

# 2017

## D.C. FLY-IN

# Bluegrass Region's UNIFIED PRIORITIES



- INFRASTRUCTURE
- TAX REFORM
- REGULATORY REFORM
- ENERGY
- HEALTH CARE
- REGIONAL MILITARY ECONOMY
- SIGNATURE INDUSTRIES
- FINANCIAL SERVICES
- HIGHER EDUCATION
- TECHNOLOGY/RESEARCH
- ECONOMIC & WORKFORCE DEVELOPMENT

# Introduction

## Central Kentucky Regional Public Policy Group

For about a decade, the Central Kentucky Policy Group has served as a regional voice for state and federal public policy issues that advance economic development, job creation and quality of life. The group consists of influential business and community leaders from various sectors within eight counties in Central Kentucky. The group's policy priorities for business growth in the region include support for responsible government, protecting Kentucky's energy economy as well as making critical investments in infrastructure, education, research and workforce development. The Central Kentucky Policy Group continues to voice concerns about the impact of government overregulation on job creation, specifically in the areas of energy, environment, health care and financial services.

**BOURBON – CLARK – FAYETTE – FRANKLIN  
JESSAMINE – MADISON – SCOTT – WOODFORD**



## Central Kentucky Regional Public Policy Group Members

**Robin Antenucci**  
Frankfort/Franklin County Tourism/  
Convention Commission

**Rusty Ashcraft**  
Alliance Coal

**Kevin Atkins**  
City of Lexington

**Bob Babbage**  
Babbage CoFounder

**Cindy Banks**  
Winchester-Clark County Chamber of  
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**Lynda Bebrowsky**  
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**Carla Blanton**  
2017 Commerce Lex. Board Chair  
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**Mayor Ed Burtner**  
City of Winchester

**George Campbell**  
Bluegrass Area Development District

**Colleen Chaney**  
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**Steve Collins**  
Bluegrass Station

**Jack Conner**  
Georgetown-Scott Co. Chamber

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**Todd Denham**  
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**David Freibert**  
Commerce Lex. Policy Council Chair  
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**Mendi Goble**  
Richmond Chamber of Commerce

**Gina Greathouse**  
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**Ellen Gregory**  
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**Debra Hamelback**  
Paris-Bourbon Co. Chamber of  
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**Hannah Hodges**  
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**Pam Jenkins**  
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**Todd Johnson**  
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**Daron Jordan**  
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**Christel Long**  
Lexington-Bluegrass Association of  
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**Bernie Lovely**  
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**Ronda May**  
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**Scott Smith**  
Smith Management Group

**Hollie Spade**  
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**Nancy Stone**  
Jessamine County Transportation  
Task Force

**Mayor Brian Traugott**  
City of Versailles

**Billy F. Van Pelt, II**  
Bluegrass Tomorrow

**Don Vizi**  
Woodford County Chamber of  
Commerce

**George Ward**  
UK Coldstream Research Campus

**Tyler White**  
Kentucky Coal Association

**Gordon Wilson**  
Paris-Bourbon Co. Economic  
Development

## Support Comprehensive Tax Reform

The Central Kentucky Policy Group supports comprehensive tax reform that will foster job growth, increase competitiveness, and attract investment and innovation. Comprehensive tax reform needs to achieve a smarter, streamlined tax system that will allocate taxpayer dollars more effectively and make it easier for businesses to create jobs regardless of size. It is important to pursue a pro-growth tax agenda that broadens the base, lowers rates, promotes equity and simplifies compliance. Any reform to the tax system should also consider lowering the corporate tax rate to a level that will enable businesses to compete successfully in a global economy and attract foreign investment to the U.S. and Kentucky. Creation of a proposed Border Adjustment Tax (BAT) on all imported products will directly increase costs to consumers, limit personal choice and allow government to pick winners and losers in a free market.

Reforms are also needed to entitlement programs like Medicare and Medicaid to help reduce deficit spending, strengthen the long-term fiscal health of the nation and protect these programs for future generations.

## Support Homeownership – Mortgage Interest & Property Tax Deduction

The Central Kentucky Policy Group continues to support the mortgage interest deduction (MID) which has helped make homeownership more affordable for families. On average, 70% of homeowners with a mortgage claim this deduction and 90% of all mortgage interest paid gets deducted. The deduction



has been around for generations in part because homeownership is essential to wealth-building. A home represents many families' largest asset. The decimation of the mortgage interest and real property tax deductions would very likely cause a significant plunge in the value of all houses. Also, current-law tax incentives make the crucial difference for many in being able to afford to enter the ranks of homeowners. At a time when the rate of first-time home-buying is well below the average of the past few decades, this could be particularly debilitating for the housing industry and the entire economy.

# Financial Services

## Improve Access to Capital for Community Banks

Instead of addressing address the real root cause of the 2008 financial crisis, the Dodd-Frank Act resulted in massive government overreach, burdensome regulation, and unintended, negative consequences for community banks and business in Central Kentucky. The Central Kentucky Policy Group urges the Kentucky federal delegation to support legislative efforts aimed at restoring a reasonable regulatory environment while strengthening consumer protection that advance, rather than stifle growth, in local economies.

**Support Financial Choice Act:** We support the Financial CHOICE Act that provides more accountability from Washington and Wall Street, ends bank bailouts, reduces obstacles to credit and capital, gives consumers more credit and savings options, frees small business from unnecessary regulations, creates a level playing field for banks of all sizes, and demands for greater oversight of the Federal Reserve and Consumer Financial Protection Bureau. We support legislative language that ensures that banks are regulated based upon complexity of operations.



- **Support Portfolio Lending & Mortgage Access Act:** Maintaining a commonsense yet flexible approach to mortgage lending is vital to a vibrant housing market. Loans kept in portfolio should be regulated differently than loans originated and then sold to a third party. When a lender keeps a loan in portfolio rather than selling it off, it keeps the risk of a borrower's default on its books. Therefore, the lender should benefit from the presumption a borrower will repay the loan. This protects taxpayers from exposure to credit risk and reduces the role of federal entities like Fannie Mae and Freddie Mac in the mortgage market.

# Regulatory Reform

## Support Regulatory Reform

The Central Kentucky Policy Group strongly urges the Kentucky federal delegation to support commonsense regulatory reform that restores accountability, transparency and public participation in the rule making process across all federal agencies. We also urge Congress and the Administration to engage in a thorough review of existing regulations MOU's, MOA's and guidance documents across all agencies, specifically those involved in regulating commerce, to identify policies that need to be clarified, eliminated or modified to increase economic competitiveness for businesses. We continue to oppose federal regulations that are unreasonable and result in a significant adverse economic impact on our citizens, farmers, cities and industries. We also oppose the adoption and use of any guidance documents, agency policies or other administrative mechanisms that circumvent or exceed the intent of existing statutes and regulations.

- ✓ **Waters of the U.S.:** The Central Kentucky Policy Group supports the President's Executive Order to rescind and clarify a commonsense approach to developing a WOTUS rule. It is important to more clearly define how a water is determined by the U.S. EPA, Office of Management and Budget and the US Army Corps of Engineers to avoid adverse impact on economic development due to unreasonable regulation and permitting.
- ✓ **Support Regulatory Accountability Act (H.R. 5 | S. 951):** Modernizes the regulatory process by increasing transparency, accountability and integrity to the rule-making process at federal agencies. We believe that federal regulations should be narrowly tailored, supported by strong and credible data and evidence, and impose the least burden possible, while implementing congressional intent.
- ✓ **Support Reins Act:** Improves Congressional oversight of federal agencies and requires Congress to approve every new "major" rule that has an annual economic impact of \$100 million or more proposed by the Executive Branch before it can be enforced on the American people.

## Other Regulatory Policy Reforms Supported by the Regional Policy Group Include:

- **Reduce Regulatory Red Tape:** Support any federal efforts to reduce and eliminate overly burdensome or duplicative environmental and energy regulatory primacy across agencies and states. This includes establishing a decision-making time-frame for environmental assessments for transportation projects to avoid unreasonable delays.
- **Review All Memoranda of Understanding (MOU) and Memoranda of Agreements (MOA) Relating to Environmental Issues and OSHA Related Issues:** Require an assessment of all MOU and MOA between federal agencies and agreements between the federal agencies and the states. Eliminate or rewrite those that are not consistent with statutory authority, the administration's policies and Executive Orders.
- **Eliminate Use of Guidance Documents As Requirements:** Support the development of regulations that would eliminate the use of Guidance Documents for enforcement actions and establishing requirements for permits and other approvable actions. Guidance documents should be used only for advice and to provide suggestions to the states and regulated communities not to end run the regulatory promulgation process.
- **Encourage Interaction Between the U.S. Department of Commerce and EPA:** The US Department of Commerce has been charged with gathering information from various business sectors that identify issues that adversely impact economics, productivity and competitiveness of America's businesses. This information should be shared with EPA and a report rendered semiannually on the progress the agencies have made in eliminating or modifying regulations or guidance documents that adversely impact economic growth and prosperity of American industry.
- **Provide States Maximum Flexibility In Managing Their Designated Programs:** States should be given maximum flexibility in the development of their regulatory and enforcement programs. The state's role should be to develop programs that are consistent with the federal programs but not necessarily exactly alike or more stringent than federal programs.



## Support Transportation Investments

A necessary component in developing a healthy economy is the availability of adequate and reliable transportation including air, roads, bridges, railways, waterways and public transit systems. Central Kentucky's location offers the region a competitive advantage when recruiting businesses. The Central Kentucky Policy Group expresses appreciation for Congressional support of a long-term surface transportation authorization (FAST ACT) to ensure our state and nation can plan for and implement major construction projects vital to the regional economy through 2020. We continue to urge the Kentucky federal delegation to support long-term funding solutions that strengthen transportation systems and economic development. The Central Kentucky Policy Group would like the Kentucky federal delegation to remain aware of the continued need for federal support for critical regional infrastructure projects that improve connectivity. We also support the inclusion of funding for necessitated utility infrastructure costs required by public improvement projects. Without inclusion of such funding, local utility customers would disproportionately bear costs associated with public improvement projects benefitting the public at large.



## Support FAA Reauthorization

The Central Kentucky Policy Group supports a long-term FAA Reauthorization bill that provides stable funding for the commercial (Blue Grass Airport) and the 3 general aviation airports vital to the local economy. This funding enables continued development of the aviation infrastructure needed to support the growth of the region. We also encourage Congress to pass legislation to mitigate any potential effects of a pilot shortage that could diminish air service to our region.



## Support 45G Short Line Railroad Tax Credits

The Central Kentucky Policy Group urges the Kentucky federal delegation to support short line railroads through a permanent 50 percent 45G tax credit to increase their investments by upgrading and expanding capacity, which ultimately allows short lines to serve their customers safer and more efficiently. We also urge the Kentucky federal delegation to review the U.S. Surface Transportation Board's proposed regulations and ensure the preservation of a balanced regulatory system that protects shippers while allowing railroads to invest in infrastructure.



## Support Telecommunications Investment

A free and open Internet has become a platform for innovation and economic activity unmatched in history. The Central Kentucky Policy Group supports creating incentives for private investment in broadband networks throughout the region as this infrastructure is critical to economic development. The Central Kentucky Policy Group also supports thoughtful public policies that reflect the needs of the modern marketplace and encourage connectivity and accessibility.



- **Net Neutrality:** The FCC's 2015 decision to impose sweeping "Title II" public utility regulations on the Internet has hindered investment and innovation. These rules also distort competition because they only apply to some companies and not others. Congress should step in to codify a set of basic net neutrality rules while rolling back the FCC's harmful decision to impose crippling Title II regulation.

# Health Care

## Federal Healthcare Reform

The Central Kentucky Policy Group remains concerned about the negative impact of health care reform on Central Kentucky businesses and the competitiveness of the region's health care economy including hospitals, doctors, insurers and other health care providers. We urge the Kentucky federal delegation and Administration to support comprehensive reforms that enable both large and small businesses and their employees to have increased access to quality, affordable and dependable health care and insurance coverage. We oppose businesses being overburdened with mandates, taxes, and penalties that drive up costs, limit flexibility, cut benefits, or significantly increase deductibles or co-pays for workers. We urge repeal of harmful taxes and business mandates such as the "Cadillac tax," the health insurance tax, the medical device tax and the employer mandate.

## Support Efforts to Curb the Drug Epidemic

The Central Kentucky Policy Group urges the Kentucky federal delegation to continue to support efforts to curb the national drug epidemic through prevention, treatment and criminal justice reforms. We support improved collaboration among local, state and federal elected officials, public health officials, law enforcement, health care providers and employers to ensure resources are available and being effectively used to combat the illness of addiction. We urge continued support for funding for health related anti-opioid programs including the Comprehensive Addiction and Recovery Act (CARA), the 21st Century Cures Act, justice and law enforcement related programs and veterans' anti-opioid programs. While the recent Centers for Disease Control prescribing guidelines for chronic pain represent a welcome step forward, we also encourage Congress and the Administration to continue to review the health care system and implement policy reforms to help prevent addiction.

# Regional Military Economy

The Central Kentucky Policy Group is proud to support and advocate on behalf of Bluegrass Station, located in Northeast Fayette County, and the Blue Grass Army Depot located in Richmond. Bluegrass Station and Blue Grass Army Depot employ over 1,500 Central Kentucky active duty and civilian employees and another 3,000 plus Department of Defense and Subcontractors, having an annual regional economic impacts of more than \$400 million. These two establishments are a vital partner in our region's collective economic development efforts.

## Bluegrass Army Depot

The Central Kentucky Policy Group urges to the Kentucky federal delegation to remain aware of the need to work with the Department of Defense in efforts to strategically plan for the sustained economic development of Blue Grass Army Depot and the surrounding region after the chemical demilitarization project is complete in 2026. There currently are no plans to facilitate the reintegration of resources, such as personnel and infrastructure involved in the demilitarization process, into the local and regional economies after the project is complete. A fully integrated Regional Economic Diversification Plan is required to focus on the economic impacts associated with the project to create a plan for economic transition in the region that will help identify current and future land use, infrastructure, employment, education, and policy needs of the communities. At the height of the project, the estimated payroll is approximately \$190.6 million in 2022 with a total of 1,744 employees. We ask for continued assistance from the Kentucky federal delegation with helping community leaders maintain effective communication with Department of Defense officials about the transition of the facilities and assets when appropriate.

## Bluegrass Station

Bluegrass Station continues to keep pace with the needs of its customers, including defense agencies, state agencies and their contractors. Added facilities, infrastructure and capabilities have set the conditions for future job growth and retention. Coordinated city, state and federal agency capabilities can fill gaps together that none can fill separately. As a defense-industry-centric facility belonging to the Commonwealth, Bluegrass Station needs this city/state/federal inter-agency cooperation in finding solutions for national missions. Supporting Department of Defense missions means jobs, locally and security, globally. The recent successful repurpose of restricted acreage to Homeland Security and the subsequent addition of five buildings resulted from an interagency team approach. More industrial growth in both the public and private sectors can be based on past successes and future plans. Bluegrass Station seeks to use the best balance of state, local, federal and private resources to benefit its customers and the citizens of Kentucky.

## Bluegrass Veterans Coalition

The Central Kentucky Policy Group encourages Kentucky's federal delegation to support the efforts of the Kentucky 6th District Veterans Coalition, which strives for better integration of services, improved collaboration, and coordination among community service providers in all sectors – county, state, federal, nonprofit - to help veterans and their families.

# Signature Industries

## Agriculture / Equine

Thousands of acres of horse farms, world class venues such as Keeneland and the Kentucky Horse Park, and many horse related organizations' national headquarters including the United States Equestrian Federation, earn Central Kentucky the title of Horse Capital of the World. A 2012 Kentucky Equine Survey conducted by the University of Kentucky calculated that the industry had a \$3 billion economic impact on Kentucky and generated 40,665 jobs. Because of the substantial economic impact the equine industry has on our region as well as the state, the Central Kentucky Policy Group urges the delegation to support initiatives to protect and enhance the future growth of the equine industry. These include:

- **Horseracing Integrity Act:** The Central KY Policy Group urges support for the Horseracing Integrity Act of 2017 (HR 2651) to provide a national medication standards for Thoroughbred horseracing including laboratory standards, testing requirements and penalties. These uniform standards will create a level playing field and ensure confidence, safety and integrity across the industry.
- **Support Full Funding for the Market Access Program:** The USDA Market Access Program (MAP) is a public-private partnership, which enables U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities. MAP is used by Kentucky cattle, soybean, and grains producers, food processors, as well as distilled spirit and live horse exporters through national cooperators. Since 2003, the Thoroughbred industry has received \$1 million, matched by a 7:1 ratio (7 industry dollars to each Federal dollar), in MAP-funding to develop new foreign markets in over twenty countries, and creating over \$500 million in new sales for breeders.

## Bourbon

Kentucky Bourbon is one of the Commonwealth's most historic and treasured signature industries, with a booming \$8.5 billion economic engine. The Bourbon industry generates more than 17,500 jobs with an annual payroll topping \$800 million, while pouring \$825 million into tax coffers each year. With 52 Kentucky distilleries producing 95 percent of the world's supply, Kentucky Bourbon is enjoying a historic renaissance to keep up with global demands for the signature spirit. Distilleries in our Commonwealth are in the middle of a \$1.2 billion capital expansion phase, from increased production and bottling to innovative tourism experiences through the successful Kentucky Bourbon Trail® programs. Despite this success, distilled spirits are the highest taxed industry in the Commonwealth, and Kentucky has the fifth highest effective tax rate among U.S. open market states. The Central Kentucky Policy Group supports policies that will allow the Bourbon industry to retain its competitive advantage in the global marketplace, including supporting tax policies and incentives that will alleviate the overwhelming tax burden on one of Kentucky's premier industries.



We ask the Kentucky delegation to support policies that help enable the manufacturing sector to increase its competitiveness including tax reform, investments in research and innovation, and workforce improvements.

## Advanced Manufacturing

Advanced manufacturing is a key aspect of the Bluegrass Region's economy. According to the Kentucky Cabinet for Economic Development, there are over 2,400 manufacturers in Kentucky employing around 245,000 Kentuckians full-time. Kentucky manufacturing companies not only provide jobs and economic prosperity, they also produce national brands such as Pop-Tarts, Dixie Cups, Jif peanut butter, Post-It Notes, Hot Pockets, Kentucky Ale, Tiffany & Co. jewelry, numerous brands of bourbon, and automobiles such as Toyota Camrys and Lexus ES 350. Kentucky exports in 2015 totaled over \$27 billion. Kentucky's top five exports were aerospace parts and products (\$8.7 billion), motor vehicles and parts (\$5 billion), pharmaceutical and medicines (\$1.7 billion), resin, rubber, fibers, and filaments (\$1.2 billion), and basic chemicals (\$987 million).

In 2011, Mayor Jim Gray of Lexington and Mayor Greg Fischer of Louisville launched the Bluegrass Economic Advanced Movement (BEAM), an initiative to develop a joint regional business plan to support a leading advanced manufacturing sector with higher average wage jobs. In November 2016, the mayors unveiled the BEAM Trade and Investment Plan. Developed in collaboration with the Brookings Global Cities program, the plan examines the importance of foreign direct investment (FDI) and proposes the way forward for metropolitan cultivation of FDI that helps build a resilient and growing BEAM economy. Foreign-owned firms in the U.S. make outsized contributions to the fundamental components of vibrant economic centers, accounting for significant innovation, research, and exports production, in addition to high-wage jobs. In the BEAM Region, foreign investments have contributed to performance in automotive, chemical, steel, and plastics manufacturing, as well as to the signature bourbon and thoroughbred horse industries. The BEAM project is ongoing as key regional partners investigate targeted strategic improvements.



## Protect Kentucky's Low Electricity Rates

The Central Kentucky Policy Group recognizes that affordable, reliable energy provides a critical operating advantage for job creation in an increasingly competitive global economy. Kentucky offers some of the lowest electricity rates in the nation due in large part to the abundance of coal resources for electricity generation. This competitive advantage has allowed Kentucky to attract thousands of manufacturing jobs. However, Kentucky is more dependent on coal for power generation than virtually any other state in the union. As a result, Kentucky's low electricity rates are seriously threatened by proposed regulations on carbon emissions, electricity generating facilities that use coal, and new regulations on Kentucky's mining industry. We are very concerned the proposal to reduce carbon emissions nationally by 30 percent by 2030 will do tremendous harm to Kentucky's economy without significantly changing global carbon emissions.

We urge the Kentucky delegation to continue to monitor the implementation of the proposed rule changes to section 111 (b) and 111 (d) of the Clean Air Act, and advocate for efforts at the state and federal levels to mitigate the impact on Kentucky employers and families.

**To protect Kentucky's economy, the Central Kentucky Policy Group encourages the Kentucky federal delegation to continue to:**

- **Support Kentucky's Coal Industry:** Support coal remaining an integral part of our country's energy portfolio. The coal industry has provided the state with low cost electricity and attracted dozens of energy-intensive industries like steel, aluminum, automobile and other manufacturing facilities that employ tens of thousands of Kentuckians. The coal economy has a direct economic impact on the vitality of Central Kentucky. With coal mining selected for increased scrutiny by the U.S. EPA, Kentucky coal faces continued job losses and declining production.
- **Support Natural Gas:** Encourage the investment in production and use of other reliable energy fuels like natural gas. Kentucky's oil and natural gas industry total value of production is over \$1 billion and employs over 9,000 Kentuckians.
- **Support Fair Regulations:** Ensure a level playing field for all

low-cost fuel sources to secure Kentucky's low electricity rates.

- **Support Research & Technology Investments:** Support research, development and utilization of new technologies for a cleaner energy strategy for continued reductions in carbon and greenhouse gas emissions while limiting unreasonable adverse impacts on the coal and gas industries.
- **Support Energy Efficiency Measures:** Support investments in energy efficiency measures, alternative fuels, and renewable energy to spur economic growth and energy innovation including grant opportunities for the University of Kentucky's Center for Applied Energy Research.

## Support for Center for Applied Energy Research

The University of Kentucky Center for Applied Energy Research (CAER) recently submitted a proposal to the U.S. Department of Energy that would help transform the Midwest energy economy by creating three separate energy innovation clusters. The proposal – entitled “Powering the Midwest Region with Reliable, Cost-effective, Clean Energy” – calls on UK CAER to lead the development of an energy innovation ecosystem in Kentucky, Tennessee, Illinois, Indiana and Ohio. If funded, the research grant would allow UK CAER to work with regional colleagues, industry partners, multi-state government and non-government agencies, and the public to modernize and advance the region's manufacturing and utility industries.

- The first cluster is focused on Advanced Electric Generation, enabling the continued use of least-cost fossil fuels, hydroelectric, nuclear and renewables to power the energy-intensive manufacturing in the region (metals, automotive, aviation, chemicals and durable goods).
- The second is a Value-added Products from Biomass and Fossil Energy Cluster that will provide for investment in new start-up industries in the region, including carbon fiber, rare earth elements, ceramics, fuels and chemicals, and biomaterials.
- The third is the Process Intensification and Modularization Cluster, which seeks to advance industrial material recycling, combined heat and power, waste-to-energy and demand-side efficiency improvements for industry aimed at reducing the energy intensity.

# Economic & Workforce Development

## Defend the Rights of Businesses & Employees

Maintaining balance between labor unions and employers is critical to job creation. The NLRB and the Department of Labor (DOL) have undertaken policies and rulemaking in the past that threatened jobs and economic growth. The Central Kentucky Policy Group is committed to defending the rights of businesses and their employees. We strongly encourage the appointment of a full and balanced NLRB board and the Kentucky federal delegation's opposition to labor laws or policies that undermine employer-employee relations.

### We urge the support for labor laws that:

- Maintain a full and balanced NLRB properly vetted and ratified through Congress.
- Protect secret ballot elections to form unions.
- Maintain functional grouping of business units that do not pit “sub” or “micro” units against each other in organizing efforts (micro unions).
- Maintain a company's ability to educate employees on the consequences of unionization.
- Do not include binding arbitration provisions.
- Do not impose one-sided penalties.
- Consider use of email and social media to misrepresent picketed areas an Unfair Labor Practice.

## Improve Workforce Investment Programs

The Federal Workforce Investment Program is a critical component to providing a highly skilled and educated workforce for businesses in Central Kentucky. Having a steady pipeline of trained workers is an asset that positively impacts the region's ability to attract, retain and expand businesses. The Central Kentucky Policy Group believes students at all grade levels must be engaged in curriculums that challenge and prepare them to reach their full career potential. It is critical to understand the current and future workforce needs of the region to strategically address those needs at the appropriate time during K-12, Post- Secondary and Adult Education programs. The use of accountability standards, students helps demonstrate college and career readiness upon graduation.

Implementation of the Workforce Innovation and Opportunity Act (WIOA) has been a positive step forward. The Central Kentucky Policy Group encourages the KY federal delegation to continue to support funding and policy reforms that align and improve existing programs at the state level, and to support local and regional partnerships with employers to meet the workforce needs of a 21st Century economy.



We support the Work Ready Community, Sector Strategies, High Impact WIB and Unified Business Services work at the state and local level. Federal leadership and consistency is vital in policy guidance to states and local communities among U.S. Departments of Education, Labor, Health and Human Service, Commerce and USDA around education and training programs including partnership expectations, common definitions, performance metrics, etc. It is also important to continue to strengthen accountability, integration and collaboration among all partners engaged in workforce development. Employers, educators and administrators should focus on results to fulfill the needs of employers and workers to ensure the best possible return on investment for workforce development dollars in the community.

## Support Immigration Reform

The Central Kentucky Policy Group supports a comprehensive immigration reform, which includes modernizations to the guest worker program to address the needs of all Kentucky workplaces.

# Higher Education

## & Technology/Research

### Support Higher Education Act Reauthorization

The Central Kentucky Policy Group joins KCTCS, UK and EKU in support of reauthorizing the HEA. We also urge the Kentucky federal delegation to support simplifying and enhancing student aid programs, ensuring accurate measurements of student success and reducing regulatory burdens. Specifically, we would like to see Congress include the following provisions with HEA:

- **Transparency and Measurements:** Include accountability measures that accurately reflect community college student patterns of enrollment and success; include transfer rates. This includes creating an official six-year graduation rate for community colleges (300% of “normal time” to complete). Create a national student unit record data system to effectively track student enrollment, completion and earnings information.
- **Default rates:** Revise cohort default rates by incorporating the percentage of students who borrow. Increase the participation rate index and completion rate index to better reflect the needs of community colleges.
- **Oppose risk sharing:** Oppose new financial penalties or sanctions tied to loan repayment rates or defaults. Despite being low-cost, community colleges are subject to enormous penalties under current risk sharing regulations.



### Support Pell Grant Program Funding

- Fully fund the discretionary base award in FY 2018, and tie to inflation.
- Allow students to receive Pell Grants for a total of 14 full-time equivalent semesters.



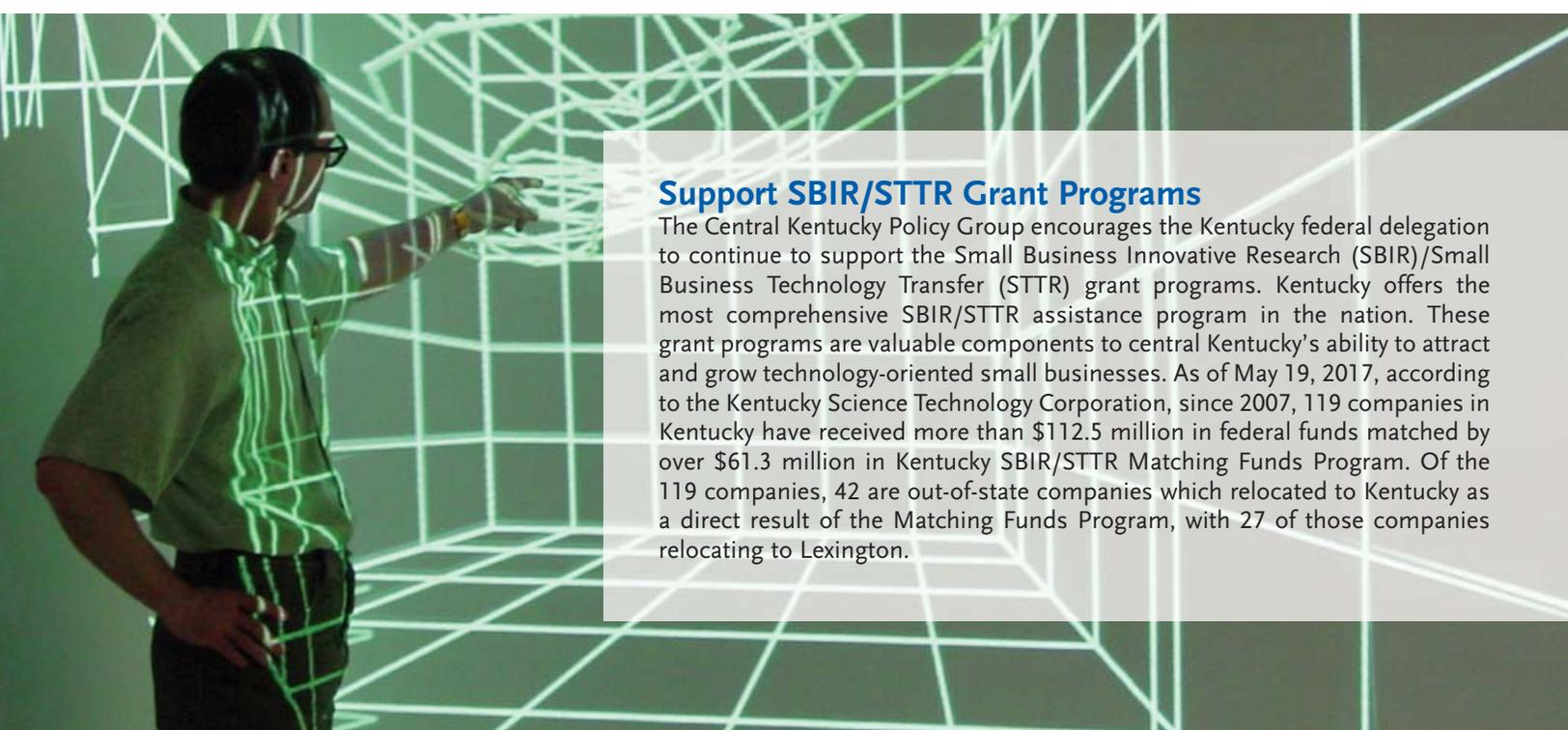
### Reauthorize Carl D. Perkins Career & Technical Education Act (H.R. 2353)

- Reauthorize to maintain program flexibility, allowing community colleges to address local needs, while strengthening CTE programs.
- Enhance student pathways that promote college and career readiness and strengthen ties between community colleges and local businesses.
- Reforms should reflect current practices, including: dual enrollment; work experiences; stackable postsecondary credentials.



### Provide for Increased Opportunities for Competency-Based Education

- Support federal legislation that allows college flexibility to pursue more competency-based education opportunities for students.



### Support SBIR/STTR Grant Programs

The Central Kentucky Policy Group encourages the Kentucky federal delegation to continue to support the Small Business Innovative Research (SBIR)/Small Business Technology Transfer (STTR) grant programs. Kentucky offers the most comprehensive SBIR/STTR assistance program in the nation. These grant programs are valuable components to central Kentucky’s ability to attract and grow technology-oriented small businesses. As of May 19, 2017, according to the Kentucky Science Technology Corporation, since 2007, 119 companies in Kentucky have received more than \$112.5 million in federal funds matched by over \$61.3 million in Kentucky SBIR/STTR Matching Funds Program. Of the 119 companies, 42 are out-of-state companies which relocated to Kentucky as a direct result of the Matching Funds Program, with 27 of those companies relocating to Lexington.

### UNIVERSITY OF KENTUCKY

#### Support Federal Research Funding

The University “for” Kentucky is seeking solutions to the state’s most pressing health challenges: cancer, heart disease, diabetes, and drug abuse. Cutting edge research that is applied to combat these disparities is being done here at UK. In our leading medical center with a referral network throughout the region; in our leading national centers in cancer and aging; and in our capacity to move discoveries from the lab into communities. Continued federal support for research at the University of Kentucky is also a necessity for regional economic development. The Central Kentucky Policy Group urges the Kentucky federal delegation to support the development of a reasonable, equitable solution to reduce the overall deficit that does not disproportionately impose deep cuts in federal research and development funds. We are also concerned about the President’s FY18 budget proposal for NIH, which proposes to reduce the budget by \$7.2 billion (21%) in part by capping facilitates and administrative (F&A) costs to 10 % on NIH awards. These cuts would hurt UK’s ability to conduct cutting-edge research that saves lives.

### KY. COMMUNITY & TECHNICAL COLLEGE

#### Support for SOAR & Workforce Training

The Central Kentucky Policy Group also joins KCTCS and EKU in support of the SOAR initiative. KCTCS is a strategic partner in SOAR to enhance the lives of the citizens of eastern Kentucky who need additional opportunities to complete postsecondary education and find gainful employment. In coordination with SOAR, KCTCS is working on the following components within SOAR and continues to urge KY federal delegation support of these efforts:

- Providing Computer and Information Technology Programs to support expanded needs of the IT sector in the region and enhancing Programs for IT Certification (EPIC).
- Supporting job creation opportunities through the KCTCS Entrepreneurship Training Program.
- Creating workforce development opportunities through KCTCS-TRAINS Funding.

### KENTUCKY STATE UNIVERSITY

#### Betty White Nursing Building

The Central Kentucky Policy Group supports Kentucky State University’s efforts to seek state and federal funding assistance with a \$9.5 million expansion and renovation the Betty White Nursing Building.

Currently Kentucky State University has 100 potential nursing students on a waiting list due to the facility size. It is critical for the university to move forward with this initiative, as KSU has recently sought authorization from the Council on Postsecondary Education to offer an Advance Practice Doctoral in Nursing. With the increasing need of qualified nurses in Central Kentucky, this expansion and renovation will meet the growing need for health care professionals and employers in Kentucky.

#### UK’s Research & Development is Robust with Considerable Economic Impact:

- Institutions in Kentucky earn \$163.6 million, \$92.4 million earned by UK, of NIH funding. At an estimated 13 jobs per \$1 million in NIH awards, this support generates 2,886 intra/interstate jobs and had an estimated \$431.6 million economic impact in FY 2016.
- Reducing the scope of this research will negatively impact the health of Kentucky and its future. It will reduce jobs and hamper continuing efforts to cure disease and save lives.

### EASTERN KENTUCKY UNIVERSITY

#### Support for Regional Stewardship Initiatives

As a public comprehensive institution serving one of the most economically distressed geographic regions in the nation, Eastern Kentucky University (EKU) is committed to improving the lives of citizens in our region. Regional Stewardship is a core component of the University’s mission and we seek to build on our capacity to serve our region by advancing educational attainment, public health and economic development. Federal support through the SOAR initiative and other programs will greatly aid ECU in meeting its growing commitment to Eastern Kentucky. In FY 15, ECU received approximately \$7M in Federal or Federal flow through funding to support regional stewardship in Eastern Kentucky.

#### KEY INITIATIVES ARE:

- Development of Technical Training programs to foster economic development through grants from USDA.
- Improvements in health outcomes through the works of the Bluegrass Community Health Clinic supported by Health Resources Service Administration (HRSA).
- Preparing Related Services Personnel for Rural Employment (PREPaRE Program) to alleviate the regional shortage of highly qualified personnel in occupational therapy, physical therapy and speech language pathology funded through the US Department of Education.

# Recent Accomplishments

Initial Funding for Feasibility Study for I-75 Connector

Funding for Kentucky Blood Center in Eastern Kentucky to meet needs for expanding healthcare providers

Funding for Bluegrass Army Depot

Funding for Newtown Pike Extension

Reauthorization of SBIR-STTR federal grant programs to help high-tech and start-up businesses grow in Central Kentucky

Funding for Eastern Kentucky University's Cellulosic Derived Bio-Fuels Program

Long-term transportation funding including FAST Act

Federal R&D grant funding for the University of Kentucky, including 21st Century Cures Act

