We knew from the outset that the 2018 session would be demanding. Begin with billions of dollars in unfunded pension liabilities, mounting health care and corrections costs, and stagnant revenues. Throw in a budget and a road plan to craft, leadership transitions, activated unions, and looming elections, and it did not take a policy genius to recognize the serious challenges business faced in Frankfort this spring.

But despite all the dire predictions and slow start, by the end of the session, hard work and perseverance paid off. Kentucky forged ahead and the Greater Louisville business community emerged from the chaos with key wins. GLI achieved 42 of its 62 pro-growth objectives. In addition, our Advocacy team exceeded their 2018 strategic goal of passing or blocking five pieces of legislation, bringing savings to the business community.

Among the top wins for the Greater Louisville business community in 2018 were structural changes to Kentucky’s public pension systems and the first reforms to our workers’ compensation system in two decades. We also saw passage of GLI-backed legislation on confidential peer review, essential skills training in public schools, direct bourbon and wine shipment, regional water and wastewater services, pension phase-in for local governments, unemployment insurance, teacher pay in priority schools, and increased transparency in Attorney General contracting.

GLI played a key role in blocking legislation seeking to roll back progress from last year, such as attempts to repeal or delay charter schools and reinstate prevailing wage laws. We also stopped bills that would have increased costs and imposed regulatory burdens on employers.

As with any legislative session, there were missed opportunities, despite all the wins. Important priorities for the business community were left unaddressed, such as comprehensive tort reform, net metering modernization, criminal justice reform, legislation to reduce smoking, expanded gaming, and changes to how we fund and allocate resources for infrastructure. GLI looks forward to leading the charge on these issues in 2019.

GLI continued its advocacy efforts in Indianapolis and achieved a major win for regionalism by securing passage of legislation to authorize a study of the Nurse Licensure Compact which can help the nursing shortage. Next year, GLI will work hard to secure full passage of the NLC in Indiana, creating a seamless licensure process for nurses throughout our region.

As we shift our focus to Washington, continue our work with Metro Government, and begin preparing for 2019, it’s important that we not forget the lessons of the 2018 regular session. Though the odds were stacked against progress, we found a way to move forward and achieve success. That could not have happened without the hard work, dedication, and commitment of our investors. Steadfast engagement and persistence make change happen. Thank you for that.

GLI is proud to be the recognized voice of Greater Louisville business in the halls of government. I strongly encourage every GLI investor to be involved with our policy efforts and to lend your voice to advocating for the growth of our region.
WORKERS’ COMPENSATION REFORM

House Bill 2 (Rep. Koenig) ushers in the first comprehensive reforms of Kentucky’s workers’ compensation system in more than two decades and takes a bold leap forward in improving the Commonwealth’s business competitiveness.

One of GLI’s top legislative priorities for 2018, House Bill 2 improves the quality and effectiveness of care for injured workers by establishing treatment and formulary guidelines and introduces a range of measures to keep costs affordable for Greater Louisville employers. In addition, this legislation prevents anticipated increases in workers’ comp premiums in Kentucky over the next several years by reestablishing the age limit for terminating income benefits. A recent state Supreme Court ruling had invalidated Kentucky’s previous age for terminating benefits at eligibility for Social Security. This decision threatened to transform workers’ comp in Kentucky into a retirement plan and was expected to dramatically increase premiums for regional employers.

Kentucky’s workers’ compensation system has long lagged far behind those of our major competitor states and was on the verge of becoming worse. Passage of House Bill 2 brings Kentucky into the 21st century and will help our workers’ compensation system get back to doing what it’s supposed to do: ensuring injured workers’ get the care they deserve and enabling them to return to work.

ADDRESSING THE PENSION CRISIS

Kentucky faces no greater threat to its economic future than our multi-billion dollar public pension liability. With liabilities somewhere between $40 and $60 billion, Kentucky has the worst-funded public pension system in the nation. This crisis calls into question the certainty of retirement for county and state workers, harms the Commonwealth’s credit rating, and threatens economic growth and state funding for education, public safety, health care, and infrastructure. Finding a path forward in paying down Kentucky’s pension liabilities and stabilizing our public pension system through meaningful, structural reforms was a top state legislative priority for the Greater Louisville business community in 2018.

GLI applauds passage of Senate Bill 151 (Sen. Bowen) and House Bill 362 (Rep. Moore). These bills take several meaningful steps to address the pension crisis and put the Commonwealth on a more stable financial footing. Senate Bill 151 introduces important structural reforms and includes GLI-backed initiatives such as the utilization of level-dollar amortization for paying off unfunded liabilities and a cap on factoring sick days into retirement benefits. In addition, by introducing hybrid cash-balance plans into the TRS system, Senate Bill 151 lowers risks for taxpayers and provides educators with a sustainable retirement package.

House Bill 362 helps employers in the County Employee Retirement System adjust their budgets for the increased costs of pensions over the next several years. Specifically, this legislation limits annual increases to the contribution rate for employers in CERS to 12 percent per year for the next decade. Without House Bill 362, Louisville Metro Government anticipated an increase of close to $40 million in the next budget cycle. Now that number will be closer to $9 million.

These measures will help to ensure the longevity of Kentucky’s public retirement system, lower long-term costs for the state and local governments, and are already showing signs of improving the Commonwealth’s credit rating.

(Senate Bill 151) is credit positive for the Commonwealth, local governments and public universities.

- Moody’s Investors Service, April 9, 2018

ESSENTIAL SKILLS

House Bill 3 (Rep. Shell) addresses a growing problem voiced by regional employers: a lack of essential skills in our workforce. Thanks to House Bill 3, school districts in Kentucky will now be empowered to incorporate essential skills training into curriculum and K-12 students will learn critical employment skills such as adaptability, reliability, diligence, communication, and the importance of remaining drug free. The incorporation of these skills into public school curriculum is a vital step forward in building a globally competitive workforce here in Greater Louisville.

Employers throughout the Commonwealth have long pointed to a lack of essential skills among this current generation of graduates as a barrier to economic growth and development. House Bill 3 offers a creative solution to this problem by formalizing classroom training of practical life skills that students must possess in order to have successful careers after graduation and to be assets to employers seeking to grow their businesses.”

- House Majority Floor Leader Jonathan Shell, District 71

Rep. Shell testifying in support of House Bill 3 in the House Education Committee

@GLIADVOCACY
OSHA RULES AND REGULATIONS
House Bill 314 (Rep. Tipton) gives the Labor Cabinet increased flexibility to oversee occupational health and safety administrative rules and regulations in Kentucky. This legislation will help to align Kentucky’s OSHA rules and regulations with federal requirements.

FINANCIAL LITERACY
House Bill 132 (Rep. DuPlessis) makes completion of a financial literacy course a requirement for graduation and establishes academic standards for courses and programs. Improved levels of financial literacy will not only help graduates prepare for their futures but will also have a long-term positive impact on our overall economy.

CONFIDENTIAL PEER REVIEW
House Bill 4 (Rep. Wuchner) allows for confidential peer review in the medical profession. Passage of this legislation increases protections for medical providers to effectively review their own performance without fear of a lawsuit and will improve health outcomes by encouraging open and frank communications between medical professionals. Kentucky was previously the only state in the country not to allow for confidential peer review. House Bill 4 sends a signal to health care companies throughout the country that the Commonwealth is serious about reforming its legal liability climate and ensuring the highest quality of care for patients.

UNEMPLOYMENT INSURANCE
House Bill 252 (Rep. DeCesare) presents a first step in modernizing Kentucky’s unemployment insurance system, one of the most unattractive aspects of the Commonwealth’s business environment. House Bill 252 provides for technological upgrades, raises the minimum threshold for qualifying for UI benefits for the first time since the 1980s, and establishes a mechanism for updating the threshold in the future to account for inflation. Further changes are needed to refocus the Commonwealth’s unemployment system on getting Kentuckians back to work.

DIRECT SHIPMENT OF BOURBON & WINE
House Bill 400 (Rep. McCoy) permits tourists and Kentuckians to ship bottles back home when visiting the Commonwealth’s world-famous distilleries and wineries. In addition, it establishes a safe legal and regulatory system supported by stakeholders while continuing to uphold the three-tier system. House Bill 400 will help create jobs, generate more revenues for state and local governments, and satisfy tourists’ number one demand when they visit distilleries in Greater Louisville. Already, 70 percent of visitors to Kentucky distilleries are from outside the state and 86 percent of them buy souvenir bottles during their trip, making significant contributions to the bourbon industry’s overall $8.5 billion impact on our economy. House Bill 400 will boost these numbers even further and solidifies the Commonwealth’s status as the bourbon capital of the world. GLI was proud to champion this important legislation in support of Kentucky’s signature industry.

Senate Bill 152 (Sen. Givens) tackles the challenge of attracting and retaining teachers in our lowest-performing schools. Research shows that priority schools in Jefferson County and throughout Kentucky suffer from far lower teacher retention rates than higher-performing schools and often employee teachers with fewer years of experience. This combination has harmful effects on school effectiveness and culture, limits the development of staff cohesion, and disproportionally consumes the time and energy of school administrators.

Senate Bill 152 provides school districts with another tool in the toolbox to address these problems by authorizing districts to offer increased monetary compensation, above the single-salary schedule, to teachers in our lowest-performing schools. Examples from other states and a pilot program here in Kentucky show that this will help to attract and retain experienced teachers in the schools that need them most and, in turn, work to shrink the achievement gap.

Senate Bill 152 offers a simple solution to a complex problem by clarifying state law and giving local school districts the flexibility they need to get experienced teachers in the classrooms of some of Kentucky’s most vulnerable students and keep them there. GLI was a vital partner in getting this important legislation across the finish line.

- Senator David Givens, District 9

GLI Director of Government Affairs Iris Wilbur and Senator Givens voicing support for Senate Bill 152 in the Senate Education Committee.

$8.5 Billion
Economic Impact

$25 Million
(Total taxes)

17,500
Jobs

$190 Million
(State & local)

$800 Million
Payroll

$95,089
Avg. Distillery Salary

House Bill 400 is a bold, historic step in modernizing our signature bourbon and distilled spirits industry. The number one question from bourbon tourists is, ’Why can’t I ship my bottles home?’ Now, with the passage of HB 400, they can very soon. Special thanks to GLI for their advocacy efforts on this bill and for supporting Kentucky Bourbon!

- Eric Gregory, President, Kentucky Distillers’ Association
FUNDING FOR GREATER LOUISVILLE HIGHWAYS

House Bill 202 (Rep. Rudy) lays out the biennial highway construction plan for fiscal years 2019 and 2020 and makes historical investments in Greater Louisville infrastructure. In the 2018-2020 plan, our region receives more than 16 percent of available funds allocated to highway construction and improvement—up from roughly 12 percent in the 2016-2018 biennial plan.

One of GLI’s top wins in the highway plan is a major widening project for Interstate 265. Expanding and enhancing the capacity and safety of I-265 was a critical GLI legislative priority for 2018. Population projections show that much of the anticipated growth in our region will take place along the I-265 corridor.

Other important projects in the highway plan to the benefit of Greater Louisville include:

- Reconstruction of the I-265/I-64 interchange
- Construction of a new I-65 interchange between KY-480 and KY245
- Major widening of I-65 from KY-61 to I-265
- Pavement improvements on US-31
- Funding for repairs of the Sherman Minton Bridge
- Major widening of River Road + bike lanes
- Major widening projects on I-71
- Congestion mitigation on I-64 and I-65
- Funding for new bike baths, improvements, and facilities
- Widening of KY-155
- Pavement improvements on I-265

Economic growth and development can’t happen without a commitment to making the necessary investments in quality infrastructure. This year’s highway construction plan does exactly that and puts Kentucky and regions like Greater Louisville in a prime position to prepare for future economic activity and to capitalize on opportunities down the road.

- Senator Ernie Harris, District 26

- Senator Ernie Harris, District 26

DETERRING VIOLENT CRIME

House Bill 169 (Rep. Benvenuti) strengthens law enforcement’s ability to prevent violent crime. The prevalence of violence in regions like Greater Louisville not only ruins the lives of those directly affected but also hinders economic growth. Our law enforcement community fully supported this bill and identified it as vital to improving safety in our region. While GLI strongly advocates for criminal justice reforms aimed at growing our workforce and lowering corrections costs, we also recognize the need for legislation like House Bill 169 to combat violent crime.

PRICE CONTROL CLARIFICATION

Senate Bill 160 (Sen. Girdler) clarifies several provisions in state law related to price control during a state of emergency. Definitions for terms such as “cost” and “price prior to the declaration” are added to state statute and conditions for when a violation has occurred are further specified. Clarifications like those provided by Senate Bill 160 provide important guidance to businesses during times of emergency and help employers avoid costly fees and fines.

ATTORNEY GENERAL CONTRACTING TRANSPARENCY

House Bill 198 (Rep. Nemes) increases transparency and accountability in situations where the Attorney General’s office contracts with outside counsel and places a cap on contingency fees. This bill marks a substantial improvement to Kentucky’s overall legal liability climate and will save taxpayers money.

ELECTRICIAN LICENSING

Senate Bill 78 (Sen. Westerfield) helps to alleviate a shortage of licensed electricians throughout the Commonwealth. This bill streamlines the licensing process by allowing more applicants to sit for the electrician licensing exam and also establishes a provisional license for qualified Kentucky residents.

REGIONAL WATER AND WASTEWATER SYSTEMS

House Bill 513 (Rep. Tipton) gives regional water and wastewater treatment districts the ability to acquire assets outside of their jurisdictional boundaries through mutual or interlocal agreements. Under current law, regional treatment districts cannot own assets outside of their jurisdictional boundaries. With a number of distressed water and wastewater systems in Kentucky and rising environmental costs, opportunities provided by this legislation to consolidate treatment services can streamline operations, help communities deal with rising costs, and facilitate economic development.

House Bill 513 is straightforward, tool-in-the-toolbox legislation that promotes regionalism, creates more efficiencies in the management of sewer services, and will lead to savings for local governments. GLI provided a vital voice in advocating for this bill.

- Tony Parrott, Metropolitan Sewer District, Executive Director
THE BUDGET & TAX REFORM

GLI went into the 2018 budget session fully aware of the stark fiscal realities facing the state. Nonetheless, the General Assembly managed to make significant investments in priorities vital to the growth of Greater Louisville and implemented several meaningful changes to Kentucky’s outdated tax code.

The 2018 session will be looked back upon as a turning point in Kentucky history, a moment when the Commonwealth finally took critical steps to stabilize its finances and invest in the future. Throughout it all, GLI remained a tireless advocate for the Greater Louisville business community. Whether in the development of the biennial budget, the road plan, or the momentous changes to our tax code and workers’ compensation system, the voices of Greater Louisville business owners, entrepreneurs, and job creators were heard loud and clear.

- House Speaker Pro Tem David Osborne, District 59

Budget Gains

INCREASED SEEK PER-PUPIL FUNDING

The General Assembly increased the SEEK per-pupil funding amount. Increasing the SEEK per-pupil amount is among the most effective and worthwhile investments that the Commonwealth can make in the state’s future and will pay dividends down the road as regions like Greater Louisville continue cultivating a globally-competitive workforce and work to improve the quality of our schools. GLI applauds the General Assembly for making K-12 education funding a top budgetary priority in 2018.

FULL FUNDING FOR STATE PENSIONS

In addition to the structural changes ushered in by Senate Bill 151, perhaps the most important step taken by the General Assembly to address Kentucky’s pension crisis was fully funding public employee retirement systems in the state budget. The combination of fully funding pensions in every future budget cycle and implementing structural changes to our public retirement systems is exactly what Kentucky needs to pull itself out of this crisis.

FULL FUNDING FOR KSBDC

While the Executive Budget earlier in the session proposed cutting funds for Kentucky’s Small Business Development Centers, the final version passed by the legislature gave KSBDC its full allocation. KSBDC has multiple branches throughout the state—including one in downtown Louisville—and offers free consulting services to small business owners. Growing Greater Louisville’s small business community is a top GLI priority, and KSBDC is crucial to achieving that goal.

- David Oetken, Louisville SBDC, Center Director

Budget Losses

CUTS TO HIGHER EDUCATION FUNDING

The budget cut higher education funding 6.25 percent across the board. Some of these cuts were offset by $31 million per year in performance based funding. GLI believes state support of higher education should be fully funded or restored to 2007-2008 per student levels to help keep student costs down and improve the quality of our regional workforce.

FUNDING FOR THE ARTS

Arts funding saw cuts in the 2018-2020 budget. The Greater Louisville community has an arts and cultural scene that competes with the top cities in the world. The Arts Council and other cultural institutions play 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.

CHARTER SCHOOL FUNDING

While House Bill 520 in 2017 authorized charter schools in Kentucky and created a process through which they could be authorized, the legislature missed an opportunity to establish funding guidelines for charter schools. GLI encourages lawmakers to ensure that funding options are available to charter schools in future legislative sessions.

Tax Reform

GLI has long advocated for reforms to Kentucky’s antiquated tax code. While the changes introduced by House Bills 366 and 487 were not fully comprehensive and leave much work still to be done, they are nevertheless steps in the right direction. An initial analysis of House Bills 366 and 487 by the Tax Foundation showed these bills upgrading the competitiveness of Kentucky’s business tax climate from 33rd in the nation to 16th. GLI will focus on reviewing this legislation throughout the 2018 interim in order to fully assess its impact on Greater Louisville businesses and to look for other ways to improve the competitiveness of our tax code.

Several of the provisions introduced by House Bills 366 and 487 were top GLI tax priorities throughout the 2018 session:

• Raising the cigarette tax from 60 cents to $1.10 per pack. An increase to $1.60 would have had a more positive impact on health outcomes, but a 50 cent increase is a positive step forward.
• Lowering the top corporate and individual income tax rates and establishing a fairer, flat rate of 5 percent.
• Adopting a single-factor apportionment formula based on sales.
• Phasing in a new inventory tax credit to effectively repeal the inventory tax without removing a key revenue source for local governments.
• Preserving the Angel Investor Tax Credit program by reintroducing the credit in 2021 with a new annual cap.
• Preserving the Kentucky Jobs Retention Act, one of Kentucky’s most important economic development and jobs retention tools.
HOLDING THE LINE ON ECONOMIC PROGRESS

Several pieces of legislation were filed in the 2018 regular session that sought to roll back the progress made in last year’s session on improving Kentucky’s business competitiveness and growing our economy. GLI held the line in ensuring that this legislation saw no movement.

House Bill 180 (Rep. Scott) and House Bill 205 (Rep. Nelson) proposed repealing charter school legislation passed last year, while House Bill 321 (Rep. Nelson) would have prohibited charter schools from operating in Kentucky until 2020. GLI strongly supported passage of House Bill 520 last year, which made Kentucky the 44th state in the nation to allow for charter schools and increased educational opportunities for students in the Commonwealth.

House Bill 233 (Rep. Marzian) would have reinstated a prevailing wage for public works projects in Kentucky. GLI supported House Bill 3 in the 2017 regular session, which removed the requirement placed on government construction projects to use a government-defined hourly wage. This legislation has helped to lower costs for state and local governments and encourages sustainable and responsible approaches to public works projects.

INTEGRATION OF CITIES IN MERGED GOVERNMENT

Senate Bill 115 (Sen. Seum) would have removed the prohibition on the incorporation of new cities in Jefferson County. Given GLI’s extensive role in shaping a merged Louisville and Jefferson County government almost two decades ago, we are opposed to any legislative measure that would diminish the merger. This bill was withdrawn shortly after it was filed.

CERTIFICATE OF NEED

House Bill 85 (Rep. Wells) would have repealed Kentucky’s Certificate of Need system. GLI encourages the legislature to maintain the current system of Certificate of Need for new medical facilities in the Commonwealth. The current system takes the impacts and benefits of new medical facilities into account to provide health care more efficiently to Kentuckians.

KEEPING COSTS SUSTAINABLE

GLI knows that communities thrive most when public policy is geared toward lowering costs for employers and removing burdensome regulations and restrictions. We opposed any bill that ran counter to this core concept.

House Bill 29 (Rep. Wayne) was an omnibus tax bill which would have increased a number of taxes on regional employers and workers and would have done serious harm to Kentucky’s overall business competitiveness.

House Bill 318 (Rep. Cantrell) would have placed restrictions on the ability of employers to terminate employment and established penalties for violating these restrictions. State law should ensure that employers have the flexibility they need when dealing with difficult and often complex situations such as employee termination.

Senate Bill 17 (Sen. Thomas) and House Bill 303 (Rep. Marzian) were employer mandates that would have driven up costs and ultimately resulted in job losses. Studies have shown that legislation along these lines could remove as many as 112,000 full-time jobs from Kentucky.

House Bill 237 (Rep. Cantrell) would have harmed Kentucky’s overall competitiveness by repealing provisions in state statute that restrict the ability of public employees to strike and engage in collective bargaining agreements with local governments. In addition, the bill would have authorized public employers to make membership in a union a condition of employment.

House Bill 196 (Rep. Marzian) sought to dictate energy resources and business practices for utilities by requiring them to use increasing amounts of renewable energy and to adopt specific energy-efficiency measures and programs.

House Bill 160 (Rep. York) would have imposed new administrative requirements on employers that utilize call centers, made publicly available data and information on these employers, and would also have enforced harsh penalties on businesses that violate new rules on relocating call centers.

Senate Bill 11 (Sen. McGarvey) imposed administrative burdens on telecommunications and internet service providers and exposed these companies to new fines and penalties for failure to properly comply with proposed rules on collecting personally identifiable information.

IMPROVING PERCEPTIONS OF GREATER LOUISVILLE

Greater Louisville Inc. promotes and embraces diversity, inclusion, and equality. GLI strongly opposes any discriminatory legislation or regulation that might hinder any person or organization’s desire to locate or do business in Kentucky or that would jeopardize the state’s ability to attract and retain diverse talent.

House Bill 240 (Rep. Bechler) relates to immigration policy and would have placed an unnecessary burden on employers by requiring them to maintain records of their employees’ legal status. In addition, HB 240 imposes harsh penalties for failure to comply with its provisions.

House Bill 326 (Rep. Hale) was a so-called “bathroom bill.” In 2016, North Carolina enacted similar legislation and an Associated Press study estimated $388 million in lost business per year (over a 12-year span), ranging from expansions, relocations, conventions and tournaments. If Kentucky was to adopt a similar measure, comparable financial impacts can be assumed in scale with North Carolina. Based on recent GDP performance between the two states, Kentucky can project a negative economic impact of $117 million per year.

House Bill 372 (Rep. Petriu) related to legal protections for organizations that refuse services to individuals due to religious objections. Indiana saw significant economic losses after enacting comparable legislation in 2015. The city of Indianapolis alone missed out on $60 million in convention business.
REFORMING KENTUCKY’S LEGAL LIABILITY CLIMATE

Senate Bill 2 and Senate Bill 20 (Sen. Alvarado) would have taken concrete steps to reform Kentucky’s legal liability climate. The need for reform in this area is difficult to overstate. The U.S. Chamber’s Institute for Legal Reform recently ranked Kentucky’s legal climate as one of the top 10 worst in the nation. Senate Bill 2 proposed a constitutional amendment to give voters a choice on whether or not to allow the General Assembly to establish caps on noneconomic damages and to put in place a uniform statute of limitations. Senate Bill 20 was an omnibus medical liability reform bill that would have required affidavits of merit in medical malpractice actions and would have prohibited the use of expressions of sympathy as evidence of an admission of liability.

Other legislation that also could have helped improve Kentucky’s legal liability climate include House Bills 353 and 355 (Rep. St. Onge), which would have updated state laws related to discrimination and civil rights violations. In addition, House Bill 104 (Rep. Koenig) would have aligned state wage and hour laws with federal law and established a new statute of limitations on violations.

NET METERING MODERNIZATION

House Bill 227 (Rep. Gouch) proposed a much-needed overhaul of Kentucky’s outdated net metering statutes. The bill would have protected all energy users in the Commonwealth from the burden of cost shifts by authorizing the Public Service Commission to set fair credit rates for solar energy users. While this bill would have allowed for rate changes for future net metered customers, it would have held harmlessly current solar energy users. Net metering modernization is sorely needed in Kentucky in order to ensure that the costs to maintain our energy grid are shared equitably. GLI will continue advocating for net metering modernization in future legislative sessions.

TALENT ATTRACTION TAX CREDITS

House Bill 540 and House Bill 541 (Rep. Pratt) established tax credits aimed at attracting skilled workers in high need areas to Kentucky. House Bill 540 would have put in place an “earn and learn” credit for employers in approved industries who cover tuition or other educational expenses for their employees. House Bill 541 would have created a tax credit for Commonwealth residents who are employed in high-skill, high-demand industry sector positions. GLI played a key role in developing the concepts behind these incentive programs.

TUITION TAX CREDITS

House Bill 134 (Rep. Carney) and Senate Bill 36 (Sen. Alvarado) would have created tax credits to incentivize contributions to organizations that grant scholarships to low-income families seeking to attend nonpublic schools. To help level the playing field for all Kentucky families, GLI supports providing as many choices as possible when it comes to selecting the kind of education that best serves students, regardless of income.

EXPANDED GAMING

House Bill 229 (Rep. J. Miller) and Senate Bill 241 (Sen. McGarvey) were constitutional amendments offering voters an opportunity to give lawmakers the authority to authorize and regulate casino gaming. This legislation would have led to millions of dollars per year in new state revenues, all of which the bill required to be allocated to paying off Kentucky’s unfunded public pension liabilities for the next twenty years.

For decades now, Kentucky has sent billions of dollars in new revenues across our borders. Between 2005 and 2015 alone, eight out-of-state casinos that follow Kentucky’s border along the Ohio River generated close to $4 billion in tax revenues. Kentucky residents gambling in neighboring state casinos generate upwards of $400 million in taxes annually for those states. House Bill 229 and Senate Bill 241 would have kept those dollars here in the Commonwealth, helping to address the pension crisis, create jobs, and stimulate economic growth.

LOWER THE SMOKING RATE IN KENTUCKY

House Bill 318 (Rep. Moser), Senate Bill 51 (Sen. Alvarado), and Senate Bill 93 (Sen. Adams) targeted Kentucky’s alarmingly high youth and adult smoking rates in Kentucky. Roughly a quarter of Kentucky adults and 17 percent of Kentucky youths are smokers—the second highest rates in the nation. Smoking has serious negative effects on the health of our workforce and drives up costs in our health care system, especially for Medicaid. House Bill 318 and Senate Bill 51 would have prohibited tobacco use on school properties. Senate Bill 93 would have given local governments more control over the use and sale of tobacco products, including the ability to increase the smoking age.

CRIMINAL JUSTICE REFORM

House Bill 396 (Rep. Moser) was a comprehensive criminal justice reform bill. While most states are seeing declines of incarceration rates and state spending on corrections, the opposite trend is taking place here in Kentucky. The Commonwealth has one of the highest incarceration rates in the country, and state spending on corrections is expected to increase by more than half a billion dollars over the next decade. House Bill 396 aimed to reduce the number of non-violent felons in Kentucky prisons, lower recidivism rates, and make our criminal justice system more effective when it comes to addressing substance use disorders and preparing individuals to transition out of prison and into the workforce.

INCREASED RESOURCES FOR INFRASTRUCTURE

House Bill 609 (Rep. Santoro) would have overhauled Kentucky’s approach to funding infrastructure projects by generating much-needed new revenues through an increase in the gas tax and new fees on hybrid and electric vehicles. High-quality infrastructure is vital to attracting new businesses and allowing current businesses to grow and expand. GLI strongly encourages the General Assembly to revisit these concepts in the next session and to take up the challenge of modernizing how Kentucky’s allocates road funding to ensure that regions like Greater Louisville receive an equitable amount of state resources for road maintenance and improvements.

TAX RELIEF FOR PUBLIC CHARITIES

House Bill 162 (Rep. DeCesare) proposed exempting certain properties owned by public charities from state and local property taxes. This exemption would have lowered costs for such organizations and allowed them to remain more focused on their core missions.

WORK READY KENTUCKY SCHOLARSHIP

Senate Bill 231 (Sen. Wilson) would have established in state statute the Work Ready Kentucky Scholarship. Programs like the Work Ready Kentucky Scholarship are vital to helping Greater Louisville develop a competitive and sustainable workforce.
In 2018, GLI continued its advocacy efforts in Indianapolis, focusing on initiatives that contribute to regionalism and economic growth on both sides of the Ohio River. Our dedicated efforts in developing relationships with elected leaders throughout the region will help better serve the 20 percent of GLI members with headquarters or operations in Southern Indiana. GLI strives to promote regional cooperation in order to advance our shared interests in economic development and we are well-positioned for continued success in Indiana.

**INCREASED RESOURCES TO COMBAT THE OPIOID CRISIS**

**House Bill 1007** (Rep. Kirchofer) authorizes the state Division of Mental Health and Addiction to establish nine new centers for opioid treatment and recovery programs. Southern Indiana includes some of the state’s hardest hit counties by the opioid epidemic, which has created numerous health and wellness problems and has negatively impacted workforce participation. GLI encourages officials in the Division of Mental Health and Addiction to consider the needs of the Greater Louisville region in determining where to locate these new programs.

**NURSE LICENSURE COMPACT**

GLI’s top bi-state priority for 2018 was passage of the Nurse Licensure Compact (NLC). Approval of NLC legislation in Indiana would authorize its registered nurses to maintain their in-state licenses and practice in any member state of NLC, particularly Kentucky. A seamless licensure process will benefit nurses and their employers to provide health services on both sides of the river, in addition to addressing the nurse shortage within the region. A total of 29 states are currently members of the most recent version of the Nurse Licensure Compact.

**House Bill 1317** (Rep. Clere) took an important step forward in admitting Indiana into the NLC by authorizing a study to take place during the 2018 interim. The study will focus on the impact of the NLC on the delivery of nursing services in Indiana, including employment opportunities, standards of practice, and access to nurses in bordering states.

PASSAGE OF THE NLC IN INDIANA WOULD IMPROVE EFFICIENCY AND BE A MAJOR COST-SAVER FOR NONPROFIT MEDICAL PROVIDERS LIKE HOSPARUS HEALTH. WITH NURSES PRACTICING IN BOTH KENTUCKY AND INDIANA, BI-STATE PROVIDERS LIKE HOSPARUS COULD SAVE TIME AND THOUSANDS OF DOLLARS IN DUAL LICENSE COSTS, ULTIMATELY ALLOWING US TO DEDICATE MORE ENERGY AND RESOURCES TO OUR CORE MISSION OF PROVIDING COMPREHENSIVE AND COMPASSIONATE CARE FOR PATIENTS AND FAMILIES FACING SERIOUS ILLNESSES.

Gwen Cooper, Senior Vice President & Chief External Affairs Officer, Hosparus Health
Kentucky legislators filed more than 800 bills during the 2018 regular session. Many of them could have significant impacts on the bottom lines of businesses by raising or lowering costs, imposing or removing burdensome regulations, and wisely or unwisely generating and utilizing state resources. GLI’s Advocacy Team works in Frankfort to ensure policies that stimulate economic growth succeed, while policies with high costs to businesses fail.

- **$138,000,000**
  - **ATTEMPT TO REINSTATE PREVAILING WAGE**
  - House Bill 233
  - Would have reinstated government-defined wages for public works projects.

- **$16,000,000**
  - **ANTI-BUSINESS TAX MEASURES**
  - House Bill 29
  - Sought to implement many anti-business tax measures in the 10-county Greater Louisville region.

- **$38,000,000**
  - **PRO-GROWTH TAX INCENTIVES**
  - House Bill 487
  - GLI successfully advocated for the preservation of pro-growth tax incentives like the KJRA and AITC programs.

- **$12,500,000**
  - **WORKERS’ COMP REFORM**
  - House Bill 2
  - First reforms to Kentucky’s workers’ comp system in more than two decades.

- **$10,000,000**
  - **PRO-BUSINESS TAX REFORM MEASURES**
  - House Bill 366
  - Changes to Kentucky’s tax code, such as lowering income tax rates, introducing a single-factor apportionment formula, and eliminating inventory taxes will lower costs and contribute to economic growth.

- **$89,000,000**
  - **LEGISLATION DAMAGING PERCEPTIONS OF GREATER LOUISVILLE**
  - House Bills 326 and 372
  - Based on the impact of similar legislation in other states, Greater Louisville would have lost millions of dollars in decreased tourism and convention business.

- **$2,500,000**
  - **PENSION REFORM**
  - Senate Bill 151
  - Structural reforms to public pensions such as a cap on applying sick days to retirement and level-dollar amortization will bring long-term savings.

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**Total Impact in Greater Louisville**: $306,000,000

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Small Business Development Centers

- **$171,000,000**
  - In incremental sales and private financing for small businesses statewide

- **$5,000,000**
  - In annual state revenues

- **1,500+ New Jobs**
  - Created and close to 200 new businesses started in Greater Louisville in the past decade

- **More Than $100 million**
  - PER YEAR TO REINVEST IN OUR COMMUNITY

By increasing the cigarette tax by 50 cents, House Bill 366 generates more revenues to invest in education, health care, workforce development, and other government services that contribute to economic growth.
## LEGISLATIVE VOTING RECORD

### SENATE

#### DISCLAIMER:
The votes in this record reveal how legislators voted on bills that GLI publicly supported or opposed during the 2018 General Assembly. The voting record includes bills that received a full vote before the entire House and/or Senate. The contents of a bill may be drastically altered during the legislative process. Unless otherwise noted, the legislation referenced in the voting record is based on the final version of the bill receiving a vote. To view the contents of the bills highlighted in this document, please visit the Legislative Research Commission’s website at lrc.ky.gov/Legislation.htm

<table>
<thead>
<tr>
<th>GLI POSITION</th>
<th>SENATE MEMBER</th>
<th>COUNTIES</th>
<th>HB 2</th>
<th>HB 3</th>
<th>HB 4</th>
<th>HB 132</th>
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<th>HB 227</th>
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<th>HB 314</th>
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</tbody>
</table>

*Yes* = Yes  
*X* = No  
+Sponsor* = Co-sponsor  
+ = Co-sponsor  
NV = No Vote  
A = Abstained

MAP OF COUNTIES SERVED BY GREATER LOUISVILLE INC ON PAGE 12
Legislators may also represent counties not listed here

![Senators Morgan McGarvey and Joe Bowen in committee](image1)

![Senators Julie Raque Adams and Mike Wilson in Senate](image2)
### House Members and Counties Served

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Counties Served</th>
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<td>John R.正则路</td>
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<td>Attica Scott</td>
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<td>James Tipton</td>
<td>Bullitt, Spencer</td>
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<td>Russell Webber</td>
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### Counties Served

- Jefferson
- Hardin
- Jefferson
- Jefferson
- Jefferson, Oldham
- Hardin
- Jefferson
- Jefferson, Oldham
- Hardin
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson
- Jefferson

### Voting Record

- **X** = No
- **+** = Sponsor
- **-** = Co-sponsor
- **NV** = No Vote
- **A** = Abstained

### Map of Counties Served

- Map of Counties Served by Greater Louisville Inc on Page 12

Legislators may also represent counties not listed here.
PUBLIC POLICY LEADERSHIP

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

PUBLIC POLICY COUNCIL CHAIRS:
Sherri Craig, KentuckyOne Health
Tim Hagerty, Frost Brown Todd, LLC

BI-STATE COMMITTEE CHAIR:
Doug York, Rodefer Moss

BUSINESS COMPETITIVENESS COMMITTEE CHAIRS:
Jim Dahlem, Dahlem Company
Tom Luber, Wyatt Tarrant & Combs, LLP

EDUCATION & WORKFORCE DEVELOPMENT CHAIR:
Jeff Wafford, UPS

ENVIRONMENT & ENERGY COMMITTEE CHAIR:
Dennis J. Conniff, Frost Brown Todd, LLC

HEALTH CARE COMMITTEE CHAIR:
Gwen Cooper, Hosparus Health

TRANSPORTATION & INFRASTRUCTURE COMMITTEE CHAIR:
Chris Dickinson, Wood Environment & Infrastructure Solutions, Inc.

OUR STRATEGY
In our work to help transform the 15-county/2-state region we call home, GLI is incorporating the aspirations and inspiration of small businesses as well as large companies. We’re considering the needs of those opening their doors last year just as much as businesses operating over a century. Our efforts must nurture homegrown businesses while accommodating companies that relocate to our region. We commit to working towards a supportive business environment for traditional companies such as manufacturers and logistics experts and healthcare professionals right alongside those in the high-tech, digital and creative and entrepreneurial marketplaces.

VISION
A Greater Louisville Region with an exceptional economy where businesses succeed and people thrive.

MISSION
To accelerate economic growth, job creation and business competitiveness in the Greater Louisville Region.

ENGAGE IN GLI ADVOCACY & PUBLIC POLICY EFFORTS:
» Follow @GLIAdvocacy
» Visit GreaterLouisville.com/advocacy

GLI REPRESENTS A 15-COUNTY BI-STATE REGION