

Supporting ACCESS

Election 2016 Enters the Home Stretch

*by Alex Hecht, Vice President of Government Relations and
Neal Martin, Senior Manager of Government Relations, ML Strategies*

In just 7 weeks the 2016 campaign season ends with voters casting their ballots for president, the Senate, and the House of Representatives on November 8.

This presidential campaign has never followed the path that many had envisioned with Hillary Clinton easily securing the Democratic nomination and the Republican Party taking a new path that would alleviate the demographic challenges faced by Mitt Romney in the 2012 election. Instead, Secretary Clinton was forced to fight a protracted battle against upstart candidate Senator Bernie Sanders (I-VT) who launched what he labeled a “political revolution” that could have repercussions for years in Democratic politics. Republican voters faced a slate of 17 candidates that included nine sitting or former governors, four sitting senators and one former senator, a neurosurgeon, a former CEO, and Donald J. Trump who, while having no political experience, fought his way to win the presidential nomination of the Republican Party.

While polling for the presidential election has for some time pointed toward a win by Secretary Clinton in November – given the unpredictable nature of this campaign an “October surprise” is certainly not out of the question. According to Real Clear Politics, average poll margins have tightened recently and as of September 9th show Secretary Clinton with a 2.7 lead over Mr. Trump. The leading Washington prognosticators are overwhelmingly forecasting a victory by Secretary Clinton in November, but it is important to note that many of these same experts also said that Mr. Trump would never secure the Republican nomination.

Of course, elections are not won in polls – they are won in the Electoral College. With a threshold of 270 Electoral College votes needed to secure the presidency, Real Clear Politics finds that Secretary Clinton is currently leading with 229 likely electoral votes, while Mr. Trump is likely to secure 154 electoral votes. Considered potential toss-ups as of September 9th are the remaining 155 electoral votes from Florida, Virginia, Ohio, Pennsylvania, Wisconsin, Iowa, Nevada, Arizona, Georgia, North Carolina, Missouri, and Maine.

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FUTURE NAHEFFA CONFERENCES

September 28-30, 2016

Chicago, IL

[Wyndham Grand](#)
[Chicago Riverfront](#)

April 3-5, 2017

Alexandria, VA

[Hotel Monaco](#)

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NAHEFFA President's Message

by Donna Murr, Executive Director
Washington Health Care Facilities Authority



Happy fall everyone!

I hope you all had a wonderful summer and were able to enjoy some leisure time with family and friends.

NAHEFFA has had some membership changes over the last few months and I would like to acknowledge some of these changes.

- New Jersey Health Care Facilities Finance Authority: my friend and long-time member, Steve Fillebrown retired earlier this year. He was a huge asset to our organization and will be missed.

- Minnesota Higher Education Facilities Authority: Marianne Remedios and Elaine Yungerberg both retired on June 30th. They also contributed to the success of our organization and will be missed. However, the Authority's new Executive Director is Barry Fick. You all know Barry as one of our long time sponsors and staunch supporters from Springsted, Inc. Barry is a great addition to our organization and I look forward to working with him as a fellow member. Welcome Barry!

- Arizona Health Facilities Authority: It is with tears in my eyes to acknowledge the loss of our good friends, Blaine Bandi and Julie Arvo MacKenzie. Their Authority was folded into a different agency and they closed their doors in August.

- Nebraska Educational, Health, and Social Services Finance Authority: Linda Beaver retired at the beginning of this month and I for one will miss her great attitude and unique personality. I wish

her well in the future! Welcome to the new executive director, Gregory Johnson. We look forward to working with you.

- Montana Facility Finance Authority: Michelle Barstad just announced her retirement effective December 31st. I have known Michelle a very long time and will miss her dearly, but she knows our RV parking space at home is always available! Michelle and I were Assistance Executive Directors under two of the former "three musketeers" - John Van Gorkom and Jerry Hoover - who were smart enough to retire and let us take over our respective agencies!

As we head into fall with the upcoming elections, both nationally and locally, we have to acknowledge the potential threats as well as opportunities we and the health care and higher education facilities we represent will be facing. Just keep in mind, we play an extremely vital role in the infrastructure of this country and NAHEFFA is dedicated to maintaining and enhancing our Advocacy presence in Washington D.C., with the assistance of our long-time advocacy quarterback, Chuck Samuels. I will be meeting with Chuck along with our Advocacy Committee in Chicago prior to the conference to begin working on our game plan for after the election.

Finally, I look forward to seeing you in Chicago in a couple weeks for our fall conference. Our host, the Illinois Finance Authority, is ready for us and I know from past experience they will make us all feel welcome and will roll out the red carpet. ■

2016 FALL CONFERENCE

September 28-30, 2016 | Chicago, Illinois | [Wyndham Grand Chicago Riverfront](#)

The welcome reception will be held on the Wednesday evening and the conference sessions will be held on Thursday and Friday.

WASHINGTON REPORT

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



Chuck Samuels

Separately, my colleagues at ML Strategies are offering up an election analysis which I hope that you will enjoy. All I know is that there will be an election – finally, thank goodness – and there will be a new president and a new Congress. After that, I don't claim to understand anything about presidential politics these days.

But, I do know a bit about the regulatory and legislative challenges in front of us, so let's focus on those. Most folks think that the biggest threat to our type of financing is going to be tax reform—and it's critical and serious. But I think the greatest potential for change is in securities regulation. My reasoning is that, unlike tax reform, there are significant outside interests ranging from the SEC to the MSRB to municipal analysts to some investment bankers and mutual fund interests who would like to see at least a lot more regulation of our disclosures if not outright registration requirements. Everything from the MCDC so-called voluntary reporting initiative to any default to Puerto Rico will be used as an excuse and rationale for change in the law to allow SEC direct authority over issuers or at least to push the present regulatory authority as far as it could go.

Conduit financings and conduit borrowers are particularly vulnerable because they're not the governmental entities for which the Tower Amendment and other restrictions on the registration and regulation of issuers were put in place by Congress, and there are in limited circumstances for-profit businesses which benefit from tax exempt

bonds. As this debate unfolds, it will be important for the nonprofit sector to distinguish itself from the corporate sector so that the parallelism with SEC corporate requirements will not look like they naturally apply across the board to all private activity bonds/conduit financings.

Even if we avoid a radical reshaping of the law, we should expect increasing regulatory pushes on bank loan disclosure and improvements in the timing of the release of financial and other information. The nonprofit sector has a better track record than the governmental sector in this regard but our sector also contains a number, albeit a small number, of defaults.

We continue to work with our allies at the GFOA and in the mutual fund industry to keep markets open and buyers available for our financings. Therefore, we have joined in efforts to pass legislation to reverse the restrictions under the high-quality liquid assets (HQLA) rules which affect the purchases by big banks of tax exempt bonds as well as the regulation of money market funds which have caused such funds to close or shy away from tax exempt bonds.

We're working with the MSRB through an internal effort of our members and several of our municipal financial advisors to obtain guidance on the application of MSRB MA rules to conduit financings. Our goal is to maintain as much flexibility as possible as to who hires the MA and who the MA may advise.

I didn't mean to imply tax issues are irrelevant. They've always been

big for NAHEFFA, and they will continue to be critically important. There is no question that tax reform will get a serious look next Congress no matter what the configuration of the Congress and the presidency and bonds will be on the table. We don't know if that will just mean nibbling around the edges at things like stadium bonds or things closer to home, such as universities with big endowments, or if it will be much bigger proposals to limit or restrict conduit financings or bonds as a whole. Probably, you will see a combination of all these types of proposals.

We are spending this year strengthening our relationships with our congressional delegations, using the pending bank qualified legislation as an excuse to talk up the great value of tax exempt financing for smaller education and health borrowers and deepening our ties with the private and public sector bond interests in Washington and around the country. But, buckle up your chin straps because there is going to be some hard-hitting next year. And, with some of the retirements/departures from the authorities, new people will need to step up. Please talk to Advocacy Chair Martin Walke and me about how you can weigh in at your comfort level.

I look forward to discussing these issues and more at the Fall Conference in Chicago, including how we resource ourselves for the tax reform struggle. Joining me on the advocacy panel will be Emily Brock, the new head of GFOA's Washington office. ■

GREETINGS FROM THE NAHEFFA SPONSORSHIP COMMITTEE

On behalf of the member authorities of NAHEFFA, we wish to express our gratitude and thank our sponsors for their continued support of our organization. Without this support, NAHEFFA would not be able promote the common interests of our member issuing authorities; providers of health or educational services; and industry organizations supporting and/or representing those providers of health or educational services.

NAHEFFA 2016 Spring and Fall Conference sponsors include:

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Our 2016 Fall Conference is coming up in Chicago, IL, September 29-30th at the Wyndham Grand Chicago Riverfront. NAHEFFA encourages our sponsors to attend and participate in these conferences. Sponsor attendance at our events helps to build stronger relationships, reach key decision-makers in the industry and increases your organization's exposure. NAHEFFA conferences are attended widely by NAHEFFA Members including authority board members and staff. These conferences also provide an opportunity to increase your awareness of issues and concerns in the industry.

We are making plans for our 2017 conferences and will be reaching out to our sponsor community soon to discuss sponsorship opportunities for:

2017 Spring - April 3-5 in Alexandria, VA | 2017 Fall - September 6-8 in Boise, ID

For more information about NAHEFFA sponsorship and for ways to participate, please contact Shannon Govia at ShannonG@whcfa.wa.gov or Nichole Doxey at ndoxey@naheffa.com.

Best regards,
2016 Sponsorship Committee Members

Shannon Govia | Washington Health Care Facilities Authority
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Election 2016 Enters the Home Stretch, *continued from page 1*

Secretary Clinton has built her current lead by out-performing President Obama's 2012 numbers among several key demographics.

On the Republican side, 270towin finds that when looking at the battleground states, Mr. Trump is out-performing Mitt Romney's 2012 margin in 6 states – Iowa, Michigan, Nevada, New Mexico, Oregon, and Washington. However, he is currently under-performing in 11 of those battlegrounds – Arizona, Colorado, Georgia, Florida, Minnesota, Missouri, New Hampshire, North Carolina, Pennsylvania, South Carolina, and Virginia. In Ohio, Mr. Trump is running even with Mr. Romney's 2012 margin.

Enthusiasm and a willingness to get out and vote on November 8 will also be crucial to both sides. According to a recent WSJ/NBC poll, 60% of Democrats are pleased with their presidential nominee, while 45% of Republicans are satisfied with Mr. Trump. However, according to a poll conducted by CNN/ORC on September 1-4, 2016, Mr. Trump leads Secretary Clinton in voter enthusiasm with 58% of his supporters saying they are extremely/very enthusiastic about voting, while 46% of Secretary Clinton's supporters say the same about their candidate. An equal number of Trump and Clinton voters – 11% - say they are not at all enthusiastic about voting.

It is important to note that the Libertarian Party and the Green Party also have presidential candidates. Former New Mexico governor Gary Johnson is the Libertarian candidate, and Jill Stein is the candidate of the Green Party. While the Stein campaign does not appear to be drawing large numbers of disaffected progressive voters away from the Clinton ticket, the Libertarian ticket, headed by Governor Johnson is generally polling just below ten percent. If the Johnson campaign can get its poll numbers up to 15% they will reach the threshold for inclusion in the presidential debates, which would give the a platform to appeal to Republican voters unhappy with Mr. Trump as the nominee. The presence of a strong third party candidate in November could make a real difference in the final outcome as we saw in 1992 with the candidacy of Ross Perot and in 2000 with Ralph Nader's bid for the White House.

There are three presidential debates scheduled. On September 26, Lester Holt of NBC Nightly News will moderate the first presidential debate at Hofstra University in Hempstead, NY. One vice presidential debate is scheduled for October 4. The presidential debates are expected to draw large viewing audiences given the dramatically different styles of candidates Clinton and Trump and as we have seen in past debates a slip up or exceptional performance by either candidate could significantly alter the course of the election in the home stretch.

In the Senate, Democrats are waging a fierce effort to retake the majority and are aided by the fact that of the 34 seats up in November 24 are currently held by Republicans. With a current membership of 54 Republicans and 45 Democrats, only 4 or 5 seats are needed to take control from the GOP in 2017 depending on who wins the vice presidency. Should Secretary Clinton win the presidency, Democrats would only need 4 seats for the majority, but a victory by Mr. Trump would mean that the new vice president, Mike Pence, would serve as President of the Senate and would tilt the majority to the GOP as the tie-breaking vote.

Senate races to watch include those in Illinois, Wisconsin, New Hampshire, Ohio, Pennsylvania, Nevada, North Carolina, Indiana, Colorado, Arizona, Missouri, and Florida. The New York Times has reported that major Republican donors are focusing their giving on key Senate races where incumbent Senators are facing strong challenges, instead of giving to the Trump presidential campaign. This shift in giving to statewide races could have a tremendous impact on the ability of the GOP to retain the Senate even with a potential Clinton victory in the presidential race.

In the House of Representatives, the GOP is on firmer ground and is widely expected to retain the majority. Republicans currently hold 247 seats in the House to the Democrats' 188 seats. While Democrats may narrow the divide, it would take a Democratic landslide in November for them to gain the 30 seats needed to retake the House majority.

There have been many unexpected twists and turns in this election season so far and a lot can happen in 55 days. While nothing is certain until the ballots are cast and counted, it is safe to say that we are in the midst of an election unlike no other. ■

Executive Director of the Nebraska Authority Retired Earlier This Month

Linda Beaver of the Nebraska Authority retired from the Nebraska Authority on September 1. She provided decades of support to NAHEFFA and to one of its predecessors NAHEFA. Linda joined NAHEFA in 1991 and has served in various capacities since then including being an active participant on the Board and serving as committee chairs over the years. Linda has always had a strong voice and has been instrumental to the development of NAHEFFA. NAHEFFA truly appreciates her support and wishes her the best for the future! Congratulations on your retirement, Linda.

NAHEFFA would also like to welcome Mr. Gregory Johnson who is coming in as Executive Director of the Nebraska Educational, Health, and Social Services Finance Authority. Welcome and we look forward to working with you.

NAHEFFA Welcomes Barry Fick as Executive Director of the Minnesota Authority

As many of you may remember, Marianne Remedios of the Minnesota Authority retired this summer. Since her departure, Barry Fick was appointed as the new executive director of the authority. Barry, we welcome you to the inner circle of NAHEFFA and look forward to getting you involved in anything and everything we can!

NAHEFFA Says Goodbye to Folks at Arizona Authority

In August, the Arizona Health Facilities Authority closed its doors and was combined into another authority per state legislation. NAHEFFA says goodbye and best of luck to Blaine Bandi and Julie Arvo Mackenzie. Blaine was involved with NAHEFFA before it was NAHEFFA having served on the board and as vice president of the National Council of Health Facilities Finance Authorities from 2004. In 2008, when the two predecessor organizations combined, Blaine served as the President of NAHEFFA. He spearheaded a lot of the work that went into combining these organizations and continued to be a part of the happenings of NAHEFFA. Julie joined the Arizona Authority in 2013 and in 2014 became Chair of the Governance Committee. In 2016, they hosted the Spring Conference which was incredibly successful thanks to their support. We thank Blaine and Julie for their commitment to making NAHEFFA better and wish them the best of luck in their future endeavors.

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NAHEFFA Contacts

Nichole Doxey
Operations Director, NAHEFFA
P.O. Box 906
Oakhurst, NJ 07755
(888) 414-5713 p&f
ndoxey@naheffa.com

Charles Samuels
Member, Mintz Levin
701 Pennsylvania Ave NW, #900
Washington, DC 20004
(202) 434-7311 p | (202) 434-7400 f
CASamuels@mintz.com