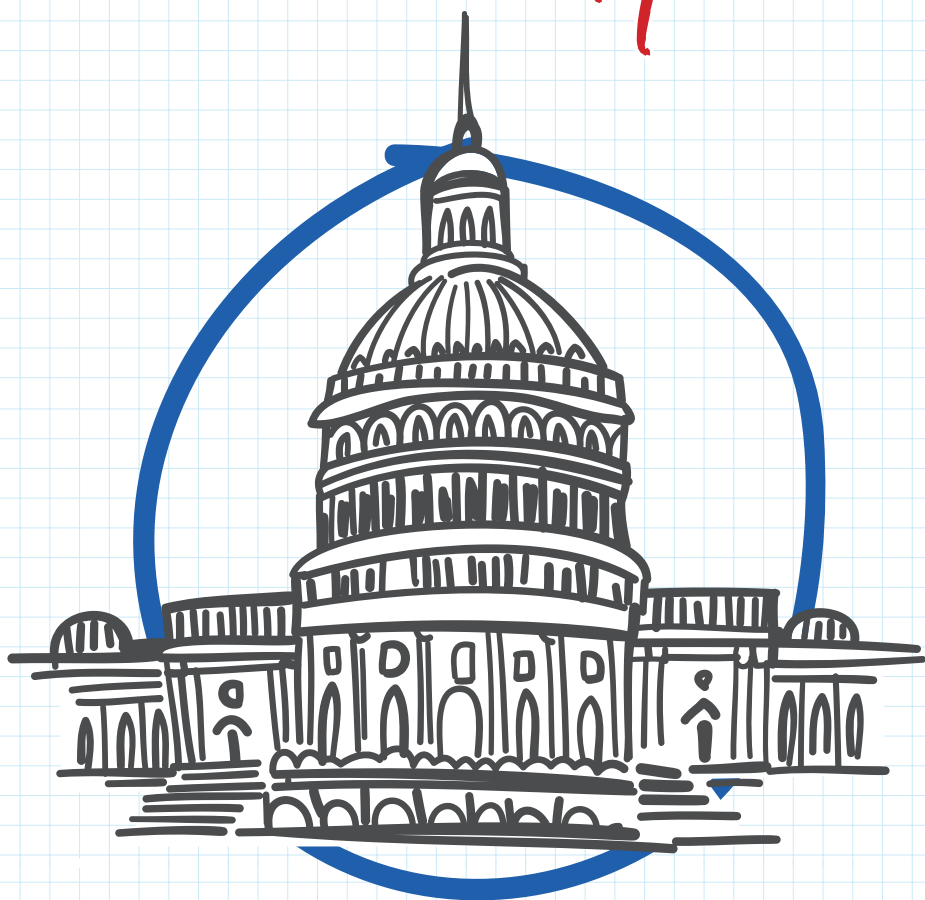


2019  
**LEGISLATIVE**  
*Agenda*

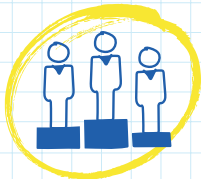


For Greater Louisville to grow its economy, attract and retain top talent, and encourage businesses to start, relocate, or expand operations, a pro-business legislative environment is a must-have. Cultivating that environment, however, requires a community-wide commitment to aggressive, proactive advocacy.

*That's where GLI Advocacy comes in.*

GLI Advocacy is the voice of the Greater Louisville business community in the halls of government in Frankfort and Indianapolis, aggressively pursuing pro-growth initiatives, opposing measures that are harmful to our region, and working to turn the ideas of our business and civic leaders into reality.

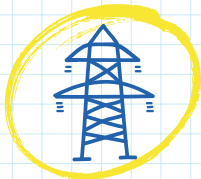
As an investor-driven chamber of commerce, our public policy committees—made up of regional business and civic leaders committed to growing Greater Louisville's economy—take the lead in developing GLI's state legislative priorities. GLI's committee structure consists of the Public Policy Council and six Issue Advisory Committees. Their members are responsible for rigorously studying, vetting, and debating major public policy questions and proposals and ultimately deciding on GLI's top legislative priorities.



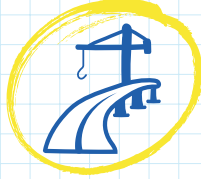
*Business Competitiveness*



*Education & Workforce*



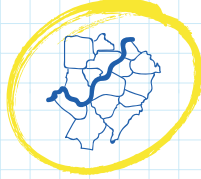
*Environment & Energy*



*Transportation & Infrastructure*



*Health Care*



*Bi-state*



# BUSINESS COMPETITIVENESS



## Economic Development

Growing great businesses here in the Commonwealth requires a complementary mixture of business-friendly tax structure, targeted support from government organizations, and an increase in access to capital. To augment Kentucky's pro-business environment, the legislature should strategically fund economic development and business attraction efforts to continue the unprecedented momentum of the last three years.

## Supporting Small Businesses & Startups

Kentucky must actively cultivate and support small business owners and startups by maintaining and fully funding vital resources like Small Business Development Centers. In addition, Kentucky must incentivize capital investment and improve access to capital for its business startups by funding Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) match programs. These companies would likewise benefit from incentives and regulatory reforms that facilitate governments and corporations doing business with Kentucky-based small businesses.

### *Small Businesses in Kentucky*

- Employ 44.1% of the private sector labor force
- Generate 33.9% of Kentucky's total exports

Source: U.S. Small Business Administration

## Definitions & Guidelines for Independent Contractors

Independent contractors in the construction industry and other sectors are a growing and important part of the workforce. While many states provide clear statutory definitions and guidelines for classifying workers as independent contractors, Kentucky has lagged behind, creating a burden on businesses and exposing them to fines and potential litigation. Kentucky should seek to clarify definitions for independent contractors, provide employers with clearer classification guidelines, and provide a fair mechanism for settling disputes. This would provide Kentucky with an advantage over surrounding states and protect businesses in the Commonwealth that utilize this competitive pool of talent.



## Improve Kentucky Labor & Employment Laws

To streamline compliance for businesses and reduce unwarranted lawsuits, GLI supports increased alignment of Kentucky labor and employment laws with federal standards. This should include, for example, incorporation of federal overtime exemptions, adoption of federal periods of limitations for wage and hour and equal employment opportunity claims, caps on damages for alleged emotional harms, assigning liability in accordance with federal law in retaliation claims, and following federal thresholds for applying Kentucky labor and employment laws to small businesses.

In addition, Kentucky labor laws need to be updated to provide employers with guidance on making reasonable accommodations for employees affected by pregnancy and childbirth. This would help to deter avoidable litigation and support parents' participation in our regional workforce.

The General Assembly should also act to clarify the ability of employers in the Commonwealth to condition employment on arbitration agreements to resolve disputes. As a result of a Kentucky Supreme Court decision in October 2018, Kentucky became the only state in the nation to prohibit employers from requiring arbitration agreements as a condition of employment. This decision has created confusion, threatens to increase costs for Kentucky employers, and puts the Commonwealth at a significant disadvantage when it comes to competing with other states for new businesses and jobs.

## Unemployment Law Reform

Kentucky's outdated unemployment laws discourage workforce participation and ultimately create a drag on Kentucky's overall competitiveness. While 2018 saw modest improvements to update some aspects of unemployment law in Kentucky, much more work remains to be done to improve our system and bring us closer in line with our neighboring states. Reforms should focus on getting unemployed Kentuckians back to work as quickly as possible and should include changes to the structure for calculating the maximum weekly benefit and determining the length of benefit durations. In addition, the General Assembly should clarify laws around successorship and establish job coaching and training requirements for benefit claimants.

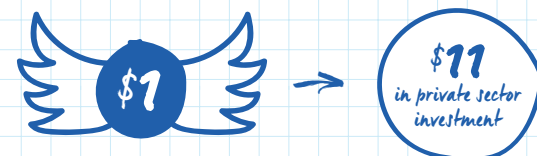
## Drug-Free Workplaces

As the General Assembly explores proposals to legalize medical marijuana, it is imperative that lawmakers also establish workplace and employer protections. Any legislation legalizing medical marijuana in Kentucky must also protect the ability of employers to continue operating zero tolerance, drug-free workplaces as they see fit and guarantee liability protections for employers from alleged workplace safety violations related to an employee's use of medical marijuana. Workers terminated for violating an employer's drug-free workplace standards should not be eligible to receive unemployment benefits. Workers injured on the job as a result of being under the influence of marijuana should not be eligible for workers' compensation benefits, regardless of whether a physician recommended marijuana.

## Angel Investment Tax Credit

For Kentucky's startups and entrepreneurs to succeed, they must have access to the capital they need. GLI supports initiatives that increase available capital, incentivize Kentucky investment dollars to stay within the Commonwealth, and attract investment from outside the state. The Angel Investment Tax Credit program helps encourage business growth and job creation by connecting Angel Investors with Kentucky small businesses and startups. Because of this incentive's proven effectiveness in driving economic growth and investment, Angel Investment Tax Credits must remain as part of Kentucky's economic development toolbox.

*Every \$1 in Angel Investment Tax Credits generates \$11 in private sector investment*



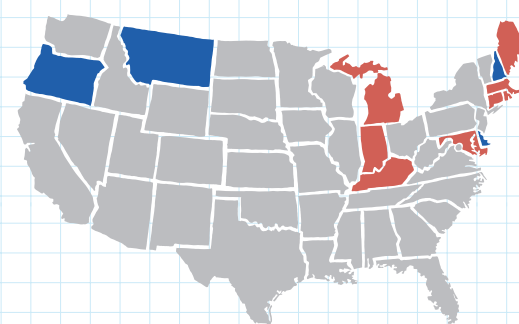
## Local Revenue Options

Local governments need increased flexibility and additional options for raising revenues for specific transformational community development projects, which are limited in scope and approved through local referendum.

Kentucky's cities continue to struggle to invest and maintain infrastructure and to fund important community projects. The Kentucky Constitution severely limits cities' ability to raise new revenue. GLI supports more control for local governments, including an amendment to the Kentucky Constitution that would permit cities to ask voters to decide on a temporary local option sales tax. Thirty-eight states allow one or more local governments to levy a local option sales tax.

GLI advocates for revenue options at the local level because voters deserve the opportunity to decide if they want to raise revenue for specific projects in their communities. As Kentucky's legislature continues working to modernize the tax code, such a critical and proven economic development tool should be top among its priorities.

Along with a local option sales tax, local governments should also be granted more flexibility in how they manage their investments and be permitted to collect taxes for special districts by utilizing different mechanisms or in some cases increasing current rate caps to access revenue for municipalities. Those considerations for local revenue should include a restaurant tax for all classes of cities or a hotel tax, revenues from which should at least be partially directed to the general funds of local governments.



## Local Option Sales Tax by State

- Some cities and/or counties with sales tax authority
- No cities and/or counties with sales tax authority
- No state or local sales taxes



## Building a Competitive Tax Code

A competitive tax code is vital to attracting new businesses, encouraging entrepreneurship, and growing our workforce. After years of watching our neighboring states enact reforms, the 2018 session finally saw lawmakers in Frankfort make meaningful improvements to the Commonwealth's tax code by enacting measures such as a flat income tax rate of 5 percent and a single-factor apportionment formula based on sales. Collectively, these and other changes led the Tax Foundation to move Kentucky's tax competitiveness from 33rd in the nation to 23rd.

**Comprehensive tax reform is critical to the economic future of Greater Louisville. GLI supports measures that improve compliance, strategically broaden the tax base, and tax consumption over production.**

### Make compliance simple and less costly.

- Streamline the application process for tax credits and more rigorously investigate fraudulent claims.
- Update the reference to the Internal Revenue Code on an annual basis.
- Encourage the Department of Revenue to expand its electronic filing and payment capabilities and increase the publication of its policies and interpretations of Kentucky tax law.
- Ensure that state income tax rules mirror federal rules as much as possible and clearly indicate where Kentucky statute diverges from the Internal Revenue Code.
- Exempt from the state sales tax all manufacturing machinery parts and repeal statutory provisions which allow manufacturing parts to be taxed as repair or replacement parts.
- Exempt from the state sales and use tax purchases made by contractors for materials used in construction projects contracted out by nonprofit tax-exempt organizations and federal, state, and local government agencies, including public education institutions.

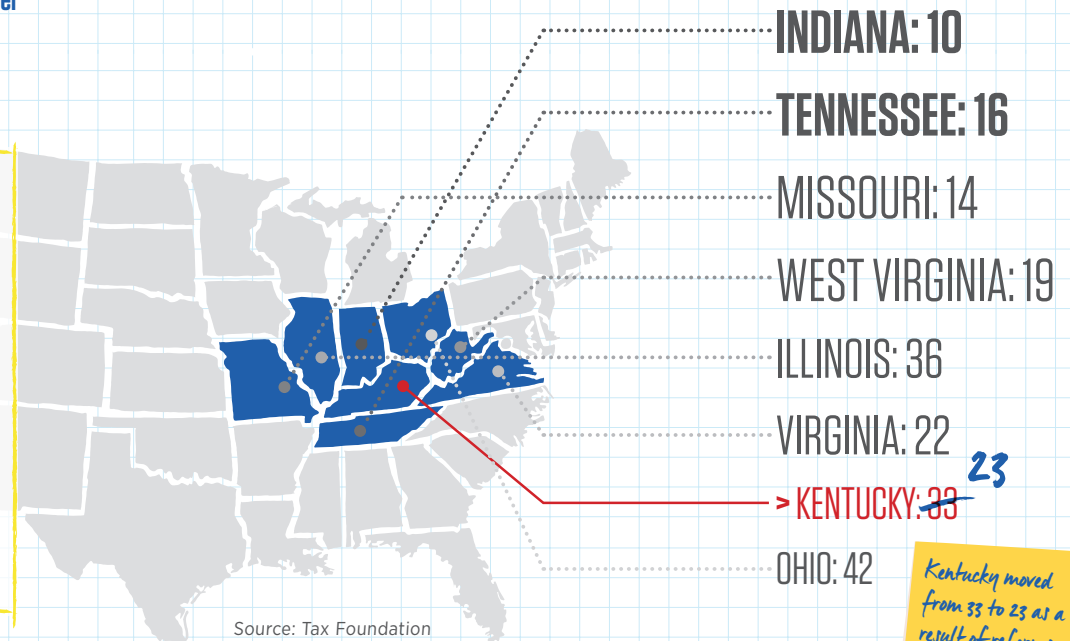
### Broaden the base without disproportionately burdening specific industries or negatively impacting nonprofits.

- Sunset exemptions and tax credits determined to be unnecessary or proven by data to be ineffective.
- Monitor the effectiveness of the new inventory tax credit and study strategies for eliminating the inventory tax without draining local coffers.
- Treat banks like all other corporations for the purpose of taxation by replacing the bank franchise tax with the corporate income tax.
- Repeal the new mandate for combined reporting and allow corporations doing business in Kentucky to elect between filing separate returns, a combined return based on the unitary business methodology, or a consolidated return using the corporation's federal consolidated group.
- Provide relief for nonprofits collecting and remitting sales taxes for events and programming related to fundraising.

Building a truly competitive tax code, however, takes time and focus. While 2018's reforms took a big leap forward, much work remains to be done and some measures need to be reconsidered.

The goal of tax reform in Kentucky must be to make Kentucky's tax code as pro-growth as possible and more attractive to businesses, entrepreneurs, and talented workers than the systems of our neighboring states. At the same time, reforms must also ensure that state and local governments are able to meet their obligations and invest in priority areas such as education, workforce development, and infrastructure.

### State Business Tax Climate Rankings



### Generate revenue through consumption, not production.

- Reduce corporate and personal income tax rates as much as possible.
- Repeal the Limited Liability Entity Tax (LLET).
- Bring Kentucky's sales tax rates more in line with our competitor states.
- Exempt business-to-business transactions from sales and use taxes, including sales of services for resale.
- Allow for a local option sales tax.
- Give all classes of cities the option to impose a restaurant tax.
- Increase the cigarette tax.
- Authorize and tax casino gaming and sports betting.



## Pension Reform

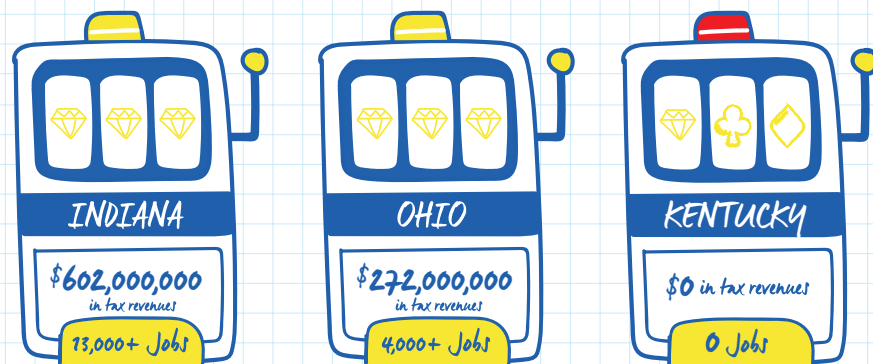
Kentucky's multi-billion dollar unfunded pension liability continues to cast a shadow over the unprecedented economic growth the Commonwealth has seen in the past few years. While GLI applauds the legislature for fully funding pensions in the 2018-2020 budget and has been supportive of reform efforts in previous sessions, the problem is not going away. The liabilities are still there; our systems remain highly vulnerable to economic downturns; already-tight local government budgets will only become tighter; and Kentucky's credit rating continues to be at risk of further downgrades.

Members of the General Assembly must work together to find long-term, sustainable solutions to Kentucky's pension crisis, fully commit themselves to funding pensions in future budgetary cycles, and find ways to lessen the burden of skyrocketing pension payments on local governments.

## Expand Gaming

For decades now, Kentucky has sent thousands of jobs and millions of dollars in tax revenues to our competitor states by failing to expand gaming opportunities in the Commonwealth. Expanded gaming can create new jobs and attract more tourists, while the tax dollars derived from gaming can increase funding for education, build infrastructure that promotes economic growth, and help stabilize Kentucky's public pension system. GLI strongly supports amending the state constitution to authorize casino gaming and passing legislation to regulate and allow for sports betting in Kentucky.

### 2018 Casino Gaming Tax Revenues



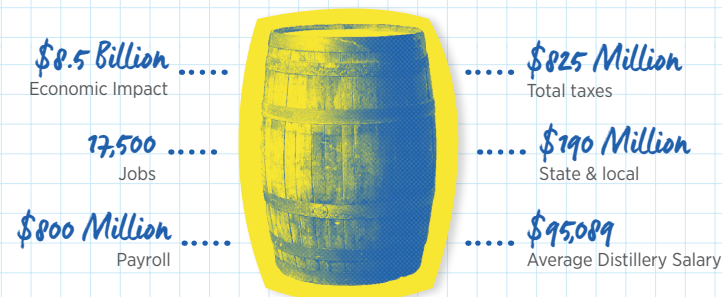
Source: Indiana Gaming Commission/Ohio Casino Control Commission

## A Thriving Tourism Economy

Tourism in regions like Greater Louisville—driven by bourbon, museums, festivals, the culinary scene, conventions and conferences, horse racing, athletic events, and the arts—is a multi-billion dollar industry, responsible for creating thousands of jobs and generating millions in state and local revenues every year. GLI will actively oppose any legislation that could bring harm to this industry or discourage individuals, groups, or organizations from visiting our region. The General Assembly should work to encourage tourism with measures such as improving infrastructure throughout the state, enhancing Kentucky's TIF laws, or expanding gaming.

## Kentucky Bourbon

With the growing popularity of the Urban Bourbon Trail® and the expansion of the Kentucky Bourbon Trail® experiences into downtown Louisville, visitors across the nation and the world are flocking to the Derby city for these experiences. The General Assembly should work to protect Kentucky's signature industry and help position it to continue driving economic growth throughout the Greater Louisville region. Kentucky's bourbon industry is supported by small business retailers that provide specialized product knowledge and ample selection of craft wines and spirits to consumers. Allowing the sale of wine in grocery stores would threaten this structure and negatively impact our signature industry by giving an unfair competitive advantage to wine over spirits when it comes to the convenience of purchasing.



Source: Kentucky Distillers Association

## Investment In Depressed Properties & Historic Areas

The Kentucky legislature must incentivize investment in depressed and underutilized properties to rejuvenate neighborhoods and local economies in some of Kentucky's most historic areas. This should include matching state limits to mirror federal support for the Kentucky Historic Preservation Tax Credit program, streamlining the process for transferring vacant and abandoned properties into productive uses, and restructuring statutory language on TIF financing to make it friendlier to developers by lowering the minimum investment threshold required to qualify for financing, raising the cap on multi-use projects, or allowing developers to access more TIF financing upfront. Vibrant neighborhoods where all properties are utilized are critical to these revitalization efforts.

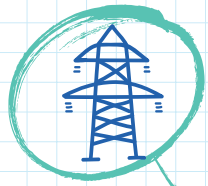
## Culture & Arts Funding

The Greater Louisville community has an arts and cultural scene that competes with the top cities in the world. The legislature should prioritize investment in the Kentucky Arts Council and other cultural institutions because they play such a critical role in regional identity and drive economic development throughout the Commonwealth by attracting and retaining top talent, promoting the vitality of the region, leveraging tourist dollars, and helping sustain a positive quality of life for our citizens.

## Keep Our Cities Clean

Attracting new businesses and top talent to Greater Louisville is one of GLI's top priorities. Litter and graffiti, however, can hinder these efforts by creating misperceptions of urban decay and blight. Efforts should be made to prioritize litter cleanup and graffiti removal on state infrastructure and along state rights-of-way, and the necessary funding for impacted departments and agencies should be made available.





# ENVIRONMENT & ENERGY

## Energy Independence

With forward-thinking investment and incentives, Kentucky is poised to be a leader in the move toward energy independence. GLI encourages investment and research in renewable, domestically-produced alternative energy resources and the development of “green” infrastructure, including green building construction and rehabilitation, green roofs, and the expansion of tree cover in urban areas through partnerships and targeted incentive programs.

## Brownfield Remediation

Brownfield remediation and redevelopment programs are critical for reducing the prevalence of blight and hazardous properties in Greater Louisville. GLI supports programs aimed at assisting businesses and developers with brownfield remediation and redevelopment through assessment services and funding opportunities.

## Attract And Retain Regulatory Professionals

Businesses operating in the energy and environmental sectors are required to work closely with the Kentucky Energy and Environment Cabinet to ensure compliance with numerous administrative and environmental regulations. GLI continues to advocate for the Commonwealth to attract and retain a staff of highly-skilled, knowledgeable professionals to assist with compliance and permitting processes. By adequately funding Cabinet personnel costs, the General Assembly can help to ease these processes and allow businesses to grow and operate more efficiently.

## Net Metering Laws

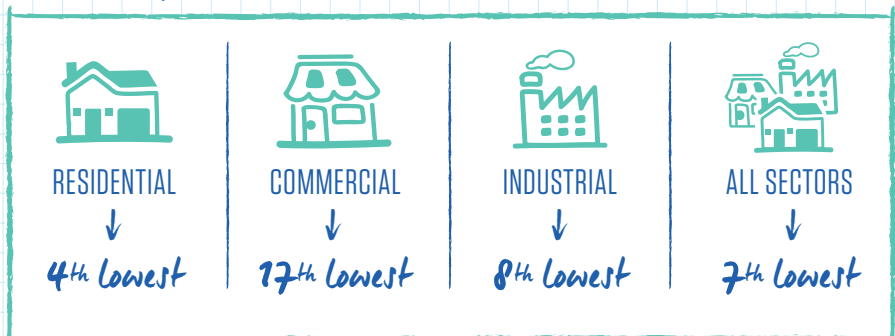
Modernization of Kentucky’s energy delivery and resources is needed to keep Kentucky energy competitive. How customers use the Commonwealth’s energy infrastructure is changing as the adoption of distributed energy resources (DERs) — such as privately-owned solar generation — increases across the Commonwealth. In addition to providing ongoing, strategic investment in the state’s energy infrastructure, policymakers must also ensure the costs to support and maintain this infrastructure are allocated fairly among all users of the system.

GLI supports re-examining the Commonwealth’s existing policies that, years ago, were originally adopted to incentivize the implementation of new technologies, such as distributed solar generation, to make sure all the costs to support and maintain reliable operation of the energy infrastructure are shared fairly.

## Affordable Energy

Access to energy resources at competitive rates is vital to attracting and retaining businesses and talent in Greater Louisville, and Kentucky has longed enjoyed the distinction of being an affordable-energy state. GLI supports policies that serve to help regional energy companies to continue providing services and resources at competitive rates and is opposed to mandates that threaten to drive up costs for energy providers and consumers.

*How average electricity prices in Kentucky compare to the rest of the country*



U.S. Energy Information Administration (June 2018)



# TRANSPORTATION & INFRASTRUCTURE

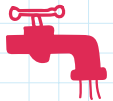
## Road Aid Modernization

GLI supports modernizing the revenue-sharing formula that the state has used to allocate gas tax revenues since 1948 to ensure that urbanized areas receive their fair share of road fund dollars and are able to repair their crumbling infrastructure. The current revenue-sharing formula should be reformed to more accurately account for lane mileage, traffic counts, and population growth. Appropriately and fairly allocating funds for transportation and infrastructure is fiscally responsible and will help accelerate Kentucky's economic engines—its cities—which benefits all Kentuckians.

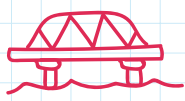
## Sustainable Funding For Infrastructure

In conjunction with modernizing the road aid formula, the General Assembly must put in place a sustainable strategy for funding short and long-term infrastructure needs. The legislature should update Kentucky's gas tax and other road-fund revenue streams in order to address a growing backlog of sorely-needed infrastructure projects throughout regions like Greater Louisville. The state must also account for the growth of electric and hybrid vehicles on Kentucky roads by ensuring that these users adequately contribute to the maintenance of roads and bridges. GLI supports measures to safeguard fairness for all users of Kentucky's highways, roads, and streets.

## The Need for Infrastructure Funding



\$12 billion in water and wastewater infrastructure needs in the next 20 years



**Kentucky Bridges**  
• 1,157 are "structurally deficient"  
• 3,133 are "functionally obsolete"



**Louisville Roads**  
• > 22% in poor condition  
• > 26% are mediocre  
• 16% of major urban roads in Kentucky are in poor condition



182 high-hazard potential dams

## Multi-Modal Transportation

As the home to UPS WorldPort, Louisville is already the world's leading logistics hub, but this position is not guaranteed. To continue capitalizing on Greater Louisville's central location and proximity to all five major modes of transportation, Kentucky must invest more in infrastructure to attract jobs and compete in today's 21st century economy. Funding solutions must be dynamic and meet the evolving needs of a changing economy and workforce. We support long-term, sustainable funding that provides adequate revenues for all modes of transportation so our state can maintain the infrastructure we have today and build what we need for our future.

### *To achieve this end, the legislature must:*

- Protect the integrity of the road fund by refusing to divert road funds to pay for General Fund obligations
- Support dedicated and adequate funding for public transportation
- Protect the integrity of the Aviation and Economic Development Fund
- Develop and maintain infrastructure at Kentucky's major ports
- Improve multi-modal freight transportation by funding maintenance and improving safety of rail infrastructure that will better support short line tracks and regional railroads
- Promote safe and fiscally responsible transportation options beneficial to bike and pedestrian mobility

## Investment In Quality Water & Sewer Infrastructure

GLI applauds passage of House Bill 513 in the 2018 regular session, which encourages regionalism by allowing water and wastewater treatment districts to acquire assets outside of their jurisdictional boundaries.

To continue improving the quality of regional water and sewer infrastructure, legislative and regulatory actions should encourage sustainable and long-term growth in regional sewer capacity and regional water expansion projects. To avoid catastrophic loss and damage, resources are needed to repair and modernize flood protection systems. Water quality treatment efforts and storm water conservation efforts such as pervious pavement should also be included in these efforts.

## Telecommunications Infrastructure For The Future

With the coming of new technologies, Kentucky should ensure that regions like Greater Louisville are well-positioned for the future by supporting the development and modernization of telecommunications infrastructure. Kentucky is the only state in the region that does not provide incentives to encourage investment in broadband networks and other telecommunications technologies. GLI supports efforts that put Kentucky on an even footing with our surrounding states in terms of broadband deployment incentives for wired and wireless networks and opposes measures that threaten to impede or hamper investment in digital infrastructure. To further encourage investment in telecommunications infrastructure, the General Assembly should also ensure that regulatory processes are as streamlined as possible and provide for fair and reasonable terms, conditions, and rates to access state-controlled rights of way and infrastructure.



# EDUCATION & WORKFORCE DEVELOPMENT



## Early Childhood Education And Childcare

To produce a workforce that will excel in the 21st century, education must start before Kindergarten. The legislature should make meaningful steps to fully fund need-based pre-K so that every student can enter Kindergarten ready to learn.

In addition, policymakers should explore ways to increase the effectiveness and reach of the Child Care Assistance Program in order to help more working families find high-quality child care. The program should be structured to increase access and avoid disincentivizing parents from seeking better employment opportunities and more competitive compensation.

## K-12 Education

GLI appreciates the increase in the SEEK per pupil amount in the 2018-2020 budget and encourages the General Assembly to strategize in 2019 on how to most effectively leverage this increase and build on it in future budget sessions. Lawmakers must also strive to provide the funding necessary for all school districts to afford full-day Kindergarten.

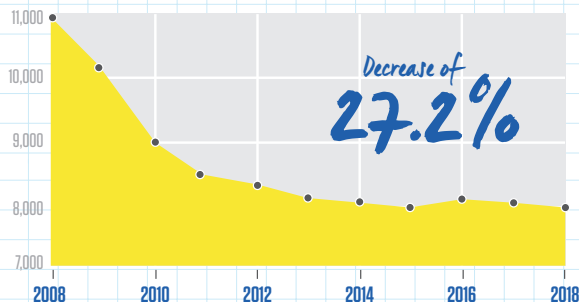
## Higher Education

With a goal of adding 55,000 degrees in the Greater Louisville region by 2020, it is imperative that Kentucky improve the affordability and effectiveness of post-secondary education by addressing the rising cost of college and offering institutional alternatives, including technical school and competency-based programs such as Commonwealth College.

State support of higher education should be fully funded or restored to 2007-2008 per student levels to help keep student costs down.

To increase student access and success, the state should provide consistent support for dual credit and early college programs.

*Kentucky higher education funding per student, 2008 - 2018*



Source: The Center on Budget and Policy Priorities

## A More Dynamic Compensation System For Our Educators

The General Assembly should pass legislation empowering local school districts to create more dynamic and modern compensation systems for education professionals. Senate Bill 152 from 2018 took an important step forward in modernizing teacher compensation in Kentucky by clearly authorizing districts to pay teachers working in priority schools above the single-salary schedule. Statute should also grant clear permission to districts to tie pay, salary increases, and bonuses to factors such as teacher performance and subject matter in addition to more traditional factors such as experience and academic credentials, which currently form the foundation for determining teacher compensation in the Commonwealth.

Along with a competitive and dynamic compensation structure, the state must assist local districts in providing educators with ample professional development opportunities that increase their effectiveness in the classroom and lead to better student outcomes.

## School Choice

Increasing the choices parents and guardians have when selecting educational pathways for their student makes regions like Greater Louisville more attractive to families and businesses and leads to improved learning outcomes and a more competitive homegrown workforce. This is why GLI was a strong supporter of public charter school legislation in the 2017 legislative session. GLI encourages lawmakers to clarify funding for charter schools to remove uncertainty and encourage authorization of these institutions in Kentucky.

To further increase the educational options available to parents and guardians, GLI supports establishing a tax credit to incentivize individuals and businesses to contribute to scholarship-granting organizations that focus on low-income families for whom private school opportunities may be out of reach. A tax credit like this would dramatically help to level the playing field for all Kentucky families.

GLI also advocates for school assignment plans that support student diversity, equity, and choice and opposes legislative proposals that limit parental choice and fail to provide clear evidence of addressing the achievement gap.

## Streamline And Strengthen School District Governance

Research shows that strong and effective leadership in local school districts contributes positively to student outcomes. To ensure that the central offices and school boards of local districts are able to operate as efficiently and effectively as possible,

*GLI supports making several changes to state law:*

- Transfer the authority of principal appointment from school-based decision-making councils to district superintendents in order to create more cohesion between central offices and individual school leadership
- Give more authority to the district superintendent when it comes to hiring senior staff
- Transfer day-to-day operational tasks from local school boards to central offices—at least for large urban districts—in order to allow the board to focus more on “big picture” items
- Establish qualification guidelines and requirements for local school board members similar to the statutory requirements for circuit court clerk and PVA candidates in the Commonwealth
- Add new, elected “at-large” seats to local school boards in larger urban districts to increase community participation and ensure the concerns of the district as a whole are adequately represented





## STEAM: Science, Technology, Engineering, Arts, & Math

Upgrading from STEM to STEAM, GLI supports systems that reward schools that offer high quality courses and programs in the STEAM fields of science, technology, engineering, arts, and math. To allow all students to be agents of their own success, the system should encourage innovative approaches to curriculum development and teaching tools on the district level.

## University Research & Libraries

To support universities in Louisville and across the Commonwealth, GLI supports funding for the Research Challenge Trust Fund (Bucks for Brains), other university-based research programs, and a state of the art system of public and university libraries that cooperate to provide equal access to information for all Kentuckians.

## A Diverse & Competitive Workforce

Kentucky will thrive most when it positively attracts and retains the best national and international human capital and talent. To further this objective, Kentucky's primary, secondary, and postsecondary education institutions should adequately support English as a Second Language (ESL), foreign language, and global competency programs. In addition, state immigration regulations, public policies, and incentives in Kentucky should welcome and encourage top talent to settle in the Commonwealth. Immigration and positive domestic in-migration legislation should streamline compliance with immigration regulations for Kentucky's businesses to thrive.

Greater Louisville Inc. promotes and embraces diversity, inclusion, and equality. GLI strongly opposes any discriminatory legislation or regulation that might hinder any person's desire to live and work in Kentucky.

## Workforce Training & Preparation

To develop a qualified workforce of all ages, the legislature must support the expansion of apprenticeships, adult education, and workforce training programs. Every year, thousands of manufacturing and maintenance jobs go unfilled though they do not require a college degree. Subsidies for GED testing, career competency credits, and targeted investments of state money to fund industry partnerships and job training initiatives are critical to long-term workforce sustainability. Programs like the Work Ready Kentucky Scholarship need continued support and codification in state statute to help address these work needs.

## Attract And Retain High-Skill Workers

While talent attraction and retention is a problem impacting all regional employers, it is especially acute for businesses that depend on high-skill workers. To allow Greater Louisville to effectively compete with our competitor regions for top talent, the General Assembly should work to incentivize high-skill individuals in high-demand industry sectors to live and work in Kentucky and encourage employers to utilize innovative programs for attracting and retaining the workers they need to be successful. A high-skill talent pool would not only benefit current employers but would also position Greater Louisville to attract and support new businesses.

## Workforce Housing Tax Credit

Kentucky should join fifteen other states in adopting a state version of the federal affordable housing tax credit to address one of the biggest barriers to many Kentuckians fully participating in the workforce – the high cost of housing. Enacting a state credit would encourage the private sector to invest more in affordable housing projects for workers and represents the best way for Kentucky to access hundreds of millions of untapped federal dollars. Based upon the success of such credits in other states, over ten years, a state credit could produce 11,250 housing units and generate \$435 million in economic activity, depending on annual caps placed on the program by the General Assembly.

## Resources And Treatment For Substance Use Disorders

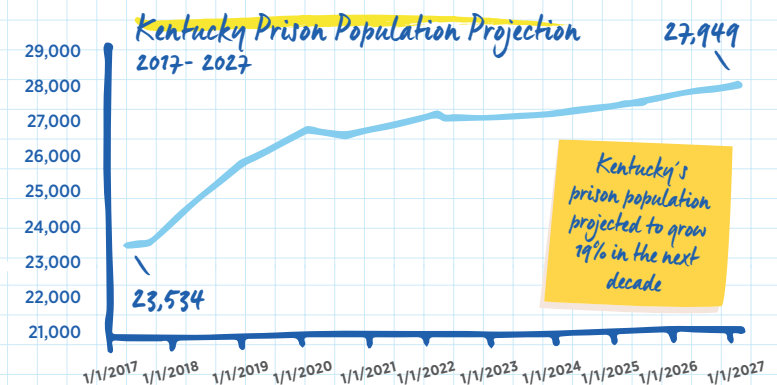
As Kentucky continues to combat opioid use disorder and other substance use disorders, the General Assembly must remain dedicated to allocating state funds and taking full advantage of available federal funds to provide the necessary resources for treatment, education, and job training. Too many lives have been ruined and too many jobs in the Greater Louisville region have gone unfilled due to the prevalence of substance use disorders. Treatment and training programs can be part of the recovery process for these individuals and help close workforce skills gaps.

## Workforce Opportunities Through Criminal Justice Reforms

GLI is a strong supporter of criminal justice reform measures focused on reducing Kentucky's incarcerated population, lowering state spending on corrections, and creating pathways for non-violent ex-offenders to reenter the workforce and become productive, self-sufficient citizens.

In 2015, GLI became the first business organization in the Commonwealth to back Class D felony expungement and continues to support efforts to improve the expungement process, expand impact, and increase access – including lowering application costs.

Expungement, however, should be the first of many reforms to Kentucky's criminal justice system. Further changes should include the reclassification of certain non-violent offenses, adjustments to felony thresholds, increased use of alternatives to imprisonment, limitations on the use of monetary bail or transition to a cashless bail system, improvements to parole processes, and the removal of barriers to successful reentry. GLI is also supportive of providing more education and workforce training opportunities to inmates and developing treatment plans for ex-offenders with substance use disorders.



Source: Kentucky Department of Corrections



# HEALTH CARE

## Medicaid

A healthy workforce is vital to economic development but must come at a cost to the state that is sustainable. This core principle should serve as the foundation of any changes to how Kentucky serves its Medicaid population. Reforms to the Medicaid system should focus on effective state spending on health care, which cultivates a healthy population, provides a smooth transition to private coverage for Medicaid recipients leaving the system, and minimizes burdens on providers, insurers, and businesses.

In addition, to allow Kentucky to continue receiving the federal matching funds it needs to administer Medicaid services and cover the Medicaid population, the General Assembly should ensure that all taxes impacting the health care sector in the Commonwealth comport with Centers for Medicare and Medicaid Services guidelines.

## Certificate Of Need

GLI encourages the legislature to maintain the current system of Certificate of Need. The current system takes the impacts and benefits of new medical facilities, health services, and major medical equipment into account to provide health care more efficiently to Kentuckians.

## Reform Kentucky's Legal Liability Climate

GLI supports reforming Kentucky's legal liability climate, which studies have shown to be one of the top 10 worst in the country. For Greater Louisville to continue cultivating its status as a center for high-quality and innovative health care, efforts must be made to curtail and contain frivolous lawsuits in the medical industry. Passage of confidential peer review and medical review panels in past sessions were steps in the right direction, but more reforms to Kentucky's legal liability climate—such as certificates of merit, limits on claimants' attorney fees, and a constitutional amendment to allow caps on damages—will improve patient care and help our region retain and attract health care professionals and businesses.

## Health Care Talent & Workforce Needs

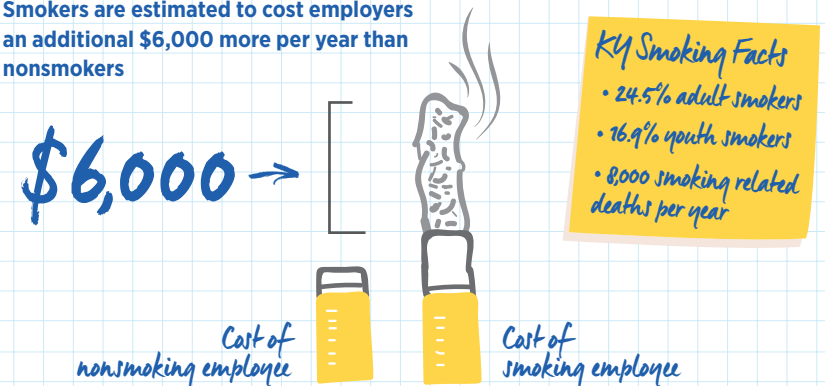
To adequately serve a growing and aging population, Kentucky must address the shortage of medical professionals by creating and supporting programs to build the medical workforce and by providing incentives that will retain and attract health care professionals and workers.

## A Healthier Kentucky

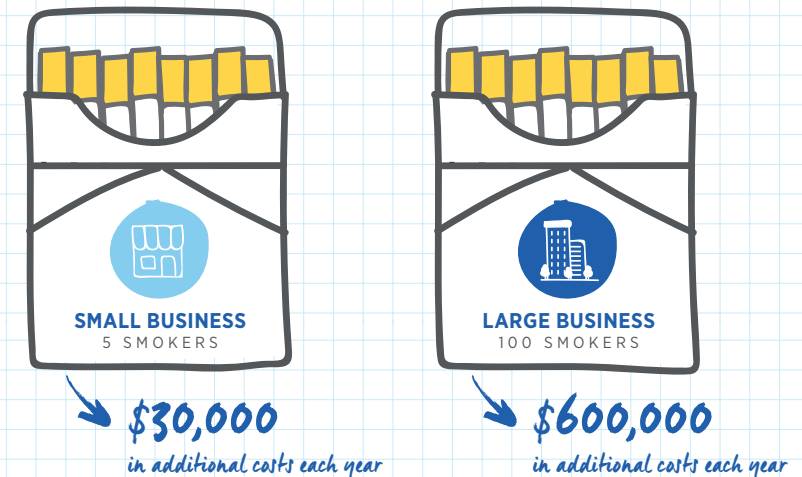
A healthy workforce is important to a strong economy. Therefore, it is critical that the legislature support incentives for businesses encouraging healthy lifestyle choices. The state should also consider further measures to promote wellness, including increasing the sale age of tobacco products to 21, statewide smoke-free schools and workplace laws, further increases to the cigarette tax and taxes on smokeless tobacco, and the removal of smokers as a protected class.

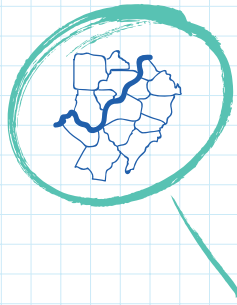
Continuing the fight against the opioid epidemic is vital to building a healthy workforce. Legislative approaches to addressing this crisis should focus on providing the resources necessary for effective treatment strategies and allowing for a more targeted alignment of available services.

**Smokers are estimated to cost employers an additional \$6,000 more per year than nonsmokers**



Source: CDC Foundation





# BI-STATE

In 2016, Greater Louisville Inc. and One Southern Indiana established a 15-county bi-state region to work together to accelerate regional economic growth. This partnership's mission is to support and grow the regional economy, making the Greater Louisville region more competitive in the global marketplace.

## Our Southern Indiana Regional Development Authority

GLI supports the continued economic development of Southern Indiana through the Indiana Regional Cities Initiative and the formation of the Our Southern Indiana Regional Development Authority. This multi-county partnership will allow the Greater Louisville region to leverage competitive state grant funding for economic development and quality-of-place projects.

## The Louisville Loop

The Louisville Loop seals Greater Louisville's position as a world-class city with a world-class park system. With the expansion of the Ohio River Greenway in Clark and Floyd Counties, the Louisville Loop has the potential to become truly regional. The two remaining tasks are to adequately support the completion of the Ohio River Greenway in Indiana and to finish the bike and pedestrian connection across the Ohio River between Portland and New Albany, allowing for full completion of a pedestrian loop.

## Planning For Future Growth

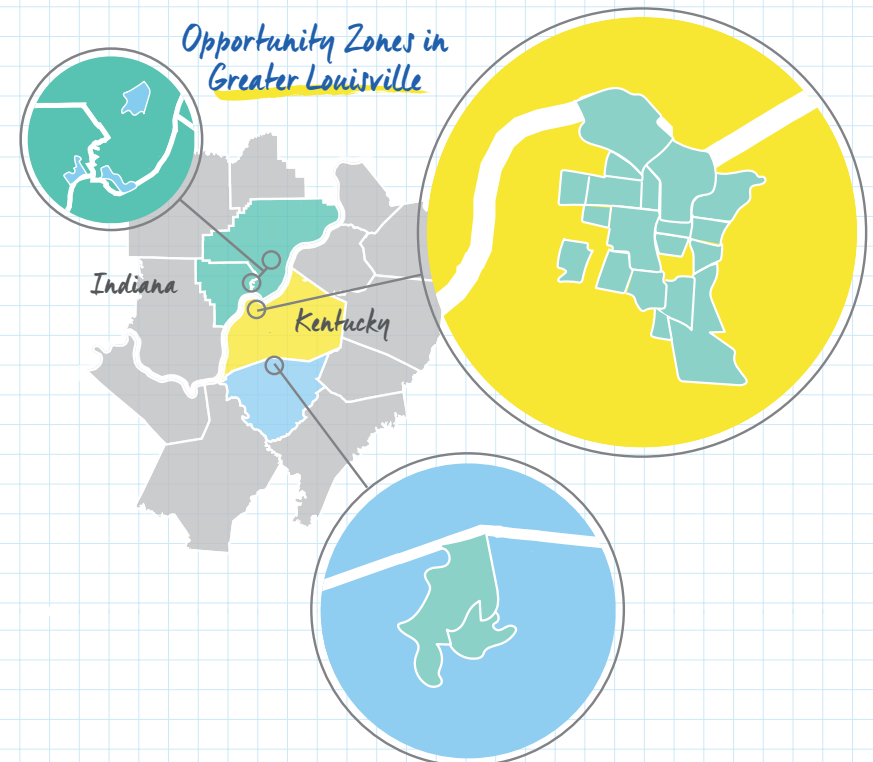
With new businesses starting, expanding, and relocating to Southern Indiana alongside a rapidly-increasing population, Southern Indiana is ripe for significant growth in the coming years. GLI encourages the Indiana General Assembly to strategically plan for the region's future by encouraging development and adequately funding infrastructure projects.

## Opportunity Zones

Throughout Greater Louisville, there are more than two-dozen Opportunity Zones ready and waiting for an influx of private investment to spur growth and development. This new federal tax incentive was enacted by Congress as part of the 2017 Tax Cuts and Jobs Act and seeks to leverage capital gains to reinvigorate the economies of low-income areas. To take full advantage of the development potential of Opportunity Zones, Kentucky and Indiana should look to align other economic and workforce development programs with Opportunity Zones and explore ways to further attract investment through targeted and complimentary tax incentives.

### Opportunity Zones Investment Benefits

- Temporary deferral of taxes on capital gains reinvested in an OZ Fund
- Step-up in basis for gains reinvested in an OZ Fund
- Permanent exclusion from taxes for gains realized from the sale of an OZ investment after 10 years





## Invest In Parks

GLI continues to support its park systems and the need to further develop and maintain these public spaces. Investment in Louisville's park systems, including Waterfront Park, has directly spurred millions of dollars in economic impact ranging from restaurants and events and tourism to residential/business development and renovations.

## Regional Broadband Access

Beyond physical connections, broadband access across Southern Indiana and Greater Louisville is critical for further economic development and connectivity. Indiana should modernize regulations allowing for the addition of fiber cable to current telecommunications infrastructure on private property.

## The Ohio River As A Water Resource And Economic Driver

The Ohio River must continue to play an important role as an economic engine for the bi-state region. With the expansion of the Jefferson Riverport in Southwest Louisville, the new connectivity of the Port of Indiana in Jeffersonville, and the East End Crossing, inland waterways are poised for resurgence across the United States. Positioning Greater Louisville to prepare for and benefit from this growth is a top legislative and regulatory priority for GLI.

Beyond its role as an economic driver, the Ohio River, its tributaries and creeks offer a sustainable water resource for the region. In 2017, Indiana's legislature took action and implemented a water authority to study and devise a plan for water utilization. Kentucky should work in cooperation with these efforts to promote safety, sustainability, and quality while supporting economic development through tourism, manufacturing, recreation, and agriculture.

## Supporting A Healthier Regional Workforce

GLI has long advocated for policies to improve the health and productivity of Kentucky workers, but to cultivate a healthy workforce throughout our region as a whole Indiana must also enact measures aimed at promoting healthy lifestyles. GLI is supportive of efforts in Indiana to increase taxes on cigarettes, raise the smoking age to 21, and repeal laws that give preferential treatment to smokers. In addition, GLI advocates for additional resources to support opioid treatment and recovery efforts in Southern Indiana.

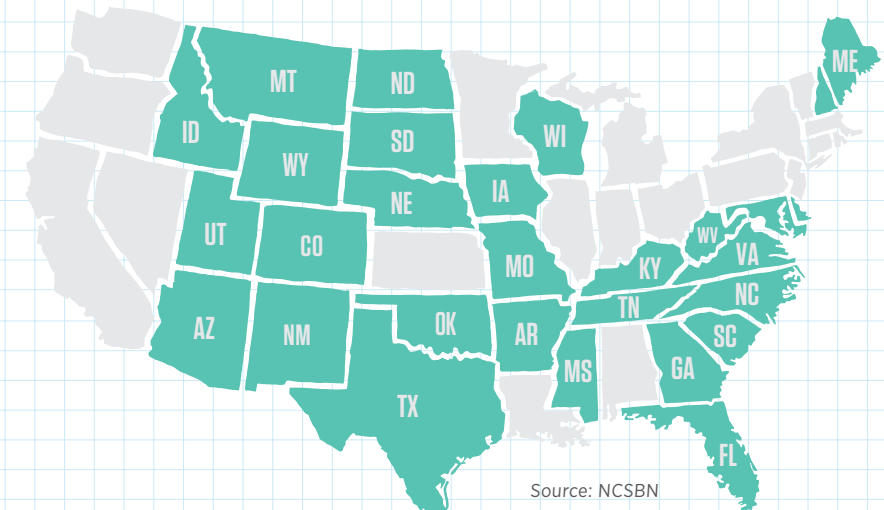
## Nurse Licensure Compact In Indiana

GLI strongly encourages passage of Nurse Licensure Compact legislation in Indiana. The Nurse Licensure Compact (NLC) is an interstate compact that allows nurses to hold a single multi-state license, authorizing them to practice in their home state as well as in any NLC member state without having to obtain an additional license. Kentucky is one of about 30 states already benefiting from membership within the NLC. Passage of NLC legislation in Indiana would help reduce administrative and regulatory burdens for providers while maintaining public protection at the state level and ensuring quality care. In addition, the NLC would encourage health care companies to expand operations, help address a growing nurse shortage within our region, and further cultivate Greater Louisville's status as a national hub for high-quality, innovative health care.

Legislation passed by the Indiana General Assembly in the 2018 session to authorize a study of the NLC in Indiana was a positive first step. In 2019, lawmakers in Indianapolis should act to support regionalism by passing NLC legislation and creating a seamless licensure process for nurses and regional health care companies operating on both sides of the river.



### Nurse Licensure Compact States



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## PUBLIC POLICY COMMITTEES

GLI thanks the many individuals who volunteer their time and expertise to assist in business advocacy efforts. A special thanks is extended to those listed below who lead the Public Policy Council and its Issue Advisory Committees.

### Public Policy Council

Sherri Craig, KentuckyOne Health  
Tim Hagerty, Frost Brown Todd, LLC

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