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Chamber message on state spending featured on KET program

LEXINGTON, Ky. (Nov. 17, 2009) – Skyrocketing increases in the cost of public employee health benefits are shifting tax dollars away from education and threaten Kentucky’s ability to build a stronger future.

That message, developed as part of the Kentucky Chamber of Commerce’s review of state spending, was delivered Monday night (Nov. 16) to a statewide television audience on Kentucky Tonight, a weekly public affairs program on KET (Kentucky Educational Television).

Chamber President and CEO Dave Adkisson was a panelist on the program, which was prompted by the Chamber’s recent release of research showing that public employee health benefit costs have increased at five times the rate of the overall state budget during the past decade. The Chamber has recommended that public employees be required to contribute \$50 a month to the cost of their individual health coverage. Currently, the state pays 97 percent of that coverage.

Public employee health benefits are one of three major “leaks” in the state budget that the Chamber has identified as areas of unsustainable growth. Spending increases for corrections and Medicaid also have outpaced the growth in the state budget as a whole.

Also appearing on the KET broadcast were Lee Jackson, president of the Kentucky Association of State Employees, and John Wilkerson, deputy executive director of the Kentucky Education Association, both of whom took issue with the Chamber’s research and opposed the proposal requiring employees to contribute more to their health coverage.

Brian Strow, an economics professor at Western Kentucky University, was the final panelist. He described the health plan for state employees and teachers as being far more generous than plans available in the private sector and for other public employees, such as those who work for universities. Strow described the Chamber’s approach as a step in the right direction.

The Chamber’s full research and recommendations are available online at kychamber.com/leakybucket. Information about Kentucky Tonight is available at ket.org.

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