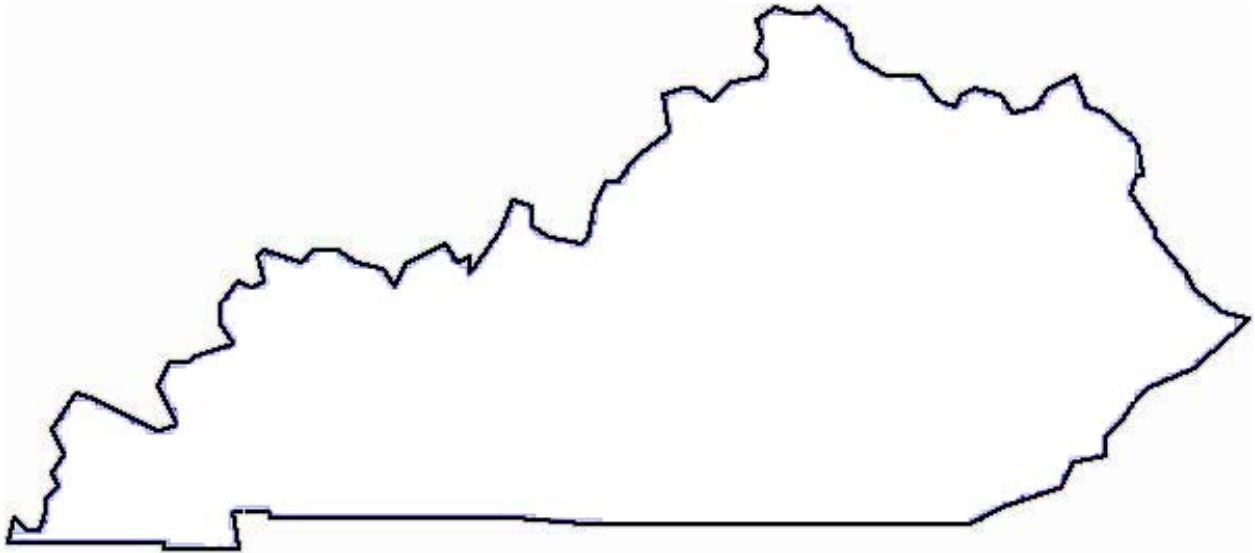


**With Good Government & Tax Justice,**



**Imagine What Kentucky Can Be!**

**Kentucky Economic Justice Alliance  
January 15, 2004**

# *Imagine What Kentucky Can Be...*

## *...with Good Government*

...All citizens are heard and respected. Our political leaders are accountable, honest, and effective. The rights of every citizen are protected, and the basic needs of every person are met. People are empowered and their active participation in community and government affairs drives public decision-making. And government invests in prosperity and progress by investing in Kentucky's people and communities.

## *...with Tax Justice*

...We tax wealth, not poverty, so that those who can pay, do pay. Kentucky invests in the people and services our communities need. Corporations pay their fair share of taxes. And children are the beneficiaries of tax policy, not its victims.

**Tax justice is essential to our state's future.**

**Good government is a good idea whose time has come.**

## **What's At Stake?**

For two decades Kentucky has made slow, steady progress in improving the lives of citizens of our state. As tax paying citizens we have made it possible for our children to get a better education. Test scores are up. More students are going to college. We have helped families pull themselves from poverty. We have reduced sickness among our people by increasing access to health care. One in six Kentuckians receives state help for health care. We have insisted on a cleaner environment. Water and air quality are improved.

Now we face a very serious budget crisis. Services to citizens have already been cut. Families have lost financial assistance to pay for child care. College students are charged higher tuition. Public school teachers have been dismissed. Schools cannot purchase new textbooks. Seniors have lost nursing home beds. Waiting lists for substance abuse treatment and expensive AIDS/HIV drugs continue to grow. Low-income working families are charged to maintain state health care coverage for their children.

Some politicians would want us to believe that the budget crisis is a spending problem. It is not. All of our gains and our potential to become an even better state are now in jeopardy because our political leaders have not shown the courage to fix Kentucky's tax system, making it fairer and able to meet our needs.

## **The Budget Crisis**

The current budget crisis began in December 2000. The national and state economies faltered and revenues fell. Modest cuts in state government were made in 2001. In 2002 more severe cuts were made. Public school funding was spared but Medicaid and post-secondary education were cut 2 percent and the rest of state government was cut 5 percent. Again in 2004, state government faces another shortfall of over \$200 million and cuts have already been made.

The real pain comes in 2005. The projected shortfall for that year is \$710 million, or 10 percent of the state general fund. Just how much is \$710 million? To plug this budget hole, we could:

- Lay off 18,214 teachers. This would be 44 percent of Kentucky's teaching force. It amounts to laying off 151 teachers per county.
- Tell 137,784 Kentucky school children to go home because we can't afford to educate them anymore. This would be 21 percent of Kentucky's student body. It would be the equivalent of shutting down the Jefferson, Fayette, Letcher, Harlan, and Hopkins County school systems.
- Cut 77 percent of people currently on Medicaid. This would leave 483,322 more Kentuckians without health care.
- Eliminate the Cabinet for Families and Children and the Natural Resources and Environmental Protection Cabinet along with the Cabinets for Workforce Development, Tourism Development, Economic Development, Revenue, Personnel, Public Protection and Regulation, and Labor.

In response to politicians who say the budget crisis is a spending problem, KEJA has compared spending to economic growth. Since 1991, Kentucky state government spending has grown more slowly than the state's economy. Measured by comparing state general fund expenditures to personal income and gross state product growth, state government spending has not out-paced the economy. It grew more slowly.

## **Our Tax System Today**

Kentucky's current tax system hurts Kentuckians and harms our state. It is a tax system that unfairly taxes those who can least afford it and lets individuals and corporations who can most afford it off the hook. The system is outdated and its inability to generate adequate revenue is putting Kentucky communities at risk.

- The poorest 20 percent of Kentuckians pay a little over 13 percent of their income in taxes.
- The wealthiest 20 percent of Kentuckians pay only 10 percent of their income in taxes.
- Kentucky families at the poverty line face the highest state income tax bill in the nation.
- The gap between the richest and poorest families in Kentucky is one of the ten largest in the nation.
- If corporate taxes had kept pace with sales and income tax growth over the last 12 years, the state would have an additional \$417 million.

## **Three Choices**

Our political leaders face three choices. They can:

- Slash public programs and services that are the responsibility of the state, or
- Continue to use smoke and mirror budget fixes and new regressive taxes that would be paid mostly by poor and working-class Kentuckians, or
- Adopt **comprehensive progressive tax reforms** that bring tax justice to Kentucky.

## **Choosing Progressive Tax Reforms**

Our political leaders should face this crisis with courage and foresight. They have the unique opportunity to make a decision that will impact Kentuckians for years to come. If they choose to adopt comprehensive progressive tax reform, they will represent the best interest of all Kentuckians and the future of our state.

The package of progressive tax reforms that Kentucky needs and deserves must meet three criteria.

**Tax reform must be fair.** We will not accept a tax system that continues to tax those who can least afford to pay while letting those who can off the hook. Everyone must pay their

fair share – both individuals and corporations. The tax cuts adopted during the go-go economy of the 90s benefited the wealthiest Kentuckians.

**Tax reform must bring our system up to date.** We need a tax system for the 21<sup>st</sup> century not the 19<sup>th</sup> century. Our income tax system is largely unchanged since the 1950s. Our sales tax system has not caught up to the information and technology age. The largest growing segment of the economy, services, is not taxed. Purchases made over the Internet and through mail order catalogues escape taxes discouraging citizens from spending in their local communities.

**Tax reform must be adequate to meet our needs.** Kentucky must have the resources to invest in public services and programs that make our state a better place to live. We know that such investments pay off; perhaps the best example is the progress we've made in education. But recent studies of school spending suggest that an additional \$800 million is required to fulfill the promise of the historic Kentucky Education Reform Act of 1990. We should not be deterred. Significant investments in education, health care, economic development, and other crucial areas would put our state on the path to prosperity.

*We are calling on our political leaders to give us comprehensive progressive tax reform that will meet these three criteria. Kentucky can and must do better.*

## **Comprehensive Tax Reform**

Kentucky's tax system hurts Kentuckians and harms our state. It is a system that unfairly taxes those least able to pay and lets those individuals and corporations who can most afford it off the hook. The system is outdated and its inability to generate adequate revenue is putting Kentucky communities at risk.

Kentucky deserves and demands better. We need comprehensive tax reform that will bring our tax code up-to-date, make the system more fair, and raise the revenue needed to meet our state's needs and move our communities forward.

**The Kentucky Economic Justice Alliance  
has a plan for comprehensive tax reform.**

# **Comprehensive Tax Reform Executive Summary**

## **Corporate**

- Overhaul corporate taxes to return them to at least 10 percent of state tax revenue through requiring companies to pay the higher of a new, loophole-free corporate income tax or a business activity tax based on a company's activity or presence in Kentucky.

## **Individual Income**

- Raise the threshold at which people begin paying taxes in order to ease the unfair impact on low-income Kentuckians.
- Create progressive graduated income tax rates so that those who can pay, do pay.
- Under our plan, 44 % of Kentuckians would pay less in income taxes; 27 % would pay about the same; and 29 % would pay more.

## **Property**

- Eliminate House Bill 44, which limits state property tax growth.
- Increase the state property tax from 13.3 cents to 23.3 cents over 3 years.
- Put in place a low-income property tax credit to reduce the impact of the tax on those least able to pay.
- Eliminate the automobile property tax on cars worth less than \$10,000.
- Reapply the property tax to stocks.

## **Sales**

- Expand the sales tax to include all services except health services and social services.

## **Tobacco**

- Raise the cigarette tax to the national average, 73 cents a pack.
- Apply a 13 percent excise tax to other tobacco products.

## **Estate**

- Save the Kentucky estate tax by decoupling from the federal estate tax and returning the state estate tax to what it was prior to President Bush's tax cut.

## **Coal Severance**

- Increase the coal severance tax from 4.5 percent to 5.5 percent.

**Our comprehensive tax reform proposal would generate in the range of an additional \$2 billion that would allow Kentucky to roll back unfair budget cuts and invest in programs and services that increase the quality of life for all Kentuckians.**

# Comprehensive Tax Reform

## Our Proposal

### Corporate

Corporate taxes have dropped dramatically as a share of state tax revenue. In 1990, 10 percent of state revenue came from corporate income and license taxes. In 2002, only 5 percent was generated by these sources. The tax system is riddled with loopholes and exemptions which corporations have increasingly taken advantage of in order to avoid paying their fair share of state taxes. Yet these same corporations continue to benefit from the public investments in education, infrastructure, and services made by our state.

KEJA proposes a complete overhaul of Kentucky's corporate taxes. Under our proposal, each year companies would pay the greater of a corporate income tax or a business activity tax. This plan will restore corporate taxes and assure that corporations pay their fair share.

### Individual Income

Kentucky's individual income tax brackets have not been updated since 1950 and have become increasingly unfair as a result. In Kentucky, people begin paying income taxes at only \$5,500, a lower threshold than any other state but Alabama. By the time a Kentucky family reaches the poverty line, they face the highest income tax bill of any state. Because the tax brackets are so outdated, every Kentuckian who earns more than \$8,000 a year is taxed at the same rate—even for millionaires.

KEJA seeks to bring the individual income tax up to date and ease the unfair impact on low-income Kentuckians. Our proposal raises the threshold at which people begin paying taxes, and puts in place new progressive tax brackets and rates (indexed to inflation) that are based on ability to pay. Under the KEJA proposal, 44 % of Kentuckians would pay less in income taxes; 27 % would pay about the same; and 29 % would pay more.

### Property

Kentucky's state property tax rate on real estate has fallen drastically since 1979 when the legislature passed House Bill 44. This piece of legislation limits the growth of state real property tax revenue. Under the limit, the total amount of revenue generated from this source can increase by no more than 4 percent a year. Because of the limit, the state property tax rate has fallen from 31.5 cents per \$100 of value to 13.3 cents per \$100 of value today. State property taxes have also been diminished by such exemptions as a law that removed the tax on stocks (which is especially unfair considering that the wealthiest 1 percent of Americans own 48 percent of all stocks).

KEJA wants to eliminate the House Bill 44 limit on state real property tax growth and return the rate to 23.3 cents per \$100 of value over three years. The KEJA proposal includes a property tax credit for low-income people to reduce the impact of the tax on those least able to pay. This credit would be similar to Kentucky's homestead exemption, which exempts the elderly and disabled from the property tax. Also, we seek to eliminate the automobile property tax on cars worth less than \$10,000 and to reapply the property tax to stocks.

### Sales

As the economy of the country has changed, Kentucky's sales tax has become increasingly outdated. The sales tax only applies to the purchase of goods, and not services. Because the economy is increasingly made up of services, Kentucky's sales tax has a huge and

growing hole. From 1979 to 2000, services grew from 47.4 percent of consumption to 58.2 percent. Although the sales tax is regressive in that it disproportionately impacts low-income people, it is also the second-largest source of revenue for the state and helps Kentucky pay for important programs and services related to schools, health care, and other investments.

KEJA proposes expanding the sales tax to apply to all services except the health services and social services (such as child care and adult day care) that are more likely to be regressive. With such a broad expansion, all new services that are developed (and aren't in an exempted category) are automatically brought into the tax base.

## **Tobacco**

While study after study about the health effects of smoking has become public, Kentucky has refused to raise its cigarette tax in over thirty years. At only 3 cents a pack, Kentucky has the second-lowest cigarette tax in the nation. In addition, 47 states, including all our neighboring states except Virginia, apply an excise tax to other tobacco products, while Kentucky does not.

KEJA seeks to increase the cigarette tax from 3 cents a pack to the national average of 73 cents a pack. Our proposal would also apply an excise tax of 13 percent to other tobacco products, including cigars, pipe tobacco, chewing tobacco, and snuff.

## **Estate**

The estate tax is a tax on accumulated fortunes, and is paid only by the wealthiest 2 percent of the population, or those with estates worth more than \$1 million. The estate tax recognizes the tremendous and growing gap in wealth in Kentucky and the United States as well as the responsibility of those with wealth to contribute to the public good. But, in recent years, federal officials have sliced the estate tax. In a major gift to wealthy contributors, President Bush's 2001 federal tax cut included a provision to gradually repeal the estate tax. Because Kentucky's state estate tax, like that of many other states, is currently tied to the federal estate tax, it will also be totally eliminated in 2005 unless action is taken.

KEJA wants to save Kentucky's estate tax by removing the link to the federal estate tax and creating a separate estate tax that closely mirrors the tax that existed before President Bush's 2001 tax cut.

## **Coal Severance**

Coal mining practices have become increasingly destructive. Mountaintop removal destroys forests, mountains, watersheds, and streams, and does so while providing fewer and fewer jobs. Underground longwall mining also needs fewer employees than conventional underground mining while causing more destruction and leading to massive subsidence of the ground above. Beyond that portion which should be made illegal, such practices should be taxed in recognition of the enormous costs that they heap upon communities and the state.

KEJA proposes increasing the coal severance tax rate from 4.5 percent to 5.5 percent. Kentucky's coal mining communities have among the highest poverty rates in the state, and the coal severance tax provides new dollars for investments that can help increase economic well-being.

# What the Kentucky Governor and Legislature Must Do Now

Kentucky is in serious need of the kind of comprehensive tax reform KEJA has laid out here. Without such changes, Kentucky is headed for a serious crisis that will result in deep and harmful changes in our lives for generations to come.

Our political leaders must hear a message of the need for such bold and necessary action from a broad range of the state's people. For such major reforms, a great deal of education is needed—education of Kentucky citizens and education of our elected officials. But we also cannot wait; the legislature must begin to enact parts of this agenda immediately. There are two clear areas where Kentucky should start with such reform: (1) an overhaul of the corporate tax system and (2) an overhaul of the individual income tax system. We are calling on the Kentucky Governor and the General Assembly to enact these two pieces of a comprehensive tax reform agenda right now.

## **The Place to Start: Overhauling the Corporate Tax and Individual Income Tax Systems**

Kentucky should start its path to new prosperity with a complete overhaul of the corporate tax and individual income tax systems.

- **The corporate and individual income taxes are two areas in which the most serious unfairness exists.** Large, billion-dollar corporations avoid paying corporate taxes in Kentucky by utilizing loopholes unavailable to small Kentucky businesses. And because the individual income tax is so outdated, those making over \$8,000 a year pay the same income tax rate as wealthy Kentuckians—even millionaires. The corporate and income taxes are wildly unjust.
- **Large amounts of the revenue needed to address our budget crisis are available through reforming these two taxes.** Just by getting corporate taxes back to where they were in 1990, the state could raise another \$400-\$500 million. And the wealthiest Kentuckians could easily pay the higher income tax rates that would raise millions of additional needed dollars.

**We call on our political leaders to take action on these two major taxes by enacting the following specific reform proposals.**

### **Corporate Tax Reform**

KEJA's proposal would require companies to pay the higher of (1) a corporate income tax without six major loopholes or (2) a business activity tax based on a company's activity and presence in the state. Such a reform would eliminate ways to avoid these taxes through reorganization. The result would be a return of corporate taxes to at least 10 percent of state tax revenue, an additional \$400-\$500 million in revenue the first year.

### **Income Tax Reform**

KEJA's proposal would raise the level at which individuals begin paying the income tax to the poverty line and put in place an earned-income tax credit. At the same time it would introduce new graduated rates from 5 to 9 percent so that those who can pay, do pay. Under such reform, 44 percent of Kentuckians would pay less, 27 percent would pay about the same, and 29 percent would pay more. The wealthiest 1 percent of Kentuckians would pay significantly more. And such reform would raise \$155 million in new revenue.

# Overhauling Corporate Taxes: Our Proposal

*Kentucky's corporate taxes have fallen dramatically over the last ten years due to unwise and corrupting loopholes, exemptions, and tax breaks. The corporate tax code is so flawed there is no sense tinkering with it. It is in need of a total overhaul.*

## The Problem

The bottom has fallen out of corporate taxes in Kentucky in recent years. In 1990, corporate income and license taxes made up 10 percent of state tax revenue, but by 2002 had dropped to only 5 percent. If these corporate taxes had kept pace with sales and income tax growth over the last twelve years, the state would have an additional \$417 million for our schools, public services, and other needs.

Growing loopholes and exemptions have depleted these taxes. Under heavy corporate pressure, political leaders have passed a variety of laws that allow companies to

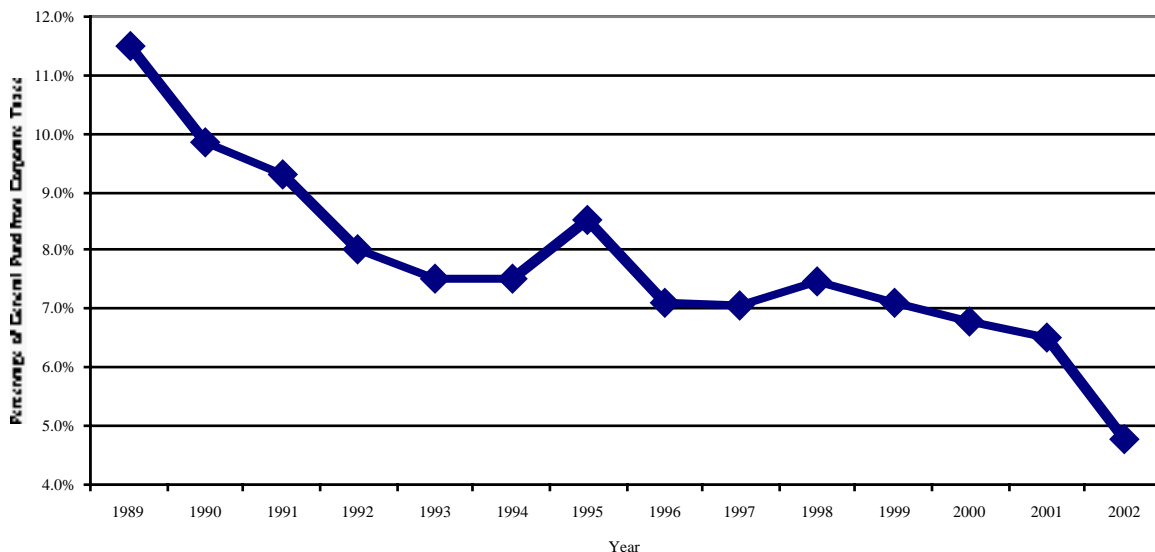
**Corporate income and license taxes made up 10 percent of state tax revenue in 1990. By 2002, only 5 percent came from these corporate taxes.**

dodge their responsibility to help pay for the investments and services from which they benefit. Corporations are now much more aggressive

at taking advantage of loopholes that make their taxes go away.

Some companies are using state law to reorganize themselves to avoid paying corporate taxes (such as the limited liability company (LLC)); using legal state loopholes to shift taxable income to low- or no-tax states; taking advantage of gaping holes in laws that determine whether they can be taxed in Kentucky at all; and exploiting a variety of other means that allow taxable income to slip through Kentucky's fingers. Corporations are no longer paying their fair share of state taxes.

## Corporations Aren't Paying Their Fair Share



## Our Proposal

Kentucky should throw out the old, failing corporate tax system and replace it with one that will

- Be free of unfair loopholes and exemptions
- Treat all businesses fairly
- Bring stability to corporate taxes
- Make corporations pay their fair share.

We propose a new system made up of two ways to estimate business' corporate tax liability each year. Under KEJA's proposal, companies will each year pay the greater of either (1) a new, loophole-free Corporate Income Tax or (2) a new Business Activity Tax that is based on companies' activity and presence in the state. Corporations could not avoid these taxes through reorganization. Under the proposal, Kentucky will return corporate taxes to at least 10 percent of the General Fund, raising approximately \$400-\$500 million in additional revenue the first year.

**Under KEJA's proposal, Kentucky will return corporate taxes to at least 10 percent of the General Fund, raising approximately \$400-\$500 million in additional revenue the first year.**

This new corporate tax system:

- ➔ Will be much more difficult to avoid
- ➔ Is a more accurate measure of how businesses benefit from public services and thus how much they should pay in taxes

### How the Proposal Works

Each year, companies would pay the greater of:

**1. Corporate Income Tax:** a tax on companies' net income each year. The tax rate is graduated from 4 to 8.25 percent, thus requiring a greater share from larger corporations. The new corporate income tax will be free of six major loopholes in the old corporate income tax. Companies couldn't avoid it through their form of organization.

*Or*

**2. Business Activity Tax:** a tax on companies' estimated activity or presence in the state. This is a tax on "value added" that is measured primarily by a company's payroll along with interest paid on debt and dividends paid to owners. The sum of these three components is taxed at 0.85%. Companies couldn't avoid it through their form of organization.

- ➔ Will require a minimum contribution from companies each year
- ➔ Will raise needed tax revenue for our schools, for health care, for human services, and for other vital needs.

Corporations have a responsibility to the people of Kentucky. Companies benefit greatly from the public investments our state makes in education and job training, communications and transportation, security and fire protection, and other vital areas. The fair and meaningful corporate taxes that would result from this proposal could help build a state where communities and businesses thrive.

## Overhauling Individual Income Taxes: Our Proposal

*Kentucky begins charging individual income taxes long before families can afford to pay. A family of four with an income of just \$5500 will begin to owe state income taxes. By the time this family makes poverty level wages, their Kentucky income tax bill is \$606, the highest bill in the nation for families at that income. During the 2003 Governor's race, both candidates called the high tax burden on low-income Kentucky families unfair.*

### The Problem

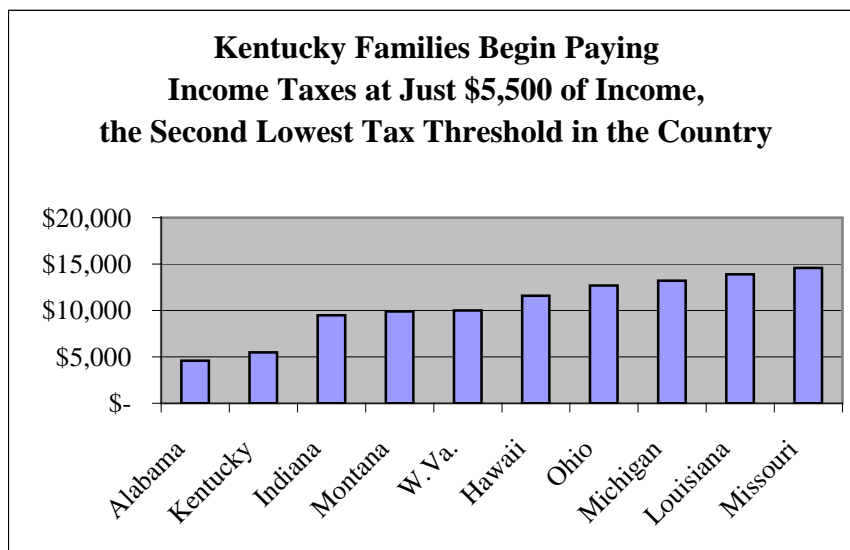
Kentucky's state income tax system is virtually unchanged from the 1950s when earning more than \$8000 placed a family in the top tax bracket. The personal exemption and standard deduction amounts allow very little income to be "deducted," thus leaving

**A family of four at the poverty level owes \$606 in Kentucky state income taxes, the highest bill in the nation for families at that income.**

most of even the poorest family's income subject to income taxes. In 1990 when the sales tax was increased from five to six percent to

pay for education reform, a low-income tax credit was instituted to offset the burden of the increased sales tax for low-income families. But even this help leaves families owing taxes when they earn just 30 percent of the income needed to move the family out of poverty.

Proponents of tax justice want a tax system that is *progressive*. Progressive taxes mean individuals with higher incomes pay proportionately higher taxes. But in Kentucky, the lowest 20 percent of income taxpayers pay 13 percent of their incomes in state and local taxes, while the top 20 percent pay just 10 percent of their income in state and local taxes. The individual income tax is the part of the system where it is easiest to build in progressivity. Low-income individuals' tax bills can be reduced or eliminated and tax brackets can be set to progressively tax higher income families at higher rates.



## Our Proposal

Kentucky can reform its individual income tax system to make it more fair and to generate more revenue at the same time. Under our proposal:

- Families with incomes below the poverty level will not pay income taxes.
- The wealthiest Kentuckians will pay their fair share.
- 44 percent of Kentuckians will pay less in income

**The KEJA income tax proposal will raise \$155 million in additional revenue.**

### How the Proposal Works

**1. Families with incomes below the poverty level would pay no state income tax.** The threshold would be set at the federal poverty line (\$18,400 for a family of four in 2003). The threshold would be indexed to change each year as the poverty line increases.

**2. Five progressive tax brackets would be implemented.** Rates of 5, 6, 7, 8, and 9 percent would be charged for brackets as follows: 0-\$30,000; \$30,000 to \$50,000; \$50,000 to \$75,000; \$75,000 to \$100,000; and \$100,000 and above. (Remember if a family's total income is below poverty, they would owe no taxes.)

**3. An Earned Income Tax Credit would further reduce the tax bill for near-poverty families.** The Earned Income Tax Credit (EITC) would be set at 20 percent of the federal EITC.

taxes; 27 percent will pay about the same; and 29 percent will pay more. In practice, most Kentuckians will pay about the same or a little less in income taxes while most of the additional revenue comes from the top 5 percent of Kentuckians.

- These reforms will raise an additional \$155 million dollars.

The detailed table below breaks Kentucky taxpayers into seven income groups and shows the impact of the KEJA proposal for the entire income group.

The individual income tax is the foundation of our state tax system in that it is the largest source of state tax revenue. A progressive income tax assures that those with lots of disposable income from high salaries and profitable investments contribute a fair share to the services and investments that benefit all Kentuckians.

### Impact of KEJA Income Tax Reform Proposal by Income Group

2003 Income Group	Low 20%	2nd 20%	Mid 20%	4th 20%	Next 15%	Next 4%	Top 1%
Income Range	Less Than \$13,000	\$12,000 – \$23,000	\$23,000 – \$38,000	\$38,000 – \$62,000	\$62,000 – \$112,000	\$112,000 – \$247,000	\$247,000 – Or More
Average Income in Group	\$8,000	\$18,000	\$30,000	\$49,000	\$80,000	\$151,000	\$572,000
Tax Change as % of Income	-0.1%	-0.3%	-0.1%	-0.0%	-0.1%	+0.2%	+1.8%
Average Tax Change	-\$5	-\$48	-\$32	-\$21	-\$52	+\$292	+\$10,146

## **Get Involved!**

*There are a number of ways you can get involved in KEJA's campaign for tax justice.*

*You can:*

- Write letters to the editor of local and statewide papers.
- Participate in rallies or other forms of public demonstrations.
- Make a donation to the KEJA groups to support the tax justice work.

*If you want to help get more people involved in the tax justice campaign, you can:*

- Host a “kitchen-table meeting,” an informal gathering to educate others about these issues.
- Do a day of “tabling” in your community to share information about the tax campaign.
- Help arrange for a KEJA speaker to come to your church or other community group.
- Go door-knocking in your community about these issues.
- Help organize a public forum or workshop in your community to educate people about these issues.
- Talk with other people you know about joining KFTC and/or making a donation to the KEJA groups to support the tax campaign.
- Travel to other communities to talk with people about the tax justice campaign.

**To learn more about how you can get involved,  
contact KFTC at 606-878-2161 or one of the other KEJA partners.  
Contact information for all KEJA partners is located on the following page.**

## **Mission of the Kentucky Economic Justice Alliance (KEJA)**

The Kentucky Economic Justice Alliance is a partnership of organizations that work together to create progressive social and economic change in Kentucky. We strive for change by building a base of politically conscious, organized people and groups that work to design and win new public policy. We achieve our goals through the strategic interaction of community organizing and leadership development, research and policy analysis, and message development and delivery.

The partner organizations that make up KEJA are Appalshop, Democracy Resource Center, Kentuckians For The Commonwealth, and Kentucky Youth Advocates.

### **Contact Info for KEJA Organizations**

Appalshop  
91 Madison Avenue  
Whitesburg, KY 41858  
Phone: 606-633-0108  
[www.appalshop.org](http://www.appalshop.org)

Democracy Resource Center  
253 Regency Circle, Suite A  
Lexington, KY 40503  
Phone: 859-276-0563  
[www.kydrc.org](http://www.kydrc.org)

Kentuckians For The Commonwealth  
P. O. Box 1450  
London, KY 40743  
Phone: 606-878-2161  
[www.kftc.org](http://www.kftc.org)

Kentucky Youth Advocates  
624 Shelby Street  
Frankfort, KY 40601  
Phone: 502-875-4865  
[www.kyyouth.org](http://www.kyyouth.org)



# *Imagine What Kentucky Can Be!*

**Kentucky Boasts Nation's Top Schools**

**Kentucky Tops the List  
of Healthiest States**

**Kentucky Among Top 5 States for Kids' Well-Being**

**Kentucky Workers Among Best Paid**

**KY Poverty Rate Cut in Half**

**Arts and Culture Flourish in Kentucky**

**Kentucky Ranks Best State for Women**

**Kentucky Air & Water Among the Nation's Cleanest**

**Kentucky Leads in Teacher Pay  
And Education Funding**

**Kentucky's Child Care Program  
Receives National Recognition**

**More Kentuckians Pursuing Higher Education Than Ever Before**