

2012 LEGISLATIVE AGENDA



KENTUCKY GENERAL ASSEMBLY
GREATER LOUISVILLE INC.

GREATERLOUISVILLE.COM/ADVOCACY



Greater Louisville Inc.

The Metro Chamber of Commerce

Your voice is critical to the success of GLI's advocacy efforts!

Elected officials need to hear from their constituents about the importance of our business agenda – and the price of inaction. You can help secure the growth and prosperity of our community by contacting your Senator or Representative when important issues arise. You can contact them directly at **502.564.8100** or sign up for GLI's Grassroots Network at **GreaterLouisville.com/Grassroots**, and we'll automatically connect you with elected leaders when key issues arise.

We'd also love to hear from you about your specific areas of interest and how you'd like to get involved. Feel free to contact us at **GovernmentAffairs@GreaterLouisville.com**.

Together, we can help make Kentucky a better place to work and live. Thank you for your efforts.

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2012 Legislative Priorities

Greater Louisville Inc.'s purpose is to transform our community into an idea capital of the world, a place where imaginations and individuals thrive. We're working to accomplish this through a dedicated and comprehensive focus on increasing human capital, driving job creation and entrepreneurship, maximizing global opportunities, and engaging business leaders in support of the community's transformation.

To accomplish these goals, several key areas of legislative action are needed in the 2012 session. These priorities cannot wait. The business community urges legislators to address the following issues as immediately and comprehensively as possible:

Ohio River Bridges Project

- Commitment to project funding
- Needed changes to Authority legislation

Tax & Fiscal Policy

- Continued support of spending reforms, including pension reform
- Appointment of a comprehensive tax reform task force or joint committee to study and make recommendations

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2012 Legislative Priorities (Continued)

Education

- Support for career and technical education programs that close the skills gap
- Ensuring high school students graduate college and career ready
 - Focus on adult education and workforce retraining programs

Business Environment

- Improved tax incentives, including new incentives for investment in depressed or underutilized areas and in angel investing
 - Funding for Bucks for Brains, OCI and SBIR/STTR grant matches
- Changes to Ky. Reinvestment Act incentives to include service and technology business retention
- Development of a permanent mechanism for unemployment insurance interest payments



All the recommendations in the 2012 agenda help our region move the needle on job creation, entrepreneurship, global opportunities and human capital. With the above priorities in mind, we look forward to working with our elected officials on a successful 2012 Kentucky General Assembly session.



ECONOMIC DEVELOPMENT

In our increasingly global economy, companies can make their “home” anywhere. To ensure Kentucky is a top choice for businesses seeking expansion or relocation, our policies and processes must be fair, approachable and competitive. In addition to the priorities listed below, we must work to improve the educational attainment of our workforce, and to ensure state regulations and tax policies support, not impede, our economic development goals.

GLI’s economic development positions support legislative initiatives that foster innovation, entrepreneurship and commercialization, enabling Kentucky to grow business investment and increase job creation.

- Support economic development incentives that create jobs in the Commonwealth, including:
 - » Incentives to increase investment in depressed and underutilized areas.
 - » Incentives for entrepreneurial investment in start-up companies.*
 - » An expansion of Kentucky Reinvestment Act incentives to include service and technology firms.
- Support funding for university-based research programs, such as the Research Challenge Trust Fund (Bucks for Brains).
- Support funding for the Office of Commercialization and Innovation and other initiatives that encourage innovation, technology and entrepreneurial investment.*
- Support legislation to continue funding the state’s Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) matching grant programs.*

ECONOMIC DEVELOPMENT (CONTINUED)

- Support legislation that increases access to capital for small businesses.*
- Support increased funding for the Bluegrass State Skills Corporation.
- Support funding for Kentucky's MBE/WBE Certification process.*
- Support legislative and regulatory action that creates an environment where key industry clusters in the Greater Louisville region can flourish, including advanced manufacturing; logistics and distribution; lifelong wellness and aging care; and food and beverage innovation and manufacturing.
- Support constitutional and statutory changes to allow expanded gaming at Kentucky's licensed racetracks.

***Small Business**

Greater Louisville depends on its small businesses for job growth, economic development, entrepreneurship and community prosperity. While all the legislative priorities included in this agenda impact businesses of all sizes, GLI and our small business members have identified key issues of particular importance to smaller employers. These issues are marked with an asterisk (*) throughout this agenda.

EDUCATION

Education is the surest path to prosperity, and a top business community priority as we develop the skilled workforce needed for regional economic growth. Kentucky needs quantum increases in educational attainment and student achievement to ensure citizens can access the jobs of tomorrow – and that includes pre-K through post-secondary and beyond.

GLI is committed to quality schools – be they public, private, magnet, traditional or charter – that provide educational excellence for all students, and ensure dramatic and measurable progress in closing the achievement gap. Changes considered to state education laws or regulation should meet these goals while preserving a diverse student population in our classrooms.

Adequate funding for education at all levels should be a priority in the state’s biennial budget and all state mandates should be fully funded, as to not place undue burden on local school districts and institutions.

GLI’s education positions support policies and funding that bolster a system of high expectations and measureable results, increasing degree attainment and workforce readiness.

- Support legislation that ensures adult education and workforce retraining are priorities, including:
 - » Adequate funding for adult education and workforce retraining programs.
 - » Legislation that provides incentives for business/education partnerships and encourages businesses to invest in employee education.
 - » Funding for GED testing for low-income adults.

- » Legislation that reduces the time to degree completion, including career and competency credits.
- Support legislation that aligns curriculum with workforce needs, including both college degree attainment and technical education programs that help close the skills gap.*
- Support legislation that provides incentives for innovative partnerships between business and educational institutions.*
- Support legislation that holds individuals and institutions accountable for student achievement through a series of performance measures that help gauge teacher, student and administration performance, including:
 - » Legislation that requires accurate, comparable and comprehensive data collection about the performance of teachers, students and administrators.
 - » Legislation that strengthens the educational workforce and improves teacher quality and preparation.
 - » Legislation that allows differentiated compensation for teachers and administrators based on responsibilities and performance.
 - » Legislation that enables school districts to remove teachers and administrators for poor performance and inappropriate behavior in a timely manner.

- Support legislation that ensures all students graduate from high school college and career ready, including:
 - » Implementation and funding of legislation that provides high school students with individualized learning plans, including college and career pathway counseling.
 - » Implementation of legislation that creates a seamless P-20 education system, aligning high school curriculum with post-secondary requirements and adopting common core state standards matched to international standards.
 - » Legislation to increase student achievement in science, technology, engineering and math (STEM subject areas).
 - » Legislation that reduces high school dropout rates and increases the percentage of Kentuckians with a high school diploma or equivalent.
 - » A continual assessment of Kentucky's education laws for changes needed to strengthen the state's educational system.
 - » Legislation that supports a more collaborative process, and provides more authority to superintendents, in the selection of school leadership.
 - » Legislation that gives local boards of education authority over employee compensation, school calendars and school assignments.
 - » Legislation that allows more flexibility in the use of KEES scholarships, and that ensures the money awarded keeps pace with the cost of tuition.
 - » Legislation that aligns KEES scholarships with more rigorous courses and raises the minimum ACT score required for KEES eligibility.

- » Funding for necessary school construction projects.
- Support legislation to increase the number of Kentuckians with postsecondary degrees, including:
 - » Legislation that assists in the affordability of postsecondary education and encourages timely degree completion.
 - » Legislation that supports a variety of educational institution alternatives providing flexible options for postsecondary education.
 - » Continued funding for Metropolitan College and the expansion of similar public/private partnerships.
 - » Legislation that promotes transparency from all postsecondary institutions about enrollment, graduation rates and financial aid.
- Support legislation that improves quality and provides investment in early childhood education and school preparedness programs, including:
 - » State funding for full-day kindergarten.
 - » State funding for preschool education up to 200% of the federal poverty level.
 - » Legislation that requires preschool teachers to meet minimum qualification standards.
- Support legislation that allows universities to issue their own agency bonds for projects that generate enough revenue to cover debt service.

ENERGY

GLI believes that with forward-thinking investment and incentives, Kentucky is poised to be a leader in the move toward energy independence and security. To reap the financial, environmental and economic benefits of new energy developments, our state must be committed to investing in energy research and commercialization. Energy independence will require innovation and new ways of thinking; businesses and public institutions are poised to lead the way.

GLI supports energy policies that grow renewable, domestically-produced and alternative energy resources in Kentucky, while maintaining Kentucky's competitive energy costs and protecting the vital role energy plays in economic development and business success.

- Support legislation that encourages research and development of renewable, domestically-produced and alternative energy sources by:
 - » Funding research and development programs at Kentucky universities.
 - » Assisting in bringing new energy technologies into the mainstream marketplace.
 - » Offering incentives for companies to build new energy plants and research facilities in Kentucky.
- Support legislation that provides incentives and funding for research and development in clean coal technologies.
- Support legislation that increases transparency in energy pricing and usage and provides incentives to residential, commercial and industrial users who adopt technologies and practices that conserve energy and reduce consumption.*

- Support legislation that provides funding for capital investments in Kentucky's energy infrastructure, including modernizing and expanding energy delivery and resources.
- Support legislation that provides workforce development investment in key areas critical to energy breakthroughs, including science, technology, engineering and math.
- Support legislation that expands access to, and affordability of, new and alternative transportation and fuel choices.

ENVIRONMENTAL AFFAIRS

GLI believes it's entirely possible and absolutely necessary to create a regulatory structure that strikes a balance between progressive environmental stewardship and realistic business responsibility and accountability. Sound and reasonable environmental regulations enhance quality of life and contribute to economic competitiveness.

GLI's environmental positions encourage legislation that promotes scientifically-valid and technically-sound environmental regulations and encourages the use of a stakeholder process in the development of any new regulations.

- Support funding for assessment, remediation and redevelopment of Brownfields to get underutilized and unused property back on the tax rolls.
- Support legislative or regulatory changes to the Notice of Violation procedures to allow the state to issue a Letter of Warning in certain circumstances.
- Support the Louisville Water Company's regional water expansion projects.
- Support incentives for "green" infrastructure, including green building construction and rehabilitation.*
- Support legislative and regulatory changes that reduce the number of permitting backlogs.*
- Support adequate funding of environmental programs through the general fund, and limit the use of permitting fees to the programs for which the fees are intended.

FISCAL POLICY

Kentucky's revenue and expenditure policies should be aligned to promote growth and business investment while providing resources to meet the state's necessary obligations.

Spending at the state level should be prioritized to reflect investment in Kentucky's future competitiveness. It must also include a sustainable approach to meeting the state's infrastructure needs.

GLI's fiscal policy positions support responsible, prioritized spending. Revenue generation should encourage growth and prosperity, not place a disproportionate burden on businesses (as a whole or by size or sector) and be coupled with spending reforms.

- GLI supports the creation of a task force to conduct a comprehensive review of the state's current revenue and expenditure policies and make recommendations for changes. The process should create a tax code that:
 - » Encourages investment and business growth.*
 - » Is attractive to knowledge-economy employers and their employees.*
 - » Decreases the state's overreliance on personal income tax for revenue.*
 - » Provides a competitive advantage in attracting business and talent.
 - » Provides more local revenue options for specific community development projects, which are limited in scope and term, and approved by local referendum.
 - » Is simplified for ease of compliance and to reduce the cost of administration.*

- » Generates revenue sufficient to meet the state's obligations and investment needs.
- » Takes into account the interplay between state and local taxation.

Government Spending:

- GLI supports spending reforms, including those outlined in the Kentucky Chamber's 'Building a Stronger Bucket' report:
 - » Developing a sustainable system for state employee benefits, including health and retirement, that can be appropriately funded.
 - » Reducing the fixed costs of rapidly-expanding budget areas, including Medicaid and corrections.
 - » Streamlining government services, including consideration of consolidation and privatization.
 - » Aligning and redeploying current state resources to priority investment areas.

Tax Policy:

- Oppose new taxes that place a disproportionate burden on businesses – as a whole or by size or sector.*
- Support legislation to reduce the Commonwealth's personal income tax.*
- Support legislation to reduce the Commonwealth's corporate income tax.*
- Support legislation that eliminates and/or reduces the Limited Liability Entity Tax (LLET) based on gross receipts or gross profits.*

- Support legislation to enact a single factor apportionment formula based on sales.
- Support legislation to eliminate Kentucky's 50 percent limitation on current-year losses in nexus consolidated returns.*
- Support legislation to allow for a net operating loss carry-forward deduction on local occupational tax returns.*
- Support legislation to reduce or eliminate the difference in time periods allowed for assessing versus claiming refunds of local occupational taxes.*
- Support legislation to reduce the burdens of the business inventory tax at the state and local levels.*

HEALTH CARE

The accessibility of quality, affordable health care coverage for employers and employees remains a top priority for Kentucky businesses. The current upward trend of health care costs is unsustainable, particularly for small businesses. Recognizing the changes made at the federal level, the business community favors legislative activity that supports and incentivizes affordability, healthy lifestyles, informed choices, cost management and continued investment in Louisville's health-related facilities and enterprises.

GLI's health care positions support legislative initiatives that provide for flexible, affordable, consumer-driven health care, insurance plans and options, and ultimately lead to improved health of our citizens.

- Support legislation that encourages consumer-driven, informed health care choices through the development and enforcement of transparency.
- Support legislation to provide Kentucky citizens with a variety of affordable health care options by creating a more competitive provider environment, including:
 - » Supporting legislation that enables small businesses to provide access to affordable health care coverage for their employees.*
 - » Opposing insurance provider mandates that raise costs for consumers and businesses without offsetting these increases with long-term benefits.*
- Support legislation that encourages investment in health care research and development, including aggressively pursuing all available federal funding.

- Support legislation that provides flexible options for employers in the implementation of the federal Affordable Care Act, and prevents overreaching regulations and penalties on businesses.*
- As Kentucky considers the development of a health insurance exchange, it should create a system that meets the following principles:
 - » Operates in an open marketplace, with a level playing field, that supplements rather than supplants the existing insurance market.
 - » Provides maximum flexibility for the options of local community, employer or provider exchanges.
 - » Ensures businesses play a central role in the development and operation of the exchange.
- Support legislation and regulation that provides a favorable environment for the growth and expansion of Louisville's Lifelong Wellness and Aging Care economic development sector.
- Support legislation that encourages the state to maximize available funds for the implementation and use of health information technology, as well as the establishment of a statewide health information exchange.
- Support legislation that incentivizes increases in the number of health care professionals in Kentucky and workforce development in critical health care areas.
- Support legislation that provides incentives to businesses offering employee wellness programs and encouraging healthy lifestyle choices.*

- Support constitutional and statutory changes that limit frivolous litigation and non-economic awards (medical liability reform).*
- Support legislation to ensure publically-funded health care programs are sustainable, including:
 - » Providing secure, consistent funding for the KCHIP program and ensures eligible families can access the program.
 - » Examining Medicaid cost-containment measures and sustainable Medicaid funding practices.
 - » Oppose using Medicaid funds for other budgetary needs.
 - » Mitigating the impact of Medicare and Medicaid reimbursement reductions to providers.
 - » Continuing the current Medicaid managed care demonstration project in the Louisville region (Passport Health Plan), until the new state MCO partners have completed their first contract and comparisons on cost and quality can be examined.

TRANSPORTATION & MOBILITY

Substantial and sustained investment in Kentucky's transportation infrastructure — all aspects of our logistical support system including highways, bridges, waterways, transit, railways and runways — is crucial to our economic vitality. Thriving communities depend on the ability to move workers to jobs and products to market quickly and safely.

GLI's transportation positions support significant infrastructure investment to promote commerce and ensure safe and reliable transportation access in our region and throughout the state.

- Seek action to ensure the Ohio River Bridges Project is completed as quickly and cost-effectively as possible, including securing full funding for the project.
 - » Seek legislation allowing maximum flexibility to contract with a provider for a project-delivery mechanism to build the bridges quickly and cost-effectively.
- Support legislation to provide sustainable funding of the five major modes of transportation (highway, public transit, rail, waterway and air) in both the short-and long-terms.
- Support legislation to ensure more equitable distribution of transportation funds, considering population, job centers and vehicle miles traveled.
- Encourage the legislature to protect the integrity of the dedicated road fund by refusing to divert road funds to pay for General Fund obligations.

- Support legislation that allows Kentucky to collect federal motor fuel excise fees in the event federal authority lapses.
- Support legislation to create a dedicated revenue source to fund and maintain public transportation systems in Kentucky.
 - » Support legislation that provides public transportation (TARC) with adequate funds to maintain and expand services, based on growing demand, and to meet federal grant matches.
- Support legislation to reestablish a dedicated revenue source, separate from the Road Fund, for general aviation airports in Kentucky.

WORKPLACE

Adopting workplace policies that encourage choice and promote fairness to all workers and employers will help make Kentucky an attractive place to expand or locate a business – especially as we compete with peer and border states. A more competitive workplace environment will encourage business growth, investment and quality job opportunities.

GLI supports workplace policies that aid employers as they invest in economic and workforce development, and provide workers and businesses with flexibility, fairness, accountability and choice in the workplace.

- Support legislation to decrease the statute of limitations on wrongful termination and employment discrimination actions, bringing them in line with other states.*
- Oppose legislation and regulation that discourages the use of independent contractors or makes it more difficult for businesses to properly classify workers.*
- Support legislation to modify the current workers' compensation statutes, taking into account increased life expectancy while still providing fair coverage to the employee.*
- Support immigration legislation that ensures:
 - » Ease of compliance with immigration regulations for Kentucky businesses.*
 - » The burden of immigration compliance laws is not placed solely on businesses.*
 - » Kentucky remains a welcoming place for a diverse workforce.
- Oppose legislation and regulation that raise the cost of Unemployment Insurance for Kentucky companies.*

- Support legislation to develop a permanent mechanism for unemployment insurance interest payments.*
- Support legislation to align Kentucky's Civil Rights Act with federal law, particularly regarding retaliation claims. *
- Support legislation to repeal Kentucky's prevailing wage laws.*
- Support legislation that gives employees the freedom to choose whether or not they join and /or support a union at their place of employment.*

Sign up today for GLI's Grassroots Connection

GLI's Grassroots Connection delivers the latest political and legislative news straight to your inbox, and puts you in touch with our community's elected leaders.

This exclusive online resource is FREE to all employees of GLI member companies, and comes with benefits such as:

- Weekly Legislative Updates during the legislative session
- Comprehensive Legislative Bill Tracking
- Legislative Action Alerts on urgent issues
- Advanced notice of special events and programs... and much more.

Visit **GreaterLouisville.com/Grassroots** and follow the quick process to sign up today.

CAPITAL FUNDING REQUESTS

Vibrant communities depend on strong institutions and civic amenities that contribute to the overall quality of life. These include educational institutions, libraries, parks, cultural attractions, and a dynamic transportation and mobility network. As workers and companies decide where to locate, they consider what life is like in a given community. For the Greater Louisville region to continue its role as an economic engine for Kentucky – and a city capable of attracting businesses and talent from across the country and around the globe – direct investment of state funding is needed for key organizations and projects.

The capital funding requests below support regional institutions and organizations that help drive economic growth, serve as an attraction for talent, and enhance our region's quality of place.

Education:

- Jefferson Career and Technical College
 - » Funding for renovation of the Hartford Science Building and the historic Seminary Building on its downtown campus
 - » Funding for construction of a new campus in Carrollton, Ky.
- University of Louisville
 - » Funding for the construction of a new interdisciplinary classroom building on the Belknap Campus
 - » Funding for construction of a new instructional space on the Health Sciences Campus

- Louisville Free Public Library
 - » Resumption of the Kentucky Public Library Facilities Construction Grant program to help build local libraries across the state
- Kentucky Educational Television (KET)
 - » Restoration of previous levels of funding, which have been cut by nearly 30 percent over the past two decades

Transportation:

- Louisville International Airport
 - » Funding for the relocation of Crittenden Drive, enabling airport runway expansion
- Ohio River Bridges Project
 - » Funding to complete the Ohio River Bridges Project as quickly and as cost-effectively as possible

Arts & Cultural Attractions:

- Belle of Louisville
 - » Funding for historic preservation of the steamboat
- Kentucky Center for African American Heritage
 - » Funding to assist in the completion of its campus complex
- Kentucky Center for the Performing Arts
 - » Funding for roof improvements, including the development of Louisville's largest green roof
- Kentucky Shakespeare Festival
 - » Funding to improve stage and associated facilities in downtown Louisville's Central Park
- The Louisville Zoo
 - » Funding for construction of a new animal hospital for animal care and educational opportunities
 - » Funding for roadway, entrance and parking lot improvements

THANK YOU!

Greater Louisville Inc. is committed to providing leadership on pro-business legislation. The 2012 Agenda is the result of input from hundreds of GLI members, including:

- » Members who participated in GLI's annual Public Policy Survey
- » GLI's Issue Advisory Committee members
- » GLI's Public Policy Committee members
- » GLI's Strategic Partner organizations
- » Grassroots Network participants
- » GLI's Board of Directors

Together, GLI members examined wide range of issues and worked to determine the top priorities for Greater Louisville businesses. Our thanks goes out to the following GLI members for their dedicated work:

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And more than 400 GLI members who lent their expertise to our agenda by serving on GLI's Issue Advisory Committees.



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