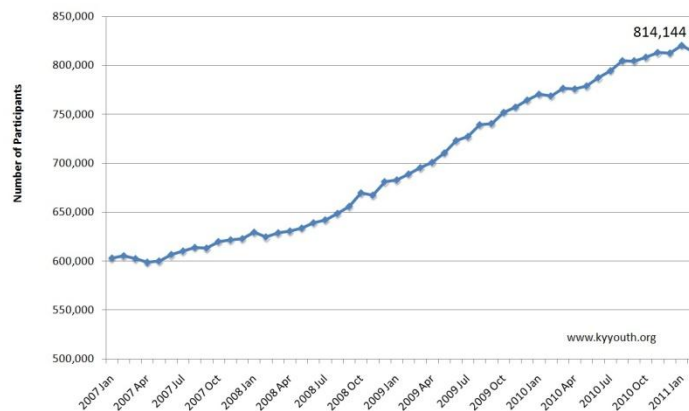


**SNAP Participation Decreases in February**  
State Revenues Continue to Improve

After peaking in January 2011, SNAP participation decreased in February. The number of Kentuckians receiving food stamps decreased by about 6,500 between January and February. SNAP is a federally funded program that both helps Kentuckians get enough nutritious food to eat and brings money into our economy through grocery stores. More than 814,000 Kentuckians rely on this program.

Early in March, the Food Research and Action Center released their [food hardship report](#) which finds that Kentucky has the third highest rate of people reporting difficulty in obtaining food of all 50 states and the District of Columbia. Since the beginning of the recession, more than 180,000 *additional* Kentuckians have come to rely on food stamps. Maintaining the food stamp program is integral to ensuring families have enough food to eat and boosts local economies, since families buy groceries using food stamps in their local communities.

SNAP Participation Decreases Between January and February 2011



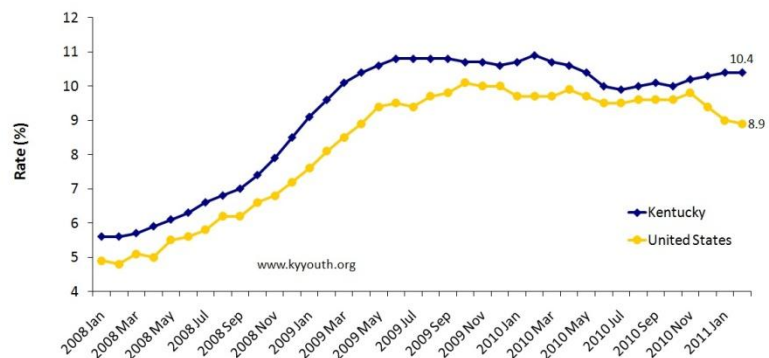
SOURCE: Cabinet for Health and Family Services: Division of Family Support.

**Unemployment remained stagnant**

Unemployment remained at 10.4 percent in Kentucky between January and February 2011. The 10.4 percent rate in both months is the highest since May 2010 and indicates that despite some signs of economic recovery, the Commonwealth still has a long way to go.

The consistently high unemployment rate, combined with persistently high SNAP participation, clearly indicates

Unemployment Remains Stagnant in February  
Up 4.8 Percentage Points Since January 2008



SOURCE: Kentucky Education and Workforce Development Cabinet. Available at: <http://www.workforcekentucky.ky.gov/article.asp?PAGEID=4&SUBID=&articleID=1068>

Kentuckians are still struggling in the midst of the worst economic crisis since the Great Depression.

### Moderate growth in state revenues

Despite high unemployment and SNAP participation, Kentucky revenues showed continued signs of stabilization in February 2011.

Individual income tax receipts increased 5 percent since January February 2010 and sales and use tax receipts were up 1.4 percent in February and 4 percent for the year. Revenues from both taxes have increased in line with estimates from the Consensus Forecasting Group and need to increase 1.7 percent for the remainder of the fiscal year to meet the official estimates. State budget director, Mary Lassiter, says confidence in the revenues meeting budget estimates is

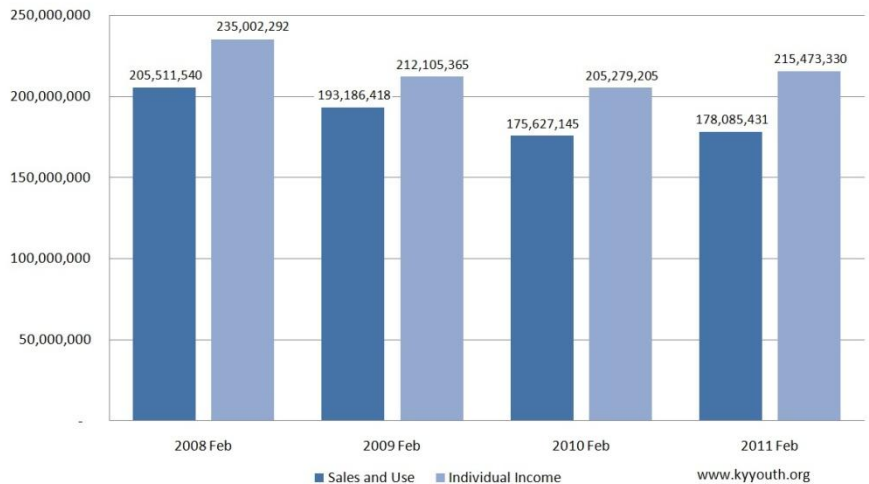
growing. While the income tax is showing signs of strong growth, the sales tax is not growing as quickly as expected. This mix in growth levels between the two taxes highlights the importance of maintaining a revenue base that includes several different kinds of taxes. If Kentucky solely relied on the sales tax to raise revenues, rather than a combination with the income tax, revenues would be growing much more slowly and Kentucky would be struggling even more to make an economic recovery.

Underscoring all of this is the state budget situation. After weeks of political maneuvering between the Governor, House, and Senate, the Governor signed legislation to balance the Medicaid budget. This budget moves money from 2012 to 2011 and relies on savings from Medicaid managed care to close the resulting 2012 budget gap. While this will prevent damaging cuts to Medicaid providers, if the savings are not realized in 2012 – state policymakers will turn to even more budget cuts. If we are to stop the state fiscal crisis from continuing, policymakers have to get serious about aligning our tax structure with the realities of the 21st Century. A commitment to an adequate, sustainable and transparent budget system – which includes new revenue -- means that we can at last begin to invest in Kentucky's future rather than continually relying on cuts. Kentuckians should demand that commitment from candidates in the Governor's race and during the 2012 General Assembly.

To access this issue and archives of the Kentucky Economic Watch, visit:  
[http://www.kyouth.org/Issue\\_Areas/budget/KentuckyEconomicWatch.html](http://www.kyouth.org/Issue_Areas/budget/KentuckyEconomicWatch.html).

**Kentucky Youth Advocates** is home to the Kentucky Tax and Budget Initiative. We work to promote an adequate, sustainable and transparent budget upon which we can build strong public structures and the long-term economic vitality of the Commonwealth.

Revenue from Income and Sales Taxes both Improve since February 2010  
Revenues on Track to Meet Budget Projections



SOURCE: Office of the State Budget Director, "General Fund and Road Fund Receipts for February 2011" Available at:

<http://www.osbd.ky.gov/NR/rdonlyres/COB8B0C5-E53C-4FAC-88A0-817734718998/0/1102TaxReceipt.pdf>