The Leaky Bucket

Dave Adkisson, President & CEO
Kentucky Chamber of Commerce
Changing Priorities

2000-2010 Spending Growth

- Kentucky Economy: 33%
- State Budget: 110%
- Corrections: 90%
- Medicaid: 70%
- Public Employee Health Care: 50%
- P-12 (SEEK): 30%
- P-12 (Non-SEEK): 20%
- Postsecondary Institutions: 10%
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Spending growing faster than state budget or economy

$ Corrections

$ Medicaid

$ Public Employee Health Benefits
If education had held its own...

$309 million more for K-12 education

$ A 7.4% increase for education in 2008
Corrections

- Persistent Felony Offender Law
- Classification of Offenses
- Underinvestment in Community Corrections
- Attacking Drug Abuse
- Increased Privatization
Skyrocketing inmate costs hurt school funding

Kentucky's corrections budget is growing much faster than total state government spending. The Kentucky Chamber has offered to partner with the General Assembly to help find solutions to this growing problem.

THE PROBLEM

Corrections Costs Skyrocketing: Recent research by the Chamber on state budget trends revealed that Kentucky's corrections budget is growing much faster than total state government spending. Since 2000, Kentucky's total General Fund spending has increased by 33%, compared to a 44% increase in corrections (from $619 million in FY 2000-02 to $834 million in FY 2008-10).

More Spending on Inmates than Students: Kentucky is spending an average of $52.14 a day to house an inmate in a state-operated facility. That means it costs taxpayers more than $19,600 per year to keep one inmate locked up. Compare that to how much tax money Kentucky spends on a student in elementary or secondary education—just over $9,200 a year—or on a full-time higher education student—just under $7,000 a year. The point makes itself—Kentucky is spending more to address the costs of failing to invest in education than it is on the students who represent its hopes for the future.

Shift in Priorities: The increased spending on corrections isn’t entirely responsible for our shifting priorities. Growth in Medicaid and public employee benefits clearly outpace corrections spending. But the Chamber believes the redirection of tax money is cause for alarm. In terms of the state budget, education's share is getting smaller and smaller. Pre-K-12 education's share of General Fund appropriations has declined from a high of 48.2% in FY 1986-88 to 43.8% in the current fiscal year. Postsecondary education's share declined from 16.9% in 1986-88 to 13.7% in the current fiscal year.

Fastest Growth in Nation: Meanwhile, Kentucky has the fastest growing prison population in the country, according to a 2008 report by the Pew Center on the States. From 1987 to 2007, Kentucky's imprisonment rate grew nearly 250%, from well below the national average in 1987 to above the national average in 2007. Kentucky's prison population has surged since 2000, increasing by 50% to 22,000 inmates.

Low Crime Rate: Although Kentucky's rate of incarceration has increased dramatically, Kentucky has a relatively low crime rate compared to other states. In fact, while Kentucky's incarceration rate was growing at a faster rate than the nation's, both its violent and property crime rates fell, by 13 and 14% respectively. According to FBI crime reports, Kentucky ranked 40th in the rate of violent crime in 2006, the most recent year data is available.

What is Wrong With This Picture?: These statistics raise a very basic question: Why is Kentucky, with a relatively low violent crime rate, putting people in prison at a rate faster than any other state in America?

POTENTIAL SOLUTIONS

Potential solutions to stemming these costs lie in some of the reasons identified in the Pew report for their rapid increase:

Persistent Felony Offender Law: The Pew report found Kentucky's prison growth has been fueled in part by a series of "tough-on-crime" measures such as the state's persistent felony offender law, under which offenders receive mandatory sentences for repeated offenses. This law should be reviewed to determine if the number of offenses required to trigger the statute is too low, and whether it is too broad in terms of including offenses for non-violent crimes.

Classification of Offenses: Another factor identified by the Pew report is that in the 1990s a number of measures elevated some misdemeanors to felonies, reclassified some offenses as higher level
Stepping through the door to 2010

Veteran columnist ‘lets herself go’

By Ellen Goodman

B	 hroughout her career, Ellen Goodman has been known for her insightful commentary on issues ranging from politics to social trends. In her latest column, Goodman takes a personal approach, reflecting on the transition from 2009 to 2010. She muses on the challenges of letting go and adapting to change, drawing on examples from her own life as well as broader societal shifts.

Kentucky’s leaky bucket

By Steve Adkins

W	 he Kentucky Chamber of Commerce has long advocated for better budgeting and financial management. In a recent column, Adkins highlights the issue of leaky budgets, where funds are allocated but not spent, leading to inefficiencies and potential waste. He calls for a more transparent and accountable system to ensure that every dollar counts.

Pius XII’s elevation raises questions

By Robert M. Yoder

Pius XII’s elevation raises questions about the Church’s role and the challenges facing the Catholic community. Yoder explores the implications of this event, considering the impact on religious institutions and the broader society. He invites readers to reflect on the ethical and moral questions raised by such significant events in Church history.

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Kentucky Chamber
Uniting Business. Advancing Kentucky.
‘Not sustainable’
Chamber knows prison costs are threatening other programs

At first glance, David Adkisson, president of the Kentucky Chamber of Commerce, would seem to be an odd advocate for reducing Kentucky’s prison population.

After all, why should the organization that represents Kentucky’s business community care about the number of people school and $7,000 a year to send him to a state university or technical and community college.

“The state is consciously or unconsciously shifting its priorities away from education to ward some of these things that are driving the state budget,” Adkisson said. “Kentucky is spending more to address the

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