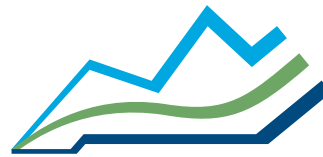


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Kentucky Chamber
Uniting Business. Advancing Kentucky.



A NOTE FROM THE CEO

KENTUCKY MUST MAKE PROGRESS EVEN IN TOUGH ECONOMIC TIMES

"If you're going through hell, keep going."

WINSTON CHURCHILL'S war-time words carry an important message as the grim economic news continues to frame the lives and work of individuals, companies, states and nations. As experts express doubt that circumstances will change for the better any time soon, an understandable response would be to head to the bunkers.

While some might consider such a reaction the only logical course of action, the Kentucky Chamber of Commerce believes that the state can – and should – work to make progress despite the economic crisis. This is not to diminish the magnitude of the challenge facing Kentucky's elected leaders as they work to meet citizens' needs for services in the face of a severe revenue shortfall. Addressing this crisis must be the first item on the state's agenda.



BY DAVE ADKISSON
PRESIDENT & CEO

While the immediate need is being addressed, Kentucky also has an opportunity to strengthen its economic foundation in ways that will improve its ability to respond to the inevitable economic challenges that the future holds.

The Chamber's 2009 legislative agenda, "Bold Steps to Advance Kentucky," focuses on those opportunities by addressing key areas to enhance the state's business environment – education, modernizing government, health care, globalization and energy. With progress in each of these areas, we can ensure that our business environment can continue to support and strengthen the economy of the state and its citizens.

The current economic turmoil is creating a new reality for Kentucky's companies, its citizens and state government. If we can keep going through this "hell" with a focus on creative thinking and innovative solutions, we have a chance to emerge on the other side as a stronger state.



Mike Ridenour, vice president of public affairs for the Kentucky Chamber, confers with Sen. Ken Winters on legislation that would move academically prepared students into higher education early. (Photo by Tim Webb)

MID-SESSION REPORT

Positive business legislation being considered at the Capitol

LEGISLATORS HAVE SPENT the first half of the 2009 session of the Kentucky General Assembly balancing the state budget. In order to do so, a series of spending reductions were paired with a 30-cent increase in the state's cigarette tax and a controversial measure, opposed by the Kentucky Chamber, to impose a sales tax on retail sales of alcoholic beverages. Now that the budget is temporarily balanced, lawmakers will spend the rest of the 30-day session focusing on other matters.

A great number of positive measures are being discussed in Frankfort that could make Kentucky a better place to live and work. Important legislation regarding education, health care, public pensions, economic development and energy matters are under consideration. Moving forward in these key areas can make the 2009 legislative session a success in many ways.

Kentucky's education system can make strides this legislative session to keep the Commonwealth competitive in a global marketplace and increase educational attainment. This session may bring a comprehensive look at school testing programs to ensure our students are gaining the skills needed for success in college and the workforce. Further, legislators are

Continued on page 5

AT A GLANCE

Positive business legislation this session would:



create more focused math standards which are important for the science, technology, engineering and math (STEM) disciplines;

move academically prepared students into higher education early;



grant employers a 50-percent tax credit toward the cost of implementing an employee wellness program;



provide employers with the tools necessary to implement smoking cessation programs without fear of litigation;

encourage schools to implement physical fitness programs to encourage healthy activity among students; and

remove Kentucky's default statute of limitations for wrongful termination lawsuits.

10 BILLS TO KEEP YOUR EYE ON

The Kentucky Chamber is tracking this and other legislation during the 2009 General Assembly. Call 1-800-372-7181 to leave a message for your legislators.

Economic Development Incentives - HB 229 (Thompson) would overhaul the state's incentive programs. Among other incentive changes, it includes an income tax credit program for employers who hire at least five new employees and who pay qualifying tuition expenses for those employees. Further, it places more focus on small businesses, retooling manufacturing facilities and technology companies.

Small Business Tax Incentives - HB 26 (Pullin) would develop a small business development credit program within the Division of Small Business Services to assist new or existing small businesses in creating jobs.

CATS Assessment - SB 1 (Winters) would revamp the Commonwealth Accountability Testing System, known as CATS. Among other things, the proposed new system would combine a test like the ACT, called a norm-referenced test, with multiple-choice questions based on the content that is taught in Kentucky schools, known as the core content.

Early Graduation - SB 3 (Winters) would promote early graduation for high school students who fulfill rigorous academic requirements. The bill allows for students to continue on to either a technical and community college or a four-year university with financial aid from the state.

Math Standards Revision - SJR 19 (Kelly) directs the Kentucky Department of Education to revise the math content standards and assessments in order to narrow and specify previously broad-based standards.

Energy Diversification - SB 13 (Leeper) and HB 376 (Rudy) would remove the current prohibition on the commencement of construction of a nuclear electric generating plant until the federal government implements plans for construction and opening of a permanent waste disposal facility for high-level nuclear waste generated from nuclear power production.

Brownfield Redevelopment - SB 27 (Leeper) establishes the brownfield redevelopment fund in the State Treasury and specifies that the funds shall be used to make grants and loans to governmental agencies for brownfield assessments, corrective action and demolition or other actions to restore the property to beneficial use.

Energy Incentives - SB 56 (Jones) would expand availability of energy incentives for alternative fuel and renewable energy facilities to include all new coal-fired power plants and repowering of existing plants to increase power generation by 15 percent or to reduce carbon emissions. HB 285 (Adkins) amends existing law regarding tax incentives for a clean coal electrical generation power plant pilot project if federal incentives become available.

Wellness - HB 111 (Tilley) would provide an employer tax credit for up to 50 percent of the costs of implementing an employee wellness program.

Physical Fitness - SB 6 (Stine) and HB 11 (Wuchner) would require schools to include 30 minutes per day or 150 minutes per week of physical activity in the regular curriculum to encourage healthy activities by children.



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Chamber announces new board leadership — Bill Jones named chairman-elect

THE KENTUCKY CHAMBER of Commerce board of directors has named U.S. Bank Community Division Manager Bill Jones chairman-elect of the state's leading business organization. Headquartered at U.S. Bank in Paducah, Jones oversees operations in Kentucky, Tennessee, Arkansas and Ohio.

"Bill has demonstrated outstanding leadership during the past few years," said Kentucky Chamber President and CEO Dave Adkisson. "It's no surprise that his peers elected him to such a prestigious position in the state's largest business organization." Jones' new role with the Kentucky Chamber comes after the resig-



Bill Jones

nation of 2009 Chair-Elect Joan Coleman who recently retired from her post as president of AT&T Kentucky. A longtime Kentucky Chamber board and executive committee member, Jones was also named the Chamber's interim treasurer due to the departure of Treasurer Craig Grant. Grant, formerly regional president of PNC Bank for Kentucky and Indiana, resigned from the board after accepting a position with PNC Bank in Florida.

Deb Moessner, president of Anthem Blue Cross and Blue Shield of Kentucky, has been elected to fill the vacancy Jones leaves on the executive committee as vice chair of business education.

Welcome new members!

Please help us thank these companies for investing in the Kentucky Chamber's mission by giving them your business.

PRESIDENTIAL ADVISOR
Alpha Natural Resources

STAKEHOLDERS
General Cable Company
Ohio Valley Aluminum Co.
Republic Bancorp, Inc.
Schwan's Global Supply Chain, Inc.

GENERAL MEMBERS
ADP
Allegra Printing & Imaging
American Roofing & Metal Amstar, Inc.
Ashland Terrace
Ben & Elmer Tractor Company, Inc.
BosseMattingly Constructors, Inc.
Brown & Brown
Builders Metal Supply, Inc.
Bukoo Inc.
Capital Family Physicians
Caudill Seed Co
Century 21 Brooks Wells Enterprises
Charbon Contracting, LLC
Chuck's Auto Body, Inc.
City of Dayton
City of Taylor Mill
City of Wilder
Clay Building Supply
DecoArt, Inc.
Drs. Sasses, Davis & Iglehart
Eugene E. Jacob MD PLLC
Everyday Matters, LLC
F. W. Owens Company, Inc.
Ford Brothers, Inc., Somerset
Grace Fellowship Church
Greensburg-Green County Chamber of Commerce
Greenwell-Chisholm Printing
Grover Tire Company, Inc.
Hamlin & Kersey Home Center
Harry Grau & Sons, Inc.
Hendrick Screen Company
Hyland, Block & Hyland, Inc.
Ideal Tool & Manufacturing, Inc.
Inplast Industries USA, LLC
Jefferson Special Police
Kentucky Cardiovascular Consultants, PLLC
Lexington Coffee and Tea
Lexington Tree Service
Lexington Truck Sales
Lloyd Bilyeu Construction Company, Inc.
Madison Bank
Nimlok Kentucky
Northside Pediatrics PSC
Ohio County Industrial Foundation
Oldham County EMS
Premier Home Care, Inc.
R. A. Ross & Associates Inc.
Right Management, Inc.
Ryser's, Inc.
Smith, Goolsby, Artis & Reams, P.S.C.
Solution Dispersions
Stanley Steamer Carpet Cleaner
State Journal
Sturgeon Insurance Agency
Sutherland & Associates
The Heart Group
The Louisville Company LLC
The Raintree Group
Trailblazers, Inc.
Unistar LLC
Waste Management of Kentucky
Womack-Carter Options

Len Peters, secretary of the Energy and Environment Cabinet, and Rep. Jim Gooch discuss energy and environment at the Chamber's Dec. 19 Policy Conference.



Policy Conference Video available online

VISIT THE KENTUCKY Chamber's Web site, www.kychamber.com, to view videos of the Policy Conference, held Dec. 19 in Lexington. Gov. Steve Beshear delivered the keynote address, outlining his goals for 2009, and key legislators and administration officials spoke during panel discussions throughout the day. Topics addressed were health care and insurance, environment and energy, human resources and labor, and education.

STAFF ANNOUNCEMENTS

SHEILA BOARDMAN has joined the staff as Membership Development Manager.

CHRISTY COE has been promoted to Director of Member Services.

MICAH JOHNSON has been promoted to Operations Manager.

MANDY SCHOTT has joined the staff as Membership Development Manager for the Lexington market.

JENNY SHULHAFFER has joined the staff as Membership Development Manager for the Louisville market.

Chamber holds conference call on Employee Free Choice Act

IN LATE JANUARY, the Kentucky Chamber of Commerce originated a conference call with chamber executives from key U.S. House districts throughout the country to discuss the Employee Free Choice Act (EFCA) — also known as "Card Check Legislation." Listeners discussed the strategy chambers must employ to successfully lobby against the EFCA.

Bill Miller, senior vice president for Political Affairs and Federation Relations and the national political director for the U.S. Chamber of Commerce joined the call to provide the latest updates from Washington, D.C. on the EFCA.

According to the U.S. Chamber's statistics, labor groups spent approximately \$400-500 million during the 2008 election cycle to elect a Congress that would implement their legislative agenda with the EFCA as their top priority. He reminded the listeners to get involved on the

grassroots level and join the U.S. Chamber in its efforts by visiting the Chamber's "Virtual March on Washington" or its "Vote for Business" Web sites. A vote on the EFCA is expected to take place in the U.S. House of Representatives before the February recess of Congress.

The Kentucky Chamber will conduct a seminar entitled "Remaining Union-Free in the New Legal and Economic Environment" which contains a session on EFCA. Registration is limited to management personnel of business organizations only. Company identification is required. The Chamber reserves the right to refuse participation in the program to anyone other than a management representative.

The seminar is scheduled for March 5 in Bowling Green. To register, contact Casey Adams by e-mail at cadams@kychamber.com or by phone at 502-848-8727.

New FMLA postings available through the Chamber

NEW FMLA REGULATIONS became effective Jan. 16, 2009, and provide guidance for the new Military Exigency Leave, Military Caregiver Leave and attempts to provide clarity to numerous issues raised for the past 15 years.

The recent updates are reflected on the Chamber's federal labor law posters, which are now available. To place your order, visit us online at www.kychamber.com or contact Casey Adams at cadams@kychamber.com or 502-848-8727.

Kentucky Chamber salutes our Key Investors!

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Gibbs Die Casting Corporation
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Kentucky Community and Technical College System
Kentucky League of Cities, Inc.
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Owensboro Medical Health System
Publishers Printing Company
St. Luke Hospital
Steel Technologies, Inc.
Stites and Harbison PLLC
Somerset Houseboats
Sumitomo Electric Wiring Systems
Trane
Trim Masters Inc.

Fifth Annual Best Places to Work in Kentucky award winners announced

THE KENTUCKY SOCIETY for Human Resource Management (KYSHRM) State Council, in conjunction with the Kentucky Chamber of Commerce, announces the winners in the fifth annual Best Places to Work in Kentucky competition. The program is a multi-year initiative designed to motivate companies in the Commonwealth to move their workplace environments toward excellence.

Winners from across the state have been selected in two categories: small/medium-sized (25 to 249 employees) and large-sized companies (250 employees or greater). The winner's rankings will be announced at an awards dinner April 21 at the Lexington Convention Center. To register, contact Casey Adams at 502-848-8727. For event sponsorship, contact Andrea Flanders at aflanders@kychamber.com.



Small/Medium Companies

Air Hydro Power
Appalachian Wireless
Atmos Energy Corporation
Benefit Insurance Marketing
Big Ass Fans Company
Bluegrass Community Hospital
Bottom Line Systems, Inc.
Chilton & Medley PLC
Crowe Horwath LLP
Dean, Dorton & Ford, PSC
Employment Plus, Inc.
Fellon-McCord & Associates
Fischer Homes
Green River Area Development District
Independence Bank
Kentucky Employers' Mutual Insurance
Kingsbrook Lifecare Center
KORT Kentucky Orthopedic Rehab Team
KPMG LLP
Lockett & Farley
Messier-Bugatti USA
Middlefork Financial Group Inc.
Mountjoy & Bressler, LLP
Paychex, Inc.
Software Information Systems, LLC
Sturgill, Turner, Barker & Moloney, PLLC
Town & Country Bank and Trust Co.
Traditional Bank
Trilogy Health Services, LLC
Woodward, Hobson & Fulton, L.L.P.
Your Community Bank

Primary Location

Louisville
Ivel
Owensboro
Lexington
Lexington
Versailles
Crescent Springs
Louisville
Louisville
Lexington
Frankfort
Louisville
Crestview Hills
Owensboro
Owensboro
Lexington
Ashland
Louisville
Louisville
Louisville
Walton
Hyden
Louisville
Louisville
Lexington
Lexington
Bardstown
Mt. Sterling
Louisville
Louisville
Louisville

Large Companies

Baptist Hospital East
Central Bank & Trust Co.
Central Baptist Hospital
Clark Regional Medical Center
Edward Jones
Fifth Third Bank
First Corbin Long Term Care, Inc.
First Federal Savings Bank
Flaget Memorial Hospital
Frankfort Regional Medical Center
J.J.B. Hilliard, W.L. Lyons, LLC
Kindred Healthcare, Support Center
King's Daughters Medical Center
National Patient Account Services
Norton Healthcare, Inc.
Saint Joseph Health System
Somerset Community College
Stites & Harbison PLLC
Stock Yards Bank and Trust
Stoll Keenon Ogden PLLC
SurePoint Lending
Sysco Louisville, Inc.
Wyatt, Tarrant & Combs, LLP
Zappos.Com, Inc.

Primary Location

Louisville
Lexington
Lexington
Winchester
Campbellsville
Lexington
Lexington
Elizabethtown
Bardstown
Frankfort
Louisville
Louisville
Ashland
Louisville
Louisville
Lexington
Somerset
Louisville
Louisville
Lexington
Louisville
Louisville
Louisville
Louisville
Shepherdsville



Images from the Fourth Annual Best Places to Work in Kentucky ceremony. Photos by Tim Webb

Track legal issues at kycommonsense.org

KENTUCKY SUPREME COURT Chief Justice John D. Minton recently reported there were 1.23 million new cases filed in Kentucky trial courts in the fiscal year ending June 20, 2008 — an increase of 40,000 over the previous year. That's one new lawsuit per year for every 2.5 adults in the state.

All that litigation is costing Kentucky's economy as much as \$3.5 BILLION every year.** The Partnership for Commonsense Justice, a non-profit coalition of individuals, businesses, and business groups including the Kentucky Chamber, is focused on the need for fairness, excellence and efficiency in Kentucky's legal system, tracks this kind of information on its newly re-launched Web site, www.kycommonsense.org.

The Partnership works to keep Kentuckians informed of the important role judicial issues play in Kentucky's ability to build and maintain a vibrant economy. The PCJ Web site has information on state and national judicial systems and will be updated regularly to provide information about the rising cost of litigation in our state and the nation and the extremely adverse impact an inefficient system can have on the state economy.

To receive news alerts and email updates from the Partnership for Commonsense Justice, visit the Web site and register for the free service. You can also become a member of the Partnership and support efforts to make Kentucky's judicial system more efficient.

For additional information about the Partnership for Commonsense Justice or to contribute information to the Web site, contact Doug Alexander, executive director at 859-373-0333, P.O. Box 23355, Lexington, KY, 40523-3355.

**The Manhattan Institute for Policy Research Report – Global Justice, Lower Cost – No. 11, December, 2008 reports that the direct cost of tort litigation in the United States was \$247 billion in 2006 or \$825 per person. There are 4,173,405 people in Kentucky according to United States Census Bureau estimates, July 1, 2008.

Education group releases preliminary report

THE GOVERNOR'S WORK GROUP on Higher Education, comprised of 25 prominent education, policy and business leaders, completed its first of two reports in mid January. The report lists a number of recommendations Gov. Steve Beshear could consider in the near future to improve efficiency and reduce college costs within current budget constraints. Many of the recommendations echoed those of the Kentucky Chamber's 2007 study on postsecondary education. Further, the report identifies various issues the work group should consider as they continue their work.

Recommendations to the governor included urging businesses to provide educational benefits and assistance, encouraging Congress and the federal government to simplify the Free Application for Student Aid (FAFSA), and launching a public service campaign to bring

renewed public awareness to the importance of a college education.

Suggestions for further research consisted of a review of financial aid programs, transfer of credits, instructional cost, time and credit to degree, and business education incentives and experiential learning credit.

The work group is comprised of several members of the Kentucky Chamber's Task Force on Postsecondary Education, including Vic Staffieri, E.ON. U.S., who chaired the task force.

The work group will continue meeting to develop the second report which will take a broader look at the long-term issue of how best to create stable state funding for public higher education. The Chamber has been and will remain engaged in the discussions to forward a top Chamber priority of improving the educational attainment of Kentuckians.

Seeing Red?

Call the Small Business Navigator

The Small Business Navigator helps Kentucky's small business owners navigate the sometimes tricky system of regulations, laws and licensing requirements.



The Small Business Navigator is available during regular business hours, five days a week at (502) 330-5492 or by e-mail at sbnav@kychamber.com.

UPCOMING KENTUCKY CHAMBER SEMINARS & EVENTS

Seminar	Price	Date	Location
Remaining Union-Free	\$299/\$399*	February 27, 2009	Lexington
6 th Annual Ky. Workers' Compensation Conference	\$495/\$595*	March 2-3, 2009	Lexington
Remaining Union-Free	\$299/\$399*	March 5, 2009	Bowling Green
Supervising and Managing People Seminar	\$595/\$695*	March 18-19, 2009	Lexington
FMLA Update	\$299/\$399*	March 25, 2009	Lexington
FMLA Update	\$299/\$399*	April 13, 2009	Louisville
5 th Annual Best Places to Work in Kentucky	**	April 21, 2009	Lexington

* = Member/Non-Member Price

** = Individual seat/Table of 10

For more information on any of the programs listed above, or if there is a program you would like to see offered, please contact Casey Adams by phone at 502-848-8727 or by e-mail cadams@kychamber.com. You can also obtain more details by visiting our Seminar & Events page at www.kychamber.com.

Kentucky Chamber Day

“The Kentucky Chamber has transformed itself into a progressive and conservative business organization that is looking out for the best interest of Kentuckians and is pushing forward an aggressive agenda to make this state what we all want it to be.”

— Gov. Steve Beshear



(1) Gov. Steve Beshear

(2) Nick Rowe, Sen. Charlie Borders, and John-Mark Hack, Kentucky American Water

(3) Kentucky Chamber Chairman Darby Turner, Greenebaum Doll and McDonald

(4) Rep. Jody Richards, Neva Richards and Kentucky Chamber Manager of Public Affairs Allyson Hamilton

(5) Riggs Lewis, The Rotunda Group, Kentucky Chamber Vice President of Public Affairs Mike Ridenour, and Rep. Adam Koenig



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(6) Kentucky Chamber Director of Public Affairs Bryan Sunderland, Bob Hammond, Ashland Alliance and Mary Kay McGinnis-Ruark, Veolia Industrial Services

(7) Kentucky Chamber Manager of Public Affairs Tyler Campbell and Tim Hagerly, Frost Brown Todd

(8) Ed O'Daniel, O'Daniel Law Office, Sen. Walter Blevins and Cheryl Stegall, Point Six Wireless



8

State budget, economy focus of Chamber Day

FOR THE SECOND YEAR in a row, speeches from Kentucky's legislative leaders at Kentucky Chamber Day focused on the state's \$456 million budget shortfall. More than 1,100 business and civic leaders from all corners of the Commonwealth were on hand during the Jan. 8 event, sponsored by Anthem Blue Cross and Blue Shield, to hear what house and senate leaders, as well as Gov. Beshear had to say.

"This unprecedented time in our state is a time for all 138 members of the General Assembly to lay aside politics, roll up our sleeves and make the difficult, but absolutely necessary, decisions to provide a better Kentucky for our children and grandchildren," said House Minority Leader Jeff Hoover.

In addition to addressing the budget crisis, Senate Minority Leader Ed Worley said that Kentucky's high incarceration rate, as well as incentive programs and tax codes for businesses need attention. Worley, a small business owner, said, "We need to look at incentivizing the creation of jobs or the retention of jobs in existing Kentucky businesses."

While Senate President David Williams addressed a number of hot-button issues making headlines in the Commonwealth, he said that legislative leaders "can't just focus on the budget." The Burkesville senator said the pension issue must also receive attention. "The real test will be whether we'll have the political will to make the actuarially required contributions to make our pension plan sound," said Williams.

Gov. Steve Beshear concluded the evening with a far-reaching speech that congratulated the Kentucky Chamber's business agenda and other initiatives to unite business and advance Kentucky.

"Under the leadership of Dave Adkisson and of chairmen like Darby Turner and others in the past few years, this organization has transformed itself into a progressive and conservative business organization that is looking out for the best interest of Kentuckians and is pushing forward an aggressive agenda to make this state what we all want it to be," said Beshear. "I want to congratulate you on this agenda ... So many things that you are advocating as the future of this state are the things that I am also advocating."

VIEW VIDEO FROM THE EVENT AT KYCHAMBER.COM



House Minority Leader Jeff Hoover



Senate Minority Leader Ed Worley



Senate President David Williams

(9) Kentucky Chamber President and CEO Dave Adkisson and University of Kentucky President Lee Todd

(10) Sen. Gerald Neal, and Eric Jackson and Kevin Shurn, both of Maintenance Co.

(11) Chamber Chairman-elect Bill Jones, U.S. Bank, and Craig Guess, Vanguard Contractors

(12) Norton Suburban Hospital President John Harryman

(13) Kentucky Attorney General Jack Conway and Tim Corrigan, The Rotunda Group

(14) Former Agriculture Commissioner Billy Ray Smith and Rep. Tommy Thompson

(15) Bob Quick, Commerce Lexington, and Kentucky Chamber Chairman Darby Turner, Greenebaum, Doll and McDonald

(16) Kentucky Chamber President and CEO Dave Adkisson, Crystal Gibson and Kelly Swartz, both of Citi Florence

(17) Bill McCreary, National City Bank



Kentucky Chamber Manager of Public Affairs Allyson Hamilton, Director of Public Affairs Bryan Sunderland and Sen. Ken Winters discuss early high school graduation legislation at the Capitol Annex.

FROM THE FRONT

Legislation would create incentives for wellness programs

considering new, more focused math standards which are important for the science, technology, engineering and math (STEM) disciplines critical to Kentucky's ability to compete in the global economy. Also under consideration is legislation to move academically prepared students into higher education early. This could increase the number of college graduates the state desperately needs.

Health care is another area where the General Assembly can make great progress this session. Legislation introduced this session would grant employers a 50 percent tax credit toward the cost of implementing an employee wellness program. Other legislation would provide employers with the tools necessary to implement smoking cessation programs without fear of litigation. Finally, under proposed legislation before the General Assembly, schools will be encouraged to implement physical fitness programs to encourage healthy activity among students. These pieces of legislation, all working to promote good health, will help reduce long-term costs by focusing on keeping Kentuckians healthy.

Kentucky has the opportunity to make progress in the area of economic development through improved incentives for existing, new and small business. Legislators can consider bills that will improve our economic development incentive programs in the state to attract and retain jobs. Other legislation under consideration would provide innovative approaches to fund large transportation projects and to maintain and develop the infrastructure necessary for competitive economic development in the state.

Kentucky must remain competitive in the global economy, and legislators should seek to address laws that place our state at an economic disadvantage. Legislation filed this session would seek to remove Kentucky's default statute of limitations for wrongful termination lawsuits. Currently, Kentucky's default statute of limitations is five years — meaning that any employee wishing to file a wrongful termination lawsuit has five years from the date of their termination to file suit against their employers. Kentucky's surrounding states limit this time period to two years. Legislators should seek to address this obvious disparity in employment law.

In order for Kentucky to expand its role as an energy leader, legislators can adopt legislation that will improve Kentucky's future clean energy options. With federal carbon-management legislation likely to pass during President Obama's administration, Kentucky's future energy demands must be met with a combination of energy produced from clean coal and nuclear. A positive step would be to pass energy legislation that would seek to remove the prohibition on nuclear energy and move the state in the right direction on meeting its future energy demands.

While over 800 pieces of legislation have been introduced for consideration, less than ten pieces of legislation mentioned above can make a profound difference in the lives of Kentuckians. These policies represent the top five goals of the Kentucky Chamber's Business Agenda: Bold Steps to Advance Kentucky available on the Chamber's Web site, kychamber.com.



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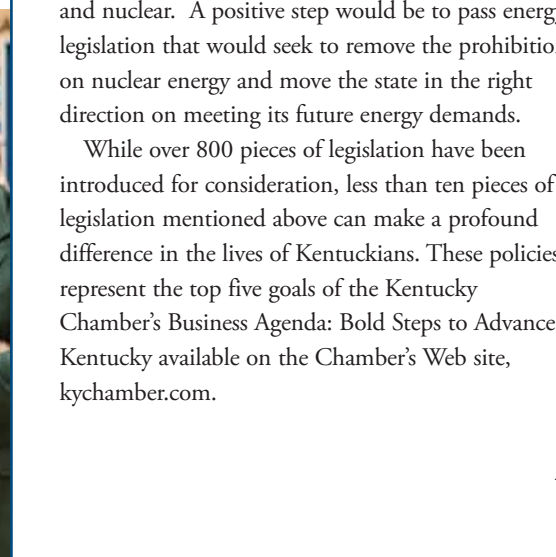
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Consider sponsoring a Kentucky Chamber event in 2009

THINKING ABOUT CUTTING BACK DUE TO THE ECONOMY? Think again! In a study of U.S. recessions, McGraw-Hill Research found that business-to-business firms that maintained or increased advertising expenditures during the 1981-82 recession averaged significantly higher sales growth than those that eliminated or decreased advertising.

WHY SPONSORSHIPS? Sponsorships offer the unique opportunity to stand toe-to-toe with your target audience; to tell them why they should choose you above your competitors at a time when building relationships is crucial. Not only will it provide networking, advertising and marketing opportunities, but also will create awareness and access to a live audience.

WHY KENTUCKY CHAMBER SPONSORSHIPS? Simply put ... audience composition. Our members represent some of the regions' most important and influential corporate leaders, mid-level managers, small business owners, entrepreneurs, young professionals, educators, political figures and more. The Chamber's mission is to unite business and advance Kentucky, from Paducah to Pikeville. In fact, our members hail from 116 of Kentucky's 120 counties,



Kentucky Chamber sponsorships offer the unique opportunity to stand toe-to-toe with your target audience, as Anthem Blue Cross and Blue Shield did during our recent Kentucky Chamber Day event.

representing all industries – manufacturing, wholesale and retail trade, construction, agriculture, finance, and public administration. If you're looking to make an impact with the best and brightest businesses in the state, look no further.

For more information on 2009 sponsorship opportunities, please contact Andrea Flanders, sponsorship development manager at 502-848-8723 or aflanders@kychamber.com.

Cut costs with Chamber member benefits

BECAUSE DEVELOPING and maintaining a healthy, thriving business community is our main goal, here's a quick analysis of how Kentucky Chamber member benefits can be applied directly to your everyday costs of business. Are you taking advantage of all your membership offers?

To find out how you can take advantage of our many membership offers, call 502-695-4700, e-mail membership@kychamber.com or visit www.kychamber.com.

Cost of Business	Non-Members	Members
Lobbying	A basic, monitoring contract with one lobbyist starts at \$20,000/year	The lobbying expertise of a full lobbying team: included in cost of Chamber membership
Advertising	A single 8 1/2 x 11 full-color ad in a regional metro newspaper: \$4,000 to \$7,000	A single 8 1/2 x 11 full-color ad in the Chamber newsletter that hits a targeted audience statewide, 90% of which are involved in company purchase decisions: \$2,400 to \$2,800
Office Supplies	An average \$300 per office employee per year.	By participating in the Office Depot program, Kentucky Chamber members save an average \$54 per office employee .
Employee Health Insurance	Insurance quotes vary depending on size of company.	<ul style="list-style-type: none"> • 2% discount per year on premium for medical, dental and vision coverage • 8.5% discount on life, dependent life and short-term disability coverage • 3.5% discount on long-term disability
Payroll & HR Services	Costs vary depending on company size. And according to Forrester Research, employers spend 60-80% of their human resource efforts on administration.	A 15% discount on all Paychex services. Plus, Paychex can reduce your administrative tasks by up to 30%.
Employee Training	According to Training Magazine's 2008 Industry Report, companies spent an average \$1,075 per learner .	25% discount on all Kentucky Chamber seminars and publications.

National workplace flexibility award open to Kentuckians

DOES YOUR COMPANY offer any type of flexible work arrangements for employees or does your workplace support a culture of workplace flexibility? If so, be sure to take advantage of an exciting opportunity for your organization to be recognized nationally for flexible and effective workplace practices. All Kentucky employers are now eligible to apply for the Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility.

The awards are part of When Work Works, a national, community-based initiative that highlights the importance of workplace flexibility. When Work Works in Kentucky is guided by a coalition of public and private partners, including the Kentucky Chamber of Commerce, who are interested in helping Kentucky employers thrive in the global economy. The Institute for Workplace Innovation (iwin) at the University of Kentucky has been chosen to lead the statewide When Work Works initiative.

For employers to apply for the Alfred P. Sloan Awards, they must complete a short online survey that takes about 20 minutes to complete. Applicants are benchmarked against national employer data, and the top 20 percent will go on to participate in a survey designed for their employees. There is no cost to apply. The application deadline is April 6.

For more information, visit www.iwin.uky.edu.



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A cheerless report card



Lowell Reese is editor and publisher of *Kentucky Roll Call*, a behind-the-scenes newsletter on Kentucky politics since 1990. For subscription information, call toll free, 1-877-875-7797.

AN EDITORIAL WRITER at the Lexington Herald-Leader recently reminded us “Kentucky is a very poor state.” Okay, but how do they know that for sure? Well, they know it because there is an economic measurement called “per capita personal income.” Last year, Kentuckians had \$124 billion in income, on average, \$30,787 per person. In the United States, the average per person was \$38,564, a 20 percent discrepancy.

Two months ago, the U.S. Bureau of Economic Analysis released personal income figures for 2007. It shows that Kentucky’s economic performance had dropped from 80.31 percent of the U.S. average the year before to 79.83 percent, a fraction below what it was in 1975 — 25 years before the Kentucky Education Reform Act of 1990 was enacted.

In 1975, when Kentucky’s per capita personal income was 79.96 percent of the U.S. average, we ranked 46th among the states, ahead of Alabama, South Carolina, Arkansas and Mississippi, respectively. Since then, Alabama and South Carolina have surpassed us. Today, we rank 45th among the states, ahead of New Mexico, Arkansas, Utah, West Virginia and Mississippi, in that order.

Most experts in the field of economic development agree that in the long term the only way for a state to grow income is through education. So, something’s amiss here.

In his State of the Commonwealth address on Feb. 4, Gov. Steve Beshear said it’s “time for a thorough review” of KERA. While the new BEA report probably didn’t precipitate the governor’s decision, the two events are connected; education and the economy are like two wheels on an ox cart — they have to roll forward together. A problem on one side affects the other.

We know there are structural problems in Kentucky’s economy, which may be more to blame for our economic plight than low education attainment. Either way, the problems can only be fixed through favorable public policies enacted by the General Assembly, with community support. And that’s not going to be easy, for we live in a culture where the importance of education is not an urgent matter and economic illiteracy is pervasive.

The federal government began tracking per capita income growth at the state level in 1929. At that time, Kentucky’s per capita income was \$388, and we were ranked 40th among the states. South Carolina had the bottom slot at \$267. At that time, we were also ahead of Alabama, Georgia, North Carolina and Tennessee, but all

of them have soared ahead of us. Even Mississippi has beaten us over the past 78 years, in terms of closing the gap between the rich and poor states. From 1929 to 2007, Mississippi gained 34 percentage points in the rankings to Kentucky’s 24.2 percent gain.

Kentucky is in the southeast region for economic statistics. We did not join the South in the Civil War, but today we compete for business with some of those states. Of the 10 states in the “Old Confederacy” — Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas and Virginia — every one of them has out-performed Kentucky since 1929 in closing the income gap.

Not all of Kentucky is poor. The U.S. Department of Agriculture has a nine-category code system that it uses to identify each of the nation’s 3,111 counties as urban, rural or very rural. Kentucky has 35 urban counties, five of which have incomes equal to the national average or above. And those five counties — Fayette, Jefferson, Kenton, Oldham and Woodford — make up 29 percent of the state’s population. The average income in those five counties is 106.5 percent of the U.S. average. So, about one-third of Kentuckians are doing okay.

The rest of the urban counties in Kentucky are below national parity. The situation is worse in the rural counties and really bad in some of the state’s 62 “very rural” counties — of which half are not in Eastern Kentucky.

In 1929, the average Kentuckian’s income was 55.59 percent of the average American’s. Today, in 24 rural and very rural counties in Kentucky, the combined average income is just 51.36 percent of the U.S. average — below what it was for the state in 1929. That is to say, the people in 20 percent of Kentucky’s counties have income today that is below the level for the state in 1929, believe it or not.

Sure, quality of life counts for eight percentage points, and that lifts McCracken County to the national parity plateau — to join Fayette, Jefferson, Kenton, Oldham and Woodford. But still, two-thirds of Kentuckians are living below parity.

A lot of people are working hard to make life better in Kentucky. A higher education level is the consensus remedy. While no one has all of the answers, this much is certain: It’s going to take leadership and political courage — and transformational, not incremental, ideas — to rise to the American level and compete in the global economy.



Kentucky Chamber
Uniting Business. Advancing Kentucky.

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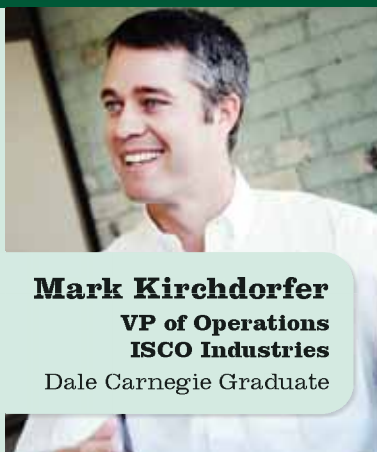
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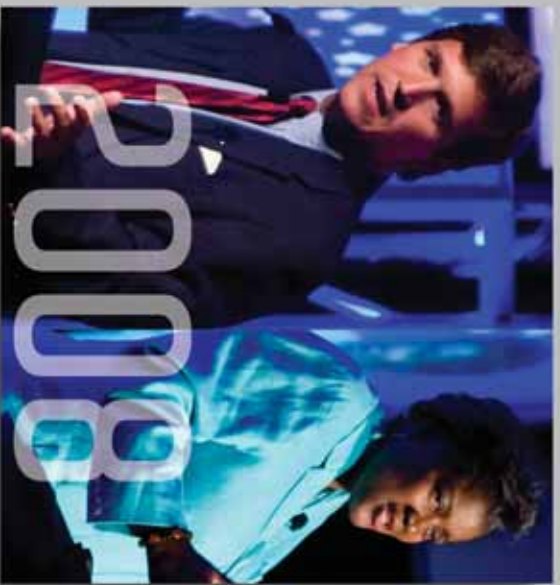
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