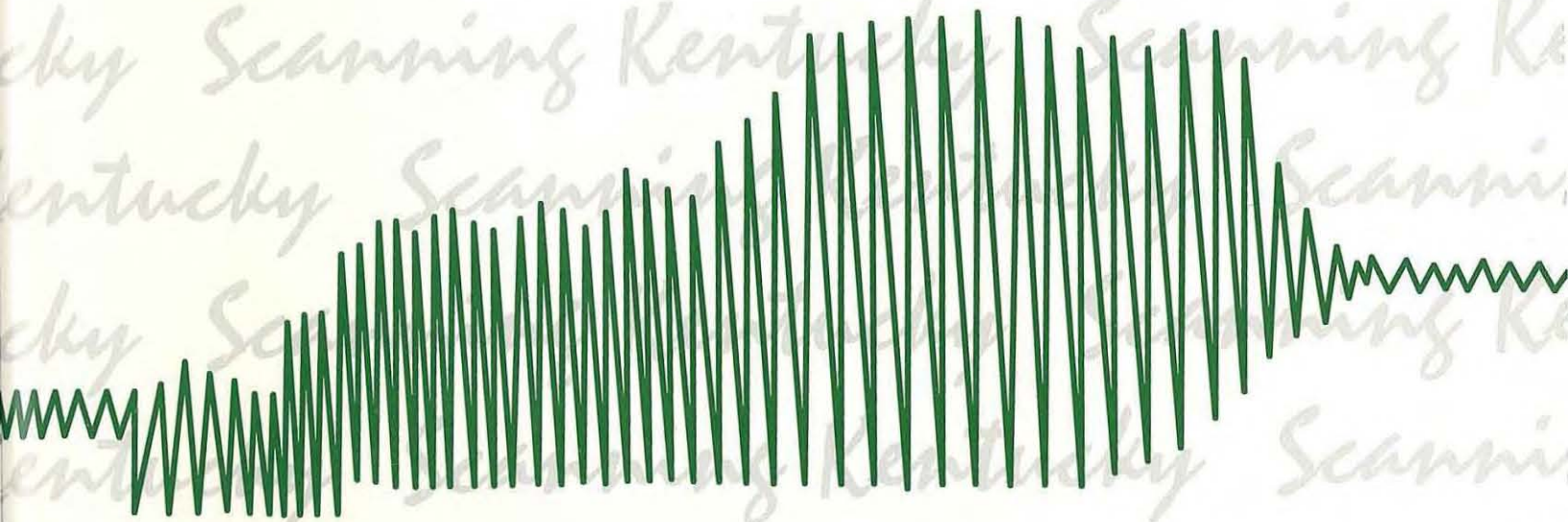


Scanning Kentucky

1994: THE YEAR IN REVIEW



Kimberly M. Mayo
Peter Schirmer
Billie M. Sebastian

THE KENTUCKY LONG-TERM POLICY RESEARCH CENTER

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

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PREFACE

This report identifies emerging issues which could have a significant impact on the Commonwealth of Kentucky. Over the past year, concerned citizens from across the state have submitted articles and information – scans – from newspapers, magazines, trade and academic journals, government publications, newsletters and other sources to the Kentucky Long-Term Policy Research Center's *Scanning Kentucky* initiative. These scans offer a glimpse of what the future may hold for the citizens, communities and enterprises of Kentucky.

The trends most frequently identified in scans include the changing relationship between employer and employee, a new orientation in health care towards prevention, important changes in traditional Kentucky industries, rapidly advancing information and communication technologies, and an increasing appreciation for the impact of the environment on business, communities and quality of life. This report also examines the impact these and other trends could have on the cabinets of Kentucky state government and other significant state agencies. Concluding the report are those scans from 1994 which were judged by the Center's Board of Directors to be of particular importance.

The Center encourages participation in the scanning process and welcomes volunteers to its program. Scanners should look for information that has important implications for the future of the Commonwealth. They can contribute by staying "tuned" – during the normal course of work, reading, or the exchange of ideas – to information that may suggest emerging trends. A copy of the article, speech, etc., on which the scan is based should be sent to the Center along with a brief explanation of why this trend or emerging issue may be important to the future of Kentucky.

THE KENTUCKY LONG-TERM POLICY RESEARCH CENTER

The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decision-making process. The Center's mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing the Commonwealth's future. Its responsibilities include the identification and study of issues of long-term significance to the Commonwealth. Additionally, the Center is to serve as a mechanism for coordinating resources and groups to focus on long-term planning.

Governing the Kentucky Long-Term Policy Research Center is a 21-member board of directors that includes four appointees from the executive branch, six from the legislative branch, and 11 at-large members representing citizen groups, universities, local governments and the private sector. From the at-large component of the board, six members are appointed by the Governor and five by the Legislative Research Commission. In accordance with its authorizing legislation, the Center is attached to the legislative branch of Kentucky state government. The makeup 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 the executive director of the Center. Those interested in further information about the Kentucky Long-Term Policy Research Center should contact his office directly:

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SUMMARY

In 1994, the Kentucky Long-Term Policy Research Center established a statewide scanning program to monitor emerging issues that may have a significant impact on the Commonwealth. The Center has collected and analyzed scans on a broad range of topics, considered their possible impact on various state agencies, and identified those individual scans with the most significant implications for Kentucky. The results of these efforts are presented here.

Scans are articles or information from the print or broadcast media, journals, publications and other sources of information. While scans cover a broad range of issues, nearly three-quarters of the 241 scans submitted to the Center fall into one of three broad subject areas – the economy, society and education. Other major subject categories are the environment, politics, science and demographics. In addition to classifying the scans in broad categories, the Center looked for significant trends which offer more specific information about changes on the horizon. The five trends which are the topics of most scans are:

- the changing employer-employee contract – issues such as job insecurity, declining employee benefits, and increasing levels of part-time employment;
- an emerging emphasis on preventive health care – public and private efforts to address rising costs and other problems with the health care system;
- changing traditional Kentucky industries – the impact of new technologies on tourism or tobacco, or ways in which traditional agriculture is changing;
- information and communication technologies – including technological innovations in transportation, education, health care and business; and,
- environmentalism – reflecting a new recognition of the interaction of the environment with business, social welfare, and even finances.

Most trends are expected to affect a variety of state agencies. The trend which will have the broadest impact on state government is mounting public concern for increased fiscal accountability and responsibility in government. Changing traditional Kentucky industries, the changing employer-employee contract, environmentalism and information and communication technologies are also expected to affect numerous cabinets and state agencies.

The year's top scans, selected by the Center's Board of Directors as having the most significant implications for Kentucky, cover a variety of trends. Several of the most common trends among all scans appear in the top scans of 1994. However, the top scans also reflect trends which are not especially prominent overall, such as increasing emphasis on brains over brawn in the workplace, the "graying" of the population, and rising income inequality.

This scanning project and the Center's recent trends report, *The Context of Change: Trends, Innovations and Forces Affecting Kentucky's Future*, are designed to assist state government agencies in developing long-range strategies. Together, the two suggest which issues will most affect each agency and what the consequences of the trends might be.

ACKNOWLEDGMENTS

The Kentucky Long-Term Policy Research Center would like to acknowledge and thank the many individuals whose generous contributions enriched both process and product. Were it not for those individuals who contributed to the Center's statewide scanning program, this work would not have been possible. However, the Center accepts full responsibility for any errors.

The following individuals and organizations have participated in the Center's scanning program, providing timely attention to issues of potential future importance to the state: *David C. Adkisson, Chuck Atkins, Bill Austin, Timothy J. Barr, Gary W. Boggess, Forrest Calico, Lindsay Campbell, Anne S. Childress, Michael C. Clark, Leslie Cole, Gary S. Cox, John Cubine, Kenneth A. Current, Dick Dedic, Jim Eddleman, Larry Elliott, Jack Eversole, Jack Fish, Tom Fitzgerald, John W. Frazer, Jeanne Gage, Rodney T. Gross III, John S. Hager, Edward J. Holmes, Darrell L. Ishmael, Paul C. Johnson, Annette Kelly, Debbie Kimbrough, the Labor Cabinet, Carol Lamm, Greg Lawther, Rice Leach, Linda Locke, Kathleen Loomis, Crit Luallen, Anthony G. Martin, Carol M. Palmore, O. Leonard Press, Gail Prewitt, the Revenue Cabinet, Joan Riehm, Pam Riley, Rona Roberts, Jas S. Sekhon, Deanna Skees, John T. Stephenson, Sid Stewart, Gene Stinchcomb, Gene Strong, Frank C. Taylor, Barry Tinning, Mark Webster, Marsha C. Weinstein, and Lela Williams.*

We wish to thank members of the Center's Board for reviewing and evaluating the many scans submitted to the Center Board, as well as participating in this important fact gathering process. We owe a special thanks to *Peggy Hyland* and participants in the Legislative Research Commission's scanning program, which helped bring our attention to a range of emerging issues.

Finally, we would like to thank *Michal Smith-Mello* for her editorial expertise and suggestions, and *Don Jonas* and *Kelly Roberts* for their work on the Center's scan data base.

BACKGROUND

A quick inspection of the political landscapes of both the state and the nation reveals numerous issues facing decision-makers that, if recognized and dealt with promptly, would not have resulted in painful, often costly consequences. Decision-makers at all levels constantly confront avoidable problems and miss opportunities to avoid others in the future. The Kentucky Long-Term Policy Research Center was established by the General Assembly to help remedy this situation by "providing decision-makers a broader context in which to make decisions, taking into consideration the long-term implications of policy, critical trends, and emerging issues which may have a significant impact on the state." To help achieve these important goals, the Center has established a statewide scanning program to review information sources and identify important concerns for the Commonwealth. By alerting decision-makers to emerging issues, important opportunities can be captured and potential problems can be dealt with before reaching crisis proportions.

Scanning is a systematic review of sources of information – something many of us do as a matter of routine in our daily lives – for signposts of change. Scanning helps us anticipate trends. We engage in scanning when we activate our own personal radar systems to detect signals of change as we review, synthesize and analyze information. Over time, scanners monitor signals of change for evidence of real shifts in the social, political, economic or technological landscape.

A scan is essentially information that has implications for the future. It could be all or part of a newspaper, magazine or journal article; a speech; a television program topic; a radio program discussion; survey results; or observed signals of change. The authors of *Anticipating Tomorrow's Issues* suggest the following guides for identifying scans or signals of change: anything new, aberrant or unique, or anything that seems so to the scanner or the author of an article, speech, etc.; things that appear out of context – a different application of an old technology, a new market for an established service, etc.; a new twist on an old argument or viewpoint, or a viewpoint that runs contrary to conventional wisdom; new catch words and expressions that may signify changing conditions or perceptions; opinion polls; statistics – facts presented in numbers and percentages; new kinds of social and professional organizations; new patterns in anything – consumer packaging, commuting, vacationing, family care, shopping, banking, etc.

Over the past decade, scanning programs have been established in eight states. The staff of Kentucky's Legislative Research Commission has conducted an internal scanning program for six years in an effort to alert researchers and lawmakers to possible change on the horizon. The statewide scanning program of the Kentucky Long-Term Policy Research Center has broadened its reach, however, recruiting scanners from across the Commonwealth in one of the most ambitious and far-reaching efforts in the nation. The Center welcomes volunteers and voluntary contributions to this dialogue about Kentucky's future.

Scans submitted to the Center are reviewed and prioritized by its Board of Directors. Some are published in the Center's quarterly publication, *Foresight*, in an effort to inform both lawmakers and the public about emerging trends. All scans become part of the Center's data base for trend identification and issue analysis and help inform the Center's research agenda.

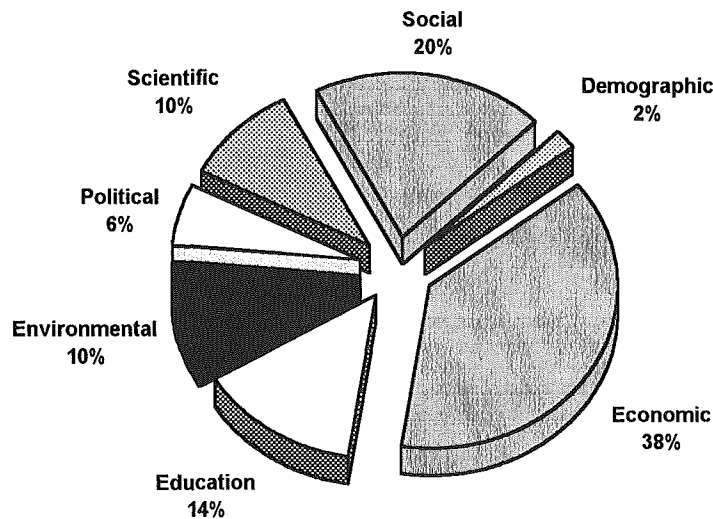
SCANNING RESULTS

Over the past year the Kentucky Long-Term Policy Research Center received 241 scans from individuals across the Commonwealth with an interest in Kentucky's future. Information from each scan, including key trends and implications for Kentucky, was compiled and analyzed. The graphs and tables that follow are the product of this analysis. They highlight the trends most frequently reflected in the scans and illustrate the variety of issues likely to affect each state agency. The analysis is intended to aid policymakers in anticipating trends which may have a significant impact on the Commonwealth.

ISSUE AREAS

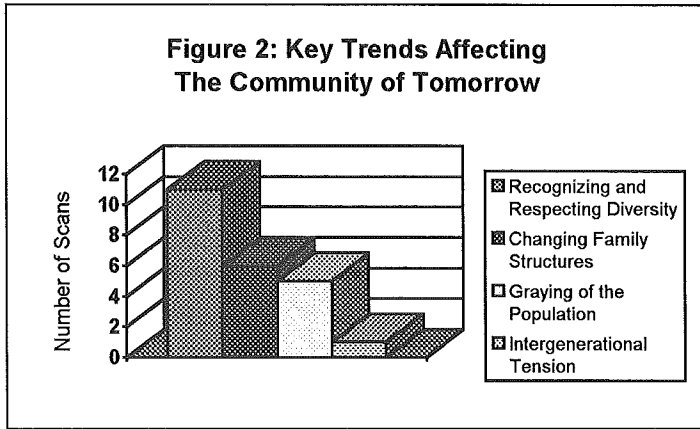
Scans submitted to the Center are categorized into one of seven issue or subject areas: demographics, economics, education, the environment, politics, science and society. As illustrated, a significant majority of the scans relate to economic, social, or education issues. Together, these three categories account for nearly three-quarters of all scans submitted to the Center over the past year. Interestingly, in spite of the dramatic impact that demographic trends, particularly the aging of the population, are expected to have in coming years, few scans related to this issue.

Figure 1: Scans by Issue Area



THE CONTEXT OF CHANGE

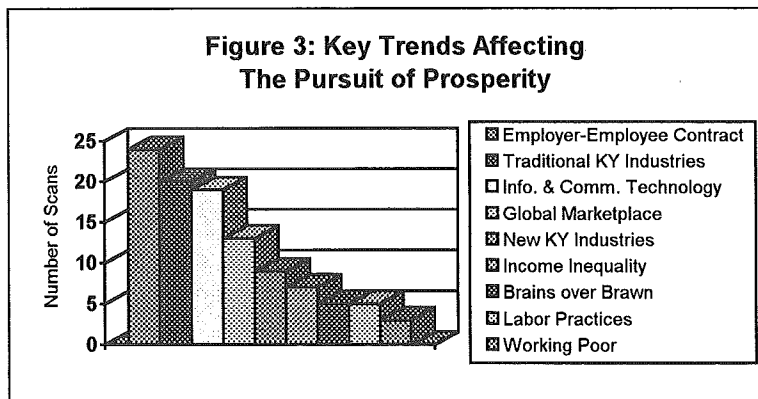
While the issue categories provide a broad picture of the areas in which Kentucky will most likely see change, more substantial information was also extracted from the scans. The Center identified 21 key trends discussed in detail in its recent report, *The Context of Change: Trends, Innovations and Forces Affecting Kentucky's Future*, and tallied the number of times each trend was the topic of a scan. These key trends have been categorized into three themes that parallel the major chapters of the report: "The Community of Tomorrow," which details demographic trends that are influencing population, family formation and community; "The Pursuit of Prosperity," which explores overarching trends influencing the economy, shifts in Kentucky's bedrock industries, prospects for new opportunity, and the increasingly illusive American Dream; and "The Foundation for Progress," which examines the status of Kentucky's physical and human infrastructure.



The Community of Tomorrow. As illustrated, the most common trend from this category, recognizing and respecting diversity, reflects growing attention to the needs of various ethnic, cultural and racial groups of American society and a deepening appreciation of the benefits that diversity offers. Changing family structures incorporates issues such as single-parent and non-traditional households and the increasing presence of women in the workforce. The graying of the population relates to the rising number of older Kentuckians and the ways in which the health care system, social services and businesses will

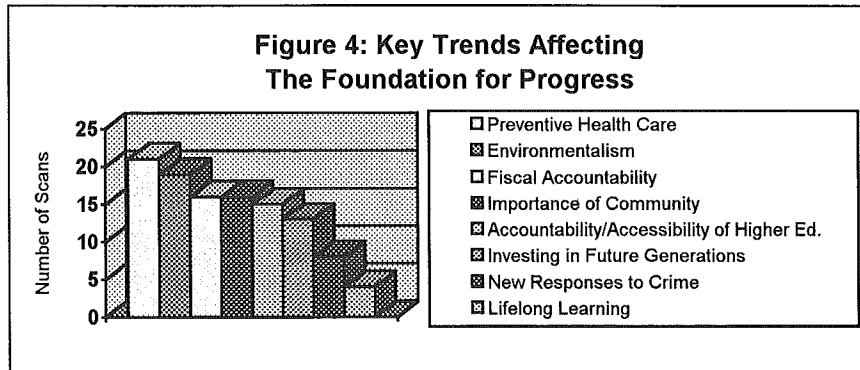
have to respond to an aging population. Intergenerational tension is the subject of scans detailing the emerging debate about federal entitlements. As previously noted, the demographic trends affecting the community of tomorrow are not reflected in the scans as frequently as expected.

The Pursuit of Prosperity. This topic examines a range of economic and workplace trends. The changing employer-employee contract, including issues such as job insecurity, declining employee benefits, and increasing levels of part-time employment, is the most frequent subject of scans. In general, scans in this category suggest a more tenuous relationship between employee and employer that is influencing preparations for retirement, employer costs and the incomes of working people. Changes in traditional Kentucky industries, including the impact of technology on industry, new farming methods, and the emergence of new products such as hemp and other biomass agricultural products, appear often in scans.



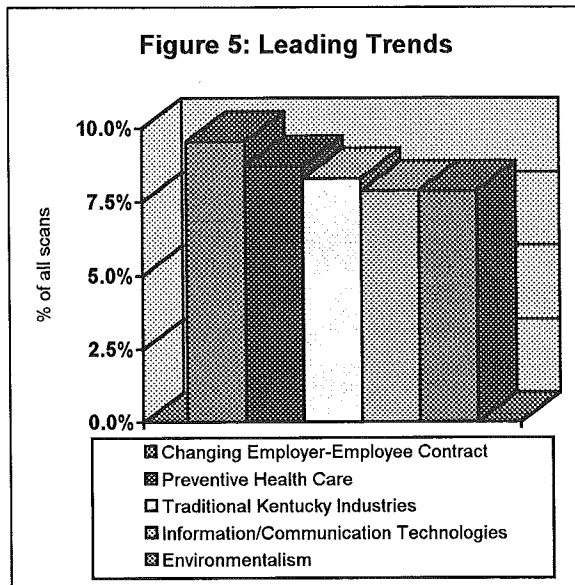
Two other trends are noteworthy. Information and communication technologies include innovations in transportation, education, health care and business. A major development in Kentucky's information and communication technologies, the Kentucky Information Superhighway, is prominent among scans. The global marketplace encompasses trade, foreign investment, international migration and the need for high-quality production.

The Foundation for Progress. Several trends comprising “The Foundation for Progress” appear frequently throughout the scans. The most common of these, the movement toward preventive health care, reflects public and private efforts to address rising health care costs and other problems with the health care delivery system. These efforts are largely oriented towards promoting healthy behavior and health maintenance. Environmentalism describes new attitudes people have towards the interaction of the environment with business, social welfare and even finances. For example, one scan discusses the effect that a cleaner environment has had at Mammoth Cave, a destination for thousands of tourists each year.



Fiscal responsibility reflects increasing demands on governments at all levels to do more with less, to be accountable for outcomes rather than inputs, and to be more responsive to citizens' needs. The importance of community is a broad trend which essentially pertains to the need for civic involvement in which communities take responsibility for everything

from improving quality of life to promoting economic development. Two education-related trends mentioned often in the scans are accountability and accessibility of higher education and investing in future generations.



Summary. Overall, the five trends which are the topics of the most scans submitted to the Kentucky Long-Term Policy Research Center are the changing employer-employee contract, preventive health care, changing traditional Kentucky industries, information and communication technologies, and environmentalism. More than 40 percent of all scans reflect one of these five trends.

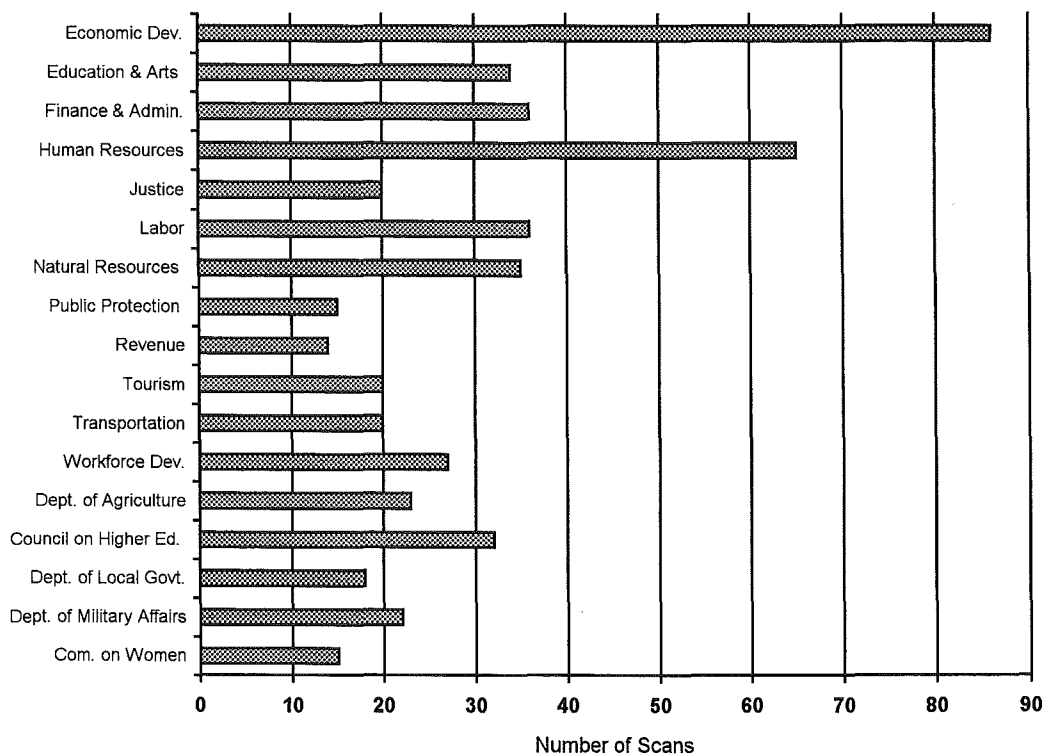
The top 10 trends also include increased attention to fiscal responsibility and accountability in government; a growing recognition of the importance of community to our economic and social well-being; increased attention to accountability and accessibility of higher education; the imperative of investing in future generations; and the broad-based impact of the globalization of the marketplace. The 10 most common trends are identified in nearly three-quarters of all scans.

IMPACT ON STATE AGENCIES

The scanning project and the trends report, *The Context of Change*, complement each other. Together, these initiatives help inform and bring cohesion to the work of agencies of state government which are engaged in long-range strategic planning. The executive branch is mandated to "positively address" issues discussed in the trends report, and the scanning project suggests which of the trends are currently foremost in the minds of the media and scanners across the state, which issues will most affect each agency, and what the consequences of the trends might be.

In deciding which scans relate to which agencies, the Center considered the subject of the scans, the implications of the trends being discussed, and the responsibilities of the different agencies. Then an informed, albeit subjective, decision was made about which agency or agencies are most explicitly affected by a particular scan. Often, a scan covers an issue affecting several agencies; arguably, every government agency is affected directly or indirectly by virtually every change taking place in the Commonwealth. The connection between scan and agency is only made, however, if the scan deals with an issue obviously within the responsibilities or interests of the agency. A newspaper article about distance learning, for example, would affect the Finance & Administration Cabinet (through the Department of Information Systems) as well as the Education, Arts & Humanities Cabinet and the Council on Higher Education.

Figure 6: Scans Related to Cabinets and Other State Agencies



KEY TRENDS FOR STATE AGENCIES

Finally, the Center looked at how often each trend is relevant to one or more agencies. This demonstrates the breadth of issues each government agency will have to manage and the emerging trends which may have the greatest impact on each agency. Many of the relationships are expected – economic development, for example, is significantly affected by changes in Kentucky's traditional industries. However, some linkages between trend and agency are perhaps not immediately obvious. One scan about new responses to crime is relevant to the Council on Higher Education; two scans about the graying of society are relevant to the Finance and Administration Cabinet. Clearly, each agency will be affected by many different trends.

Information about the impact of trends on state agencies is summarized in Table 1, on the following page. The table offers a complete breakdown of the number of times each trend affects the different agencies. The first row shows how many different scans about fiscal responsibility and accountability in government are relevant to each of the agencies. Interestingly, despite the fact that the changing employer-employee contract, preventive health care, and several other trends are the subject of a greater number of scans, in terms of broadest impact, the category of fiscal responsibility and accountability in government is by far the most significant trend. This is the only trend affecting every agency. Information and communication technologies and the growing importance of community are two more trends impacting a fairly large number of agencies.

The table also illustrates how often each agency is affected by the different trends. The first column shows, for example, nine scans about fiscal responsibility and accountability, 19 scans about traditional Kentucky industries, and eight scans about the changing employer-employee contract are relevant to the Economic Development Cabinet. The Economic Development Cabinet and the Cabinet for Human Resources are affected by most trends. Others broadly affected include the Finance and Administration Cabinet, the Transportation Cabinet and the Council on Higher Education.

Table 1: Key Trends for State Agencies

<i>Trend</i>	<i>Cabinet or Other Agency</i>	Economic Development	Education, Arts & Humanities	Finance & Administration	Human Resources	Justice	Labor	Nat. Res. & Env. Prtn.	Public Prtn. & Regulation	Revenue	Tourism	Transportation	Workforce Development	Local Government	Military Affairs	Higher Education	Comm. on Women	Dept. of Agriculture	<i>Totals</i>
Fiscal responsibility and accountability		9	9	10	9	9	9	10	10	10	11	9	9	11	9	9	9	9	161
Traditional Kentucky industries		19				1		1			6	1	1		6			12	47
Changing employer-employee contract		8			11		14		1			1	1						36
Environmentalism		2		1	3			19			1	2		5				1	34
Information and communication technologies		3	4	14	1		1	1			1	2	1		2	1			31
Growing importance of community		13	2	1	4			1		1			1		3	1			27
Preventive health care					16	3	2	2	1	1					1				26
Investing in future generations		1	12	1	2								3			1			20
Accountability and accessibility in higher education			1		1					1						14	2		19
Recognizing and respecting diversity		2	3		4		5										3		17
New Kentucky industries		8		1				1		1		2				1		1	15
New responses to crime		1		1		7			3					1		1			14
Rising inequality		5		3	4							1		1					14
Global marketplace		9		1						1									11
New labor practices and worker associations		1	1				3						3		1				9
Graying of society				2	3						1	1				1			8
Lifelong learning			2										4			2			8
Brains over brawn		2		1									3			1			7
Changing family structures		2			4												1		7
Working poor		1			2		1					1	1						6
Intergenerational tension					1		1												2
<i>Totals</i>		86	34	36	65	20	36	35	15	15	20	20	27	18	22	32	15	23	

TOP SCANS OF 1994

Every quarter an average of 80 scans are divided among the Center's Board of Directors, who select those scans they perceive as having the highest potential to affect the future of the Commonwealth. Board members rank their top five choices and provide potential implications for Kentucky on their top three choices. The "votes" are tallied and the group is narrowed down to the top 15 scans, which are then summarized and sent back to the Board of Directors for further consideration. The second review round narrows the group to the top five or six scans, which are published in *Foresight*, the Center's quarterly publication.

The top scans identified from the Spring, Summer and Fall scanning cycles for 1994 are presented in this section. The scans are organized by key trend, with brief summaries and implications for Kentucky for each scan. For those interested in reading the original article, the scan source is also included. Not surprisingly, several of the most common trends appear among the top scans of 1994. However, the top scans also reflect trends which are not especially prominent among all scans. This would suggest that the importance of a trend is not necessarily measured by the number of times it appears in all scans. The Center's Board of Directors identified scans on the graying of society, brains over brawn and rising inequality as having significant impacts on the future of the Commonwealth.

FISCAL RESPONSIBILITY AND ACCOUNTABILITY

Summary:

This article offers four scenarios for state governments in 2010. While the article is geared toward corporate adaptation to these possible changes, it is interesting to see the possible projections for the future of states.

Scenario One: The Entrepreneurial State. In this scenario, states have become lean and efficient. Quality control is an important aspect of state activity. State employees' jobs depend upon the quality of their work, and strategies such as privatization, decentralized management, broadly dispersed technology, market-based incentives and user fees guarantee efficiency and effectiveness. A substantial amount of time is spent in training and retraining employees to assure flexibility and the ability to assume varied responsibilities and job changes. These changes are brought about largely because of the downsizing and corporate restructuring predominant in the 1990s and 2000s. The models of service sector innovation and restructuring developed by the private sector have been easily replicated by the state governments. The increased economic growth during the 2000s, largely due to service sector productivity gains, also facilitated innovation and risk taking in state government.

Scenario Two: The Withering State. State governments have become much smaller than they were during the 1980s. They retain direct responsibility for the criminal justice system, transportation, and public health, but they provide relatively few direct services. Those they do provide are usually not high quality. Careers in state government are neither adequately compensated nor highly regarded. Growing dissatisfaction with government and tax revolts have kept budgets modest and stifled innovation. Upper and middle class citizens withdrew their support for publicly provided services when their faith in the government declined, despite experiencing household income increases greater than cost-of-living increases. Other driving forces that led to the diminished relevancy of state governments were declining federal funding, increasing social polarization and a middle class shift to personal concerns over social problems. Attempts during the 1990s to reinvent the government were unsuccessful.

Scenario Three: The Restructured State. State governments have assumed primary responsibility for education, health services, housing, community and economic development, employment and training, social services, airports and roads. Additional funding is received through the Common Shared Taxes plan. This plan is a national value-added tax and revenues are redistributed in a manner that favors the poorer states. The federal government assumes responsibility for payment of welfare and medical care programs. Other factors contributing to this restructuring are steady economic growth during the 1990s and 2000, corporate downsizing and restructuring, accelerating public dissatisfaction with the status quo, and an increased commitment to sustainable development.

Scenario Four: The Beleaguered State. State governments are small, beleaguered, overwhelmed by responsibilities and underfinanced. They lack highly skilled professionals and the quality of services provided is minimal. In 2010, states receive very little federal support. Their revenue bases are also much smaller. The national economy was also in a recession through the 2000s. Not only have domestic issues been adversely affected by the inability to revive the economy, an increasingly large deficit, low voter turnout and the dissolution of many programs have tarnished the national image abroad. Attempts to reinvent government have met with little success.

Implications:

This article provides possible futures for the state of Kentucky. Launching efforts to restructure governments in Kentucky now holds substantial potential for savings without loss of services and without necessitating painful downsizing in the years to come. The recommendations of the Gray Commission specifically address these needs and provide an important beginning for the agencies of state government. They could form the foundation of important and necessary changes aimed at creating high quality government services in the most fiscally responsible manner possible.

Clearly, Scenarios One and Three are the most desirable. It is possible that, by heeding the conditions described in the article, Kentucky state government can proceed in one of these two directions.

Source: *Planning Review*, July/August 1994, Vol. 22, No. 4.

Scan Number: FA94-56

FISCAL RESPONSIBILITY AND ACCOUNTABILITY

Summary:

As a frame for advice to potential bond investors, the author summarizes the fiscal status of states and localities. Since the mid-1980s, expenditures have been outpacing receipts for states and localities and budget surpluses have been in a free fall since around 1987. Babson cites numerous factors influencing the current fiscal health of states, including the impact of "new federalism," the shift of fiscal responsibility to the states for federally mandated programs. The intense fiscal pressure on states and localities is fueling interstate development wars that are costly to states in the long term, but are producing positive results for more sparsely settled states, at the expense of "more heavily populated, industrialized, high-cost counterparts." Medium-sized firms are most likely to relocate. This trend is expected to persist, the author suggests.

In spite of record investor demand, the issuance of bonds for new projects has actually declined as states and localities have struggled to balance budgets. But, with the 1993 deficit reduction bill, single-family mortgage bonds and small issue manufacturing development bonds that had expired will again be made available.

Implications:

This report suggests the possibility that Kentucky, like other sparsely populated states, could continue to benefit from the out-migration more densely populated states and cities are experiencing. That out-migration of small industries and people offers the possibility of a transfer of wealth and opportunity. Kentucky has the opportunity to attract industry from densely populated states where taxes are high and the cost of living is escalating.

The article also suggests that the costly bidding war for industries that Kentucky and others have engaged in could have adverse long-term consequences for the state's fiscal health by reducing future receipts. Bonding has been an avenue to achieve projects now, but our state has become somewhat dependent on this fix. It is a short-term gain with long-term pain. To the extent possible, new projects should be paid with current, rather than projected, revenues. However, some suggest the availability of bonds for small manufacturing development and mortgages could help make the dreams of more would-be entrepreneurs and homeowners in Kentucky possible.

Source: Joel M. Vernick, David L. Babson & Co., Inc. (Investment Counsel), *The Babson Staff Letter* (Cambridge, MA), August 27, 1993.

Scan Number: SP94-4

FISCAL RESPONSIBILITY AND ACCOUNTABILITY

Summary:

When the 1992 Commission on the Future of the South began its investigation, it asked how much progress had actually been made toward achieving the regional goals set forth six years earlier by the 1986 Commission. There was no clear answer. Most Southern states and localities had not measured the actual results or outcomes of their programs but had focused instead upon the inputs and outputs of selected government programs – dollars spent and number of clients served. Few if any could describe whether these programs had successfully met the actual needs of their citizen customers. Accordingly, the Commission urged Southern state and local governments to institutionalize methods and processes which would provide accountability for results.

Relevant to the effective implementation of public sector benchmarking practices, however, is the lack of long-term continuity across changing political administrations. The involvement of the general public as well as legislative and agency staff is therefore likely to be critical in achieving and maintaining long-term bipartisan support. Achieving consensus on data sources and formal data reporting is also critical. If these elements are not agreed upon before the process is implemented, any reported results with negative implications will be far more open to criticism and dispute.

Governments need to be measuring outcomes – that is the measure of success towards achieving the mission – rather than just outputs. Then the measures of actual program outcomes must be linked to ongoing budgeting and strategic management decisionmaking. Challenges include ensuring private and non-profit sector involvement in a collaborative process to establish statewide, as well as programmatic, goals and outcomes.

Implications:

If we don't know where we are going, we will not know when or if we have arrived. Benchmarking is a way of determining if we are heading in the direction which we started or even if we should continue in that same direction. This article stresses the need for more than just external comparisons and identifies issues in developing benchmarks. Such issues are particularly relevant to the Kentucky Long-Term Policy Research Center's trends report which must place more emphasis on outcomes and implementation – not just data. Kentucky is in the same situation as most other Southern states: we know the inputs but do not know the outcomes.

Source: Southern Growth Policies Board, *Alert*, February 1994, No. 38.

Scan Number: SP94-17

TRADITIONAL KENTUCKY INDUSTRIES

Summary:

The legalization of hemp cultivation is a highly controversial issue. Nevertheless, it seems that every country is getting in on the act but the United States. The following three articles address this issue:

"For Kentucky's sake, legalize fiber hemp." This article discusses all of the possible uses of hemp. ABC news described hemp as a "useful nonpolluting renewable resource [which can produce] paper; plastic tough as steel; fuel to replace oil, gas and protein; fabrics; medicines; 100 percent non-toxic paints and varnishes; carpets; drywall; and plywood." These potential uses are very important, as hemp is an indigenous Kentucky plant. Although hemp growing has been outlawed in the United States since 1937, it is grown in Europe and farmers are petitioning to grow it in Canada. U.S. industries are already making use of hemp. "A Kimberly-Clark subsidiary buys French paper, acid-free, with a shelf-life of hundreds of years; and Kinko's copying centers and Bank of America are testing paper made from Chinese fiber hemp." Hemp paper produces no dioxin pollution because it can be whitened with hydrogen peroxide. In fact, it uses 90 percent less chemical than wood pulp paper. The author stresses that there are many benefits from using hemp and Kentucky should make use of this resource. "Fiber hemp can be grown on marginal land. Its deep root system is drought resistant and erosion-friendly. One acre produces four times the biomass of four acres of trees."

"Farmers poised to score victory with hemp in Canada." This article describes the struggle of Canadian farmers to legalize hemp cultivation. The farmers, many of whom grow tobacco, are looking for crop diversification and have decided that hemp is the answer. The farmers are focusing on low-THC hemp. Some uses for it include cooking oil, plant food, cigarette paper, and building materials. Low-THC hemp is also being touted as the environmentally correct alternative to lumber and wood pulp. U.S. companies have already expressed an interest in importing hemp products from Canada if it is legalized.

"Restriction Lifted On Growing Hemp." This is notification of Britain's ability to grow legally approved varieties of hemp in order to take advantage of the European Common market. Farmers who grow hemp are subject to strict licensing controls.

Implications:

The legalization of hemp could open the door for potentially lucrative changes in Kentucky agriculture and manufacturing. At a time when tobacco farmers need to diversify, the legalization of hemp could offer an important alternative crop with an expanding market. With such a wide array of projected uses, economic development and increased prosperity could come to the Commonwealth through a variety of related ventures. This is an especially important alternative since hemp is an indigenous Kentucky plant. The time is ripe to examine hemp as a potential crop for Kentucky farmers and product for entrepreneurs.

Source: Lexington Herald-Leader, July 31, 1994.

Scan Number: FA94-43

ENVIRONMENTALISM

Summary:

In view of the rising the demand for paper, which is expected to double by the year 2010, and the attendant impact on the world's forests, the search is beginning for alternative sources of paper pulp. The use of trees for paper is a relatively recent phenomenon. Until the mid-19th century, cotton, hemp, straw, and other fibers were used in paper making. Now, because of deforestation and the high cost of wood pulp, a number of countries are turning back to sources other than tree fiber. The primary alternatives currently being used in the United States are hemp and Kenaf plant fibers. Tree-free paper is just becoming available to the North American consumer. Kinko's is exploring the viability of paper that is 50 percent hemp and 50 percent straw.

Implications:

As the world's finite resources, such as forests or mineral reserves, are expended, business may have to use new inputs and explore different production methods. These changes will not simply be a result of economic necessity, but will also reflect society's growing appreciation for the importance of sustainability. If Kentucky's businesses, schools, communities and governments pursue a strategy of sustainable development, limited resources will be conserved for future generations, environmental quality will improve, and new economic opportunities, including hemp cultivation, may even arise.

Source: *In Context*, No. 37, page 9.

Scan Number: SU94-16

INFORMATION AND COMMUNICATION TECHNOLOGIES

Summary:

The information superhighway will continue to revolutionize life in the 1990's. Four specific areas of dramatic change are discussed in these articles:

1) Libraries will increasingly become 'cyberlibraries' devoted more to accessing information off the Internet than to housing collections of books. Future libraries will not need expansive buildings to house collections because patrons will be able to access books and journal articles directly from computers;

2) In manufacturing, the efficient and effective management, manipulation, and use of information is and will continue to be essential to sustained economic vitality and growth. An advanced National Information Infrastructure (NII) that could coordinate manufacturers via the information superhighway would enable "both the modernization and upgrading of traditional design, development, production, and support processes as well as the complete re-engineering, optimization, and integration of separate business functions;"

3) Electronic commerce will increasingly be utilized in the future. "The telephone, fax, and electronic mail have provided faster, cheaper, and more reliable communication of business data within and between commercial entities. Great distances and multiple time zones are no longer barriers to business communications; the challenge now is how to respond to and use an ever-increasing flood of data from diverse sources in a timely and effective manner;"

4) Our national capability to perform comprehensive environmental monitoring "is currently limited by an infrastructure that is extremely fragmented and which will not allow the kinds of capabilities envisioned for a multi-disciplinary and global view of the environment. An improved NII will be a critical link in supporting the process of environmental observation, analysis, and information dissemination."

Implications:

Technological advances and increased use of the information superhighway will radically change the way we conduct our lives in the future. We must develop a regulated information infrastructure in order to manage the systemic changes that will accompany rapid advances in information technology.

While Kentucky is at the forefront among states in planning for an electronic infrastructure that will reach throughout the state, the cost obstacle is formidable. But the benefits are believed to be virtually limitless, ranging from remote access to the highest quality possible education to dramatic reductions in the costs of health care. The Kentucky Information Superhighway has the potential to help us advance far more rapidly than conventional means of transferring data and information permit. Its full implementation is thought to be critical to Kentucky's future, as it appears to be the long-awaited catalyst for a poor, fragmented, under-educated state to leapfrog into the 21st Century and make substantial economic, educational and social gains.

Source: Three articles from a U.S. Department of Commerce report titled *Putting the Information Infrastructure to Work* (May 3, 1994) and an article titled *When the Book Becomes Obsolete* from *Washington Technology* (March 10, 1994).

Scan Number: SU94-92

GROWING IMPORTANCE OF COMMUNITY

Summary:

Social scientists from several disciplines have recently suggested new approaches to collective action, one which rests on the concept of social capital. Social capital refers to features of social organizations, such as networks, norms, and trust, that facilitate cooperation and coordination for mutual benefit. Social capital enhances the benefits of investment in physical and human capital. Working together is easier in a community blessed with a substantial stock of social capital. This insight turns out to have powerful practical implications for many issues on the national agenda. Using examples from European countries such as Italy, the author states that communities in north-central Italy did not become civic because they were rich. They became rich because they were civic. Stocks of social capital, such as trust, norms, and networks, tend to be self-reinforcing and cumulative. Successful collaboration in one endeavor builds connection and trust. These are social assets facilitating future collaboration in other, unrelated tasks. As with conventional capital, those who have social capital tend to accumulate more. Social capital is what the social philosopher Albert O. Hirshman calls a "moral resource," that is, a resource whose supply increases rather than decreases through use and which becomes depleted if not used.

Implications:

The development of social capital is essential if Kentucky is to achieve economic prosperity in its rural areas. The research conducted by the author suggests that those communities which prosper economically do so because there is significant social development. The economic and social development of the less advanced areas of our state need more investment of social capital. As members of communities inventory their assets, establish priorities, and focus their energies, Kentucky can address its own problems, as evidenced by the Enterprise Zone/Empowerment Zone applications completed by 18 communities. We need to develop state policies which encourage and foster the development of social capital in order to ensure prosperous local communities.

Source: Putnam, Robert D., "The Prosperous Community: Social Capital and Public Life," *The American Prospect*, Spring 1993.

Scan Number: SU94-20

GROWING IMPORTANCE OF COMMUNITY

Summary:

The city of Tupelo, Mississippi, is a model of successful economic development for the South, as well as the rest of the United States. Tupelo is a rural community that is characterized by professionalism, southern hospitality, a relatively stable degree of racial harmony and the ability to attract impressive amounts of commercial investment from national and international sources. In fact, the city brought in 16 new factories last year, a move which generated \$100 million in investment capital and created 1,500 new jobs. The city accomplished this through its Community Development Foundation (CDF) which works to recruit and retain corporate investors. The CDF also works with the public school system and the local community college by garnering grants from local businesses and offering their employees relevant training.

Implications:

This scan highlights the importance of building "communities" in order to achieve economic development and expanded prosperity. Tupelo has gradually pulled itself up from the economic bottom in Mississippi. If Kentucky cities, counties and regions were able to achieve the degree of recruitment and retainment seen in Tupelo, citizens of the Commonwealth would be enjoying unprecedented opportunity. Most agree that the root of this tremendous success story lies in the strength of the community that citizens, businesses and institutions formed in a united effort to realize a new vision for the city. This broad-based and community-centered approach to economic development provides a useful and transferable model for the Commonwealth and underscores the need to overcome regional and county-level differences in the interest of the common good.

Source: *The Wall Street Journal*, March 3, 1994.

Scan Number: FA94-23

PREVENTIVE HEALTH CARE

Summary:

The national health care debate has sparked a great deal of controversy. More importantly, however, it has sparked new ideas and alternatives to the current health care system. One article presents the case for the single-payer approach, which is used by nearly every other society in the Western world. Under this approach, health care is provided to everyone, regardless of socio-economic status. The receiver never pays for health care. The cost is always covered by the government. One of the benefits of this process is the reduction in administrative costs, which currently account for five to 40 percent of health care costs. This system would reduce the cost to less than two percent. Other benefits include the ability for receivers to choose their health care provider, the freedom of health care providers from insurance companies' restrictions on certain practices, improved practices and methods employed by health care providers and the proven effectiveness of the program in Europe.

Two other articles discuss the option of home care. As Americans live longer, there is an increasing need for health care for the elderly. The thought of leaving a loved one in the hospital conjures up images of loneliness, despair and insurmountable debt. The thought of nursing homes has almost the same effect. Instead, many elderly are staying at home and receiving care there. The overwhelming appeal of home health care is not surprising considering the benefits to the patients. Home care is much less expensive than either nursing homes or hospitals, 40 percent of which is covered by Medicaid. In fact, friends or family members frequently perform the services free of charge. Home care has become a concern for employers as more employees find themselves the sole caregiver for an elderly family member or acquaintance. These employees often exhibit chronic absenteeism, tardiness and excessive use of the telephone for personal business. Employers are beginning to offer eldercare benefits to allow more flexibility to these caregivers.

Home health care has societal benefits as well. The industry offers viable employment opportunities to holders of high school diplomas with wages comparable to the manufacturing sector. Home health care aides typically start at \$9.50 an hour and up. The Federal Bureau of Labor Statistics has predicted that the number of home health care aides will reach 827,000 by 2005, compared to 347,000 in 1992.

Implications:

Clearly, universally accessible, affordable health care would have a dramatic impact; however, the cost remains daunting. Healthy citizens are better able to participate in society and be productive workers, the benefits of which would be broadly felt. The role of insurance companies in a single-payer system, however, remains.

Additionally, Kentucky can expect to see a growth in eldercare services. Compared to hospital costs, home health care can help reduce expenses. Adult day care facilities, visiting nurses and errand runners will all increase in the future. Referral services may also become important as family members search for quality and trustworthy in-home care. As productivity is affected, more employers may offer eldercare benefits, most likely under the umbrella of the family leave act. Long-term care, eldercare, and home health services are increasing needs that should be addressed now in the interest of containing costs and securing the best possible care for older citizens, whose ranks are expected to increase with each year.

One potentially positive aspect of the expansion in home health care is the employment possibilities it may hold for Kentuckians. Kentucky may also want to consider offering incentives for Medicaid certification of home health providers, who provide training and adhere to established guidelines.

Source: American Demographics, March, 1994; JAMA, March 9, 1994, Vol. 271, No. 10; New York Times, August 30, 1994, p. A1.

Scan Number: FA94-40, 45, 47

PREVENTIVE HEALTH CARE

Summary:

Summary by Kathryn E. Johnson, Executive Publisher, *HFJ*: "Michael McDonald, a director in the Environmental Science and Policy Institute, describes the stunning impact that telecognition will have on the way health care is practiced in the future. Noted health futurists Trevor Handcock, M.D. and Clem Bezold introduce the field of health futures and its methods, terminology, and uses. They make the critical distinction between possible futures and preferable ones, and lead the way in focusing on 'health' rather than medical care. Respected health researchers Dean Coddington and colleagues present survey research that points toward successful models for true strategic integration. Then, the redesign of not only health care structures but their surrounding communities is explored by consultant and futurist Leanne Carlson. A more cautionary tack is taken by Ian Morrison, who stresses the need for health care leaders to keep their organizations relevant in the new environment, or go the way of the railways – as 'two-bit players.' And Stuart Davidson goes so far as to state that the technological revolution already underway will bring us 'diagnostic certainty' – with a simultaneous sea change in the entire shape of health care."

Implications:

Market forces are driving dramatic changes in health care, and rural Kentucky is at great risk of losing local capacity for the social and economic benefits of health care. The recognition that effective, efficient health care is based in the local community is growing. It is extremely important for Kentuckians to quickly seize the opportunity to support their local health care institutions, and help them improve quality and access. These organizations need support from the local community.

Kentucky was recently engaged in a state-wide debate regarding two major features of health care reform: universal coverage and cost containment. Universal coverage was at the heart of the debate associated with the Medicaid Waiver Demonstration Project (Governor Jones' proposal to add 200,000 people to the Medicaid caseload). Cost containment was debated within the parameters of 1994 House Bill 250.

Because there is a desperate need for health care reform, especially for local health care institutions, we must coordinate and provide better continuity to our health care delivery system; end discrimination; stop fraud, abuse, and over-utilization; and minimize cost shifting. Health care affects every Kentuckian.

Source: Several articles published in *Healthcare Forum Journal*, March/April, 1994.

Scan Number: SP94-11

INVESTING IN FUTURE GENERATIONS

Summary:

The article looks at the movement to revive apprenticeship programs in the United States as a means to training more young people to become highly skilled workers and, as a consequence, developing an economy that relies more on highly skilled jobs. The article examines the Pennsylvania Youth Apprenticeship Program which provides skills training and work experience for a select group of high school students. In contrast to the virtual abandonment of apprenticeship programs here in the United States, outside of union-run programs, Germany, as well as Europe in general, has steadfastly held to the practice.

Germany's two-track system permits high school students to choose early in their career from college-track courses or from among 300 apprenticeships ranging from cooking to insurance. About 60 percent choose apprenticeships. And, rather than being slotted for life, many advance to management ranks or pursue both tracks.

In Denmark, eighth graders are given the opportunity to "shadow" jobs in a "school-to-work" program enabling them to make informed choices about their careers. Private sector firms regard themselves as part of the educational system.

Here in the United States, some opposition to broad-based adoption of apprenticeships has arisen from labor unions, who fear apprentices will be given member jobs and from vocational education teachers who fear they'll be displaced by on-the-job learning programs. But early results from the Pennsylvania program are positive: Participants are eager and engaged by the education they are receiving and are learning advanced skills previously unavailable to them.

Implications:

The manner in which we structure, provide, and operate workforce training and development programs in Kentucky may be the next major public policy issue to be addressed after health care reform. A balance is needed between skilled labor and highly technical personnel to reflect the diverse needs of our economy. A revival of apprenticeship training appears to hold significant promise for expanding the ranks of highly skilled workers whose numbers, many argue, will determine the viability of future economies. In Kentucky, adoption of a cooperative public-private partnership in technical education could give more young people an opportunity to gain advanced skills and valuable work experience.

Source: Kiestler, Edwin (Jr.), Article on Apprenticeships (title unknown), *Smithsonian*, (date unknown).

Scan Number: SP94-29

INVESTING IN FUTURE GENERATIONS

Summary:

Three powerful ideas that currently affect school reform have implications for staff development: results-driven education, systems thinking, and constructivism. Results-driven education evaluates success by what students know and can do as a result of their educational experience, as opposed to looking at the courses taken by students or the grades they receive. As a result, one of the goals of staff development becomes improved performance by students, staff and the organization.

Systems thinking recognizes the complex, interdependent relationships among the various parts of the system. Improvements in one area may have unintended results in another area. Some organizational theorists suggest that leaders should identify points of high leverage in the system that will produce positive changes throughout the organization. An example might be a change in assessment strategies causing major changes in the instructional program.

Constructivists believe that students build knowledge structures, as opposed to passively receiving information. Therefore, teachers should model the desired behaviors, assist students in activities that build these knowledge structures, and provide various forms of examples for students. Applying this learning theory to staff development would mean that teachers and administrators might collaborate with their peers, conduct action research, or work in groups that look at beliefs and assumptions and their effect on instruction, instead of passively receiving knowledge from an expert.

The author outlines a number of shifts in beliefs about staff development that will be necessary to enable schools to be successful with all students and to improve the capacity of schools to solve their problems and renew themselves:

- From fragmented improvement efforts to staff development identified from a clear, coherent strategic plan for the school district, each school, and each department serving the school;
- From district-focused to school-focused professional development;
- From off-the-job-site training to multiple forms of job-embedded learning;
- From staff developers who function primarily as trainers to those who provide consultation, planning, and facilitation services, as well as training;
- From staff development provided by one department to staff development that is a critical function and responsibility performed by all administrators and teacher leaders;
- From teachers as the primary recipients of staff development to continuous improvement in performance for everyone who affects student learning; and
- From staff development as a "frill" to an essential process.

Implications:

Kentucky, with the passage of education reform, has put in place a framework that accommodates many of these recommendations. While this article addresses schools, it has profound implications for adult education, workforce development, and improvement in government at all levels. Results orientation, systems thinking, and attention to building knowledge structures could revolutionize our ability to learn from experience and, in turn, improve organizations and public policy products. The benefits in terms of enriching the quality of the work experience and the products of workplaces could be immense.

Source: Education Week editorial, March 16, 1994, page 42; "A Paradigm Shift in Staff Development," author Dennis Sparks.

Scan Number: FA94-6

NEW KENTUCKY INDUSTRIES

Summary:

This article, which summarizes a research scenario from the IC² Institute's Austin, Texas, Technology Incubator, points to a significant factor in the technology transfer process which requires government intervention. Under previous assumptions technology transfer was largely viewed as a process whereby a technology from a given research organization was made available to the general public and whoever was bright enough or motivated enough would grasp that technology and incorporate it into their business enterprise. The assumption was that the necessary development and financial resources were available within the private enterprise sector to commercialize the technology.

As this article illustrates, that assumption is not necessarily accurate, for a number of reasons. The principal gap in the technology transfer process is the lack of developmental and financial support available to all but the largest businesses. It is precisely this support that enables the successful commercialization of the technology discovered in the research environment. The suggested alternative from this article represents a significant investment by the public sector in a technology incubation process, similar in many ways to the traditional business incubator.

The significant difference is that technology is incubated, i.e. developed, supported with technical resources, and financed within the incubator rather than a specific company. This concept should make business incubators an easier process for legislative support as favoritism and misuse of funds by the incubated businesses are no longer an issue. The incubator functions to develop the technology using one or more small businesses, under contract, to achieve commercialization. Not only is the risk spread over several companies, but the incubator also retains control of the development process and can insert needed technical and financial resources at the appropriate moment. The process also removes some of the risk inherent in new technology development for small business, principally the lack of foreknowledge of technical expertise required to commercialize a technology.

Implications:

Like other states and the nation at large, future prosperity depends upon Kentucky's ability to move good ideas from the laboratory into practical applications in business and industry to provide broad-based benefits in terms of jobs, opportunity and expanded investment. This model offers a possible strategy for ensuring the transfer and application of technological developments. It is simply not enough to discover and develop new ideas; we must incorporate them into industry or fall further behind those who do.

Source: "Value-added Technology Transfer for U.S. Competitive Advantage", *Technology Knowledge Activities*, Volume 1, No. 1, Winter 1993, published by the IC² Institute, The University of Texas at Austin.

Scan Number: SP94-62

RISING INEQUALITY

Summary:

The economic divide between the "haves" and the "have-nots" is widening in the United States. Rather than having an impact only on the poor, economists are increasingly finding that the impact is being felt far more broadly in U.S. society. Research consistently shows that poor children are far less likely to perform well in school, more likely to experience higher drop-out rates, and less likely to benefit from higher education. As the ranks of the poor expand, there will likely be fewer educated Americans, a potentially powerful drain on the economy. As the workplace becomes more complex and dependent upon highly skilled labor, the entire U.S. economy may be adversely affected.

Implications:

Kentucky will be as negatively affected as the rest of the United States by this growing economic disparity. Perhaps more so, as the problem may be compounded by disproportionate poverty. As long as a significant number of Kentucky's workers remain unskilled and the poor face social and economic obstacles to education, we can expect our economy to be negatively affected. In turn, all citizens will feel the impact. In order to improve our quality of life we must address this growing gap and recognize that as the gap between "haves" and "have-nots" widens, the potential for economic decline and social instability rises.

Source: *Business Week*, August 15, 1994.

Scan Number: FA94-59

GRAYING OF THE POPULATION

Summary:

The aging of America is sparking a boom in adult day-care. Adult day-care centers, which provide supervision in a group setting for aged or disabled people who live at home, have multiplied tenfold in the past decade to 3,000, and the trend is accelerating. The number of frail parents per adult child will nearly double by 2030, with families providing 80 percent of needed long-term care. The need for adult day-care centers is expected to reach 10,000 by the year 2000. Yet regulation by the states is uneven and centers offer services so varied that consumers can easily become confused. Facilities range from homes and church basements to new medical facilities staffed by nurses and physical therapists. Safety and training are major concerns for regulators. A growing body of evidence shows that good adult day-care can ease the depression often associated with aging and can also lower medical bills.

Implications:

Caring for the elderly is and will be a major concern for Kentucky. Indeed, demographics suggest that Kentucky will experience the effects of the "graying" population before most other states. As health care reform advances, significant changes lie ahead. However, the staggering health care costs that may lie ahead as baby boomers age are yet to be addressed. These costs must be anticipated well in advance. If not, some families may face lost earning power as members are forced to stay home to care for elderly parents. Adult day-care centers may help reduce the cost of care as our population ages.

Source: *Wall Street Journal*, March 7, 1994.

Scan Number: SU94-32

BRAINS OVER BRAWN

Summary:

The article assesses skills that have enabled some workers to prosper in spite of the vagaries of today's economy. It concludes that technological skills, as well as a solid foundation in the basics, are a must for transferability from job to job. Importantly, these success stories are about workers who anticipated or, by luck, possessed skills for which the economy retained a strong demand. Luck, combined with the initiative to acquire broad-based skills, has permitted some blue collar workers to fare well in spite of the toll a prolonged recession took on others.

The article does not say but the list it includes of the fastest growing jobs in the United States, according to the Bureau of Labor Statistics, suggests that these success stories are rare. Seven out of 10 of the "Projected Winners," those fastest growing jobs, are predominantly low paying, low-skilled jobs.

Implications:

For Kentucky, as well as the nation, this article suggests the need to anticipate the future demands of the economy and provide job skills training and retraining to ensure the role of Kentucky's workforce in meeting them. Because of this, Kentucky should consider adoption of a cooperative public/private partnership in technical education. Also, the imperative of developing a technologically skilled workforce is underscored. Indirectly, it implies the need to retool our economy and create more high skilled, high wage jobs in value-added industries.

Source: Peter T. Kilborn, "Job Security Hinges on Skills, Not on an Employer for Life," *New York Times*, March 12, 1994.

Scan Number: SP94-44

CHANGING FAMILY STRUCTURES

Summary:

According to a new report by Carnegie Corporation of New York, a staggering number of the 12 million American children under age three are at risk of harm. Much of the trouble may be related to increased rates of divorce and births out of wedlock. Nearly one-quarter of children live with one parent. By choice or necessity, more than half of mothers of infants work outside the home, often having to struggle to find and pay for quality child care. Many of the statistics cited by the Carnegie Corporation were already known but, pulled together for the first time, they paint a disturbing picture:

- Nine out of every 1,000 babies die before their first birthday – one of the highest infant mortality rates in the industrialized world.
- About 60 percent of two-year-olds have not been immunized against the most common childhood diseases.
- One-fourth of U.S. babies live in families with annual incomes under the federal poverty level (\$15,000 for a family of four).
- One in three victims of physical abuse is a child less than one year old.

Implications:

The documented decline in preventive health care for children and the increasing incidence of child abuse underscore the imperative of strengthening families through a range of programs and policies. As many social scientists point to weakening family structures as a root cause for rising neglect and abuse, the importance of discovering viable strategies for lending greater stability and strength to families rises. Social scientists consistently suggest that the public cost of prevention and intervention is small compared to the destructive and costly social and economic consequences of inattention. We can invest now and reap rewards later or ignore the problems now and face higher costs later.

As with health care in general, the long-term well-being of our society depends upon our ability to prevent adverse consequences in the lives of the children who are our future. Expanded economic opportunity, broad-based employer support for families, and accessible, affordable health care and child care are among the many areas which must be systematically addressed if we are to build a preferred future of expanded prosperity and productivity.

Source: Time Magazine, April 18, 1994, page 68.

Scan Number: SU94-58