

Jobs to be issue in religious liberty rematch

By Greg Bluestein and J. Scott Trubey - The Atlanta Journal-Constitution



Jim Fowler, GE's chief information officer, looks on as Gov. Nathan Deal and Atlanta Mayor Kasim Reed shake hands after GE announced a new digital operations center in Atlanta.

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General Electric executives scouting Atlanta as a possible home for the corporate giant's digital division reacted swiftly when Georgia legislators passed the controversial "religious liberty" bill in March: They canceled the trip.

When Gov. Nathan Deal vetoed the measure days later, however, GE re-engaged. About the same time, North Carolina, a top rival for the deal, moved in the other direction by enacting a “bathroom bill” that swamped the Tar Heel State in controversy.

“We would be hard-pressed to set up operations any place that discriminated on any basis,” Jim Fowler, GE’s chief information officer, told WABE the day the Atlanta move was announced. “The fact that the governor vetoed the bill — the fact that’s not an issue here — is definitely pertinent in us putting a location here.”

The GE win, along with other jobs announcements in the months since his veto, give the Deal administration and its allies new ammunition in what’s expected to be a bitter rematch over a religious liberty bill this winter.

A renewed debate will return Georgia to the international spotlight, business leaders and gay rights groups say, putting the state at risk of losing jobs, facing boycotts and tarnishing a reputation as a tolerant Southern state.



Atlanta Mayor Kasim Reed gets a pat on the back from Terrence Hahn, Honeywell home and building solutions president and CEO, as Gov. Nathan Deal looks on.

The measure’s most ardent supporters vow to counter in force, backed by a groundswell of support from conservative factions. They say talk of economic blowback is overhyped, and are preparing a grassroots legion of evangelical backers to fight back.

The prospect has already opened a new phase in the familiar battle over the bill, which supporters say better protects the faithful from government intrusion into their sacred rights, but which critics deride as a

thinly-veiled attempt to discriminate against gays, lesbians and transgender people.

Since Deal’s veto, Georgia also won head-to-head competitions with North Carolina for blue chip prizes from Adidas and, just last week, a division headquarters and global software hub by industrial giant Honeywell. Combined, GE, Adidas and Honeywell plan to create more than 1,200 high-paying tech jobs. Deal’s allies point to his veto as a key factor.

Atlanta Mayor Kasim Reed, in a July interview, and three other people with direct knowledge described the sequence surrounding GE’s decision. The digital hub of the No. 11 company on the Fortune 500 list was a highly prized economic development deal.

“I know that the GE Digital decision and the Honeywell decision were largely driven by our state’s forward-looking attitude,” Atlanta Mayor Kasim Reed said Monday, crediting Deal for his veto. “That’s been conveyed to me by individuals at the highest levels of both organizations.”

State Sen. Josh McKoon, R-Columbus, a leader of the push for religious liberty legislation, dismissed the veto of HB 757 as a deciding factor in major jobs announcements. He said the bill was misrepresented as discriminatory and included protections previously sought by the business and pro-LGBT community.

Opponents of religious liberty bills, he said, “are desperate to get something in print to say there’s a positive economic impact to squelching people of faith.”

He said numerous members of the General Assembly are preparing new religious liberty measures, though McKoon said he is unsure if he will author his own or co-sponsor bills by colleagues.

McKoon also said the media has sensationalized fallout in North Carolina, including recent decisions by the NBA, NCAA and ACC to move marquee events from the state because of its law barring transgender people from using public bathrooms for the sex they identify as.

He and others noted job gains in Florida, Texas and other states with “religious liberty” statutes in the books.

“I think it’s absurd to suggest anyone is making a multi-million dollar decision based on Deal vetoing an innocuous piece of legislation,” McKoon said.

Mirror images

Georgia and North Carolina have similar sized work forces and each has about 10 million residents.

North Carolina Department of Commerce spokeswoman Kim Genardo scoffed at any suggestion her state’s bathroom law stunted growth, saying “North Carolina’s economic development pipeline is certainly full.”

North Carolina’s jobless rate, 4.7 percent in July, remains lower than Georgia’s figure, which ticked down to 4.9 percent in August.

Georgia added 116,000 jobs in the 12 months ended in July, compared to 94,000 in North Carolina in that time, according to Bureau of Labor Statistics data, though how much political factors contributed is impossible to know. From April through July, Georgia added 25,700 public and private sector jobs, while North Carolina performed slightly better in the face of controversy with 30,100.

House Minority Leader Stacey Abrams, D-Atlanta, said opponents of a new religious liberty bill will continue to fight on economic as well as moral grounds to keep the issue from “becoming a national embarrassment.”

“No one committed to economic opportunity would willingly sacrifice our growth for the sake of unnecessary legislation that would enshrine discrimination into law under the guise of religion,” she said. “Our nation’s 1st Amendment and Georgia’s constitution provide the protections sought.”

Hala Modellmog, CEO of the Metro Atlanta Chamber, which adamantly opposed HB 757, said her organization will again make fighting the legislation a top priority. She said it threatens Georgia’s economic future.

The bill mattered to companies seeking to recruit and retain top talent, she said. Executives must convince workers Georgia is a welcoming place, and the state’s recruitment pipeline has only grown stronger since the veto, Modellmog said.

“The data are indicating that being non-discriminatory is positive for business, families, [attracting] talent and everything that we are fighting for here,” Modellmog said.

A coalition of top businesses, including Delta Air Lines, Home Depot and UPS, formed a group called Georgia Prospers that fought last year’s bill and will likely work against a renewal.

Georgia Chamber CEO Chris Clark echoed Abrams’ contention that religious protections already exist. “It’s time to move on and focus on continuing to ensure Georgia remains the No. 1 state in the nation to do business,” he said.

‘An egregious hit’

Georgia’s growth industries have been technology, film and entertainment, sectors with work forces that tend to be more socially moderate.

North Carolina lost a planned PayPal tech center in Charlotte, the NBA relocated its 2017 All-Star game once planned for Charlotte, and Georgia could be in the hunt to pick up NCAA and ACC championship games and tournaments being moved out of North Carolina for the 2016-17 seasons.

Georgia, Reed said, has avoided such pain “because we are remaining a pro-business state that lives our values of openness and inclusiveness and that’s where the country is going. ... If you are in businesses that rely on Millennials as [your] future sources of employment you cannot be a state that aggressively seeks to discriminate against people.”

John Boyd, a site selection consultant with the Boyd Co. in New Jersey, said the North Carolina bill has been “an egregious hit to their branding.” The damage will linger unless the state acts to amend the law, he said.

“Our companies want to hire the best and brightest ... and they want to hire them in the setting where they feel most comfortable,” he said.

‘Be willing to minister’

The governor infuriated many in the Republican base when he vetoed the measure, and his decision was rebuked by grassroots Republicans at meetings across the state.

The lasting protection of religious rights, supporters say, will far outweigh any short-term economic pain. They want supporters to come armed with religious justification to combat the financial fallout.

David Benham, an evangelical leader, told GOP activists at the Republican convention in Cleveland that Deal was “absolutely bullied” by the opposition. But he blamed religious leaders, who he said “need to get behind these governors, these sponsors, so they don’t collapse.”

J. Robert White, executive director of the Georgia Baptist Convention, recently called for 200 Baptist pastors to volunteer to “be willing to minister” to local lawmakers to bolster the religious right’s ties with the legislative branch.

And Tanya Ditty, who leads the Georgia chapter of the Concerned Women for America, said her group will argue next year that lawmakers should fear “tossing away an opportunity to make Georgia the premier state in which to live” by buckling to threats of boycotts and economic fallout.

Deal’s top aide, Chris Riley, said the jobs added since Deal’s veto represents more than \$2.6 billion in investment, which he said “reflect a state moving in the right direction.”

And Deal sent a not-so-subtle message to GOP officials when he told an August meeting of Republican House lawmakers that North Carolina has suffered a 3.8 percent loss in private sector jobs, according to data at the time, while Georgia added 2.6 percent more private sector gigs.

“And that’s all I will say about that,” Deal told the lawmakers.

Supporters of the legislation, meanwhile, already have one eye on the next round of elections. The issue could become a litmus test in the race to replace Deal in two years.

“That will be the debate in 2018,” McKoon said.

A Georgia-North Carolina jobs rivalry:

— Georgia and North Carolina each have about 10 million residents and similar-sized workforces.

— North Carolina’s unemployment rate was 4.7 percent in July, the most recent data available, slightly better than Georgia’s 4.9 percent jobless figure in August.

— Georgia added 116,000 jobs in the 12 months ended in July, compared to 94,000 in North Carolina in that time, according to federal data.

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WHAT THE LAWS DO

HB 757: Georgia’s “religious liberty” legislation, would have allowed faith-based organizations to deny services to those who violate their “sincerely held religious belief” and preserve their right to fire employees who aren’t in accord with those beliefs. It also mirrors language found in the federal Religious Freedom Restoration Act, which was signed by President Bill Clinton and adopted by dozens of states, requiring government to prove a “compelling governmental interest” before it interferes with a person’s exercise of religion. And it includes a clause saying it could not be used to allow discrimination banned by state or federal law.

HB 2: North Carolina’s controversial “bathroom” law made it the first state to require transgender people to use public restrooms based on the sex on their birth certificate, rather than the gender they identify with. The law also restricts cities from creating certain new anti-discrimination clauses, and some critics say it makes it harder for residents to sue for discrimination.