

MAY 10, 2010

INSIDE THIS ISSUE

- 3 ADKISSON CONGRATULATES PAINTSVILLE, JOHNSON CO. SCHOOLS
- 4 SEMINAR TO OUTLINE DETAILS OF HEALTH CARE REFORM
- 10 BEST PLACES TO WORK IN KENTUCKY RANKINGS ANNOUNCED



Kentucky Chamber
Uniting Business. Advancing Kentucky.



KENTUCKY CHAMBER CHAIRMAN BILL JONES



GOV. STEVE BESHEAR

Chamber cuts ribbon on the 'front door to Frankfort'

THE KENTUCKY CHAMBER of Commerce's newly renovated and expanded facility is officially open for business. On Tuesday, April 20, Chamber leaders, Gov. Steve Beshear and more than 100 Kentucky business leaders gathered for the ribbon-cutting and dedication of the building that will serve as the business community's "front door to Frankfort."

"In 2006, the Chamber's board of directors realized a need to expand the existing headquarters," said 2010 Chairman Bill Jones of U.S. Bank. "There was no room for staff growth, the technology was outdated, and there was very limited meeting space. I'm glad to say that these issues are now in the past."

The \$3.2 million facility, funded, in large part, by donations and sponsorships from members, is now 17,000 square feet – a 70 percent increase in space. The building features state-of-the-art technology, including the AT&T Videoconferencing Center. The Chamber will be linked to the state's videoconferencing network, through the Commonwealth Office of Technology, which includes every state university

and community and technical college, every health department and some school systems.

In addition to cutting-edge technology, the building features art pieces commissioned by Kentucky artists, including four large paintings that portray the four seasons in the Commonwealth by John Lackey; panoramic photos by Lexington photographer Jeff Rogers; and paintings made with layered coal by Darrell

Ishmael, manager of corporate security and continuity at East Kentucky Power and a past Kentucky Chamber board member.

The majority of the contract work done on the building was done by Kentucky companies and Chamber members.

"We were glad to provide Kentucky business with an opportunity to work on this project during these tough economic times," said Chamber President and CEO Dave Adkisson.

"We hope the Kentucky Chamber's new headquarters in Frankfort reflects our optimism and bold direction and will serve as a symbol of a bright future for Kentucky's business community," said Jones.

Included with this issue:
"The Front Door to Frankfort"
Commemorative Edition,
published by the Kentucky Gazette

JULY 12-13 IN LOUISVILLE

Ted Koppel to keynote Economic Summit and Annual Meeting

ON JULY 13, Ted Koppel, veteran journalist and a former anchor of ABC's *Nightline*, will deliver the keynote address during the Kentucky Chamber of Commerce's fifth annual Economic Summit and Annual Meeting, presented by Greenebaum Doll & McDonald.

"For more than 45 years, Ted Koppel has captivated listeners with his insights and stories from across the world," said Kentucky Chamber President and CEO Dave Adkisson. "We are pleased that Koppel will offer his observations on what looms on the political horizon during one of the largest gatherings of business leaders and elected officials of the year."

Koppel's career spans political campaigns from Goldwater and Johnson in 1964 to McCain and Obama in 2008. He covered the Reverend Martin Luther King Jr.'s march from Selma to Montgomery, Ala.; he was in Cape Town when Nelson Mandela was released from prison; and he was in Denver when



TED KOPPEL

Barack Obama was nominated for the presidency of the United States. Since leaving ABC in 2005, Koppel has been a contributing columnist for The New York Times, a senior news analyst for National Public Radio, a contributing analyst for the BBC and a managing editor for the Discovery Channel.

Koppel's speech will bring to a close the two-day Economic Summit and Annual Meeting, held at the Louisville Marriott Downtown. Beginning on July 12, the Economic Summit and Annual Meeting will provide an opportunity for business and community leaders throughout the Commonwealth to discuss issues related to the local, national and international economies. The event will feature both regionally and nationally recognized speakers who will delve into topics relating to the Kentucky Chamber's 5 Goals to Transform Kentucky. See page 4 for more details.

INSIDE



Results for Business

Included in this issue is the Kentucky Chamber's annual Results for Business publication. It provides a detailed wrap-up of the General Assembly's actions, informing you about key legislation considered by the legislature. Nearly 1,500 bills and resolutions were introduced for consideration in 2010. Of those, the Chamber tracked more than 300 through the process. Be sure to review the Results for Business to see what passed, what didn't and what it means to your bottom line.

SEE PAGES 5-8

Welcome new members!

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

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Southern Petroleum
Springfield-Washington Co. Chamber of Commerce
Tapp Motor Sales
The Housing Partnership
The Oliver Group
Trapp Communications
Unicable
University Medical Association
Wilkerson Plastering
Wright Trucking

U.S. Chamber president addresses board of directors



Photo by Tim Webb

U.S. Chamber President and CEO Tom Donahue addressed the Kentucky Chamber's Board of Directors during the board's April 20th meeting. This was the inaugural videoconference in the AT&T Videoconferencing Center at the Chamber's newly expanded headquarters in Frankfort.

Kentucky's judicial ranking falls to 40th in nation

Kentucky's legal climate has dropped into the bottom ten of all states in a national survey of corporate lawyers and decision-makers. Kentucky dropped from 29th in 2009 to 40th in the most recent survey released recently by the U.S. Chamber's Institute for Legal Reform.

"Judicial climate can be a major factor when companies are evaluating states for expansion and investments in new jobs," says Doug Alexander, executive director of the Partnership for Commonsense Justice. "A huge jump in the number of lawsuits filed in Kentucky over the past several years was a factor in a very disappointing drop in the perception of our judicial environment among corporate decision-makers."

According to data from the Kentucky Administrative Office of the Courts, the number of suits filed in Kentucky circuit courts jumped 60 percent from 2002 to 2009. Filings in district courts, which hear civil cases

seeking less than \$4,000, jumped 42 percent.

Another factor influencing Kentucky's ranking is the perception that the state is an easier place to recover damages. Kentucky is among a minority of states that do not have a state law that requires "clear and convincing" evidence of wrongful conduct to support damage awards.

The Partnership for Commonsense Justice, a non-profit coalition of individuals, businesses, and associations, works to keep Kentuckians informed of the important role judicial issues play in Kentucky's ability to build and maintain a vibrant economy.

To receive news alerts and email updates from the Partnership for Commonsense Justice, visit the Web site at www.kycommonsense.org 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, contact Doug Alexander at 859-373-0333.

Registry of Election Finance advises Chamber on U.S. Supreme Court ruling

THE KENTUCKY REGISTRY of Election Finance has advised the Kentucky Chamber of Commerce that the statewide business organization and its members may make independent campaign expenditures in support of candidates.

The advisory opinion was issued in response to a Chamber inquiry following a U.S. Supreme Court ruling in January that the First Amendment protects the right of corporations to make independent expenditures to advocate the election or defeat of candidates. The Chamber asked the Kentucky Registry whether that ruling would negate a state prohibition against corporations making campaign contributions.

"Inasmuch as (Section) 150 of the Kentucky Constitution prohibits corporations from aiding, assisting, or advancing any candidate for public office in Kentucky in any way whatsoever, the Supreme Court's decision invalidates Kentucky law, at least to the extent that corporations may now influence the nomination and election of candidates regulated by the Registry by making independent expenditures. The practical effect of this decision is to put corporations and labor unions on equal footing with individuals with respect to independent expenditures," the Registry's opinion stated.

Under Kentucky law, independent expenditures are those made in support of or in opposition to a candidate without any coordination with a candidate or his/her campaign committee or representatives. The Registry noted the Chamber would be required to meet state disclaimer and disclosure requirements for each independent expenditure made from its general treasury. The full opinion can be found at www.kychamber.com/registryopinion.

Kentucky Chamber salutes our Key Investors!

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Adkisson congratulates Paintsville, Johnson Co. schools on achievements



While visiting the Paintsville Chamber of Commerce, Kentucky Chamber President and CEO Dave Adkisson also visited the superintendents of both Paintsville Independent and the Johnson County school systems on their high academic achievement. The students of Johnson County Middle School were the winners of the 2010 Governor's Cup academic competition, while Johnson Central High School students came in second. Paintsville students have consistently ranked near the top of the state's schools in ACT and CATS scores. "The Paintsville and Johnson County Schools are excellent examples of high-performing schools in rural areas of Kentucky that overcome social and economic barriers to perform at high levels," said Adkisson. Pictured from left to right are Paintsville Independent School Superintendent Coy D. Samons, Chamber President and CEO Dave Adkisson, and Johnson County School Superintendent Steve Trimble.

Bryan Sunderland named VP of Public Affairs

BRYAN SUNDERLAND has been named vice president of public affairs and will head the Kentucky Chamber's public affairs division. Sunderland has previously served as director of public affairs and has been with the Chamber five years.

"Bryan has provided exceptional leadership for the Chamber during a nine-month interim in which he was the acting head of the public affairs division," said Chamber President and CEO Dave Adkisson. "I'm really proud of the progress we have made during this legislative session, and Bryan has earned this promotion. He has been especially effective in pulling other like-minded groups together around legislative initiatives and building consensus."

In addition, Adkisson announced that Chad Harpole would rejoin the Chamber as director of public affairs after serving the past two years as the head of Commerce Lexington's public affairs department. Harpole served on the Kentucky Chamber staff for almost two years prior to leaving for Commerce Lexington.

"This will be a homecoming for Chad, and our whole staff is excited to have him back," Adkisson said. "He's gained great experience working at the local level in Lexington, and he will be an important asset to our public affairs team."

The Kentucky Chamber currently has five full-time staff members in its public affairs department and supplements its staff with four policy consultants. Recently, the Kentucky Gazette reported that the Kentucky Chamber invested more money in advocacy work during the past year than any other association in the state.



Sunderland



Harpole

Board nomination deadline nears

THE KENTUCKY CHAMBER is taking nominations for its 2011 board of directors. Business leaders will be considered from a cross-section of industry and regions in Kentucky. Nominations should contain name, title, organization, city and a brief statement of leadership activities. Send to ckeeton@kychamber.com or call Candy Keeton at 502-848-8741 for information. Nominations are due by June 1, 2010, for board seats beginning on Oct. 1.

THREE ELECTED TO BOARD MID-YEAR



Scott Casey
UPS
Louisville



Tierra Turner
TKT Associates
Louisville



Jim Morehead
Beam Global
Spirits and Wines
Clermont

Kentucky Chamber endorses Inland Waterways Capital Development Plan

THE KENTUCKY CHAMBER has joined other chambers of commerce and the agricultural, energy, transportation and waterways industries in endorsing the Inland Waterways Capital Development Plan. The plan, developed by the industries and the Corps of Engineers, prioritizes navigation projects, improves project management and recommends an affordable funding mechanism to improve inland waterways' navigation infrastructure.

The congressionally established Inland Waterways Users Board is in charge of considering and implementing the plan. With nearly 1,100 miles of navigable waterways, Kentucky is the only state to be bordered on three sides by rivers – the Mississippi River to the west, the Ohio River to the north, and the Big Sandy River and Tug Fork River to the east.

Water transportation is essential to the state's economic development, and the plan seeks to improve the continued vitality of the system nationally.



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Health care reform: Seminars detail what your business needs to know

THE KENTUCKY CHAMBER will host two seminars to discuss the recent March 23, 2010 passage of the Patient Protection and Affordable Care Act. Employers (both large and small) will learn how the new mandates, penalties, and taxes will affect their businesses and how benefit plans will need to be updated as parts of the Act are implemented over the next few years. Attend and learn how the new health care system will affect you and your employees.



Seminar topics include:

- What Employers Need to Know;
- Expanded Coverage: Who, What, When;
- The Impact on the Kentucky Medicaid Program;
- Changes in the Delivery System: Quality, Efficiency and Related Initiatives;
- Panel Discussion: The Impact of Health Care Reform;
- New Program Integrity Provisions;
- New Tax Provisions and Miscellany; and
- The Impact on Academic Medicine.

Additional information about sessions and speakers can be found online at www.kychamber.com, where you can also register for the Lexington and Louisville seminars.

Patient Protection & Affordable Care Act Seminars
May 21, 2010
The Galt House Hotel
Louisville, Ky.

June 3, 2010
Griffin Gate Marriott Resort & Spa
Lexington, Ky.

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A panel discussion on education in Kentucky was held during the 2009 Economic Summit.

5 Goals to Transform Kentucky to be topics of Economic Summit

Now in its fifth year, the Kentucky Chamber's Economic Summit and Annual Meeting, presented by Greenebaum Doll & McDonald, is Kentucky's premier economic event. Kentucky's top business leaders, educators and legislators gather to discuss key issues to help move Kentucky forward in key areas such as competing in the global marketplace, education attainment, energy, health and wellness and modernizing government. We are proud to announce a few of this year's elite speakers who are truly innovators in their fields:

- **David Abney**, COO, UPS – Kentucky, Free Trade and the Global Marketplace;
- **James E. Rogers**, Chair, President and CEO, Duke Energy – The Future of Energy and How It Will Affect Kentucky; and
- **Brian J. Caveney**, Assistant Professor of Community and Family Medicine, Duke University – Worksite Wellness: How Out-of-Shape Employees are Weighing on Your Business' Bottom Line.

Ted Koppel, veteran journalist and former anchor of *Nightline*, will deliver the keynote address on Tuesday, July 13. Sponsorship opportunities for the event are still available.



Upcoming Kentucky Chamber Seminars

Forklift Safety Seminar May 18, Lexington	\$299/\$399	OSHA 10 Hour General Industry Course \$495/\$595 June 15-16, Louisville
Business Finance for HR Professionals May 20, WEBINAR	\$75/\$99	OSHA 30 Hour General Industry Course \$895/\$1095 June 15-18, Louisville
Patient Protection & Affordable Care Act May 21, Louisville	\$299/\$399	22nd Annual HR Update \$495/\$595 June 17-18, Louisville
Patient Protection & Affordable Care Act June 3, Lexington	\$299/\$399	
22nd Annual HR Update June 9-10, Lexington	\$495/\$595	
Price = Member/Non-Member		

Kentucky Small Business Development Center Congratulates



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| Bobrowski Family Dentistry | Greensburg |
| KDV Inc. | Louisville |

2010 Pacesetter Award Recipients

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Results for Business

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Employers fair well in uncertain budget times

Both the House and Senate budgets included substantial savings in the areas identified by the Leaky Bucket Report.

ALTHOUGH THE 2010 SESSION of the Kentucky General Assembly concluded with several victories for Kentucky's business community, lawmakers left Frankfort with business remaining. Most notably, state lawmakers must pass a budget before the end of the state's fiscal year on June 30, 2010.

The 2010 session was successful for the Commonwealth's business community as the Kentucky Chamber took a leading role in stopping a number of negative proposals that would discourage business growth and retention in the state.

During the Session, the Chamber was proud to help lead a unified business effort to oppose tax changes detrimental to employers like the proposed suspension of the net operating loss (NOL) carry forward provisions. The Chamber was also active in stopping the expansion of the sales tax on services, preventing costly health insurance mandates and stopping the expansion of litigation against Kentucky's employers.

As the session ended, much attention was given to lawmakers who failed to reach an agreement on the Executive Branch Budget before the end of session. Like the budget, other important business-related legislative proposals were left incomplete including:

- Changes to Kentucky's Unemployment Insurance Trust Fund

which would save Kentucky's employers and the UI Trust Fund more than \$700 million dollars over the next decade;

- A measure that would have allowed Kentucky's advanced students to graduate early to further their learning in an institution of higher education allowing them to enter the workforce more quickly; and
- A measure that would have allowed energy power diversification including the construction of nuclear power facilities.

The Kentucky Chamber will continue to push for needed spending reforms in anticipation of the governor calling a special session to address the state budget before the end of the fiscal year. We will continue to fight for Kentucky's business community as we work aggressively to improve the business climate in the state. As always, we value your investment in the Kentucky Chamber as we work together to unite business and advance Kentucky.



Dave Adkisson,
President and CEO
Kentucky Chamber



Issues on the horizon

RENEWABLE PORTFOLIO STANDARDS

HB 3 sought to establish renewable energy efficiency measures and benchmarks for the usage of renewable and low-carbon measures for electric retail energy providers. Industrial demand was removed from meeting the renewable requirements, but commercial and residential users remained subject to the new standards. This legislation also sought to create incentives for renewable energy projects and energy facilities in the state. HB 3 was less onerous than other legislation that created renewable portfolio standards, but it would cause energy costs to rise for certain sectors of the economy. This legislation was not considered by the House, but it will likely be the focus of the energy debate in this state for future legislative sessions.

WORKERS' COMP BENEFITS

Medical benefits now constitute 67 percent of total benefit costs to the workers' compensation system in Kentucky, which is higher than the national average. SB 220 sought to limit lifetime medical benefits of claimants within the workers' compensation system. While this would be a step in the right direction, SB 220 also sought to raise the average weekly benefit amount for claimants as well as attorney fees for medical fee disputes. A cost-benefit analysis will be necessary to determine if any savings would be realized from this legislation. The Chamber will continue to engage the Kentucky General Assembly and advocate for improvements in the workers' compensation system that will protect our members' bottom line.



Kentucky Chamber
Uniting Business. Advancing Kentucky.

Bills categorized by 5 Goals to Transform Kentucky

In 2010, the Kentucky Chamber reviewed over a thousand pieces of legislation to determine the impact on business — tracking and giving input on more than 300. Below is a summary of legislation that had the most impact on the Kentucky business community.



Positive business-building legislation



Legislation that posed substantial risk to Kentucky businesses

EDUCATION AND WORKFORCE



College Credit Transfer — This legislation will align lower division coursework across postsecondary education institutions and provide strong statewide transfer procedures for college credits. (HB 160)
ENACTED INTO LAW



Career Pathways — The Chamber supports preparing today's students for tomorrow's jobs with career-based programs of study for high school students. (SB 28)
PASSED BY THE SENATE, NOT CONSIDERED BY THE HOUSE



Raise the Dropout Age — This legislation would have kept students in school and working toward a diploma until the age of 18. (HB 94, HB 145, HB 301)
PASSED BY THE HOUSE, NOT CONSIDERED BY THE SENATE



Responsible Principal Selection — This legislation would have created a more responsible process for the selection of a school principal, with the superintendent included in the process. (HB 322, HB 239 SCS)
NOT CONSIDERED BY THE HOUSE, PASSED BY THE SENATE



Financial Aid Improvements — This legislation would have created a shared funding scholarship for juniors and seniors in college that are on track to graduate and raise the minimum award standards for KEES to a 3.0 GPA and 22 ACT. (SB 121)
NOT CONSIDERED BY THE SENATE



Quality Pre-K — HB 190 set a goal of offering voluntary, quality preschool for every 3- and 4-year-old child over time through collaborative models as funds are available. (HB 190)
PASSED BY THE HOUSE, NOT CONSIDERED BY THE SENATE



Race to the Top — HB 176, enacted into law, provides more options to the education department and local school councils to intervene in low performing schools and improved the state's Race to the Top application. **ENACTED INTO LAW**
To ensure that Kentucky is fully competitive for the federal education funds, the Chamber is supportive of charter schools. HB 109 included moderate charter language along with SB 67, providing for early graduation for high school students, and SB 94 that aims to close the achievement gap through summer learning camps. (HB 109)
PASSED BY THE SENATE, NOT CONSIDERED BY THE HOUSE

GOVERNMENT MODERNIZATION



Budget Accountability — This legislation would have required state agencies to maintain Web sites that detail the expenditures of state funds. (SB 40, HB 128)
PASSED BY THE SENATE, NOT CONSIDERED BY THE HOUSE



Pension Expertise — This Chamber-supported legislation requires public pension boards to include investment experts to help safeguard tax dollars. (HB 146)
ENACTED INTO LAW



UI Fraud — This legislation required an employee who received unemployment benefits and was subsequently convicted of embezzling funds to repay the total amount of benefits received to the unemployment insurance trust fund. (HB 242)
NOT CONSIDERED BY THE HOUSE



Government Efficiency — This legislation requires the secretary of the Personnel Cabinet and the secretary of the Finance and Administration Cabinet to provide a detailed quarterly report to the Legislative Research Commission regarding the number of state employees and personal service contracts in state government in an effort to review personnel costs. (HB 387)
ENACTED INTO LAW



Retiree Health Insurance — This legislation will save the state's taxpayers by requiring retired teachers under age 65 to take on part of the financial responsibility for their health insurance. This legislation is a responsible step toward shoring up the teachers' retirement fund, from where legislators have been borrowing dollars to pay for retirees' insurance. (HB 540)
ENACTED INTO LAW



Corrections Costs — This legislation reduces incarceration time for offenders who complete programs or perform acts of a meritorious nature. Significant savings are also realized through expanded home incarceration and administrative efficiencies such as emailing of jail inspection reports. (HB 564)
ENACTED INTO LAW



Alcohol Sales in State Parks — As amended in the House, this legislation would have permitted the limited sale of alcoholic beverages in Kentucky's state parks and set up a local option for state parks located in dry counties. (SB 41, HB 85)
HB 85 NOT CONSIDERED BY THE HOUSE; SB 41 AS AMENDED AND PASSED BY THE HOUSE NOT CONSIDERED BY THE SENATE

HEALTH AND WELLNESS

- 

Wellness Program Protection — A top health care priority for the Chamber, this legislation clarifies Kentucky's employment discrimination laws to ensure employers who provide wellness and smoking cessation programs avoid frivolous lawsuits. (HB 165)
ENACTED INTO LAW
- 

Wellness Tax Credit — HB 74 would have created tax credits for employers to recover 50 percent of the costs of implementing an employee wellness program. (HB 74)
NOT CONSIDERED BY THE HOUSE
- 

Physical Activity for Kids — The Chamber supports programs that promote health and wellness for all Kentuckians, including the youngest citizens, through increased physical activity and healthy habits. (HB 52, HB 523)
NOT CONSIDERED BY THE HOUSE
- 

Health Mandates — Several bills were introduced this session that would have required health plans to cover a number of expensive services and some would have changed the way a health provider was reimbursed. Although nearly all the mandate bills were defeated (SB 157, HB 460), legislators decided the need for coverage for children with autism (HB 159) outweighed the increase in health insurance costs the additional coverage would cause.

COMPETITIVE KENTUCKY

- 

Business Tax Changes — A portion of this bill sought to suspend the net operating loss (NOL) tax provisions for businesses over the course of three years. Changes to this provision would have resulted in business paying \$185 million more in tax dollars toward the state's two-year spending plan. (HB 530)
DEFEATED
- 

Unemployment Insurance — This Chamber-backed bill is a comprehensive reform of Kentucky's UI system. This Kentucky-sponsored solution would have lowered the overall tax burden for Kentucky employers and would have allowed for lower future tax rates when the state's UI Trust Fund debt is retired. (HB 349)
PASSED BY THE HOUSE, NOT CONSIDERED BY THE SENATE
- 

Economic Development Incentives — These bills sought to enact new reporting requirements that would discourage companies from locating in Kentucky and would sunset valuable economic development incentives. (HB 335, HB 336)
DEFEATED
- 

Service Taxes — The Chamber opposes legislation that would extend the sales and use tax to business-to-business services. While HB 78 sought to lower the state sales tax to 5.5 percent, HB 13 would have expanded the sales tax at the current rate to provide for an earned income tax credit for low wage earners.
DEFEATED
- 

Expanded Litigation — This legislation would have extended the statute of limitations on certain wage discrimination cases from 180 days to two years. Wage discrimination is already addressed in the federal Equal Pay Act and this legislation would only encourage more litigation and increase costs for employers in the state. (HB 133)
DEFEATED
- 

Consistent Statutes of Limitation — This Chamber-supported legislation to reduce the statute of limitations on wrongful discharge claims from five years to two years would have created a better climate for doing business in Kentucky. (HB 369)
NOT CONSIDERED BY THE HOUSE
- 

Collective Bargaining — This legislation would have allowed public employees in Kentucky to form unions and collectively bargain. The Chamber opposes collective bargaining legislation because it can lead to inefficient administration of public services, increased costs to taxpayers and an increased likelihood of interruptions to essential government services. (HB 493)
DEFEATED
- 

New Market Tax Credit — This legislation would have provided tax credits to start-ups in economically depressed areas of Kentucky, providing jobs to those areas of the state with the greatest need. (HB 370)
PASSED BY THE HOUSE, NOT CONSIDERED BY THE SENATE
- 

Workers' Compensation Fund — This legislation extends the employer assessment to pay off the liabilities of the old state "high risk pool." The rate needs to increase to approximately 10.5 percent this year to stay on target for 2018, but this bill stretches the "end date" so the employer assessment can remain at 6.5 percent. (HB 395)
ENACTED INTO LAW

ENERGY AND ENVIRONMENT

- 

Energy Diversification —This legislation would have removed the current prohibition on the development and construction of nuclear electric-generating plants—a positive step toward meeting the state's future energy needs. (SB 26, HB 213 as amended)
PASSED BY THE SENATE, NOT CONSIDERED BY THE HOUSE
- 

Energy Mandate — This legislation would have mandated a renewable portfolio standard to be used by all electric utility providers in the Commonwealth, beginning next year and continuing in perpetuity. This bill was too prescriptive and would have served to drive up the costs of providing electricity to residential and industrial consumers in the Commonwealth. (HB 408)
DEFEATED
- 

Alternative Fuels — HB 589 authorizes up to five newly constructed or retro-fitted alternative fuel facilities that use natural gas or natural gas liquids as their primary feedstocks to receive tax credits created under HB 1 from the 2007 session. HB 552 permits alternative fuel facilities that produce coal-derived energy efficient fuels to be eligible for coal severance tax incentives.
ENACTED INTO LAW
- 

Coal Mining Permits — This legislation, supported by coal industry leaders, increases surface mining permit fees and permit renewal fees to allow the Division of Mine Permits to hire more permit reviewers in an effort to eliminate the cabinet's permitting backlog. (HB 283)
ENACTED INTO LAW



Chamber advocacy efforts save each Kentucky business an average of \$3,724 per year

THE KENTUCKY CHAMBER'S advocacy during the 2010 Session of the Kentucky General Assembly saved the Kentucky business community an estimated \$203.4 million per year—an average of \$3,724 per year for each Kentucky business. Here's a breakdown of how the Chamber's work generated real savings for the business community:

TAX LEGISLATION OPPOSED BY THE CHAMBER THAT DID NOT PASS

HB 13 would have made a number of substantial changes in Kentucky's tax code. In addition to increasing the individual income tax rates for higher incomes by taxing income between \$75,000 and \$90,000 at 7%, and by taxing income over \$90,000 at 8%, the key provision impacting Kentucky business would have imposed the sales tax on the following services to generate up to \$112 million per year in additional state revenue:

- Golf course greens fees and membership fees in private golf clubs and private country clubs
- Janitorial services, including carpet, upholstery, and window cleaning
- Garment alteration and garment repair services
- Non-coin operated laundry and dry-cleaning services
- Armored car services
- Security services
- Exterminating and pest-control services

Legislation	Annual Savings to Ky. Business Community	Average Annual Savings per Ky. Business
Health insurance mandates defeated (HB 460, SB 154 & 157)	\$21.4 Million	\$1,769*
Sales tax expansion to services defeated (HB 13)	\$56 Million	\$602
Net operating loss carry-forward suspension defeated (HB 530)	\$81 Million	\$870
Accelerated sales tax collection defeated (HB 530)	\$45 Million	\$483

*Insurance savings based on a company with 50 to 99 employees at \$23.75 per employee per year

These new sales taxes are of particular concern to business because economists at the University of Kentucky estimate that 50 percent of the sales taxes collected in Kentucky are paid by business. That means the estimated \$112 million in new sales taxes imposed by HB 13 would have cost the Kentucky business community over \$56 million per year in additional taxes. With approximately 93,000 businesses in Kentucky (according to the U.S. Census Bureau), the Chamber's successful opposition to HB 13 saved each business in Kentucky an average of \$602 per year in sales tax. (\$56 million divided by 93,000 businesses.)

HB 530, passed by the House but defeated in the Senate, made a number of changes to the tax code.

Most significant to business was the suspension of net operating loss carry forward—aggressively opposed by the Kentucky Chamber—at a total cost to business of \$81 million per year. While there is no way of determining how many businesses are affected by this provision, if all Kentucky businesses used this provision, the average impact would be \$870 per year (\$90 million divided by 93,000 businesses). Another significant provision of HB 530 was the acceleration of sales tax collections at a total cost of \$90 million per year. Since 50 percent of sales taxes are business-to-business transactions, this provision would have cost the business community an additional \$45 million per year or an average of \$483 annually per business. (\$45 million divided by 93,000 businesses.)



The Kentucky Chamber PAC is the independent political action committee of the Kentucky Chamber of Commerce. The PAC provides support to pro-business legislative candidates and incumbents who have demonstrated the willingness to protect the spirit of free enterprise in the Commonwealth.

KENTUCKY CHAMBER PAC

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building dedication snapshots



THE 2010 KENTUCKY CHAMBER BOARD OF DIRECTORS



Past chairmen of the Kentucky Chamber of Commerce pose during the Chamber's building dedication ceremony. From left: Earl Fisher, Lynnwood Schrader, Jean Hale, Darby Turner, Nelda Barton-Collins, Billy Harper, Chaz Lavelle and Pete Rutledge.

Photos by Kellie Carter and Tim Webb

From Left: Nick Rowe, Senior Vice President, Eastern Division, American Water and President, Kentucky American Water, stands with Kentucky Chamber President and CEO Dave Adkisson at the Kentucky American Water-sponsored fountain at the Kentucky Chamber's newly expanded facility.



Kentucky Chamber Chairman Bill Jones, Community Division Manager of U.S. Bank, and Immediate Past Chairman Darby Turner, member, Greenebaum, Doll and McDonald pose in the Atrium of the Kentucky Chamber.



Council on Postsecondary Education President Bob King speaks to Jim Ford, the Chamber's Vice President of Business Education, in the Atrium.



The Kentucky Chamber's executive committee meets for the first time in the Chamber's Board Room.



The AT&T Videoconferencing Center is the focal point of the Chamber's new facility.



BACK COVER: Mary Jean Riley, Wayne Martin, Jill Wilson, Dave Adkisson, Bill Jones, Gov. Steve Beshear, Joan Coleman, Mart Pat Regan, and Darby Turner cut the ribbon to the Kentucky Chamber's newly expanded facility on the Greenebaum Doll and McDonald entry plaza.



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Kings Daughters Medical Center



Genscape, Stoll Keenon Ogden take top honors at Best Places to Work ceremony

GENSCAPE, INC. has been ranked the No.1 small/medium company to work for in Kentucky. This is the first year that Genscape, Inc. has been named to the list. According to Becky Bennett, Windows Infrastructure Manager for Genscape, Inc. “I am consistently impressed with how management encourages entrepreneurial thinking and the freedom to implement new ideas.”

Stoll Keenon Ogden PLLC has been ranked the best large company to work for in the state. This is the fourth year that Stoll Keenon Ogden PLLC has made the list and the first year they have been ranked number one. According to Bill Lear, Chairman of the Board, “We try to do two things every day at Stoll Keenon Ogden: Provide our clients with the utmost in legal services and provide our people with the best possible place to work. We believe the two are inextricably linked. Professionals who work in an exciting, rewarding, and collegial environments understand the importance of putting the client first. Putting our clients first is what we’re all about; our clients’ success is our mission.”

These and other rankings were announced during the Sixth Annual Best Places to Work in Kentucky awards ceremony, presented by Fisher and Phillips LLP, at the Lexington Convention Center on Wednesday, April 21. The Kentucky Society for Human Resource Management (KYSHRM) state council and the Kentucky Chamber of Commerce host the Best Places initiative each year to encourage companies in the Commonwealth to move their workplace environments toward excellence.



Genscape



Sturgill, Turner, Barker & Maloney



Green River Area Development District



Jeff Nally, KYSHRM State Council

Small/Medium Companies

- 1. Genscape, Inc.(Louisville)
- 2. **Trilogy Health Services, LLC** (Louisville)
- 3. **Appalachian Wireless** (Multiple cities)
- 4. **Software Information Systems** (Multiple cities)
- 5. Booz Allen Hamilton, Inc. (Multiple cities)
- 6. Independence Bank (Multiple cities)
- 7. Benefit Insurance Marketing (Lexington)
- 8. **Middlefork Financial Group** (Hyden)
- 9. **Fellon-McCord** (Louisville)
- 10. **Employment Plus, Inc.** (Multiple cities)
- 11. **Town & Country Bank and Trust Co** (Multiple cities)
- 12. Air Hydro Power (Multiple cities)
- 13. **Sturgill, Turner, Barker & Moloney, PLLC** (Lexington)
- 14. **Kingsbrook Lifecare Center** (Ashland)
- 15. **Traditional Bank, Inc.** (Multiple cities)
- 16. Stanley, Inc. (Multiple cities)
- 17. **Big Ass Fans** (Lexington)
- 18. Luckett & Farley (Louisville)
- 19. Senior Care, Inc. - Support Center (Multiple cities)
- 20. **Warren RECC** (Multiple cities)
- 21. **Dean Dorton Ford, PSC** (Multiple cities)
- 22. Bottom Line Systems, Inc. (Crescent Springs)
- 23. **Green River Area Development District** (Owensboro)
- 24. Messier-Bugatti USA (Walton)
- 25. Tenmast Software Company (Lexington)
- 26. **Ward, Hocker & Thornton, PLLC** (Multiple cities)
- 27. **Neace Lukens** (Multiple cities)
- 28. Creative Lodging Solutions (Lexington)
- 29. Anderson Communities, Inc. (Multiple cities)
- 30. **Christian Care Communities** (Bowling Green)
- 31. **Crowe Horwath, LLP** (Lexington/Louisville)
- 32. **Fischer Homes** (Crestview Hills)

Large Companies

- 1. **Stoll Keenon Ogden PLLC** (Multiple cities)
- 2. Edward Jones (Multiple cities)
- 3. **Pikeville Medical Center** (Multiple cities)
- 4. **First Corbin Long Term Care** (Corbin/Hazard)
- 5. **Stites & Harbison PLLC** (Multiple cities)
- 6. **First Federal Savings Bank** (Multiple cities)
- 7. SurePoint Lending (Louisville)
- 8. **Frankfort Regional Medical Center** (Frankfort)
- 9. Appriss Inc (Louisville)
- 10. Zappos.com, Inc., A Delaware corporation (Multiple cities)
- 11. King’s Daughters Medical Center (Multiple cities)
- 12. **Somerset Community College** (Multiple cities)
- 13. **Central Bank & Trust** (Multiple cities)
- 14. **KORT - Kentucky Orthopedic Rehab Team** (Multiple cities)
- 15. National Patient Account Services (Louisville)
- 16. **Baptist Hospital East** (Louisville)
- 17. **Corning Incorporated** (Harrodsburg)
- 18. **Wyatt, Tarrant & Combs, LLP** (Multiple cities)
- 19. **Central Baptist Hospital** (Lexington)
- 20. Pattie A. Clay Regional Medical Center (Richmond)
- 21. **Kindred Healthcare, Support Center** (Louisville)
- 22. **Norton Healthcare, Inc.** (Louisville)
- 23. **J.J.B. Hilliard, W.L. Lyons, LLC** (Multiple cities)
- 24. **Georgetown Community Hospital** (Georgetown)
- 25. **Alltech** (Multiple cities)
- 26. Stock Yards Bank and Trust (Multiple cities)
- 27. Sun Tan City (Multiple cities)
- 28. Clark Regional Medical Center (Multiple cities)
- 29. Simpson County Schools Board of Education (Franklin)
- 30. **Hosparus Inc.** (Multiple cities)
- 31. **Hazard Community & Technical College** (Multiple cities)
- 32. **Lexington Clinic** (Multiple cities)

Bold companies denote Kentucky Chamber membership.



Chamber hosts KCCE Spring Conference

Photos by Katie Decker

The Kentucky Chamber of Commerce Executives (KCCE) 2010 Spring Conference was recently held at the Kentucky Chamber headquarters in Frankfort. More than 50 local chamber executives from across the state attended the two-day event of professional development and networking. For more information about the KCCE association, contact Executive Director Ali Crain at 502-878-8738 or at acrain@kychamber.com.

Bottom left: KCCE Chairman Jack Keeney (Somerset-Pulaski Chamber) and Dave Weller speak at the conference. **Bottom right:** State Auditor Crit Luallen gives a presentation on protecting chambers of commerce.



Chamber urges Public Service Commission to reform telecom rules

THE KENTUCKY CHAMBER recently joined the Communication Workers of America, Connected Nation, Greater Louisville Inc. and several other leading organizations representing the interests of Kentucky to advocate for reforms to the state's outdated telecom access subsidy system.

In a joint letter to Gov. Beshear, the attorney general, state legislators and the Kentucky Public Service Commission, the Kentucky Chamber urged them to support telecom access rate reform. More than 20 other organizations from around the state signed the joint letter.

"At a time when Kentucky is competing so aggressively with other states, we need to be more proactive than ever if we intend to attract new investment and jobs," said Kentucky Chamber President David Adkisson. "The deployment of next-generation technology is critical to our endeavor and having the right regulatory environment is a key piece of that puzzle. Access rate reform is needed now to pro-

tect rural connectivity, encourage investment in high-speed networks and grow jobs for the 21st Century."

In 1984, an access rate system was created to subsidize telephone service for rural communities. But, that system relies on traditional long-distance phone calls to keep subsidies flowing. As consumers and businesses have moved on to wireless and broadband technologies to communicate, the subsidies that rural telecom providers receive are quickly declining.

"The Kentucky Public Service Commission has the opportunity to reform a system that is creating disincentives for investment in innovative broadband technologies," said Brian R. Mefford, chairman and chief executive officer of Connected Nation. "We've studied this issue, and a seven percent increase in broadband adoption nationwide would lead to the creation of 2.4 million new jobs per year, including 31,699 jobs in Kentucky. So, access reform would be good for consumers, business owners and jobs."



Kentucky Chamber
Uniting Business. Advancing Kentucky.

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464 Chenault Rd.
Frankfort, KY 40601
p 502-695-4700
f 502-695-6824
e kcc@kychamber.com
w www.kychamber.com
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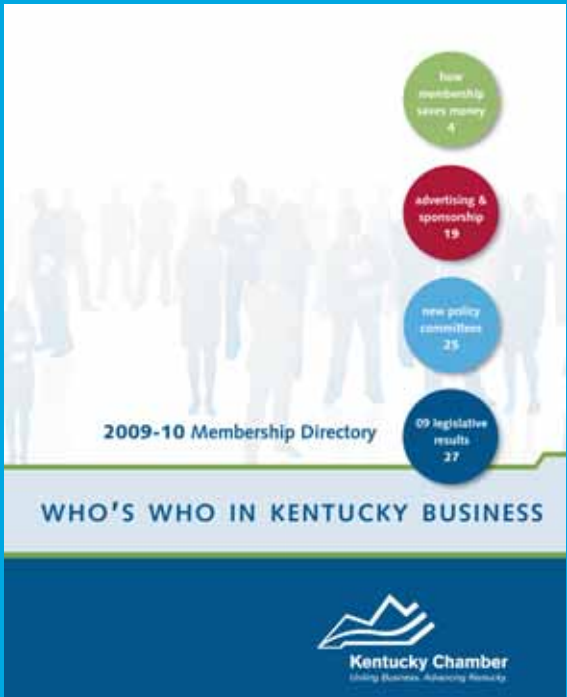
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Kentucky Chamber

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Front Door to Frankfort

Chamber cuts ribbon on newly expanded headquarters

Page 1



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