

Supporting ACCESS

NAHEFFA 2017 Year End Advocacy Report

*by Martin Walke, Vice President of Economic Development
Louisiana Public Facilities Authority and NAHEFFA Advocacy Chair*

Whew! What a year it's been! Much of the drama has been packed into these past 75 days but under the direction of Chuck Samuels, we've been preparing for this exercise over the past decade. The good news is WE WON and it was a total NAHEFFA team effort!

In the wake of the 2016 elections, it appeared there was a strong opportunity for the GOP to pass major tax reform legislation since it controlled both houses of Congress and the Executive branch. We asked the membership to go the extra mile by paying a voluntary assessment of \$2,400 each to help defray the costs of hiring ML Strategies (MLS) to assist Chuck Samuels with his advocacy efforts on Capitol Hill. Many of you answered this appeal and a few were able to contribute more than their fair share. Our contract with MLS called for paying them \$8,000 per month beginning on December 1, 2016 and set to expire on December 31, 2017. In my opinion, this was money well spent and credit goes to Chuck Samuels for this recommendation and working seamlessly with them throughout the past year to ensure our message was delivered broadly and effectively.

The Tax Cuts and Jobs Act of 2017 has been passed by both houses of Congress and signed into law by the President. The legislation is "silent" on the issue of Private Activity Bonds (PABs) and retains current law which was our primary focus; however it eliminates advance refundings of both governmental bonds and PABs after January 1, 2018. The tax reform bill passed by the House Ways and Means Committee and the full House of Representatives on its initial vote on November 16th, called for the elimination of PABs. The US Senate passed its version of the tax reform act on December 2nd and it did not mention PABs in its legislation which means it retains current law. The House and Senate leadership named members from their respective bodies to negotiate the differences in the two versions of the bill and come to a compromise in a Conference Committee. Much of the negotiation happened behind closed doors and there were scores of rumors floating around about the fate of PABs. Chuck and his MLS colleagues maintained their focus and coordinated an effort primarily on key GOP members of the Conference Committee. NAHEFFA members from the states represented by these key congressional members were our Most Valuable Players for flying to Washington for impromptu meetings or arranging teleconference calls with those congressional offices. Those last minute appeals would not have been nearly as effective, if we hadn't already laid the foundation of our case over the past 12 months by communicating with those very same offices and staff members.

A huge thank you goes out to Chuck Samuels, who led this entire effort and has
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FUTURE NAHEFFA CONFERENCES

May 7-8, 2018

Boston, MA

[Omni Parker Hotel](#)

Fall 2018

Denver, CO

Coming Soon!

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NAHEFFA President's Message

by Donna Murr, Executive Director
Washington Health Care Facilities Authority



Donna Murr

Congratulations and Happy Holidays!

As I reflect back on the last several months, it amazes me what we were able to accomplish in such a short period. Our victory was the result of the combined efforts by all of you and our partnership with Chuck Samuels, Alex Hecht, Neal Martin, Mike Rock and Liz Clark.

Chuck's passion as well as his leadership and stature among members of the municipal finance coalition and the lobbying community proved invaluable and I cannot thank him enough for his support.

Of course, contracting with ML Strategies was the best money we ever spent, both by my Authority and by the Association. Alex and Neal's knowledge of the legislative process and their relationships with key people in D.C. was impressive. They and Chuck were in constant contact with Martin and me – sometimes on a daily and even hourly basis with updates and suggestions. Neal's reports were both timely and informative. In fact, I think his updates were received well before other media releases. Our partnership with Mike Rock and Liz Clark was also invaluable. Quoting Martin Walke – “Their loyalty to us, our coalition and our cause was uncompromising. In my opinion, this is primarily due to their respect for Chuck.”

In addition - kudos to our NAHEFFA members who reached out to their respective delegations with letters and phone calls and in some cases traveling to D.C. to lobby for our continued existence. Finally – Martin's leadership as Chair of the Advocacy Committee was flawless! He is a gem and I personally thank him for his support and friendship.

So – from the bottom of my heart, I thank you all for your efforts and look forward to raising a glass to our victory in Boston.

Best wishes for a very happy and healthy holiday session! ■

2018 SPRING CONFERENCE

Boston, MA
Omni Parker House Hotel

Welcome Reception | Evening of May 6th
Conference Sessions | May 7-8th

More information will be
coming to you soon!

WASHINGTON REPORT

by Charles A. Samuels, Mintz Levin
General Counsel, NAHEFFA



We did it.

Facing extinction, the nonprofit tax exempt bond sector rallied from disaster (but never in despair) when the House bill was introduced in November and along with other private activity bond interests preserved the category intact. The bill passed the House and Senate and was signed by the President.

Chuck Samuels

When the House Ways and Means bill was unveiled in November, eliminating PAB's, we were in shock. The combination of last minute search for revenue raisers and unappreciated Republican animosity toward higher education undermined our years of advocacy.

But just temporarily. We rallied. We switched the narrative from PAB's are a "private business" subsidy to an understanding that charitable borrowing is the largest category. We adjusted to the process as Republican input only process. You, directors and boards, our health and education allies, bankers, and public officials came to town, and contacts were made at home. Meetings and phone calls were arranged. The media narrative changed (AHA underwrote an impactful media campaign). The other PAB's interests did the same and the Senate bill came out clean on PAB's (but devastating for advance refundings).

The Senate position was upheld in conference due to very aggressive advocacy. Unfortunately, advance refunding couldn't even get a transition rule or delayed effective date, thereby keeping you busy at end of year.

We aren't out of the woods entirely in my estimation. PAB's will probably come up again in next year's technical corrections (covering true mistakes and relitigation of lost issues) or infrastructure legislation, both possible expansions (bank qualified) and limitations.

We wouldn't have succeeded without your incredible work and the leadership of Donna Murr and Advocacy Chairman Martin Walke. Their time and effort were extraordinary. Thank you for supporting the decision to bring in my MLS colleagues Alex Hecht and Neal Martin without whom we could not have undertaken an effort on this scale in a six week period.

Here's the really, really good news. Our TEFRA comments to the IRS/Treasury are relevant! ■

NAHEFFA 2017 Year End Advocacy Report, *continued from page 1*

been incredibly effective in making NAHEFFA relevant both on Capitol Hill and within the regulatory agencies. His gravitas is evident by his regular appearance in the pages of *The Bond Buyer* as the source of a quote on issues of the day affecting our industry. Chuck's recommendation of MLS was also critical to our success. The team of Alex Hecht, Neal Martin and earlier David Leiter were incredibly impressive in their organizational skills, their ability to open virtually any door to us on Capitol Hill and their obvious credibility with those key congressional members and staff. The initial meetings in early December 2016 which were arranged by MLS were immensely successful in allowing us to get our message out when it was still relatively quiet on Capitol Hill and we weren't lost in the clutter. Finally, our most stalwart allies throughout the past year were Mike Rock with the American Hospital Association (AHA) and Liz Clark with the National Association of College & University Business Officers (NACUBO). These two are like family. They shared every tidbit of information with us freely and made themselves available to join NAHEFFA members on appointments with key congressional offices. Their loyalty to NAHEFFA (in my view, largely due to Chuck) was unwavering and we owe both of them a deep debt of gratitude.

So we survived the great tax reform scare of 2017! Congratulations to everyone on your extraordinary efforts! We learned an invaluable lesson. We must be ever vigilant to the legislative hazards which are omnipresent on Capitol Hill. We should be concerned Chairman Kevin Brady (R-TX) of the House Ways and Means Committee seems to view PABs in a negative light. Some are cautioning that he may attempt to somehow limit PABs during the course of debate on an infrastructure bill to be introduced in 2018. If true, we'll fight that battle when it comes but for now, let's enjoy the holidays and revel in the New Year which allows us to continue issuing PABs on behalf of our clients.

Warmest wishes to you and your loved ones for a joyous holiday season and for a healthy, happy and prosperous New Year! ■

Drexel Hamilton's Commitment to Veterans

by Roger L. Anderson, Senior Vice President, Municipals, Drexel Hamilton, LLC

Drexel Hamilton, LLC is a New York State-certified service-disabled veteran-owned and operated broker-dealer. The firm was founded in 2007 by Lawrence Doll, a two-time Purple Heart recipient, on the principle of offering meaningful employment opportunities to disabled veterans.

Understanding that veterans traditionally struggle finding work after returning from duty, Drexel Hamilton's priority is to hire veterans who have served our country, especially those returning from Iraq and Afghanistan. 40% of the firm's 100 employees are veterans, and more than half of those are recognized as service-disabled by the Department of Veterans Affairs.



Lawrence Doll during his military service in Vietnam.

"These veterans have protected us with their lives. I will always feel that we owe them a tremendous debt for the rest of our lives," says Doll.

Drexel Hamilton partners financial industry veterans with military veterans to provide public and private institutions with industry leading Equity Research and Execution, Fixed Income Execution and Strategy, Municipal Finance, and Capital Markets.

In fulfillment of Drexel Hamilton's commitment to veterans, Anthony Felice, Daniel Boyle, and John Martinko, all service-disabled veterans, have now assumed responsibility of day-to-day operations. From pilots to medics, special forces operatives to snipers, ammunition specialists to reservists, the firm employs Veterans from all branches and levels of military service. Since its launch 10 years ago, the firm has hired and trained 82 Veterans.

Jerry Majetich, Vice President of Veteran Initiatives at Drexel Hamilton, served four tours of duty with the U.S. Army in Iraq. In 2005, during his final mission, his vehicle ran over a roadside bomb, leaving his body on fire. Along with burns all over his face and body, he lost both ears, his nose and sustained many other injuries. After more than 74 operations and 22 months of recovery in the hospital, Jerry retired from the military and began his transition back into civilian life.



Jerry Majetich

Despite a degree in finance, a Bronze Star and a Purple Heart, among many other honors, finding employment proved more difficult than Jerry could have imagined. It wasn't until he found Drexel Hamilton in 2007 that he landed the job that would help him provide for his family and bring meaning to his work.

Scotty Smiley attended the United States Military Academy. During a deployment in Iraq, he lost his vision when he encountered a suicide bomber in 2005. Determined to continue serving in the Army, Scotty went on to become the first blind active duty officer in U.S. military history.



Scott Smiley

Scotty has an MBA from Duke University, received a Bronze Star and a Purple Heart and was named Soldier of the Year in 2007. However, before finding Drexel Hamilton, he, too, found the transition from military to civilian life challenging. He now works as a Vice President in Capital Markets at Drexel Hamilton.

According to the U.S. Department of Veterans Affairs, more than 21 million veterans live in the United States. Of that number, 3.9 percent are unemployed as reported by the U.S. Department of Labor.

To combat this situation, the firm's goal is to grow the business in order to hire more veterans. The management team acknowledges the sacrifice veterans have made for America and understands how difficult the transition to civilian life can be, especially for service-disabled veterans. The firm's ultimate mission is to do all it can to hire veterans and help them establish new careers.

For more information about Drexel Hamilton, visit. www.drexelhamilton.com.

The author, Roger Anderson, was the Executive Director of the New Jersey Educational Facilities Authority from 2002 to 2010 and a former Director of National Association of Higher Education Facilities Authorities.

GREETINGS FROM THE NAHEFFA SPONSORSHIP COMMITTEE

As 2017 comes to a close, the Sponsorship Committee on behalf of the member authorities of NAHEFFA, would like to again thank our sponsors for their continued support of our organization. Sponsor support helped to ensure our 2017 Spring and Fall conferences held in Alexandria, VA and Boise, ID were a success.

Planning for the 2017 NAHEFFA Conferences is in full swing. The Spring Conference will be held in historic Boston, Massachusetts while the Fall Conference will be held in the “Mile High City” of Denver, Colorado.

NAHEFFA will soon be inviting conference sponsorship support from associates in the municipal finance industry for our 2018 Conferences. NAHEFFA conferences are attended widely by NAHEFFA Members including authority board members and staff and provide opportunities to build relationships and increase your awareness of issues and concerns in the industry.

We look forward to speaking with you about the opportunities that sponsoring NAHEFFA conferences bring to you.

Best regards,
2017 Sponsorship Committee Members

Shannon Govia | Washington Health Care Facilities Authority | Sponsorship Committee Chair
Nichole Doxey | NAHEFFA
Adam Gill | Montana Facilities Authority
Harry Huntley | South Carolina Jobs-Economic Development Authority
Pam Lenane | Illinois Finance Authority
Frank Troy | New Jersey Health Care Facilities Financing Authority

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