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Lauren and my suggestions. Please send back a final. We lost the header some how.
Can you fix that?

KENTUCKY BRIEFING

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STATE ISSUES

STATE BUDGET

Governor Fletcher proposed a two-year State budget of \$14.9 billion. The Governor has proposed cutting State spending by 2.5 percent, as well as utilizing \$68 million in special Federal relief money and \$54 million from the State's Rainy Day fund. This would give the State an estimated \$100 million for the next fiscal year, when the budget is predicted to fall \$710 million short. Governor Fletcher's plan would cut the number of Cabinet agencies from 14 to eight, cut \$6.9 million from elementary and secondary school grant programs, require State employees to pay more for their healthcare coverage, and cut \$65.8 million from State universities.

On February 4, Governor Fletcher amended his budget proposal to include \$23.3 million his administration gained by refinancing State bonds at lower interest rates. The money will go to elementary and secondary schools and can be used at school districts' discretion for programs outside basic State funding. On February 16, the Governor announced \$27 million more money was available because more teachers chose to opt out of health insurance coverage than the State had expected.

TAX REFORM

On February 12, Governor Fletcher met with the State Legislature leadership to discuss the details of a tax modernization plan. The plan is "revenue neutral," meaning that in the first year, the revenues from added taxes will make up for the losses from tax cuts. The plan could start showing profits as early as the 2005 fiscal year. Governor Fletcher is proposing a 40-cent rise in the State cigarette tax. Kentucky has the second-lowest cigarette levy in the country (after Virginia) at three cents. He wants to lower the rate on the top income tax bracket from 6 to 4.9 percent, exempt 250,000 low-income residents from taxes altogether, and expand the sales tax to cover more items. He also wants to

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reduce taxes on businesses and add a 6 percent recreational activity tax. Governor Fletcher will try to have his plan passed by the Legislature before its April 13 adjournment. Leaders in the State House, led by House Speaker Jody Richards (D), have asked Governor Fletcher to submit his proposal in writing and to stop conducting closed meetings on the subject.

MEDICAID MODERNIZATION PLAN

On January 30, Governor Fletcher announced a Medicaid modernization plan intended to improve care management, benefit management, and technology. The State's Medicaid program provides healthcare services to 673,000 and has an annual budget of nearly \$4 billion. On February 11, Medicaid officials announced they would cut costs by hiring a private company to teach people suffering from chronic diseases, like asthma and diabetes, how to manage their symptoms. Effective management is expected to lower the amount paid for expensive services, like emergency room visits. Officials are also considering hiring a private company to help manage pharmacy benefits. Medicaid funding for local health departments dropped from nearly \$23 million to \$19.2 million, although the decision to decrease funding (?) was made under former Governor Paul Patton (D).

READ TO ACHIEVE

On January 15, State Senator Dan Kelly (R) announced his Read to Achieve Act of 2004. Supported by Governor Fletcher, the Read to Achieve initiative is intended to help every child read by third grade through expanded elementary school reading programs and State assistance for struggling students. The Senate passed the Read to Achieve Act on February 4, and the bill now goes to the House for approval.

NO CHILD LEFT BEHIND

On November 18, the Kentucky Department of Education released a report showing that 470 of the state's 1,179 schools failed to make adequate progress in math and reading as the No Child Left Behind Act requires. Penalties could be enforced on 322 of the schools next fall. Students in those schools would be allowed to transfer to other public schools if the schools fail to meet the requirements.

TORT REFORM

A medical malpractice reform bill is being considered by the State Senate. If passed, the bill would allow voters to decide in November if the State Constitution will be amended to allow future sessions of the General Assembly to limit monetary damages for pain and

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suffering, impose a shorter statute of limitations for filing malpractice claims, and create a mandatory alternative dispute resolution system. Governor Fletcher supports the measure and has said it will lower healthcare costs in Kentucky. The Democrat-controlled State House has proposed an alternate plan, which would create a State-run insurance company from which doctors could purchase medical malpractice coverage. The bill has passed committee and now goes to the House floor. Lawmakers are working on a compromise.

FETAL HOMICIDE LEGISLATION

On February 19, the State Senate passed legislation making it a crime to harm a fetus in the womb, with a maximum penalty of life in prison without parole. This bill passed the State House and was signed by Governor Fletcher.

GOVERNOR LOUIE NUNN

Former Republican Governor Louie Nunn passed away on January 28. In 1967, he became Kentucky's first Republican Governor in 24 years and the seventh Republican Governor in the history of the state.

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STATISTICS

You won Kentucky by 16 points, the largest margin ever for a Republican in a statewide race.

2000 General Election Results (Presidential):

	Total Votes	% Won
Bush	872,520	57%
Gore	638,923	41%
Nader	23,118	1%
Other	9,465	1%

1996 General Election Results (Presidential):

	Total Votes	% Won
Clinton	636,614	46%
Dole	623,283	45%
Perot	120,396	9%

CONGRESSIONAL DELEGATION

U.S. SENATE:

- Senator Mitch McConnell (R), 4th term, re-elected in 2002 with 65%
- Senator Jim Bunning (R), 1st term, elected in 1998 with 50%

U.S. HOUSE: 6 total (1D, 5R)

- Edward Whitfield (R-01), 5th term, re-elected with 65%
- Ron Lewis (R-02), 5th term, re-elected with 70%
- Anne Northup (R-03), 4th term, re-elected with 52%
- Ken Lucas (D-04), 3rd term, re-elected with 51%
- Harold Rogers (R-05), 12th term, re-elected with 78%
- Ben Chandler (D-06), 1st term, elected with 55%

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STATE GOVERNMENT

Governor Ernie Fletcher (R), 1st term elected with 55%
Lieutenant Governor Steve Pence (R), 1st term, elected with Fletcher
Secretary of State Trey Greyson (R), 1st term, elected with 53%
Attorney General Greg Stumbo, (D), 1st term, elected with 48%
State Treasurer Jonathan Miller, (D), 1st term, elected with 57%
State Auditor Crit Luallen, (D), 1st term, elected with 51%
Commissioner of Agriculture Richie Farmer (R), 1st term, elected with 55%

State House: **100 (36R, 64D)**
Speaker: Jody Richards (D)
Majority Floor Leader: Rocky Adkins (D)
Minority Floor Leader: Jeffrey Hoover (R)

State Senate: **38 (22R, 16D)**
President: David L. Williams (R)
Majority Leader: Dan Kelly (R)
Minority Leader: Ed Worley (D)

STATE PARTY

Chairwoman: Ellen Williams
National Committeeman: Mike Duncan
National Committeewoman: Cathy Bailey

STATE DEMOGRAPHIC PROFILE

Estimated Population 2000:

Kentucky: 4,041,769, an increase of 9.6% since 1990
National: 281,421,906, an increase of 13.1% since 1990

Race/Ethnicity:

Kentucky: 89.3% White; 7.3% African-American; 1.5% Hispanic; 0.7% Asian
National: 69.1% White; 12.5% Hispanic; 12.3% African-American; 3.6% Asian; 0.9% American Indian

Median Age:

Kentucky: 34.5 years (12.5% are 65 years and older)

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National Median: 35.3 years (12.4% are 65 years and older)

College Educated:

Kentucky: 17.1%

National Average: 24.4%

Median Income:

Kentucky: \$33,672

National Median: \$41,994

Households:

Kentucky: 69.4% family households; 53.9% married couple families

National: 68.1% family households; 51.7% married couple families

(Source: 2000 U.S. Census Bureau)

YOUR PREVIOUS TRAVEL

Event	Date	City
Kentucky Welcome	November 1, 2003	London
Kentucky Welcome	November 1, 2003	Paducah
Photo-op and Remarks at Ernie Fletcher for Governor Reception	October 9, 2003	Lexington
Kentucky Welcome	November 1, 2002	Louisville
Economy Message Event & Northup Fundraiser	September 5, 2002	Louisville
Thanksgiving Day Meal with Troops and Speech to Troops and their families	November 21, 2001	Clarksville

THE VICE PRESIDENT'S PREVIOUS TRAVEL

Event	Date	City
Fundraiser for Congresswoman Anne Northup	November 24, 2003	Louisville
Ernie Fletcher for Governor Fundraiser	September 8, 2003	Cincinnati, OH
Fundraiser for Congressman Ed Whitfield	February 7, 2002	Hopkinsville
Remarks at the Southern Governors Association and Meeting and Fundraisers for the RNC and Congressman Ernie Fletcher	September 10, 2001	Lexington

¹ Louisville Courier-Journal Bluegrass Poll 1/30-2/4, 658 Kentucky adults, released 2/9/04.