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MAY 2017

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GUIDE TO KENTUCKY MBA CREDENTIAL PROGRAMS

The gold standard for career advancement is trending more toward new specializations as entrepreneurship

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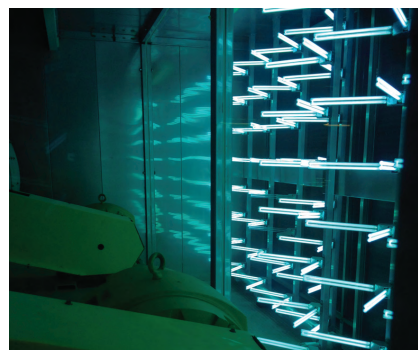
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PERSPECTIVE



Sen. Mike Wilson, R-Bowling Green, center, is congratulated by fellow senators upon the final passage of SB 1, an act relating to reform of public education accountability, in the Senate.

NEWLY PASSED BILLS BOOST KY BUSINESS

New laws will change
how business is done

BY DAVE ADKISSON

THE 2017 General Assembly can be characterized as nothing less than historic. The business community has advocated for decades on issues like right-to-work, repeal of the prevailing wage, medical review panels and charter schools, all of which were passed into law this session and will fundamentally affect how Kentucky does business.

From the first week, it was clear that House Speaker Jeff Hoover and Senate President Robert Stivers had a clear business-minded focus, with the legislature passing two transformational business priorities – right-to-work and repeal of the prevailing wage – in just five days. Their strong leadership provided masterful navigation of the session and led to the passage of a focused agenda while avoiding such unnecessary distractions as “bathroom bills.”

In addition to right-to-work and repeal of the prevailing wage, the legislature passed a bill that establishes medical review panels, a commonsense legal reform measure the chamber has championed for many years. Medical review panels legislation is an important step in improving Kentucky's legal liability climate to make our state more competitive.

Passed in the last few days of session was a bill to allow charter schools in Kentucky. Until the passage of House Bill 520, Kentucky was one of only seven states to prohibit charter schools.

A strong education system is a top priority for the chamber, and allowing charter schools is an important step to help improve the achievement of students and develop a globally competitive workforce.

With a short 30-day session, many Frankfort observers expected the legislature to take up a few high-profile issues that had been bottled up for many years, but probably no one anticipated the high number of pro-business bills that passed. The list also includes transparency for the troubled pension system, modernizing alcohol laws, criminal justice reform to build the workforce, and transparency measures to ensure workforce investment dollars are being properly spent.

The chamber's active presence in the legislative process has never been greater than it is today. From educating members on key issues to testifying before committees, the hard work is paying off. We can count more than 20 bills as “wins” this session for the business community.

Looking ahead to an anticipated special session later this year, the Kentucky Chamber will build on the success of the 2017 General Assembly to tackle one of the most critical issues for our members and the entire business community: tax reform. With the spotlight on taxes and fixing the ailing pension system that threatens funding for schools, roads and other vital services, the chamber's role on the center stage of legislative and policy issues will be more important than ever. ■



Dave Adkisson is president and CEO of the Kentucky Chamber of Commerce



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FAST LANE

A compilation of economic news from across Kentucky

WURLAND: BRAIDY INDUSTRIES TO CREATE 550 JOBS WITH \$1.3 BILLION ALUMINUM ROLLING MILL IN GREENUP CO.



Craig Bouchard (center), chairman and CEO of Braidy Industries, was joined by Timm Gibbs (left), of the Ashland Alliance, and Kentucky Gov. Matt Bevin in Greenup County to announce Braidy's plans to build a \$1.3 billion aluminum rolling mill in South Shore.

Braidy Chairman and CEO Craig Bouchard said Kentucky was chosen over 24 other states and cited the state's recently passed right-to-work legislation as one of the primary reasons it was even considered.

Braidy will partner with the **Kentucky Community and Technical College System** to develop specialized associate degrees in material sciences and advanced manufacturing that will be used to train its workforce and develop a pipeline of talent for its mill and future manufacturing businesses in Greenup County, as well as surrounding counties.

The company expects construction to begin in early 2018, with completion in 2020. The project will create about 1,000 construction jobs.

BRAIDY Industries Inc. has announced plans to build a \$1.3 billion aluminum mill in Greenup County that will bring 550 advanced manufacturing jobs to the northeast Kentucky area.

The company plans to construct a 2.5 million-s.f. aluminum mill on more than 300 acres near South Shore that will produce sheet and plate for the automotive and aerospace industries.

The facility will initially produce approximately 370,000 tons of aluminum per year, with opportunity to expand over time.

The average wage for employees at the new facility will be around \$70,000 per year. The company will also provide low-cost healthy meals, a day care center, and a fitness center, among other amenities.

Matthew J. Satterwhite, president and COO of Ashland-based **AEP Kentucky Power**, called Braidy's entry into the area a "game changing project" and said the company's presence will produce an economic cascade, attracting other automotive and aerospace-related manufacturers.

GEORGETOWN: TOYOTA'S \$1.3B OVERHAUL AT TMMK WILL CONTINUE COMPANY'S ECONOMIC RIPPLE EFFECT

TOYOTA Motor Manufacturing Kentucky (TMMK) is investing \$1.3 billion to overhaul its 8 million-s.f. plant in Georgetown, where it produces the Toyota **Camry** and **Camry Hybrid**, the **Avalon** and **Avalon Hybrid**, and the **Lexus ES 350**.

The plant opened in 1988 and now boasts an annual production capacity of 550,000 vehicles and more than 600,000 engines, making it the company's largest plant in the world.

Over the next several years, the latest project – dubbed Toyota Reborn – will replace or refurbish equipment and add new technology in multiple manufacturing areas.

The Reborn project will prepare the Georgetown plant for Toyota's New Global Architecture (TNGA), which the company describes as a new approach to vehicle design and manufacturing. The new approach will streamline production processes and improve parts handling, logistics and vehicle safety, along with increased quality efficiency and competitiveness. The Georgetown plant will be the first North American facility to use TNGA, starting with the 2018 Camry.

While the Reborn project will not add jobs, both company and state officials emphasized the fact that the investment will retain jobs at the Georgetown plant, where employment has hit an all-time high of 8,200. In addition, Toyota has played a leading role in bringing new companies to Kentucky, attracting more than 180 Japanese-owned manufacturing, service and technology-related facilities.



Team members at Toyota Georgetown plant work on the engine sub-assembly line. Toyota's record \$1.33 billion investment will introduce Toyota New Global Architecture and other next-generation improvements to position the plant for long-term success.

LOUISVILLE: UofL, NORTON TEAM TO FORM CANCER INSTITUTE FOR CHILDREN

NORTON Healthcare and the **University of Louisville** have announced the formation of a children's cancer institute that will provide improved access and additional services to care for children fighting cancer.

The **Norton Children's Cancer Institute** will include new programs for treating rare tumors and benign blood disorders, such as sickle cell anemia, and a revamped program for bone marrow transplants.

In addition to offering new types of care, Norton Children's Cancer Institute has three primary goals: 1) Increase the number of clinical trials offered to patients and gain access to new therapies in their earliest stages; 2) develop additional groundbreaking research and cutting-edge technology; and 3) recruit additional hematology/oncology specialists and medical students to improve patients' access to care.

"This is our chance for Louisville to become nationally recognized in the world of pediatric cancer research and gain access to the most cutting-edge clinical trials," said Joseph M. Flynn, executive director and physician-in-chief for the Norton Cancer Institute.

The University of Louisville will provide physician support for Norton Children's Cancer Institute. Norton Healthcare will commit \$1 million to UofL per year for pediatric oncology research and physician recruitment, as well as offer leadership and support staff for the institute.

"The division of pediatric hematology/oncology within the **UofL School of Medicine** has been part of one of medicine's greatest successes in the sharp rise in survival rates of children with cancer," said Toni Ganzel, executive dean for the UofL Health Sciences Center. "With more survivors, there is an urgent need to understand the effect of treatments on the entire body, not just the cancer. With a multidisciplinary approach and comprehensive treatment and support services, Norton Children's Cancer Institute will have at its core a sense of urgency not only in bringing newer therapies to accelerate childhood cancer survival rates but also to intently focus on the survivors and alert them to potential risks, including serious and sometimes life-threatening complications, as late effects of cancer treatments."



Joseph Flynn, Executive Director, Norton Cancer Institute

PADUCAH: HIGH DEMAND FOR ALUMINUM PARTS DRIVES EXPANSION AT WHITEHALL



The UWH plant in Paducah produces aluminum components such as sunroof tracks.

ALUMINUM parts manufacturer **UACJ Automotive Whitehall Industries** (UWH) is adding 56,000 s.f. to its plant in Paducah to provide more space for new machining centers, robotics and additional fabrication equipment.

The Paducah plant manufactures and assembles precision aluminum parts, including sunroof tracks and structural components.

The expansion will add 50 full-time jobs to the company's existing 140-member staff.

Steve Gray, vice president of operations for **UWH North America**, said the automotive trend toward light weighting is creating more demand for aluminum components, which help improve fuel economy.

"The combination of UWH's capabilities and the significantly increased demand has created the need for additional fabrication capacity," Gray said.

The Paducah plant, previously owned by Michigan-based **SRS Industries**, began production in December 2013 and officially opened in June 2015. Tokyo-based **UACJ Corp.**, one of the world's largest aluminum suppliers, bought SRS a year ago.

BUSINESS BRIEFS

BOWLING GREEN

■ **Western Kentucky University** has been approved to begin offering a new specialist degree in gifted education and talent development, further expanding on its graduate school offerings in gifted education. The research-focused specialist degree will prepare students for a variety of careers in higher education, government policy work or other organizations. WKU, the only university in the state to offer a master's degree or specialist degree in gifted education and talent development, is also home to The Center for Gifted Studies, The Gatton Academy of Mathematics and Science, the Kentucky Association for Gifted Education and the World Council for Gifted and Talented Children.



ERLANGER

■ **Allegiant** will begin offering nonstop flights between **Cincinnati/Northern Kentucky International Airport** (CVG) and **Denver International Airport** effective June 2. The flights will operate three times weekly in the summer season and twice weekly in the fall. With the addition of Denver, Allegiant will serve 16 routes out of CVG.

FRANKLIN

■ **Traugher Mechanical Services** (TMS), a custom steel fabrication and mechanical contracting company that produces specialty products such as ductwork and piping, is investing nearly \$580,000 to expand its operation in Franklin. The project will add 6,000 s.f. to the company's manufacturing facility, pushing its total building size to nearly 19,000 s.f. The expansion will add 10 full-time jobs.



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BUSINESS BRIEFS

GEORGETOWN

■ **Meiwa USA Inc.** has moved its U.S. location from Erlanger to Georgetown, where the company has leased 8,500 s.f. of space. Meiwa provides automotive robotics technology, industrial systems and machinery to clients such as **Toyota** and **Honda** throughout the United States.

HAZARD

■ The **Sullivan University College of Pharmacy** is partnering with the **University Center of the Mountains and Hazard Community and Technical College** to facilitate the preparation of students in southeastern Kentucky to apply for Sullivan's pharmacy program. The partnership is designed to ensure that students interested in a pre-pharmacy education track have a clear understanding of the classes required to apply for admission to Sullivan's Doctor of Pharmacy program. Located at Hazard Community and Technical College, UCM is a consortium of postsecondary educational institutions that bring educational opportunities to southeastern Kentucky. Other UCM education partners include **Eastern Kentucky University**, **Morehead State University**, **Northern Kentucky University**, **UK Center of Excellence in Rural Health**, **Kentucky State University**, **Midway**, **Lindsey Wilson University of the Cumberlands** and the **Kentucky Community and Technical College System (KCTCS)**.



HIGHLAND HEIGHTS

■ **Northern Kentucky University** has announced a new academic program – the Concentration in Autism and Applied Behavior Analysis – designed to meet the growing need for teachers and other professionals trained to help individuals with autism or other behaviors that interfere with learning. According to the 36th Annual Report to Congress on the Implementation of IDEA (2014), between 2008-2012, Kentucky saw a 71.7 percent increase in the number of students ages 6-21 with autism who were served in public school special education programs.

HOPKINSVILLE

■ **TG Automotive Sealing of Kentucky** is investing nearly \$7.5 million to upgrade its Hopkinsville plant, add new manufacturing lines and provide employee-training programs. TGASK, a subsidiary of Japan-based **Toyoda Gosei**, was founded in 2002 and manufactures automotive weather-strip-ping, rubber molded and plastic interior auto parts.

LEXINGTON

■ **SDGblue**, a Lexington-based provider of cybersecurity services and solutions, is now part of **Crowe Horwath**, a major public accounting, consulting and technology firm with a global risk consulting practice and offices around the world. Founded in 1991, SDGblue has 35 professionals and has twice been named to the **Inc. 5000** list of fastest-growing private companies. Founder and CEO C. Glen Combs has joined Crowe as a principal. Financial details of the acquisition were not disclosed.



■ The **University of Kentucky** has launched a new program that offers professional development and experiential learning opportunities to UK researchers who have an interest in turning their intellectual property into a startup company. A key part of the UKAccel experience will be the participants' access to **Awesome Inc.**, a Lexington-based startup accelerator, to take part in an immersive experience in entrepreneurship culture. The goal is for the UK researchers to discover if launching a startup company is the best way for them personally to commercialize their technology.

LOUISVILLE

■ **Louisville Public Media** has received a \$100,000 grant from **PNC** for classical programming on 90.5 **WUOL Classical Louisville**. The funds will allow for expanded education outreach to foster and develop active participation in the arts through classical music. "Engaging our community's young children in music and with musical instruments exposes their minds to sound, touch and thinking concepts that develop math, science, reading and expression skills that help them succeed in school and life," said PNC Regional President Chuck Denny.

COVINGTON: ASHLAND BUYS CHEMICALS FIRM FOR \$600M, RESIN MAKER ALSO

COVINGTON-based **Ashland Global Holdings** announced in April its plans to acquire two separate businesses that will expand the chemical company in different directions.

The company is investing \$660 million to acquire **Pharmachem Laboratories Inc.**, a New Jersey-based company that is a leading provider of ingredients used in the health and wellness industries.

With 14 manufacturing facilities across the United States and Mexico and annual revenues of approximately \$300 million, Pharmachem supplies custom and branded nutritional fragrance products for vitamin and dietary supplements; consumer products such as laundry detergents and perfumes; and topical skin-care products. Pharmachem also operates one of North America's largest custom extraction facilities.

"The acquisition of Pharmachem offers a number of exciting growth opportunities in higher-margin end markets while also strengthening our specialty product line," said William A. Wulfsohn, Ashland chairman and chief executive officer. "This combination will enhance our position in fast-growing nutraceutical end markets, open a new opportunity within fragrances and flavors, and strengthen Ashland's food ingredient business by adding customized functional solutions."

Ashland has also made a binding offer to acquire a composites resin manufacturing facility in Etain, France, from **Reichhold Holdings International B.V.** The Etain facility, which employs approximately 50 people, manufactures unsaturated polyester resins (UPR) used in a variety of end markets, including transportation and construction.

Andy Johnston, group vice president of composites for Ashland, said Etain's centrally located facility, combined with Ashland's existing UPR facilities in Spain and Finland, puts the company in a strong position to deliver enhanced service to its existing customers and support future growth opportunities in Europe.

STATE: KENTUCKYONE HEALTH TO LAYOFF 150, CUT 250 POSITIONS FROM SYSTEM

KENTUCKYONE Health, a Louisville-based healthcare company that operates healthcare facilities throughout the state, has announced it is eliminating 250 jobs from its system.



In a statement announcing the cuts, KentuckyOne cited "challenges brought by the continuing evolution of healthcare reform and reimbursement structures." The majority of the jobs impacted by the decision are corporate services positions, according to the company.

Approximately 150 of the affected jobs will be layoffs, with the remainder being employees who will be moving over to the University of Louisville and others who have accepted an early retirement buyout. (KentuckyOne has been managing the majority of the operations of the University of Louisville Hospital and UofL's James Graham Brown Cancer Center as part of an agreement with UofL. However, effective July 1, control of the hospital and cancer center will be given back to the university.)

KentuckyOne Health was formed by the 2012 merger of Jewish Hospital & St. Mary's Healthcare in Louisville and the **St. Joseph Health System** in Lexington. The company currently has approximately 12,000 employees across Kentucky.



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BUSINESS BRIEFS

LOUISVILLE

■ Louisville-based **Barrister Commercial Group** has broken ground on an \$80 million retail development located on a 48-acre site at the southeast corner of the Gene Snyder Freeway and Bardstown Road. Barrister CEO Frank A. Csapo said the project will have a “unique ambience” with restaurants, entertainment, fashion and specialty retailers located along tree-lined streets. When complete, **SouthPointe Commons** will encompass 363,000 s.f. and create 560 permanent jobs with an annual payroll of \$10.9 million.

■ The **YMCA of Greater Louisville** plans to build a new 62,000-s.f. building in west Louisville that will provide a variety of services to the community in addition to the Y’s traditional fitness and exercise offerings. The Y has teamed with collaborative partners including **Norton Healthcare, Republic Bank & Trust, ProRehab Physical Therapy** and **Family and Children’s Place** to bring healthcare, counseling/therapy services and financial service options to the area. The \$28 million construction project is expected to begin in the fall.



■ Positive momentum in the Louisville industrial market has pushed asking lease rates to an all-time high, with first-quarter rates ticking up \$0.04 per s.f. to \$3.44 per s.f., according to **CBRE’s** Industrial Marketview. Fueling the rise in asking rates is the continued trend of positive absorption, which hit 632,715 s.f. in the first quarter, marking the eighth consecutive quarter of positive absorption.

■ Clothing retailer **Ann Taylor** has notified the state that it plans to close its Louisville distribution center effective June 12. The closing will result in the loss of 105 jobs. The company did not cite the reason behind the closing.



■ Construction will begin this summer on a \$35 million expansion of Louisville’s downtown **Waterfront Park** in West Louisville, the fourth phase of a project that was launched more than 30 years ago. The 22-acre site plan shows increased green space and interactive features that will connect Louisville’s Portland neighborhood and

downtown, making it a regional attraction for visitors to downtown and creating a catalyst for economic development. Completion of the first three phases of Waterfront Park, and plans for Phase IV, have sparked more than \$1.3 billion in investment in the surrounding area and built a program of more than 150 special events per year, with an annual park attendance of more than 2 million visitors.

■ **Sunstrand**, a Louisville-based company looking to process the fiber of some 750 acres of hemp and the jute-like plant kenaf, has been approved for \$381,500 in state funds to expand its processing facility. The natural fiber processed by Sunstrand is being used instead of plastic and glass fiber in car parts manufacturing and other industries.

■ **ResCare Inc.**, a Louisville-based company that provides a wide range of health and human services, has selected technology solutions company **MediSked** to underpin its Connected Home care model. ResCare President and CEO Jon B. Rousseau said the addition of an electronic health record to its care-management solutions – which include pharmacy, behavioral health services and remote monitoring and caregiving technologies – will provide the company with tools that offer access to alerts, trends and predictive analytics that help identify risks and improve healthcare outcomes. MediSked, which currently facilitates the delivery of long-term care services and supports to over 200,000 individuals across 21 states and Washington, D.C., will nearly double its nationwide footprint through its partnership with ResCare, reaching individuals in 39 states, Washington, D.C., and Puerto Rico.

ERLANGER: PERFETTI VAN MELLE’S \$11M PROJECT TO EXPAND CAPACITY BY 50%

PERFETTI van Melle USA, a candy company that produces popular candies such as **Airheads** and **Mentos**, is investing \$11 million to expand its manufacturing plant near Erlanger.



Perfetti van Melle produces Mentos, Airheads and other popular candy items.

The expansion will grow the company’s manufacturing and packaging capacity by nearly 50 percent and will include facility improvements as well as new equipment. The project will add 70 new employees, approximately 50 of whom will be Kentucky residents.

The expansion comes in response to the company’s double-digit increases across the past four years.

Perfetti van Melle USA is part of Amsterdam-based Perfetti van Melle, one of the world’s largest manufacturers and marketers of confectionery and chewing gum. The company has nearly \$3 billion in annual sales and has operations in 38 countries.

The Northern Kentucky facility, which opened in 1984 and now employs a staff of approximately 300, is the company’s North American headquarters and remains its sole manufacturing operation in the U.S.

LEXINGTON: UK AWARDED \$11.M GRANT TO STUDY LINK BETWEEN OBESITY, CANCER



THE University of Kentucky has been awarded an \$11.2 million Centers of Biomedical Research Excellence (COBRE) grant to study the metabolism of cancer over the next five years.

UK’s **Center for Cancer and Metabolism (CCM)** capitalizes on highly specialized institutional strengths in cancer and advanced metabolomics tools to focus on the underlying mechanisms that link dysfunctional metabolism to cancer. Recent studies have shown that the metabolic powerhouse of cells – the mitochondria – can influence how aggressive a cancer becomes.

Kentucky has disproportionately high incidences of both cancer and metabolic disorders: the state leads the nation in cancer deaths and is in the top 10 for highest obesity rates in the country. While scientists have long known of a direct link between obesity and cancer, the need for further research into the field has become increasingly important for Kentuckians.

UK has internationally renowned experts in the field of cancer and metabolism, and new state-of-the-art technology has improved the ability to understand how metabolism impacts cancer. The CCM will bring together complementary disciplinary strengths at UK in cancer, metabolism and data sciences, coupled with sophisticated metabolomics tools and advanced cancer imaging capabilities, to strengthen the university’s cancer research enterprise by providing a multi-disciplinary infrastructure dedicated to defining the role of metabolism in the development and treatment of cancer.

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BUSINESS BRIEFS

LOUISVILLE

■ **Great Flood Brewing Co.** has opened a new 11,000-s.f. distribution and production brewery that will allow the local beer brand to increase its production from 300 barrels per year to more than 4,000. The facility features a new 465-gallon brew system with six fermenters and a five-head canning line, which can fill and seal 40 cans per minute. In addition to increasing production, the brewery is the future home of Great Flood's Shelby Park taproom. Great Flood Brewing Co. distributes beer in Louisville, Lexington and Northern Kentucky.



■ Telehealth company **Care Innovations** is investing nearly \$1.7 million to relocate and expand its research and development center from Prospect to downtown Louisville, a project that is expected to create 24 high-wage jobs. The company, based in Roseville, Calif., opened its Prospect office in October 2015. The company specializes in remote patient management (RPM), which uses information technology to gather patient data outside of traditional healthcare settings. By moving care into patients' homes, clinicians can provide proactive care, which may help reduce hospitalizations, improve outcomes and lower costs.



OWENSBORO

■ The Kentucky Arts Council has named Owensboro as a **Kentucky Creative District**, a designation that recognizes the community's commitment to a creative climate that converges with local economic development

efforts. Owensboro is home to a thriving visual and performing arts scene, and a destination for not only tourists, but those who want to live in a city of artistic amenities. Joe Berry, executive vice president of **Greater Owensboro Economic Development Corp.**, said the distinction is a helpful tool in efforts to draw businesses and skilled workers to Owensboro.

■ **Kentucky Wesleyan College** has launched a Bonners Leaders program, a nationally recognized community engagement and leadership development program. Through the Bonners program, students are placed at a local nonprofit organization to work on an issue or cause each week and also participate in weekly workshops aimed at developing leadership skills. Students typically become Bonner Leaders as freshmen and continue with the program for four years, earning more responsibility at their partner organizations and the opportunity to mentor younger Bonner Leaders.

RICHMOND

■ The **Small Business Development Center** at **Eastern Kentucky University** has financed more than \$3 million in small business loans and equity funds this program year. The center offers a variety of counseling, training and information programs and services to existing and potential small-business owners and supports small businesses by providing consulting services leading to loans and equity investments for its clients. Over the past three years, the SBDC at ECU has secured \$5,425,000 in loans and equity investments for small businesses and helped support the development and launch of 37 small businesses, creating more than 100 jobs in its 15-county service region (Adair, Casey, Clinton, Estill, Garrard, Jackson, Laurel, Lincoln, Madison, McCreary, Pulaski, Rockcastle, Russell, Wayne and Whitley counties).

SCOTTSVILLE

■ **LifeSkills Inc.** has opened a 16-bed recovery center that is specifically designed for women with young babies. The **Park Place Recovery Center for Women** allows women the opportunity to seek short-term (28 day) substance abuse treatment in a residential environment without having to leave their young children behind. The program's primary focus is to treat women who are suffering from an opioid addiction while aiming to decrease the occurrences of neonatal abstinence syndrome. The center will also link the women to transitional resources such as housing, case management and outpatient services upon completion of the program.

STATE: PAPA JOHN'S, KFC, FAZOLI'S 'CLEAN' MANY ARTIFICIALS, DRUGS FROM FARE

THREE Kentucky-based restaurant chains are investing millions to offer 'clean' menu items to consumers that eliminate things such as preservatives, artificial sweeteners and colors, and human antibiotics.

Lexington-based **Fazoli's**, a fast-casual Italian chain, has invested more than \$1.5 million in its "Naturally Italian" initiative, working closing with nearly 50 suppliers to eliminate a total of 181 artificial ingredients, colors and preservatives from the menus of all 220 Fazoli's locations.

Louisville-based **Papa John's** announced a similar initiative in 2016 and has also fully transitioned to using chicken raised without human or animal antibiotics. The pizza chain has now launched a pilot program at locations in Lexington that will offer organic produce for pizza toppings and is working with Indiana-based **Green Bean Delivery** to source produce from certified organic family farms in eight states, including Kentucky. Company officials say the pilot program is an important first step in considering the viability of utilizing organic ingredients on a larger scale. Papa John's has also introduced another pilot program, offering a gluten-free crust made with ancient grains (sorghum, teff, amaranth and quinoa). The program is currently being tested in locations across Los Angeles, Phoenix, St. Louis, Houston and Nashville.

Kentucky Fried Chicken is also focusing on clean, announcing that by the end of 2018, all chicken purchased by KFC U.S. will be raised without antibiotics important to human medicine. KFC President and Chief Concept Officer Kevin Hochman said the change was highly complex, requiring close collaboration with more than 2,000 farms in over a dozen states.

KFC has also pledged that by the end of 2018, all of its core products will be free of artificial colors and flavors.



Lexington-based Fazoli's restaurant chain has committed to eliminate artificial ingredients from its menus. Papa John's International and KFC, headquartered in Louisville, have announced similar initiatives.

LOUISVILLE: DEAN DORTON ACQUISITION ADDS HEALTHCARE BILLING SERVICES

LOUISVILLE-based accounting firm **Dean Dorton Allen Ford** has expanded its healthcare services in Kentucky with the acquisition of **Metro Medical Solutions**, a long-standing physician billing and credentialing company located in Louisville.

The new physician billing and credentialing services will be combined with Dean Dorton's existing healthcare consulting practice and branded as **Dean Dorton Healthcare Solutions**.

"With the incorporation of Metro Medical Solutions, we can now offer our physician practice clients a full suite of outsourced services, from accounting and financial outsourcing to billing and credentialing," said Adam Shewmaker, director of healthcare consulting services at Dean Dorton. "We are now able to handle all back-office functions, which can allow physicians to focus solely on the demands of their clinical practice."

Dean Dorton Healthcare Solutions includes more than 20 professionals who specialize in healthcare accounting and financial outsourcing, medical billing and credentialing, revenue cycle management, compliance and risk management, technology, human resources, and advisory services.

LOUISVILLE: PASSPORT TO BUILD NEW HQ IN WEST LOUISVILLE WITH 500+ JOBS

Passport Health Plan, a nonprofit community-based health plan that administers Kentucky Medicaid benefits, has acquired a 20-acre site in West Louisville on which it plans to create a health and wellness campus that will both serve the needs of the local community and house its 500-plus employees in a new corporate headquarters building.

Plans for the campus include health- and service-based retail sites adjacent to a newly announced YMCA facility. Together, the new developments will help transform an important section of West Louisville by providing much-needed services, jobs, and economic development opportunities to an area of the city that has long struggled.

"With our community partners and local residents, we hope to add services to the community beyond clinical care, services that are person-centered," Passport CEO Mark Carter said. "We realize that access to housing, food, jobs, and other resources are key drivers to good health and wellness."

According to the financial terms of the deal, Passport has acquired the parcels from **New Bridge Development** for \$9.1 million. A letter of intent with Metro Louisville includes provisions subject to Metro Council approval, including the creation of a Tax Increment Financing (TIF) plan – the first TIF established west of 9th Street – estimated at \$2.8-\$4 million over 20 years.

PASSPORT
HEALTH PLAN

BUSINESS BRIEFS

WILMORE

■ **Asbury University** has opened its own outpatient physical therapy clinic on campus that is available not only to student-athletes but all Asbury students and plans to serve faculty and staff in the near future. Asbury Athletics Director Mark Perdue said the new clinic sets Asbury apart from other schools its size and noted that in addition to offering on-site care for its students, it also provides academic benefits for students in the exercise science, pre-physical therapy and pre-occupational therapy programs.

STATE

■ After three years of holding steady at about 66 percent, support for a comprehensive statewide **smoke-free law** among adults queried in the latest Kentucky Health Issues Poll (KHIP) jumped five points over the past year to 71 percent. That's an upsurge of 17 points since 2011, when KHIP first asked the question. Opposition to such a measure fell six points in just the last year, from 31 percent to 25 percent, the poll found. The poll also found solid bipartisan backing for the law, with 76 percent of Democrats, 68 percent of Republicans and 72 percent of Independents saying they would be in favor.



■ The Kentucky Department for Public Health recently hosted more than 125 public health professionals, advocates, academic advisors and state officials for a strategy session to being working on Kentucky's next **State Health Improvement Plan**. The meeting focused discussion on findings presented in the State Health Assessment Update, a data report outlining health factors and outcomes associated with Kentucky's top 10 health issues. Based on the data presented and input from stakeholders, the following health focus areas were identified for the upcoming State Health Improvement Plan: substance use disorder (opioids & heroin), obesity, tobacco, adverse childhood experiences (ACE) and integrated access to care.

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—Sally Lawler
President
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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ Quality management software company **Greenlight.guru** is expanding its operations in Indianapolis, where it plans to add up to 120 new high-wage jobs by 2020. Greenlight.guru focuses on developing software specifically for the medical device industry, enabling them to move from antiquated quality systems to cloud-based software that helps bring new products to market more quickly, with less risk. Over the past two years, the company has served clients in more than 26 countries around the world. The new jobs being added are expected to pay salaries more than 75 percent higher than the state's average wage.



will ultimately require a \$100 capital investment and the company has said it could invest as much as \$250 million to construct a total of 200 acres of greenhouses in an eight-phase project. The Canada-based company selected Ohio for the new operation because of its proximity to major American markets and its large agriculture sector.

■ Cincinnati-based engineering and IT company **Belcan** has entered an agreement to acquire **Schafer Corp.**, a Virginia company that provides engineering and technology solutions to the military, intelligence community, **NASA** and the **Department of Homeland Security**, among many others. Founded in 1972, Schafer currently employs more than 400 professionals worldwide who specialize in areas such as chemical, biological, radiological, and nuclear defense; space systems; air and missile defense; micro materials; and cybersecurity. The acquisition will be Belcan's fifth in less than 18 months.

TENNESSEE

■ **Rockline Industries** plans to invest \$40.3 million to locate a new facility in Morristown, Tenn., that will house its new subsidiary, **Iatric Manufacturing Solutions**. The new subsidiary was born out of the increasing demand for Rockline's hygienic wet-wipe products, which are used in a wide variety of consumer, healthcare, food service and hospitality industries. The new facility is expected to be operational beginning in 2018 and will create approximately 250 new jobs.

■ **Cracker Barrel**, a Tennessee-based homestyle restaurant chain that has long been popular in towns and along interstates across 44 states, has opened its first West Coast location in Oregon. Cracker Barrel's entry into the Portland area marks a key expansion of Cracker Barrel's footprint. The new store celebrates the history and culture of the local area through decorative walls that pay homage to the famous Oregon Trail, the region's contributions to agriculture and music, Portland's status as a research hub and to the much-loved pastimes of bicycling and skiing.

■ Firearms manufacturer **SCCY Industries** has announced plans to establish a \$22.5 million facility in Maryville, Tenn., that will be the company's primary manufacturing operation and will also house its corporate offices. The 150,000-s.f. facility will be operational in the first half of 2018 and will bring more than 350 new jobs to the east Tennessee community.

OHIO

■ **Golden Fresh Farms** has opened a new \$22.5 million greenhouse operation in Wapakoneta, Ohio, that is being used to hydroponically grow tomatoes. The project is the first of four phases that

TENNESSEE: SAIC HIRING 300 FOR NEW TECHNOLOGY FACILITY IN COOKEVILLE

Science Applications International Corp. (SAIC) has announced plans to establish a "Technology Integration Gateway" in Cookeville, Tenn., that will create 300 new jobs over the next five years.



The **Technology Integration Gateway** will create a wide range of technology jobs, including roles in information technology (IT) services, computer programming, engineering and software development. The Gateway will also provide cloud, cybersecurity and data science expertise.

Expected to open this summer, the Technology Integration Gateway will serve federal defense and civilian agencies, state and local governments, as well as commercial businesses. SAIC is exploring partnership opportunities with Tennessee Technological University – located in Cookeville – to identify and provide high-tech training to prospective IT employees.

Headquartered in McLean, Va., SAIC is one of the top technology integrators in the technical, engineering, intelligence and IT sectors. The company employs over 15,000 people worldwide, including more than 600 in Tennessee.

"This announcement is a game-changer for our region," said George Halford, president and CEO of the Cookeville-Putnam County Chamber of Commerce. "Our team has been working to grow employment in this sector for a long time, and we are optimistic that this company will be a catalyst for continued growth in the IT cluster."

OHIO: ADVANCEPIERRE FOODS BEING SOLD TO TYSON IN \$4.2 BILLION DEAL

ADVANCEPIERRE Foods, a Cincinnati-based company that is a leading food producer and distributor, has agreed to be sold to **Tyson Foods** for \$4.2 billion.

Arkansas-based Tyson Foods is one of the world's largest food companies, with leading brands that include **Jimmy Dean**, **Hillshire Farm**, **Sara Lee**, **Ball Park**, **Wright**, **Aidells** and **State Fair**, in addition to its main Tyson brand.

AdvancePierre is a leading national producer of ready-to-eat lunch and dinner sandwiches, sandwich components and snacks, with product categories that are complementary to Tyson's current offerings. AdvancePierre's product portfolio also fits well with Tyson's strategy to expand its fresh prepared foods offering for both out-of-home and in-home eating. AdvancePierre's portfolio of products will also extend Tyson's core strength into the fast-growing convenience and retail areas.

In addition to its Ohio headquarters, AdvancePierre operates 11 production facilities and three distribution facilities and currently employs approximately 4,500 people.



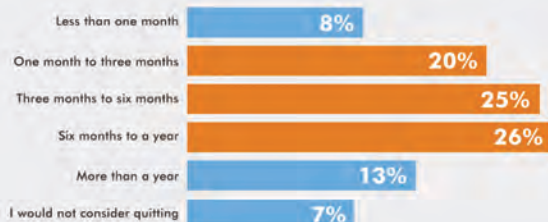
Cincinnati-based AdvancePierre specializes in ready-to-eat sandwiches and snacks.

HIRING THE RIGHT EMPLOYEES

With college graduations taking place this month, a whole new group of employees will be entering the job market in the coming months. And as most employers will attest, hiring is tricky business. It's crucial to get the right fit in a new hire and the time and effort invested in interviewing and training that person can be considerable. However, a recent survey of American workers shows that professionals who aren't happy in a new job may not stick around. As companies aim to not only land but retain top talent in a competitive market, the spotlight is shifting to employers to prove themselves up front to protect their hiring investment.



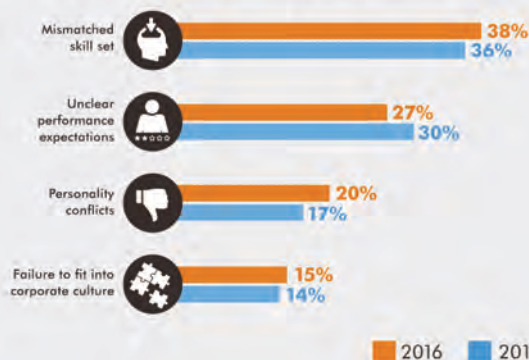
If you were unhappy in a new job, how long would it be before you considered quitting?*



Top five factors that contribute to a positive experience on the first day of a new job:

- #1 Meeting with new manager to clarify expectations
- #2 Having company procedures/protocols explained
- #3 Being introduced to colleagues
- #4 Having workspace properly set up (e.g., computer logins, phone ready)
- #5 Being given assignments/work to do

Aside from poor performance, which is most likely to lead to a failed hire?

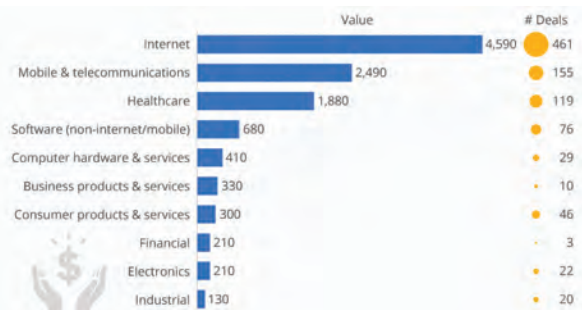


Source: Robert Half

VENTURE CAPITAL INVESTMENTS

Though growth is slowing, the internet still is the sector that is profiting the most from the influx of venture capital in the United States. In the fourth quarter of 2016, a total of \$4.5 billion spread across 461 deals was invested in the internet sector.

**VENTURE CAPITAL INVESTMENT IN THE U.S.
IN Q4 2016 BY SECTOR
(IN MILLION U.S. DOLLARS)**

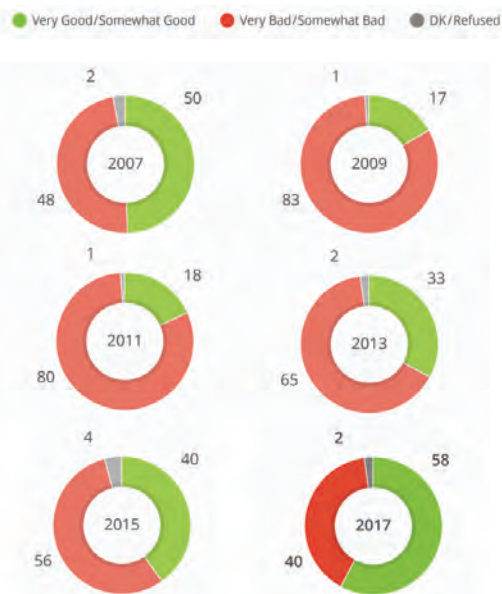


Source: Statista/PwC

ECONOMIC OPTIMISM CONTINUES TO RISE

Public confidence in the American economy is now at the highest level recorded since the financial crisis, according to a new Pew Research Center survey. Pew found that there is no partisan divide on economic perceptions, with both Republicans (61 percent) and Democrats (60 percent) saying conditions are very or somewhat good.

**HOW WOULD YOU DESCRIBE THE COUNTRY'S
CURRENT ECONOMIC SITUATION? (%)***



Source: Statista/Pew Research Center

CORPORATE MOVES

New leadership for Kentucky businesses

BANKING

■ **Melissa Lamont** has been named vice president and retail manager of United Bank's Heartland region.



Melissa Lamont

■ **Bob Burgess** has joined Community Trust Bank as a commercial loan officer and vice president.

■ **Jody E. Oney** has been promoted to president of the Mount Sterling market for Community Trust Bank.



Jody Oney

■ **Andrew Pyles** has been named president of Louisville-based Eclipse Bank.

ECONOMIC DEVELOPMENT

■ **Patricia Wingo** has joined the Northern Kentucky Tri-County Economic Development Corp. (Tri-ED) as director of Kenton County economic development services.



Patricia Wingo

■ **Madison Silvert** has been named president of The Malcolm Bryant Corp., an Owensboro-based real estate development and property management company. **Malcolm Bryant**, who co-owns the company with his wife, **Sally Bryant**, will remain as chief executive officer.



Madison Silvert

EDUCATION

■ **Joan Frey** has been named academic president of the Galen College of Nursing.

■ **Greg Heileman** has been named associate provost for student and academic life at the University for Kentucky. Heileman comes to the posi-

tion from the University of New Mexico, where he is vice provost for teaching and learning.

■ **Josh Hawkins** has been named assistant vice president for alumni relations and annual giving at the University of Louisville.



Josh Hawkins

■ **Vins Sutlive** has been named chair of the natural science and allied health department at Asbury University.



Vins Sutlive

■ **Anna Townsend Wright** has been named director of public relations at Northern Kentucky University.

ENERGY

■ **Gene DiClaudio** and **Carlos Pons** have been named co-chief executive officers of Bowie Resource Partners, a Louisville-based bituminous coal producer. The company's founder and chairman, **John J. Siegel**, has stepped down from his executive duties to become non-executive chairman and focus on board matters and specific projects.

FOOD/SPIRITS/HOSPITALITY

■ **Angela Sanders** has joined Louisville-based Long John Silver's as chief marketing officer.

■ The Kentucky Distillers' Association has announced the following promotions: **Kristin Baldwin** – senior director of governmental and external affairs; **Adam Johnson** – senior director of Kentucky Bourbon Trail Experiences; and **Colleen Thomas** – director of member and public affairs.

GOVERNMENT

■ **James R. Wright** has been appointed director of the Kentucky Division of Forestry.

DEPARTURES

■ **Cliff Maesaka** has resigned as chief executive officer of Delta Dental of Kentucky. **Jude Thompson**, former president and co-CEO of Papa John's International, has been named interim CEO.

■ **Greg Higdon** has announced plans to retire as president and chief executive officer of the Kentucky Association of Manufacturers. He will continue to serve until an orderly transition is complete.

■ **James M. Vicini** has been appointed director of the Kentucky Division of Mine Safety.

LEGAL

■ **Benjamin D. Allen** has been named a partner in the law firm of Gess Mattingly & Atchison.

■ **Chandler Hodge**, **Kyle Johnson**, **Daniel Mudd** and **Andrew Palmer** have been named members in Frost Brown Todd's Louisville office.

MEETINGS/TOURISM

■ **Gary Friedman** has been named chief revenue officer for Louisville-based Kentucky Venues, the new identity for the Kentucky Exposition Center, Kentucky International Convention Center, Kentucky State Fair, National Farm Machinery Show, North American International Livestock Exposition and Kentucky Hoopfest. **Patrick Gregory** has joined the company as director of sales.

REAL ESTATE

■ **Pamela Rudd** has joined Louisville-based Horizon Commercial Realty as controller.

SPORTS

■ **Matt Alexander** has joined the Kentucky Speedway to vice president of corporate sales.



Matt Alexander

TECHNOLOGY

■ Paducah-based Computer Services Inc. has promoted **David Culbertson** to chief operating officer.

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ON THE BOARDS

Kentuckians named to organizational leadership roles

AMERICAN DIABETES ASSOCIATION

■ **Katie Glass** has been appointed to the board of directors of the American Diabetes Association's Bluegrass Chapter. Glass is an attorney with Stites & Harbison, working out of both the Lexington and Frankfort offices.



Katie Glass

BIG BROTHERS BIG SISTERS OF KENTUCKIANA

■ Big Brothers Big Sisters of Kentuckiana has elected the following individuals to its 2017 board of directors: **Ginger Figg** – chief administrative officer, Norton Medical Group; **Moriah Ogilvie** – director, Kentucky Large Group and Association Retention, Anthem Blue Cross and Blue Shield; **Elias Oxendine** – global director of IT security, Brown-Forman; **Isaac Roths** – president, First Class Air Support; and **Marcus Withers** – co-owner, Valhalla Vista Development.



Ginger Figg



Elias Oxendine



Isaac Roths



Marcus Withers

CENTRAL KENTUCKY AG CREDIT

■ **Lee Hood** has been elected to the board of directors of Central Kentucky Ag Credit. Hood is chief financial officer for Clements Ag Supply in Springfield, Ky.



Lee Hood

COMPUTER SERVICES INC.

■ **John A. Williams**, founder and long-time chairman of Paducah-based Computer Services Inc., has been named chairman emeritus of the company. **Steven A. Powless**, the company's chief executive officer, has been named as the new chairman. **Robert L. Walker** has been named as CSI's lead independent director.

GREATER LOUISVILLE INC.

■ Greater Louisville Inc. has named the following new members to its board of directors: **Tom Caneris** – senior vice president and general counsel, PharMerica; **Phil Marshall** – president and chief executive officer, Hospitarius Health; **Theresa Reno-Weber** – president and chief executive officer, Metro United Way; and **Jason Rittenberry** – president and chief executive officer, Kentucky Venues. **Vickie Yates Brown Glisson**, secretary of the Kentucky Cabinet for Health and Family Services, has been appointed special observer to the GLI board of directors. **Matt Thornton**, chief executive officer of Thorntons Inc., has been named as the board's chair.

Elaine "Cissy" Musselman, director of the Louisville Regional Airport Authority, has been named vice chair.

HART-SUPPORTED LIVING COUNCIL

■ The following individuals have been appointed to the Hart-Supported Living Council, which assists Kentuckians with disabilities with funds for support so they can live in their homes and communities and avoid institutionalization: **Angela Rodgers**, Liberty; **Dr. Shambra L. Mulder**, Lexington; **Paul Dee Geouge III**, Winchester; **Laureen Mary Vassil**, Lexington; **Debra S. Sharon**, Lexington; **Jean Ann Isaacs**, Lexington; **David H. Allgood**, Louisville; **Jason P. Jones**, Lexington; and **Randall E. Brewer**, Winchester.

KENTUCKY AIRPORT ZONING COMMISSION

■ **James Bradford Schwandt** has been appointed to the Kentucky Airport Zoning Commission. Schwandt, of Louisville, is an aircraft maintenance manager.

KENTUCKY BOARD OF OPTOMETRIC EXAMINERS

■ **Dr. Lee S. Peplinski**, of Louisville, has been appointed to the Kentucky Board of Optometric Examiners.

KENTUCKY BOARD OF PODIATRY

■ **William R. Adams II**, of Paducah, and **Bradford Martin Fine**, of Lexington, have been appointed to the Kentucky Board of Podiatry.

KENTUCKY BOARD OF VETERINARY EXAMINERS

■ **Dr. Amy Johnson Staton** has been appointed to the Kentucky Board of Veterinary Examiners. Staton, of Salt Lick, is an assistant professor at Morehead State University.

KENTUCKY EQUINE DRUG RESEARCH COUNCIL

■ **Dr. Marcus W. Cheney** has been appointed to the Kentucky Equine Drug Research Council. Cheney, of Lexington, is a veterinarian.

KENTUCKY OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

■ **Deborah Jeanne McCormack** and **Steven Neal Griffin** have been appointed to the Kentucky Occupational Safety and Health Review Commission. McCormack, of Louisville, is a human resources consultant and business owner. Griffin, of Danville, is the manager of human resources and health and safety for American Greetings Corp.

KENTUCKY STATE CORRECTIONS COMMISSION

■ The following individuals have been appointed to the Kentucky State Corrections Commission: **Jerome S. Melton**, Glasgow; **Derek Langdon Combs**, Lexington; **Joseph Daniel Jones**, Corbin; **Barbara Ann Ellerbrook**, Lexington; **Paula Ratliff Pedigo**, Grove; **Charles Ray Smith**, Louisville; **James William Gibson**, Benton; and **Edward Malone Bourne Jr.**, Owenton.

LOUISVILLE BAR FOUNDATION

■ **Virginia H. Snell** has been elected to the board of directors of the Louisville Bar Foundation, the charitable arm of the Louisville Bar Association. Snell is an attorney with Wyatt, Tarrant & Combs.



Virginia Snell

THE NEST

■ **Emily Larish Startzman** has been appointed to the board of directors of The Nest – Center for Women, Children, and Families. Startzman is an attorney in Stites & Harbison's Lexington office.



Emily Larish Startzman

WILDERNESS LOUISVILLE

■ **Richard "Dick" H.C. Clay** has been named to the board of directors for Wilderness Louisville Inc., a nonprofit organization dedicated to the improvement of Jefferson Memorial Forest. Clay is a partner in the litigation department of Dinsmore & Shohl.



Dick Clay

YOUNG PROFESSIONALS ASSOCIATION OF LOUISVILLE

■ The Young Professionals Association of Louisville has announced its 2017-2018 board of directors: President – **Drew Eckman**, Frost Brown Todd; President-Elect – **Aimee Jewell**, University of Louisville; Immediate Past President – **Chris Nation**, Quantum Communications; Vice President of Community – **Alexis Hebert**, Emerge Kentucky; Vice President of Programming – **Haley James**, Taylor Siefker Williams Design Group; Vice President of Public Relations – **Charissa Acree**, PriceWeber; Vice President of Engagement – **Paul Heintzman**, Stock Yards Bank & Trust Co.; Treasurer – **Brittany Oerther**, MCM CPAs and Advisors; Secretary – **Joe Mandlehr**, Stoll Keenon Ogden PLLC; Director of Membership – **Nathan Shanks**, Maverick Insurance Group; Director of Entertainment – **Erika Rohrer**, March of Dimes; Director of Professional Development – **Holly Neeld**, Kentucky Center for Performing Arts; Director of Community Outreach – **Jenna Haugen**, University of Louisville; Director of Inclusion – **Gary Spence**, Republic Bank; Director of Public Issues – **Rudy Ellis**, Goldberg Simpson LLC; Director of Communications – **Sally George**, Doe-Anderson; Director of Recruitment – **Nikki Carver**, Mercer; and Director of Technology – **Shannon Siders**, Code Louisville.

Announcements for the Corporate Moves and On the Boards sections of The Lane Report can be submitted to editorial@lanereport.com. Due to space restrictions, announcements for the Corporate Moves section are generally limited to upper management positions. Photos to accompany announcements are welcome. High-resolution images (minimum 300 dpi) are required in order to reproduce well.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Richard A. Sturgill

Richard Sturgill is founder and CEO of BPM Lumber LLC, the largest operation in Kentucky's \$9 billion forest and wood products industry. Sturgill attended the University of Mississippi and the University of Kentucky, earning degrees in economics and business administration. He managed Golden Oak Farm, a Thoroughbred farm; was vice president of Big Elk Creek Coal Co. and vice president of Central Rock Mineral Co., a Lexington based highway construction company. He began BPM Lumber in 1989. Sturgill is president of Rockhouse Transport freight carrier and of Mountain Energy LLC, a natural gas lease firm. He is on the University of Pikeville Board of Trustees, the regional Fifth Third Bank Corporation Board of Directors and the University of Kentucky Center for Applied Energy Research Advisory Board. Sturgill, his wife Tracie and daughter Kendall live in Paris, Ky.

BETTER FORESTRY PRACTICES PAY OFF FOR STATE'S \$9 BILLION TIMBER SECTOR

Hardwood flooring is top product line for state's largest processor, which exports a quarter of output, BPM Lumber CEO Richard Sturgill says

BY MARK GREEN

Mark Green: Give us some background and history on BPM.

Richard Sturgill: I founded the company in 1989 to supply wood products to the mining industry. We made crib lock, mining timbers, header boards and cap wedges, which were used as roof support in underground coal mines in Eastern Kentucky. At that time, we were lucky to produce about 10,000 board feet of lumber per day. Today, we're producing about 275,000 board feet of lumber per day.

MG: Did you harvest timber or buy harvested timber when you started?

RS: We did both. In the early days back in the late '80s, we had one logging crew of our own, and we also bought gatewood logs, which we still do today on a much larger scale. We learned the business from the ground up, and it's been a very fun experience. I feel very blessed to have people who have been with us for 30 years – the people of Eastern Kentucky are hardworking – and really thankful to be able to provide them a job; their dedication and hard work means a lot to us. We operate a lot like a family; we're close to most of our people.

MG: Give us an idea of BPM's size and where you fit into the state and U.S. hardwood industry.

RS: We're probably third or fourth in the U.S. There's a big West Virginia company that produces a lot of hardwood, and there's another one that's in several states, and there are a couple down South. So I would say we're fourth or fifth in the volume of Appalachian hardwood production in the United States. We're the largest producer of Appalachian hardwood in Kentucky. Our production is around 75 million board feet a year. We've worked continuously and not had any major layoffs. There was a huge downturn in 2008, but we kept working because the only way I feel we can keep good people is to give them a consistent job they can count on. We struggled for a few years, but that's turned around now and it's paid off.

MG: Hardwood products has been a major industry in Kentucky for more than 150 years. How large is it today?

RS: The hardwood industry in Kentucky is about a \$9 billion industry. The total economic impact is about \$14.5 billion, but it's a very, very stable, large industry in this commonwealth.

MG: How many employees does BPM Lumber have?

RS: We have 280 full-time employees, and we provide over 250 indirect jobs in the logging and trucking industry. We have

about 15 contract logging companies that work directly for us, and then we have what we call "gatewood," which is individual loggers, mom-and-pop shops, that buy their own timber and bring their logs to us for purchase at the gate.

MG: You started off supplying products to the mining industry. What are your major product lines and operations today?

RS: The major product lines and customers we ship to today are: the pallet industry, which makes hardwood pallets for all different types of products manufactured in the United States; railroad ties for CSX and Norfolk Southern; lumber that goes into cabinetry, kitchen cabinetry, bath cabinetry. We sell to custom millwork shops that make millwork for offices such as banks. We provide architectural specialty woods used in buildings in New York and California – we'll cut the lumber for a particular job. We did a very interesting big job a few years ago for a big museum in Chicago that wanted all a specific type of white oak, and we cut that for them.

The largest segment of revenue for our company comes from hardwood flooring. That is not the highest-priced product we cut, but it's the bulk of what you generate from a sawmill. Hardwood flooring materials are predominantly oak but also hickory, hard maple, some walnut, some cherry. Somerset (Ky.) Hardwood Flooring is one of the very well-known hardwood companies, a very strong, good company. The hardwood basketball floors in college arenas are typically made out of hard maple, and we have supplied some of the people who manufacture the floors that go in these arenas. Oak fencing boards that line the horse farms around Central Kentucky is a very big segment of our market. And then, of course, the white oak that goes into the bourbon barrels. That's kind of neat.

And there is the furniture industry. The furniture industry used to be a big market for us, but after NAFTA was enacted (December 1993) a lot of furniture manufacturing got exported to Mexico and other places. You hear Washington is trying to get some of these jobs back to this country – the jury's out on Trump, but hopefully some of these jobs can come back and we can be competitive. It doesn't make a lot of sense that we're shipping lumber all the way to China, and they're manufacturing furniture and shipping it back, and we're buying it. It baffles the mind to think about that.

MG: What varieties of trees are part of your supply chain?

RS: In the higher region of the Appalachian hardwood basket, the primary spe-

cies in the forest are poplar. Then you have the oaks: red oak, white oak and chestnut oak. White oak is the wood that goes into bourbon barrels because the density of that wood allows it to retain the bourbon in the barrel and it won't leak. Our forests also have an array of other species such as hard maple, ash, cherry, walnut. Some of the lesser volumes of wood are sycamore, beech and blackgum. We have a very diversified forest, but the largest single tree species that grows in Appalachia is poplar. It constitutes about 32 or 33 percent of the forest landscape.

MG: How big is the geographic footprint your lumber comes from?

RS: We like to say our "wood basket" is about a 100-mile radius around our three mill sites: Whitesburg, Hyden and London. We also operate satellite log yards in Jackson, Pikeville and Williamsburg, Ky., and in Speedwell, Tenn., where we buy logs and haul them to our mills.

MG: The U.S. housing market is beginning to rebound. Are you seeing an impact, and what are the expectations over the next few years?

RS: The market has been inconsistent the past three years but 2017 seems to be a little better. Consumer confidence is growing, and folks seem to be taking a longer positive view of the economy. A lot of our product does go into new home construction, so we're excited about that. Housing starts are better than they were post-recession but nowhere near the 50-year average of what they should be. So there is some upside and some hope, and we're seeing some movement there.

MG: How much of your production goes to exports?

RS: About 25 percent of our 75 million board feet of production is exported. China, Europe, Spain and other countries are consumers of Appalachian hardwoods. We work with the American Hardwood Export Council and the Hardwood Federation, both headquartered in Washington, D.C., on policy issues pertaining to the timber industry. As I said earlier, the jury is out on President Trump, but we have been given input opportunities on policy and submitted our suggestions.

MG: What kind of advice are you giving federal officials on trade policy?

RS: We just hope they maintain a fair playing field for both the exporters and the importers. There's a pretty good argument, as I understand it, going on between those who want to export their products and the Walmarts and those type of industries that import a whole lot of things that

we consume, because a lot of those are manufactured over in China. We want to keep the balance right. It's something that President Trump can hopefully get a handle on and in the end be very good for American industry.

MG: How does your product ship to market? What are your important supply chains?

RS: Our products are shipped mainly by truck and by rail and by vessel. If we're shipping domestically on the East Coast, that goes by truck. If we're shipping west of the Mississippi River, that typically goes by rail. And if we're shipping overseas, which is about 25 percent of what we do, we load a container at London, it is trucked to either Nashville or Georgetown, Ky., and put on a train, then it's taken to whichever port it's going to: Newport News (Va.) or New Orleans. It's then put on a vessel, and it goes through the Panama Canal and on to China or wherever it's going.

Just as a footnote, we can ship a load of lumber to China for less money than it costs us to ship a load from London, Ky., to New York City. I know that's a staggering comment. The reason is because you can get so much product on these vessels; they're so large. It doesn't seem like it would make economic sense, but it does because there's so much going over there.

MG: What is the health of the Eastern Kentucky or the Appalachian forest today?

RS: The health of the Appalachian forest today is much better than in 1989. In past years, past decades, fires damaged timber, and damaged timber needs to be removed from the forest because timber is naturally rejuvenating all on its own. In the spring of the year, you can see all kinds of seedlings sprouting. We have five full-time foresters on staff at our company. We do not clear-cut anything; we manage timber based on what the landowner wants. As we've done that over the past 20, 30 years, the quality of the timber has gotten better. You need to have a harvest plan on timber land so it's sustainable for future generations: our kids, our grandkids, our great-grandkids. A tree is like a human; it's got a useful life and then it dies. It's of no benefit in the forest if it's dead, and it does stunt the growth of the young timber trying to come up. You have to get the big timber out of the way or the canopy that the big timber generates will hold the sunlight and get all the moisture, and the young timber will get stunted and won't grow as well. As we've harvested in those manners, the quality of the Appalachian forest has gotten better.

MG: How much property does BPM manage or assist with?

RS: Around 500,000 acres is what we're assisting with, managing or helping with.

MG: How long does it take a tree to reach harvestable maturity?

RS: It varies on species, but growing from a seedling to a 26-inch diameter oak tree at breast height may take 80 years. The forest is growing, so when we harvest a tree, other trees are coming right behind it – cousins, nephews. You're not just taking it out; family members are left. That creates a sustainable product for the state. The difference between coal and timber natural resources is, when you mine a ton of coal, it's gone forever. When you manufacture lumber out of a tree, there's one coming back. In Kentucky, the latest numbers from the Division of Forestry are that for every tree we're harvesting on the forest landscape in the commonwealth, there's 2.45 growing back.

MG: Are landowners trying to put more land into forest?

RS: They're managing their forest land better; they're selling their timber. Today there are 74 billion board feet, net volume, of sawable timber within the sizeable trees currently standing in Kentucky's forests. The forest is growing at a rate of 2.45-to-1, and that's pretty good. We don't want to see that decrease. That's why we focus on forest management and trying to get even mom-and-pop loggers to understand the importance of getting the timber out that needs to come out so what's left will do better and continue to flourish.

MG: Is there a minimum acreage needed to have manageable forest land?

RS: That's a good question. We've harvested on as little as 30 acres, and we've worked on 30,000 acres and anywhere in between. We go to the landowner, and we have forestry staff go in and assess what he has. We present him the opportunities: We give him how many trees he has, at what diameter and what the value is, and then he can choose whether to log it. He owns the timber, so he calls the shots. We can log it over time. Whatever he would like to, whatever prescription he wants, is what we do.

MG: What are the key issues of forest management? What education do BPM foresters give property owners?

RS: The biggest key to the whole forest is you have to get the old growth that's ready to harvest, and the unhealthy, fire-damaged, wind-damaged, shake, that type of timber out of there so the young timber can flourish. These forests have been here

LANE ONE-ON-ONE

a lot longer than we have, and they're going to be here when we leave. We just have to manage them properly.

MG: You mentioned that the Kentucky forest products and timber is a \$9-14 billion industry. Is that a constant figure?

RS: The number of timber facilities in Kentucky is 722, and there's forest industries located in 110 of the 120 counties; that may be a cabinet shop, a sawmill, a pulp or paper plant. The timber sector has been gaining steadily since the recession of '08. Sawmills and secondary wood manufacturers were responsible for \$3.4 billion in direct revenue. Logging, pulp and paper, converters and wood waste manufacturing was about \$830 million. The logging sector alone accounts for about \$149 million. All those numbers are up since 2000. We've steadily had an increase in the number of dollars in the industry.

MG: Has digital technology had any impact in your industry?

RS: Yes, sir. From when I started in 1989, the improved optimization from computers and the scanners that we have in our sawmills is really amazing and has increased our yield per tree. We've been able to maximize the saleable product out of the raw material due to the technological advancements and the equipment that we utilize to process timber at our plants.

MG: How do property owners know if they have harvestable wood resources?

RS: They will typically contact us or the Division of Forestry in Frankfort or the Kentucky Forest Industry Association, and those guys will put them in touch with someone like us. We have one of our professional foresters go and look at their property and assess it at no cost to them. Then we will say to them, "Okay, this is what you have." And they can make a decision at that point of whether they want to harvest and sell it or not. We get a professional forester to look at it and value it, tell them what it's worth, and then they make a decision of what they want to do with it.

MG: How often is a forest harvested?

RS: Let's say you take everything that's 12 inches in diameter at breast height when you stand up with it – that's called DBH, diameter breast height. If you take everything out that's 12 inches and bigger on a particular cut, that's going to yield you X amount of dollars. Then you may come back in another 20, 25, 30 years and do the same thing again. And your yield, if you do it right, may even be better. So in 25, 30, 35 years, you should be able to re-harvest.

MG: The furniture industry used to be a big sector throughout Appalachia. Does the fine wood furniture industry still exist in the U.S. today?

RS: On a very high-end scale. Most of the high-end furniture designers you'll find in New York and California. On a volume scale that produces a lot of furniture. Stickley Furniture is still around. There are several but not anything like it was. All of them, back in the day, were in North Carolina. They were there in the late '80s, but they're not there anymore. They've all gone overseas.

MG: Looking on a wider basis, how does the U.S. forest products industry today compare to years past?

RS: We're focused on Appalachian hardwood. Down South where there's a lot of southern pine forest, that's a whole different process – a lot of that goes into 2x4s and 2x6s that actually frame the houses. There is a lot of that out West as well. The softwood timber is kind of a whole different business model from what we do. We're kind of a specialty; the Appalachian hardwood timber region is kind of unique.

MG: Aside from a productive federal trade policy, are there other public policy changes the forest products industry is advocating for at state or national levels?

RS: Trade policy is important because manufacturers of hardwood lumber have significant amounts of revenue generated from overseas. Our products have the markets I described. Meanwhile, when you harvest a tree, bring it to the mill and manufacture the wood, you get byproducts: You get sawdust, mulch, bark and woodchips. The paper industry in Kentucky was once thriving, but due to the evolution of technology and cell phones and computers, the fine paper industry is declining about 5 percent a year. The need for pulp and paper has gone down, and a lot of these companies have shut down plants and consolidated. In Kentucky, we have a real need for a market for low-grade timber, what we call pulpwood, and for the residuals that come out of the sawmills. Bark typically is ground up and goes into landscaping, but we're still making more bark than the landscapers can move. We've got a significant problem today. Now, you can utilize this byproduct for fuel to generate electricity. It would be great if we had some sort of market here in Kentucky that could consume Kentucky products. There are different things on the state level we can look at. I don't know what the administration's doing; I haven't seen what their new policy is on energy, but certainly energy is something that can be looked at.



BPM Lumber has a state-of-the-art processing and production mill in Whitesburg, Ky., with modern mills also in London and Hyden plus satellite log yards in Jackson, Pikeville and Williamsburg, Ky., and Speedwell, Tenn.

MG: Is BMP involved in fuel pellet production?

RS: Very little. Some colleagues in the industry have done that. What I understand they're doing is they're bagging these pellets, and then most of them are sold in the Northeast for boiler fuel. A lot of the pellets are going overseas and are being utilized for fuel for electricity production in Japan, and in other countries, including Germany.

MG: There's been an effort to reestablish or improve the Eastern Kentucky or Appalachian hardwoods as a habitat for the honeybee, whose populations are under pressure. Is that a realistic goal?

RS: I have a good friend who raises a lot of bees in Winchester. Bees love tulip poplar, which we have a lot of, and they love locust trees. There's been a movement to take bees into the forest and try to establish hives and try to get that going, but there have been issues with bears and skunks – and people, probably. I think definitely it would be very interesting. They're going to have to get areas that might be really good for that, with a lot of poplar and whatever the bees need. But I think it'd be great. It'd be wonderful.

MG: Do you have a personal favorite variety of wood, and why?

RS: I love red oak. When we first started, we were cutting lumber up into crib lock and mining props and header boards. The very first load of graded lumber we sold was red oak. I'll never forget that day. Red oak makes a beautiful floor. Wood goes through fads. You get into the white woods, for example. Certainly I love all hardwoods, but red oak is probably my favorite. ■



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More Regulation, Fewer Community Banks



Dodd-Frank needs fixing, Kentucky bankers say, but they're not expecting much relief

BY CHRIS CLAIR

DODD-Frank financial oversight reform legislation has taken a toll on Kentucky's community bank numbers since its 2010 passage in response to the near collapse of the nation's financial industry in late 2008.

While mitigation measures are finally showing signs of life in Congress, roughly 15 percent of depository institutions in Kentucky – 33 banks – closed between the end of 2009, the year before Dodd-Frank passed, and March of this year, according to the state's Division of Depository Institutions, which supervises state-chartered banks. In 2016 five banks closed. Already this year four have.

As its rules have been developed, the federal legislation has required Kentucky bank owners to put more capital into institutions, increased compliance obligations that increased their costs, but made it

harder for them to qualify borrowers for the loans that create income.

Kentucky bankers have been among the years-long chorus calling for easing, if not full repeal, of Dodd-Frank's burdens. However, despite Dodd-Frank critic Donald Trump's win in the 2016 presidential election, which kept anti-regulation Republicans in control of Congress, they are not optimistic this will happen soon.

Ballard Cassady Jr., president and chief executive of the Kentucky Bankers Association, said there aren't enough votes in the U.S. Senate to repeal Dodd-Frank. What's more likely, he said, is that either Trump will try to chip away



Ballard Cassady Jr., president and chief executive of the Kentucky Bankers Association

at the rules through executive orders, or Republicans in the House and Senate could make changes through the budget reconciliation process.

"Any of those would be just a handful of things," Cassady said. "It would not be anywhere near what the industry needs to get back to serving their communities."

Consolidation is creating most of the Kentucky banking closures. Institutions are merging with or acquiring other in-state banks in most cases, but banks in Ohio and Indiana are also targeting Kentucky banks.

Not all of those closures were due to increased regulatory reporting requirements and regulations that restrict lending. Kentucky has seen sluggish economic growth coming out of the Great Recession due in part to the loss of coal jobs in Eastern Kentucky. That's increased loan delinquencies and foreclosures in that area, putting added pressure on local banks.

Relief for smaller banks first

At the top of changes state bankers would like to see are passage by Congress of the TAILOR Act and the relaxing of certain portfolio lending rules for loans that banks keep on their own books. Its aim is to alleviate the perceived one-size-fits-all regulatory regime and ease the compliance burden for smaller banks.

Co-sponsored by Kentucky 6th District U.S. Rep. Andy Barr, the TAILOR Act (H.R. 1116) would require federal financial agencies to take into account the risk profiles and business models of the institutions they oversee when taking regulatory action. It would require those agencies to consider various costs and other impacts for those institutions.

The TAILOR Act has been referred to the House Financial Services Committee, on which Barr sits.

Critics say the law goes too far and would also relax rules on big banks, and that the Consumer Financial Protection Bureau already has the discretion to ease rules on smaller banks.

The goal of its portfolio lending rule changes is to make it easier for commu-



U.S. Rep. Andy Barr, Kentucky 6th District

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nity banks to lend money to people who might not otherwise qualify for loans, provided the banks keep those loans – and all of the risk associated with them – on their books and not sell them or securitize them.

Barr introduced a bill in 2015 that would have made those changes, and it passed the House before stalling in the Senate. Critics contended it went beyond just helping small banks. President Obama had indicated he would likely veto the legislation.

At the time, Barr said the Qualified Mortgage rule was a cause of banking industry consolidation and closures of community banks and credit unions.

Luther Deaton, chairman, president and CEO of Lexington-based Central Bank, said the lending rules handcuff community banks, preventing them from making loans to customers they know can pay them back. The negative effect is twofold: The customers end up looking for loans from less reputable lenders with less favorable terms, and local economies suffer because bank lending is restricted.

“If they don’t change something, you could see small banks in small communities merging with somebody else in another community and leaving,” Deaton said. “And that community has no banks to deal with. A community bank is the heart of every community.”

Cassady said that’s already happening.

“We’ve lost 30 banks in the last 10 years,” he said. “All but one of them closed down because of compliance costs. When I say ‘closed down’ I mean they sold or merged with someone else because they couldn’t stay independent.”

Many of the bank closures recorded by the Division of Depository Institutions were related to regulatory requirements placed on smaller banks by Dodd-Frank rules, said Cassady, who is no fan of Dodd-Frank or the Consumer Financial Protection Bureau that it created.

Fewer banks a national trend

Kentucky is part of a national trend of shrinking bank numbers. During the past 20 years the number of FDIC-insured commercial banks in the U.S. has fallen 46 percent. From 2010, just as the Great Recession had ended officially, through 2016 the number of FDIC-insured commercial banks in the United States declined 22 percent, from 6,519 to 5,113.

Looking at FDIC statistics, an argument can be made that the decline in institutions was a thinning of the herd of sorts. More of the remaining banks are



Luther Deaton, chairman, president and CEO, Central Bank



The former main sign for Lehman Brothers, an investment bank that experienced the largest bankruptcy in U.S. history during the 2008 financial crisis, was sold at auction eight years later.

profitable – and more profitable, with higher returns on equity and assets than in 2010. The number of failed institutions has dropped each year since 2010, when 139 institutions failed. Five did in 2016.

According to FDIC data, of the 518 bank failures that occurred nationally between 2008 and this year, only two were in Kentucky – Irwin Union Bank in Louisville in 2009, part of a broader failure of Irwin Union Bank due to bad home mortgages – and First Federal Bank in Lexington in 2013, a result of high default rates on loans.

At the same time, since Dodd-Frank became law the number of new bank charters recorded by the FDIC has flatlined. Between 1997 and 2009, the FDIC recorded an average of 143 new bank charters per year. There was near total collapse between 2009 and mid-2016, the most recent figures available, as the FDIC recorded a total of seven new charters: five in 2010, one in 2015, and one in 2016. None of those were in Kentucky.

While the period since 2009 includes the Great Recession and its aftermath, which has seen slow economic growth, Cassady says some of the lack of bank growth is most certainly due to the regulatory environment.

Compliance creates personnel costs

Although the number of banks in Kentucky has declined 15 percent since the end of 2009, the number of employees at banks in the state increased by 3 percent, perhaps a reflection of the additional compliance positions required to keep up with federal reporting requirements.

Of 200 small banks in 41 states surveyed in a 2014 study by the Mercatus Center at George Mason University, 90 percent said the Dodd-Frank rules that had been finalized up to that point were increasing compliance costs, and 83 percent said the rules had increased costs by more than 5 percent. Almost two-thirds of banks said they would be changing the “nature, mix and volume of mortgage

products and services as a result of new regulations” while 10 percent said they anticipated discontinuing residential mortgages. And despite the fact that the Consumer Financial Protection Bureau was supposed to concentrate on banks of \$10 billion-plus in assets, 71 percent of the small-bank respondents said the CFPB was affecting their business activities.

Most of Kentucky’s 164 banks are “community banks” with \$1 billion or less in local assets and are part of holding companies with less than \$10 billion in total assets. This generally means they are local banks that serve local customers. A variety of factors go into designating a bank a “community” institution, including total assets, territory, loan-to-asset ratios, and core deposits-to-assets ratios.

Kentucky banks have an average of about \$348 million per institution, according to FDIC statistics. That “community” threshold is important in the Dodd-Frank world, since banking organizations with less than \$10 billion are supposed to be subject to less regulatory scrutiny.

In practice, smaller banks have been subject to many of the same requirements as larger banks, Deaton said, and Central Bank has had to hire four people to work on compliance and auditing. He estimates Dodd-Frank has cost Central Bank \$7 million a year net in additional staff and compliance costs.

Central Bancshares, the parent company of Central Bank, reported a 2016 profit of \$17 million on non-interest income of \$39 million.

“We’re blessed to do well,” Deaton said. “But if I didn’t have to do a lot of this crazy stuff I’ve got to do, I’d have more that I could invest back in my community and give to charities.”

Dodd-Frank’s origins

Understanding what increased bank regulation is doing to community banks starts with recalling the circumstances that led to the passage of the Dodd-Frank Wall Street Reform and Consumer Protection

Act. Both started out in response to a credit crisis brought on by banks' willingness to give mortgages to people who ultimately couldn't pay them back.

Because of the way mortgage securities were and still are packaged together into bonds and sold into the financial system, the defaults of some mortgages infected outsized parts of the credit markets. When defaults began to increase, it triggered a domino effect through the entire financial system. Lehman Brothers, a 160-year-old global financial service company, collapsed in the largest bankruptcy in history, and 85-year-old Bear Stearns nearly did before the government forced its sale to JPMorgan Chase.

Investors panicked and started selling credit-based assets. The lack of credit market liquidity due to the massive redemptions crimped short-term lending that the private sector uses to fund operations and even make payroll.

Stock prices fell, home lending slowed to a crawl, and the U.S. economy entered a recession that resulted in hundreds of thousands of lost jobs.

In addition to the mortgage-based credit crunch, some bankers and traders in the United States and abroad routinely flouted regulations and bragged about it via email and instant messages.

Traders at dozens of banks around the world colluded for years to rig the London interbank offered rate, or LIBOR, which is used to benchmark international interest rates. In 2015, five banks – JPMorgan Chase, Royal Bank of Scotland, Citigroup and Barclays – pled guilty to manipulating foreign exchange markets and paid more than \$5.5 billion in settlement charges. Separately, nine banks, including some of the same forex manipulators, settled civil charges that they manipulated currency markets. They paid \$2 billion.

If ever there was a case of a few bad apples ruining the fun for everyone, banking is it. Kentucky's community banks have been caught up in a massive regulatory overhaul, only part of which was designed to apply to them.

Reasonable people can debate whether Dodd-Frank and the regulations that eventually resulted were a response to the crisis or a response to the opportunity to rein in the financial sector that the crisis presented. At its heart, Dodd-Frank was an attempt to monitor and mitigate risks in the financial system that could lead to systemic failure of that system – too many risky loans, banks too big to be allowed to fail, too little reporting to regulators who didn't always communicate.

The legislation left implementing rule-making to the regulators. In total, Dodd-Frank required 390 new rules. As of the

end of the third quarter of 2016, regulators had finalized 249 of those rules, according to law firm Davis Polk & Wardwell LLP, with another 58 proposed, leaving 83 rules yet to even be proposed.

Banks, their advocates and those opposed to Dodd-Frank naturally say the new regulations are costly and burdensome. Deaton and Cassidy are among those, although Cassidy faults the regulators for pushing down onto smaller banks regulations designed for larger banks and Deaton said Congress

created the problem and is responsible for fixing it.

Deaton emphasizes that what's needed is a fix for Dodd-Frank, not a repeal.

"I know some people want to do away with Dodd-Frank," Deaton said, "I don't want to do that. I just want to fix what's broken so I can serve my customers, and serve my communities." ■

Chris Clair is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



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Ultraviolet Light's Eye-Opening Powers

UVC energy curtains are cutting infections and HVAC costs in Kentucky healthcare facilities

BY JOSH SHEPHERD



The PurgenixMatrix is a total coverage UVC array designed to address the individual needs of each installation. The ultraviolet energy field provides defense against airborne pathogens that can populate the moisture concentrating coils of HVAC air handlers and supplies.

CYNTHIANA'S Harrison Memorial Hospital, a 61-bed community healthcare provider, is becoming the nation's first "PurHospital," implementing an entire-building air disinfection system that strategically deploys ultraviolet energy in its HVAC infrastructure to irradiate pathogens.

HMH administrators opted to spend a few million additional dollars for the system midway through a multimillion-dollar renovation and expansion, but are breathing easier in expectation of lower hospital-acquired infection rates for patients and staff along with extended life and curtailed maintenance costs for 14 HVAC air handlers.

Purgenix, a company founded in Lexington and now based primarily in Atlanta, created the disinfection solution.

An open house in Cynthia in mid-May is celebrating both completion of the expansion and the PurHospital designation, which commits the entire campus HVAC system to the PurgenixMatrix, an ultraviolet-C (UVC) germicidal energy grid that kills airborne bacteria, mold and viruses using a patented design. It includes a service commitment assuring the UVC matrix will always perform as intended, said Sam Perkins, Purgenix co-founder and CEO.

During the open house celebration, HMH visitors will marvel at the hospital's conversion to all private rooms and 40,250 s.f. of new clinic space but have to shift senses to take in the significant upgrade to the air-handling system.

"Your nose tells you,"

Perkins said in an interview that included Glen Allen, HMH director of environmental services. The PurgenixMatrix had been operating inside all 14 of the hospital's air-handling units for roughly two months. There was a noticeable difference in the air quality, Perkins said.

The typical "hospital smell" people talk about is emitted by molds unique to the healthcare environment, said Perkins, walking down a basement hallway toward one of HMH's main air-handling units (AHU). Many libraries have a similar problem because molds that feed on books release their own odors, he added before prompting the group with him to notice the crisp feel and lack of odor to the circulated air inside the hospital.



Sam Perkins, Co-founder and CEO, Purgenix



Glen Allen, Director of Environmental Services, Harrison Memorial Hospital

“We’re walking in a hospital that doesn’t have those odors,” Perkins said. “Something is different here. Something is better. Something is healthier.”

The AHU occupies a space as large as a surgical suite. The intake on one side draws in a mix of returned building and fresh outdoor air that passes through a complex cooling and filtration process. The supply on the other side sends treated air to circulate throughout the hospital.

Before entering the air-handling unit, Allen passes out UV-protective eyewear to avoid the risk of vision damage similar to staring too long at arc welding. The matrix inside is a grid of dozens of UVC lamps that engulf the air handler’s coils with mold-, bacteria- and virus-killing energy.

An observation window into the area housing the cooling coils emits an electric blue glow from the angled arrangement of lamps, creating a germicidal energy curtain through which intake air rushes. They illuminate wisps of mist that appear as the air passes into the cooling coils. A second, less intensive grid of UV lamps provides a further level of treatment as the airflow emerges from the chiller and HEPA filters.

Temperatures in the AHU room are cooler since the matrix was installed.

“It’s never been this cool in here,” Allen said. “When the molds build up heavy on the coils, it forces the machines to work harder to circulate the air. And then it would get warm and humid in here, which made the mold and mildew grow even faster.”

The metal coils that warm or cool the air depending on the season now again gleam brightly, their vents free of obstructing mold buildup, he points out.

“It’s cool in here because the machines are operating like they were meant to do,” Allen said. “In the long run, that will mean less money spent on maintenance crews cleaning these units, and they’re going to last longer, too.”



‘Alignment of the moment’ for HMH

Working with Purgenix was not a part of HMH’s original renovation plans, according to CEO Sheila Currans. The renovation and expansion approved in 2013 was well underway when she and Allen first met Perkins. John Roach, the hospital’s legal counsel, was familiar with Perkins’ company and arranged an introduction. Roach thought the parties had shared interests and would at least have a good conversation.

His initial contact with HMH, Perkins said, was a “wonderful alignment of the moment.” There was no need to sell Currans on the idea and science of using UVC as a germicide because she and Allen were quite familiar with a successful application of the technology.

“HMH had been using UV technology to treat our domestic water intake for years,” Currans said. The needs of newborns in the maternity ward as well as its elderly patients requires the hospital to provide water at lower temperatures that raise the risk of bacterial



Sheila Currans, CEO, Harrison Memorial Hospital

Harrison Memorial in Cynthia recently became the first certified PurHospital in conjunction with an expansion and renovation that added space and converted to all private rooms. It is holding an open house for facility and its entire building air disinfection system this month.

contamination, particularly for legionella. Since implementing UV treatment, Currans said, she has been “blown away” by water test results.

“We’ve never had the first hint of legionella or other bacterial growth in our water system since we started the UV treatment,” she said.

Numerous articles in peer-reviewed research journals document how UVC kills microbial organisms by destroying their DNA structure. Beyond water applications, studies show UVC room and surface disinfection eliminates MRSA, rhinovirus and other pneumococcal bacteria. Several companies have developed robotic UVC systems to enhance infection-control protocols in hospital patient rooms and surgical suites.

Only in recent years has attention focused on applying UVC to destroy penicillium and aspergillus molds, as well as staph, c. difficile, enterobacter, corona virus and other infectious pathogens that are enabled by humid conditions inside large-building AHUs. Maintaining air quality is a huge concern for anyone who manages office buildings, hospitals or any large commercial structure, Currans said.

An efficient and mold-free system is important in office buildings where it’s common for flu, colds and viruses to be



Improperly maintained HVAC air handlers in large buildings can become sources of acquired airborne infection.

HEALTHCARE

shared among staff. It's especially crucial in hospitals, where the hospital-acquired infections (HAIs) rate among inpatients is a common quality measure healthcare facilities track.

Airborne pathogens can make people suffering from serious illnesses worse, affect the recovery of surgical patients and impact family members with compromised immune systems, Currans said. They also affect staff, who often are exposed to an even wider range of airborne illnesses than patients.

Spikes in staff absenteeism tell Currans, who entered healthcare as a registered nurse, when a particularly virulent flu bug is being spread. Her nursing experience informs much of her executive decision-making, she said. If a technology will reduce risk to patients and staff, she thinks it's worth making the investment.

Pineville likes Purgenix impact

Research into UVC air treatment led Currans to another Purgenix client in Kentucky. In Bell County, former Pineville Community Hospital CEO Milton Brooks four years ago authorized nearly every AHU to be outfitted with the PurgenixMatrix.

"I was skeptical about how these UV lights were supposed to work," said Robin Saylor, director of engineering for PCH. "I've been in environmental services with Pineville Hospital for almost 16 years, and a good deal of my time was spent cleaning mold growth off coils every six months and replacing the specialized HEPA filters every three months."

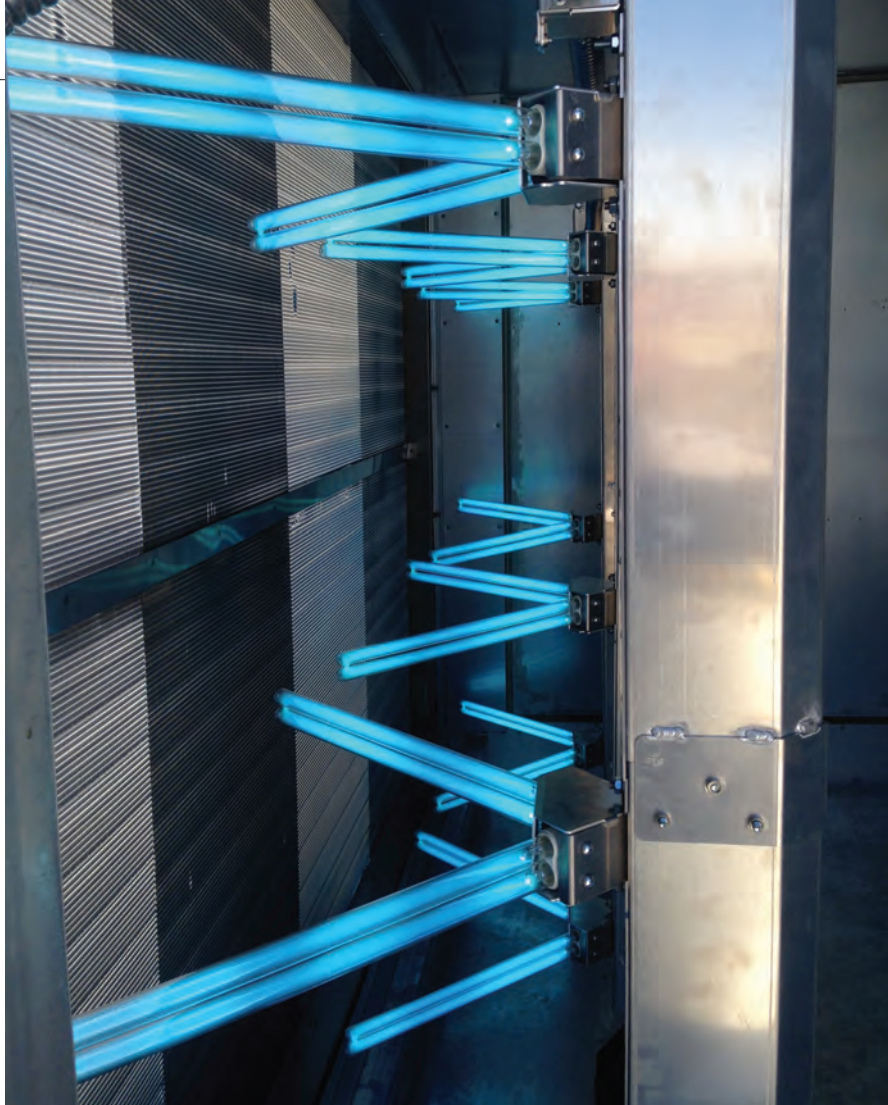
Since they were installed, however, Saylor has been impressed. Complaints about odors in the hospital and surgical suites have dropped to nothing, he said, and maintenance has diminished dramatically.

PCH used to clean the cooling coils three to four times a year, but now it's once a year and they "barely even need it," Saylor said. HEPA air filters that cost \$80-150 apiece need to be changed only once a year rather than four times.

Harrison Memorial's first UVC systems were turned on in 2015. It hasn't been long enough to confirm maintenance cost savings or conclusively track reductions in HAIs, Currans said, but there are signs HMH's environment is healthier.

"There were two quarters in late 2015 and early 2016 in which we had no HAIs," she said. "We were infection-free, which was quite an accomplishment for any hospital."

When Mark Haney, president of the WellStar Paulding Hospital in Hiram, Ga., and another Purgenix client, introduced that then-new \$92 million regional hospital to residents of its service area in 2014, he chose to do so from



the building's basement mechanical room rather than its visually stunning lobby. Among an impressive range of cutting-edge patient-centric technologies incorporated into its design, Haney thought it most important to draw attention to the UVC matrix at work to improve the building's air quality.

"He said, 'We still do the (anti-infection) basics, but we have the building working for us now,' " Perkins said. "And that's the same as what HMH has done. By integrating our design into every AHU, the building is now working for them."

The building is working for them

In essence, Perkins said, HMH is making air handling an essential part of the mix in its infection-control procedures, alongside its policies on surface disinfection and hand washing. It means more than just installing UVC lamps and flipping a switch, though.

"Design matters when one wants to make air-handling systems a solution to the control and transmission of airborne infections rather than the problem," Perkins said.

Purgenix' scientists must engineer UVC energy fields like artists work with paints and brushes, he said, and it varies from client to client. Their research sug-

Individually designed arrays of UVC lights generate energy fields that disrupt the DNA of bacteria, viruses and molds that can populate HVAC air handler coils where moisture creates a conducive environment.

gests a specific grid design is the most important consideration to maximize the infection-control efficiency of the UVC energy field. They found that angling UVC lamps within the air flow creates a smooth energy curtain "with no gaps or holes," he said.

The goal of UVC infection control is three-fold, Perkins said. The first step is to eliminate infection reservoirs – areas of the air-handling system where molds, bacteria and viruses thrive. Growth typically is most abundant on the cooling coils where humidity is high and air temperatures tend to fluctuate most.

Allen has photos of HMH's cooling coils before the UVC matrix was installed and, as is common among most air handling units, there is a mixture of green and black molds around vents and openings. Spore and bacterial growth hinder the performance of equipment, so eliminating the reservoir not only kills the germs, it increases the

lifespan of expensive HVAC equipment, Allen said.

The second step is blocking the transport of microbes through the air intake and supply.

“Even if you have controlled for the reservoir, there are still sick people with their personal infections in the rooms,” Perkins said. HMH reduced the risk of patient-to-patient infection spread by making all rooms private. Purgenix adds to that effort by controlling airborne microbe transport via internal air intakes.

The final step is controlling transmission.

“The idea is, if the reservoir is eliminated and microbes are killed rather than transported, then harmful contaminants can’t be transmitted. The results are dramatically fewer microbes in the recirculated air, creating a healthier environment for patients and staff,” Perkins said.

This can be accomplished not only with new AHUs but in older ones where mold colonies already exist.

“Our system can gradually heal established buildings until they are like new.”

Other clients and matrix applications

Harrison Memorial Hospital is the country’s first PurHospital, but it is not the first to recognize the system’s potential. Since Purgenix’ 2003 founding and 2010 acquisition of Atlanta-based EnviroMax Engineering, it has signed clients from across the Southeast. It has installations in Georgia, Kentucky, North and South Carolina, Tennessee and Virginia.

Purgenix has more than 575 installations in 50-plus customer settings, mostly in healthcare.

Within the commonwealth, clients include the University of Kentucky Chandler Medical Center, Frankfort Regional Medical Center and Baptist Health Paducah, which each have incorporated a PurgenixMatrix in their dedicated surgical suite AHUs.

There are client applications outside of healthcare, too. Emory University in Atlanta has 130-plus Purgenix installations in 36 buildings with more planned. Washington & Lee University in Virginia has multiple installations and plans more. Animal environments at the world’s largest aquarium, the Georgia Aquarium in Atlanta, are treated.

Targeted applications make an important difference, Perkins said, but committing an entire building to treatment provides the most comprehensive impact.

“It’s all well and good to ensure an antiseptic environment in a surgical suite, but that vulnerable patient will eventually join the general hospital environment and its associated higher risks,” Perkins said.

Purgenix’ adjusted fee was about \$5,000 per bed, which is not unusual for a hospital with 61 licensed beds, said Perkins. The hospital uses 13 major AHUs and a smaller side unit for its climate control, while a metropolitan hospital would use about two very large units to cover the same square footage.

“Small hospitals work off narrow margins. If at the end of a fiscal year I have a 1 percent margin, I’m over the moon,” Currans said. “But if I can take that 1 percent and reinvest it in a system that makes a healthier environment in this hospital, it’s worth every bit of the expense.” ■

Josh Shepherd is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.

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Earning an MBA certification can be a career- and life-changing milestone. One student at Midway University exhibits her enthusiasm about gaining an MBA on her graduation mortar board.

Your Guide to Kentucky MBA Programs

There are many programs and methods for pursuing the most popular post-graduate degree

BY ESTHER ZUNKER

THE rise of entrepreneurial MBAs is one of the top education trends, according to QS topuniversities.com, the global career and education network for professionals. Generations Y and Z increasingly prioritize values of entrepreneurship and independence, and firms are recognizing the value of innovation and autonomy when hiring and promoting graduates.

The masters of business administration has long been the gold standard credential for a career in business, and is considered to develop valuable management skills. It provides structured education in foundational business practices, such as accounting, finance, marketing and management. An MBA remains the most sought after post-graduate degree in the United States, according to the U.S. Department of Education.

Some of the reasons are: adding an opportunity to think globally about business issues; learning from experts, with academic programs often augmenting their teaching with private-sector leaders; gaining options and connections for switching careers; building leadership skills via team assignments; learning to give good speeches; connecting with like-minded people; and up-skilling more quickly than reading books and listening to tapes on your own.

Those job hunting or aiming for career advancement are expected to prove their value as a thought leader and industry expert, topuniversities.com says in a piece about MBA trends. Soft skills are growing increasingly crucial and a good MBA includes teaching how to capitalize on the latest online marketing strategies to impress recruiters, investors and your bosses.

MBA specializations are making a big comeback, too. The most popular specializations according to topmba.com are: international business; strategy; marketing; operations management; supply chain management; and human resources. Other key specialty-track MBAs are entrepreneurship, as previously mentioned, corporate social responsibility, innovation and information management.

There are many benefits of obtaining a MBA, the most significant being greater employment opportunities in business management.

And today there are an array of ways to earn an MBA in Kentucky, from the traditional full-time classroom instruction route, to evening or weekend-only sessions, to fully online teaching, as well as various hybrid programs.

Following is a list of MBA programs at public and private colleges and universities with details about each to help make the all-important decision of which program to choose.

PUBLIC UNIVERSITIES

Eastern Kentucky University

Location: Richmond

Type: State comprehensive university

Accreditation: AACSB

Base Program Cost: \$15,750

Minimum Credit Hours: 30

GMAT Required: 450

Minimum Time Commitment: 18 months

Concentrations/Online Concentrations:
General

Campus Requirements: Most MBA courses are a web-enhanced hybrid format. Each course meets four times per semester for face-to-face interaction with the rest of the course utilizing modern online learning technology.

Why choose this program: Excellent program leadership, world-class faculty, hands-on learning, small class sizes, convenient class schedules, with a competitive cost.

Kentucky State University

Location: Frankfort

Type: Public university

Accreditation: ACBSP

Base Program Cost: Not available

Minimum Credit Hours: 30 hours with a bachelor's in business; 42 hours without a business bachelor's

GMAT/GRE Required: Yes

Minimum Time Commitment: Varies based on schedule preference

Concentrations/Online Concentrations: General; marketing, management, and accounting concentrations began in fall 2015

Campus Requirements: On-campus classes

Why choose this program: The Master of Business Administration degree programs are designed to prepare strategically thinking business professionals for successful careers in the private and public sectors.

Morehead State University

Location: Morehead

Type: State comprehensive university

Accreditation: AACSB

Base Program Cost: \$579 per credit hour or \$1,737 per course; \$17,370 total

Minimum Credit Hours: 30 semester credit hours

GMAT Required: Yes, but GRE is also accepted.

Minimum Time Commitment: varies

Concentrations/Online Concentrations: General; health systems management track requires 33 semester credit hours.

Campus Requirements: None

Why choose this program: The MBA program is offered in a 100 percent online environment. Students may complete the program in as little as one year with no residency requirement. It is designed for individuals seeking to improve their career success and is focused on working managers.

Murray State University

Type: State comprehensive university

Accreditation: AACSB

Base Program Cost: \$19,950 including all tuition and fees (online only). \$15,090 for on-campus instruction.

Per Credit Hour: \$640 (+\$75 per online course fee)

Minimum Credit Hours: 30

GMAT Required: Yes, but GRE is also accepted.

Minimum Time Commitment: 12 months

Online Concentrations: MSU has the general MBA online as well as four completely online concentrations (global communication, finance, marketing, and human resource management). Other concentrations possible soon.

Campus Requirements: No

Why choose this program: Murray State University launched one of the nation's first 100 percent online MBA programs in 2005 and thus has the depth and breadth of experience to advance the national and international business education needs of today's student, who need come to Murray only for commencement. All faculty have traditional Ph.D.s, international experience and the mindset that students invest in an MBA to get value for money. Faculty go out of their way to be helpful. Under a rolling admissions process, students may start in the fall, spring or summer and finish at their own pace, taking a minimum of one graduate course at a time. Murray State's large MBA program draws students from across the United States and a few from abroad; the majority are from Kentucky, Indiana, Tennessee, Missouri and Illinois.

Northern Kentucky University

Location: Highland Heights

Type: State comprehensive university

Accreditation: AACSB

Base Program Cost: \$627 per credit hour

Minimum Credit Hours: 33 credit hours

GMAT Required: The GMAT/GRE is no longer required as long as the applicant can submit proven competency of readiness for the quantitative rigor of the program, as evidenced by all other submitted documents (resume, transcripts, writing sample etc.). A portfolio approach is still used in evaluating prospective students for acceptance into the MBA program.

Minimum Time Commitment: Two years, but may be able to complete sooner depending

on how many courses are taken and the course rotation.

Concentrations/Online Concentrations: N/A

Campus Requirements: Courses are five to eight weeks in duration and hybrid based, so students usually meet one night a week for each course, with some online work and some Saturdays required as well. Students can decide how many courses they want to take in a semester.

Why choose this program: The new MBA program from NKU meets the needs of professionals at all career stages and retains some of the best elements of the preceding program. The program includes an emphasis on real-world cases and applied, experiential learning with abundant faculty interaction, all while introducing greater degrees of flexibility in scheduling and the opportunity for students to customize their experience. The total curriculum consists of 33 credit hours, broken up into eight core business essential courses, two stack focus areas that allow students to tailor their degree to their own interests and career paths, and will conclude with a capstone experience that will allow students to apply what they have learned in a student-designed team project with a local organization. The introduction of the stacks is an exciting new piece to the program and different from competitors in the region as stack course offerings will vary and evolve each semester to explore current hot topics in the marketplace. Currently admitting for fall 2017.

University of Kentucky One-Year Accelerated MBA Program

Location: Lexington

Type: State land grant, research university

Accreditation: AACSB and SACS

Base Program Cost: \$33,486

Minimum Credit Hours: 51 credit hours

GMAT Required: GMAT or GRE can be used. This is waived if the applicant has a professional degree (Pharm.D., M.D., D.M.D., J.D. or Ph.D.) or professional work experience as determined by the admission committee.

Minimum Time Commitment: 11-month program, June to May

Concentrations/Online Concentrations: General MBA, but a number of certificate programs are available with additional classroom work, including project management, global commerce and strategy and a green belt in Lean Six Sigma. No MBA courses are online, but all prerequisites can be completed online, including options through IVY software.



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COVER STORY

Eastern Kentucky University MBA candidates participate in their graduation hooding ceremony at Alumni Coliseum in May 2016.



Campus Requirements: On-campus classes

Why choose this program: Gatton College of Business and Economics' accelerated option is an intensive, cross-disciplinary, hands-on experience to make graduates world ready for business. The teaching philosophy incorporates core business processes, including marketing, management and finance, as well as more technical courses in quantitative analysis, operations (supply chain) management, global management, and data analysis. It includes corporate-critical areas such as leadership, communication and presentation skills, ethics and strategic thinking. The curriculum includes interactive corporate-setting learning laboratories through the Project Connect team internship program.

University of Kentucky Professional Evening MBA Program

Location: Lexington

Type: State land grant, research university

Accreditation: AACSB and SACS

Base Program Cost: \$34,622 (two-year track) and \$33,458 (three-year track)

Minimum Credit Hours: 36 credit hours

GMAT Required: GMAT or GRE can be used. This is waived if the applicant has a professional degree (Pharm.D., M.D., D.M.D., J.D. or Ph.D.) or professional work experience as determined by admissions committee.

Minimum Time Commitment: Two-year or three-year tracks; fall and spring semesters; start dates are August and January each year.

Concentrations/Online Concentrations: General MBA, but a number of certificate programs are available with additional classroom work, including project management, global commerce and strategy, and a green belt in Lean Six Sigma. Also, included is a healthcare track. No MBA courses are online, but all prerequisites can be completed online, including options through IVY software.

Campus Requirements: On-campus classes

Why choose this program: The UK Gatton College of Business and Economics Professional evening track is designed for working professionals looking to succeed in a wide variety of professional contexts. Anchored by a series of rigorous foundation courses in economics, finance, marketing, management, accounting and information systems, the curriculum seeks to build upon the knowledge a working professional has already attained during his/her career. During the program, students will enhance their leadership, communication, problem-solving, critical-thinking and team-building skills.

University of Kentucky/ University of Louisville Joint Executive MBA Program

Location: Lexington and Louisville

Type: Public, research universities

Accreditation: AACSB and SACS

Base Program Cost: \$67,500 total cost, paid in four equal installments

Minimum Credit Hours: 46

GMAT Required: No

Minimum Time Commitment: 20 months

Concentration: Executive skills for mid- to C-level professionals.

Campus Requirements: Classes on campus Fridays/Saturdays – half at UK, half at UofL

Why choose this program: The University of Kentucky and the University of Louisville have partnered to create an executive MBA program that will help students advance to the next stages of their professional careers. Designed for mid-level to C-level executives from for-profit, nonprofit and government organizations, the UK/UofL Executive MBA presents the leadership skills and hands-on tools needed to propel their careers. Designed with busy schedules in mind, the joint EMBA program is a cohort program meeting every other Friday and Saturday over 20 months. Students also participate in a 12-day global experience. The heart of the program allows students to study and network with other business leaders while learning from top-notch faculty at both institutions who are on the cutting edge in their respective fields. The program was designed to bring the best and most experienced faculty together to work collaboratively with an elite set of business talent.

University of Louisville Full-Time MBA

Location: Louisville

Type: Public, research university

Accreditation: AACSB and SACS

Base Program Cost: \$32,000

Minimum Credit Hours: 45 (internship or non-internship track)

Minimum Time Commitment: 13 months

Why choose this program: The full-time MBA is a 13-month accelerated program ideal for recent college graduates and those seeking practical work experience. Eduniversal ranks it the 37th best full-time MBA program in North America. The competitive paid internship option allows students to gain work experience while offsetting the cost of tuition. The class of 2015 saw a 94 percent job-placement rate. Students attend classes in the evenings while working the internship during the day. An international trip is integrated into the program (excluding airfare), exposing students to businesses and cultures around the world.

GMAT Required: Yes

Campus Requirements: UofL Belknap Campus

University of Louisville Professional (Part-time) MBA

Location: Louisville

Type: Public, research university

Accreditation: AACSB and SACS

Base Program Cost: Tuition is \$32,000 and includes an international trip

Minimum Credit Hours: 45 hours

Minimum Time Commitment: 20 months

Why choose this program: The professional MBA is a 20-month program for working professionals with convenient evening or weekend class schedules. *U.S. News and World Report* ranks it in the top 100 professional MBA programs in the nation. Its cohort- and team-based learning environment allows students to complete the program with the same group from start to finish. Focused electives allow specialization: choose between health-care, marketing, and business analytics. An international trip is integrated in the program (excluding airfare), exposing students to businesses and cultures around the world.

GMAT Required: Yes

Campus Requirements: UofL Belknap Campus

University of Louisville Entrepreneurship MBA

Location: Louisville

Type: Public, research university

Accreditation: AACSB and SACS

Base Program Cost: \$32,000

Minimum Credit Hours: 45

Minimum Time Commitment: 20 months

Why choose this program: The entrepreneurship MBA was created to give students the skills needed to successfully launch a new business or provide innovative leadership within an existing organization. Eduniversal ranks it the 23rd best Entrepreneurship MBA program in North America. The cohort- and team-based learning environment offers energizing team-building and problem-solving experiences. A track is available for students who want to compete in business plan competitions for real start-up capital and business plan feedback. The business consulting track delivers learning experiences to students in real-world environments. An international trip is integrated into the program (excluding airfare), exposing students to businesses and cultures around the world.

GMAT Required: Yes

Campus Requirements: UofL Belknap Campus



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University of Kentucky Evening MBA program participants can earn degrees in two-year or three-year tracks with on-campus classes designed to build on the knowledge working professionals have attained in their careers.

Campus Requirements: One week at end of program for capstone presentations and graduation.

Why choose this program: Throughout the program students are intentionally prepared for corporate settings, small businesses, entrepreneurial endeavors and nonprofit or ministry-based environments. Emphasizing entrepreneurship and innovation, the Master of Business Administration program at Asbury University equips students with creative and critical thinking skills to engage today's complex global marketplace in a faithful way. Asbury ranked top five for five straight years (2011-16) in the *U.S. News and World Report* regional college rankings (South).

Bellarmine University

Location: Louisville

Type: Independent, private, Catholic university

Accreditation: AACSB accredited

Base Program Cost: Tuition is subject to change on a yearly basis. Cost per credit hour: \$745 (beginning fall 2017); additional costs: \$2,000 international trip; \$1,100 case fees

Minimum Credit Hours: 48

GMAT Required: Combination of GMAT and Cumulative GPA taken

Time Commitment: Varies based on schedule preference

Concentrations/Online Concentrations: Finance, healthcare leadership, marketing, strategic consulting, taxation

Campus Requirements: On-campus classes

Why choose this program: Today's business leaders need expert managers with vision, leadership and a strong sense of ethics. Bellarmine's MBA is taught by faculty with a combination of professional and academic experience, offering real-world perspectives on practical business solutions. With Bellarmine's flexible programs, students can earn a MBA on weeknights or weekends at the same cost as state schools.

Brescia University

Location: Owensboro

Type: Private, faith-based

Accreditation: SACS

Base Program Cost: N/A

Per Credit Hour: \$500/credit hour

Minimum Credit Hours: 33

GMAT Required: No

Minimum Time Commitment: 18 months

Campus Requirements: Undergraduate GPA of at least 2.5; completion of pre-requisite courses if not already completed during undergraduate study.

Western Kentucky University

Location: Bowling Green

Type: State comprehensive university

Accreditation: AACSB

Base Program Cost (includes fees): Full-time accelerated MBA is \$17,700 for tuition and fees for Kentucky residents, \$25,080 for tuition and fees for non-residents (domestic); professional MBA tuition and fees is \$27,710; online MBA tuition and fees is \$23,570 (estimated 3-5 percent tuition increase for 2018-2019).

Minimum Credit Hours: 30 hours

GMAT Required: Yes for the full-time and online programs but not for the PMBA program, which requires five years of qualifying managerial or professional experience.

Minimum Time Commitment: One year for full-time MBA; less than two years (five semesters) for PMBA; one year to five years to complete online MBA.

Concentrations: General in business administration

Campus Requirements: Yes for full-time MBA; PMBA meets off campus in Bowling Green every other Saturday.

Why choose this program: WKU has flexibility with three separate program options to meet the diverse needs of today's students with online, weekend and accelerated-delivery methods. The quality of the programs is reflected in WKU graduates' scores on the national MBA exit exam. Last year the PMBA ranked in the top 1 percent nationally; the online program ranks in the top 10 percent.

PRIVATE FOR-PROFIT COLLEGES

Sullivan University

Location: Louisville

Type: Four-year, private

Accreditation: SACSCOC

Base Program Cost: \$28,320

Per Credit Hour: \$590

Minimum Credit Hours: 48

GMAT Required: No

Minimum Time Commitment: 18 months

Concentrations: Accounting, healthcare management, hospitality management, public management, strategic human capital management

Campus Requirements: Offered on campus and online

Why choose this program: The masters in business program at Sullivan University is a career-focused program that enables students to individualize their educational interests. They follow a curriculum designed to develop skills in leadership, team-building, communications, decision-making, critical thinking, analysis, and research techniques. Students have the ability to specialize their education with concentrations in areas such as accounting, human capital, conflict management and others. The program meets the marketplace need for professionals with managerial skills (both qualitative and quantitative) in the problem-solving realm. The commitment is to the student and their career through focused, hands-on education.

PRIVATE NONPROFIT COLLEGES

Asbury University

Location: Wilmore

Type: Private Christian liberal arts

Accreditation: SACSCOC

Program Cost: \$611 per credit hour

Minimum Credit Hours: 36

GMAT Required: No. Students are required to take a Peregrine test.

Time Commitment: Can complete the program in as few as 20 months in a traditional cohort with a business management or non-profit track; 4+1 programs for bachelor's and MBA in five years and for MBA accounting; at-own-pace tracks available.

Why choose this program: The MBA program is designed to make furthering education manageable even with the busy schedule of work, family and daily life. This program typically takes about three semesters of full-time study to complete. Classes generally meet every other Saturday for eight weeks for a total of four class meetings.

Campbellsville University

Location: Campbellsville

Type: Private faith-based

Accreditation: IACBE

Base Program Cost: \$17,568

Per Credit Hour: \$488; will change to \$499 beginning July 1, 2016

Minimum Credit Hours: 36 hours

GMAT Required: GRE or GMAT required. This requirement will be waived if the student has earned a bachelor's degree from a regionally accredited college or university with a minimum cumulative grade point average of 3.0, or if the student has earned a master's degree from a regionally accredited college or university.

Minimum Time Commitment: 12 months

Concentrations: Accounting, church management, healthcare management, human resource management, information technology, international business, marketing

Campus Requirements: Campus requirements are the same as online; however, there is an international component. International appli-

cants whose primary language is not English and who are not a graduate of a college or university in the U.S. must submit a score of 79-80 (internet-based) on the TOEFL exam; IELTS of 6.0; Pearson score of at least 53; or earn at least a 3.0 cumulative grade point average from a regionally accredited college or university in the U.S. with a minimum of six hours.

Why choose this program: The MBA at Campbellsville University is affordable and customizable. Non-business students have the opportunity to work through an online primer to gain the knowledge needed to get started. Ethics is the common thread that is woven throughout the program and an aspect that is desired in today's global marketplace. It can be completed in two years or as little as one year, depending on the student's graduation goals. The professors are professional and available. The courses are streamlined and student friendly.

Midway University

Location: MBA program is offered online; some tourism and event management concentration courses are offered at the Midway campus.

Type: Four-year, private

Accreditation: Overall institutional accreditation is from SACSCOC; no specific MBA program accreditation

Base Program Cost: \$16,800 (30 credit hours); with area of concentration \$20,160 (36 credit hours)

Per Credit Hour: \$560

Minimum Credit Hours: 30 hours – general MBA; 36 hours – MBA with specialization

GMAT Required: none

Minimum Time Commitment: The general MBA program can be completed in 12 to 15 months or an MBA with specialization can be completed in as little as 18 months. Most students complete the program in 24 months or less.

Concentrations: Four unique concentrations are offered: equine studies, healthcare administration, tourism and event management and sport management.

Campus Requirements: None. The general MBA program can be completed 100 percent online. Three area of concentrations can also be completed 100 percent online: equine studies, healthcare administration and sport management. The tourism and event management area of concentration courses are offered on the Midway campus and provide hands-on training in the cultural aspects of Kentucky's bourbon industry.

Why choose this program: The program offers students a high level of personal attention and is affordable, with a competitive credit-hour tuition rate in the market and many financial options. Midway's faculty supports students in the online learning environment, is responsive to individualized needs and always available for in-person, phone or online chat sessions to answer questions. The unique areas of concentra-

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COVER STORY

Murray State University began its online MBA program in 2005 and has been ranked in the U.S. News & World Report top 50 and the superscholar.org top 25.

Accreditation

AACSB:	Association to Advance Collegiate Schools of Business International
ACBSP:	Accreditation Council for Business Schools and Programs
IACBE:	International Assembly for Collegiate Business Education
SACS:	Southern Association of Colleges and Schools
SACSCOC:	Southern Association of Colleges and Schools Commission on Colleges

tion allow students to all have the same foundation coursework but specialize in one of four workforce segments that are important to the regional economy of Kentucky: equine, healthcare, tourism and sports.

Spalding University

Program: Master of Science in Business Communication (MSBC)

Location: Louisville

Type: Private, faith-based

Accreditation: SACSCOC

Base Program Cost: \$20,295

Per Credit Hour: \$615

Minimum Credit Hours: 33

GMAT Required: No

Minimum Time Commitment: As few as 10 months

Concentrations: Organizational leadership, healthcare management or accounting

Campus Requirements: This program can be completed face-to-face or entirely online.

Why choose this program: The MSBC curriculum prepares students to be business professionals who can identify and solve organizational issues and enhance team performance. In this program, students will integrate business theory, practice and communication, and cultivate leadership skills to emerge as a compelling communicator. Employers consistently rank written, oral and presentation skills as the most desired characteristics in new hires. Unlike MBA programs, Spalding's MSBC program is an integrated business curriculum with a focus on the development of these communication skills. The university collaborates with business leaders in the community to ensure it is delivering the most in-demand business education in the marketplace.

Thomas More College

Location: Crestview Hills, Ky., and Blue Ash, Ohio

Type: Private

Accreditation: SACSCOC and ACBSP

Base Program Cost: \$20,280

Per Credit Hour: \$520



Minimum Credit Hours: 39

GMAT Required: Yes, if applicant GPA below 2.7

Minimum Time Commitment: 18 months

Campus Requirements: Available online or in classroom

Why choose this program: Thomas More College has helped professionals throughout Kentucky and the Greater Cincinnati area earn their Masters of Business Administration degree while maintaining their professional and personal commitments. The accelerated program, TAP, provides its students with an excellent environment for academic and professional growth. The Thomas More College graduate program offers a comprehensive look at decision making from a broad-based perspective. The Masters Project in the Thomas More curriculum allows students to apply business-research techniques in a very hands-on approach. Students find that this allows them to establish a critical link between academic theory and business application.

University of the Cumberlands

Location: Williamsburg

Type: Private, faith-based

Accreditation: SACSCOC

Base Program Cost: \$9,450 (tuition); \$50 technology fee (per bi-term)

Per Credit Hour: \$315

Minimum Credit Hours: 30

GMAT Required: No

Minimum Time Commitment: 18 months

Concentrations/Online Concentrations: Accounting and strategic management

Other concentrations coming online this summer and fall: Entrepreneurship, marketing, nonprofit administration, and healthcare administration.

Campus Requirements: No

Why choose this program: University of the Cumberlands has been teaching tomorrow's business leaders for over 120 years. The MBA program offers support and flexibility for working professionals while also providing students with a rich curriculum with challenging assignments, group projects, online courses and the most current and relevant case studies. Students will have instructors who are experts in their field and advisors who are knowledgeable and accessible, as well as unique networking opportunities and career preparation.

University of Pikeville (UPIKE)

Location: Pikeville

Type: Private

Accreditation: SACSCOC

Base Program Cost: \$14,796

Per Credit Hour: \$411

Minimum Credit Hours: 36

GMAT Required: No

Minimum Time Commitment: 16 months

Campus Requirements: Yes

Why choose this program: UPIKE graduate students participate in an internationally award-winning entrepreneurship course with the opportunity to travel across North America and win thousands of dollars. The award-winning capstone course for business consulting emphasizes experiential learning and assists real businesses to enable growth with cost transformation and operational improvement. The Coleman College of Business offers two options in the MBA program: the professional MBA and the healthcare MBA. The programs are delivered in the evenings and online.

Union College

Location: Barbourville

Type: Private

Accreditation: SACSCOC

Base Program Cost: \$10,200

Per credit hour: \$340

Minimum Credit Hours: 30 Credit hours

Minimum Time Commitment: Less than two years

Concentration: General business

Campus Requirements: None; 100 percent online

Why choose this program: Union College has an affordable tuition and is 100 percent online to cater to the needs of busy professionals. There are no hidden fees or costs, and the program offers convenient, eight-week schedules for its students. Union students have access to a user-friendly platform with around-the-clock support from faculty. With adult-oriented and experienced faculty, as well as professional academic advisors, Union is also regionally accredited. There is financial aid available for the MBA program, which is approved for veterans and active duty military. ■



PC Construction photo

Students participate in a carpentry competition during the SkillsUSA National Leadership and Skills Conference in Louisville in June 2016. The conference drew more than 16,000 students, teachers and business partners for exhibits and showcases of technical education talent. It also serves as a networking opportunity for students, teachers and employers.

the basics of robotic engineering and the programming needed to operate one as they are pipefitting, automotive repair or cabinetry fabrication.

SkillsUSA has brought technical skills education, once almost an afterthought for college-bound students sweating over their SAT scores, to the forefront of the debate over just how much the federal government should provide to prepare students for the world of work once they graduate high school.

"It's really transformed itself over the years to be an organization that focuses on STEM (science, technology, engineering and math) education," Josh Benton, executive director of workforce development at the Kentucky Cabinet for Economic Development, explained regarding SkillsUSA. "While you have everything from traditional skilled trades represented, you also see an emphasis on healthcare, IT and manufacturing. It (covers) a diverse set of skills."



*Josh Benton,
Executive
Director of
Workforce
Development,
Kentucky
Cabinet for
Economic
Development*

Operating in secondary schools across all 50 states, Washington, D.C., and the U.S. Virgin Islands, SkillsUSA establishes chapters to set standards for training, promote competition and achievement via a national competition, and instill leadership and other "soft" skills in its students.

In June, Louisville again will host SkillsUSA's National Leadership and Skills Conference, drawing 15,000 high-school and postsecondary contestants from across the country to compete in everything from robotics to culinary arts. Manufacturers like General Electric, Carhartt and Harley Davidson, as well as sponsors such as Lowe's, Snap-On Tools, Toyota and State Farm Insurance, participate.

As the third-largest convention in Louisville, the competition contributes an estimated \$18 million in tourism dollars to the local economy. Louisville is in the midst of hosting the event from 2015 through 2020.

Now seems the right time, Lawrence said, to reawaken interest in technical professions and skills training.

Refilling the Technical Talent Pool

SkillsUSA bridging job skills gap, offering alternatives to college-bound students

BY ROBERT HADLEY

MUCH attention was focused during the last presidential election cycle as to whether the federal government should subsidize college tuition as a way to help millennials navigate the choppy post-recession job market.

Public and private leaders continue to debate whether this would really help high-school graduates adapt to the uncertain economy they – and their baby boomer counterparts – are now facing, in which there seems to be a lack of adequately trained workers in both blue- and white-collar professions. Skills scarcities seems driven by not only by the advance of automation but the rise of big data, developments that together have left workers at both ends of the age and skill spectrum underemployed.

Within the discussion there is a re-examination of an often overlooked option: "trade school" and careers it prepares students for, occupations once fed by high-school industrial arts and vocational school programs and two-year technical schools.

However, if the term "industrial arts" calls to mind quaint memories of metal shop, woodworking and other hands-on training, or the "vocational schools" in which a slice of students a generation ago participated, Tim Lawrence, executive director of SkillsUSA, begs to differ.

Students and teachers in 1965 founded Vocational Industrial Clubs of America, known for years as VICA. After participating for years in the International Youth Skills Olympics, VICA founded the U.S. Skills Olympics in 1994, then in 1999 adopted the name SkillsUSA.

"I encourage anybody who hasn't been in to see these programs in a few years to go in and take a look," Lawrence said. "There are so many options now that are offered, students can choose any career pathway and get a head start on life and a good career."

His confidence is well-founded. Today's student in industrial arts or technical education is as likely to be studying



*Tim Lawrence,
Executive
Director,
SkillsUSA*

WORKFORCE DEVELOPMENT

National officers for the SkillsUSA organization are introduced at the 2016 conference in Louisville, which is hosting the event through 2020. It attracts 16,000 technical skills students, instructors and business partners for three days of competitions and recognitions.

"In my lifetime, I've never seen the stars align like around this kind of education that we have right now," he said. "The government is talking about it, governors are discussing it, Congress is talking about it. Right now, career technical education has suddenly become a viable alternative for all students."

Skilled labor talent pool dried up

Back in 2016, Bob Weiss, executive vice president of the Homebuilders Association of Kentucky, mentioned in an interview for *The Lane Report* that the state's homebuilding industry was seeing a critical shortage of carpenters, electricians, HVAC technicians and other skilled workers. The shortage had prompted both his group and its northern Kentucky coun-



Bob Weiss,
Executive Vice
President,
Home Builders
Association
of Kentucky



terpart to launch their own schools to address the lack of qualified workers.

Weiss blamed the 2008 economic downturn and its domino effect on homebuilding for the migration of skilled workers to other fields.

Some builders "diversified (into) the remodeling market, but some people left the industry and never came back,"

Weiss explained. "That not only includes builders, but people who work for builders: the skilled tradesmen, the carpenters, the framers, the finish carpenters and so on."

The labor shortage is not only confined to Kentucky; experts say it is an issue nationally and even internationally as the economy rebounds from the

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recession and faces upheavals from automation in fields such as healthcare, manufacturing and transportation.

The Manpower Group's 2016 Talent Shortage Report showed 38 percent of the more than 40,000 hiring managers in 43 countries surveyed reported difficulty finding qualified workers to staff open positions. Skilled labor was at the top of this list.

"The challenge Kentucky is seeing is not different from the rest of the country," Benton said. "A lot of it has to do with technological change. Coming out of the recession really did change across all sectors what skills were required in certain occupations."

Meanwhile, many high-school graduates and their families cling to an almost romanticized vision of the four-year bachelor's degree as the holy grail of higher education, employability and a "better life," despite some disturbing statistics. The website Debt.org reports that student loan debt has increased every year since 1999 and now checks in at \$1.4 trillion, with the average bachelor's-degreed student owing more than \$37,000. CBS Market Watch reports nearly three-quarters of bachelor's graduates have student debt, restricting the purchase of cars, homes and other economy-boosting purchases.

Even for those with degrees who land good-paying jobs, payments toward the heavy debt load required to earn it may erase some of its benefits, at least in the short term.

Faced with this dilemma, astute high-school career counselors have been eager to encourage students to pursue skilled trades, but not necessarily as an end-game.

"Parents need to understand that their child can get a good education through a career pathway in technical education that will lead to a job but will also pay their way through college if they want to go on," Lawrence said.

College for the rest of us

Of course, fundamental market forces are at play in the rise of SkillsUSA and other technical training programs. If demand for particular workers is high year after year, then the market will adjust to strengthen the pipeline of new, properly skilled employees. But meeting those needs has had the interesting side effect of creating opportunities for postsecondary education for students who may have been overlooked by colleges searching for those who are academically gifted.

As an example, Lawrence discussed his own struggles with learning algebra in high school.

"When I came through high school, I struggled," Lawrence said. "When I got to Algebra 1, I hit a wall until I enrolled in a welding program. When I had been in that

program a year, suddenly a light came on to me as a 17-year-old because suddenly I saw why I need algebra, math and science."

Terry Miller, an engineering career theme specialist at the Jefferson County Public Schools, said he has seen the demand for technical skills training come full circle in his more than two decades of classroom experience. Two decades ago, he saw a high school remove a welding program due to lack of demand. Next year, he said, the welding program will be restored in that school.

"My theory is, through training in a career pathway in SkillsUSA, you put skills in a person's toolbox that they can use to have something to live on, get employed and become a taxpayer," Miller said. "If they decide to go to college later, their employer might pay for their tuition to make them a better person, a better employee, for them." ■

Robert Hadley is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



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House Speaker Jeff Hoover, R-Jamestown, left, discusses a ruling on a bill with House Minority Floor Leader Rocky Adkins, D-Sandy Hook, in the House on March 8.

Getting Down to Business

Torrent of new laws aim to make Kentucky more competitive for job attraction

BY SEAN M. CUTTER

FOR the second time in as many sessions, Republican Gov. Matt Bevin took to the Senate president's podium to congratulate the legislature for its work. Bevin's comments echoed the sentiments of Majority Floor Leader Damon Thayer, who preceded the governor in declaring that 2017 was the most productive regular session in modern history. The session was undeniably productive, based on quantity of passed legislation alone. Republicans exercised single-party legislative control for the first time in nearly a century, and released a torrent of bills intended to make the commonwealth more competitive with Southeastern and Midwestern states in job attraction and retention.

The first 28 days of the 30-day session were extremely productive for Bevin, who

was successful in passing several dozen bills that were on his agenda. Those bills ranged from government agency reorganizations, to subtle policy initiatives, to sweeping changes such as making Kentucky a right-to-work state and eliminating prevailing wage requirements for publicly funded construction. Bevin and the legislature's big wins this session included pushing through a tax incentive package for a major Amazon facility in Northern Kentucky (HB 368); curbing drug abuse by outlawing some substances and significantly limiting opioid prescriptions to a three-day supply (HB 333); negotiating a refinance of the KFC Yum! Center in downtown Louisville that was on the verge of default (HB 330); passing additional economic loan pool money for a \$1.3 billion aluminum mill investment in Eastern

Kentucky (HB 482); killing an effort to separate the County Employee Retirement System from the Kentucky Retirement Systems (SB 226); and personally testifying on behalf of charter schools (HB 520) and right-to-work (HB 1.)

While all of these efforts required legislative buy-in and approval, it is the fulfillment of many of the campaign platforms on which the governor ran in 2015, as well as the agenda of the freshman House GOP class for which Bevin tirelessly campaigned last year.

Despite Republican control across the board, the House, Senate and governor found places to disagree with each other. Those disagreements resulted in the defeat of several significant agenda items the Kentucky business community championed. A year-long effort to produce workers' compensation reforms (HB 296) died in the final hours without the Senate ever taking the bill up for a hearing or a vote. Legislation to require transparency in attorney general litigation (HB 271) also met a late-night demise in the House.

The newly minted Republican-led General Assembly found occasion to flex some independence of its own. During the veto recess, Bevin vetoed all or parts of four bills – all sponsored by Republicans – similar to what the governor did a year ago in the 2016 session, when the legislature passed a flurry of bills in the last hours of the session, thus foregoing their ability to override any vetoes. This time, House and Senate leadership wasted no time in overriding all four vetoes nearly unanimously.

Among those bills that did not pass were the previously mentioned changes to the workers' compensation laws (HB 296). Kentucky's workers' compensation program is considered a relatively rich benefit for injured workers, particularly due to the length of benefits received. An effort to save the system more than \$100 million over the next 10 years was stifled in the Senate after law enforcement agencies expressed serious opposition to limiting partial permanent disability claims to 15 years.

Democrats, while limited in numbers, were able to exploit fissures between the social conservatives and more moderate Republicans to kill a couple of bills this year. However, during the 11 p.m. hour on the last night of the session, Republicans and Democrats came together to unanimously pass a budget amendment drafted to attract a specific but at that



Senate President Robert Stivers, R-Manchester, enjoys a lighter moment in the Senate on March 2.

point mystery economic development opportunity in Eastern Kentucky, the aluminum mill announced April 26 in Wurtland. In the final hours, the legislature also addressed the heroin and drug epidemic plaguing the state by passing HB 333. The original bill changed the prescribing authority for opioids; the Senate directed a major policy shift when it added “tough on crime” language with increases in the penalties for minor trafficking of heroin and fentanyl.

The Sine Die adjournment March 30 ended legislative activity until Jan. 2, 2018 – or until the governor calls an extraordinary (special) session. Most signals are pointing to an early fall session to address pension and tax reform. A vote on major tax reform will most certainly be tougher than any vote taken during this past regular session. It may require a substantial sales job from the governor before the new Republican majority in the House and the established GOP majority in the Senate commit to a package that likely will create as many new losers as winners in the tax code. ■



Sean M. Cutter is director of government solutions for McBrayer, McGinnis, Leslie & Kirkland.

2017 General Assembly in Review

Here are a few of the 2017 session highlights:

- **HB 520:** The charter school bill allows publicly funded charters to operate as early as the next school year. It passed with a mayoral provision for Lexington and Louisville, giving the city’s highest executive authority to designate a charter school or schools. School boards will elect for the creation of a local charter, which may be overridden by the state Board of Education. In the final days of session, a late-night vote on HB 471 provided state funding for the charters.
- **SB 1:** In tandem with the charter school bill, the legislature pushed this comprehensive accountability reform for K-12 education. Performance-based assessment reigns supreme, and review of academic standards will occur next school year.
- **SB 4:** This bill establishes a pre-trial peer review panel for medical malpractice in an attempt to deter frivolous lawsuits. Complaints can only bypass the panel and accelerate the matter to the court if agreed upon by both parties.
- **HB 410:** The REAL ID bill allows Kentuckians the option to obtain a travel ID or enhanced driver’s license for interstate travel and admittance onto military bases. Though voluntary, it ensures that Kentuckians who choose not to get the travel ID may simply show multiple forms of identification.
- **SB 153:** Requires performance-based funding for higher-education institutions. The bill has an emergency clause, making it effective immediately.
- **HB 330:** Known as the YUM! Center bill, this bill extends the tax increment financing (TIF) program, resulting in increased contributions from the University of Louisville and Louisville Metro.
- **HB 1:** This right-to-work legislation makes union membership an individual employee choice. This bill was the House’s main priority for the session. Kentucky is now the 27th state to enact right-to-work legislation.
- **HB 3:** Repeal of the prevailing wage requirement for public works construction projects.
- **SB 3:** This pension transparency bill requires the disclosure of retirement benefits of current and former members of the General Assembly.
- **SB 5:** Bans abortions in Kentucky past 20 weeks except in cases that pose serious risk to survival of the mother. It was passed in the early days of the session alongside HB 2, which requires “informed consent,” an ultrasound prior to an abortion, with criminal penalty for violations.
- **SB 6:** Dubbed the “paycheck protection bill,” it repeals employers’ mandate to withhold union dues from an employee’s salary and sets requirements for labor organizations in collecting and applying dues money for political activities.
- **SB 12:** Creates a new board of trustees for the University of Louisville and requires Senate confirmation of appointees. SB 207 passed later in the session, expanding that requirement to all public universities.
- **HB 100:** A win for bourbon and tourism industries alike, this bill allows for the sale of vintage spirits and distilled spirits at fairs, festivals and similar events.
- **SB 79:** Patients can now enter into contracts with their primary care providers for services. Those in a so-called “direct primary care membership agreement” would not forfeit private insurance or Medicaid.
- **HB 112:** Known as the “dog bite bill,” it defines the dog owner, not the landlord, as the responsible party in the case of a dog bite on rental property.
- **HB 156:** This bill establishes the Kentucky Coal Fields Endowment Authority to fund improvement projects in coal severance counties. The bill ensures a \$7.5 million installment of coal severance dollars; projects will be awarded based on job creation and economic development potential.
- **HB 14:** Otherwise known as the “Blue Lives Matter” bill, attacks on first responders will now be considered a hate crime. Previous law defines hate crimes as those committed because of a victim’s race, color, religion, sexual orientation or national origin.



Julie Torzewski, MSBC, CFRE
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Corporate entities headquartered in Kentucky, ranked by annual revenue

	COMPANY NAME (TICKER) HEADQUARTERS	CEO/CHAIRMAN WEBSITE	REVENUE (FY 2015) NET INCOME	MARKET CAPITALIZATION (RANK IN KENTUCKY)	COMMENTS
1	Humana Inc. (HUM) Louisville	Bruce D. Broussard humana.com	\$54.29 billion \$1.28 billion	\$26.45 billion (2)	Humana is one of the nation's leading health and well-being companies.
2	Yum! Brands (YUM) Louisville	Greg Creed yum.com	\$13.10 billion \$1.29 billion	\$32.48 billion (1)	The company develops, operates, franchises and licenses a global system of restaurants, primarily through the three concepts of KFC, Pizza Hut and Taco Bell.
3	Kindred Healthcare (KND) Louisville	Benjamin Brier kindredhealthcare.com	\$7.05 billion (\$93.4 million)	\$1.24 billion (10)	Kindred operates hospitals, nursing centers, home health, rehabilitation and hospice services in 2,654 locations across the U.S.
4	Ashland (ASH) Covington	William Wulfsohn ashland.com	\$5.39 billion \$309 million	\$7.03 billion (4)	Ashland is a global specialty chemicals company serving a wide range of markets, including adhesives, architectural coatings, automotive, energy, food, personal care and pharmaceutical.
5	General Cable (BGC) Highland Heights	Michael T. McDonnell generalcable.com	\$4.23 billion (\$121.9 million)	\$794.18 million (11)	General Cable develops, produces and distributes wire and cable products for the energy, industrial and communications markets.
6	Tempur-Sealy Int'l (TPX) Lexington	Scott L. Thompson tempursealy.com	\$3.15 billion \$73.5 million	\$3.67 billion (6)	Tempur-Sealy is the world's largest bedding provider.
7	Brown-Forman (BF-A) Louisville	Paul C. Varga brown-forman.com	\$3.13 billion \$684 million	\$19.83 billion (3)	Though Brown-Forman at one time owned product lines ranging from china to luggage, it is returning to its wine and spirits industry roots.
8	PharMerica (PMC) Louisville	Gregory S. Weishar pharmerica.com	\$2.03 billion \$35.1 million	\$766.09 million (12)	PharMerica provides pharmacy services to the long-term care, hospital, home infusion and oncology markets.
9	Valvoline (VVV) Lexington	Samuel Mitchell valvoline.com	\$1.93 billion \$273.83 million	\$4.55 billion (5)	The company makes and markets automotive lubricants, motor oil and antifreeze, and operates quick lube centers.
10	Texas Roadhouse (TXRH) Louisville	Wayne Kent Taylor texasroadhouse.com	\$1.81 billion \$96.9 million	\$3.17 billion (7)	Texas Roadhouse opened its first restaurant in 1993 and now operates 525 restaurants in 49 states and six foreign countries.
11	Papa John's Int'l (PZZA) Louisville	John H. Schnatter papajohns.com	\$1.64 billion \$75.7 million	\$2.13 billion (8)	Papa John's operates and franchises more than 5,000 locations in 45 countries.
12	Churchill Downs (CHDN) Louisville	William Carstanjen churchilldowns incorporated.com	\$1.21 billion \$65.2 million	\$2.09 billion (9)	Churchill Downs has evolved into a racing, gaming and entertainment company with operations in 11 states.
13	Almost Family (AFAM) Louisville	William B. Yarmuth patientcare.com	\$532.21 million \$20.01 million	\$434.51 million (17)	Founded as Caretenders in 1976, the company changed its name in 2000 and has expanded to include home health operations in 15 states.
14	U.S. Computer Services Inc. (CSVI) Paducah	Steven A. Powless csiweb.com	\$221.38 million* \$27.84 million	\$517.84 million (16)	U.S. Computer Services Inc. provides data and transaction processing, e-business services and hardware to financial firms.
15	Rhino Resources Partners (RNO) Lexington	Joe Funk rhinolp.com	\$206.75 million (\$55.24 million)	\$24.55 million (22)	A diversified energy limited partnership focused on coal and energy-related assets and activities, Rhino produces metallurgical and steam coal in multi-U.S. basins.

	COMPANY NAME (TICKER) LOCATION	CEO WEBSITE	REVENUE NET INCOME	MARKET CAPITALIZATION (RANK IN KENTUCKY)	COMMENTS
16	Turning Point Brands (TPB) Louisville	Lawrence Wexler turningpointbrands.com	\$206.23 million \$26.91 million	\$303.44 million (18)	The company manufactures and markets smoked and smokeless tobacco products, including pipe tobacco, snuff, chewing tobacco and vaping products.
17	Community Trust Bank (CTBI) Pikeville	Jean R. Hale ctbi.com	\$190.83 million \$46.43 million	\$630.87 million (13)	Community Trust operates 70 banking locations in eastern and central Kentucky, six banking offices in West Virginia, and four banking locations in Tennessee.
18	Republic Bancorp (RBCAA) Louisville	Steven Trager republicbank.com	\$190.43 million \$35.17 million	\$589.00 million (15)	The bank holding company for Republic Bank & Trust, which has locations in Kentucky, Indiana, Florida, Tennessee and Ohio.
19	Sypris Solutions (SYPR) Louisville	Jeffrey T. Gill sypris.com	\$145.32 million (\$27.22 million)	\$23.17 million (23)	Sypris provides technology-based and specialty services, and is a major defense and government contractor.
20	S.Y. Bancorp (SYBT) Louisville	David P. Heintzman syb.com	\$133.12 million \$37.19 million	\$609.01 million (14)	S.Y. Bancorp is the holding company of Stock Yards Bank & Trust, with locations in Greater Louisville, Cincinnati and Indianapolis.
21	CafePress Inc. (PRSS) Louisville	Fred E. Durham III cafePress.com	\$104.51 million \$2.15 million	\$61.04 million (21)	Using CafePress' e-commerce platform, customers can create and sell customized and personalized products such as apparel, drinkware, home accents and stationery.
22	Delta Natural Gas Co. Inc. (DGAS) Winchester	Glenn R. Jennings deltagas.com	\$86.19 million** \$6.50 million	\$180.75 million (20)	Delta Natural Gas transports and distributes natural gas in central and southeastern Kentucky. It owns more than 2,600 miles of pipelines and serves 36,000 retail customers.
23	Farmers Capital Bank (FFKT) Frankfort	Lloyd C. Hillard Jr. farmerscapital.com	\$83.45 million \$14.60 million	\$208.99 million (19)	Farmers Capital Bank is a financial holding company, operating 34 banks in 21 communities throughout central and northern Kentucky and an insurance company.
24	Investors Heritage Life Insurance Co. (IHRC) Frankfort	Harry Lee Waterfield II investorsheritage.com	\$68.18 million \$1.04 million	\$20.09 million (25)	Investors Heritage provides life insurance products and is licensed in 30 states.
25	Industrial Services of America (IDSA) Louisville	Orson Oliver isa-inc.com	\$46.18 million (\$1.76 million)	\$21.09 million (24)	Industrial Services of America is a leader in scrap recycling and waste management.

* Reports 12-month figures for period ending Feb. 28.

** Reports 12-month figures for period ending June 30.



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EMERGING LANE

Kentucky's young professionals and creatives

Encouraging Talent to Emerge

Lexington conference brings together young professionals

ONE of Commerce Lexington's signature events is Emerge, a daylong interactive conference held each spring since 2014. Inspiration for the event came during a leadership visit to Omaha in 2013, when a panel of young professionals spoke about the importance of emerging leaders in their Nebraska city.



Amy Carrington, Director of Leadership Development, Commerce Lexington

"We decided to create an event (in Lexington) that would connect emerging leaders and help them plug into the community," said Amy Carrington, director of leadership development at Commerce Lexington.

The Emerge conference has grown from 150 to 400 participants "to help engage and support emerging leaders in the Bluegrass region," Carrington said. This March, attendees at the Lexington Convention Center heard dozens of speakers and panelists, with a keynote luncheon address by Rebecca Darwin, founder of *Garden & Gun* magazine, and Marianne Barnes, master distiller at Castle & Key Distillery. The all-day event featured breakout sessions on topics of personal growth, professional development and community engagement.

Jason Cummins, director of athletics operations for Horizon Performance, provided the opening session remarks. He challenged audience members to engage with one another and to embrace the concept of interruption. He even interrupted their comfort level by having people rotate to different tables in the room.

"I want to learn from all kinds of people with different backgrounds, beliefs, strengths and experiences,"

Jamie Rodgers, legislative aide to Lexington-Fayette Urban County Councilmember Amanda Bledsoe, chaired the 2017 Emerge steering committee.

"This conference rivals the conferences and professional development I have attended in larger cities across the globe," she said, "but offers the networking and connections from the young movers and shakers right in your hometown."

Rodgers lived in Beijing, Bangkok, Louisville and Cincinnati before mov-

ing to Lexington. She brought the global breakfast series CreativeMornings to Lexington in January 2017.

At Emerge, Rodgers moderated a panel of creatives, and a breakout session highlighting Central Kentucky's transformation in the past five years as a creative hub, thanks to business-minded artists and creatively thinking entrepreneurs.

Diversity was evident at the Emerge conference.

"I sat next to someone from San Francisco, Chicago and Henderson (Ky.) just in the first session," Rodgers said, "all people who have moved to Lexington mid-career for work."

"It was a great mix between young professionals and some of us who have been in the business world for quite a while," said Tom Wallace, human resource director of the Lexington

Public Library. He was a panelist on the Tough Talk: Cringeworthy Conversations breakout session, advising attendees that sensitive topics should be communicated face-to-face.

Mike Hilton, director of customer and vendor engagement at Quest International Users Group, chaired the first Emerge steering committee.

"We have a unique brand of emerging talent in Lexington," he said. "We have people who are excited and energized about making themselves better and want to turn around and try to make this community better."

While the Emerge conference harnesses the energy and motivation of young professionals gathering together for one day a year, the impact of encouraging a city's emerging talent over an extended period of time will be immeasurable, notes Hilton.

"Great things are going to come out of Emerge," he said. "Fifteen years from now we're going to look back and say, 'Look how many great things came out of that emerging talent.'" —Kathie Stamps

Takeaways from Emerge



"All people have a responsibility to continually work to improve themselves, and use their talents to benefit their community."

— **Mike Hilton**, Director of Customer and Vendor Engagement, Quest International Users Group

"If I had to give one piece of advice to someone trying to rise in their career, it's invest in yourself by attending professional development opportunities like Emerge."

— **Jamie Rodgers**, Legislative Aide for Lexington-Fayette Urban County Councilmember Amanda Bledsoe

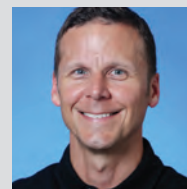
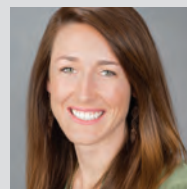


"When needing to conduct a critical conversation, remember to pause and ask yourself, 'How did the other person arrive at their viewpoint?' You know the series of events leading to your perception, but do you know the other person's back story? There are three sides to every story – yours, mine and one in between."

— **Tom Wallace**, Human Resource Director, Lexington Public Library

"As leaders, it's easy to coast. We get in routines with people we see every day, we pass by the same things in our community every day. View interruptions as a positive. It is sometimes the greatest impact of influence."

— **Jason Cummins**, Director of Athletics Operations, Horizon Performance





YPAL affords members opportunities to be involved in their local and state governments.

‘Access and Opportunity’ Afforded to YPAL Members

THE millennial generation will comprise half the workforce by 2020.

Will your city’s commissions and boards of directors be represented with young professionals’ voices and insights? In Louisville, raising the awareness for YPs themselves to serve on boards is one of the priorities of the Young Professionals Association of Louisville.

YPAL’s 2016-17 president, Chris Nation, has a goal of creating good pipelines of communication and partnership with community leaders and elected officials.

“We have especially paid close attention to how we can use the influence of our organization to be an indispensable champion to attract young talent to move to our city,” he said.

Convincing YPs to stay in Louisville was the reason YPAL was formed in 1999 at the behest of former Jefferson County Judge-Executive Rebecca Jackson. Today’s membership base is 850 strong, with the organization hosting an average of 60 events each year, all designed for professional development, connecting, engaging and networking.

“The value of membership in YPAL, I believe, can be summed up in two words,” Nation said. “Access and opportunity.”

Community outreach programs provide volunteer opportunities. The annual YP Day at the Capital is YPAL’s invitation to young professionals across Kentucky to meet with state leaders in Frankfort. A series of community talks this year is encouraging YPs “to engage in meaningful dialogue with city influencers around topics such as affordable housing, food justice, poverty and safe neighbors,” according to Nation.

Through various social channels, YPAL members engage with other

young professionals across the country.

“We can instantly participate in national dialogues or simply share our perspectives about why young professionals from Chicago, Austin or Nashville should consider Louisville to be their next opportunity to live, work and play,” Nation said.

Nation is director of client services at Quantum Communications, an advertising and public relations agency in Louisville. He joined YPAL four years ago. “I saw the value it provided early on,” he said, “and I knew I wanted to be involved in leadership.”

Over the past two years, YPAL has been collecting and developing research to provide data about young professionals across the region. “We hope you see us as a hub of information, best practices and a model for being advocates for keeping and retaining the brightest talent in the commonwealth,” Nation said.

YPAL has strong relationships with organizations in the River City, including Greater Louisville Inc., Leadership Louisville Center and Louisville Metro Government, because YPs are important to the economic success and growth of the city. When businesses are looking to relocate or to grow, they look for talent.

“We need this millennial talent moving into Louisville and engaging in entrepreneurship,” Nation said, “selecting our city as their destination to raise their family and participating in our vibrant arts, parks and cultural attractions.”

It is the young professionals who are “changing the way we think about the corporate culture, employee communications and philanthropic giving,” Nation said. It’s a change that will continue for years to come, and Nation believes “the companies that are already adapting to these changes in the workforce will be better positioned for success.”

Learn more at ypal.org.—*Kathie Stamps*



*Chris Nation,
YPAL
President*

Hemp-Infused Beer Hits the Market

If you’re hitting the Central Kentucky craft beer scene this spring you might find some new flavors that are authentic Kentucky. Lexington’s first hemp ales since 1996 hit the tap at Mirror Twin and Rock House Brewing this spring. They are the first to be brewed with Kentucky-grown hemp and are available at both breweries, as well as Blue Stallion, also of Lexington. Additionally, West Sixth is brewing a hemp ale test batch. Think Hemp Thoughts founder Annie Rouse said Rock House intends to make hemp ale one of its stable beers. Visit thinkhempthoughts.com/blog.



Jordan and Dion Sanders hold their baby, Elijah. They recently started the Amiah Mae Foundation in honor of Elijah’s deceased twin sister.

From Heartache to Helping Others

When Jordan and Dion Sanders of Lexington experienced a stillbirth, the pain was nearly unbearable, especially after a long battle with infertility and miscarriage. When their son, Elijah, was born last fall, his entrance into the world at 34 weeks gestation was bittersweet, as his twin sister, Amiah Mae, did not survive.

“I certainly didn’t see it happening to us,” said the babies’ mother, Jordan. “Especially since everything was so routine at every ultrasound.”

The Sanders’ realized they needed to do something to help other families who are experiencing the tragedy of stillbirth – especially since one in 100 pregnancies end in stillbirth, and one in 110 births end in infant loss. And because Baptist Health in Lexington has a Perinatal Diagnostic Center, it sees more stillbirths and infant deaths than most hospitals in the state, Sanders said. To help other families, they recently founded the Amiah Mae Foundation, and are in the process of obtaining 501(c)(3) status.

“In our society today, many people don’t want to talk about stillbirth and the impact it has on a family,” she said. “It’s such a difficult, painful journey. We just hope that out of the loss of our daughter we can bring comfort to other families who have to go through the devastation of stillbirth too. You can’t take away the pain of the loss of a child, but you can alleviate other stresses for the family.”

The Amiah Mae Foundation honors Amiah and celebrates her life, and aims to raise money for various organizations in her name. This year’s inaugural event on June 8 will raise money for the Perinatal Bereavement Center at Baptist Health Lexington.

Visit amiahmaefoundation.com.

SPOTLIGHT ON THE ARTS



Bardstown artist Jim Cantrell designed the impressionistic 2017 poster for the 143rd Kentucky Derby.

Derby Draw

2017 Derby artist is the first to be a Kentucky resident

BARDSTOWN artist Jim Cantrell made Kentucky Derby history this year, becoming the first Kentucky resident artist commissioned to do the officially licensed posters for the Kentucky Derby and the Kentucky Oaks since the tradition began in 1997.

Cantrell's artwork was featured on the 2017 Kentucky Derby and Kentucky Oaks posters, tickets and souvenir racing programs, as well as a variety of merchandise such as T-shirts, bags and postcards.

Cantrell came to the attention of Churchill Downs Inc. based on recommendations from the Kentucky Arts Council as well as several other arts organizations.

The commission has elevated Cantrell, already a nationally known painter, into greater prominence and given an increased profile to the Nelson County community he and his wife, Jeannette, have called home for half a century.

The funny part is that none of it might have happened.

"At first I turned it down," Cantrell said. "I didn't know what it was. I thought it was the Kentucky Derby Festival and I didn't know the two were separate entities, but people with knowledge

of the industry said I needed to do this. Jeannette (Jim's gallery manager and business partner) said I needed to do it to keep some exposure."

That kind of attention is an asset in Bardstown, said Kim Huston, president of the Nelson County Economic Development Agency.

"Jim and Jeannette have been such good ambassadors for Bardstown during their 50 years here. We're so lucky they chose to call Bardstown home," Huston said. "With this opportunity, he's generated a considerable amount of media attention for Bardstown. That's invaluable."

Cantrell's distinction as the artist for the 2017 Derby poster, as well as the poster for the Kentucky Oaks, has created a buzz in Nelson County as out-of-town visitors come looking for the artist.

"I walk down the street and have people ask 'Do you know where Jim Cantrell's gallery is?' or 'How do I find that Derby poster?'" Huston said. "We were finally able to share with the rest of country what gems we have here in Jim and Jeannette."

That relationship is not one-sided. The Cantrells frequently give their

time for the betterment of Nelson County. When Bardstown was applying for Kentucky Arts Council Cultural District designation, they were on the local steering committee to make that happen. It was an example of how a town's business community can recruit artists to help in local economic development efforts.

"They were really responsible for a lot of our success in that," Huston said. "And as they travel across the country doing art shows, they recruit people to come visit us, to see what Bardstown is all about. They're beloved. You see Jim and Jeannette at every event we have here in Bardstown. They participate in everything, donate themselves to all our events."

"We tell them how much support Bardstown and Kentucky have given us," Jeannette Cantrell said. "They've really made it possible for us to stay here as long as we have and make a living."

In her forthcoming business recruitment efforts, Huston said she will include a signed copy of Cantrell's Derby poster, along with the information package she shares with prospective business owners.

"He's a shining example," Huston said. "Here's an individual who has chosen to live in Bardstown, start a business and become successful at it."

Cantrell, who was Berea College's first potter-in-residence in 1970, is a former high school art teacher and associate professor of art in Nebraska. His paintings are in the permanent collections of 14 art museums in the U.S., including Kentucky's Speed Museum and the Owensboro Museum of Fine Art. His work is in numerous private collections around the world and has been exhibited in the U.S. Embassy in Latvia as part of the Art in Embassies program. Cantrell is a two-time recipient of the Kentucky Arts Council's Al Smith Individual Artist Fellowship award in 1992 and 2006 and received a fellowship award from the Southern Arts Federation. He owns Bardstown Art Gallery, located at 214 W. Stephen Foster Ave. in Bardstown and on the web at bardstownartgallery.com. ■



Lydia Bailey Brown is executive director of the Kentucky Arts Council.

OPINION

TRADE IGNORANCE AND DEMAGOGUERY

Last time U.S. ran a trade surplus was during the Great Depression

BY WALTER E. WILLIAMS

WHEN we discuss international trade and balance of payments, there are two types of accounts. The current account, which includes goods and services imported and exported, receives the most political attention. In 2016, Americans imported \$479 billion worth of goods and services from Chinese producers, and we sold \$170 billion worth of goods and services to Chinese customers. In other words, we purchase more goods and services from Chinese producers than Chinese consumers purchase from American producers.

How much of a problem is it when there is a deficit, or a negative imbalance, on current accounts? Let's look at it.

I buy more from my grocer than he buys from me. Our Department of Defense buys more from General Dynamics than General Dynamics buys from our Department of Defense. But a current account deficit is always offset by a surplus somewhere else.

That somewhere else is known as the capital, or financial, account. This account consists of direct foreign investment, such as the purchase or construction of machinery, buildings or whole manufacturing plants. The capital account also consists of portfolio investment, such as purchases of stocks and bonds. In our capital account, the U.S. has a huge surplus with China. In other words, Chinese people are investing more money into the U.S. — in the forms of home and factory purchases, stocks and bonds — than Americans are investing in China. Of necessity, the deficit that we have with China on our current account must equal the surplus we have with China on our capital account.

It turns out that foreigners own \$30 trillion worth of U.S. assets, such as stocks, Treasury bonds, manufacturing plants and real estate. One of the troubling aspects of foreign confidence in America is that foreigners invest so much in U.S. Treasury bonds. That in turn gives

the U.S. Congress greater latitude to engage in profligate spending. Japan owns \$1.1 trillion worth of U.S. Treasury bonds, and China owns \$1 trillion.

If foreigners sell us fewer goods, they will earn fewer dollars. With fewer dollars, they will be able to make fewer investments in America. The beneficiaries of trade restrictions are visible. Tariffs on tires, clothing and electronics will mean more profits and jobs and more votes for politicians. The victims of trade restrictions, such as people in the real estate market and other areas where foreigners are investing, are less visible. Last year, Chinese citizens alone purchased record amounts of residential and commercial real estate, bringing their five-year real estate investment total to more than \$110 billion.

Let's put trade deficits into historical perspective. Nine out of the 10 years of the economic downturn of the 1930s, our nation had a current account trade surplus. Should we reproduce the economic policies of that era and re-create the "wonderful" trade surplus? ■



Walter E. Williams is a professor of economics at George Mason University.

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Keeneland Library photo

Man o' War celebrates his 21st birthday at Faraway Farm in 1938 with owner Samuel Riddle, groom Will Harbut and announcer Clem McCarthy.

Big Red Turns 100

Exhibit pays homage to racing great Man o' War

BY KATHERINE TANDY BROWN

At the main entrance to the Kentucky Horse Park (KHP), the statue of Man o' War proudly welcomes visitors, many of whom know little about horses but have heard of the great Thoroughbred that captured the hearts of America by winning 20 of 21 starts during his racing career. His only loss occurred in the 1919 Sanford Stakes at Saratoga, when the 2-year-old was caught standing backwards behind the tape at the start. Though he began behind by four lengths, the colt's long strides made up enough ground that he lost by only a nose to a horse named Upset.



Throughout his career, the plucky chestnut, nicknamed Big Red, set a series of American and world records, and eventually sired 64 champions. In the golden era of American sports, the Kentucky-bred racehorse became a national sports hero, alongside Babe Ruth, Jack Dempsey, Bobby Jones, Ty Cobb and Knute Rockne.

As 2017 marks the 100th anniversary of his birth date, the KHP is creating a year-long Man o' War celebration, chock full of events at the park and around Lexington.

"His is a story that has to continue to

be told," said Jonathan Lang, KHP's deputy executive director. "This was a horse who was so popular his funeral was broadcast over the radio. It's important for us to educate folks on just what he meant to the sport of horse racing and to pay homage to his life and legacy."

Inspiration for the yearlong series of events originated from an exhibit at the park's 60,000-s.f. Smithsonian affiliate, the International Museum of the Horse, "Man o' War: The Mostest Horse That Ever Was." The exhibition opened on March 29, Man o' War's birthday, and will run through November 1, the date of his death. Its title is a quote from the stallion's longtime groom, Will Harbut. Included are never-before-seen artifacts of Man o' War's racing and breeding career and from his life in the Bluegrass as one of the state's best known and most visited residents.

Following are a few of the events the park has planned in addition to the exhibit. Updates are available at the KHP website (see below).

Celebratory Fundraising Dinners

The first is on June 9 at the 760-acre Mount Brilliant Farm, where Man o' War stood his entire stallion career. Limited to 100 guests, the dinner honors Big Red's 1920 Belmont Stakes victory. The second, on a fall date to be announced, is a farm-to-table dinner served outdoors, weather permitting, at the 1,200-acre KHP near the newly refinished Man o' War statue. Local chefs will create a Kentucky racing-themed meal with champion-caliber cocktails. Both dinners feature a limited collector's edition Maker's Mark Man o' War bottle, available only at these two events. Purchase a ticket, get a bottle.

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The Kentucky Horse Park is observing the 100th birthday of Man o' War, the legendary chestnut Thoroughbred who won 20 of 21 races in his career.

Man o' War Legacy Mural, June 10

On downtown Lexington's busy Short Street, a mural co-sponsored by Mt. Brilliant Farm and LexArts will be unveiled, painted on the side of the Village Idiot Pub to commemorate Man o' War's Belmont Stakes win. A street party follows the unveiling.

Man o' War Movie Night, June 24

Sponsored by the Keeneland Association, the International Museum of the Horse's Man o' War exhibit will be open for special evening hours. Families can take in two racing-themed movies in the park's theaters and enjoy special activities.

Collector's Edition Man o' War at Breyerfest, July 14-16

KHP's heavily attended annual festival will feature a collector's-edition model of Man o' War for fans of Breyer's exquisitely-made model horses.

Man o' War 5K Run/Walk, Aug. 5

This event winds through the park's grounds and includes a tour of the



James Shamhu photo

exhibit and a t-shirt in the colors of Big Red's racing silks.

Horse Country Man o' War Tours (dates to be announced)

Central Kentucky farm specialists Horse Country Tours will offer a limited number of tours that visit the KHP and Mt. Brilliant Farm, known for its splendid gardens, to see the barn where Man o' War stood. Tour dates fall around his biggest racing days and can be booked at visithorsecountry.com.

Ed and Ercel Talk Man o' War (date to be announced)

Two of the Thoroughbred industry's leading historians will offer fans of racing an intimate evening of stories around the legend that is Man o' War. Ed Bowen,

author of the definitive history of Man o' War, and beloved racing historian Ercel Ellis will weave the tales of the great horse and answer questions from the audience. A museum exhibit tour is included.

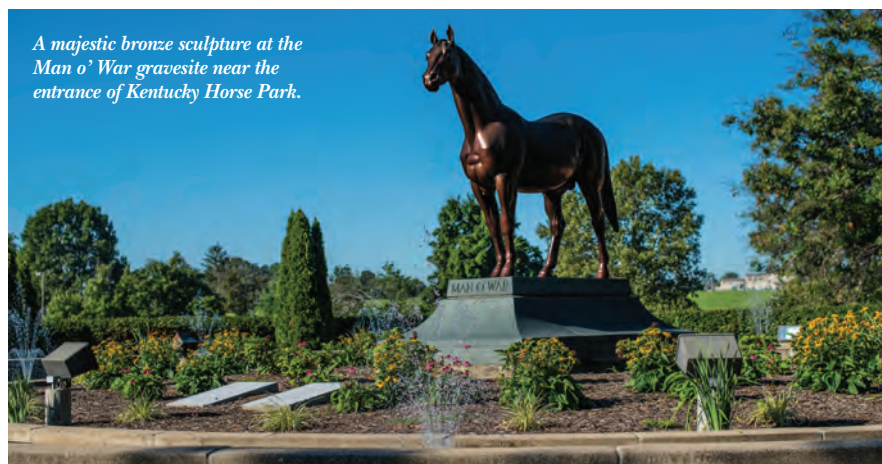
Man o' War - The Funeral, Nov. 1

Attended by thousands who showed up to pay respects to the great horse, the funeral of Man o' War was followed closely on the radio in America and several countries around the world. An airing of his funeral broadcast can be heard on local radio.

In addition to the aforementioned events, local businesses are joining in the celebration. Look for Alltech Lexington Brewing Co.'s special release, a wheated ale named for Man o' War, at Kentucky pubs, bars and restaurants; ice cream nirvana Crank and Boom's specialty flavor, Big Red, a strawberry balsamic sorbet made with Boyd Orchard's berries; and the Man o' War event tent, packed with hats and T-shirts at KHP and events around town.

Find out more about Man o' War's 100th and updates at kyhorsepark.com or phone (800) 678-8813. Watch a video of the statue's intriguing re-patina process at kyhorsepark.com/tags/man-o-warstatue. Better yet, visit the Horse Park and see what all the hubbub is about. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



James Shamhu photo

A majestic bronze sculpture at the Man o' War gravesite near the entrance of Kentucky Horse Park.

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UofL Research Reports Potential Tool in Early Alzheimer's Diagnosis

RESearch out of the University of Louisville indicates that unique graphic characters called Greebles may prove to be valuable tools in detecting signs of Alzheimer's disease decades before symptoms become apparent.

In an article recently published in the *Journal of Alzheimer's Disease*, Emily Mason, a postdoctoral associate in UofL's Department of Neurological Surgery, reported research showing that cognitively normal people who have a genetic predisposition for Alzheimer's disease (AD) have more difficulty distinguishing among novel figures called Greebles than individuals without a genetic predisposition.

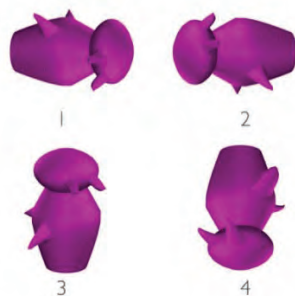
Working in her previous position at Vanderbilt University, Mason identified test subjects age 40-60 who were considered at-risk for AD due to having at least one biological parent diagnosed with the disease. She also tested a control group of individuals in the same age range whose immediate family history did not include AD.

The subjects completed a series of "odd-man-out" tasks in which they were shown sets of four images depicting real-world objects, human faces, scenes and Greebles in which one image was slightly different than the other three. The subjects were asked to identify the image that was different.

The at-risk and control groups performed at similar levels for the objects,

faces and scenes. For the Greebles, however, the at-risk group scored lower in their ability to identify differences in the images. Individuals in the at-risk group correctly identified the distinct Greeble 78 percent of the time, whereas the control group correctly identified the odd Greeble 87 percent of the time.

Which Greeble is different?



"Most people have never seen a Greeble and Greebles are highly similar, so they are by far the toughest objects to differentiate," Mason said. "What we found is that using this task, we were able to find a significant difference between the at-risk group and the control group. Both groups did get better with practice, but the at-risk group lagged behind the control group throughout the process."

Brandon Ally, Ph.D., assistant professor of neurological surgery at UofL and

senior author of the publication, said the tests with Greebles could provide a cost-effective way to identify individuals who may be in the early stages of AD, as well as a tool for following those individuals over time.

"We are not proposing that the identification of novel objects such as Greebles is a definitive marker of the disease, but when paired with some of the novel biomarkers and a solid clinical history, it may improve our diagnostic acumen in early high-risk individuals," Ally said. "As prevention methods, vaccines or disease-modifying drugs become available, markers like novel object detection may help to identify the high-priority candidates."

"This work shows that the effects of Alzheimer's disease on cognition can be measured decades before the onset of dementia," said Dr. Robert P. Friedland, professor and Mason and Mary Rudd Endowed Chair in Neurology at UofL, who has studied clinical and biological issues in Alzheimer's disease and related disorders for 35 years. "The fact that the disease takes so long to develop provides us with an opportunity to slow its progression through attention to the many factors that are linked to the disease, such as a sedentary lifestyle, a high-fat diet, obesity, head injury, smoking, and a lack of mental and social engagement."

* ANSWER: Greeble No. 4 is different.

'Kentucky Gives Day' Raises \$222,195 in 24 Hours

NONPROFIT organizations participating in Kentucky Gives Day raised a collective \$222,195 on April 18 in the state's fifth annual 24-hour online giving campaign. The event now stands with \$1,335,300 raised by participating nonprofits over five years. This year brought together 1,808 donors who made over 2,000 gifts to 139 nonprofit organizations – all on a single online site, kygives.org.

"There's no doubt that Kentuckians appreciate the important role of nonprofits in their communities," said Danielle Clore, executive director and CEO of Kentucky Nonprofit Network, the state association of charities coordinating the event. "Once again, Kentucky Gives Day has shown how generous Kentuckians can be through their appreciation for these organizations working to strengthen our communities. Charitable giving is critical to strengthening Kentucky communities and we are thrilled with these results."

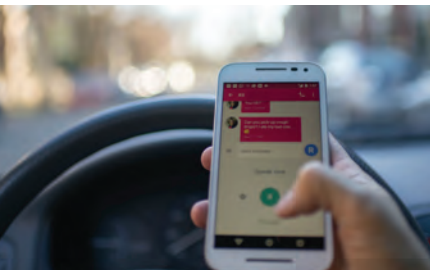
Kentucky Gives Day is open to organizations with 501 c (3) designation in Kentucky, including those representing the arts, environment, health, children, animal welfare, humanitarian aid and more. KNN awarded \$5,500 in prizes to 13 organizations throughout the day, including Knott County's Hindman Settlement School, who received top honors for the second year in a row for raising the most money during the 24-hour period.

Most Funds Raised in 24 Hours

1	Hindman Settlement School	\$13,255
2	NUBPL Foundation	\$10,565
3	Strive Inc.	\$10,082
4	Franklin County Women and Family Shelter	\$7,966
5	The Prichard Committee for Academic Excellence	\$6,940
6	NAMI Kentucky Inc.	\$6,505
7	Lexington Habitat for Humanity	\$5,540
8	Dress for Success Lexington Inc.	\$5,000
9	Assurance	\$4,775
10	Friend for Life Cancer Support Network	\$4,540

Kentucky Gives Day was sponsored by Sleep Outfitters, Anthem Medicaid and Anthem Blue Cross and Blue Shield in Kentucky. The Central Kentucky Community Foundation of Elizabethtown was a regional partner. Media partners included WKYT, Lexington; WAVE, Louisville; Fox 19, Cincinnati; WYMT, Hazard; WPSD, Paducah; WBKO, Bowling Green; WEHT, Owensboro; Kentucky News Network; and iHeart Media in Lexington and Louisville.

Ky.-Designed App Rewards Safe Driving, Aims to Curb Texting-and-Driving



Drive2Win

The Drive2Win app is available for iPhone and Android users in the iTunes App Store and Google Play. Here is how it works:

- Player downloads Drive2Win app and touches screen icon when starting each trip.
- Once the car is in motion, the app immediately begins to track trip distance and time and earn points.
- Players may cash in accumulated points for various prizes, including food and entertainment rewards. Rewards will change constantly and primarily come from locally based businesses.
- The app's leaderboard shows where you rank compared to other players.
- If a player chooses to make a phone call or text while driving, the opportunity to collect points is immediately halted until they return to the app.
- Other opportunities for winning points include "Trivia Tuesdays", when extra points will be rewarded for correct answers to questions about distracted driving. Other chances to score extra points include opportunities to scan QR codes featured in Becker Law Office ads.

MOVED by the needless trauma of tragic deaths and injuries resulting from distracted driving, a Louisville advertising executive and digital agency have teamed up to build a mobile app designed to heighten awareness of the dangers of distracted driving.

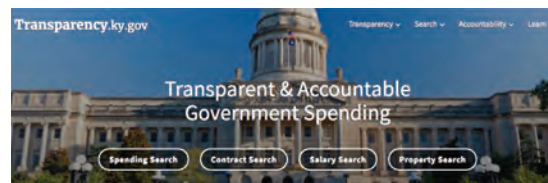
John McCafferty, president of Louisville-based McCafferty Advertising, brainstormed the idea behind the Drive2Win app and says it is the first of its kind to reward players for keeping their hands off their mobile devices while behind the wheel.

"I have always wanted an opportunity to use my creativity for making a difference in society," said McCafferty. "Research shows that more than 75 percent of drivers who text-and-drive believe they can do so safely. That's a huge problem. If people use the app, which will reward them for safe driving, this game could change people's habits – and save lives."

According to the Kentucky Office of Highway Safety, state data collected in 2015 reports more than 58,000 collisions where driver distraction was noted as a factor. These crashes resulted in more than 15,000 injuries and 182 fatalities. These numbers account for 43 percent of total crashes and 24 percent of the total fatal crashes occurring on Kentucky roadways last year. Primary causes of driver inattention include cell phone and mobile device use (calling and texting), adjusting the radio, talking to passengers, and eating or drinking.

For the last 18 months, McCafferty has been working alongside Mediaura, a Jeffersonville, Ind.-based digital agency, on the design and functionality of the app. Louisville-based Becker Law Office is underwriting the creation of the Drive2Win mobile app, which complements much of the firm's marketing messages admonishing distracted driving.

The Drive2Win creators are launching the game in Louisville with plans to roll it out later throughout Kentucky and eventually nationwide. For more information about the Drive2Win app and links to iTunes and Google Play app downloads, visit Drive2Win.com.



State Launches Government Transparency Website

KENTUCKY has unveiled a new website that allows its citizens to see exactly where their tax dollars are being spent.

"Transparency and openness is vital to preserving a government of, by and for the people," said Gov. Matt Bevin. "Our administration is committed at every level to transparency of publicly funded programs and the resulting information. This collaboration between Treasurer (Allison) Ball and the Finance and Administration Cabinet will create improved access to up-to-date information, keeping the public correctly informed on how their tax dollars are spent."

The transparency.ky.gov website enables citizens to input keywords, date ranges or parameters to search for data on the executive and judicial branches. The site includes topics such as agency spending, contracts with businesses, employee salaries, and buildings owned or leased by state government. There is general information on the current state budget, taxes, basic timeline of the budget process, accountability, ethics overview and links to other resources such as unclaimed property and local government officials.

In addition, the website features educational resources on how a state budget becomes law as well as information that parents and teachers can use to help children learn about budgeting for themselves.

Lexington Offering Panhandlers a Chance to Work

LEXINGTON Mayor Jim Gray has unveiled a new program to address the city's growing problem with panhandlers.

A van, operated by New Life Day Center, will travel the streets of Lexington, offering a ride and a job to those who want an opportunity to work and earn money. Workers will earn \$9 per hour.

"Our city invests almost \$6 million a year in programs that help people experiencing homelessness or those living in extreme poverty," Gray said. "We provide shelter, housing and food. This is a new opportunity to work and earn."

Lexington will provide jobs cleaning up the community, Gray said. Private businesses needing day laborers are also encouraged to participate.

Instead of giving change to panhandlers, which can result in supporting dangerous addictions to alcohol and illegal drugs, Gray is encouraging citizens to give to LexGive.com, which will help support the jobs van. The United Way's 2-1-1 program is administering LexGive.

Charlie Lanter, former director of Homelessness Prevention and Intervention, said there has been a surge in panhandling in Lexington since a previously passed ordinance banning panhandling was struck down, with many of those asking for help on Lexington's streets coming to the city from surrounding communities. "Very few of the panhandlers are literally homeless," said Lanter. "We know most of the people here who are homeless. We work with them every day."

KENTUCKY PEOPLE

FRANKFORT: GOVERNOR BEVIN AND FIRST LADY HOST STUDENT KENTUCKY DERBY POSTER FINALISTS



Gov. Matt Bevin and his wife, Glenna, hosted a luncheon in March for the finalists of the First Lady's Derby Poster Contest. Typically, professionals have been chosen to create the annual poster, but this year, students throughout the state were given the opportunity to offer their renderings. The artwork was submitted anonymously online, with Mrs. Bevin and the Bevin children selecting the finalists and the winning submission. Pictured here are (left to right), Vanessa Rodriguez, Bryan Station High School, Lexington; Gov. Bevin; contest winner Jackson Penma, Pleasure Ridge Park High School, Louisville; Olivia Nisbet, Pleasure Ridge Park High School, Louisville; Kaylee Thornsberry, Morgan County High School, West Liberty; and first lady Glenna Bevin. Not pictured is Anystin Conner, Paul Blazer High School, Ashland.

OWENSBORO: KENTUCKY WESLEYAN'S ANNUAL PRESIDENT'S GALA CELEBRATES COLLEGE'S SUCCESS



Kentucky Wesleyan College celebrated the college's momentum and successes with benefactors at its second annual President's Gala on April 21 at the Owensboro Convention Center. Pictured top, left to right, are Darrell Higginbotham, president of Independent Bank, and his wife, Denise; Delynn and John Paris, president of Atmos Energy Mid-Tex Division and Wesleyan trustee; and Hayley and Jake Basham. Pictured left are Kentucky Wesleyan College President Barton D. Darrell (left) with Dr. H. Randall Capps, of Bowling Green, founder and president of Leadership Strategies Group.

LOUISVILLE: ROAD & RAIL'S MANN NAMED TOP NORTH AMERICAN MARKETING EXEC



Dennis Manns (left), chief commercial officer of Louisville-based Road & Rail Services Inc., was recently named the 2017 North American sales and marketing executive at the Automotive Global Awards in New Orleans. The award is designed to recognize executives working in the automotive industry who have shown initiative, dedication and excellence in leading their business. Pictured with Manns is Peter Wooding, chief executive officer of Three6Zero, a global media company covering the automotive industry.

PRESTONSBURG: VARIA PRESENTS GIFT TO EAST KY. SCIENCE CENTER



Dr. Chandra Varia spoke during a check presentation ceremony on March 28 at the East Kentucky Science Center and Varia Planetarium on the Prestonsburg campus of the Big Sandy Community and Technical College. The planetarium is named in honor of Varia's late husband, Dr. Mahendra Varia, who served on the board of the Big Sandy College Educational Foundation Inc. and was a member of the Martin City Council from 1998 until his passing in 2014. The \$15,101 gift from the Varia family will ensure that all Floyd County elementary and middle school students can visit the science center and planetarium once this academic year and will afford the same benefits to the David School and the Carl D. Perkins Job Corps Center.

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29TH ANNUAL SUMMER CELEBRATION

BANK ON KET



YOU'RE INVITED

In the enterprising spirit of Monopoly®, Barons of the Boardwalk, hosts Don and Mira Ball, invite you to join this night of fun and games to benefit KET.



COMMUNITY CHEST

300+ silent-auction tokens: UK lower-arena season basketball tickets, vacations, jewelry, furnishings, fine art, and more.



DONAMIRE FARM

Friday, June 9
7 pm to midnight
Donamire Farm
Lexington



THE BANKER



Luther Deaton
Chairman, President, and CEO
Central Bank
Honorary Chair

SOLID INVESTMENT

\$150 per person or \$1,500 for reserved tables of eight includes buffet, open bar, entertainment, and dancing to the **Jimmy Church Band**

TOP HAT AND TAILS

Wear summer festive attire or, if you're game, costumes inspired by Uncle Pennybags, jailbirds, train conductors, etc.

TOP INVESTORS

Alliance Coal; Alltech; Baptist Health Lexington; Brotherton Brown Group at Morgan Stanley Wealth Management; Brown-Forman; Central Bank; Columbia Gas of Kentucky, Inc; Hardscuffle, Inc.; Hilliard Lyons; Jon Carloftis Fine Gardens; R.J. Corman Railroad Group; and US Bank

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KET.org/SummerCelebration

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