spending program of the federal government like so many other housing programs, but rather offers tax incentives to the private sector to invest capital into these difficult to finance housing efforts. Although corporations are the principal investors in the tax credits which finance these low income apartments, the LIHTC is not in any way a form of "corporate welfare". The LIHTC builds partnerships between public and private sectors to very efficiently draw capital into solving this nation's housing dilemma.

Additionally, the LIHTC has played an important role in sustaining the apartment construction industry in Utah for nearly a decade. It is playing a prominent part in the resurgence of a healthy Utah real estate industry. Vastly more important, the LIHTC has produced more than 6,000 rental homes, housing in excess of 25,000 lower income parents and children, in nearly every community in our state. Those decent and affordable places to live simply would not exist without the LIHTC.

Please contact Chairman Archer and ask him to delete the LIHTC sunset proposal from his Budget Reconciliation Bill.

Thank you for your attention to this important matter.

Sincerely,

MICHAEL O. LEAVITT,  
*Governor.*

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

[Mr. GIBBONS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 5 minutes.

[Mr. HOEKSTRA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

[Mr. SKAGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mrs. SMITH] is recognized for 5 minutes.

[Mrs. SMITH of Washington addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

#### THE BLACK CAUCUS AGENDA TO FIGHT THE DEATH OF ENTITLEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, last weekend, from September 20 to 23, the Congressional Black Caucus held its annual legislative weekend conference. More than 20,000 people participated in the various activities of the Congressional Black Caucus' annual legislative conference. It was our 25th anniversary.

I think it was a clear indication to all who are concerned that the Congressional Black Caucus is still very much alive and a very potent force in the politics of this Nation. Some 20,000 people came to various activities, including workshops on major issues like education, transportation, health, et cetera. We reaffirmed a clear Congress-

sional Black Caucus agenda. We call it the Congressional Black Caucus and the Caring Majority Agenda, because it includes so many more people than people who are black. The overwhelming majority of Americans agree with the agenda that we set forth.

We started this agenda when we offered the Congressional Black Caucus alternative budget on the floor of the House, and we continue the fight. Today and tomorrow we particularly want to emphasize the fact that we are very upset about the death of the welfare entitlement, the death of the entitlement for poor people in need of assistance. The entitlement is on its last breath, its last gasp, almost. The Senate has agreed to end the entitlement, and the House has previously agreed to end the entitlement. We are afraid the President will not veto this end of entitlements that have existed since Franklin Roosevelt created Social Security.

We are going to particularly focus on that. In fact, we are going to wear black arm bands tomorrow to mourn the death of entitlements, the entitlements related to assistance to the poor. That is just the beginning. We understand that on the table now, everybody should know that on the table now is a proposal to kill the entitlement for Medicaid. We have almost killed the entitlement for assistance to poor people. We have set a precedent, so now we are going to go on to kill the entitlement for Medicaid, which means that many fewer people will be eligible for assistance with health care than were eligible last year, when we were talking about moving toward universal health care.

We have an agenda. We want to fight this. We want to fight the death of entitlements. We want to fight aggressive racist attacks in all forms. The Congressional Black Caucus has pledged to continue the fight against the attacks on affirmative action, we are pledged to continue the fight against school desegregation, set-asides, and the Voting Rights Act. We want to fight for education as a national priority. The CBC alternative budget demanded a 25-percent increase in funding for education. President Clinton has also proposed a large increase for education. We want to fight for this increase. We do not want the President to lose sight of this priority.

We want to fight to stop all of the cuts in Medicaid as well as Medicare. This Nation needs a national health insurance program with universal coverage. We should not take a step backward and end the entitlement for Medicaid. We want to fight to increase the minimum wage, to guarantee the right to organize unions, to end the striker replacement activities, and to maintain safe and healthy conditions in the workplace.

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We want to fight to balance the Nation's tax burden by lowering taxes on