

Visioning Kentucky's Future

measures and milestones 2008



VISIONING KENTUCKY'S FUTURE MEASURES AND MILESTONES 2008

compiled, written, and edited by

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Preface

In keeping with its statutory requirement to advise and inform the Governor, the General Assembly, and the public about long-term implications of trends and policies, the Kentucky Long-Term Policy Research Center presents its 2008 biennial trends report, the eighth in this series.

The report is organized around five major issue areas that emerged from a 1994 effort to shape a citizen vision for the future of the state. Within these areas—communities, education, economy, environment, and government—we present 26 long-term goals and 103 measures of progress. Results from our sixth statewide survey gauge citizen opinion of progress on each goal and its relative importance. This report will be of service to all who are interested in our state’s current standing, the future it implies, and the action it compels.



The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decisionmaking process. The Center’s mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing Kentucky’s future. The Center has a responsibility to identify and study issues of long-term significance to the state and serve as a mechanism for coordinating resources and groups to focus on long-term planning.

The Center is governed by a 21-member board that includes four appointees from the executive branch, six from the legislative branch, and 11 at-large members who represent universities, local governments, communities, and the private sector. In accordance with its authorizing legislation, the Center is attached to the legislative branch of Kentucky state government. The composition of its board, however, affords it functional independence and permits it to serve both the executive and legislative branches of government equally, as well as the public.

Michael T. Childress is Executive Director of the Center. Those interested in further information about the Kentucky Long-Term Policy Research Center should contact his office at:

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Acknowledgments

The Kentucky Long-Term Policy Research Center wishes to extend its gratitude to the public employees and state and federal agencies they represent for the data they routinely collect and disseminate in the interest of providing more effective government. Likewise, we are indebted to many nonprofit organizations whose work permits us to report timely information about issues that are key to our future.

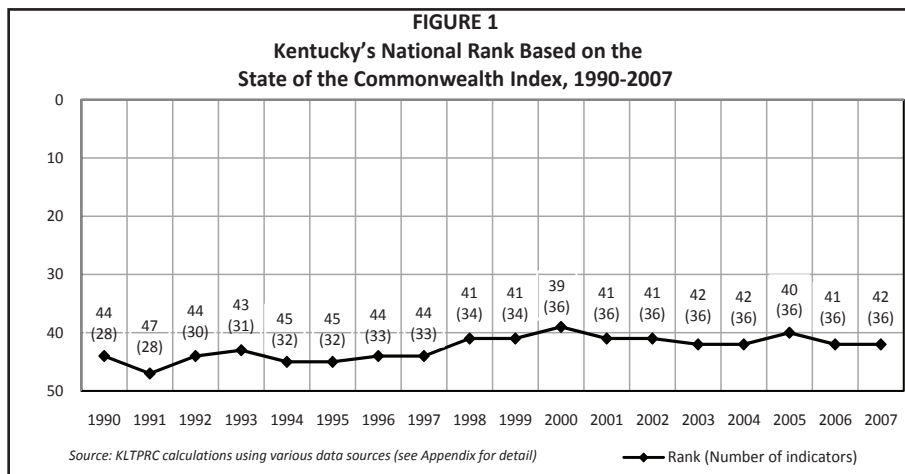
We also thank the many Kentuckians who participated in the 2008 survey. Their willingness to take time out of often-busy schedules to complete a survey about goals for the future of our state is, in effect, a commendable public service.

Finally, we are grateful for the work of our Board whose members provided thoughtful support, review, and consideration of this report. It is our sincere hope that the people of Kentucky, particularly those who hold leadership positions, public and private, will find this report a useful tool that inspires thoughtful consideration and action.

Introduction

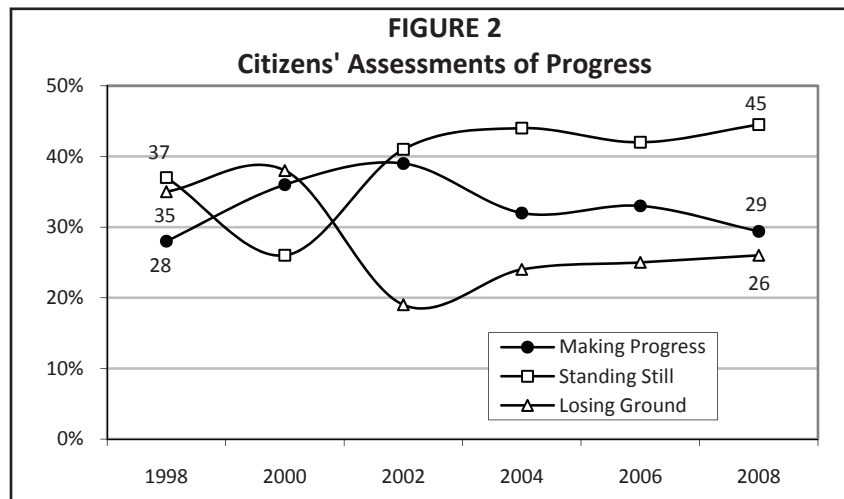
The information presented in this biennial trends report suggests that Kentucky is taking halting steps toward a citizen-based vision of the future. Initially crafted in 1994 after engaging the public in 15 forums across Kentucky, the vision statement reflects the fundamental values of our citizens and their hopes for the future: We envision a future for the Commonwealth of Kentucky that unites us in common purpose and builds on the strengths of our heritage and our resources. We see vibrant, nurturing communities, lifelong, quality educational opportunities, a sustainable, prosperous economy, a clean, beautiful environment, and honest, participatory government at all levels.

Some trends show progress, like the declining teen birthrate and increasing educational attainment rates, while others, like the rising obesity rate or stagnating personal income, evidence a lack of progress. Overall, the Center's State of the Commonwealth Index paints a picture of progress relative to other states during the 1990s, but this progress has stalled for the last decade.¹ This empirically based Index combines 36 different factors, including measures of community well-being, education, the economy, the environment, and government, into a single quality-of-life index. Virtually all of the factors comprising this Index, which range from the crime rate to per capita income, are also included as indicators in this report. Based on this Index, Kentucky's national ranking improved from the mid- to high-40s in the early 1990s to the low-40s by the late 1990s, where it has essentially remained to the present (see Figure 1).



This report also presents the results of public opinion surveys conducted every two years since 1998 asking Kentuckians to evaluate the *importance* and *progress* of 26 long-term goals for the state, from maintaining a strong farm economy to developing an appreciation for the arts and humanities. Specifically, we ask citizens to identify the goals they believe are most important and to evaluate each goal on whether we are making progress, standing still, or losing ground. These survey results show that an

increasing percentage of Kentucky citizens believe the state is “standing still,” demonstrated by the increase from 37 percent in 1998 to 45 percent in 2008 (see Figure 2). About the same percentage view Kentucky as making progress in 2008 (29 percent) as did in 1998 (28 percent). Importantly, fewer citizens believe that Kentucky is losing ground in 2008 (26 percent) compared to 1998 (35 percent).



As judged by our citizens, Kentucky has not made adequate progress on the goals they feel are most important. The three goals consistently ranked by citizens as most important—health care, lifelong education, and safe communities (see Table 1)—are not viewed as showing much progress (see Table 2):

- *Goal 1: Kentucky communities will be safe and caring places that enable all citizens to lead productive, fulfilling lives.* Safe and caring communities remain a leading priority for Kentuckians, who have ranked this goal among the three most important for our state since this survey began. But a steadily declining portion of citizens believe we are making progress toward achieving this goal, and, while improved, its 2008 ranking at 10th on progress stands below its 5th place position in 2002.
- *Goal 4: All Kentuckians will have access to affordable, high-quality, and comprehensive health care that stresses the importance of preventive care.* While access to health care is consistently ranked the most important goal, it is also ranked last in progress survey after survey. Indeed, only 12 percent believe we are making progress on this goal, and over 50 percent say we are losing ground.
- *Goal 7: Kentuckians will have an education system of lifelong learning that exemplifies excellence.* A declining percentage of citizens think Kentucky is making progress toward the goal of lifelong learning, and nearly two-thirds see the state as losing ground or standing still on a goal they rank second in importance.

TABLE 1
Rankings of 26 Goals by Importance, by Year

| Goal | Importance Rank | | | | | |
|---|-----------------|------|------|------|------|------|
| <i>Kentuckians envision:</i> | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
| <i>vibrant, nurturing communities</i> | | | | | | |
| 1. Safe and Caring Communities | 2 | 3 | 1 | 3 | 3 | 3 |
| 2. Responsibility for Family Success | 10 | 13 | 2 | 4 | 7 | 6 |
| 3. Decent, Safe, Affordable Housing | 8 | 6 | 5 | 5 | 6 | 5 |
| 4. Accessible, Quality Health Care | 3 | 1 | 3 | 1 | 1 | 1 |
| 5. Trust and Civic Pride | 22 | 23 | 16 | 19 | 18 | 17 |
| 6. Value, Respect for All Individuals | 15 | 16 | 15 | 20 | 21 | 25 |
| <i>lifelong, quality educational opportunities</i> | | | | | | |
| 7. Excellent System of Lifelong Learning | 1 | 2 | 4 | 2 | 2 | 2 |
| 8. Internationally Competitive Education | 11 | 10 | 14 | 13 | 13 | 15 |
| 9. Children Who Are Ready, Able to Learn | 13 | 9 | 10 | 16 | 12 | 12 |
| 10. Safe, Stable Learning Environments | 6 | 4 | 7 | 11 | 10 | 14 |
| 11. Partnerships to Promote Education | 14 | 12 | 18 | 14 | 20 | 16 |
| 12. Arts Opportunities | 26 | 26 | 26 | 26 | 26 | 26 |
| <i>a sustainable, prosperous economy</i> | | | | | | |
| 13. End to Poverty and Its Effects | 4 | 5 | 9 | 7 | 5 | 7 |
| 14. Broadly Beneficial Development | 5 | 8 | 8 | 8 | 9 | 9 |
| 15. Beneficial Participation in a Global Economy | 25 | 24 | 25 | 25 | 24 | 23 |
| 16. Strong Farm Economy | 17 | 15 | 17 | 15 | 17 | 21 |
| 17. Physical Infrastructure to Support Development | 19 | 17 | 21 | 18 | 14 | 11 |
| 18. State-of-the-Art Technological Infrastructure | 20 | 22 | 20 | 21 | 15 | 19 |
| 19. Fiscal, Tax, and Regulatory Structure | 9 | 14 | 12 | 10 | 11 | 8 |
| 20. Entrepreneurial Economy | 21 | 25 | 23 | 22 | 22 | 22 |
| <i>a clean, beautiful environment</i> | | | | | | |
| 21. Environmental Protection | 12 | 18 | 13 | 17 | 15 | 13 |
| 22. Wise Use of Resources & Recycling | 24 | 21 | 22 | 23 | 25 | 20 |
| 23. Environmental Awareness | 23 | 20 | 24 | 24 | 23 | 24 |
| <i>honest, participatory government at all levels</i> | | | | | | |
| 24. Open, Responsive Government | 7 | 7 | 6 | 6 | 4 | 4 |
| 25. Fair, Effective Justice System | 16 | 11 | 11 | 9 | 8 | 10 |
| 26. Active Civic Participation | 18 | 19 | 19 | 12 | 19 | 18 |

How to read this table: The numbers that appear in each column represent the overall ranking of each goal by year, with the highest ranking being 1 and the lowest 26. For example, in 2008, Kentuckians ranked Goal 4 (Accessible, Quality Health Care) highest in importance and Goal 12 (Arts Opportunities) lowest. Reading from left to right across the row for each goal, the rankings given a goal over time are shown. For example, Goal 4 has been ranked at or near the top in terms of importance on each of the Center's six surveys conducted over the past decade.

TABLE 2
Rankings of 26 Goals by Progress, by Year

| Goal | Progress Rank | | | | | |
|---|---------------|------|------|------|------|------|
| <i>Kentuckians envision:</i> | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
| <i>vibrant, nurturing communities</i> | | | | | | |
| 1. Safe and Caring Communities | 17 | 12 | 5 | 8 | 12 | 10 |
| 2. Responsibility for Family Success | 16 | 15 | 14 | 14 | 13 | 9 |
| 3. Decent, Safe, Affordable Housing | 11 | 7 | 12 | 13 | 18 | 20 |
| 4. Accessible, Quality Health Care | 26 | 26 | 26 | 26 | 26 | 26 |
| 5. Trust and Civic Pride | 10 | 19 | 18 | 17 | 17 | 15 |
| 6. Value, Respect for All Individuals | 13 | 11 | 16 | 6 | 8 | 6 |
| <i>lifelong, quality educational opportunities</i> | | | | | | |
| 7. Excellent System of Lifelong Learning | 14 | 8 | 6 | 5 | 6 | 13 |
| 8. Internationally Competitive Education | 12 | 10 | 10 | 11 | 14 | 16 |
| 9. Children Who Are Ready, Able to Learn | 19 | 16 | 15 | 7 | 9 | 14 |
| 10. Safe, Stable Learning Environments | 23 | 20 | 4 | 3 | 1 | 5 |
| 11. Partnerships to Promote Education | 3 | 5 | 3 | 4 | 3 | 7 |
| 12. Arts Opportunities | 4 | 2 | 1 | 1 | 4 | 2 |
| <i>a sustainable, prosperous economy</i> | | | | | | |
| 13. End to Poverty and Its Effects | 21 | 24 | 25 | 25 | 25 | 25 |
| 14. Broadly Beneficial Development | 15 | 17 | 19 | 22 | 21 | 22 |
| 15. Beneficial Participation in a Global Economy | 1 | 4 | 8 | 15 | 7 | 11 |
| 16. Strong Farm Economy | 25 | 22 | 21 | 20 | 19 | 12 |
| 17. Physical Infrastructure to Support Development | 9 | 13 | 17 | 16 | 16 | 18 |
| 18. State-of-the-Art Technological Infrastructure | 5 | 6 | 13 | 18 | 15 | 17 |
| 19. Fiscal, Tax, and Regulatory Structure | 20 | 25 | 24 | 23 | 23 | 23 |
| 20. Entrepreneurial Economy | 18 | 18 | 20 | 19 | 20 | 21 |
| <i>a clean, beautiful environment</i> | | | | | | |
| 21. Environmental Protection | 6 | 1 | 2 | 2 | 2 | 1 |
| 22. Wise Use of Resources & Recycling | 2 | 3 | 9 | 10 | 10 | 3 |
| 23. Environmental Awareness | 7 | 9 | 11 | 12 | 11 | 4 |
| <i>honest, participatory government at all levels</i> | | | | | | |
| 24. Open, Responsive Government | 22 | 23 | 23 | 24 | 24 | 24 |
| 25. Fair, Effective Justice System | 24 | 21 | 22 | 21 | 22 | 19 |
| 26. Active Civic Participation | 8 | 14 | 7 | 9 | 5 | 8 |
| How to read this table: The numbers that appear in each column represent the overall ranking of each goal by year, with the highest ranking being 1 and the lowest 26. For example, in 2008, Kentuckians ranked Goal 21 (Environmental Protection) highest on progress and Goal 4 (Accessible, Quality Health Care) lowest. Reading from left to right across the row for each goal, the rankings given a goal over time are shown. For example, Goal 4 has been ranked at the bottom in terms of progress on each of the Center's six surveys conducted over the past decade. | | | | | | |

The public opinion assessment of the 26 goals, the State of the Commonwealth Index, and the multitude of indicators presented in this biennial trends report show Kentucky generally moving in the right direction, albeit slowly. We have progressed on many important measures, but because other states have progressed, Kentucky has not necessarily gained much ground. This mixed picture is evident in many areas and possibly suggests future public policy directions. Within this broad context of incremental overall progress, there are at least five broad themes evident in this report:

- **Education as a Work in Progress** – Despite our muted progress overall, Kentucky has made substantial educational progress since the early 1990s, both relative to our past and to the nation. For example, the Center’s Educational Index shows that our national ranking improved from 43rd in 1992 to 34th in 2005.² Many of the indicators in this report, from high school and college attainment rates to most of the performance test scores, show consistent and marked improvement. However, Kentucky lags the national high school and college attainment rates, trails the nation in 4th and 8th grade math performance, and still has a gaping achievement gap between advantaged and less-advantaged students. Unless and until Kentucky improves performance on these core educational indicators, we are unlikely to show significant improvement on economic indicators like per capita personal income, which has languished at around 80 percent of the U.S. average for the last 30 years.
- **Unhealthy Habits and Undesirable Consequences** – Kentuckians smoke too much, eat too much, and do not exercise enough. More than half of Kentucky adults do not meet the recommended physical activity levels (56 percent), we lead the nation in smoking (28 percent), we are the most overweight state in the nation (69 percent are either overweight or obese), and our obesity rate continues to increase.³ In addition, it is not just the adults—38 percent of Kentucky’s children and teens are overweight or obese, making our kids the most overweight in America.⁴ For children, being significantly overweight or obese can lower academic achievement. Overweight or obese students are more likely to suffer from adverse health consequences, such as asthma, type 2 diabetes, depression, and sleep apnea, which can then lead to higher absenteeism and negatively affect their academic performance. This does not bode well for our future since obesity in the teen years is a key predictor for obesity in adulthood. The consequences of these trends are profound: high rates of chronic disease and disability, and health care costs. Moreover, an uninsured population of 15 percent, or 600,000 Kentuckians, magnifies the costs and consequences of these ailments.
- **Uphill Running in a Flat World** – Using the metaphor of a “flat world” to describe how globalization has leveled the playing field of economic competition, author Thomas Friedman cogently describes how the economic structure

provides opportunities for those who are prepared, and harmful consequences for those who are not. Economic trends like rising foreign direct investment and growing exports suggest that Kentucky is deriving benefits from the global economy. At the same time, global competition is forcing many Kentuckians to run harder just to keep pace. The rapidly changing, globally integrated economy is rewarding those with higher levels of education and skills and creating distinct winners and losers. These fundamental structural changes to the economy are reflected in changes in real family income over the last few decades. Upper middle-class families in Kentucky, those at the 75th percentile in income, experienced a 19 percent increase in real income between 1976-78 and 2005-07, while lower middle-class families, those at the 25th percentile, saw only a 1 percent increase. The differences are even more pronounced at the 10th and 90th percentiles, exhibiting a 12 percent *decrease* and 26 percent increase, respectively. Historically, we do not have a problem creating jobs, demonstrated by an unemployment rate that has more or less paralleled the national average. Rather, we have a problem creating *high-quality* jobs, evidenced by the state's relatively low number of scientific research and development firms and patents issued to our citizens and businesses. The key to future economic prosperity lies in our citizens embracing lifelong learning and the development of an entrepreneurial economy based on innovation and inventiveness.

- **Strong Foundation for Progress** – The foundation for future success will be determined, in part, by the strength of our transportation, technological, and environmental infrastructure, which appears strong based on many of the indicators presented here. Ideas, innovation, and intellectual capital form the foundation of the evolving knowledge economy, but Kentucky, like most states, has an economy mainly centered on making and growing things, extracting and transporting raw materials, and moving people and products to markets and workplaces. Thus, for the foreseeable future the traditional transportation infrastructure, the condition and performance of the road system, which is on par with other states and ranked high in cost-effectiveness according to a just-released national report,⁵ will remain an essential piece of the economic development puzzle. An emerging facet of economic and community development is the technology infrastructure. A vast majority of Kentuckians (70 percent) uses the Internet, but only 40 percent of adult Kentuckians have residential high-speed Internet connections, compared to 51 percent nationally. Finally, a clean and beautiful environment, reflected in increasing acreage dedicated to nature preserves as well as better air quality, is important for aesthetic, tourism-related, and public health reasons, and for attracting and retaining highly skilled professionals who value an amenity-rich environment. Continuing to build and strengthen an already strong foundation for progress will help ensure future economic success for the Commonwealth.

- **Importance of Leadership and Civic Engagement** – Fiscal resources will surely continue to tighten in the future because of the aging population, rising health care costs, and looming government obligations.⁶ Consequently, governments will look increasingly to community-based organizations, nonprofits, the private sector, and citizens for collaborative opportunities to solve problems and seize opportunities. Kentucky’s stock of social capital is relatively strong, evidenced by high levels of volunteerism, charitable giving, social trust, and community involvement, which bodes well for the future. The challenges and opportunities before us are immense. Leadership and civic engagement are needed from every region and at every level for Kentucky to successfully navigate the uncharted waters ahead.

¹ Refer to Appendix A for detailed information on the method used to create the Index.

² Amy L. Watts, “An Index of Kentucky’s Educational Progress,” *Policy Note*, KLTPRC, 23 (Oct. 2007).

³ KLTPRC analysis of data from the Centers for Disease Control and Prevention (CDC), *Behavioral Risk Factor Surveillance System Survey Data, 2007*.

⁴ Annie E. Casey Foundation, Kids Count Data Center, <<http://www.kidscount.org/datacenter/>>.

⁵ David T. Hartgen and Ravi K. Karanam, *17th Annual Report Performance of State Highway Systems (1984–2006)* (Los Angeles: Reason Foundation, 2008) 13 Dec. 2008 <<http://www.reason.org/ps369.pdf>>.

⁶ US Government Accountability Office (GAO), *The Nation’s Long-Term Fiscal Challenge*, 1 Nov. 2006 <<http://www.gao.gov/special.pubs/longterm/challenge.html>>.

Communities

1

Kentucky communities will be safe and caring places that enable all citizens to lead productive, fulfilling lives.

Safe and caring communities remain a leading priority for Kentuckians, who have ranked this goal among the three most important for our state since this survey began. But a steadily declining portion of citizens believe we are making progress toward achieving this goal, and, while improved, its 2008 ranking at 10th on progress stands well below its 2002 position.

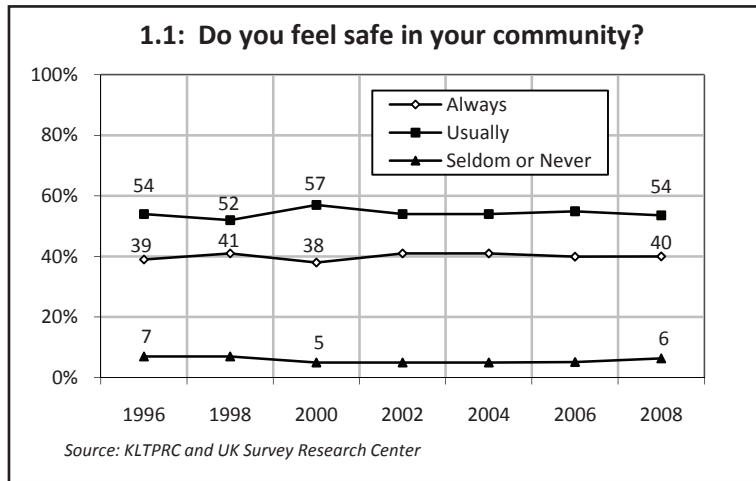
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 38% | 38% | 47% | 39% | 36% | 33% |
| Standing Still | 35% | 39% | 38% | 41% | 40% | 45% |
| Losing Ground | 27% | 23% | 15% | 19% | 23% | 23% |

1.1

Personal Safety

Since 1996 statewide surveys have questioned Kentuckians about how safe they feel in their own communities. Generally, the trend has remained relatively flat over the time period, as an average of 54 percent of those questioned reported usually feeling safe. A full 40 percent actually said they *always* feel safe near home, while at the same time, only about 6 percent on average report that they seldom or never feel safe in their communities. This positive attitude toward personal safety is most likely a consequence of the generally rural nature of the Commonwealth, and its accompanying neighborliness and low rate of crime, all fundamental measures of the health of Kentucky communities.

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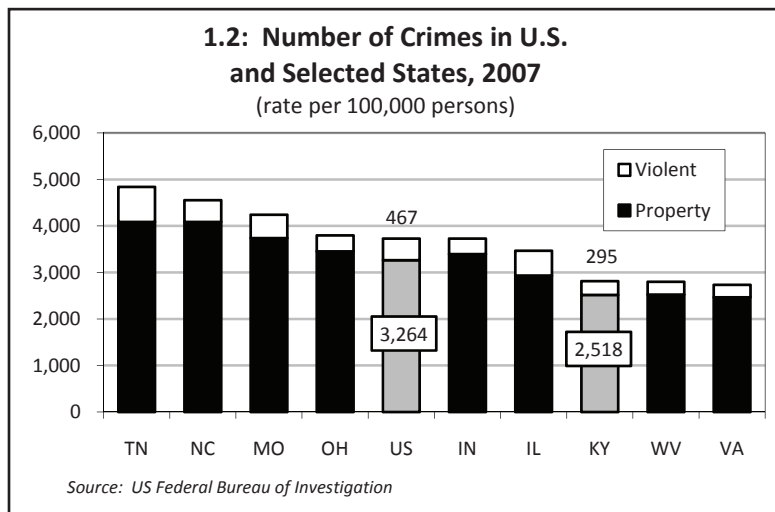


Crime

Any discussion of community would be incomplete without consideration of the role of crime, which can instill fear, undermine trust, and fray connections. The number of reported incidents of property crime, such as burglary, larceny-theft, and motor vehicle theft, has declined in the United States every year since 2004 when the Federal Bureau of Investigation revised its reporting criteria. In Kentucky, the number of reported property crimes per 1,000 persons has remained relatively flat since 2004 though they dipped to a low of 2,518 in 2007. Reports of violent offences, including murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault, also were well below the national rate here in 2007 and below the rates reported by six of eight surrounding states. Kentucky's comparatively low crime rate remains a strong asset that contributes to a sense of well-being and trust which, in turn, helps create caring places that nurture productive lives.

1.2

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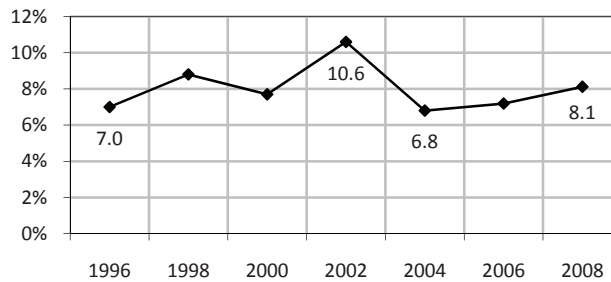
1.3

Neighborliness

Surveys conducted since 1996 show that, in general, only about 7 or 8 percent of all adult Kentuckians report having no one other than a family member to rely upon in time of need. This encouraging finding suggests that Kentuckians cultivate healthy social networks of neighbors, friends, and community members who share common interests. This bodes well for Kentucky's future. Beyond the day-to-day security these networks afford us, support from neighbors will become increasingly important as our population ages and public services are strained. The strong sense of neighborliness found here is, at least in part, a product of Kentucky's rural composition, high native population, and family-oriented culture. By anyone's estimation, it is a strength.

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1.3: Percentage of Kentuckians Who Report Having No One, Outside Family, to Call in Times of Need



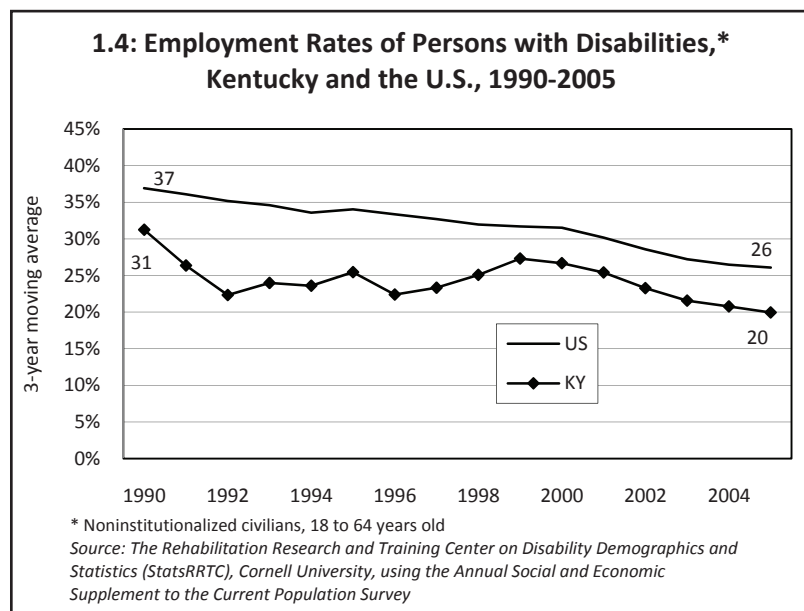
Source: KLTPRC and UK Survey Research Center

Employment of People with Disabilities

The expressed goal of valuing and engaging all citizens, regardless of differences in their abilities, informed the 1990 Americans with Disabilities Act (ADA) and shifted programmatic missions from entitlements to enabling opportunity. Trends, however, suggest that the landmark ADA and the well-intended state and federal initiatives that followed it have not fulfilled their promise. Employment rates for persons with disabilities have declined both at state and national levels since 1990. Because the United States now must grow its labor force to bolster support for an aging population, the import of capturing the contributions of more people with disabilities has economic implications beyond personal incomes and rates of dependency. In Kentucky, which has the nation's second highest 2006 rate of disability (20 percent) among working-age adults, those 21 to 64 years old, the need to engage more persons with disabilities in the labor force is critical.

1.4

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2 Kentucky's communities and citizens will share responsibility for helping families succeed.

Community responsibility for family success remains among the goals of greatest importance to Kentuckians, but fewer than a third perceive progress. The share of citizens who say we are making progress has declined sharply since a 2002 high. More than half of citizens now say Kentucky is standing still on this key goal.

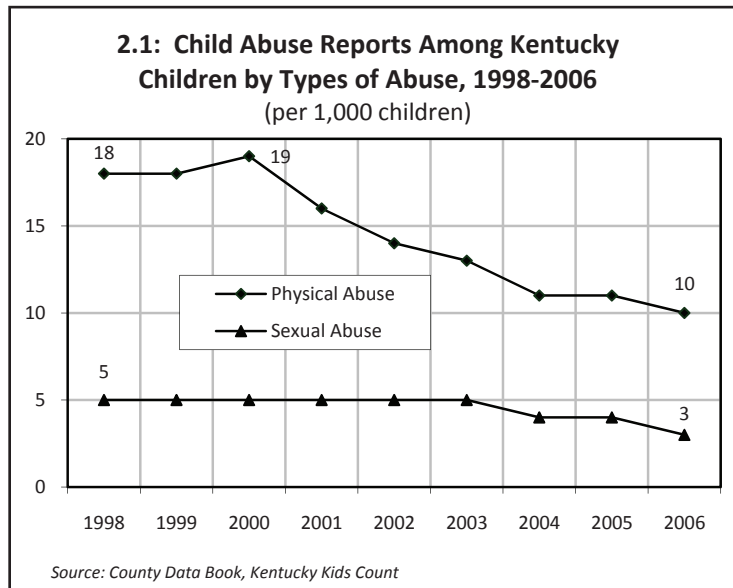
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 35% | 35% | 41% | 34% | 31% | 29% |
| Standing Still | 43% | 42% | 44% | 48% | 48% | 54% |
| Losing Ground | 22% | 24% | 15% | 18% | 20% | 18% |

2.1

Child Abuse

Child abuse and neglect represent the most heinous consequences of society's failure to protect and nurture children. What's more, research shows that the consequences tend to be intergenerational. Victims of child abuse are more likely to become criminals, prisoners, and perpetrators of child abuse, exacting an incalculable human and economic toll. Though one incident of abuse is one too many, the number of incidents of physical child abuse reported by the Cabinet for Health and Family Services for 2006, the latest year for which data are available, represent a marked decline since 1998. Incidents of sexual abuse, however, remained unchanged over most of the past decade, but a decrease has been noted since 2003. These downward trends may be indicative of increased public awareness as well as more effective intervention.

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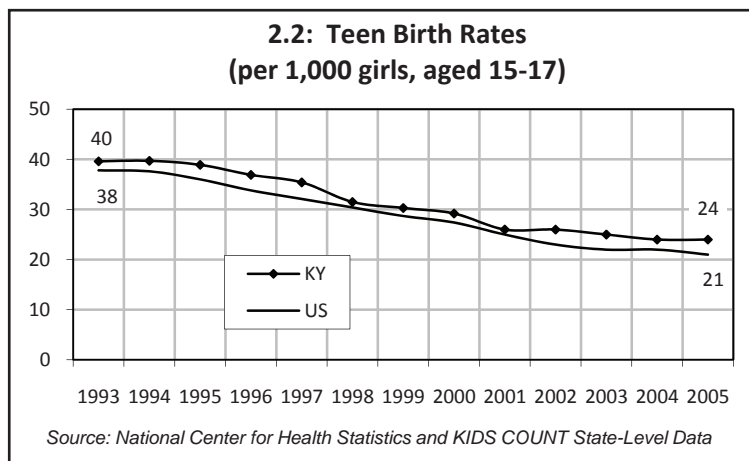


Teen Parents

When children have babies, research shows they are far more likely than their childless peers to be consigned to a life in poverty. Unprepared for rearing and nurturing children, teenagers who become parents face limited opportunities and often undermine their own quality of life or shortchange their children's. The parents of teens who have children typically assume significant responsibilities. Consequently, teen parenthood can have devastating consequences for extended families, compromising their economic and emotional well-being. Birth rates among teen girls aged 15-17 have declined at state and national levels in recent years, though the most recent data show the gap between Kentucky and U.S. rates has widened slightly.

2.2

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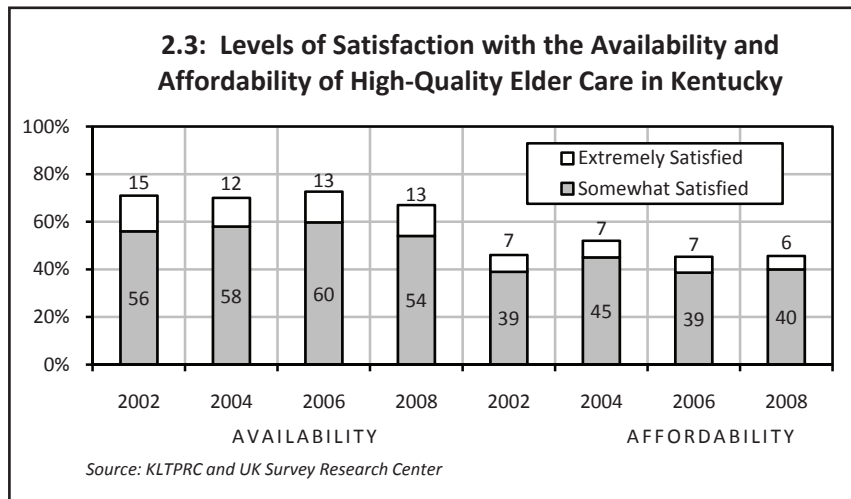


2.3

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Elder Care

Two-thirds of those who reached age 65 in 2005 are expected to need some long-term care during their lives. Need will be most acute among those 80 and older, particularly women, who live longer and have higher rates of disability than men. By 2030, Kentuckians 80 years and older are projected to increase 58 percent over 2000 estimates to 220,000. An estimated two-thirds are expected to be female. Our ability to meet the many and varied needs of older Kentuckians will become increasingly important to families. Access to high-quality elder care services, from all levels of institutional care to in-home support, is key. In 2008, 67 percent of Kentuckians expressed satisfaction with the availability of quality elder care services, but only 13 percent were “extremely” satisfied. When asked about the affordability of elder care, just 46 percent expressed satisfaction, only 6 percent of whom said they were “extremely” satisfied. Thus, already limited access to quality elder care is further circumscribed by cost.

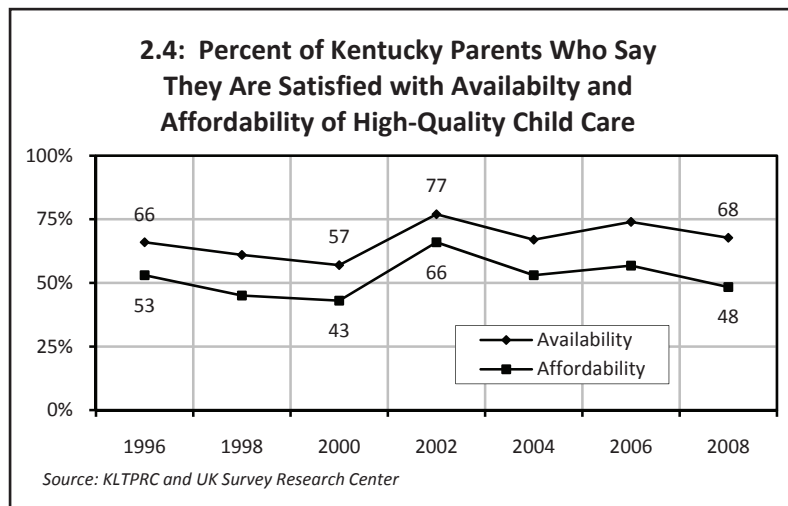


Child Care

The earliest physical, mental, emotional, and social influences on a child's life establish the framework for their lives. Kentucky has sought to coordinate efforts to meet early childhood needs and support families and other caregivers to help ensure that each child reaches his or her full potential. The efficacy of these efforts, however, will depend upon our commitment to reaching small children where they are. Many are in child care centers, the quality of which is critically important to child development. Statewide surveys show an upward trend in the overall satisfaction with the availability and affordability of high-quality child care from 1996 to 2002, but a general decline from 2002 to 2008.

2.4

KENTUCKY
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3 Kentuckians will have decent, safe, and affordable housing.

As with other community goals ranked as highly important, a rising portion of Kentuckians see diminishing progress toward achieving decent, safe, and affordable housing for all. Just a quarter of citizens, down from a third in 2006, see the state making progress on this key measure of community health. It now ranks 20th on progress, down from its peak at 7th in 2000.

| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 41% | 44% | 45% | 38% | 33% | 25% |
| Standing Still | 37% | 32% | 38% | 39% | 41% | 42% |
| Losing Ground | 22% | 24% | 17% | 22% | 26% | 32% |

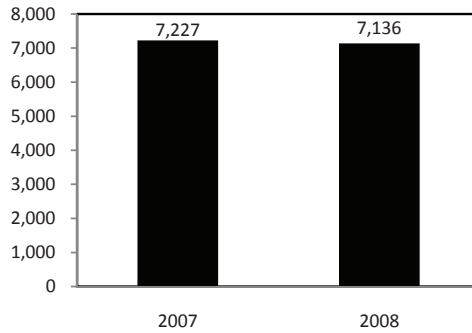
3.1

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Homelessness

Rising living costs, a real estate crisis, and a wave of returning combat veterans, many believe, are forcing a growing number of Americans into homelessness even as new approaches to services had reduced the nation's homeless population. A state-wide point-in-time survey conducted by the Kentucky Housing Corporation (KHC) over a 24-hour period in 2008 identified 7,136 Kentuckians who were either being served by programs for the homeless or were "precariously housed," that is, doubling up with friends or family or on the verge of losing their housing. The 2007 survey found a slightly higher statewide population at 7,227. These surveys represent only readily identifiable homeless people either using services or expecting to need them on a given day. The KHC count gauges need, rather than provide a comprehensive count. In Louisville homeless shelters served more than 11,250 people in 2007 alone, and data for the first four months of 2008, while affected by weather, suggest a possibly sharp increase in the homeless population there.

3.1: Point-In-Time Homeless Count, Kentucky, 2007 and 2008



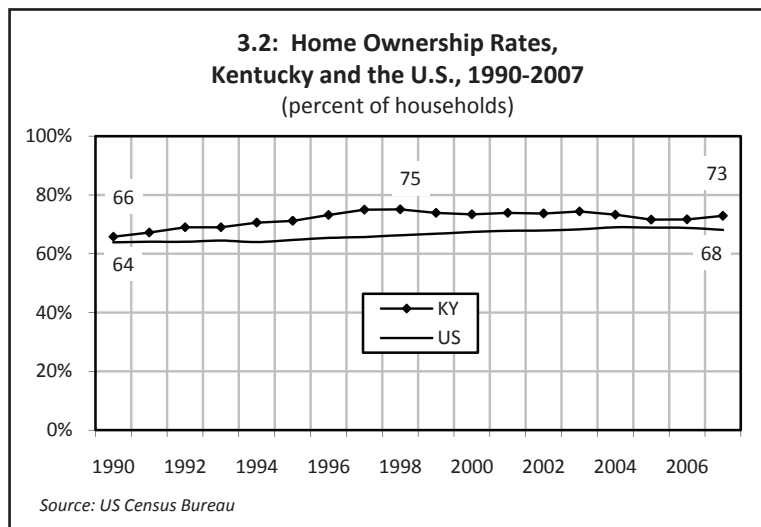
Source: Kentucky Housing Corporation

Housing Affordability

Rates of home ownership, still central to the American Dream, have increased steadily nationally since 1990, buoyed by sustained record-low interest rates and readily accessible financing. As the mortgage crisis ensued, however, the national home ownership rate dropped a full percentage point in 2007. Kentucky home ownership rates, consistently above the national average over the past decade, steadily declined since their peak in 1998. In 2007, however, they made an unexpected upturn to within just 2 percentage points of the 1998 high, widening the gap between historically high rates here and the national average. Whether this upward trend will be sustained in the face of a deepening U.S. housing crisis is yet to be seen, but the positive, against-the-tide trend and comparatively affordable housing bode well for Kentucky.

3.2

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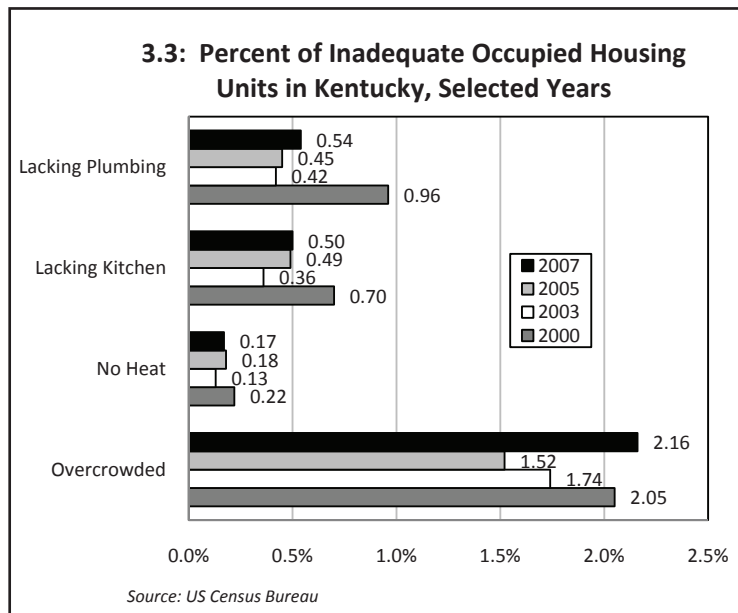


3.3

Housing Adequacy

Kentucky has seen mixed progress in the area of adequate housing for its citizens since 2000. Factors that lead to the classification of housing as “substandard” include incomplete plumbing and kitchen facilities and no heat. Overcrowding, which is defined as having more than one person living in each room, also constitutes housing inadequacy. By 2007, the percentages of occupied housing units that lacked complete plumbing (0.5) and kitchen (0.5) facilities had declined since 2000 and those that did not use heating fuel remained at approximately 0.2 percent over the same period. While progress was made in the area of overcrowded housing through 2005, this percentage had increased to 2.2 percent by 2007, representing approximately 35,000 homes in Kentucky.

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Access to Subsidized Housing

The federal Section 8 Housing Assistance Payments program provides rent subsidies to eligible low-income families to help them obtain decent, safe, and sanitary housing. The payments make up the difference between what a family can afford (usually 30 percent of household income) and the market rent for suitable housing. Virtually every community it serves maintains waiting lists for Section 8 housing, though the number of people on such lists has decreased in recent years as more housing has become available. Among selected Kentucky cities, waiting lists for Louisville and the Kentucky Housing Corporation (KHC) remain quite high. Only Lexington has pared its list dramatically.

3.4

KENTUCKY
LONG-TERM POLICY
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3.4: Waiting Lists for Section 8 Housing, Selected Kentucky Cities, Selected Years

| | 1997 | 1999 | 2001 | 2003 | 2005 | 2007 |
|---------------|--------|-------|-------|--------|--------|--------|
| KHC | 8,700 | 5,115 | 7,155 | 12,611 | 9,899 | 8,341 |
| Covington | 900 | 396 | 500 | 312 | 1,000 | 700 |
| Louisville | 12,000 | 9,972 | 6,987 | 11,560 | 11,895 | 11,803 |
| Paducah | 100 | 175 | 227 | 258 | 597 | 284 |
| Lexington | 1,900 | 1,604 | 2,819 | 4,039 | 3,906 | 853 |
| Bowling Green | 200 | 204 | 270 | 350 | 400 | 320 |

Source: Kentucky Housing Corporation (KHC) and selected city governments

4
All
Kentuckians
will have
access to
affordable,
high-quality,
and
comprehensive
health care
that stresses
the importance
of preventive
care.

As in years past, most Kentuckians see our state losing ground or standing still on the issue of greatest importance to them. Citizens ranked accessible, high-quality health care as the most important goal for our future in 2008 and on three of the five previous surveys. On the progress scale, however, they have ranked this goal at the very bottom on every survey.

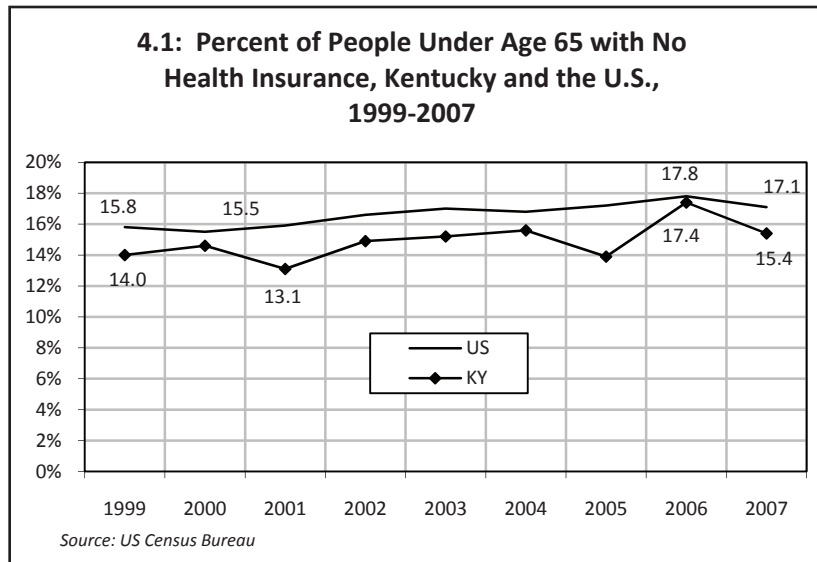
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 18% | 17% | 19% | 13% | 15% | 12% |
| Standing Still | 30% | 30% | 37% | 28% | 30% | 34% |
| Losing Ground | 52% | 53% | 44% | 59% | 55% | 54% |

4.1

Health Insurance Coverage

Though 45.7 million Americans were without health insurance in 2007, both the number and the percentage of uninsured people declined from the prior year. However, those with private health insurance coverage remained statistically unchanged, suggesting that public programs, specifically Medicaid expansions, are closing gaps. Kentucky's uninsured population under the age of 65 fell 2 percentage points in 2007 after increasing sharply between 2005 and 2006. Medicaid has historically played a key role in providing health coverage for disproportionately poor Kentuckians, insuring an estimated 14.8 percent of the nonelderly here in 2005-2006, compared to 13.5 percent nationally. In 2008, the Kaiser Foundation finds that the groups experiencing the greatest difficulty paying for health care are the uninsured, those with annual incomes below \$30,000, minorities, and those with poor health or chronic conditions.

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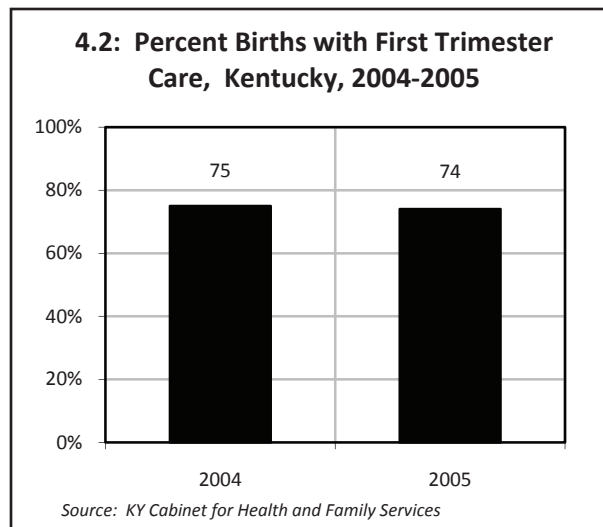


Prenatal Care

Adequate prenatal care during the first trimester of pregnancy helps reduce infant mortality, ensure optimum infant health, and prevent low birthweights, which are linked to poor health outcomes that have potentially lifelong consequences. Here we illustrate the most recent available state-level data which are no longer comparable to data reported by the Centers for Disease Control and Prevention (CDC). Historically, CDC data have shown Kentucky ahead of the national average on this measure, a logical position given the high reliance on Medicaid here and program provisions for prenatal care. Data for 1999-2001, for example, showed Kentucky's rate at 86.7 percent compared to a national rate of 83.2 percent. But new data collection alternatives mean that data from Kentucky and eight other states are no longer comparable to CDC data. Thus, the efficacy of state programs, such as the Healthy Babies and Folic Acid campaigns, relative to other states and the nation remains unknown.

4.2

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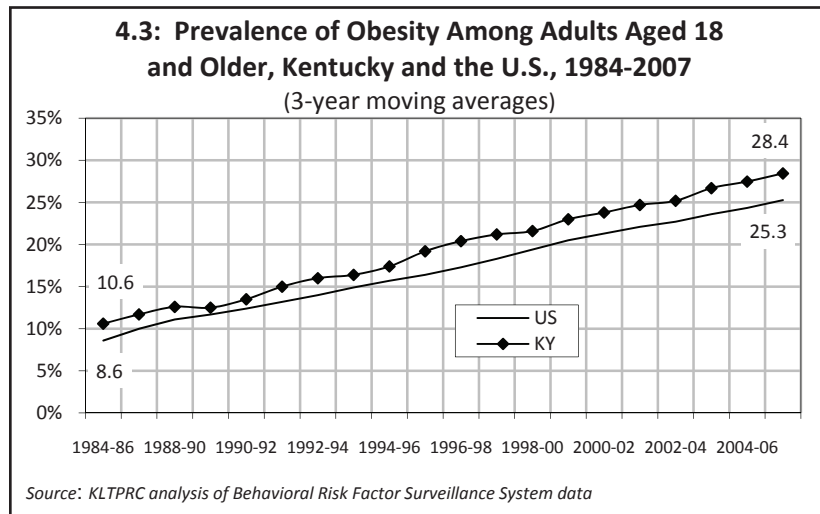


4.3

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Obesity

Obesity is a major risk factor for potentially deadly diseases, including diabetes, heart disease, stroke, and cancer. In turn, the incidence of these illnesses drives up health care costs, increases disability rates, and leads to premature death. The obesity rate has increased dramatically over the last several years, both nationally and in Kentucky. Over 28 percent of Kentucky adults are obese (2005-2007 average), ranking 7th in the nation in the prevalence of adult obesity. Moreover, over 38 percent of Kentucky adults are overweight, which also puts them at risk of chronic illness and premature death. A 50-year-old who is slightly overweight has a 20 to 40 percent higher risk of dying during the next 10 years compared to someone of normal weight, and a 50-year-old obese person is two to three times more likely to die. Estimates of annual obesity-related medical expenditures place the cost of obesity at around \$1.1 billion (in 2003 dollars) in Kentucky.

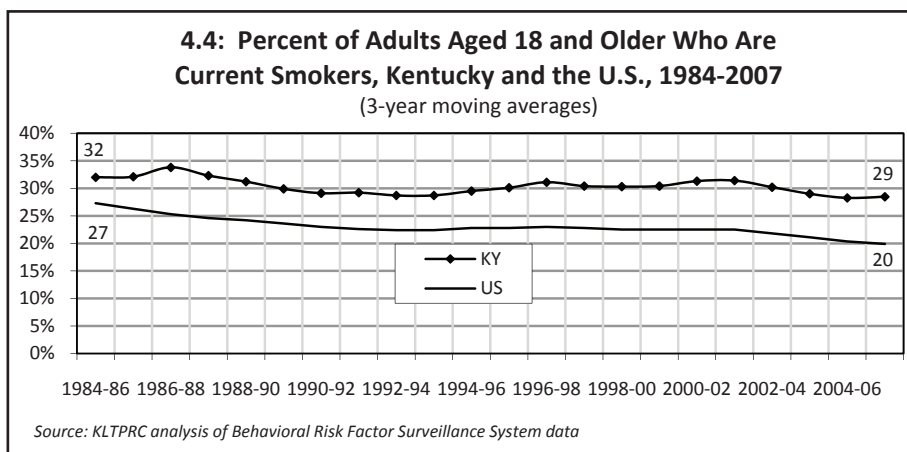


Smoking

Smoking is the leading preventable cause of death in the United States. Nonetheless, Kentucky has the highest adult smoking rate in the nation. As a consequence, smoking-related causes of death, including lung cancer and heart disease, take a disproportionately high toll here. With a smoking rate of almost 29 percent (2005-2007 average), Kentucky is well above the national average of 20 percent. Indeed, the gap between state and national smoking rates has widened over the last 20 years. Since 1984-1986, the U.S. smoking rate has declined by 7.4 percentage points, compared to just 3.6 percentage points in Kentucky. Annual smoking-attributed medical expenditures in Kentucky are estimated to exceed \$1.1 billion (in 1998 dollars), with studies showing that smoking-attributed medical expenditures range between 6 percent and 9 percent of total medical expenditures. Clearly, smoking remains a significant health problem for the Commonwealth.

4.4

KENTUCKY
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5
 Kentucky
 communities
 will have
 high levels
 of trust and
 civic pride
 realized
 from broad
 citizen
 participation
 in their
 continuous
 development.

With fluctuations, the goal of trust and civic pride has moved up five places in importance since 1998 while falling five places on progress. Both rankings are similarly positioned. More than half of Kentuckians see our state standing still on a goal to which they now assign more, albeit relatively low, importance.

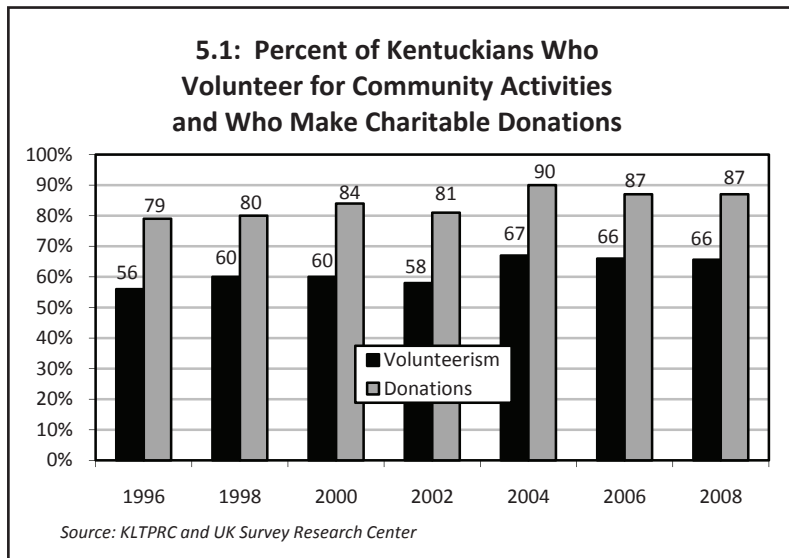
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 39% | 30% | 32% | 28% | 28% | 23% |
| Standing Still | 41% | 45% | 51% | 51% | 51% | 56% |
| Losing Ground | 20% | 25% | 17% | 21% | 21% | 21% |

5.1

KENTUCKY
LONG-TERM POLICY
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Volunteerism and Charitable Giving

Nationally, recent federal surveys have found that 26 to 28 percent of adults volunteer each year, and more than half of all Americans are members of at least one voluntary group or association. Recent trends in the Civic Health Index, compiled by the National Conference on Citizenship, show that rates of volunteering spiked after 9/11 and continued to grow and remain high through 2005, but have declined since that time. In Kentucky we have seen modest improvement in volunteering and charitable giving since 1996 when these data were first collected. The percentage of Kentucky adults who volunteered in the previous 12 months reached 66 percent in 2008—10 percentage points higher than in 1996. Similarly, 87 percent of Kentucky adults indicated that they made a charitable donation in 2008, up from 79 percent in 1996. Since 2004, these high rates have remained unchanged. These two indicators have moved in the right direction, and their staying power, despite a stagnant and declining economy, possibly bodes well for Kentucky’s future civic health.

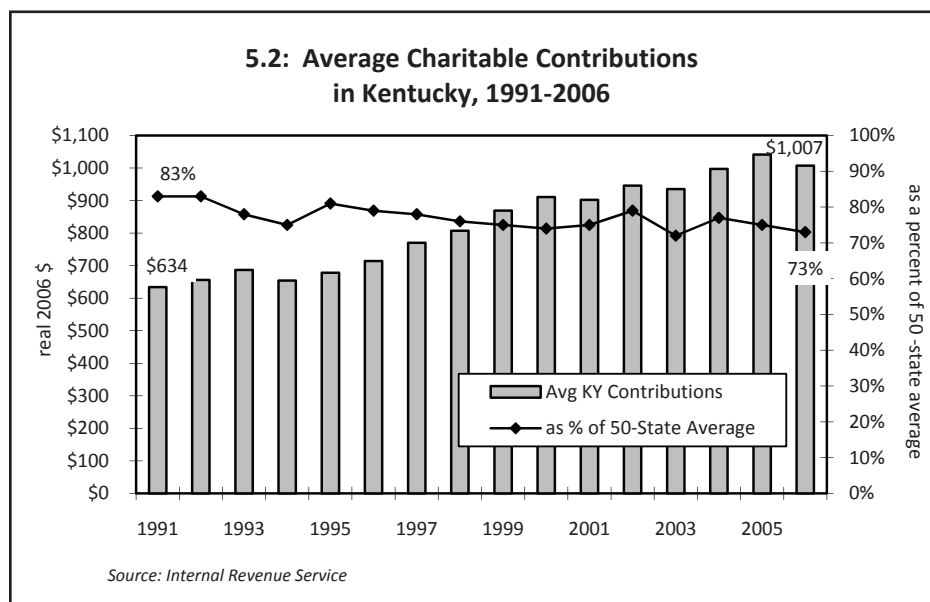


Charitable Giving

In spite of mounting worries about the rising cost of energy and goods, falling home values, and a looming mortgage crisis, America's giving spirit continued to rise in 2007. Charitable giving increased 3.9 percent nationally, reaching an estimated high of \$306.9 billion, exceeding \$300 billion for the first time in history. This unprecedented generosity, however, has not calmed the fears of the nation's major charities, as the economy continues to falter, the stock market remains volatile, and families have less to spare. While giving has been on the rise nationally, relative to the rest of the country, Kentuckians have not been as immune to the erosion of income. Average charitable contributions per tax return in Kentucky have declined as a percent of the U.S. average since the early 1990s, from approximately 89 percent of the average of charitable contributions for the 50 states to 82 percent in 2006. Here and nationally, today's tough economic times are likely to test the generosity of all Americans.

5.2

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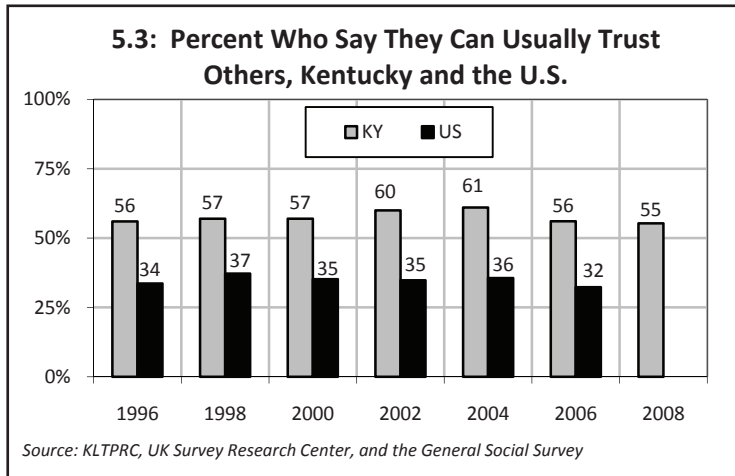


5.3

Trust

High levels of trust in a community help bind people together to work for the greater good in a host of ways. Trust has been called the lubricant that facilitates charitable acts, community development, and everyday commerce. When asked on our surveys, most Kentuckians, approximately 55 percent in 2008, said that you can usually trust people. By comparison, the percentage of Americans expressing this belief has been 20 to 25 percentage points lower going back to 1996. In 2006, the last year for which U.S. data are available, approximately 32 percent of U.S. adults said that, generally speaking, most people can be trusted compared to 56 percent of Kentuckians who expressed this belief in 2006.

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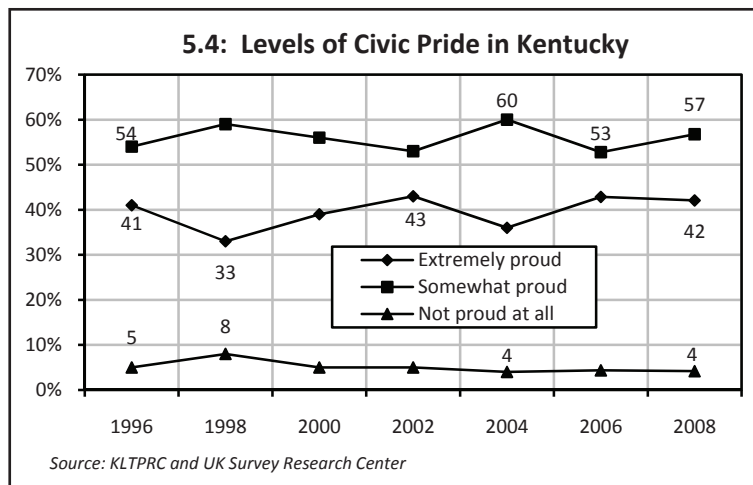


Community Pride

A sense of pride in the community where you live naturally strengthens your allegiance to it and, in turn, your willingness to give of yourself in the interest of its greater good. When home is indeed where the heart is, people are more likely to work cooperatively to improve and maintain the qualities that they value. Most Kentuckians take measurable pride in their communities. Approximately 42 percent said they were extremely proud and 57 percent said they were somewhat proud of their communities in 2008. The rest of the population, about 4 percent, expressed no pride at all in their communities—a typical percentage going back to 1996.

5.4

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6
 Kentucky
 communities
 will value
 and respect
 all individuals
 regardless
 of culture,
 race, ethnic
 background,
 religion, or
 gender.

Since 1998, valuing and respecting all people has fallen from 15th in importance to 25th. Kentuckians clearly perceive gains here, as the goal's ranking on progress has risen from 13th to 6th. Perspectives, however, have remained relatively consistent over the years with about 40% of Kentuckians seeing progress while about 60% view the state as standing still or losing ground.

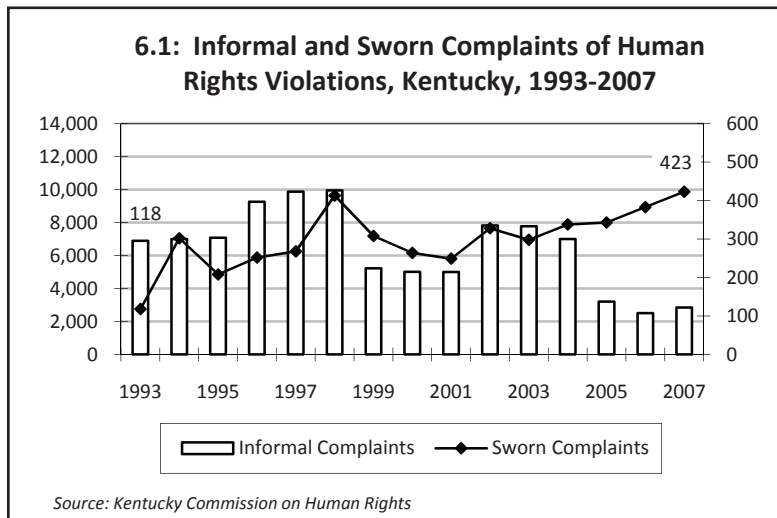
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 38% | 40% | 41% | 40% | 38% | 38% |
| Standing Still | 41% | 38% | 41% | 42% | 41% | 43% |
| Losing Ground | 21% | 23% | 18% | 18% | 21% | 19% |

6.1

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Discrimination

While thousands of informal discrimination complaints are filed with the Kentucky Commission on Human Rights each year, a relatively small percentage of them result in signed, sworn reports that become the focus of investigations. The number of informal complaints has dropped dramatically in recent years, numbering only 2,843 in 2007 compared to 9,950 filed in 1998. However, the number of signed and sworn reports soared alarmingly to 427 in 2007, eclipsing the previous high of 413 in 1998 and suggesting that both the incidences and the targets of discrimination may have increased. Counteracting these attacks on a civil, democratic society is critical as immigrant communities grow and continue to create new firms, jobs, and opportunities. Inevitably, the population of the Commonwealth will become more diverse, making broader inclusion and acceptance key to our progress.



Hate Crimes

Hate crimes are atrocious criminal acts motivated by prejudice and committed against a person, property, or society. While rarely reported, it is believed that some of these odious crimes may go undisclosed out of fear. Clearly, any hate crime is one too many. That said, 24 or fewer of these crimes per 1 million Kentuckians have been reported each year since 2000. The number of hate crimes reported in the Commonwealth has consistently been lower than those reported in Ohio and Tennessee and about the same as reports in neighboring Indiana. Moreover, in 2007, the latest year for which data are available, the number of hate crimes reported per 1 million Kentuckians equaled its decade low, and was lower than the record low in Indiana for that same year. Even so, this measure of our progress in valuing and respecting diversity demands our continued vigilance.

6.2

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6.2: Reported Hate Crime Incidents, Kentucky and Selected Neighboring States, 2000-2007

(per million population)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------|------|------|------|------|------|------|------|------|
| IN | 24 | 24 | 17 | 16 | 21 | 14 | 14 | 14 |
| KY | 22 | 24 | 21 | 22 | 19 | 12 | 17 | 12 |
| OH | 32 | 48 | 32 | 27 | 39 | 20 | 35 | 36 |
| TN | 40 | 58 | 22 | 28 | 23 | 21 | 33 | 39 |

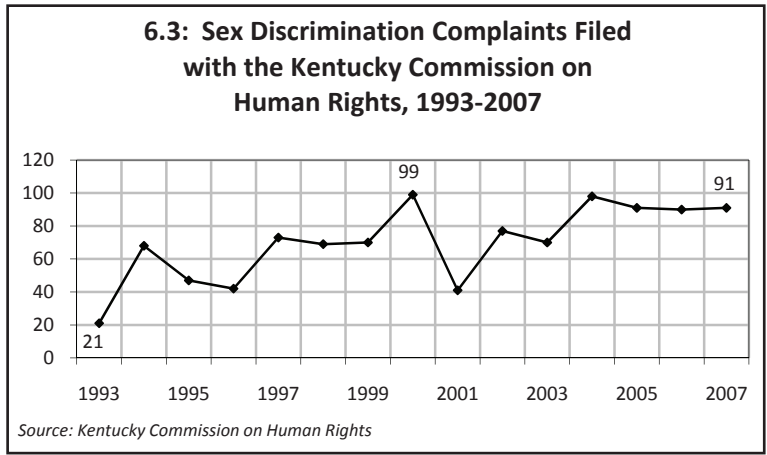
Source: KLTPRC analysis of data from the Federal Bureau of Investigation

6.3

Sex Discrimination

After fluctuating dramatically for a decade, the number of sex discrimination complaints filed with the Kentucky Commission on Human Rights has stayed relatively high and recently plateaued at 91 in 2005-2007, rivaling the high of 99 recorded in 2000. The main reasons behind complaints of sexual discrimination involve job losses, pay equity, and unfair treatment during pregnancy or maternity leave. Increased media attention and widespread workplace training in recent years may account for part of the increase in complaints filed. However, even though federal law prohibits retaliation against victims by fellow employees or supervisors named in sexual discrimination complaints, many legitimate claims likely go unreported.

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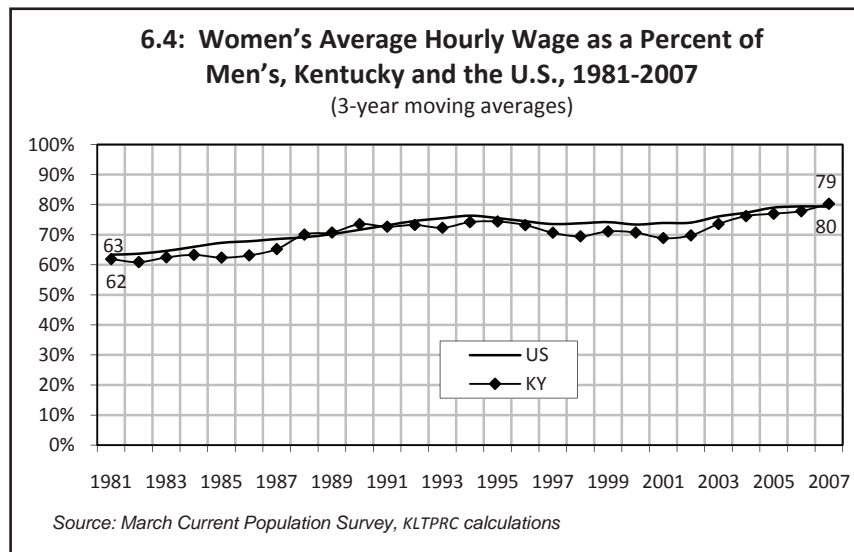


Gender Wage Ratio

Female participation in the labor force has undergone dramatic change over recent decades. More than half of all women are now in the workforce. Since the 1960s, discrimination against women in employment and compensation has been prohibited. Nevertheless, a wage gap between the earnings of men and women persists. Since the early 1980s, women's earnings have risen from approximately 62 percent to 80 percent of men's, both here and nationally. This wage growth is likely attributable to longer periods of engagement in the labor force and movement into more highly paid professions. Educational attainment levels also have contributed to the higher pay women earn today. In 1970, about one-tenth of women age 25 to 64 years old held college degrees compared to approximately a third in 2006. While illustrative, the "raw" gender wage ratio shown here does not take into consideration differences in experience, occupations, educational attainment, or absences from the workforce for caretaking.

6.4

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Education

7

Kentuckians will have an education system of lifelong learning that exemplifies excellence.

Public confidence in progress toward the goal of educational excellence declined sharply after 2002. Ranked as the most important goal for our state's future in 1998 and the second most important in four of the five remaining surveys, 65% of citizens now see the state as losing ground or standing still on a goal they rank 13th on overall progress.

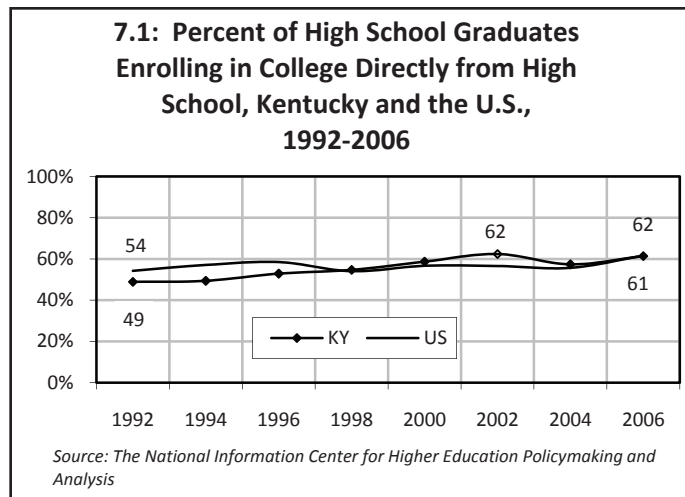
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 43% | 44% | 49% | 42% | 41% | 35% |
| Standing Still | 28% | 31% | 33% | 38% | 35% | 36% |
| Losing Ground | 28% | 25% | 17% | 20% | 24% | 29% |

7.1

KENTUCKY
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College Enrollment

The familiar adage, strike while the iron is hot, harkens back to the days of blacksmiths, who needed to work quickly to shape smoldering iron before it cooled and lost its malleability. The saying admonishes us to act swiftly and take advantage of fleeting opportunities. High school graduates would do well to heed such advice and promptly make the transition to college before obstacles arise. Over a ten-year span, Kentucky's high school graduates did just that in such numbers that the state's national ranking rose from 40th in 1992 to 10th in 2002. After dipping to 57 percent in 2004, the percentage of high school students enrolling in college upon graduation grew to 61 percent in 2006, nearly matching 2002's high. However, due to the continued progress of other states, Kentucky's national ranking fell to 26th. Because young adults, 18- to 24-year-olds, comprise 60 percent of college students in Kentucky, this decline should compel research into factors, such as receding affordability, that may be negatively affecting college enrollment.

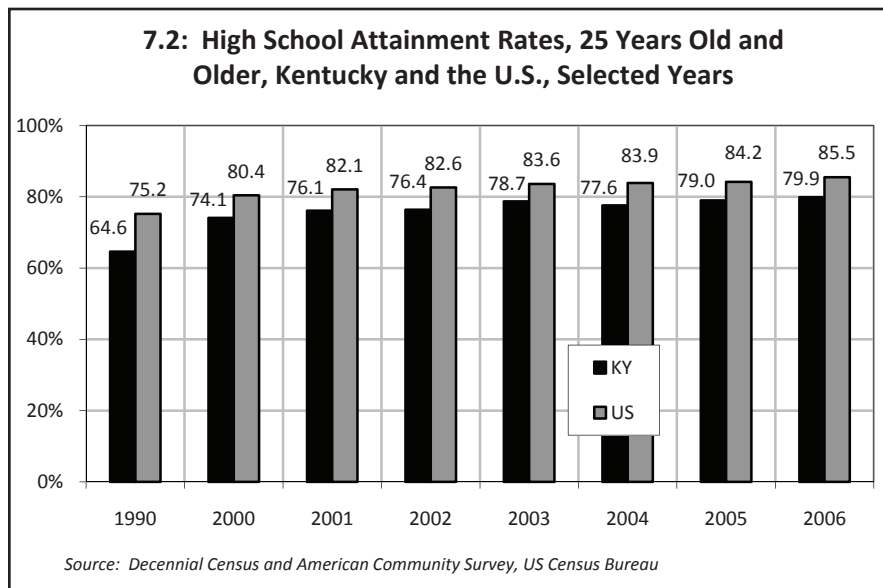


High School Attainment Rates

Kentucky's labor force increasingly competes in a global environment that demands rising levels of educational attainment. At a minimum, today's workers need a high school diploma. Following the education reforms of the early 1990s, Kentucky's adult population made significant gains, as the portion with a high school diploma or higher rose from 65 percent in 1990 to 80 percent in 2006. At the same time, the nation improved but at a faster pace, rising to 86 percent. What's more, over the past 30 years, nation after nation has surpassed the United States in the portion of workforce entrants with the equivalent of a high school diploma. Still others are on the verge of doing so. Given that an estimated 20 percent of adult Kentuckians lack a high school diploma or its equivalent, the state not only lags the nation but also fares poorly in the global context, a circumstance that must change if we are to achieve broader prosperity.

7.2

KENTUCKY
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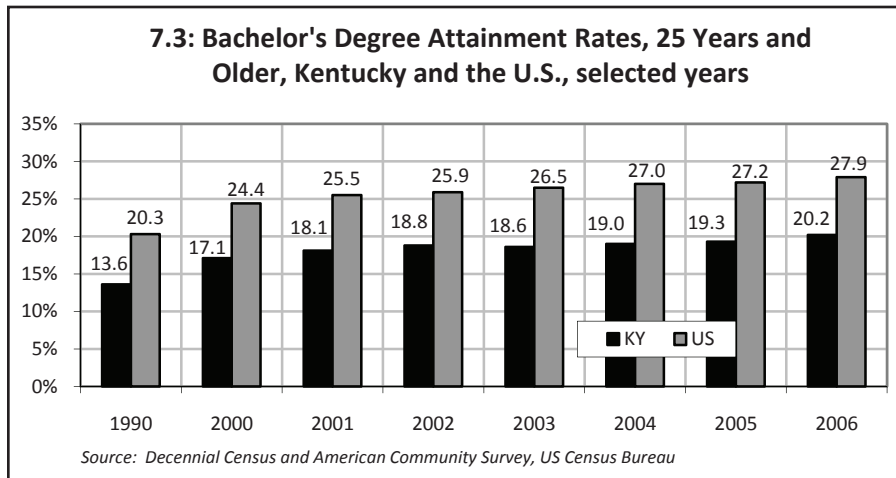


7.3

KENTUCKY
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College Attainment Rates

In an increasingly interconnected and technologically advanced world, Kentucky workers not only face growing competition for low-wage, low-skill jobs, but also for high-skill jobs. Today, any “routine” job and a growing number of high-skill jobs can be automated and outsourced. Competition in such an environment requires providing something that others cannot. That “something” will come from workers who have high levels of preparation in math and science in particular, as well as the liberal arts. Essentially, the rigors of the global economy require creative, highly-skilled, college-educated workers. Since 1990, Kentucky has made important progress in overcoming undereducation, as the proportion of adults with a four-year degree or higher climbed from 13.6 percent to 20.2 percent in 2006. Given a U. S. average of 27.9 percent, however, the state continues to significantly lag the nation in educational attainment at the college level.

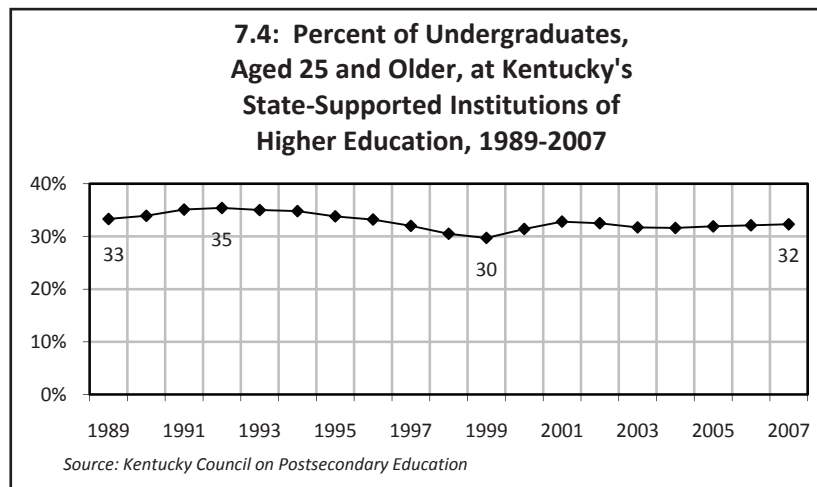


Nontraditional Students

The unrelenting drive of globalization is altering the job market in dramatic and unanticipated ways, expanding international competition beyond blue collar manufacturing jobs to routine tasks and once “safe” white collar vocations. Increasingly, getting and keeping gainful employment requires at least some postsecondary education. And requirements will only increase over time. For working-age adults in particular, higher education offers a way out of the low-wage job market. In 2007, nearly a third of Kentucky’s undergraduate student body at state-sponsored institutions was older than the traditional 18-24 years. While the percentage of nontraditional students has remained essentially flat since 2000, peaking at 35 percent in 1992, their actual numbers have risen every year for nearly a decade, growing 60 percent since 1999. This steady growth strongly suggests that working-age Kentuckians understand and embrace education as the path to prosperity.

7.4

KENTUCKY
LONG-TERM POLICY
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8
Kentuckians
will have
equal
opportunity to
obtain
an
internationally
competitive
education.

The share of citizens who see our state making progress in providing equal opportunity for an internationally competitive education continues to decline. The level of importance assigned to this goal, which ranked 15th in 2008, and the perception of progress relative to other goals have also declined steadily.

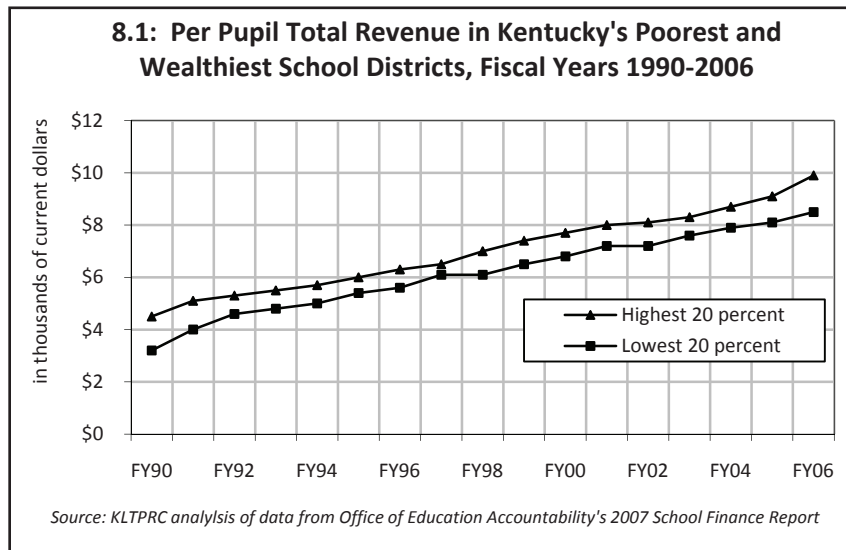
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 41% | 41% | 45% | 38% | 35% | 31% |
| Standing Still | 37% | 36% | 39% | 42% | 42% | 41% |
| Losing Ground | 23% | 24% | 16% | 21% | 24% | 29% |

8.1

Funding Equity

The level of per pupil funding is only one factor among many that contributes to a high-quality education, but it is an important one. Kentucky has made considerable progress in assuring equal opportunity for a high-quality education, regardless of economic status. In FY 1990, the average per pupil total revenue, including local, state, and federal revenue, for the wealthiest fifth of Kentucky's school districts was approximately 41 percent higher than the poorest fifth. By FY 1992 the gap narrowed considerably to 15 percent, where it has generally remained.

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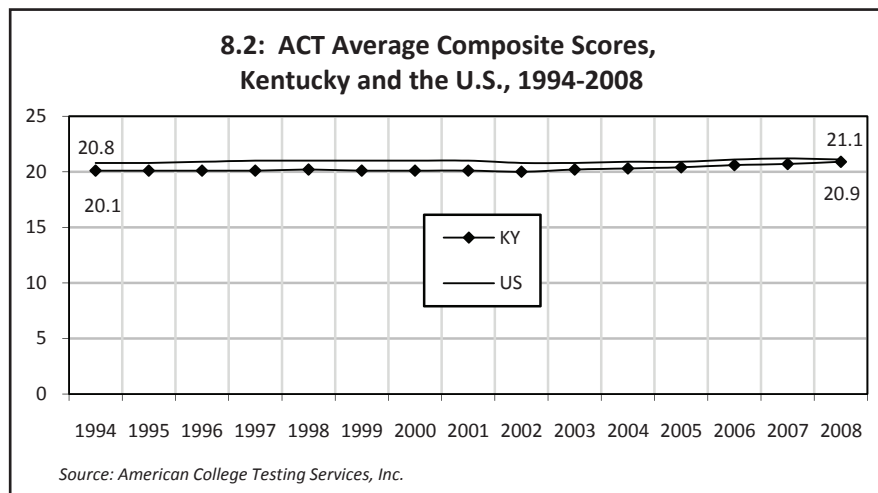


Achievement Test Scores

The share of Kentucky's graduating high school seniors who took the ACT rose from 67 percent in 1998 to 72 percent in 2008. While due in part to an in-state institutional preference for the ACT entrance exam over the SAT, the rising number of Kentuckians taking the ACT signals that more high school students *and* adults are preparing for higher education. The composite score for the state has also inched upward since 2000 after remaining virtually unchanged over the previous decade. The gap between national and state composite scores also narrowed from nearly a 1.0 difference to a 0.2 difference. At the same time, according to ACT, most students are not prepared for college-level coursework. The percentages of Kentucky ACT-tested students ready for college-level coursework equal those at the national level in English composition and social science, but lag the nation in algebra and biology, as well as all four areas of study combined.

8.2

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8.3

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Performance Test Scores

The National Assessment of Educational Progress (NAEP), commonly known as the “Nation’s Report Card,” gauges student progress in a variety of subject areas, including reading, mathematics, and science. Here we present the testing results for 4th and 8th graders from 1998 to 2007. The percentages of Kentucky 4th and 8th graders scoring proficient or higher on the NAEP math exams and 4th grade science exam have steadily increased since 2000, but the reading percentages for both grade levels as well as 8th grade science have been essentially flat. In 2007 the percentages of Kentucky 4th and 8th graders scoring at or above proficient for reading (33 and 28 respectively) was about the same as the U.S. average (32 and 29). The proficiency percentages for Kentucky 4th and 8th graders in math (31 and 27) was lower than the national percentages (39 and 31) in 2007, but in science Kentucky 4th and 8th graders (36 and 31) exceeded the national numbers in 2005 (27 and 27).

8.3: Kentucky’s Reading, Math, and Science NAEP Exams, Percentage Scoring Proficient or Higher, by Subject, Grade, and Year

| | 1998 | 2000 | 2002 | 2003 | 2005 | 2007 |
|-----------|------|------|------|------|------|------|
| Reading 4 | 29% | – | 30% | 31% | 31% | 33% |
| Reading 8 | 30% | – | 32% | 34% | 31% | 28% |
| Math 4 | – | 17% | – | 22% | 26% | 31% |
| Math 8 | – | 20% | – | 24% | 23% | 27% |
| Science 4 | – | 28% | – | – | 36% | – |
| Science 8 | – | 28% | – | – | 31% | – |

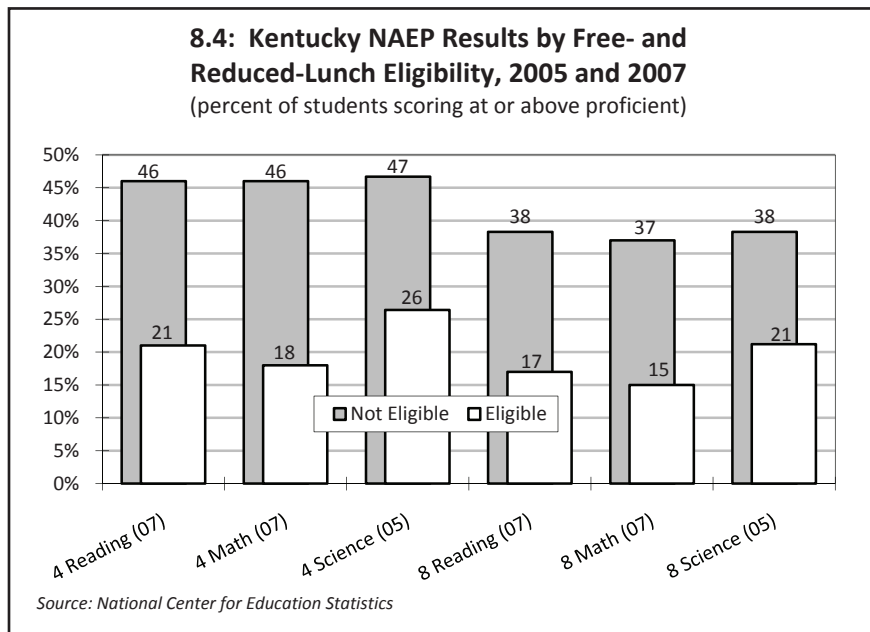
Source: National Center for Education Statistics

Educational Achievement Gap

The academic success of disadvantaged children will ultimately determine whether our state's future remains one of disproportionate poverty or gives way to rising prosperity. Economic disadvantage has a significant negative drag on academic performance, and the sheer number of economically disadvantaged students in Kentucky adversely affects overall performance on both state and national tests. Kentucky has the nation's ninth highest population of students eligible for free (44 percent) or reduced-price (9 percent) lunches, a reliable proxy for poverty and need. The different outcomes on the National Assessment of Educational Progress (NAEP) exams are stark. The percentage of students scoring at or above proficiency is consistently and markedly lower for less-advantaged students in every subject area. Were we to close the substantial academic gaps associated with inequities, Kentucky students would be performing at dramatically higher levels relative to their national peers and our goals for education would be nearly realized.

8.4

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9
Kentucky's
children
will
come
to school
ready
and
able to
learn.

Kentuckians see progress receding on the goal of ensuring that children enter school ready and able to learn. Between 2006 and 2008 the portion of citizens who see the state making progress fell sharply. Overall, the ranking of this goal remained at 12th on importance even as it fell in terms of progress, from 9th to 14th.

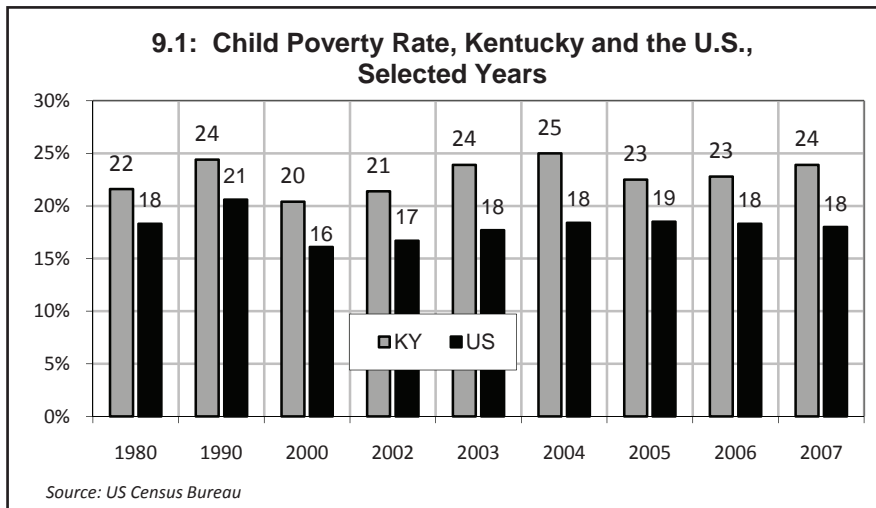
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 41% | 41% | 45% | 38% | 39% | 31% |
| Standing Still | 37% | 36% | 39% | 42% | 39% | 44% |
| Losing Ground | 23% | 24% | 16% | 21% | 22% | 26% |

9.1

KENTUCKY
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Child Poverty

Child poverty and all that it bodes for the future continue to be disturbing and vexing problems for Kentucky. Here we illustrate historical child poverty rates from past decennial censuses and more recent data from the U.S. Census Bureau's American Community Survey. The rates shown are for children who live in households with incomes below 100 percent of the federal poverty level (FPL), a measure some argue is outdated in that it does not recognize subsidies to the very poor. Others argue that the FPL fails to recognize the plight of children of the working poor, thus underestimating the true depth of poverty. Since 2000, child poverty has risen here while remaining virtually flat at the national level, widening a longstanding gap. Kentucky had the sixth highest rate of child poverty in the nation in 2007, up from 10th in 2006. Because children typically represent about a third of those living in poverty, these data and a rising cost of living suggest worsening economic circumstances for many Kentucky households.



Youth Alcohol and Drug Abuse

A range of behavioral risks can compromise the health and well-being of young people. Here we illustrate trends in two such behaviors. While down sharply in recent years, a disturbing share of Kentucky high school students still report episodic heavy drinking. Rates here exceed those at the national level, 28 percent of males and 24 percent of females. The percentage of Kentucky youth who reported using marijuana one or more times in the past month declined somewhat for males but rose among females. Male and female youth in Kentucky experiment with marijuana at lower rates than their national peers, 22 percent and 17 percent, respectively. Importantly, measures of youth smoking, which we do not illustrate here, suggest Kentucky youth are turning away from the addiction most smokers acquired as teens. Overall, 13 percent of the state's youth, compared with 8 percent nationally, reported smoking cigarettes on 20 or more days in the past 30 days in 2007, compared to 28 percent in 1997.

9.2

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9.2: Percent of Kentucky High School Students* Who Abused Alcohol or Used Marijuana in Past 30 Days, Selected Years**

| Year | Alcohol Abuse** | | Marijuana Use*** | |
|------|-----------------|--------|------------------|--------|
| | Male | Female | Male | Female |
| 1993 | 41 | 27 | 19 | 11 |
| 1997 | 43 | 30 | 34 | 23 |
| 1999 | 40 | 34 | 26 | 22 |
| 2001 | 40 | 31 | 30 | 22 |
| 2003 | 33 | 32 | 22 | 20 |
| 2005 | 27 | 23 | 18 | 13 |
| 2007 | 29 | 26 | 17 | 15 |

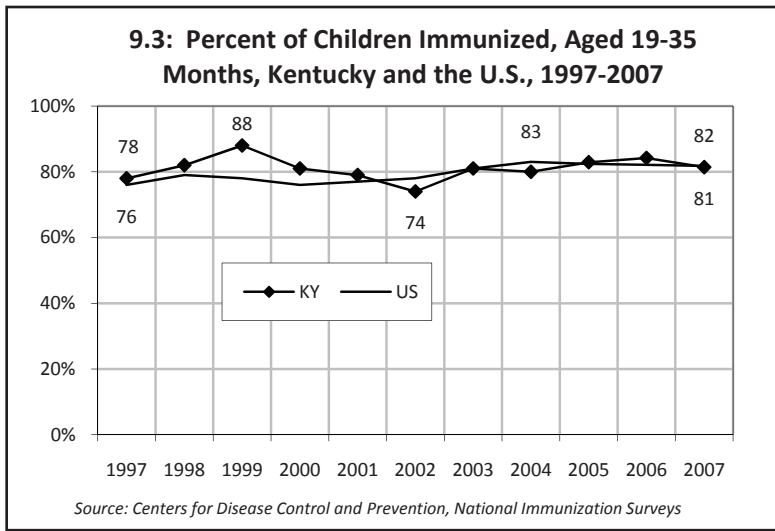
* Grades 9-12
 ** Had five or more drinks of alcohol in a row on one or more days
 *** Used marijuana one or more times
 Source: Centers for Disease Control and Prevention

9.3

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Child Immunizations

These data from the Centers for Disease Control and Prevention’s annual National Immunization Survey suggest that Kentucky’s performance on immunizing its children improved in 2005, nearing a return to the benchmark of national excellence it set in 1999, only to lose ground in 2007. The 2007 data show that an estimated 81.4 percent of Kentucky children aged 19 to 35 months received the recommended series of vaccinations for communicable and life-threatening illnesses, such as polio, measles, and influenza. During the most recently available survey year, 2007, Kentucky’s immunization rate in this age group fell slightly short of the national average. However, a higher margin of error associated with the Kentucky data suggests that little may have changed. At best, the state may be tracking just below or above the national average. In either case, a sizeable portion of children in this age group both here and at the national level remain vulnerable to potentially deadly diseases.

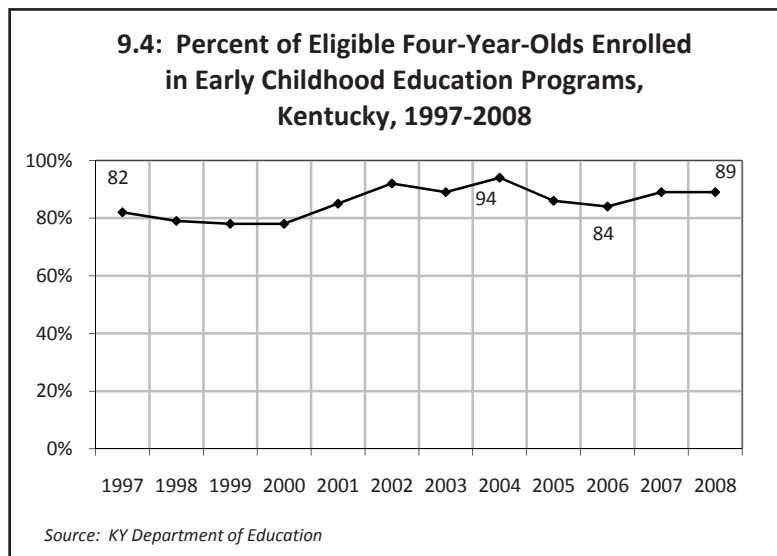


Early Childhood Education

Though Kentucky has made great progress in providing programs for prekindergarten at-risk children and those with disabilities, participation rates of eligible four-year-olds have declined from the 2004 high of 94 percent. After a sharp drop in 2005 and again in 2006, the participation rate climbed back to 89 percent for the 2007 and 2008 school years, well above the 1999 and 2000 low of 79 percent. The rates shown are for the state's preschool and federal Head Start programs combined. Kentucky Department of Education analysts have suggested that one possible reason for fewer eligible children participating in prekindergarten programs is that working parents need to place their children in all-day care all year long. As the cost can be subsidized for some families, these parents are more likely to opt for child care programs that fit the demands of their work lives.

9.4

KENTUCKY
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10
Kentucky's
children
will
have
safe,
stable
learning
environments.

While the share of Kentuckians who say we are making progress on creating safe, stable learning environments declined since 2006, the shift appears to be associated with gains, not losses. Overall, citizens rank progress highly, up from 23rd in 1998 to 5th in 2008. In turn, the importance assigned to this goal has fallen from 4th in 2000 to 14th in 2008.

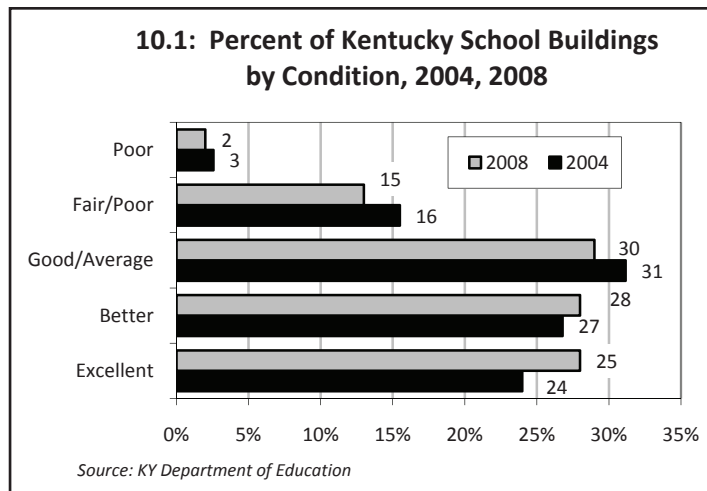
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 32% | 35% | 51% | 47% | 49% | 42% |
| Standing Still | 28% | 31% | 32% | 38% | 37% | 37% |
| Losing Ground | 40% | 34% | 17% | 15% | 15% | 21% |

10.1

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Condition of School Buildings

That schools provide a safe physical environment in which children can learn and progress is a fundamental public expectation. The Kentucky Division of Facilities Management conducts annual assessments of the quality of all public school buildings in the state. The 2008 assessment of school building conditions showed improvement in every category over that of 2004. Little change occurred during the intervening years. Perhaps more so than most buildings, the quality of school buildings deteriorates as they age. More than half of the state's 1,190 school buildings (56 percent or 668 schools), all of which are less than 20 years old, are rated as being in excellent or better-than-average condition. Another 350 schools ranging in age from 20 to 30 years are deemed in good or average condition. However, 154 schools statewide, all of which are 30 to 40 years old and in need of replacement or renovation, were rated as being in fair or poor condition. Eighteen buildings rated in poor condition are more than 40 years old.

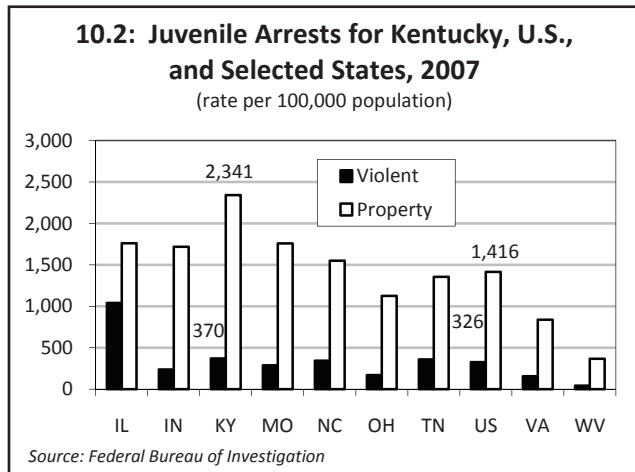


Juvenile Crime

The importance of achieving safe and stable learning environments in our schools cannot be overstated. To that end, the prevention and deterrence of juvenile crime has been a concern of our education system for some time. Alarming, the rate of juvenile arrests in Kentucky for serious crimes (murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault) has climbed in recent years to 370 per 100,000 people in 2007, a rate higher than the U.S. average and that of every surrounding state except Illinois. In addition, the ratio of juvenile arrests to the population for property crimes (burglary, larceny-theft, and motor vehicle theft) was higher than every surrounding state and almost 1.7 times the national average. Clearly, much work remains to be done to reverse this trend, address its root causes, protect schoolchildren, and keep the focus of educators trained on learning.

10.2

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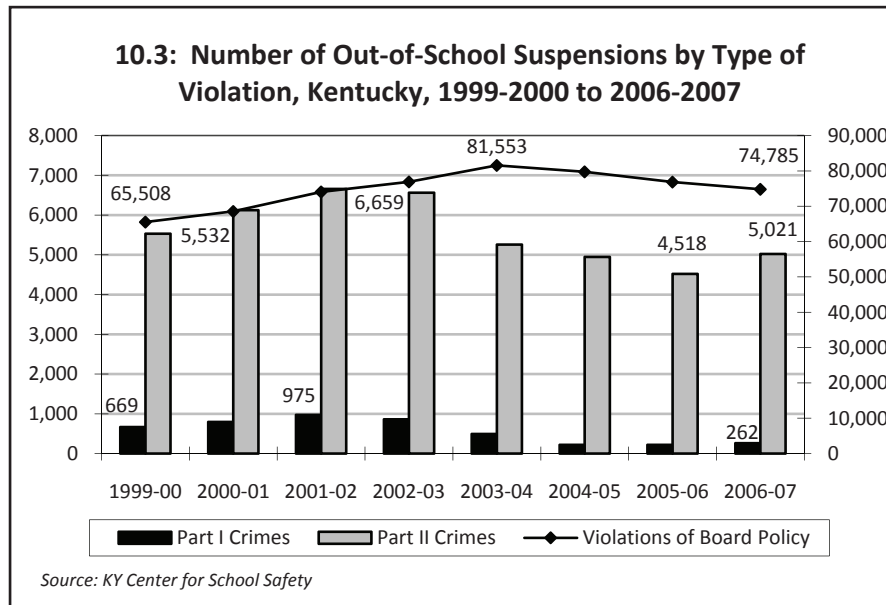


10.3

School Suspensions

After out-of-school suspensions due to violations of school board policy climbed to 81,553 during the 2003-04 school year, the trend reversed, and these violations declined in each of the subsequent school years. Suspensions due to violations of the law, however, have begun to rise after declining steadily since 2002-03. The latest year for which these data are available (2006-07) shows that the number of out-of-school suspensions due to the more serious, and often violent, Part I crimes, though they numbered less than a third of the 2001-02 peak of 975, increased somewhat between 2005-06 and 2006-07. The number of less serious Part II crimes also rose, precipitating an increase of 503 suspensions during the same period. While considerably lower than the 2001-02 peak, this upward tick in violations of the law may necessitate renewed vigilance. Conversely, the recent increase in suspensions for violations of the law may merely be a reflection of more timely action.

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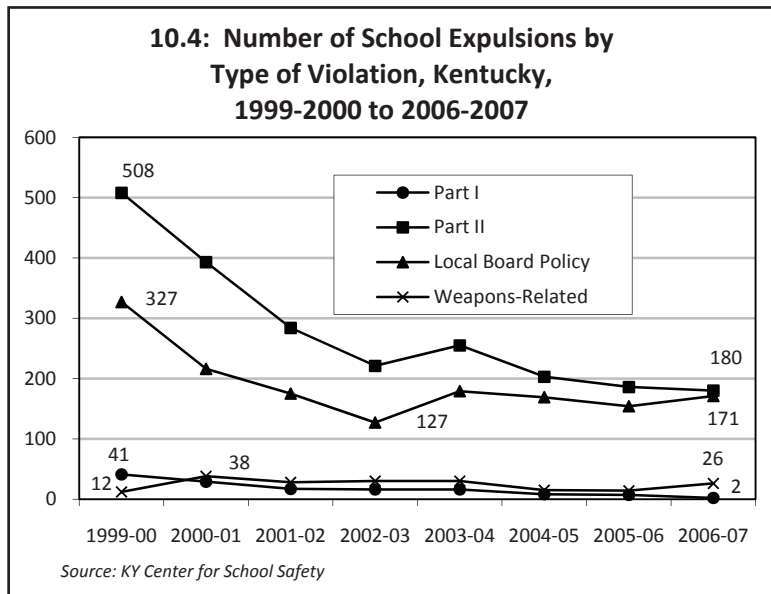


Expulsions from School

Generally, student expulsions from school are reserved for cases that involve threats to the safety of students, staff, or the school. While they numbered only two-thirds of the 2000-01-high, expulsions due to weapons-related violations increased to 26 during the 2006-07 school year, twice the 1999-00 low. Violations of school board policy that resulted in expulsions also increased slightly but still stand at just over half the 1999-00 high. The number of school expulsions due to Part I and Part II violations of the law, however, declined dramatically over the decade. Expulsions due to Part II crimes are down by almost two-thirds from the 1999-00 school year high. Even more positive, the number of expulsions due to the more serious Part I crimes declined from 41 during the 1999-00 school year to just 2 in 2006-07.

10.4

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11

Kentuckians will promote partnerships among parents, schools, and communities to enhance the social and academic development of children.

Public assessment of progress made toward partnerships to advance academic achievement declined sharply between 2006 and 2008, slipping to a ranking of 7th overall, the lowest of the decade. Ranking by importance, however, ticked upward in 2008, as an economic downturn underscored the need to work collaboratively to maximize educational returns.

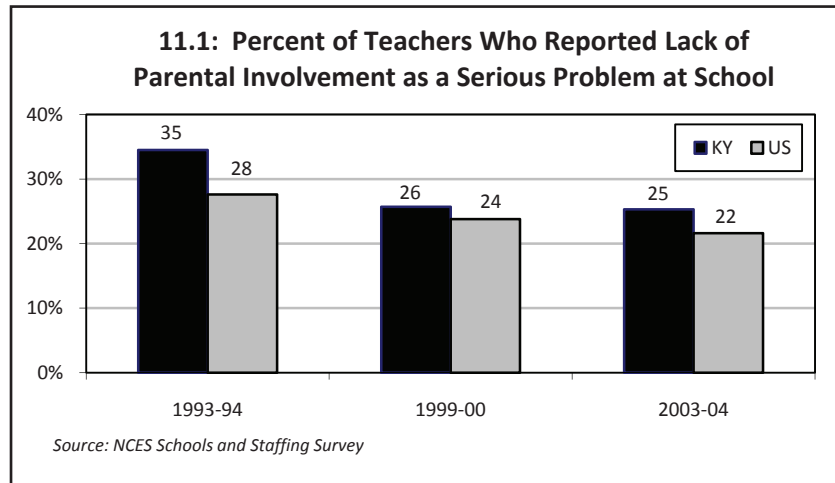
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 52% | 45% | 51% | 44% | 46% | 37% |
| Standing Still | 30% | 34% | 35% | 41% | 40% | 46% |
| Losing Ground | 18% | 20% | 14% | 15% | 14% | 18% |

11.1

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Parent Involvement at Schools

Parental or family involvement significantly contributes, in a variety of ways, to improved student outcomes related to learning and school success. A 2002 report from the Southwest Educational Development Laboratory notes that “students with involved parents, no matter what their income or background, were more likely to earn higher grades and test scores, and enroll in higher-level programs; be promoted, pass their classes, and earn credits; attend school regularly; have better social skills, show improved behavior, and adapt well to school; and graduate and go on to postsecondary education.” Every four years, the U.S. Department of Education asks teachers in its Schools and Staffing Survey whether the lack of parental involvement is a serious problem at their schools. For the 2003-04 school year one quarter (25 percent) of Kentucky teachers said that lack of parental involvement is a serious problem at their schools compared with 22 percent nationally. Ten years ago more than a third (35 percent) of Kentucky teachers indicated it was a serious problem.

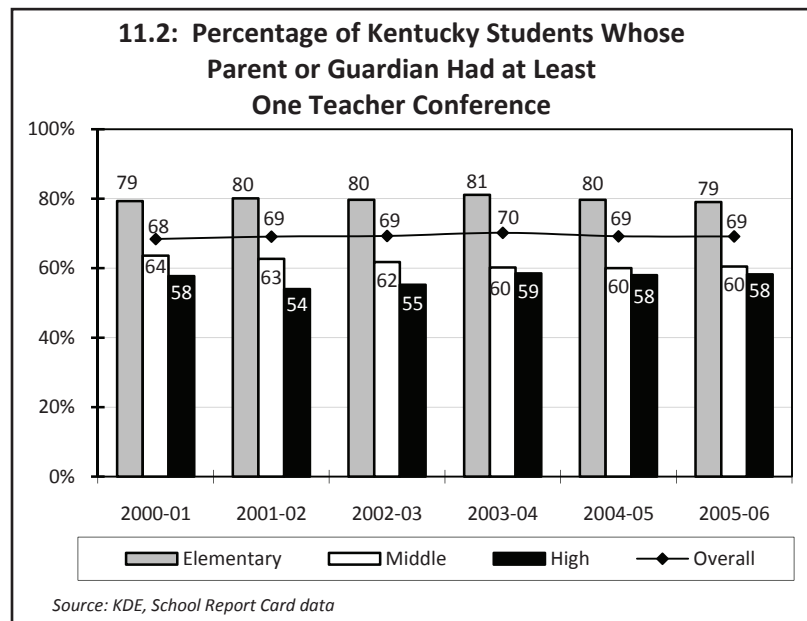


Parent-Teacher Conferences

One of the most important ways parents can participate in their child's education is the parent-teacher conference. Yet a significant percentage of parents do not participate in this time-honored tradition of parental engagement. Research shows that involved parents and teachers can help students overcome many obstacles and achieve high levels of academic success. On average, about 70 percent of the parents or guardians of Kentucky students had at least one teacher conference during the 2005-06 academic year. The percentage is higher for the parents of elementary students (79 percent) but lower for the parents of middle and high school students (about 60 percent). The overall trend has been flat at the elementary, middle, and high school levels since 2000.

11.2

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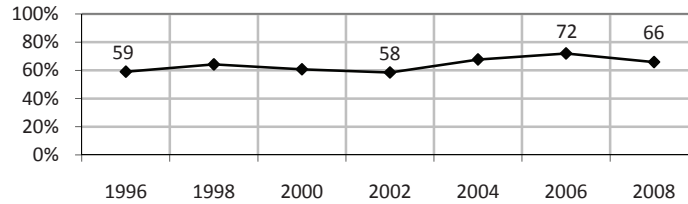
11.3

Parent Volunteerism

One way in which parents can play an active role in their children’s education is by volunteering for school-related activities. Over the past decade, over half of the surveyed parents of Kentucky schoolchildren reported volunteering for school-related activities over the 12-month period prior to the survey. Survey results in 2008 show that 66 percent of parents of Kentucky schoolchildren reported volunteering for school-related activities, down from the 72 percent reported in 2006 but considerably above the 2002 low of 58 percent who reported doing so.

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11.3: Percent of Kentucky Parents Who Reported Volunteering for School-Related Activities During Past Year



NOTE: “Kentucky Parents” refers only to parents of Kentucky schoolchildren, rather than ALL parents in Kentucky.

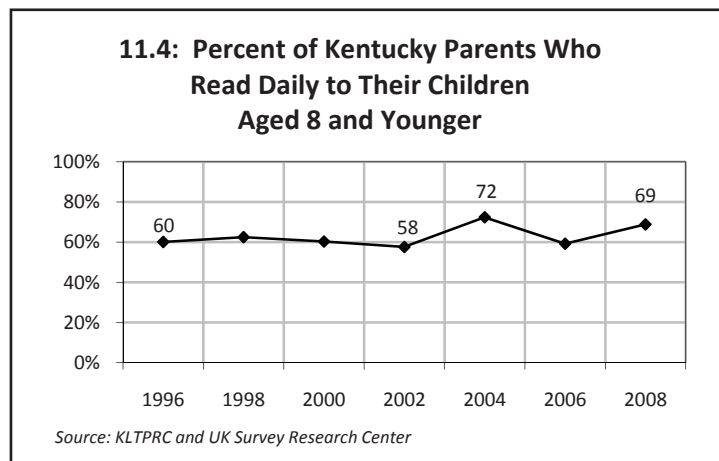
Source: KLTPRC and UK Survey Research Center

Parents Who Read to Their Children

A fruitful way for parents to involve themselves in their children's education is to read to them. Research shows that reading to young children is critical for their intellectual development. Indeed, children whose parents read to them become better readers and thus are more likely to enjoy academic success. According to a series of surveys over the past decade, the percentage of Kentucky parents who read to their children eight years old and younger has been around 60 percent. The low of 58 percent in 2002 was immediately followed by a high of 72 percent in 2004, before the percentage dropped again in 2006. The 2008 increase to 69 percent is encouraging in that it suggests the possibility of an increased awareness of the importance of this facet of early childhood education.

11.4

KENTUCKY
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12
Kentuckians
will have
opportunities
to appreciate,
participate
in, and
contribute to
the arts and
humanities
and historic
preservation.

Kentuckians have consistently ranked the importance of arts opportunities at the bottom and placed its progress at or near the top, suggesting they see this goal as largely having been achieved. But the portion of Kentuckians who say we are making progress on a goal research links to diverse facets of educational success has declined considerably since 2002.

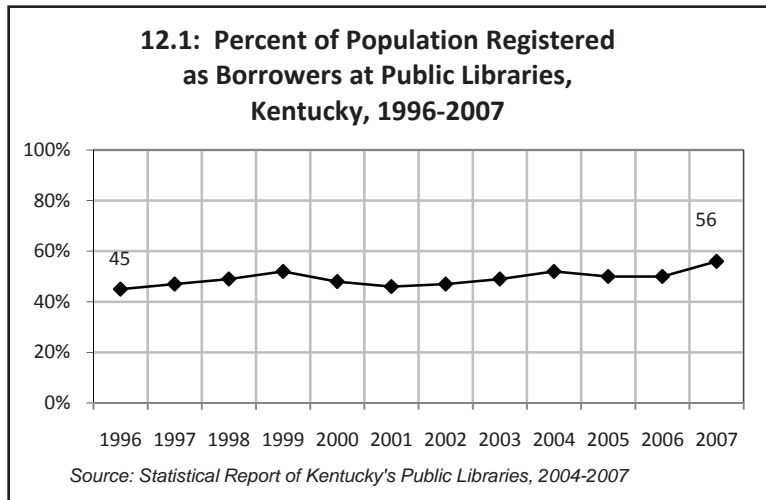
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 47% | 48% | 55% | 47% | 45% | 44% |
| Standing Still | 40% | 38% | 36% | 39% | 42% | 44% |
| Losing Ground | 13% | 13% | 10% | 14% | 13% | 13% |

12.1

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Library Use

Modern libraries are becoming portals to virtually unlimited information and entertainment. The most recent data show that the number of registered borrowers at Kentucky's public libraries rose 12 percent in 2007 to 56 percent of the population, the highest share in more than a decade. While fast moving beyond traditional print media, state libraries circulated 18.3 million books in 2007. They also made 2,956 computers available for public use and trained an estimated 27,782 people to use electronic resources, down from 31,640 in 2006. Among other things, these dynamic community centers also feature storytelling for children, adult learning opportunities, and public meeting spaces. Future library use likely will hinge on factors such as transportation costs and the accessibility of high-quality Internet services. Whether the worlds within books will continue to entice people to libraries, however, remains to be seen.

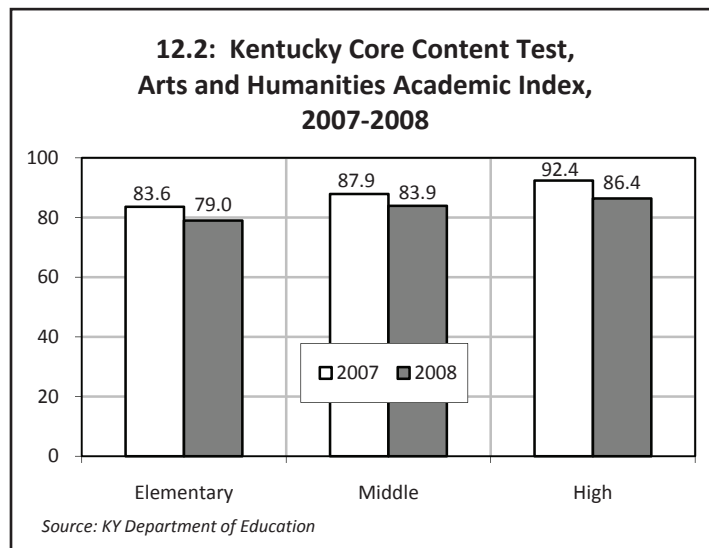


Academic Performance in Arts and Humanities

Administered annually to elementary, middle, and high school students in Kentucky, the Core Content Test includes arts and humanities among the subject areas tested. Because the test changed in 2007, comparisons with earlier data are not permitted. Prior to 2007, Kentucky students had shown steady progress in arts and humanities since 1999 when the CATS tests were revised, with high school students achieving the highest index score. In 2007 and 2008, elementary, middle, and high school students performed at or near the same level though elementary performance continued to lag somewhat. Performance on the test fell at all levels in 2008, suggesting the need for renewed vigilance in preparing young children for future appreciation, understanding, and achievement in the arts and humanities.

12.2

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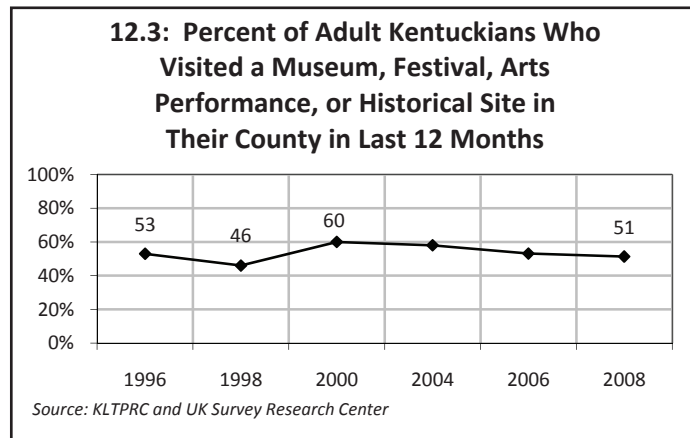


12.3

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Cultural Opportunities

A thriving local culture represents a cornerstone of quality of life, allowing citizens to enrich and educate themselves by experiencing the arts and learning about history. This decade, Kentuckians have decreasingly partaken of these opportunities—at least locally. In 2008, just over half reported taking advantage of opportunities close to home, down from the peak of 60 percent in 2000. This decline possibly points to a lack of time, money, or interest; or, alternatively, people are traveling farther for these experiences. Whatever the case, increasing the availability and consumption of such cultural opportunities fosters a quality of life that not only benefits all Kentuckians, but also helps the state attract and retain more educated professionals, enriching diversity and cultural opportunities in the process.

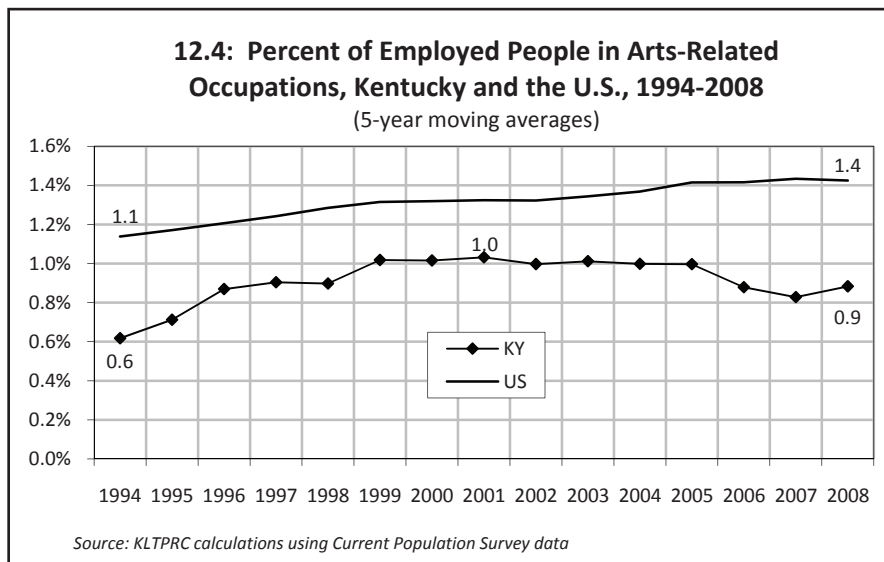


12.4

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Arts Occupations

As the ascendance of cities and communities that boast cultural amenities attests, the arts are an integral part of thriving economies. Indeed, the arts now drive some economies. Cities and regions that attract highly skilled workers tend to offer a vibrant array of arts experiences. Members of what economist Richard Florida has coined “the creative class” tend to be at the height of their professions. Consequently, they not only seek the jobs that best fit their professional focus, but also migrate to locations that offer enriching and compelling lifestyles. From music to museums, the arts matter. The percent of people employed in arts occupations is one gauge of a state’s success in developing an environment rich in cultural experiences. While its urban centers are home to dynamic arts communities, Kentucky lags the national average on this indicator of arts development. As the competitive pressures of a highly skilled global workforce rise, it becomes increasingly important for the Commonwealth to cultivate an environment that will help attract a creative and entrepreneurial labor force.



Economy

13

Kentucky
will end
poverty
and
alleviate
its adverse
consequences
and
debilitating
effects.

Just 10 percent of Kentuckians believe we are making progress toward ending poverty and its devastating effects on, among other things, our economy, educational status, health, and quality of life. At the same time, this key goal continues to rank highly in importance, 7th in 2008, even as it has remained mired at 25th on progress since 2002.

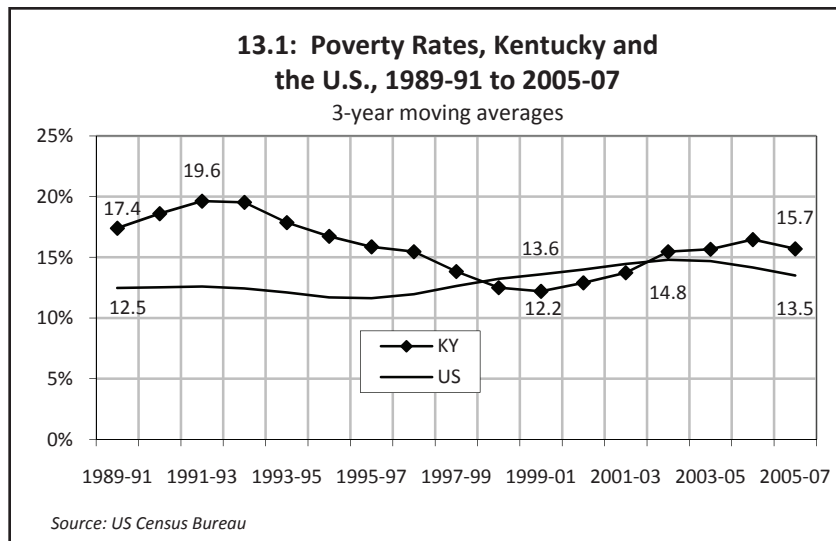
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 18% | 20% | 18% | 11% | 12% | 10% |
| Standing Still | 43% | 48% | 52% | 46% | 44% | 42% |
| Losing Ground | 39% | 33% | 31% | 44% | 44% | 48% |

13.1

KENTUCKY
LONG-TERM POLICY
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Poverty Rate

The definition of poverty as “the insufficiency of means relative to human needs” belies the potential it holds for far-reaching economic, social, and cultural consequences for families and entire populations. Studies reveal that those who grow up in poverty not only experience a lack of basic needs, but that this scarcity can shape their lives and families for generations. In addition, the concentrations of poverty have a significant negative effect on the fiscal health of cities and regions that, as a result, must shoulder higher spending. The U.S. poverty rate has held steady at about 12.5 percent since 2003 while the rate for Kentucky increased, fluctuating between 15.5 percent and 16.5 percent. While both rates are an improvement over those found in the early 1990s, they represent increases since the economic prosperity of the late 1990s. The rising cost of necessities, such as food and energy, compels our continued vigilance in efforts to reverse this key indicator of well-being.

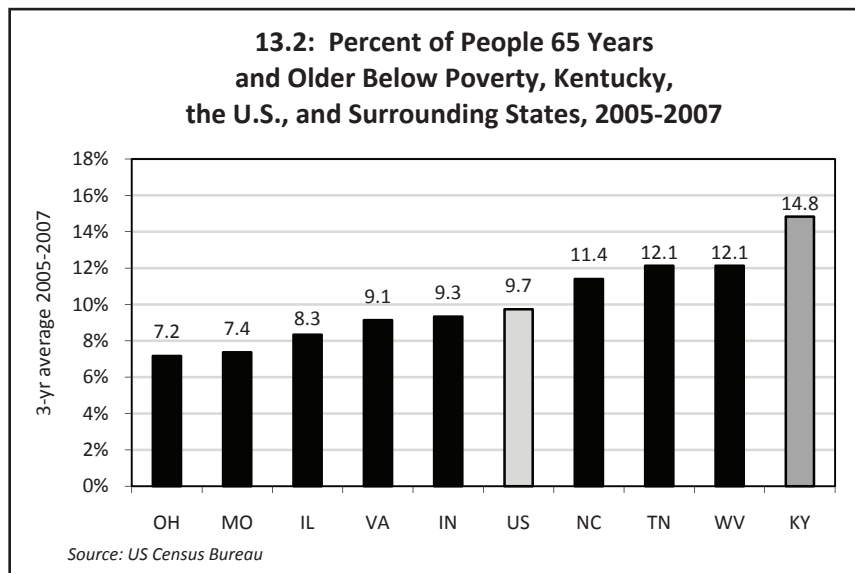


Poverty Among Elders

As the first wave of baby boomers reaches age 62 this year and nears retirement or retires, the risk of deepening poverty among elders is escalating. Today, rising out-of-pocket costs for health care, housing, utilities, transportation, and other basic necessities are cutting more deeply into incomes that are already strained by financial market instability, diminishing or disappearing pension and health care benefits, and increased longevity. A 2007 survey by the Kentucky Elder Readiness Initiative showed that, among those who say they plan to work after retirement, over half cited “having enough money to make ends meet” as a reason. The most recent data available from the Census Bureau show that the problem of elder poverty continues to be more acute in the Commonwealth than at the national level and in most states. At 14.8 percent, Kentucky’s population of persons aged 65 and older who live below the poverty level is the highest among its peer, surrounding states.

13.2

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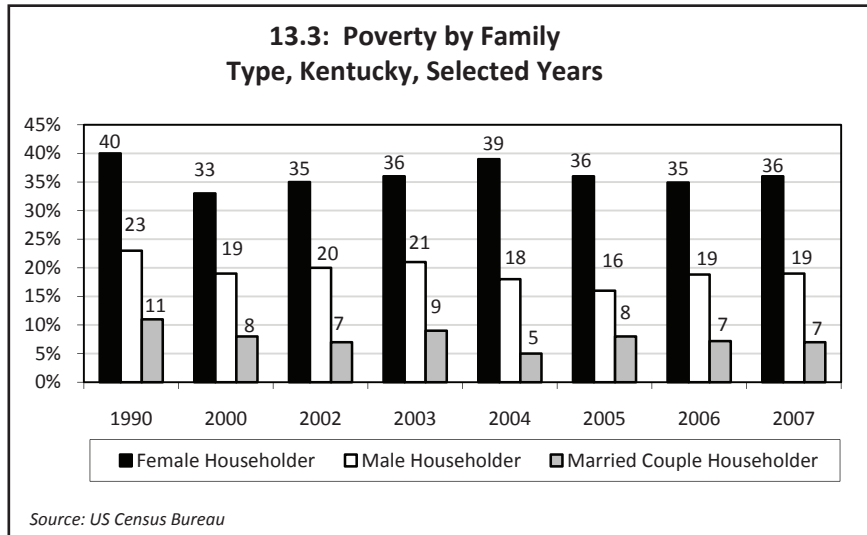


13.3

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Family Poverty by Family Type

Among the 19 percent or 205,540 Kentucky households headed by women with no husband present, more than a third live in poverty. This disturbing statistic has remained relatively unchanged since 1990 when 40 percent of female-headed households lived in poverty. About a quarter of Kentucky children under age 18 live in households of this type, which are less stable financially as they rely on single wage earners whose earnings are typically lower. By comparison, 20 percent of households headed by men with no wife present and 10 percent of married-couple families live in poverty. Among the many factors contributing to the discrepancy between single female householders and other family types are the concentration of women in low-wage jobs, lost years of employment due to childbearing and child rearing, disproportionate caretaking responsibilities, lingering discrimination, and, in their senior years, lower or nonexistent work-related benefits.

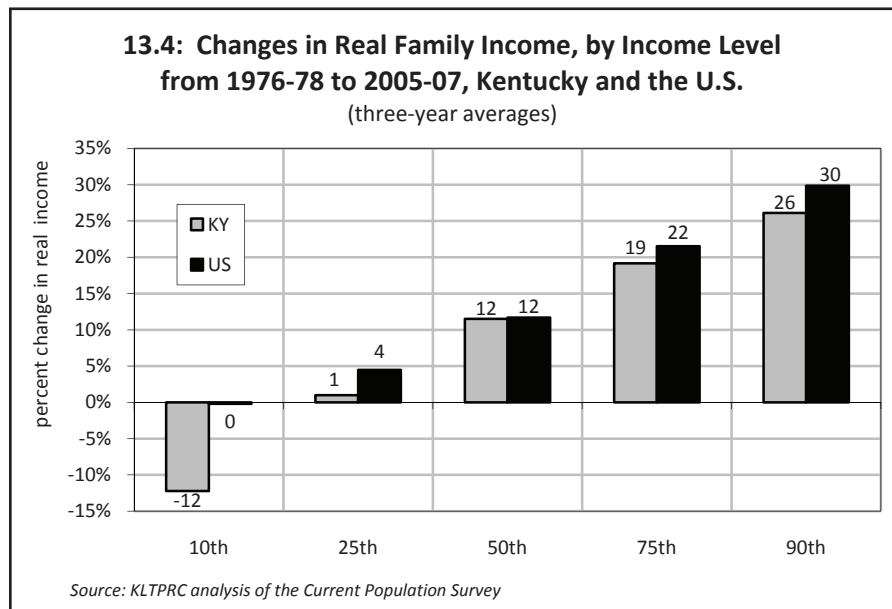


Income Distribution

Since the mid-to-late 1970s, income inequality has grown here and nationally, as families at the higher end of the income distribution have benefitted from substantially greater income growth than those at the lower end. Only in the late 1990s were economic benefits broadly shared at all income levels, and this brief respite ended with the 2001 downturn. Subsequently, income inequality resumed. For Kentucky families, this roughly three-decade-long trend of inequality has resulted in more significant disparities than at the national level. Incomes in the 10th percentile declined 12 percent here compared with no growth nationally. The gap is not as pronounced at other points along the income distribution, as families at these levels saw their incomes grow at rates similar to those at the national level. Many factors have been cited as possible contributors to the widening gap, including the rise of globalization and outsourcing, increasing returns to high-level skills, the automation of routine jobs, declining unionization, immigration, and tax policies.

13.4

KENTUCKY
LONG-TERM POLICY
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14

Kentucky will have diversified long-term development that stresses competitiveness and a rising standard of living for all citizens while maintaining a quality environment.

An overwhelming majority of Kentuckians believe our state is either standing still or losing ground on a goal that affects the well-being of all citizens: broadly beneficial economic development. Its overall ranking on progress continues to stand at its 10-year low of 22nd even as Kentuckians assign significant importance to it, ranking it 9th overall.

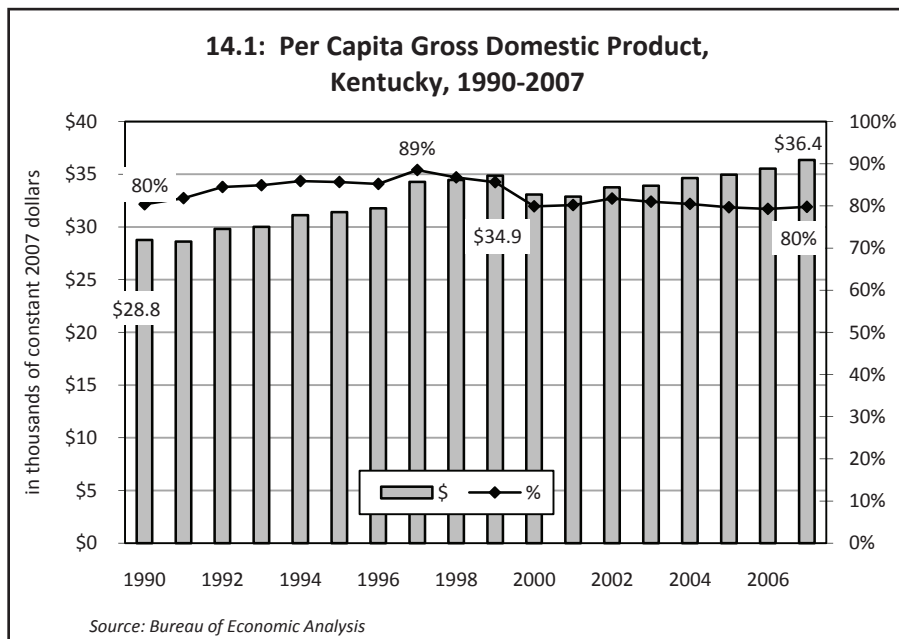
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 36% | 31% | 32% | 22% | 23% | 18% |
| Standing Still | 40% | 45% | 50% | 51% | 49% | 52% |
| Losing Ground | 23% | 25% | 18% | 27% | 28% | 30% |

14.1

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Gross Domestic Product

An estimation of the total dollar value of all final goods and services produced in a state, gross domestic product (GDP) is indicative of economic health and prosperity—the byproducts of strong business activity. This important gauge of Kentucky’s economic health reveals that the 1990s were a prosperous period here as in the rest of the nation. Kentucky made progress in closing the gap between itself and the nation, as state per capita GDP rose in relative terms from 80 percent of the U.S. GDP to 89 percent by 1997, when this prosperous period reached its peak. However, following the recession of the early 2000s, Kentucky’s relatively manufacturing-dependent economy was unable to recover as strongly as the rest of the country. Although GDP has risen in real terms during this century, the rise has not been substantial enough to keep pace with the nation. Today, the gap between the Commonwealth and the nation has widened and remained at or near the 80 percent seen prior to the 1990s.

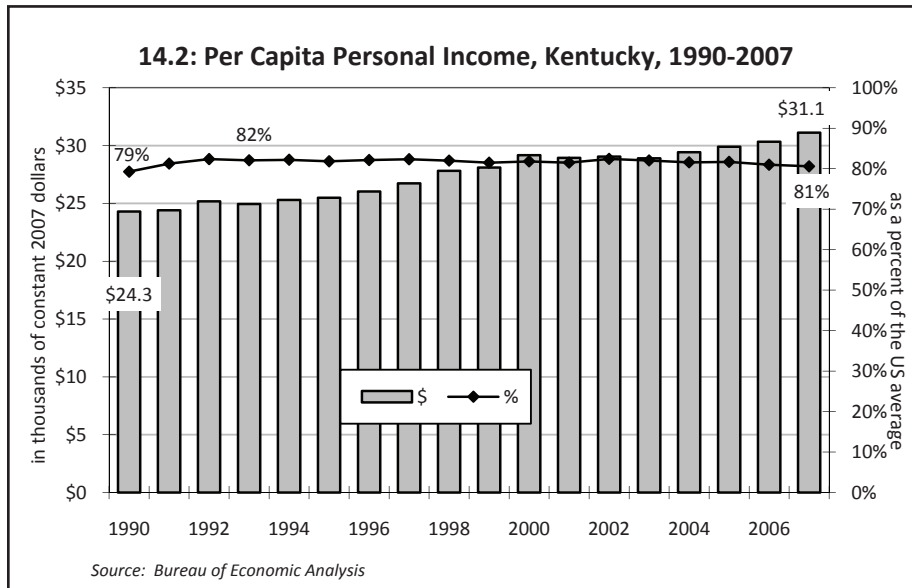


Income

While Kentucky's per capita income has grown since 1990, its position relative to the nation has not demonstrably improved. Instead, per capita income has remained relatively stagnant here at approximately 81 percent of the national average over the years analyzed. Lagging growth in per capita income has kept Kentucky ranked in the bottom 10 states of the country and has sparked serious inquiry into what it will take for the Commonwealth to achieve parity with the national average. One such study for the Kentucky Science and Technology Corporation found that it would take 154 years for Kentucky to reach the national average at its current rate of growth. The study analyzes a high-growth scenario in which Kentucky achieves 100.4 percent of the national average by 2022. The analysis suggests that to achieve such a level of per capita income, “disruptive” and transformational changes in economic growth strategies and outcomes will be required.”

14.2

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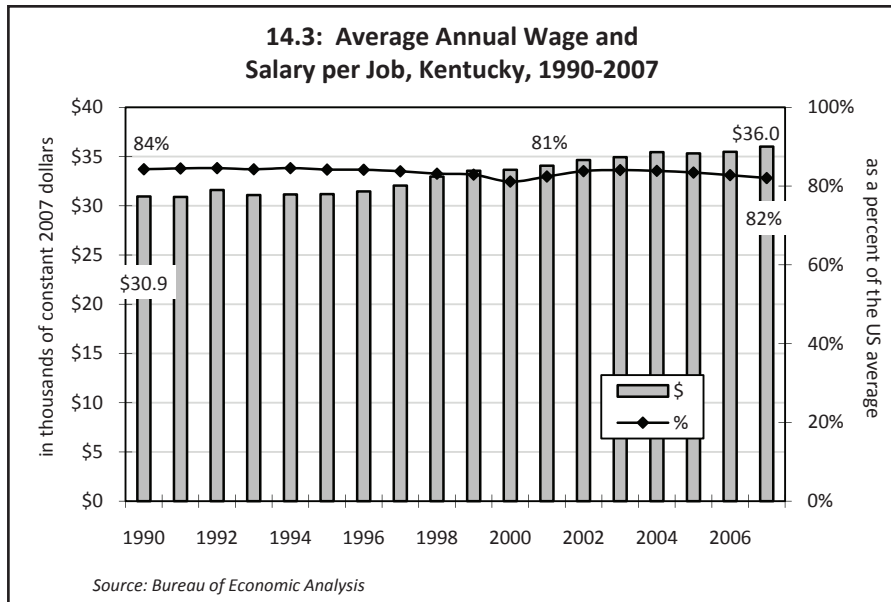


14.3

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Wages

While real wages have risen in Kentucky since 1990, the average yearly wage as a percent of the U.S. average has not improved. Kentucky's average wage was approximately 84 percent of the U.S. average in 1990, compared with 82 percent in 2007. Nationally, globalization and technological advances have exerted downward pressure on wages, as companies lower costs by moving operations to low-wage, offshore locations or automating routine jobs once performed by low-skill workers. Kentucky's reliance on manufacturing has left it particularly vulnerable to these changes, and, as a consequence, workers with less education and fewer skills are increasingly relegated to occupational categories that offer limited opportunity for wage growth. Long-term solutions to this problem require a sustained commitment to the improvement of Kentucky's educational status and systematic efforts to attract businesses and industries that employ more educated workers. The extent to which rising fuel costs will slow and even reverse some manifestations of globalization is as yet unknown.

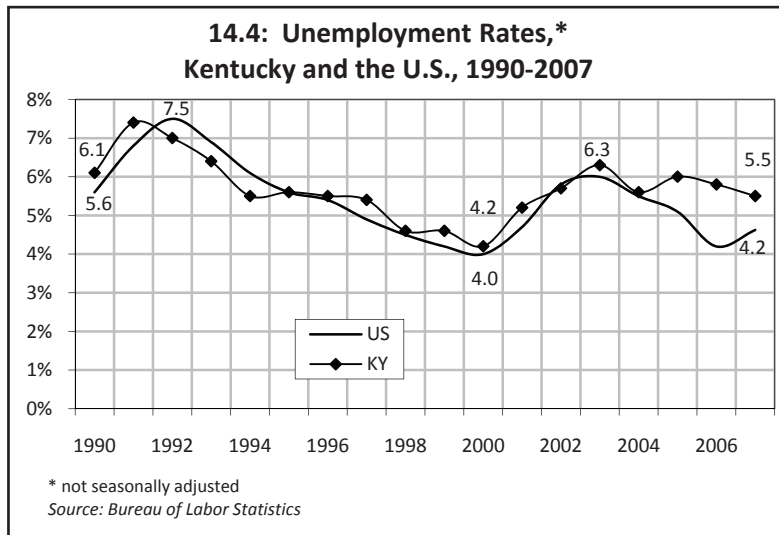


Unemployment Rates

Job losses send broad shocks throughout an economy. Unemployment not only jeopardizes income and benefits, it also exacts a huge social cost, undermining health, retirement savings, and family stability while shifting many costs to the taxpayer. Since 1990, unemployment rates in Kentucky generally have followed national trends, rising and falling with changes in the larger economy. Since 2000, state and national unemployment rates rose from a low of 4.2 percent here and 4.0 percent nationally to a peak of 6.2 percent and 6.0 percent, respectively, in 2003. Unemployment rates subsequently trended downward, but they also began to exceed the national rate, by as much as 1.4 percent in 2006. In recent months, unemployment rates here have continued to rise and outpace the national rate. Kentucky's June 2008 unemployment rate was 6.6 percent compared to 5.7 percent nationally. In the wake of the financial crisis, state data show a September 2008 jobless rate of 7.1 percent in Kentucky compared with a U.S. rate of 6.1 percent.

14.4

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15
Kentucky
will
benefit
from
participation
in an
integrated
global
economy.

Since 1998, the portion of Kentuckians who see progress on the goal of beneficial participation in the global economy has fallen by 26 percentage points. Citizens have also consistently assigned little importance to this goal, ranking it near the bottom at 23rd in 2008. Its progress, ranked highest in 1998, has fallen to 11th overall.

| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 57% | 45% | 45% | 34% | 37% | 31% |
| Standing Still | 27% | 37% | 40% | 46% | 43% | 47% |
| Losing Ground | 16% | 19% | 15% | 20% | 19% | 22% |

15.1

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Scientific Research and Development Services

The creation and refinement of products and processes through scientific research fuels job growth, opens markets, boosts wages, increases prosperity, and raises quality of life. Thus, the presence of firms that concentrate on scientific research and development (R&D) is a strong economic asset. Kentucky, however, fares poorly relative to the nation and its competitor states in the share of firms that conduct R&D. According to the 2002 Economic Census, about one in 1,000 of the state's business establishments focused on R&D. While this represents an impressive 78 percent increase over its 1997 position, Kentucky still ranked last among its competitor states. The proportion of R&D firms here stood at less than half of that for the nation and less than a third for Virginia, our leading competitor state. For the state to maximize benefits from the global economy, greater attention must be paid to developing and luring firms that value R&D and the innovation it drives.

15.1: Number of Scientific Research and Development Firms per 1,000 Firms, 1997 and 2002

| | 1997 | 2002 |
|-----------|-------------|-------------|
| VA | 3.02 | 3.64 |
| NC | 1.56 | 2.30 |
| US | 1.74 | 2.26 |
| OH | 1.31 | 1.77 |
| IL | 1.07 | 1.46 |
| MO | 1.00 | 1.33 |
| TN | 0.95 | 1.13 |
| WV | 0.81 | 1.08 |
| IN | 0.72 | 1.05 |
| KY | 0.58 | 1.04 |

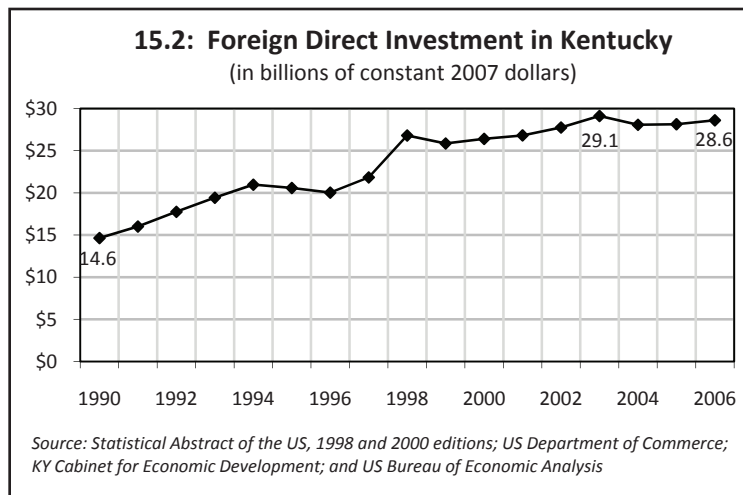
Source: KLTPRC analysis of data from the US Census Bureau

Foreign Direct Investment

Kentucky's participation in the global marketplace showed steady improvement during the 1990s, as evidenced by a dramatic rise in foreign direct investment (FDI). From 1990 to 2003, the dollar value of investments from foreign-based companies more than doubled. Since then, however, FDI has stagnated, dropping off slightly from 2003's peak. Forty percent of these investments are in the manufacturing sector and most originate in either Japan (38 percent) or Germany (34 percent). FDI helps to boost local job creation and improve the state's economic fortunes, but the global financial crisis of 2008 could put a damper on such investments in the near future.

15.2

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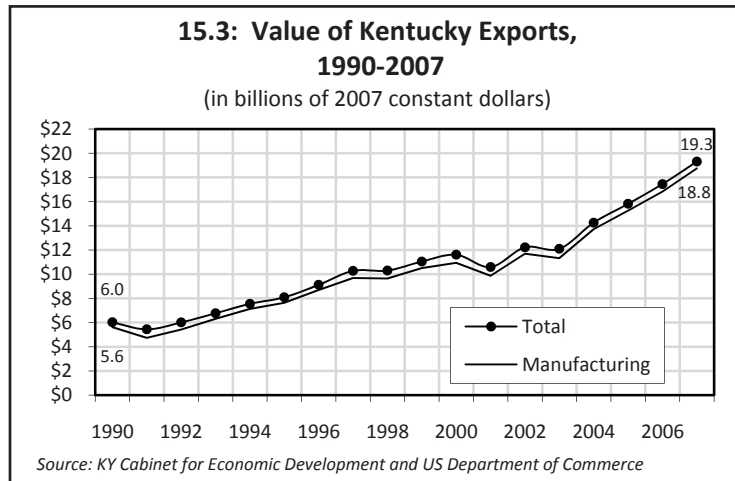


15.3

Value of Exports

Due almost exclusively to growth in the manufacturing sector, Kentucky's exports have more than tripled in the last two decades. Since 1990, the value of Kentucky's exports has grown more than 200 percent, from \$6 billion to \$19.3 billion. The value of transportation equipment—the largest component of the state's exports—increased 444 percent during this same timeframe. However, given the downturn in the global economy that occurred during 2008, this dramatic growth could not only falter but go into a decline. Moreover, with the state's exports concentrated in one sector, a downturn in the automotive and aviation industries could prove disastrous for the state's economy.

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Export Ranking

Just as the value of Kentucky's exports has risen steadily since the early 1990s, Kentucky's trade ranking has moved up from 25th to 17th overall. Even though the state's exports declined slightly since peaking in 2003, Kentucky's ranking continued to improve as other states suffered sharper drops. Canada remains the largest recipient of Kentucky's exports, receiving \$6.6 billion worth of goods in 2007, but France (\$1.9 billion) surpassed Mexico (\$1.3 billion) to become the second largest importer from the state. As in previous years, transportation equipment remains the dominant commodity, accounting for nearly 40 percent of the state's exports.

15.4

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**15.4: Kentucky's National
Ranking in Exports,
1993-2007**

| Year | Rank |
|------|------|
| 1993 | 25 |
| 1994 | 25 |
| 1995 | 24 |
| 1996 | 23 |
| 1997 | 22 |
| 1998 | 22 |
| 1999 | 22 |
| 2000 | 22 |
| 2001 | 22 |
| 2002 | 20 |
| 2003 | 22 |
| 2004 | 19 |
| 2005 | 19 |
| 2006 | 18 |
| 2007 | 17 |

Source: KY Cabinet for Economic Development, KY Exports: 2002 and Deskbook of Economic Statistics

16
 Kentucky
 will
 maintain
 and enhance
 a strong
 farm economy
 through
 diversification,
 internal
 networks, and
 agricultural
 processing
 industries.

Public opinion registers little optimism about the trajectory of our state's farm economy. Just a third of Kentuckians see progress here. At the same time, this goal rose from 19th on progress in 2006 to 12th in 2008, a likely corollary to the declining importance assigned to the goal.

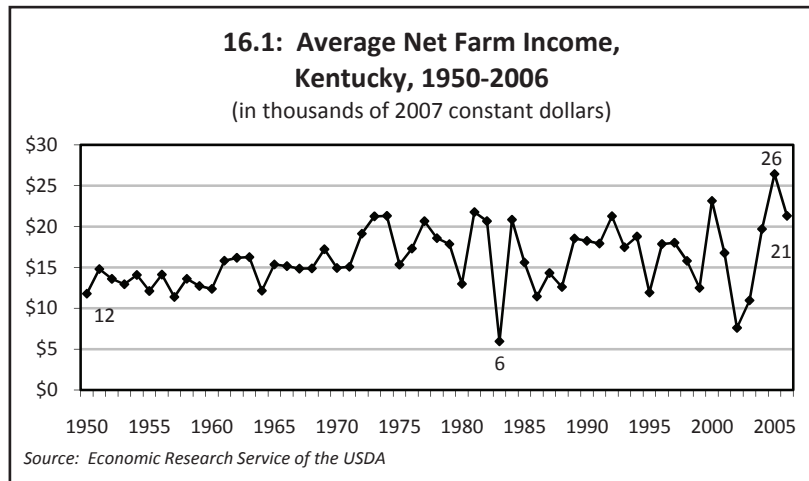
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 28% | 29% | 35% | 30% | 33% | 33% |
| Standing Still | 37% | 33% | 36% | 36% | 37% | 42% |
| Losing Ground | 36% | 38% | 28% | 34% | 30% | 24% |

16.1

Farm Income

After 30 years of slow but fairly steady improvement in average farm income, these levels became erratic in the early 1980s and have shown no signs of settling down in the ensuing decades, save for a brief period of stability in the early 1990s. Nonetheless, average net income has generally been higher than in 1950, though it has dropped to or below that level in numerous years, most notably in 1983 and 2001, and the number of farms has fallen considerably over the last half century. Moreover, average farm income reached an all-time high of \$26,000 in 2004 before dropping off slightly the following year. With a steadily weakening dollar, rising fuel prices, and a worldwide financial crisis at hand, farm income could face not only further volatility in future years, but a lasting, general decline.

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Agricultural Diversity

The past two decades have seen a dramatic change in Kentucky's agricultural profile. Tobacco, once the state's signature commodity, no longer ranks as even the top crop due to the loss of more than half its receipts. While tobacco's value has dropped precipitously, Kentucky's other major crops—corn, soybeans, hay, and wheat—have all shown considerable improvement. The most dramatic growth, however, has been with horses and mules—now the state's top farm commodity—and broilers (chickens raised for food). The dramatic swings in receipts for Kentucky's various farm products underscores the necessity of agricultural diversity, so farmers' fortunes do not rise and fall based on the market for a single commodity.

16.2

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16.2: Kentucky's Top Ten Agricultural Products

| Product | 2006 Rank | 1990 Rank | Change in Receipts |
|-----------------|-----------|-----------|--------------------|
| Horses & Mules | 1 | 3 | 127% |
| Cattle & Calves | 2 | 2 | -42% |
| Broilers | 3 | 18 | 32,200% |
| Corn | 4 | 5 | 48% |
| Soybeans | 5 | 6 | 43% |
| Tobacco | 6 | 1 | -57% |
| Dairy Products | 7 | 4 | -63% |
| Hay | 8 | 9 | 96% |
| Hogs | 9 | 7 | -69% |
| Wheat | 10 | 8 | 50% |

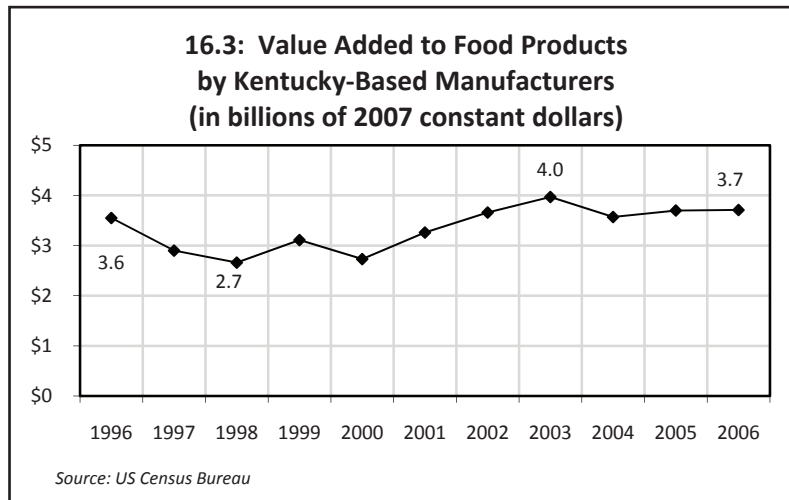
Source: KY Department of Agriculture

16.3

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Value-Added Food Products

While Kentucky's farm traditions have long yielded significant economic benefits to the state, the development of more refined, downstream products that use these raw materials holds the promise of even greater returns. Salsa, not tomatoes, can enrich and sustain a farm economy. In this regard, the state misses out as the abundant yield of its farms migrates out of state to processing facilities and manufacturers where products for the consumer market are created. Looking back over the past decade, Kentucky is right back where it started. In 1996, \$3.6 billion worth of food products were manufactured in state. After slight and slow fluctuation, 2006 yielded \$3.7 billion worth of value-added food products. Kentucky entrepreneurs and workers, as well as the state's overall economy, clearly lose out on the opportunity to make the most of a rich agricultural productivity.

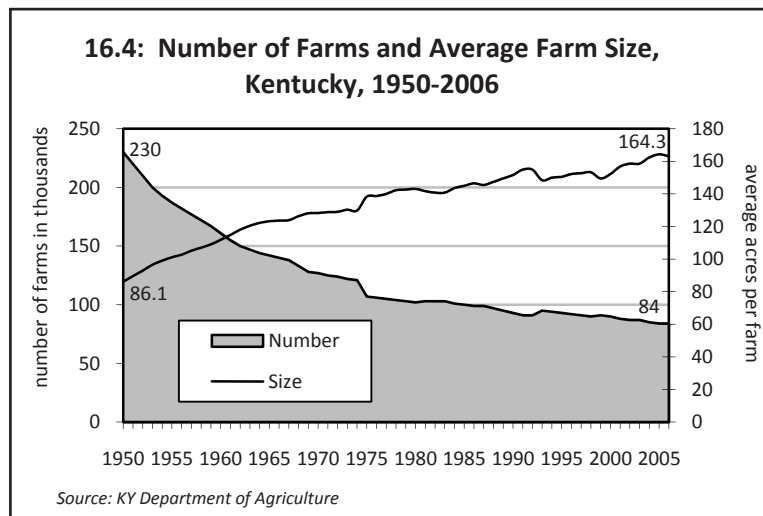


Farms

The family farm has nearly become a quaint ghost of Kentucky's past. Over the last half century, two major trends have transformed the state's countryside: the consolidation of small, family-owned farms into large corporate operations; and the conversion of agricultural land to urban uses. As seen here, roughly one-third as many farms exist today as there were in 1950 while the average size of Kentucky's farms has nearly doubled. Given the erratic rise and fall of average farm income in recent years, mounting foreclosures, and an uncertain global marketplace, the trends of consolidation and conversion are likely to continue and possibly even accelerate. A countervailing force is the "slow food" movement, which emphasizes locally grown, seasonal, and organic foods. Combined with the rising cost of fuel, small, niche farmers may see prospects improve. The future of the family farm, so central to Kentucky's history and identity, however, remains unknown.

16.4

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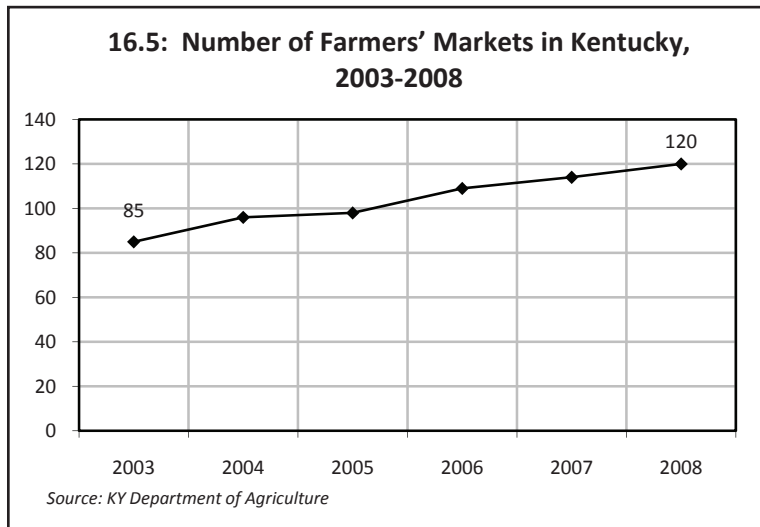


16.5

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Buying Locally Grown Food

Internationally, the “slow food” movement has grown exponentially, providing a boost to small farms in an era of industrialized agriculture and making fresher food, often organically grown, more readily available. Kentuckians are embracing the movement to foods grown closer to home, giving rise to an increasing number of bustling farmers’ markets that have helped advance agricultural diversification in a post-tobacco world and make healthy fare more readily available. More than 2,000 vendors participated in farmers’ markets here in 2007, reporting sales exceeding \$6 million. Between 2003 and 2008, the number of farmers’ markets increased from 85 to 120. In 2008, more than three-fourths of Kentuckians said they occasionally (51.5 percent) or frequently (28.6 percent) made purchases at a farmers’ market. Just 6 percent of Kentuckians participated in CSAs, community-supported agriculture, which permit them to buy a portion of a farmer’s output—fruits, vegetables, and other farm products delivered weekly—at the beginning of the growing season.



17
 Kentucky
 will
 develop
 and enhance
 its physical
 infrastructure
 to support
 and sustain
 economic
 development and
 a high quality
 of life.

Kentuckians have become increasingly dismayed by the quality of Kentucky's physical infrastructure. Only a quarter of citizens saw progress in 2008. The goal's ranking on progress has continued to decline steadily, from 9th to 18th, while its importance has risen sharply from a ranking of 21st in 2002 to 11th in 2008.

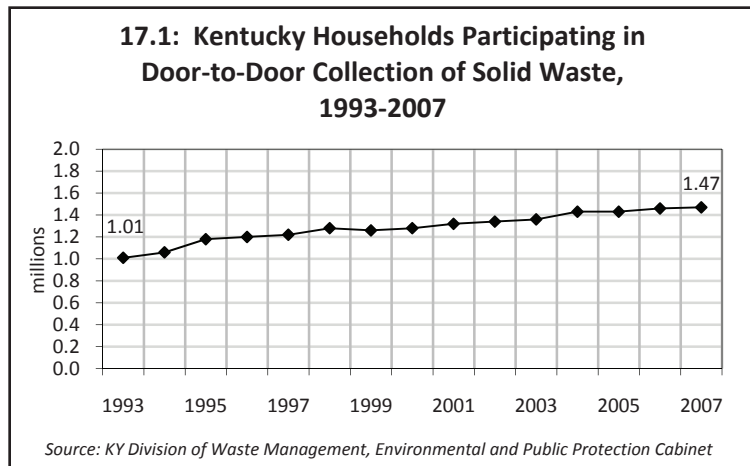
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 40% | 37% | 36% | 27% | 29% | 24% |
| Standing Still | 42% | 42% | 51% | 54% | 51% | 50% |
| Losing Ground | 19% | 22% | 13% | 19% | 20% | 26% |

17.1

KENTUCKY
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Access to Water, Sewer Systems, and Garbage Collection

The benefits that result from public water and sewage systems and garbage collection are incalculable. Such systems of modern civic life enhance quality of life, help ensure public health and safety, and preserve the environment. Though some drinking water systems are privately owned, public water systems serve at least 25 people or have 15 service connections for at least 60 days in a year. In 2007, Kentucky's Division of Water listed 458 public water systems in its annual report. Municipal wastewater treatment plants serve only a portion of the Commonwealth's residents, as the rural character of the state leaves a large percentage of Kentuckians dependent on on-site sewage disposal facilities, including septic systems and lagoons. Some older properties still funnel raw sewage into waterways. Every Kentucky county now has a universal waste collection program in place, but those without door-to-door collection must haul garbage to a convenience center, transfer station, or contained landfill.

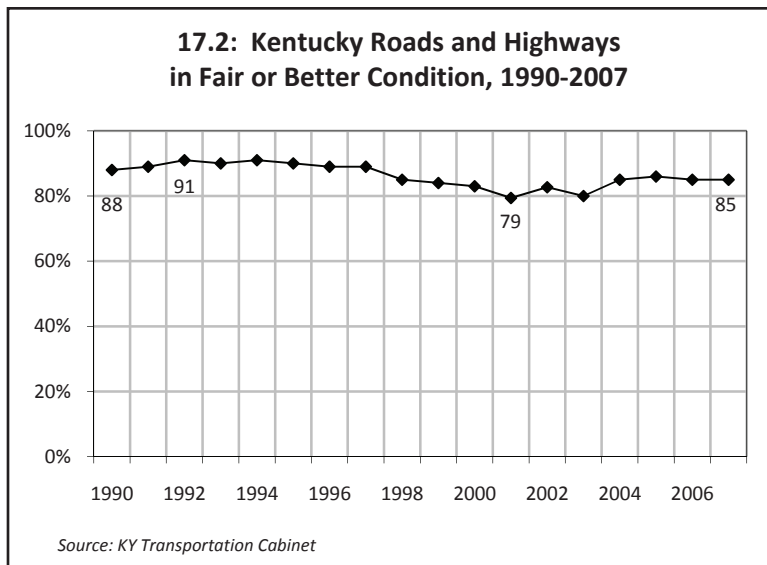


Roads and Highways

Highway access is often a determining factor in the location of new manufacturing facilities and their satellite operations, as well as other businesses that are dependent on ready access to goods and supplies. At the same time, accessible, high-quality roads enable workers to travel to jobs, schools, shops, and community functions. Roads and highways must be well maintained to permit these vital economic and social interchanges to function efficiently and, in doing so, contribute to a higher standard of living and quality of life. In 2007, 85 percent of the Commonwealth's roads and highways were rated as being in fair or better condition, according to the Kentucky Transportation Cabinet, 6 percentage points higher than the 2001 low of 79 percent. However, this falls below a seven-year high between 1991 and 1997 during which between 89 to 91 percent of the state's roads and highways were assessed as being in fair or better condition.

17.2

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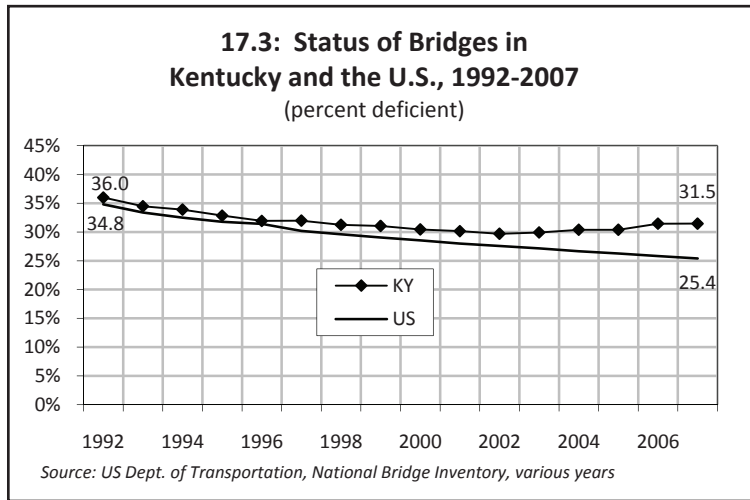


17.3

Bridges

There are approximately 13,640 bridges in Kentucky, an estimated 4,290 of which are classified as structurally deficient (1,362) or functionally obsolete (2,928). Structurally and functionally sound bridges facilitate the flow of goods and services statewide, and contribute to Kentucky's economy and the quality of life its citizens enjoy. Bridges that are structurally deficient or functionally obsolete are not necessarily unsafe but rather too narrow or below the capacity of modern standards. The percentage of structurally deficient and functionally obsolete bridges in Kentucky declined from 36 percent in 1992 to just under 32 percent in 2007. Nationally, the percentage of deficient bridges has declined steadily from about 35 percent in 1992 to around 25 percent in 2007.

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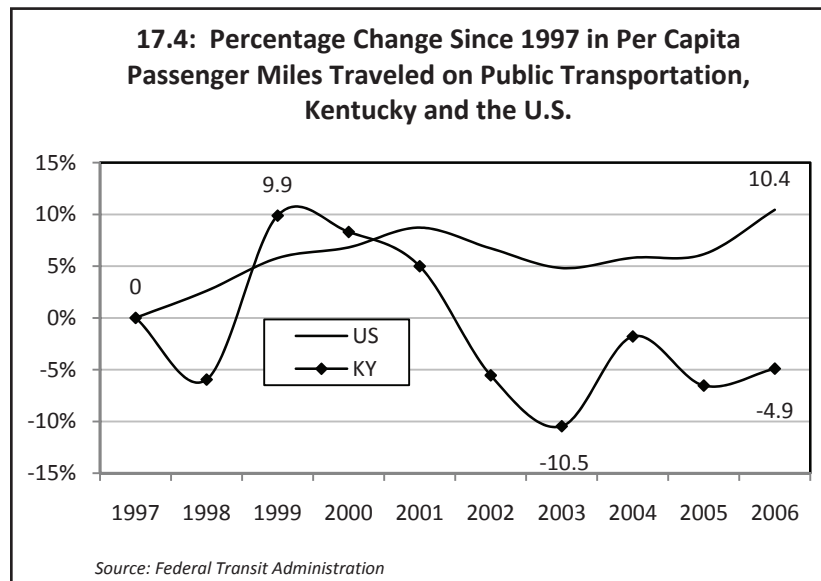


Mass Transit

Public transportation not only moves the masses from place to place, it helps alleviate transportation costs for families and individuals and the environmental burden of carbon emissions. During the course of the previous decade, per capita miles traveled on public transportation rose by more than 10 percent nationally, but declined nearly 5 percent in Kentucky. Even controlling for the fact that the state's public transportation is concentrated in Louisville, Lexington, and Northern Kentucky, the trend remains the same. But the available data only goes to 2006. With historically high gas prices in 2008, no doubt more Kentuckians opted to take the bus than in the past. Nonetheless, the low rates of utilization here have contributed to Kentucky being home to some of the highest metropolitan per capita carbon emission rates in the country, including the nation's highest, Lexington.

17.4

KENTUCKY
LONG-TERM POLICY
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18
 Kentucky will
 develop a
 state-of-the-art
 technological
 infrastructure
 that complements
 its learning
 culture and
 bolsters its
 competitive
 position in the
 world economy.

Fluctuating public opinion about Kentucky's progress on a state-of-the-art technological infrastructure fell to its lowest level in 2008. Just 25 percent of citizens see progress here. Similarly, the goal's progress ranking nearly matched its decade low at 17th. The goal's importance fell from its 2006 high of 15th to 19th.

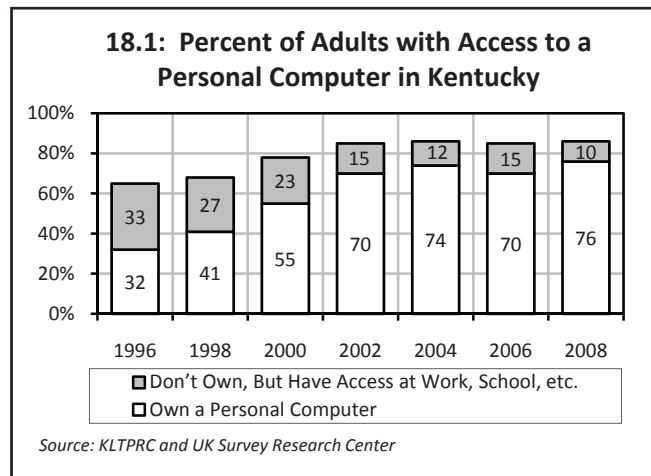
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 45% | 38% | 40% | 27% | 31% | 25% |
| Standing Still | 40% | 44% | 46% | 50% | 48% | 50% |
| Losing Ground | 16% | 18% | 14% | 23% | 21% | 25% |

18.1

Computer Access

As computers have become faster and storage capacities have ballooned, the usefulness of these machines has accelerated exponentially: more and more can be done with them, and it can be done better and faster than ever before. Having access to a personal computer not only affords one the opportunity to access the Internet and make use of myriad programs, but also to attain skills beneficial in the workplace, in the classroom, and in everyday living. After a rise during the 1990s, the percentage of Kentuckians with computer *access* leveled off in 2002 and has hovered around 85 to 86 percent ever since. Computer *ownership*, however, has grown slightly, suggesting the state might make further progress toward this important goal in the years to come. Nevertheless, computer access seems to have hit its ceiling for the time being.

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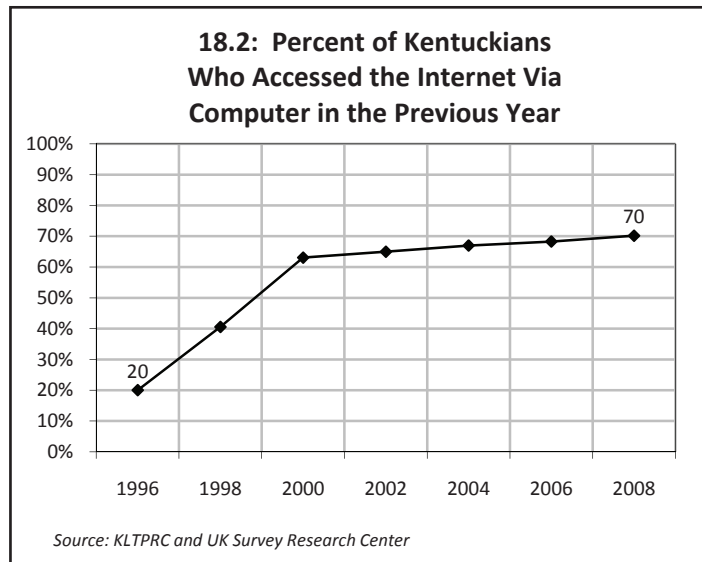


Internet Access

Since its inception, the Internet has revolutionized global communication and commerce, allowing worldwide social and economic networking, and offering an organic, ever-changing, and seemingly limitless body of information and entertainment. Perhaps no invention of the last half century has had a greater transformative effect on modern living than the World Wide Web. Much like computer access in Kentucky, Internet access via computer grew rapidly during the previous decade, but has virtually leveled off in the new millennium, though there has been continued—if slight—growth since 2000. During this same period of time, new, portable tools to access the Internet have emerged—such as cell phones and personal digital assistants (PDAs)—suggesting Internet access in Kentucky could potentially be higher than what these numbers indicate.

18.2

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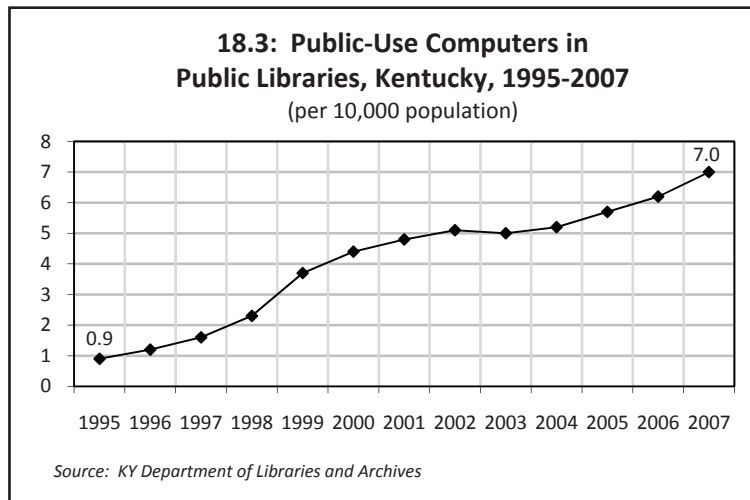


18.3

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Computer Access in Public Libraries

For those Kentuckians who do not have ready access to computers or high-speed Internet service, the state's public libraries have become an invaluable resource. Access to computers and electronic information, as well as training in how to use these resources, has become integral to the missions of public libraries. According to the most recently available data from the Kentucky Department of Libraries and Archives, public libraries continue to expand investment in electronic materials, nearly doubling this expenditure between 2005 and 2007. Libraries also train thousands of patrons each year in the use of electronic resources. Here, we illustrate the overall rate of growth in this increasingly important public resource relative to the state's population from 1995 to 2007. As shown, the number of public access computers per 10,000 population has grown steadily, from fewer than one to seven.

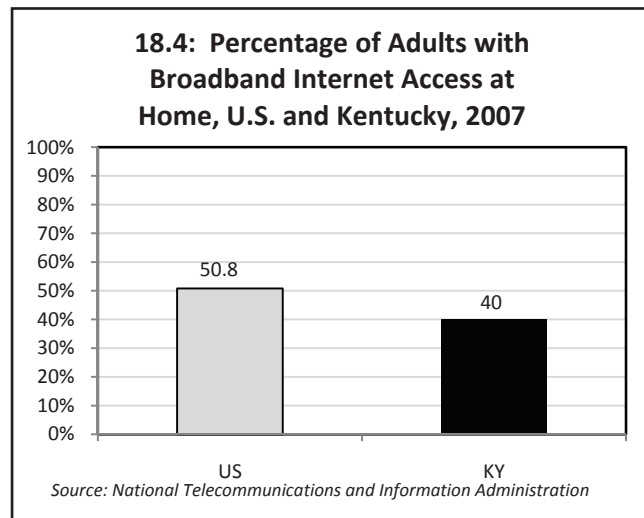


Home Broadband Access

A key driver that has accelerated globalization of the economy has been the emergence of nearly instantaneous data transfers enabled by broadband Internet. Whether it's corporations doing business with one another, workers telecommuting, or consumers shopping for the latest bestselling book, high-speed Internet increasingly underpins 21st century commerce. In the United States, just over half of all adults have broadband access at home, somewhat ahead of Kentucky where only 40 percent of adults enjoy the same level of access. But Kentucky has been making great progress. From 2006 to 2007, the portion of households with access to broadband rose from 35 percent to 44 percent. However, the rapid adoption of this technology is taking place all over the country, making it an ongoing—though attainable—challenge for the state to reach parity with the rest of the nation.

18.4

KENTUCKY
LONG-TERM POLICY
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19
 Kentucky
 will
 establish
 a fair,
 competitive,
 and
 responsible
 fiscal,
 tax, and
 regulatory
 structure.

As with other goals, citizen views of progress on a fair fiscal, tax, and regulatory structure fell to their lowest levels in 2008 when only 16 percent of Kentuckians said the state was making progress. The progress ranking remains mired near the bottom while its importance rose to a decade-high ranking at 8th.

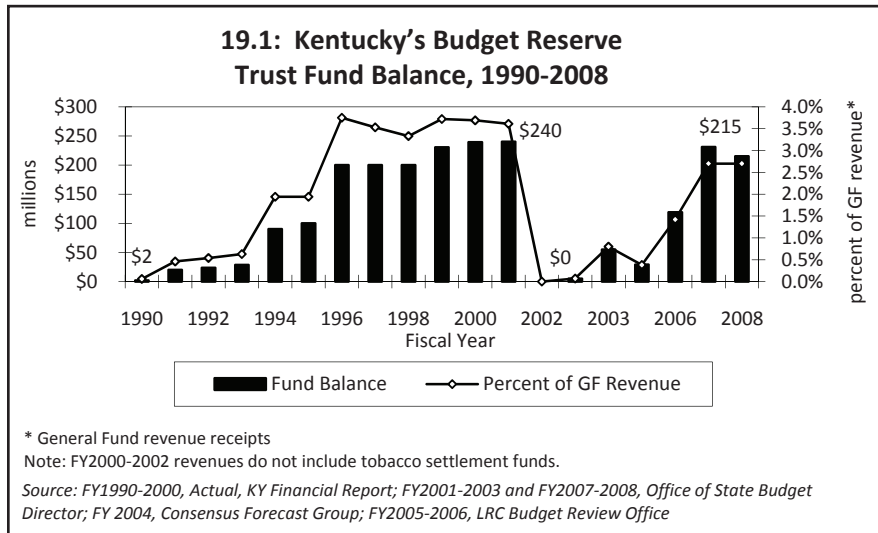
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 29% | 21% | 24% | 18% | 22% | 16% |
| Standing Still | 40% | 40% | 46% | 44% | 47% | 48% |
| Losing Ground | 31% | 39% | 30% | 37% | 31% | 36% |

19.1

Rainy Day Fund

To cope with shortfalls in revenue and have extra funds on hand in case of an emergency, Kentucky diverts some of its finances to the Budget Reserve Trust Fund. Over the course of the 1990s, this “rainy day fund” grew to more than \$200 million, but that was completely wiped out by budget shortfalls in 2002. Recognizing that such a cushion would inevitably be needed again, restoring this fund has been a priority for Kentucky’s policymakers. The balance has nearly returned to its peak level, though it represents a smaller proportion of general fund revenue. With an increasingly uncertain economy, state coffers are predicted to come up short over the next few years. Hence, the goal of a proportional rainy day fund could become critically important, as today’s reserves are likely to again be drained dry.

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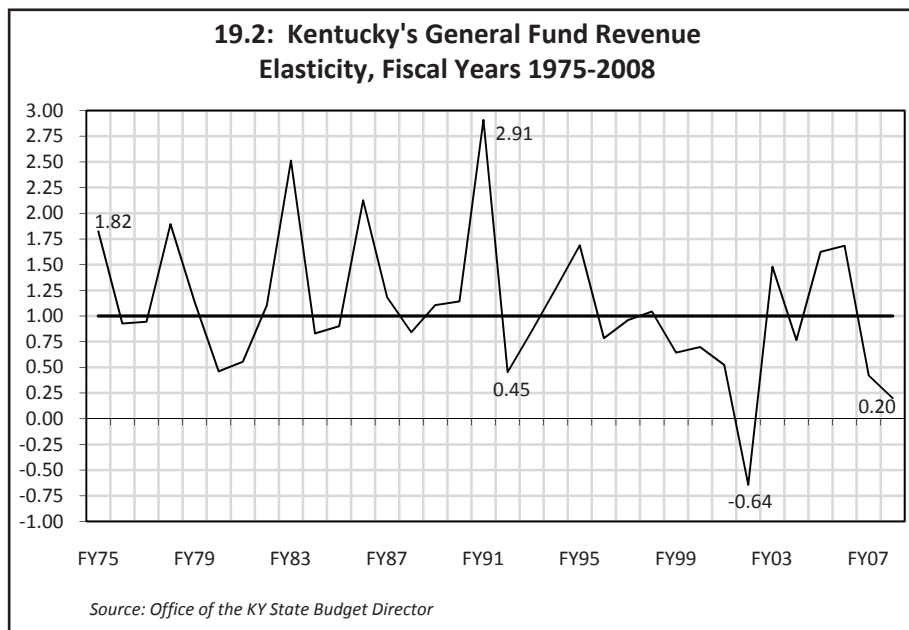


Revenue Adequacy

The goal of maintaining an adequate stream of revenue is a central principle underlying tax policy. In theory, revenues should match expansions in the economy that they represent and serve. Revenue elasticity measures the percentage change in revenue relative to the percentage change in personal income; an elasticity of 1.0 indicates that tax revenue is growing at the same pace as the economy. Revenue growth slowed dramatically here from 1998 to 2002. In 2002, for the first time since 1953, the state's general fund revenue was lower than that of the previous year. Just as the economic recession of the early 2000s took its toll here in Kentucky, the current economic crisis is already affecting state revenues. The current FY2009 growth rate (0.9 percent) is less than half the projected growth rate (2.6 percent) on which lawmakers built this year's state budget. Government officials have already begun to respond to lessen the impact of this crisis on revenue growth in Kentucky and avoid a potential repeat of a negative growth rate.

19.2

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19.3

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State Government Bond Ratings

Though Kentucky's bond ratings, which could be likened to the Commonwealth's credit rating, have not improved in recent years, they have not worsened. Based on such factors as the state's borrowing capacity, spending restraints, demographics, and economic trajectory, these ratings affect the cost of borrowing and, thus, the cost of public projects, which are ultimately borne by taxpayers. Improved ratings would permit the state to borrow money at lower interest rates and complete public projects at lower costs. The only change in the state's ratings over the past decade has been a downgrade by Standard & Poor in 2002. As a result of the global credit crisis, borrowing is likely to become increasingly difficult. The problem is no longer simply one of interest rates, but the availability of capital to borrow. Those states with the highest government bond ratings will likely not only continue to enjoy the most favorable interest rates but also more ready access to capital as it becomes available.

19.3: Kentucky State Government Bond Ratings

| Year | Standard & Poor's | Moody's |
|------|-------------------|---------|
| 1997 | AA | * |
| 1998 | AA | * |
| 1999 | AA | Aa2 |
| 2000 | AA | Aa2 |
| 2001 | AA | Aa2 |
| 2002 | AA- | Aa2 |
| 2003 | AA- | Aa2 |
| 2004 | AA- | Aa2 |
| 2005 | AA- | Aa2 |
| 2006 | AA- | Aa2 |
| 2007 | AA- | Aa2 |
| 2008 | AA- | Aa2 |

* Not reviewed.

Source: Standard & Poor's and Moody's Investors Service

20
Kentucky
will
create
an
entrepreneurial
economy.

Kentuckians who see progress toward a more entrepreneurial economy continue to decline. Just 17 percent of citizens, a decade low, see progress. The goal's rankings on progress and importance remain in the bottom tier, suggesting too little change in economic priorities and anemic public awareness.

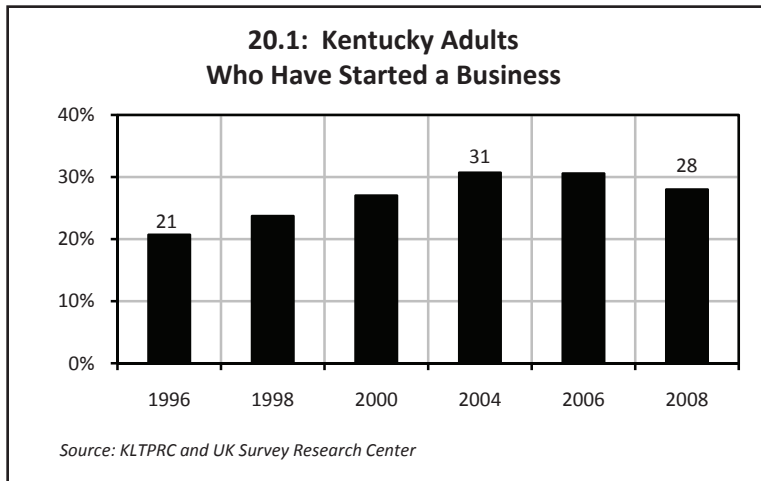
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 33% | 28% | 28% | 23% | 25% | 17% |
| Standing Still | 45% | 49% | 53% | 52% | 48% | 56% |
| Losing Ground | 22% | 23% | 19% | 26% | 27% | 28% |

20.1

Entrepreneurs

According to the U.S. Small Business Administration, an estimated 197,000 individuals were self-employed in Kentucky in 2007, representing about 9 percent of the state's total employment. Long a vital component of Kentucky's economy, small businesses have enabled individuals, communities, and the state to weather job losses in other sectors and adapt to structural change. In 1996, an estimated 21 percent of Kentucky's adult population reported that they had started a business at some point in their careers. More than a decade later this percentage had increased to 28 percent, an encouraging trend that suggests rising levels of entrepreneurial skill, technological prowess, and education.

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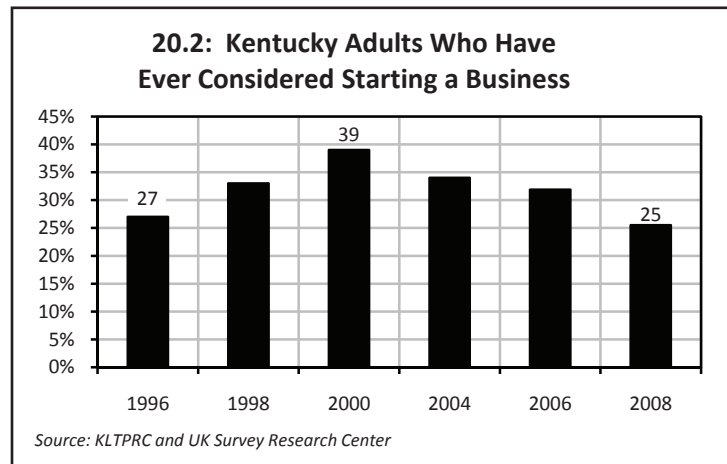


The Entrepreneurial Impulse

Entrepreneurship is integral to the American Dream. Imagination, intelligence, and tenacity can still transform a good idea into a thriving business or a global enterprise. In the churning world of small business, however, firms come and go. Although opinion on actual rates of business failure vary according to source, most agree that the risk of failure is high. Despite the pitfalls associated with starting a business, a considerable amount of latent, if as yet unexplored, entrepreneurial energy exists in Kentucky. In 2008, survey results showed that about 25 percent of Kentuckians who had never started a business had at least considered doing so at some point in their lives. While this estimate is comparable to that found at the beginning of the time period analyzed (27 percent in 1996), it is unfortunately part of a declining trend since 2000, when 39 percent of Kentucky adults expressed this desire. With a quarter of Kentucky adults revealing a capacity for entrepreneurship, given the right combination of facilitating circumstances, entrepreneurial opportunity could play a vital role in Kentucky's economic future.

20.2

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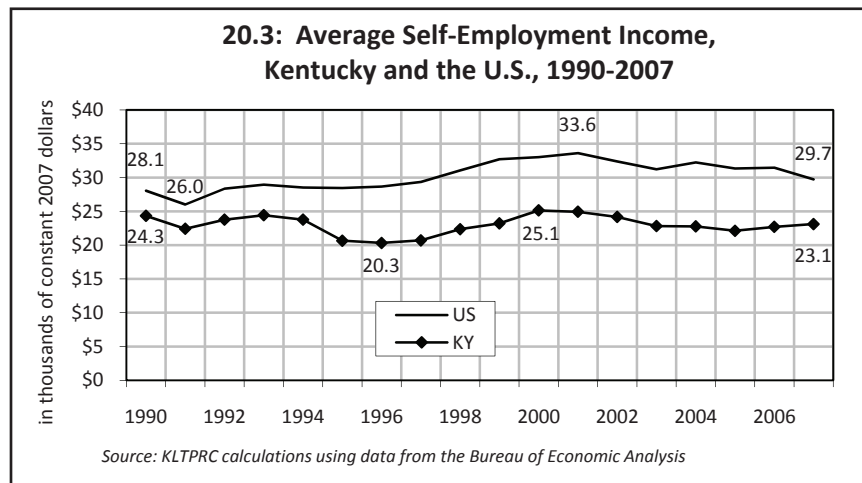


20.3

KENTUCKY
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Entrepreneurial Depth

Entrepreneurship is a particularly promising vehicle for economic development. Entrepreneurs help create new jobs, and generate wealth and new growth. They are innovative users of assets and resources and appear to be a critical mechanism for bringing new ideas and innovations to the marketplace. The depth of entrepreneurship can be gauged by examining the value created by entrepreneurs in a region as measured by the ratio of self-employment income to the number of self-employed workers in an economy. Unlike breadth which measures the number of entrepreneurs in a region, depth examines the value. High-value entrepreneurs clearly earn more, add more value, and enhance regional growth and prosperity more than other entrepreneurs. Since 1990, the state has lagged the United States in entrepreneurial depth. During this time, the gap between Kentucky and the nation increased, as the average income of self-employed Kentuckians dropped by more than \$1,000 in real terms compared to an increase of over \$1,500 in average self-employment income at the national level.

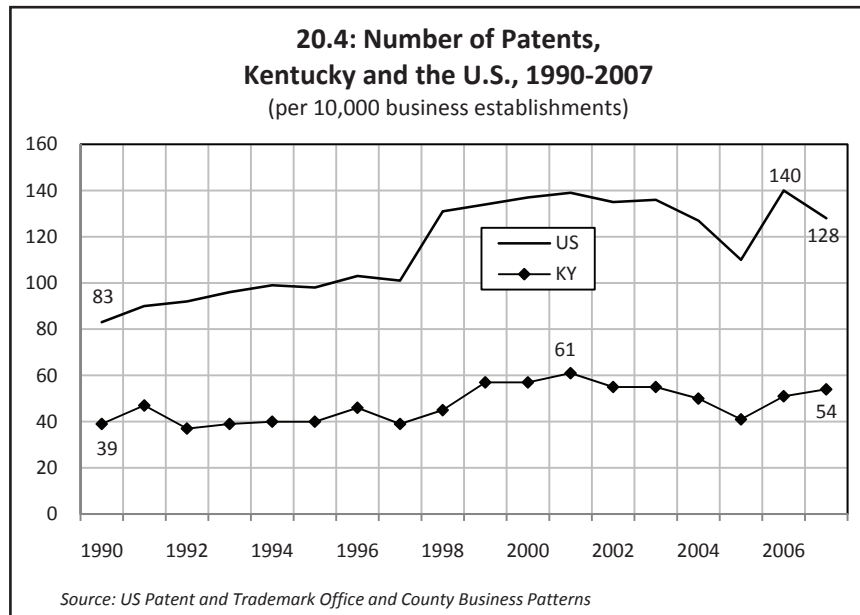


Patents

Innovation, as measured by the number of patents issued to its citizens, is widely regarded as a measure of the entrepreneurial spirit of a state. A study by the Federal Reserve Bank of Cleveland finds that innovation, along with education, has a significant impact on a state or region's per capita income. The study shows that "states which foster inventiveness, as measured by [patents], can gain economic dividends that endure for generations." The study estimates that strength in innovation among the higher-performing states, those with a high number of patents, increases relative per capita personal incomes by 20 percent. By contrast, Kentucky's much lower-than-average patent stock over the past 65 years, the study concludes, led to lower per capita personal income here, 6.8 percent lower, to be specific.

20.4

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Environment

21

Kentucky will protect and enhance its environment through the responsible stewardship of its natural resources and the preservation of its scenic beauty.

Over the course of the past decade, about half of Kentuckians have said the state is making progress on environmental protection. The goal again ranked number 1 on progress and returned to 13th on importance in 2008, suggesting that citizens believe we have achieved gains worthy of preserving.

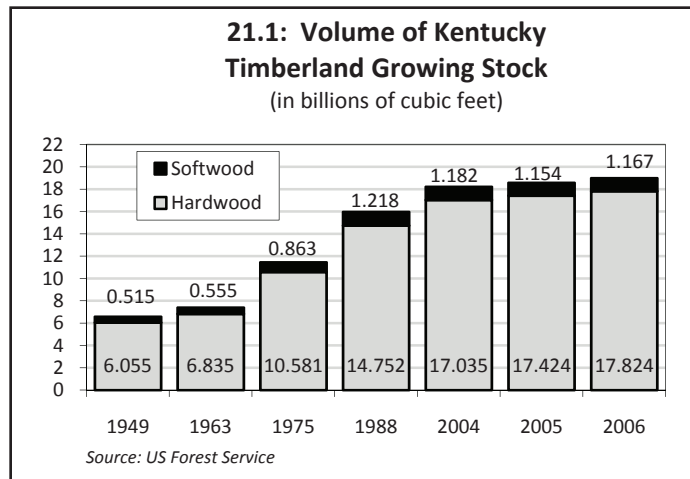
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 51% | 55% | 54% | 47% | 50% | 51% |
| Standing Still | 27% | 27% | 31% | 37% | 34% | 34% |
| Losing Ground | 22% | 18% | 15% | 16% | 16% | 15% |

21.1

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Timberland Stock

Kentucky's stock of timberland increased dramatically for almost 60 years before slowing after the turn of the century. Estimates of available hardwood board feet tripled between 1949 and 2004 and continued to grow by 4.5 percent over the next two years, as annual estimates became available. The volume of Kentucky softwoods, however, declined between 2004 and 2006 to stock well below the recorded 1988 high of 1.218 billion cubic feet. Many attribute the decline in timberland to the burden of property taxes and development pressures. Regardless, forests are being rapidly converted to other uses, potentially depleting a once vast store of privately held timberland in the state. The only federal grant program focused on permanently protecting private forestland is the Forest Legacy Program through the U.S. Forest Service, which, primarily through conservation easements, allows landowners to maintain forests. Through this program, 2,661 acres have been conserved in Kentucky.

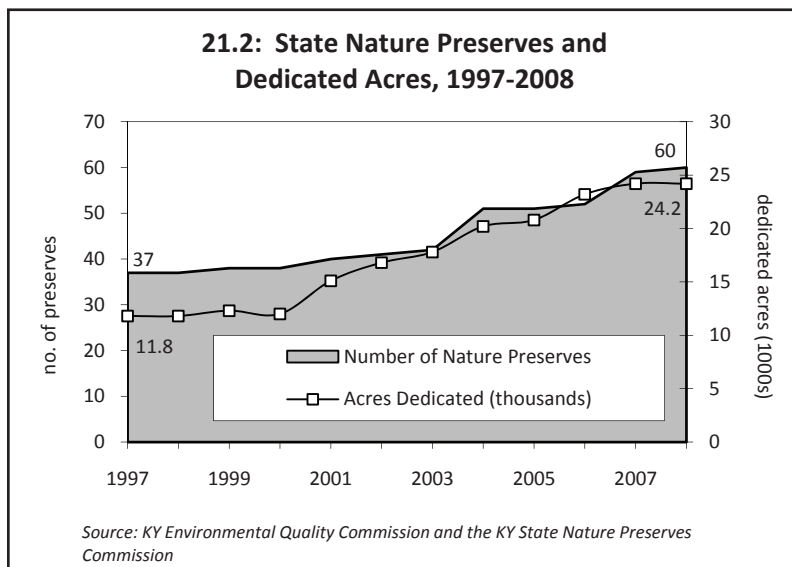


Nature Preserves

Kentucky's beautiful landscape, which is home to diverse plant and animal life, numbers among its greatest natural resources. The Kentucky State Nature Preserves Commission is charged with responsibility for managing 24,200 acres of protected lands, more than double the acreage under its auspices just a decade ago. Since 1997, the number of state nature preserves has also increased. With the dedication of seven additional preserves in 2007 and the 80.87-acre Short's Goldenrod State Nature Preserve in Fleming County in September 2008, the number has risen to 60, signifying that the importance of preserving the state's rich natural heritage is not going unrecognized. The Commonwealth, as well as private nonprofit preservationist groups, has made great strides in efforts to preserve and protect Kentucky's natural amenities. However, the amount of protected land remains but a minute fraction of the state's 25 million acres.

21.2

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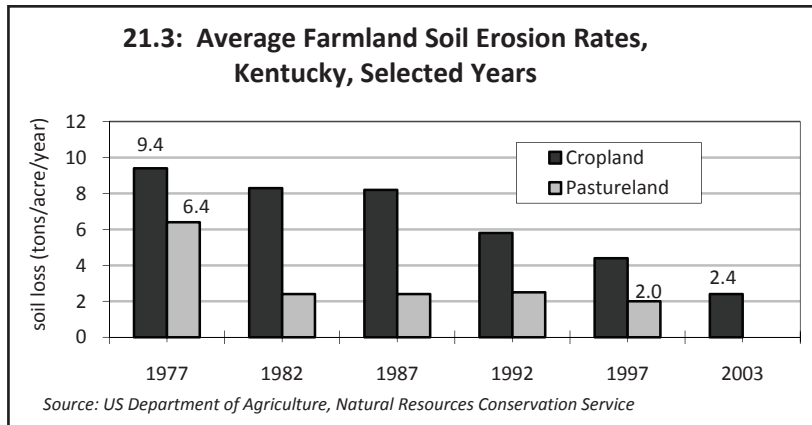


21.3

Soil Erosion

The loss of soil through erosion not only detracts from the productivity and beauty of Kentucky's farms, it also results in the impairment of the state's many creeks, streams, and rivers as soil washes into these waterways. Over a span of 20 years, Kentucky made significant progress in reducing the erosion of cropland and pastureland thanks to improved farming techniques and growing environmental awareness. At the beginning of this decade, the Natural Resources Conservation Service retooled the methodology for the National Resources Inventory (NRI), and new state-level data remained unavailable until last year. The most recent NRI indicates Kentucky has continued to reduce the erosion of its cropland, but new data on pastureland erosion remains unavailable at the present time.

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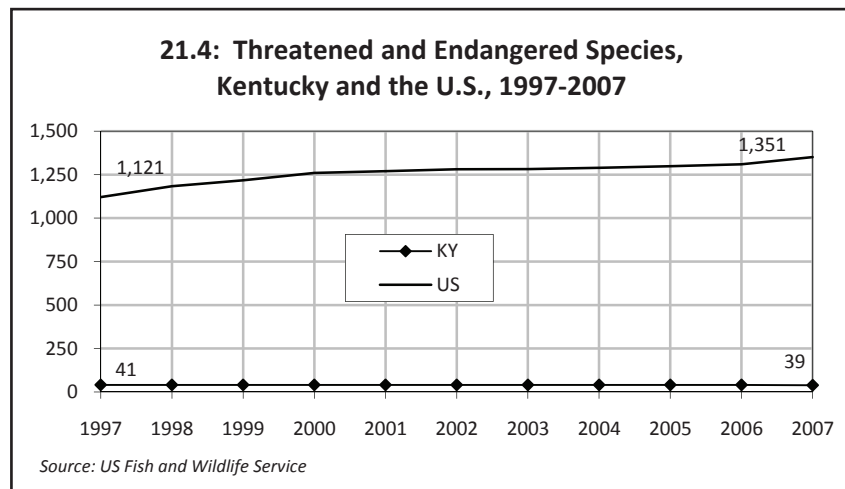


21.4

Plants and Wildlife

At present, 1,351 species of U.S. plants and animals are classified as threatened or endangered. Though slightly more than 200 species have been added to this count over the past decade, the number of federally designated threatened and endangered species has increased more than tenfold since the Endangered Species Act was enacted in 1973. Since 2000, however, the federal listing grew by just 50 species over the first six years, then leaped by 41 species in 2007 alone. In Kentucky, the number of threatened and endangered species grew from 3 in 1973 to 41 in 1997, where it remained until 2007 when the Bald Eagle and Grey Wolf were removed from the list. It should be noted that the Grey Wolf's removal from this list has been challenged in court, and the species has already been reinstated in the northern Rocky Mountains, according to the U.S. Fish and Wildlife Service. Its designation in Kentucky, however, has yet to be determined.

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22

Individuals,
communities,
and
businesses
will use
resources
wisely and
reduce waste
through
recycling.

Public opinion about the goal of recycling and using resources wisely reversed in 2008 after a decade of decline; 46 percent of citizens said the state is making progress. The overall ranking on progress rose from 10th in 2006 to 3rd while the goal's importance rose to 20th, its highest ranking over the decade.

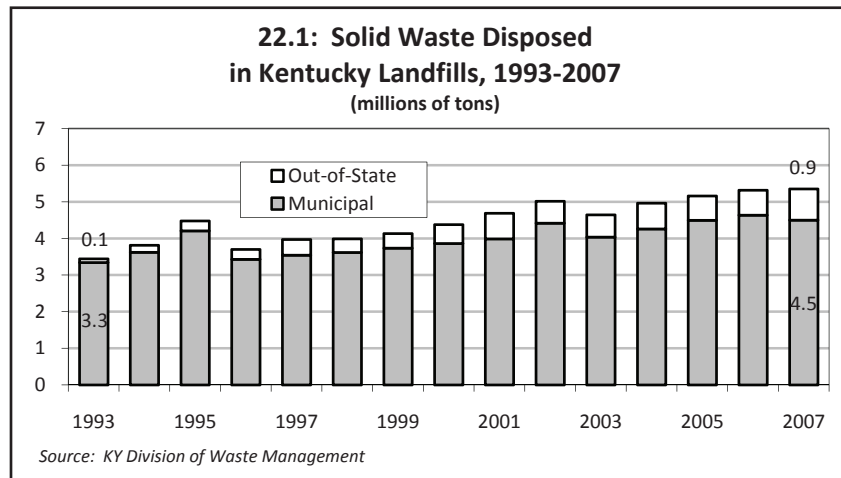
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 51% | 48% | 47% | 39% | 39% | 46% |
| Standing Still | 31% | 30% | 35% | 40% | 38% | 33% |
| Losing Ground | 17% | 22% | 17% | 21% | 23% | 21% |

22.1

Solid Waste Disposal

In spite of the General Assembly having set the ambitious goal in 1992 of reducing the amount of municipal solid waste (MSW) deposited in Kentucky landfills in each subsequent year, garbage continues to mount. The total amount of solid waste deposited in Kentucky landfills last year was 55 percent higher than in 1993, reaching a record high of more than 5.35 million tons of waste in 2007 alone. The majority of that total was MSW, which has increased almost 35 percent. A growing portion of the total, however, is solid waste from out-of-state sources, which reached a record high of 851,054 tons in 2007, up more than 750 percent since 1993. Outside of reductions in 1996 and 2003, the total amount of solid waste deposited in Kentucky landfills increased during 12 of the 15 years following the General Assembly's action.

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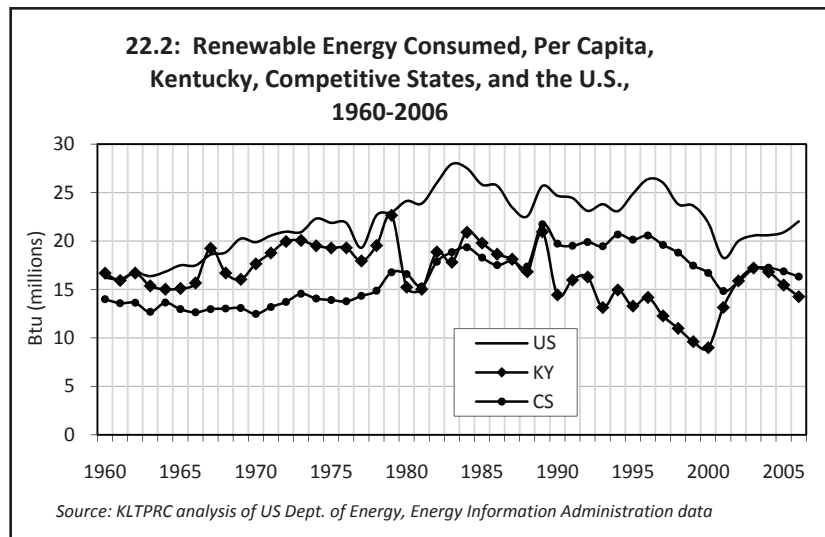


22.2

Renewable Energy Consumption

Rising energy costs and mounting concerns about global warming are giving rise to an increased reliance on renewable and alternative energy sources, reducing both oil consumption and carbon emissions. Since 1960, per capita consumption of renewable energy has declined in Kentucky, even as total energy consumption has increased. The percentage of energy consumed by Kentuckians that comes from renewable sources is currently about half what it was nearly 50 years ago. Though once ahead of the national average, the gap between the state and the rest of the country has been widening since the late 1970s. At the national level, per capita consumption of renewable energy has risen overall, though the percentage of energy provided by renewable sources also declined somewhat. Kentucky's competitor states (CS) have shown modest improvement in per capita consumption of renewable energy, falling short of national levels but moving ahead of Kentucky. Clearly, energy independence will be a key policy focus over the near- and long- term, as the nation seeks to wean itself from fossil fuels.

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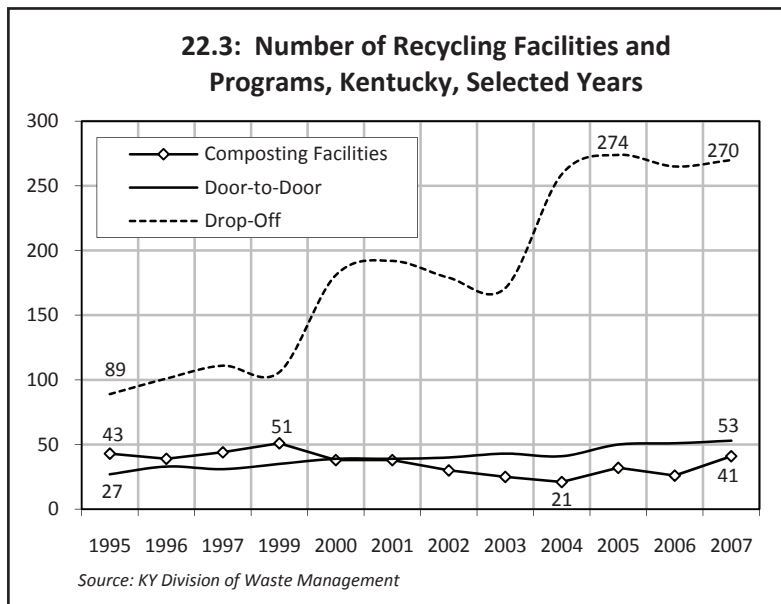


22.3

Recycling

As Kentuckians become more environmentally aware, individuals, communities, and governments recycle more, reducing solid waste and creating business and job opportunities. Since 1995, the number of Kentucky recycling drop-off facilities has tripled, increasing from 89 to 271 by 2007. During the same time, the number of door-to-door recycling programs doubled, increasing from 27 in 1995 to 53 in 2007, enabling and encouraging nearly 64,000 additional *households* to participate in recycling collection. Multiple establishments also collect oil and used motor oil from the public for the purpose of recycling. And Kentucky's government office paper recycling program, which is self-supporting and uses no General Fund revenue, served more than 115 locations and recycled 3.4 million pounds of waste paper in 2007.

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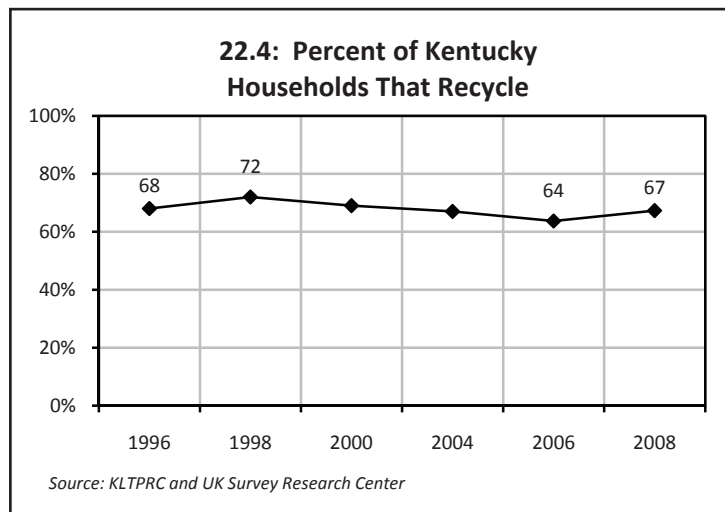


Participation in Recycling Efforts

A catchy bumper sticker slogan helpfully reminds us, “If you’re not recycling, you’re throwing it all away.” Unfortunately, a third of Kentucky households *are* throwing it all away, disposing of metal, glass, paper, plastic, and oil that could be repurposed and kept out of landfills, dumps, and waterways. Though the number of drop-off recycling facilities tripled and door-to-door collection programs doubled during this time frame, a smaller percentage of Kentucky’s households recycle now than a decade ago.

22.4

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23

Kentucky communities will foster and promote a high level of environmental awareness and pollution abatement.

Public opinion about environmental awareness lifted in 2008, as 40 percent of citizens saw the state as making progress. The goal's overall progress ranking rose to 4th, its highest for the decade. But citizens still assign relatively little importance to the goal, ranking it 24th, which also suggests they view it as largely achieved.

| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 45% | 41% | 44% | 35% | 35% | 40% |
| Standing Still | 38% | 36% | 41% | 45% | 44% | 41% |
| Losing Ground | 17% | 23% | 15% | 19% | 21% | 18% |

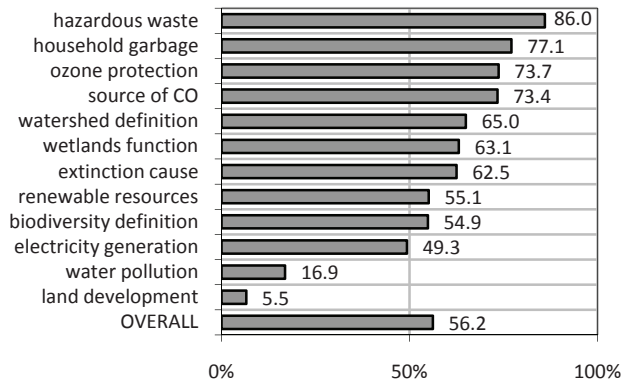
23.1

Environmental Literacy

The Kentucky Environmental Education Council (KEEC) conducts a statewide survey every five years to determine knowledge, attitudes, and behaviors relating to the environment. Survey questions about environmental knowledge were designed to be simple enough for “any sixth grader” to answer correctly. While respondents answered a majority of the questions correctly when the survey was last conducted in 2004, many were unaware of Kentucky’s then high ranking nationally in regard to the amount of land under development (2nd), and few were able to identify the principal cause of water pollution (storm water runoff). All 12 survey questions and the correct responses are listed in the technical notes. The survey will be conducted again in 2009.

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23.1: Percentage of Kentuckians Answering Environmental Survey Questions Correctly, 2004



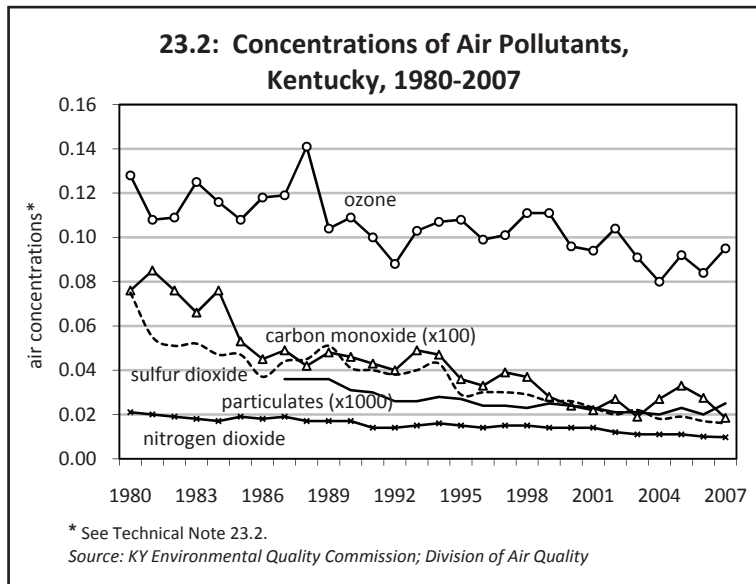
Source: KY Environmental Education Council and UK Survey Research Center

Air Quality

Public health is inextricably linked to the quality of the air we breathe. Since adoption of the Clean Air Act in 1970, dramatic reductions in emissions have been achieved. To that end, Kentucky monitors air quality at 50 stations with 129 monitors in 37 counties, most of which are located near high population areas or known sources of air pollution. Data from this monitoring determine attainment of National Ambient Air Quality Standards (NAAQS) as established by the U.S. Environmental Protection Agency. Of the eight Kentucky counties designated as nonattainment for the eight-hour ozone standard in 2004, only one has since achieved attainment. Four others are under review based on 2003-2005 ozone data that show attainment. While air quality is expected to continue improving over the near term, observers expect future reductions to be smaller and, given our increased understanding of pollutants and shifting levels of concern, more costly to achieve.

23.2

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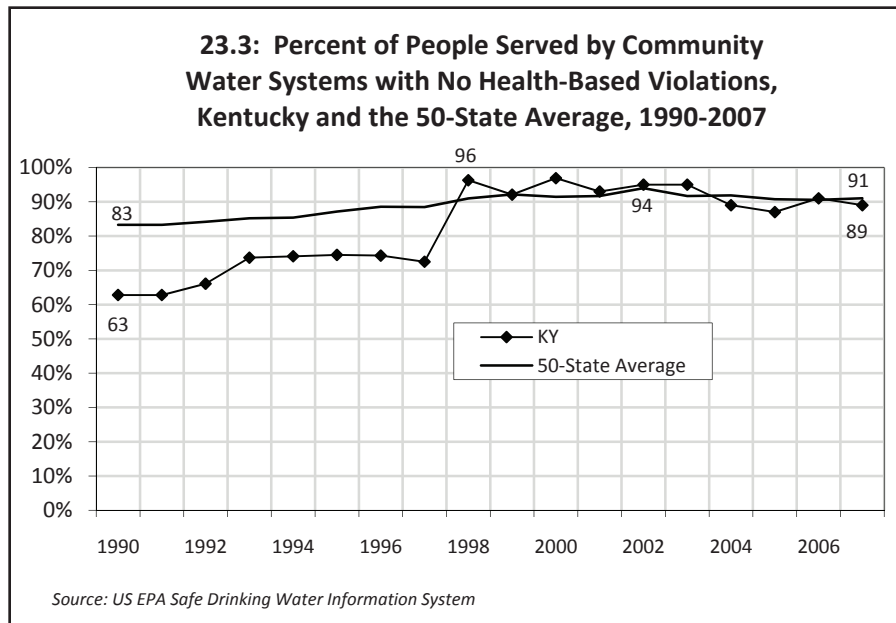


23.3

Water Quality

The United States enjoys one of the safest and most reliable supplies of drinking water in the world. The Safe Drinking Water Act of 1974 sought to preserve the nation's water supply while maintaining high standards for quality. Most Americans get their water from a community water system (CWS), 52,000 of which served approximately 286 million people nationally in 2007, according to the Environmental Protection Agency. However, just 8 percent of those systems (4,048) served 82 percent of the population. In Kentucky and beyond its border, about 532 public drinking water systems serve an estimated 4.5 million people. Of these CWSs, approximately 12 percent or 47 systems reported health-based violations in 2007. Importantly, the percent of Kentuckians served by systems without a health-based violation has grown from approximately 63 percent in the early 1990s to 89 percent in 2007. Since 1998, data show that nearly all Kentuckians can receive water from a system that has not reported a potential health violation.

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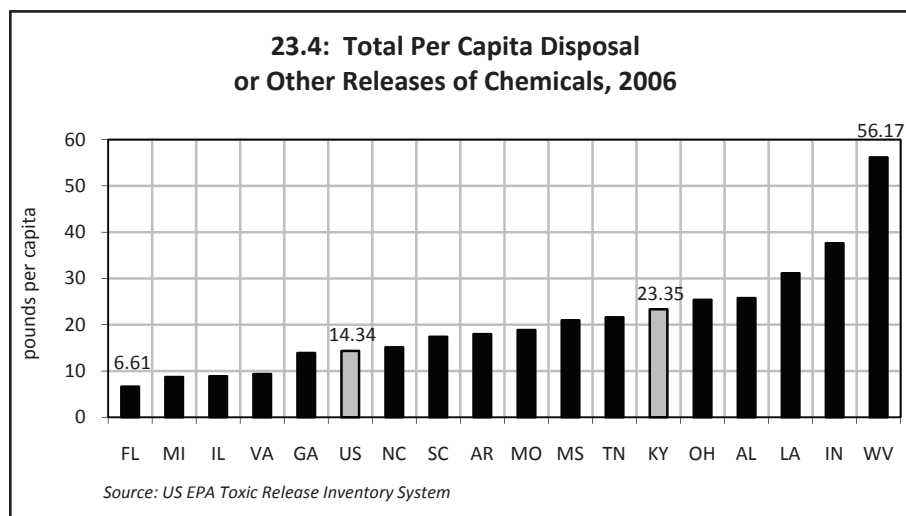


Toxic Releases

Toxic pollutants can cause cancer or other serious health effects, such as reproductive or birth defects, as well as adverse ecological and environmental consequences. The Environmental Protection Agency provides data to help communities identify chemical disposal facilities and other toxic release patterns that warrant public vigilance. Combined with hazard and exposure information, these data can be valuable in risk identification. Given that toxic releases are often byproducts of the manufacturing process, it is not surprising that Kentucky, which is home to an above-average manufacturing base, reported 23 pounds of toxic releases per capita in 2006, an estimate that exceeds the national average and compares poorly to peer states. The Commonwealth, however, falls well short of the high of 56 pounds of toxic releases per capita reported in neighboring West Virginia. Kentucky currently ranks 39th in the nation for the amount of total per capita on- and off-site disposal or other releases of toxic chemicals included in the toxic release inventory.

23.4

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Government

24
 Government at
 all levels
 will be
 accountable,
 open,
 participatory,
 and
 responsive
 to the
 changing
 needs of
 Kentuckians.

Kentuckians increasingly view open, accountable government as a critical goal, ranking it 4th in importance in 2008. But just 17 percent of citizens, the decade low, believe the state is making progress on this goal. Its progress ranking, likewise, has remained mired near the bottom at 24th since 2004.

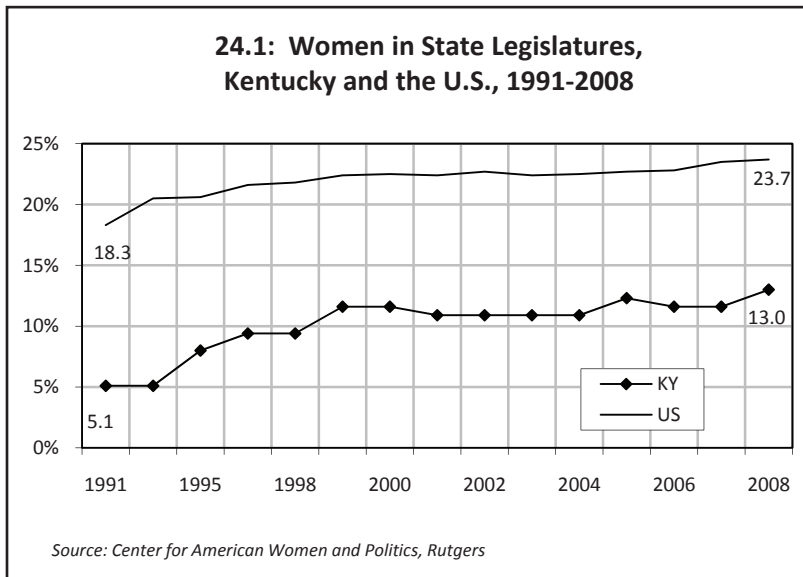
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 28% | 25% | 26% | 17% | 19% | 17% |
| Standing Still | 41% | 40% | 49% | 44% | 38% | 41% |
| Losing Ground | 32% | 35% | 25% | 39% | 43% | 41% |

24.1

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Women in State Legislatures

Women comprise approximately one-half of Kentucky's population, a potentially powerful voting block. In the global context, the relevance of gender in politics is gaining recognition throughout the world. A campaign to promote women in decisionmaking positions gained momentum in the 1980s and early 1990s through a series of international conferences, one of which called for at least 30 percent representation by women in national governments. But some developing nations have higher levels of female representation than Kentucky's legislature. Just 13 percent of the General Assembly or 18 legislative seats are held by women in Kentucky, compared to 24 percent nationally. Despite our ranking of 47th among the states, female representation has reached a historical high here. Still, Kentucky trails all surrounding states, which are led by Illinois where 27 percent of legislators are female. Only South Carolina (8.8 percent) had significantly lower representation by women in its state legislature in 2008.

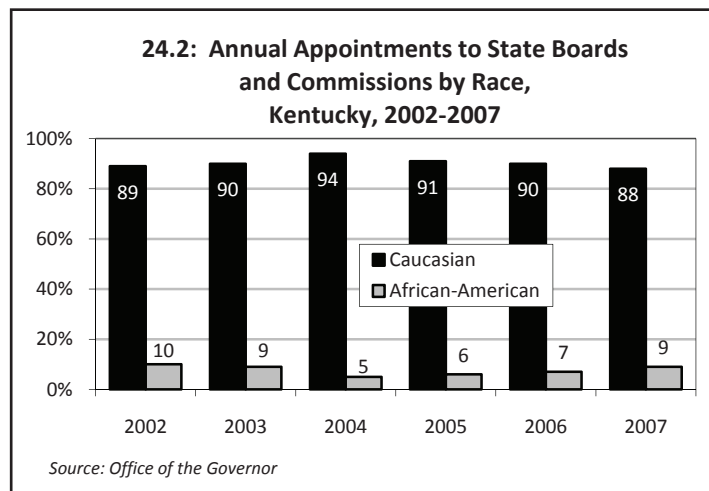


Minority Appointments

Ideally, a representative government mirrors the demographics of the population it serves and governs. While Caucasians dramatically outnumber African Americans in terms of appointments to state boards and commissions, these proportions reflect the demographics of the state's population. Given that approximately 90 percent of Kentucky's population is Caucasian and 8 percent African-American, these two demographic groups have been well represented among recent appointees. However, none of the appointees for 2006 or 2007 were Asian, and no Hispanics were appointed in 2007. As of October 2008, however, all ethnic groups were represented in the year's appointees, suggesting a renewed effort to include representatives of a growing segment of Kentucky's population.

24.2

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24.3

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Ethics in Government

For government to remain efficient and effective, and, thus, maintain the respect and confidence of the populace, leaders must uphold a high level of ethical standards. Even the mere *perception* of impropriety or corruption among public officials can hinder the workings of a democracy. Among Kentucky’s legislators, a scattering of complaints and investigations have emerged in recent years, but no year of late has come close to matching the peaks seen in 1998. Among executive branch officials, however, much of this decade has seen significantly higher numbers of ethics-related issues than a decade ago. The number of possible violations, investigations, adjudicatory proceedings, and cases referred to law enforcement agencies rose dramatically in 2002 and has remained at disturbingly high levels since.

| 24.3: Kentucky Legislative and Executive Branch Ethics Office Reports | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|
| Fiscal Year | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Legislators | | | | | | | | | | | |
| Complaints filed | 0 | 8 | 0 | 1 | 0 | 4 | 2 | 3 | 0 | 2 | 1 |
| Investigations initiated | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 |
| Confidential reprimands | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjudicatory proceedings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Complaints pending | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Branch | | | | | | | | | | | |
| Indications of possible violations | 27 | 30 | 36 | 39 | 33 | 37 | 61 | 63 | 54 | 56 | 50 |
| Investigations initiated | 16 | 12 | 15 | 18 | 19 | 26 | 28 | 25 | 34 | 26 | 40 |
| Confidential reprimands | 8 | 3 | 2 | 2 | 5 | 2 | 4 | 7 | 6 | 2 | 3 |
| Adjudicatory proceedings | 4 | 4 | 0 | 0 | 1 | 1 | 2 | 3 | 7 | 3 | 14 |
| Cases referred to law enforcement | 3 | 0 | 3 | 5 | 3 | 5 | 9 | 15 | 4 | 7 | 8 |

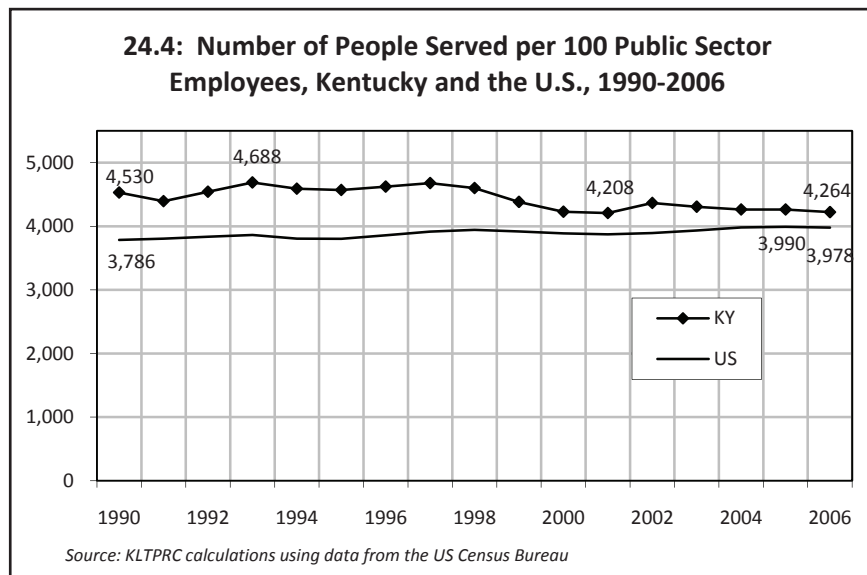
Source: KY Legislative Ethics Commission Annual Reports and the Executive Branch Ethics Office Report

State and Local Government Efficiency

States with a more entrepreneurial and innovative public sector should, in principle, serve more citizens per public employee, as workers assume broader responsibilities and technology enables greater efficiencies. In addition, good stewardship of the revenues and resources entrusted to state and local governments have implications for the sustainability of tax structures and public programs. Since 1990, Kentucky has served more people per 100 state and local government employees than the national average. However, the gap between Kentucky and the national average is closing, as the number of people served here declined from approximately 4,530 people per 100 public sector workers in 1990 to 4,264 in 2006 while the national average increased from 3,786 to 3,978. The wave of baby boomers now leaving public service combined with a severe economic downturn may significantly alter this metric here and nationally.

24.4

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25
 Kentucky
 will
 ensure
 a fair,
 equitable,
 and
 effective
 system of
 justice.

As in 2006, only a quarter of Kentuckians believe the state is making progress toward the goal of a fair, equitable, and effective justice system. While low relative to other goals, citizens ranked the goal's progress at 19th in 2008, a high for the decade. On importance, Goal 25 ranks relatively highly at 10th.

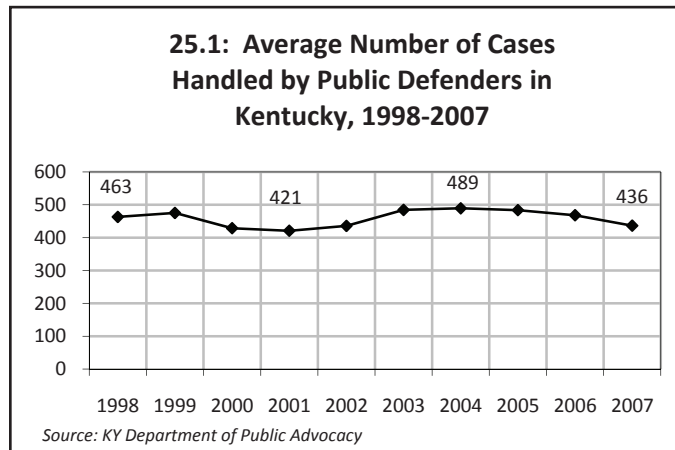
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 24% | 28% | 31% | 23% | 25% | 25% |
| Standing Still | 44% | 39% | 44% | 49% | 43% | 46% |
| Losing Ground | 32% | 33% | 24% | 28% | 32% | 29% |

25.1

Access to Public Defender Services

Individuals who have been charged with a crime but are unable to afford an attorney often rely on the Department for Public Advocacy for legal representation without cost. Because public defenders help ensure equal justice, it is essential that they not be overburdened by heavy caseloads that effectively compromise the quality of representation they can provide. Since peaking in 2004, the average caseload for public defenders in the state has dropped to 2002 levels but still remains well above the maximum average workload of 400 cases that experts recommend. Even if we fail to meet this recommended level, Kentucky is on track to match this decade's previous low of 421 cases per public defender in 2001.

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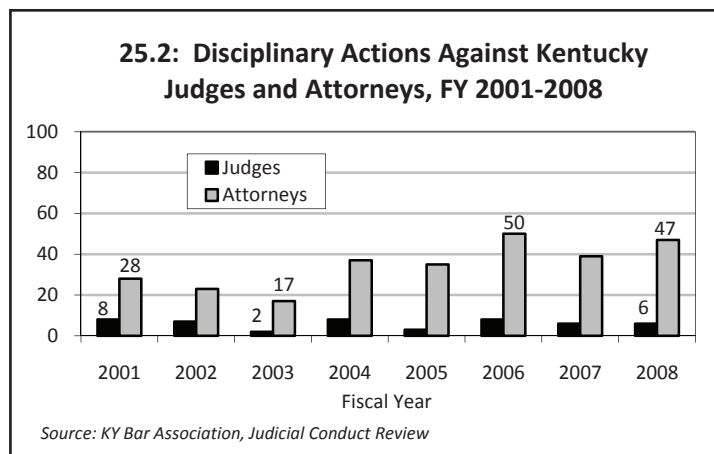


Disciplinary Actions Against Judges and Attorneys

The efficiency and fairness of the judicial system is determined in no small part by the integrity of those who act as its principal agents. Unethical behavior not only compromises the effectiveness of the courts, but holds the potential for subverting justice itself. In Kentucky, the number of disciplinary actions against judges has remained relatively low, with only six occurring in each of the past two years. Among the state's attorneys, however, an upward trend in disciplinary actions was seen over the past decade, peaking at 50 actions in fiscal year 2006 and nearly matching that level in 2008. The number of these actions remains significantly higher than in the early part of the decade, though the underlying causes for this increase remain unclear.

25.2

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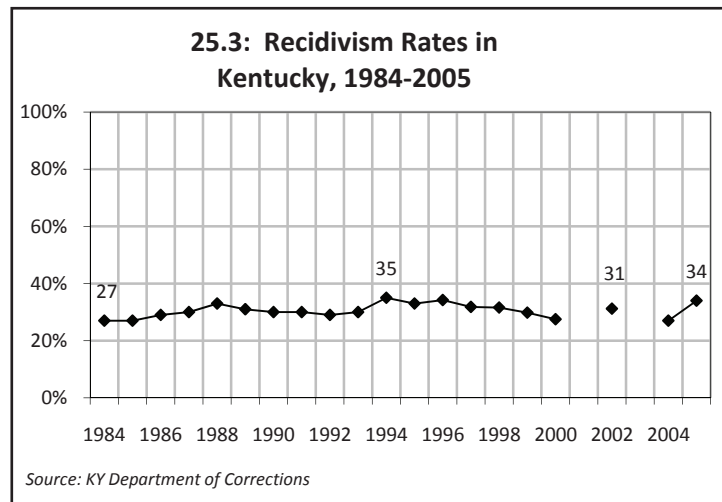


25.3

Recidivism

In Kentucky, much like the nation as a whole, the prison population has been on a steady and steep rise since the 1970s, due in large part to the “war on drugs” and a tougher mandatory sentencing for drug offenses and repeat offenders. Due to either violations of the law or violations of parole, roughly one-third of those released from Kentucky’s prisons return to incarceration within two years of release, a percentage that has remained relatively stable for the past two decades. In 2007 alone, Kentucky’s prison population grew 12 percent, the largest increase nationwide. That same year, corrections received \$381 million (4.2 percent) of the state’s General Fund, up 42 percent from 1997 in terms of real dollars, and outpacing the 36.5 percent growth in total General Fund spending. Between the steep increase in incarcerations and the ongoing problem of recidivism, spending on corrections will place a deepening strain on public finances at a time when we face potential record shortfalls.

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Citizens should continue to broaden their understanding of issues, play a role in the civic life of their communities, and recognize the enduring importance of their participation.

Public opinion on progress toward a richer civic life in Kentucky hit a decade low in 2008 when just 31 percent of citizens saw the state making progress. In 2008, the goal's ranking on progress slipped from its 2006 high of 5th to 8th. The ranking on importance, however, remained well below its high of 12th in 2004.

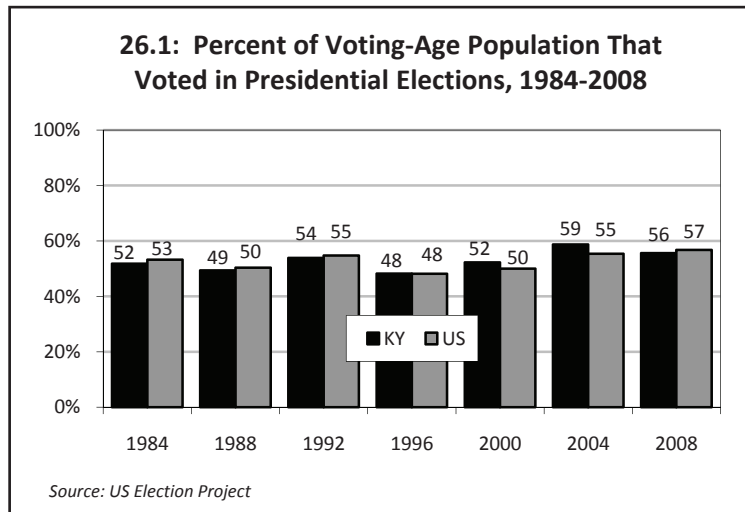
| | 1998 | 2000 | 2002 | 2004 | 2006 | 2008 |
|-----------------|------|------|------|------|------|------|
| Making Progress | 41% | 36% | 45% | 36% | 36% | 31% |
| Standing Still | 41% | 42% | 42% | 48% | 47% | 52% |
| Losing Ground | 18% | 22% | 13% | 16% | 17% | 16% |

26.1

Voter Participation

Voters are the lifeblood of a democracy, those who raise their voices by casting their ballots. Unfortunately, a distressing percentage of potential voters remain silent on Election Day in the United States. The historic 2008 presidential election promised to put either an African American or a woman in the White House for the first time, leading to predictions that voter turnout would smash all previous records. Indeed, voters participated in record numbers nationally, achieving the highest turnout rate since 1968, with 7 percent more ballots cast than in 2004. In Kentucky, however, voter turnout grew less than 2 percent, and the percentage of the voting-age population who cast ballots actually declined.

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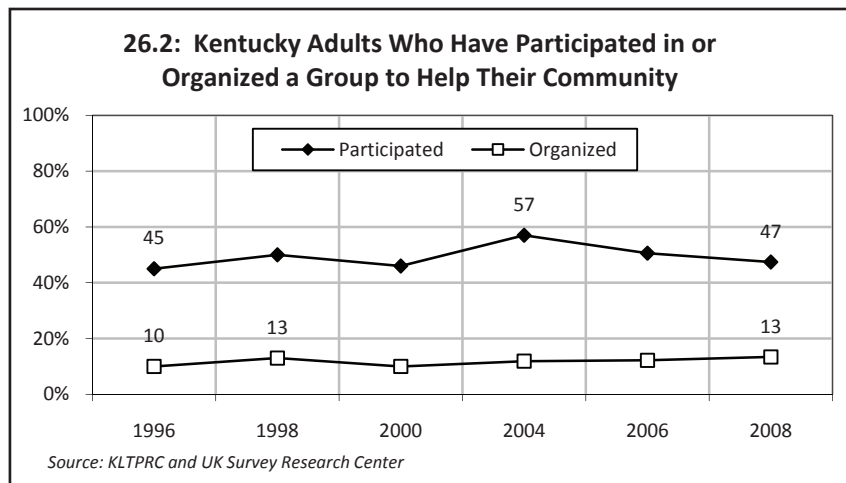


Contributions to the Common Good

Engaging citizens in the work of solving community problems will become increasingly important in an era of diminished government resources. These contributions strengthen democracy, enhance the quality of life, and permit government to stretch its dollars. In 2008, 47 percent of Kentucky adults worked with a group of people to solve a problem or meet a need in their community, such as cleaning up public areas, participating in neighborhood watch programs, or raising funds for the preservation of a historic community building. The 2008 level marks a 10 percentage point decline from the high of 57 percent reported in 2004. As baby boomers enter retirement, many anticipate increased contributions to organized efforts. The percentage of Kentuckians who have led an initiative to help their community has consistently ranged around 12 percent since 1996.

26.2

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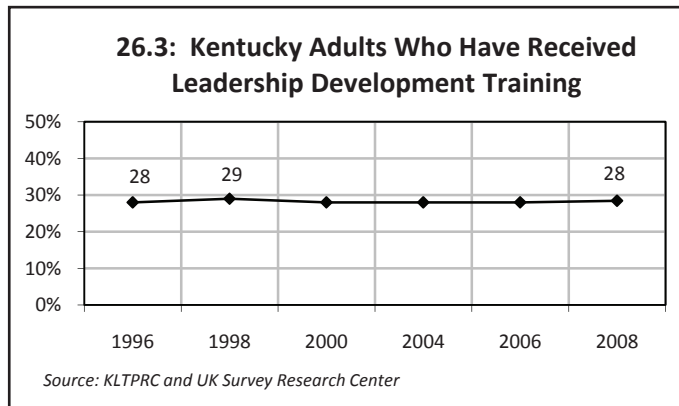


26.3

Leadership Development

Fortunately, leadership is not solely the domain of those with natural abilities. In fact, leadership skills developed in training are actually more likely to result in engagement in projects and organizations. Specifically, our research shows that people who have received leadership training are far more likely to participate in and lead community groups, volunteer more hours, and initiate civic projects. Thus, leadership development training lends vital support to civil society, strengthening the capacity of individuals and organizations to serve. Since these data were first collected in 1996, the percent of Kentucky adults who have participated in leadership development training programs has remained fairly consistent at approximately 28 percent, indicating that more than a quarter of those to whom we look for leadership are equipped and motivated to provide it.

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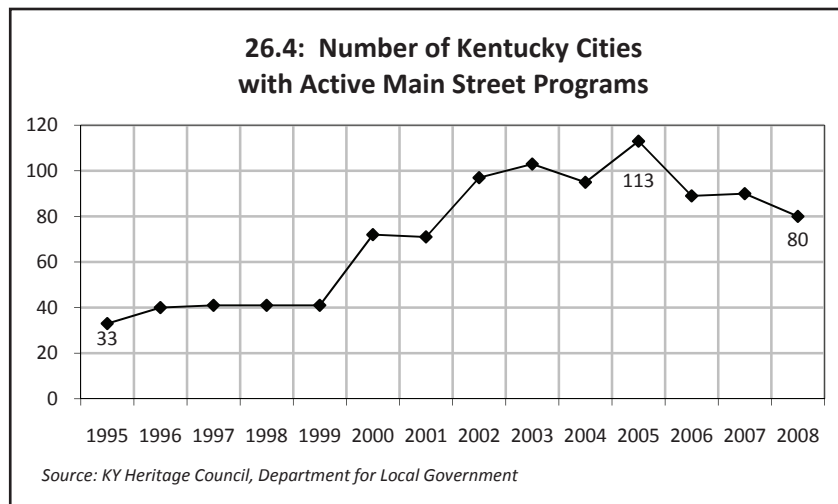


Downtown Revitalization

Historically, downtowns have represented the heart of a community's commerce and civic life, but as populations have spread outward and economies have expanded and contracted, many downtowns have fallen into disrepair, both literally and metaphorically. The Kentucky Main Street Program and Renaissance on Main work to provide assistance and funding to communities' downtown revitalization efforts. Up until 2005, the number of Kentucky cities with active Main Street programs grew steadily, but has been in a state of decline since then. With the reality of a global recession settling in, a renewed interest in Kentucky's Main Streets stands to strengthen civic pride and local economies, and will only grow in importance in the coming years.

26.4

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Sources

Note: These source notes provide complete information about the most current available sources of data provided here and, where possible, the sources where historical data can be found. For fuller citations on the locations of historical data, see previous editions of Measures and Milestones, all of which are available at our Web site.

1.1 Personal Safety. The 2008 data were obtained from survey questions commissioned by the Kentucky Long-Term Policy Research Center (KLTPRC) and asked on surveys conducted by the University of Kentucky (UK) Survey Research Center. Households were selected using random-digit dialing, a procedure giving every residential telephone line in Kentucky an equal probability of being called.

Calls were made from October 30 to December 10, 2008. The sample included 850 noninstitutionalized Kentuckians 18 years of age or older. The margin of error was approximately ± 3.4 percentage points at the 95 percent confidence level. We asked Kentuckians: *How safe do you feel in your community: do you always feel safe, usually feel safe, seldom feel safe, or never feel safe?*

1.2 Crime. These data are from the U.S. Department of Justice publication, *Crime in the United States 2007*, "Table 4: Crime in the United States by Region, Geographic Division, and State, 2006-2007," which is available at the Federal Bureau of Investigation's Web site <<http://www.fbi.gov>>.

1.3 Neighborliness. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). *We asked Kentuckians: Not counting your family, approximately how many people in your community, such as your neighbors, do you feel you can rely on for assistance in times of need? For example, if your car breaks down or if you need a babysitter on short notice?*

1.4 Employment of Persons with Disabilities. Calculations were provided by the Rehabilitation Research and Training Center on Disability Demographics and Statistics (StatsRRTC), Cornell University, Ithaca, New York, using the Annual Social and Economic Supplement to the Current Population Survey, 1990-2007. Persons with a disability are defined as those who have a "health problem or disability which prevents them from working or which limits the kind or amount of work they can do." This definition puts disability in the social context of work and is commonly used in economics literature. Kentucky's 2006 ranking among states is drawn from the U.S. Census Bureau's American Community Survey, online at <<http://factfinder.census.gov>>.

2.1 Child Abuse. These data come from *County Data Book, Kentucky Kids Count*, various years, a project of Kentucky Youth Advocates and Urban Studies Institute, University of Louisville. They are available online at <<http://www.kyouth.org>> and cite Kentucky's Cabinet for Health and Family Services, Department for Community Based Services.

2.2 Teen Parents. Data for 2001-2005 are available online at the KIDS COUNT Data Center, Profiles by Geographic Area, at <<http://www.kidscount.org>>. These data and historical data are from the Centers for Disease Control and Prevention, National Center for Health Statistics, online at <<http://www.cdc.gov/nchs>>.

2.3 Elder Care. Text references are from AARP's October 2007 *Research Report*, "Long-Term Care Trends," by Ari N. Houser, available online at <<http://www.aarp.org/>>. Population projections are from the State Data Center. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you personally ever used or inquired about elder care services for yourself or someone else? We mean services such as nursing home care, personal care attendants, adult day care, assisted living facilities and other similar types of elder care service* with the following possible answers: *yes, for myself; yes, for someone else; no*. We then asked the next two questions: *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the AVAILABILITY of high-quality elder care services in your community?* and *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the AFFORDABILITY of high-quality elder care services in your community?*

2.4 Child Care. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentucky parents with children under the age of 8 in their household: *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the AVAILABILITY of high-quality child care in your community?* and *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the AFFORDABILITY of high-quality child care in your community?*

3.1 Homelessness. Data from the Kentucky Housing Corporation's surveys were provided by Laurent G. Houekpon with the Kentucky Housing Corporation via e-mail, October 16, 2008. Detailed data from the counts are available at <<http://www.kyhousing.org/homeless/KH.asp?id=780>>. The Louisville homeless counts are from reports by the Coalition for the Homeless, Inc., of the Louisville Metro area and found at <<http://www.homelesscoal.org>>. The graph illustrates the unduplicated count of persons served by Louisville Metro Area homeless shelters between 2002 and 2007. The federal definition of chronically homeless refers to people who have been homeless for one year or longer or have been homeless four times in the past three years.

3.2 Housing Affordability. Home ownership rates are defined by the U.S. Census Bureau as the proportion of households headed by people who own their own homes. Rates are computed by dividing the number of households with owners by the total number of households. These data were drawn from the U.S. Census Bureau, *Housing Vacancy Survey*, "Table 13: Homeownership Rates by State: 1984 to 2007," online at <<http://www.census.gov/hhes/www/housing/hvs/annual07/ann07t13.html>>. Affordability is also a matter of growing concern for renter

households, about which extensive information can also be found in the Kentucky Housing Needs Assessment.

3.3 Housing Adequacy. Data are from the U.S. Census Bureau's 2000 decennial census, and the 2003, 2005, and 2007 American Community Surveys.

3.4 Access to Subsidized Housing. The selected city governments administer their respective Section 8 housing programs, and the data were obtained from these sources. The Kentucky Housing Corporation provided the waiting list numbers for its Section 8 units. Rental assistance from the U.S. Department of Housing and Urban Development (HUD) is provided in two general forms: tenant-based rental assistance through privately owned subsidized housing and the Housing Choice Voucher Program (Section 8), and project-based rental assistance that is typically provided at subsidized housing developments (e.g., apartment complexes). The waiting lists cited in this section are for tenant-based rental assistance under the Housing Choice Voucher Program, the federal program that offers families choice in renting housing on the open market, rather than subsidized housing developments with project-based assistance.

4.1 Health Insurance Coverage. Health insurance rates were drawn from the U.S. Census Bureau's *Historical Health Insurance Tables*, "Health Insurance Coverage Status and Type of Coverage by State—People Under 65: 1999-2007," available at <<http://www.census.gov/hhes/www/hlthins/historic/index.html>>. Comparative data on rates of Medicaid coverage for Kentucky and the United States are from the Kaiser Family Foundation's Web site at <<http://www.statehealthfacts.org>>. Information about the problems Americans are experiencing with paying for health care is from the "Kaiser Health Tracking Poll: Election 2008," Issue 9, August 2008, available at <<http://www.kff.org/kaiserpolls/>>.

4.2 Prenatal Care. Because current and historical data prior to 2004 are no longer comparable, these state data are from the Kentucky Cabinet for Health and Family Services, and are available online at <<http://chfs.ky.gov/dph/vital/vitalstats.htm>>. Federal reporting methods have changed and some states, including Kentucky, have adopted newer guidelines than those used by the majority of states. As the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics explain: "... During 1980-2002, prenatal care information was available for the entire United States. Starting in 2003, some states began implementation of the 2003 revision of the U.S. Standard Certificate of Live Birth. While all states collected information on prenatal care, the prenatal care item on the 2003 certificate, Date of first prenatal visit, is not comparable with the prenatal care item on the 1989 revision, Month prenatal care began. In addition, the 2003 revision recommends that information on prenatal care be gathered from prenatal care or medical records whereas the 1989 revision did not recommend a source for these data. Therefore, data on prenatal care were excluded for states that implemented the 2003 revision of the U.S. Standard Certificate of Live Birth: these reporting areas included Pennsylvania and Washington starting in 2003, and Florida, Idaho, Kentucky, New Hampshire, New York state (excluding New York City), South Carolina, and Tennessee starting in 2004. The reporting area for prenatal care decreased to 48 states and D.C. in 2003, and 41 states, D.C., and New York City in 2004."

4.3 Obesity. The percentages represent 3-year averages and were generated from the Behavioral Risk Factor Surveillance System Survey Data, Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), Atlanta, GA, 1984 to 2007. The data are available on the CDC Web site at <<http://www.cdc.gov/brfss/>>. Data on obesity-related medical expenditures for Kentucky were taken from Erick A. Finkelstein, Ian C. Fiebelkor, and Guijing Wang, “State-Level Estimates of Annual Medical Expenditures Attributable to Obesity,” *Obesity Research* (Silver Spring, MD: North American Association for the Study of Obesity, 2004) 12:1. The medical research regarding the risk of being slightly overweight is from Kenneth F. Adams, et al., “Overweight, Obesity, and Mortality in a Large Prospective Cohort of Persons 50 to 71 Years Old,” *New England Journal of Medicine* 355 (2006): 763-778, abstract, 7 Sept. 2006 <<http://content.nejm.org/cgi/content/abstract/NEJMoa055643>>.

4.4 Smoking. The percentages represent 3-year averages and were generated from the Behavioral Risk Factor Surveillance System Survey Data, Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), Atlanta, GA, 1984 to 2007. The data are available on the CDC Web site at <<http://www.cdc.gov/brfss/>>. Data on smoking-related medical expenditures for Kentucky were taken from “CDC Tobacco Control, State Highlights 2002, Kentucky” at <http://www.cdc.gov/tobacco/statehi/html_2002/kentucky.htm> and the U.S. General Accounting Office, “CDC 2002 Report on Health Consequences of Smoking,” GAO-03-942R, 2003 <<http://www.gao.gov/new.items/d03942r.pdf>>. A “current smoker” is someone who has smoked at least 100 cigarettes in his or her lifetime and reported smoking every day or some days in the past month.

5.1 Volunteerism and Charitable Giving. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *In the PAST 12 MONTHS have you volunteered your time for civic, community, charitable, or nonprofit activities or church related activities?* and *Have you made a donation to a charitable or nonprofit organization in the last year?* The text refers to national findings from the *2008 Civic Health Index: Beyond the Vote*, by the National Conference on Citizenship, <<http://ncoc.geekpak.com/index.php?tray=content&tid=top5&cid=204>>.

5.2 Charitable Giving. National-level data on charitable giving are from multiple years shown in “Table 2, Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year” in the *SOI Bulletin* of the Internal Revenue Service and can be found at <<http://www.irs.gov/taxstats/article/0,,id=171535,00.html/>>. More recent data used in the text were taken from a press release, “U.S. charitable giving estimated to be \$306.39 billion in 2007,” on philanthropic trends as compiled in an annual report, *Giving USA*, issued by the Giving Institute, formerly the American Association of Fundraising Counsel. The press release can be found online <<http://www.givingusa.org/>>.

The 50-state charitable contributions average was used to calculate how well Kentucky is doing relative to the rest of the country. Alternatively, if the national average were calculated based on the number of forms filed and the amount of charitable contributions reported, Kentucky’s average as a percent of this estimate would decline from 83 percent in 1991 to 73 percent in 2006.

5.3 Trust. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Some people say that you usually can trust people. Others say you must be wary in relations with people. Which is closest to your view?*

The text here notes that trust levels nationally are much lower than those in Kentucky. These data come from the General Social Survey (GSS), one of the more comprehensive public opinion data sources available to social scientists at present. The GSS data are maintained by the University of Chicago's National Opinion Research Center (NORC). Findings on trust levels from the GSS can be accessed online at <<http://www.norc.org/GSS+Website/>>. The GSS asks a national sample: *Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?*

5.4 Community Pride. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *In general, would you say you are extremely proud, somewhat proud, or not proud at all of your community?*

6.1 Discrimination. Historical data were provided by the Kentucky Commission on Human Rights, and statistics for 2004-2007 were drawn from the Commission's annual reports, available online at <<http://www.kchr.org>>.

6.2 Hate Crimes. The source for these data is the U.S. Department of Justice, the Federal Bureau of Investigation (FBI), Criminal Justice Information Services Division, *Hate Crime Statistics*, selected years, online at <<http://www.fbi.gov>>.

Not all law enforcement agencies participate in the National Incident-Based Reporting System (NIBRS). The Kentucky Long-Term Policy Research Center calculates the rates using the portion of the state population covered by those agencies participating in NIBRS, as reported by the FBI.

6.3 Sex Discrimination. See Indicator 6.1.

6.4. Gender Wage Ratio. These data are Kentucky Long-Term Policy Research Center calculations using data on wage and salary workers from the U.S. Census Bureau's March Current Population Survey. The wage ratios were calculated using hourly wage rates for men and women in Kentucky and the United States. The samples excluded all self-employed and farm workers and those with imputed wages. Only workers age 18 to 62 were included to represent the labor force. The wage was calculated as the yearly income from salary and wages divided by the product of the average number of hours worked per week and the number of weeks worked the previous year. Text data were drawn from the 2007 US. Census Bureau report, *Women in the Labor Force: A Data-book*.

7.1 College Enrollment. These data were gathered from the National Information Center for Higher Education Policymaking and Analysis, online at <<http://www.higheredinfo.org>>. College-going rates represent the ratio of public and private high school graduates who enroll in a college anywhere in the United States within a year of graduation.

7.2 High School Attainment Rates. Data for 1990 and 2000 were obtained online from the decennial census results. The remaining data were obtained from the American Community Survey. All data sets are results from surveys conducted by the U.S. Census Bureau and can be accessed online at <http://factfinder.census.gov/home/saff/main.html>.

7.3. College Attainment Rates. Data for 1990 and 2000 were obtained online from the decennial census results. The remaining data were obtained from the American Community Survey. All data sets are results from surveys conducted by the U.S. Census Bureau and can be accessed online at <http://factfinder.census.gov/home/saff/main.html>.

7.4 Nontraditional Students. Undergraduate enrollment data were provided by the Kentucky Council on Postsecondary Education. They can be found online at <http://cpe.ky.gov>.

8.1 Funding Equity. These data are from the Office of Education Accountability of the Kentucky General Assembly, *2007 School Finance Report*, Research Report No. 349.

8.2 Achievement Test Scores. Data for 1994-2008 were taken from the ACT, Inc., Web site, "ACT Average Composite Scores by State," available online at <http://www.act.org>. Kentucky's performance relative to the United States in regard to the readiness of U.S. ACT-tested students for college-level coursework is detailed in *ACT High School Profile Report*, also available online at <http://www.act.org/news/data/08/pdf/states/Kentucky.pdf>.

8.3 Performance Test Scores. NAEP Performance Test scores can be accessed online at <http://www.nces.ed.gov/nationsreportcard/states>. The U.S. percentages are for national public schools.

8.4 Educational Achievement Gap. Data are drawn from the National Center for Education Statistics and are available at <http://www.nces.ed.gov/nationsreportcard/nde/>.

9.1 Child Poverty. These data were drawn from the 1980, 1990, and 2000 decennial censuses which can be found at <http://www.census.gov/hhes/www/poverty/poverty.html>; 1980 data for Kentucky are from the State Data Center. Post-2000 data are from the annual American Community Survey, which was fielded nationally for the first time by the U.S. Census Bureau in 2002. These data can be found online at <http://factfinder.census.gov>.

9.2 Youth Alcohol and Drug Abuse. Data for 1997-2007 are available online at the Centers for Disease Control and Prevention (CDC), National Center for Chronic Disease Prevention and Health Promotion, Youth Risk Behavior Surveillance Survey (YRBSS), at <http://apps.nccd.cdc.gov/yrbss/>. Historical YRBSS data are available from the CDC.

9.3 Child Immunizations. These data are drawn from the Centers for Disease Control and Prevention's annual National Immunization Survey (NIS), results of which can

be found online at <<http://www.cdc.gov/vaccines/stats-surv/imz-coverage.htm#chart>>. Specifically, the data are presented in the NIS tables, “Estimated Vaccination Coverage with 4:3:1:3 Among Children 19-35 Months of Age by Race/Ethnicity and by State and Local Area—US, National Immunization Survey, 2007,” and selected Years. The 4:3:1:3 combined immunization series includes recommended vaccinations for diphtheria, tetanus, polio, measles, and influenza. The NIS is a list-assisted, random-digit-dialing telephone survey followed by a mailed survey to children’s immunization providers that began data collection in April 1994 to monitor childhood immunization coverage.

9.4 Early Childhood Education. Data were provided via e-mail from the Division of Extended Learning Services, Kentucky Department of Education (KDE).

10.1 Condition of School Buildings. Data are from the Kentucky Department of Education, which are available online at <<http://www.education.ky.gov>>.

10.2 Juvenile Crime. These data are from the U.S. Department of Justice publication, *Crime in the United States 2007*, available at the Federal Bureau of Investigation’s Web site <<http://www.fbi.gov>>. U.S. data are from “Table 38: Arrests by Age, 2007,” and state data were obtained from “Table 69: Arrests by State, 2007.”

10.3 School Suspensions. Data for school years 2000-01 through 2006-07 are from the Kentucky Center for School Safety, *Safe Schools Data Project*, various years, available online at <<http://www.kysafeschools.org>>. Data for 1999-00 are from the Kentucky Center for School Safety and R.E.A.C.H. of Louisville, Inc. Part I offenses are criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. Part II offenses include other assaults, forgery and counterfeiting, fraud, embezzlement, vandalism, carrying or possessing weapons, other sex offenses, drug abuse violations, gambling, driving under the influence, drunkenness, disorderly conduct, vagrancy, and all other offenses not specifically identified as Part I or Part II offenses. Part II offenses also include curfew laws, loitering laws, and runaways for persons under age 18.

10.4 Expulsions from School. See Indicator 10.3.

11.1 Parent Involvement at Schools. Data for the 2007-08 Schools and Staffing Survey are scheduled to be released, starting in the summer of 2009. The 1993-94 data are from the *Schools and Staffing in the United States: A Statistical Profile, 1993-94*, “Table A22: Percentage of teachers in public schools who perceived certain issues as serious problems in their schools, by state: 1993-94,” page 173, available online at <<http://nces.ed.gov/pubs/96124.pdf>>. The 1999-00 data are from the *Schools and Staffing Survey: 1999-2000: Overview*, “Table 1.12: Percentage of teachers who reported that lack of parent involvement was a serious problem at their school, by state: 1999-2000,” page 29, available online at <<http://nces.ed.gov/pubs2002/2002313.pdf>>. The 2003-04 data are from U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey, “Public School Teacher Questionnaire,” 2003-04, e-mail from Kerry Gruber, Project Director, Schools and Staffing Survey, National Center for Education Statistics.

11.2 Parent-Teacher Conferences. These percentages were derived from Kentucky Department of Education School Report Card data, which are available online at <<http://www.education.ky.gov/>>.

11.3 Parent Volunteerism. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentucky parents of children who attend school: *Have you volunteered any of your time for school-related activities in the PAST 12 MONTHS?*

11.4 Parents Who Read to Their Children. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentucky parents: *Do you read to your children who are EIGHT years old or younger?* and *Do you read to your children about every day, about once a week, about once a month, or less than once a month?*

12.1 Library Use. Data were drawn from the Education Cabinet's Department for Libraries and Archives, *Statistical Report of Kentucky Public Libraries, Fiscal Year 2006-2007*, compiled and edited by Jay Bank of the Field Services Division. The report is available online at <<http://www.kdla.ky.gov/>>.

12.2 Academic Performance in Arts and Humanities. These data were drawn from the Kentucky Department for Education's annual performance reports on accountability trends, specifically the 2007-2008 Kentucky Performance Reports, available online at <<http://www.kde.state.ky.us/KDE/>>.

12.3 Cultural Opportunities. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you visited a museum, a festival, an arts performance or an historic site IN YOUR COUNTY in the past 12 months?* Weighting the responses to account for the difference between males and females did not change the percentage answering "yes."

12.4 Arts Occupations. These Kentucky Long-Term Policy Research Center estimates are based on data from the Current Population Survey conducted by the U.S. Census Bureau. The calculations were based on the total population in occupations using the occupation classification code of the U.S. Census Bureau. The percentages are those people in occupations related to the arts. Occupations included in that categorization are agents and business managers of artists, performers, and athletes; architects; artists and related workers; designers; actors; producers and directors; dancers and choreographers; musicians, singers, and related workers; entertainers and performers; sports and related workers; writers and authors; and photographers.

13.1 Poverty Rate. State data are from the U.S. Census Bureau, *Historical Poverty Tables*, "Table 21: Number of Poor and Poverty Rate, by State: 1980 to 2007." National data are taken from the U.S. Census Bureau, *Historical Poverty Tables*, "Table 5: Percent of People By Ratio of Income to Poverty Level: 1970 to 2007."

13.2 Poverty Among Elders. These data are from the U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement and can be accessed at <<http://www.census.gov/hhes/www/poverty/detailedpovtabs.html>>.

13.3 Family Poverty by Family Type. These data are from the American Community Survey and the decennial census, both conducted by the U.S. Census Bureau. They can be found online using the American FactFinder tool at <<http://factfinder.census.gov>>.

13.4 Income Distribution. These estimates are the result of Kentucky Long-Term Policy Research Center analysis of data from the Annual Social and Economic Supplement to the Current Population Survey. For more detail on methodology, see “Appendix A: Income Inequality,” in Michal Smith-Mello, Michael T. Childress, Amy Watts, and John F. Watkins, *Challenges for the New Century*, KLTPRC, 2000, pages 109-111, available online at <<http://www.kltprc.net>>. After we estimated family income, we converted it to 2007 constant dollars using deflators on the Federal Reserve Bank of Minneapolis Web site, available online at <<http://minneapolisfed.org>>. The text refers to findings from the Center on Budget and Policy Priorities report, *Pulling Apart: A State-by-State Analysis of Income Trends*, April 9, 2008, available online at <<http://www.cbpp.org>>.

14.1 Gross Domestic Product. These data are from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov/bea/regional/gsp/>>. State Gross Domestic Product (GDP) is the state counterpart of the Nation’s GDP. GDP by state is derived as the sum of the GDP originating from all the industries in a state.

14.2 Income. Data are from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov/bea/regional/data.htm>>. The text refers to *Kentucky Per Capita Income Analysis*, prepared by SRI International in September 2006 for the Kentucky Science and Technology Corporation. Importantly, studies have shown that income and wages (see Indicator 14.3) may not be completely indicative of the true standard of living in a state. These studies show that cost-of-living and quality-of-life adjustments must be made to these measures to account for the true standard of living afforded in a given state. For instance, the ratio of Kentucky per capita income to the national average was approximately 82 percent in 1998. In Berger and Blomquist, “Kentucky’s Per Capita Income: What Should Be the Goal?”, University of Kentucky Center for Business and Economic Research, *Kentucky Annual Economic Report, 2000*, the authors show the ratio to be approximately 88 percent after adjustments for cost of living and quality of life.

14.3 Wages. These data are from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov/bea/regional/data.htm>>. See indicator 14.2 for further information on the effects of cost-of-living and quality-of-life adjustments to state-level wage estimates.

14.4 Unemployment Rates. These data are from the Bureau of Labor Statistics and can be found at <<http://www.bls.gov>>. Textual references to state data are from Kentucky

labor force estimates provided by the Office of Employment and Training (OET). September 2008 rates were provided by Kim Saylor Brannock with OET by telephone on October 21, 2008.

15.1 Scientific Research and Development Services. These data were culled from the U.S. Census Bureau's 1997 and 2002 Economic Census reports, which are available online at <<http://www.census.gov>>. The Census Bureau revised its numbers since our last report, resulting in a slight discrepancy between the data included in this edition of *Measures and Milestones* and those of the previous volume. Data from the 2007 Economic Census will be released over the next few years.

15.2 Foreign Direct Investment. The U.S. Department of Commerce's Bureau of Economic Analysis tracks foreign direct investment and makes the data available online at <<http://bea.gov>>.

15.3 Value of Exports. The most recent data were obtained from the U.S. Department of Commerce's International Trade Administration and can be found at <<http://export.gov>>.

15.4 Export Ranking. The latest values of state exports were obtained from the Kentucky Cabinet for Economic Development, online at <<http://thinkkentucky.com>>.

16.1 Farm Income. These data were gathered from *Kentucky Agricultural Statistics*, various years, published by the Kentucky Department of Agriculture. Starting with 1993, average net income per farm was no longer explicitly reported. These values were derived by dividing total net farm income by the number of farms reported for each year following 1993. Current dollar values were adjusted to 2007 constant dollars using the CPI-U.

16.2 Agricultural Diversity. These data were gathered from *Kentucky Agricultural Statistics*, various years, published by the Kentucky Department of Agriculture.

16.3 Value-Added Food Products. The most recent data were obtained from the U.S. Census Bureau's Annual Survey of Manufactures, available online at <<http://www.census.gov>>.

16.4 Farms. These data are from the 2006-2007 edition of the Kentucky Department of Agriculture's annual report, *Kentucky Agricultural Statistics*.

16.5 Buying Locally. Data on the number of farmers' markets in Kentucky were provided in an e-mail from Bill Clary with the Kentucky Department of Agriculture on August 28, 2008. Information about buying at farmers' markets and participation in Community Supported Agriculture (CSA) was derived from the University of Kentucky Survey Research Center's Fall 2008 Survey (see Indicator 1.1). Specifically, survey respondents were asked *How often do you purchase fruit, vegetables, or other farm products at a farmers' market (frequently, occasionally, never)?* A second question asked respondents

to answer with a yes or no to the following question: *Community Supported Agriculture, or CSA, is an arrangement where consumers agree to pay a local farmer at the beginning of the growing season for a weekly share of fruit, vegetables, or other farm products. Do you currently participate in a CSA?*

17.1 Access to Water, Sewer Systems, and Garbage Collection. Data on access to drinking water are from the *2007 Annual Compliance Report* on public water systems from the Kentucky Division of Water. Data on garbage collection are taken from *Kentucky Division of Waste Management Annual Report, Fiscal Year 2008*, from the Division of Waste Management in the Natural Resources and Environmental Protection Cabinet, online at <<http://www.waste.ky.gov>>.

17.2 Roads and Highways. Data for 2000-2007 were obtained from the Kentucky Transportation Cabinet via e-mail request. Historical data are from Open Records Request OR00-010, January 13, 2000, Kentucky Transportation Cabinet, Division of Operations.

17.3 Bridges. The percentages are calculated from data obtained online at the U.S. Department of Transportation, Federal Highway Administration, Deficient Bridges by State and Highway System Web site, available at <<http://www.fhwa.dot.gov/bridge/deficient.htm>>.

17.4 Mass Transit. These data were drawn from the Federal Transit Administration's National Transit Database (NTD), available online at <<http://www.ntdprogram.gov>>. According to the NTD's glossary, "Passenger Miles Traveled" refers to "The cumulative sum of the distances ridden by each passenger." Information on carbon emissions was obtained from the Brookings Institution report, *Shrinking the Carbon Footprint of Metropolitan America*, available online at <<http://www.brookings.edu>>.

18.1 Access to Personal Computers. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Do you have a personal computer in your home?* If the respondent answered "no," then we asked: *Do you have access to a personal computer at work, school or elsewhere?*

18.2 Internet Access. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you accessed the Internet or Worldwide [sic] Web in the last year?* In the 2000 survey, everyone in the sample was asked this question, but the structure of the questionnaire was changed beginning in 2002. Since then a "skip pattern" has been used to filter out some of the respondents. Respondents were asked if they had access to a computer and the Internet in their home, work, school, or elsewhere (see Indicator 18.1 above). If they answered no, they were not asked whether they had accessed the Internet in the last year. Even though these individuals were not asked whether they had accessed the Internet in the last year, we count them as an "implied no." By comparison, excluding these individuals from the denominator increases the

percentage of individuals accessing the Internet in the last year post-2000 by about 10 percentage points.

18.3 Internet Access in Public Libraries. These data are drawn from the *Statistical Report of Kentucky Public Libraries, Fiscal Year 2006-2007*, prepared by Jay Bank with the Department for Libraries and Archives and available online at <<http://www.kdla.ky.gov>>.

18.4 Home Broadband Access. These data were gathered from the National Telecommunications and Information Administration report, *Networked Nation: Broadband in America 2007*, available online at <<http://www.ntia.doc.gov>>. Data on Kentucky's household broadband adoption were obtained from ConnectKentucky, online at <<http://www.connectkentucky.com>>.

19.1 Rainy Day Fund. Deputy State Budget Director John Hicks provided the latest data via e-mail on September 22, 2008.

19.2 Revenue Adequacy. These estimates were obtained from the Kentucky Office of the State Budget Director. Text data on current revenue growth trends were taken from "Governor says state revenues have fallen," an article by Ryan Alessi in the *Lexington Herald-Leader* on October 10, 2008.

19.3 State Government Bond Rating. Valeria Cummings, of the Finance and Administration Cabinet, provided the latest bond ratings via e-mail on September 22, 2008. Historical tables of past bond ratings can be found in the Census Bureau's *Statistical Abstract of the United States*, various years.

20.1 Entrepreneurs. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you ever started a business?* The data on the number in the workforce and of self-employed individuals are from *2008 Small Business Profile: Kentucky*, U.S. Small Business Administration, Office of Advocacy <<http://www.sba.gov/advo/research/profiles/08ky.pdf>>. We derive the 9 percent estimate by dividing the self-employed estimate of 197,000 by the estimated total employment, which is about 2.3 million.

20.2 The Entrepreneurial Impulse. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). If the respondents said they had not ever started a business, then we asked them: *Have you ever seriously considered starting your own business?*

20.3 Entrepreneurial Depth. Data were obtained from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov>>, using nonfarm proprietor's income and employment to estimate self-employment and self-employment income. For more information on entrepreneurial depth, see Sarah Low,

“Regional Asset Indicators: Entrepreneurship Breadth and Depth,” *The Main Street Economist: Commentary on the Rural Economy*, Center for the Study of Rural America, Federal Reserve Bank of Kansas City, September 2004.

20.4 Patents. Data on patents are from the U.S. Department of Commerce, United States Patent and Trademark Office’s *Patent Counts by Country/State and Year: All Patents, All Types*. Data on businesses were obtained from *County Business Patterns*. The text refers to the August 2006 study *Paths to Prosperity: Knowledge is Key for Fourth District States* by Paul W. Bauer and Mark E. Schweitzer of the Federal Reserve Bank of Cleveland.

21.1 Timberland Stock. Historical data are from a summary of the Forest Inventory and Analysis, which provides state-level data from periodic inventories of forestlands, including 2004. They were provided by the U.S. Forest Service. Data from now-annual inventories for 2005 and 2006 were obtained via e-mail from the U.S. Forest Service. Data in the text are from the U.S. Department of Agriculture, U.S. Forest Service Web site, available online at <<http://www.fs.fed.us>>.

21.2 Nature Preserves. Data for 1997-1999 came from the Environmental Quality Commission’s (EQC) *State of Kentucky’s Environment 2000-2001*, page 131. Data for 2000-2002 were received from EQC. Data for 2003-2008 were received from the Kentucky State Nature Preserves Commission.

21.3 Soil Erosion. The latest data can be found in the Natural Resources Conservation Service’s report, *National Resources Inventory 2003 Annual NRI: Soil Erosion*, available online at <<http://www.nrcs.usda.gov>>.

21.4 Plants and Wildlife. Data are from the U.S. Fish and Wildlife Service’s Threatened and Endangered Species System (TESS). Numbers for the years 1973-2005 are year-end data (December 31). Data for 2006 and 2007 and information on species removed from the list were provided via e-mail from the U.S. Fish and Wildlife Service.

22.1 Solid Waste Disposal. Historical data through 2002 were provided by the EQC. Data for 2003-2007 are from the Kentucky Division of Waste Management, *Statewide Solid Waste Management Report*, various years.

22.2 Renewable Energy Consumption. These numbers represent KLTPRC analysis of data obtained from the U.S. Department of Energy’s Energy Information Administration, found online at <<http://www.eia.doe.gov>>.

22.3 Recycling. Data for 1995 through 1999 are from EQC’s *State of Kentucky’s Environment 2000-2001*. Data for 2000 to 2007 were obtained via e-mail from the Division of Waste Management.

22.4 Participation in Recycling Efforts. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center

(see Indicator 1.1). We asked Kentuckians: *Does your household recycle items like glass containers, plastic containers, cans or newspapers?*

23.1 Environmental Literacy. These data are from the Kentucky Environmental Education Council (KEEC) in the Kentucky Education Cabinet and the University of Kentucky Survey Research Center. A random sample of 668 Kentucky adults was surveyed from September 23 to November 3, 2004. The twelve survey questions and possible answers (correct answers are underlined below) that addressed knowledge of environmental issues were: 1) *What do you think is the most common source of water pollution in the United States?* <1> factory waste, <2> storm water run-off, <3> household wastewater; 2) *High in the Earth's atmosphere is the ozone layer. What does it protect the Earth from?* <1> acid rain, <2> violent changes in weather, <3> cancer-causing ultraviolet light; 3) *Which of the following do you think generates the most electricity in the United States?* <1> hydroelectric plants located on rivers, <2> nuclear power plants, <3> coal-burning power plants; 4) *Which of the following is the best definition of bio-diversity?* <1> the many types of plants, animals and other living things, <2> the various types of diseases that affect humans, <3> the many different opinions people have about environmental issues; 5) *What is the primary benefit of wetlands?* <1> they are useful for development of landfill sites, <2> they reduce the number of animal and plant species in an area, <3> they help clean water systems; 6) *Which of the following are typically considered to be renewable resources?* <1> iron and other metals, <2> solar energy and trees, <3> coal and oil; 7) *Which of the following are generally considered to be hazardous waste?* <1> paints, acids, and pesticides, <2> glass and newspapers, <3> building materials such as scrap lumber and nails; 8) *Which is considered to be the largest source of carbon monoxide in the atmosphere in the United States?* <1> the breath from people and animals, <2> fumes from motor vehicles, <3> factory emissions; 9) *In your opinion, which is the most common reason for the extinction of plant and animal species?* <1> over-hunting, <2> habitat loss, <3> poisoning of individual animals and plants; 10) *Where does most household garbage in the United States eventually end up?* <1> in waterways and oceans, <2> in landfills, <3> illegal dumps; 11) *What is a watershed?* <1> a small building where water is stored, <2> the streams and lakes where different species of animals get their water, <3> the area that channels rain into a particular body of water; 12) *Approximately where does Kentucky rank nationally in the percentage of acres per person converted to development?* <1> 42nd, <2> 2nd, <3> 30th. The results shown in the graph represent a weighted average that was adjusted to more accurately reflect gender differences in the response rate and question responses. The overall percentage of correct answers is based on a weighted average of the percentage of correct answers to each question. Refer to the KEEC Web site for additional information about the survey: <<http://www.state.ky.us/agencies/envred/>>.

23.2 Air Quality. Historical data are from the Environmental Quality Commission's *State of Kentucky's Environment 2000-2001*. Post-1999 data were obtained from the Kentucky Department for Environmental Protection, the Division for Air Quality. Text data were obtained from the *2007 Kentucky Ambient Air Quality Annual Report* online at <<http://www.air.ky.gov>>. Concentrations are reported in parts per million for all pollutants except particulates, which are measured in micrograms per cubic meter.

23.3 Water Quality. Data are from the U.S. Environmental Protection Agency, Safe Drinking Water Information System, “FACTOIDS: Drinking Water and Ground Water Statistics for [selected years],” available online at <<http://www.epa.gov/safewater/data/getdata.html>>.

23.4 Toxic Releases. Data were obtained from the U.S. Environmental Protection Agency’s Toxic Release Inventory Program. These data are available online at <<http://www.epa.gov/triexplorer/>>.

24.1 Women in State Legislatures. The data on legislative representation were obtained from the Center for American Women and Politics of the Eagleton Institute of Politics at Rutgers, The State University of New Jersey. They can be accessed online at <<http://www.cawp.rutgers.edu>>.

24.2 Minority Appointments. Kelly Childers of the Office of the Governor provided the number of appointments by race via e-mail on October 15, 2008. These data represent the proportion of appointments made during each year rather than the cumulative percentage of appointments who are either African-American or Caucasian. These numbers represent the percentage of appointments who are African-American or Caucasian among new appointments whose race is known.

24.3 Ethics in Government. Donnita Crittenden of the Kentucky Legislative Ethics Commission provided data for 2006 and 2007 via fax on September 16, 2008. The latest data on the executive branch were obtained from the Executive Branch Ethics Commission’s *Biennial Report, July 1, 2005 – June 30, 2007*, available online at <<http://ethics.ky.gov>>.

24.4 State and Local Government Efficiency. Data on the number of state and local government employees for each state were obtained from the U.S. Census Bureau’s *State and Local Government Employment and Payroll Data*, which is available online at <<http://www.census.gov/govs/www/apesstl.html>>. These data exclude education sector employees.

25.1 Access to Public Defender Services. The most recent data on average caseloads come from the Department of Public Advocacy’s *Realizing Justice: Defender Caseload Report Fiscal Year 2007*, available online at <<http://dpa.ky.gov>>.

25.2 Disciplinary Actions Against Judges and Attorneys. Judicial conduct data were received via fax on September 17, 2008, from Jim Lawson of the Kentucky Judicial Conduct Commission. Mindi Beal, of the Kentucky Bar Association, provided updated and revised data on disciplinary actions against attorneys via email on September 22, 2008.

25.3 Recidivism. Recidivism data were drawn from the Kentucky Department of Corrections reports, *Recidivism*, selected years. Reports are available online at <<http://www.corrections.ky.gov>>. The 2002 data is from Lisa Lamb, Kentucky Department of Corrections. Data on the recent growth in Kentucky’s prison population were obtained from the Pew Center on the States report, *One in 100: Behind Bars in America 2008*.

26.1 Voter Participation. The United States Election Project, which operates out of George Mason University, maintains an online database of historical voter participation numbers at <<http://elections.gmu.edu>>, the source for these data.

26.2 Contributions to the Common Good. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). Specifically, we asked Kentuckians: *Have you ever participated with a group of people to work together to solve a problem or need in your community (such as cleaning up public areas, neighborhood watch programs, etc.)?* If the respondent answered “yes” to this question, we then asked: *Were you the organizer or leader of that group effort?*

26.3 Leadership Development. Data for 2008 are from the Fall 2008 Survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you ever participated in a leadership development program or course?*

26.4 Downtown Revitalization. Updated and revised data were provided via e-mail by Becky Gorman of the Kentucky Heritage Council on October 23, 2008. The previous edition of *Measures and Milestones* reported that the Kentucky Main Street Program and Renaissance Kentucky had been merged into a single program called Renaissance on Main. Renaissance Kentucky, in actuality, underwent a name change and a relocation in 2004 from the Kentucky Housing Corporation to the Governor’s Office for Local Development (which was later changed to the Department for Local Government). The Kentucky Main Street Program remains a separate program under the auspices of the Kentucky Heritage Council, which has overseen it since 1979.

Appendix A: How the Index was Created

The State of the Commonwealth Index combines 28 to 36 long-term quality-of-life indicators covering 1990 to 2007, including measures of community attributes, education, the economy, the environment, and government. (Tables A.1 through A.5 list each of the indicators, their descriptions, and sources.) The index uses summary statistical information about each indicator to construct a number ranging from 0 to 1 that expresses how each state's measure compares to other states. The higher the score, the better a state ranks nationally. The final index score is the average of five subindex scores based on indicators in each of the quality of life areas.

The indicators were standardized to facilitate their comparison with each other and their combination into one summary statistic. By transforming all outcomes to Z-scores, with the same mean (0) and standard deviation (1), all of the indicators could be compared and combined using a common yardstick. Although the use of standardized outcome measures provides a common yardstick with which to compare and combine the different indicator measures, it still is not completely satisfying for the purpose of presentation. This drawback is attributable to the fact that standardized outcomes can take on an infinite range of values that indicate only the direction and number of standard deviations of the difference between the given score and the mean score for the particular outcome. In contrast, the probability values associated with the standardized outcome scores represent a measure with more intuitive appeal. They range from 0 to 1, with an average of 0.50. These values were derived directly from the Z-scores, using a cumulative standard normal distribution. For example a Z-score of 0 equals a probability of 50 percent or, here, an index score of 0.50, indicating that a state's value for that indicator is equal to the 50-state average for that year. Conceptually, the result represents the percentile ranking of the Z-scores, and indicates the extent to which the state performed well or poorly relative to the other states included in the calculation of the index.

For example, using per capita income, the first step in this method is to calculate the mean and standard deviation across all the states for a particular year. In 2007, Kentucky's per capita income was \$36,768. The mean and standard deviation across all 50 states for that year were \$37,530 and \$6,421, respectively. The Z-score was calculated as $(\$36,768 - \$37,530) / \$6,421$. The probability value for this Z-score value is 0.45. The economy subindex score was then obtained by calculating the average of this score and the eight other indicators included in this quality-of-life area. Upon calculation of this score, the final index score was the average of each of the five subindex scores.

Data for all of the indicators were not available for all states for all years. Tables A.6 and A.7 list the years for which data were available and the states for which data were unavailable for certain indicators, respectively. In the years for which data were not available for all states, rather than lose the information that was available for that year,

the national average was instead used for the missing data. In the second case, when data were only available for a few years, data for the most recent year available were carried forward until the next year of data became available. For example, data on the National Assessment of Educational Progress (NAEP) eighth-grade reading exam were only available for the years 1998, 2002, 2003, 2005 and 2007 and only for some states in the earlier years. In this case, 1998 data were used for the years 1999-2001, 2003 data in 2004, and 2005 data were carried forward to 2006. Since no data were available until 1998, this indicator is not used in the calculation of the education subindex and the State of the Commonwealth index in the years preceding 1998 (1990-1997). In addition, a few states did not participate in the exam in 1998 and 2002 and the national average was used for the states that had no data for these years.

Although it is a comprehensive, data-driven index, caveats and complicating factors that could potentially affect the outcome of its values include choice of the weighting scheme, the quantity and types of indicators included, and the inherent quantitative bias of the method. The weighting scheme was chosen to give equal weight to each area rather than to each indicator, reflecting the values expressed in the vision statement which recognizes the importance of each of these areas in the overall quality-of-life and well-being of all Kentuckians. The vision statement was developed through a series of public meetings, including a concluding conference, in which hundreds of Kentuckians weighed in on what they deemed important and relevant to quality of life in the state.

Choosing a weighting scheme can be problematic in that any one chosen inherently makes assumptions about the relative importance of the indicators and imposes those assumptions on the final calculation. For example, weighting the indicators equally imposes the assumption that those areas with more indicators are more important than those with fewer. In this case, using this weighting method, the results are comparable to those shown here. The current weighting system, while it does not avoid this inherent bias, draws upon the input of a multitude of people throughout the state, rather than a few.

While there are countless quality-of-life indicators available, the indicators chosen reflect the same values Kentuckians expressed in their vision of the state's future and by no means represent an exhaustive list of all possible indicators of these areas. It is also important to note that, arguably, many facets define quality of life which do not easily lend themselves to quantification, inherently biasing any index of this kind towards those that can be quantified. In light of these caveats, however, the final form and methodology used here is reasonable, given our approach, which aims to retain the values and ideals generally held by many Kentuckians from around the state.

| TABLE A.1 | | |
|---|--|---|
| Long-Term Quality-of-Life Indicators Used in the State of the Commonwealth Index, Community Attribute Indicators | | |
| Indicator | Description | Source |
| 1. Crime Index | Number of serious crimes reported to law enforcement per 100,000 persons | Federal Bureau of Investigation, Uniform Crime Reports |
| 2. Employment Rates of People with Disabilities | Percent of people 25 to 61 years old with a disability who are employed | Cornell University StatsRRTC using CPS data |
| 3. Home Ownership Rate | Percent of the total number of occupied households that are owner-occupied | US Census Bureau |
| 4. Health Insurance Rate | Percent of all people covered by private or government health insurance | US Census Bureau |
| 5. Teen Birth Rate | Number of births to girls 15 to 17 years old per 1,000 15- to 17- year-old girls | Center for Disease Control and Prevention, National Health Statistics |
| 6. Smoking Rate | Percent of people 18 years old and older who smoke | Behavioral Risk Factor Surveillance System |
| 7. Obesity Rate | Percent of people 18 years old and older with a body mass index of 30 or more | Behavioral Risk Factor Surveillance System |
| 8. Charitable Contributions | Average annual contributions deductions per total number of tax returns filed | Internal Revenue Service |

| TABLE A.2 | | |
|---|---|--|
| Long-Term Quality-of-Life Indicators Used in the State of the Commonwealth Index, Education Indicators | | |
| Indicator | Description | Source |
| 9. High School Diploma Attainment Rate | Percent of people 25 to 64 years old with at least a high school diploma or equivalent | KLTPRC calculations using March CPS data |
| 10. Two-Year Degree Attainment Rate | Percent of people 25 to 64 years old with at least a two-year degree | KLTPRC calculations using March CPS data |
| 11. Bachelor's Degree Attainment Rate | Percent of people 25 to 64 years old with at least a four-year degree | KLTPRC calculations using March CPS data |
| 12. ACT State Composite Score | State-level composite ACT scores | ACT, Inc. |
| 13. Dropout Rate | 9th-12th grade dropout rate | National Center for Education Statistics |
| 14. NAEP Grade 8 Math | Percent of 8th graders who scored at or above basic level on the National Assessment of Educational Progress Math Exam | National Center for Education Statistics, The Nation's Report Card |
| 15. NAEP Grade 8 Reading | Percent of 8th graders who scored at or above basic level on the National Assessment of Educational Progress Reading Exam | National Center for Education Statistics, The Nation's Report Card |
| 16. NAEP Grade 8 Science | Percent of 8th graders who scored at or above basic level on the National Assessment of Educational Progress Science Exam | National Center for Education Statistics, The Nation's Report Card |
| 17. NAEP Grade 4 Math | Percent of 4th graders who scored at or above basic level on the National Assessment of Educational Progress Math Exam | National Center for Education Statistics, The Nation's Report Card |
| 18. NAEP Grade 4 Reading | Percent of 4th graders who scored at or above basic level on the National Assessment of Educational Progress Reading Exam | National Center for Education Statistics, The Nation's Report Card |
| 19. NAEP Grade 4 Science | Percent of 4th graders who scored at or above basic level on the National Assessment of Educational Progress Science Exam | National Center for Education Statistics, The Nation's Report Card |

| TABLE A.3 | | |
|--|---|--|
| Long-Term Quality-of-Life Indicators Used in the State of the Commonwealth Index, Economic Indicators | | |
| Indicator | Description | Source |
| 20. Income | Per capita personal income | Bureau of Economic Analysis |
| 21. Poverty Rate | Percent of people living below the federal poverty level | US Census Bureau |
| 22. GDP | Per capita gross domestic product | Bureau of Economic Analysis |
| 23. Entrepreneurial Depth | The average income per self-employed worker | Bureau of Economic Analysis |
| 24. Patents | Average number of US patents issued per 10,000 business establishments | US Patent and Trademark Office |
| 25. Transportation Index | An index combining seven criteria of performance of state highway systems | Reason Foundation |
| 26. Home Computer Access | Percent of people with access to a computer in their home | KLTPRC calculations of October CPS data |
| 27. Internet Access | Percent of people with access to the Internet anywhere | KLTPRC calculations of October CPS data |
| 28. Home Broadband Access | Percent of households with access to broadband in their home | KLTPRC calculations of October CPS data and National Telecommunications and Information Administration |

| TABLE A.4 | | |
|---|---|-----------------------------------|
| Long-Term Quality-of-Life Indicators Used in the State of the Commonwealth Index, Environmental Indicators | | |
| Indicator | Description | Source |
| 29. Air Emissions | Per capita total pounds of toxic air emissions | Toxic Release Inventory |
| 30. Surface Water Discharges | Per capita total pounds of toxic surface water discharges | Toxic Release Inventory |
| 31. Releases to Land | Per capita total pounds of toxic releases to land | Toxic Release Inventory |
| 32. Clean Water | Percent of people served by community water systems with no health-based violations | Environmental Protection Agency |
| 33. Renewable Energy Use | Per capita total renewable energy consumed (in millions of BTUs) | Energy Information Administration |

| TABLE A.5 | | |
|--|--|--|
| Long-Term Quality-of- Life Indicators Used in the State of the Commonwealth Index, Government Indicators | | |
| Indicator | Description | Source |
| 34. State and Local Government Efficiency | Number of state residents served per 100 state and local government employees, excluding education employees | US Census Bureau, Census of Governments |
| 35. Women in State Legislatures | Percent of the total state legislative offices held by women | Center for American Women and Politics, Rutgers University |
| 36. Voter Participation Rates | Percent of the voting-age population that voted in presidential elections | US Election Assistance Commission |
| Note: The final index is weighted so that each of the five thematic categories (communities, education, economy, environment, and government) are equally weighted (i.e. 20 percent each). | | |

| TABLE A.6 Data Availability of Long-Term Quality-of-Life Indicators Used in the State of the Commonwealth Index | | |
|--|---|---------------|
| Indicator | Years | States |
| 1. Crime Index | All | All |
| 2. Employment Rates of People with Disabilities | All | All |
| 3. Home Ownership Rate | All | All |
| 4. Health Insurance Rate | All | All |
| 5. Teen Birth Rate | 1990-2005 | All |
| 6. Smoking Rate | All | All |
| 7. Obesity Rate | All | All |
| 8. Charitable Contributions | 1990-2006 | All |
| 9. High School Diploma Attainment Rate | All | All |
| 10. Two-Year Degree Attainment Rate | All | All |
| 11. Bachelor's Degree Attainment Rate | All | All |
| 12. ACT State Composite Score | All | All |
| 13. Dropout Rate | 1994-2006 | See Table A.7 |
| 14. NAEP Grade 8 Math | 1990, 1992, 1996, 2000, 2003, 2005, 2007 | See Table A.7 |
| 15. NAEP Grade 8 Reading | 1998, 2002, 2003, 2005, 2007 | See Table A.7 |
| 16. NAEP Grade 8 Science | 1996, 2000, 2005 | See Table A.7 |
| 17. NAEP Grade 4 Math | 1992, 1996, 2000, 2003, 2005, 2007 | See Table A.7 |
| 18. NAEP Grade 4 Reading | 1992, 1994, 1998, 2002, 2003, 2005, 2007 | See Table A.7 |
| 19. NAEP Grade 4 Science | 2000, 2005 | See Table A.7 |
| 20. Income | All | All |
| 21. Poverty Rate | All | All |
| 22. GDP | All | All |
| 23. Entrepreneurial Depth | All | All |
| 24. Patents | All | All |
| 25. Transportation Index | 1990-2006 | All |
| 26. Home Computer Access | 1990-2003 | All |
| 27. Internet Access | 1990-2004, 1997, 1998, 2000, 2001, 2003, 2007 | All |
| 28. Home Broadband Access | 2000-2003, 2007 | All |
| 29. Air Emissions | 1990-2006 | All |
| 30. Surface Water Discharges | 1990-2006 | All |
| 31. Releases to Land | 1990-2006 | All |
| 32. Clean Water | All | All |
| 33. Renewable Energy Use | 1990-2006 | All |
| 34. State and Local Government Efficiency | 1990, 1993-1995, 1997-2006 | All |
| 35. Women in State Legislatures | All | All |
| 36. Voter Participation Rates | 1992, 1996, 2000, 2004 | All |
| Note: The final index is weighted so that each of the five thematic categories (communities, education, economy, environment, and government) are equally weighted (i.e. 20 percent each). | | |

TABLE A.7
Data Availability of Long-Term Quality-of-Life Indicators
Used in the State of the Commonwealth Index

| Indicator | States Missing Data for the Years Specified |
|--|--|
| Dropout Rate | 1994: AK, CA, CO, FL, HI, IN, KS, KY, MI, MT, NH, NY, NC, OH, SC, TX, WA |
| | 1995: AK, CA, CO, FL, HI, IN, KS, KY, MI, MT, NH, NY, NC, OH, SC, TX, WA |
| | 1996: CA, CO, FL, HI, IN, KS, KY, MI, NH, NY, NC, OH, SC, TX, WA |
| | 1997: CA, CO, FL, HI, IN, KS, KY, MI, MT, NH, NY, NC, OH, SC, TX, WA |
| | 1998: CA, CO, FL, IN, KS, MI, MT, NH, NY, NC, OH, SC, TX, WA |
| | 1999: CA, CO, FL, IN, KS, MI, MT, NH, NC, OH, SC, TX, WA |
| | 2000: AZ, CA, CO, FL, ID, IN, KS, MI, NH, NC, OH, SC, WA |
| | 2001: CA, CO, IN, MI, OH, WA |
| | 2002: CA, CO, MA, MI |
| | 2005: CT, MN, NJ, OR |
| | 2006: SC, VT |
| NAEP Grade 8 Math | 1990: AK, KS, MN, MA, MS, MO, NV, SC, SD, TN, UT, WA |
| | 1992: AK, IL, KS, MT, NV, OR, SD, VT, WA |
| | 1996: ID, IL, KS, NV, NH, NJ, OH, OK, SD |
| | 2000: AK, DE, FL, IA, NH, NJ, PA, SD, WA, WI |
| NAEP Grade 8 Reading | 1998: AK, ID, IL, IN, IA, MI, NB, NH, NJ, ND, OH, OR, PA, SD, VT |
| | 2001: AL, CO, IL, IA, MN, NH, NJ, SD, WI |
| NAEP Grade 8 Science | 1996: ID, IL, KS, NV, NH, NJ, OH, OK, PA, SD |
| | 2000: AK, CO, DE, FL, IA, KS, NH, NJ, PA, SD, WA, WI |
| | 2005: AK, IA, KS, NB, NY, PA |
| NAEP Grade 4 Math | 1992: AK, IL, KS, MT, NV, OR, SD, VT, WA |
| | 1996: ID, IL, KS, NH, OH, OK, SD |
| | 2000: AK, CO, DE, FL, NH, NJ, PA, SD, WA, WI |
| NAEP Grade 4 Reading | 1992: AK, IL, KS, MT, NV, OR, SD, VT, WA |
| | 1994: AK, ID, IL, KS, MI, NV, OH, OK, OR, SD, VT |
| | 1998: AK, ID, IL, IN, NV, NJ, ND, OH, PA, SD, VT |
| | 2001: AK, CO, IL, NH, NJ, SD, WI |
| NAEP Grade 4 Science | 2000: AK, CO, DE, FL, KS, NH, NJ, PA, SD, WA, WI |
| | 2005: AK, IA, KS, NB, NY, PA |
| Note: The final index is weighted so that each of the five thematic categories (communities, education, economy, environment, and government) are equally weighted (i.e. 20 percent each). | |

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