

Investing in Georgia

Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- Report regarding the vital importance of municipal bonds, currently threatened by deficit reduction measures in Congress, to state and local governments
- Review of recent actions by the Board of Regents regarding the management of the Public Private Ventures program
- Commentary on upcoming activities in both the U.S. Congress and the Georgia General Assembly

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

Austerity the Watchword in Georgia. Georgia continues to enjoy a AAA rating, assuring that it has optimal access to the capital markets. In order to achieve that elusive rating, however, much attention must be paid to enacting a sound budget. The Governor's recently-released proposal regarding our state's financial footing reflects a continuing move towards belt-tightening among most state agencies. Rising healthcare costs will challenge those efforts, and an ongoing commitment to education will require additional dollars as well. [More »](#)

Board of Regents' Public Private Ventures, GHEFA in the Spotlight.

Chancellor Hank Huckaby has led the Board of Regents through a careful review of the PPV and GHEFA financing programs for University System of Georgia facilities, culminating in a Capital Liability Management Plan that was released on December 12, 2012. The report praised the success of these programs in addressing the demand for various support facilities, noting that 175 projects totaling over \$3.6 billion in cost have been successfully completed using this program. [More »](#)

In The News

\$6 Billion and Counting. That's the amount spent by candidates, political parties and committees on the most expensive election in history last fall. King & Spalding is pleased to bring you the most recent edition of the Corporate

January 2013

By the numbers

25

The number of states that elected to set up their own health-care exchange under President Obama's Affordable Care Act, compared with 25 who will let the federal government run their exchange and 7 who will partner with the federal government.

0

Of the top seven occupations expected to create the most new jobs through the year 2018, this is the number that require a 4-year college degree. The top two jobs on the list are registered nurses and home health aides.

21.8%

The percentage of all health care expenditures that are incurred by 1% of the U.S. population. 5% of the population accounts for 49.5% of those costs, while 15% of the population accounts for no health care expenditures

314.6 million

U.S. citizens in a worldwide population of 7.05 billion. In other

Lobbyist's Toolkit, a quarterly newsletter that highlights developments in the areas of federal and state campaign finance, ethics and lobbying law. [More »](#)

Muni Bonds: Here Today... gone tomorrow? The President signed the American Taxpayer Relief Act on January 3, 2013, thus averting the fiscal cliff crisis... for now. In particular, the tax-exemption provided for the interest on municipal bonds was spared, but during the fiscal cliff negotiations over the last two months, both sides proposed limits on the exclusion of interest on state and local bonds. Those proposals will almost surely resurface as part of the next round of negotiations over the debt limit, sequestration and funding the federal government for the remainder of fiscal 2013. [More »](#)

Looking Ahead

No Budget, No Pay? All will be watching closely as deficit reduction remains center stage in the Congress. On January 23, the House of Representatives passed the "No Budget, No Pay Act of 2013", suspending the debt ceiling until May 19, and the Senate is expected to follow suit shortly. As widely reported, the bill suspends salary payments to members of either chamber of Congress that does not adopt a budget resolution by April 15. [More »](#)

What's Up with the General Assembly? The General Assembly officially opened its Session on January 14. Early efforts were focused on the budget, but other issues of interest will be receiving attention during this Session. Gun control has been in the national news, and will be a topic of interest with Georgia legislators as well. Further reform of ethics laws, permissible gifts to elected officials, lobbyist reforms and related topics will also be under consideration. Healthcare and related costs are other topics that will draw attention.

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words, 95.5% of the world's potential consumers for U.S. businesses are not Americans.

1
Difference in strokes per nine holes between Rory McIlroy and Nick O'Hearn during the 2012 PGA season. McIlroy earned \$8.05 million in prize money, while O'Hearn made \$489,375, or 6% of McIlroy's earnings!

84%
The portion of the 58.4 million tax returns filed in 2012 that did not pay any federal income tax who had adjusted gross incomes under \$30,000.



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