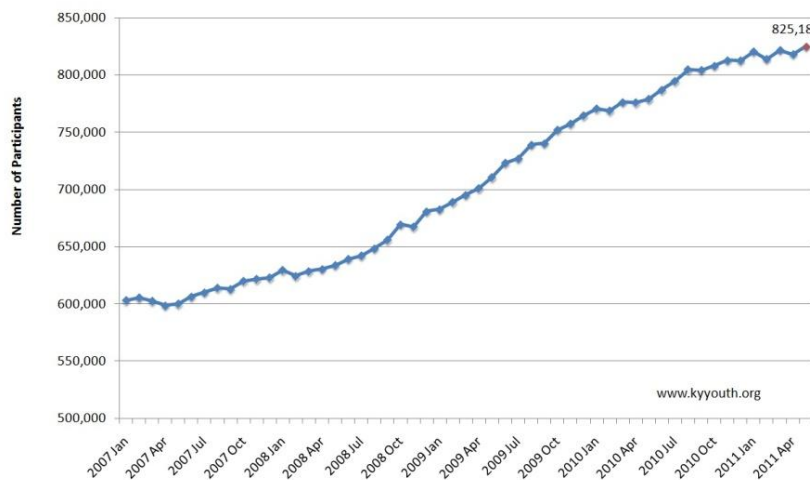


SNAP Participation in Kentucky Peaks Again in May 2011
State Revenues Continue Improving

Participation in the Supplemental Food Nutrition Assistance Program (SNAP) peaked in May 2011 after decreasing in April. More than 825,000 Kentuckians relied on this program to feed their families, an increase of about 7,000 from April 2011. SNAP is a federally funded program that reduces food insecurities by helping Kentuckians get enough nutritious food to eat, and it brings money into our economy through spending at grocery stores.

In the middle of June, another program designed to reduce food insecurities entered Kentucky. The United States Department of Agriculture selected Kentucky, in addition to Tennessee and Illinois, to participate in the first year of a new, universal free meal service program which is designed to make it easier for low-income children to receive meals through the National School Lunch and School Breakfast programs. Through the “[Community Eligibility Option](#),” qualifying schools who decide to participate will now be able to offer the programs without requiring applications and will provide free breakfast and lunch to all students. Schools will then be reimbursed for the meals provided to students based on preexisting data on SNAP participation. A school can qualify for this program if more than 40 percent of their student population qualifies for the federal meal programs.

SNAP Participation Reaches New Peak in May 2011



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

Unemployment Decreases

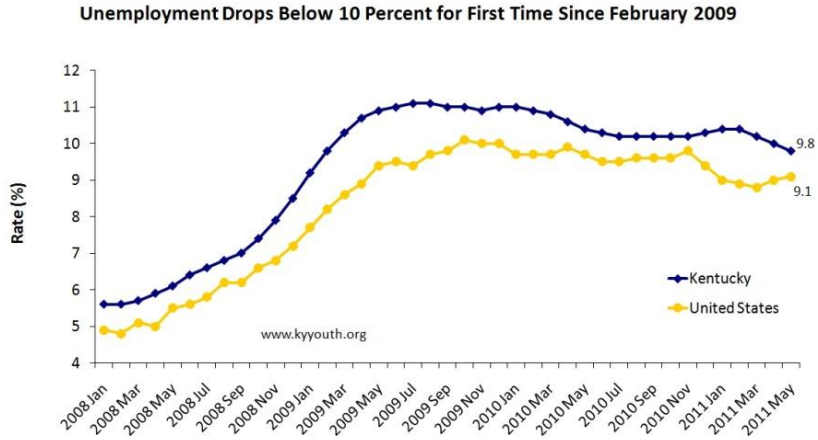
Unemployment continued to decrease in May 2011, dropping 0.2 percentage points since April 2011. Kentucky’s unemployment rate of 9.8 percent is the lowest it has been since February 2009. Since May 2010, Kentucky’s nonfarm employment has grown by 14,500 workers. While this is certainly an improvement, the current unemployment rate is significantly higher than before the recession hit Kentucky and the state economy has a long way to go before reaching a full recovery.

Policymakers can support these struggling families by preserving the SNAP and Medicaid programs and improving asset-building programs, like implementing a state-level Earned Income Tax Credit.

State Revenues Grow

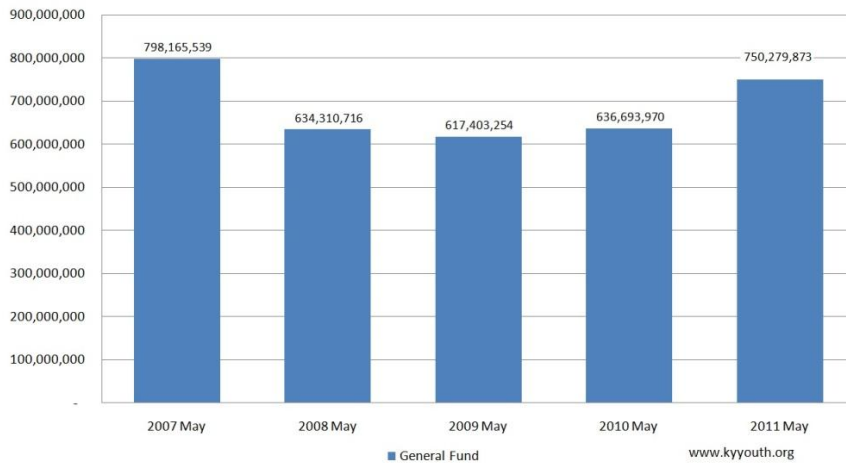
Kentucky revenues continued to improve in May 2011. Sales and use tax receipts are up 4.9 percent, the General Fund revenue has increased 17.8 percent, and individual income tax receipts have

increased 37.5 percent since May of 2010. Revenues have exceeded estimates from the Consensus Forecasting Group and can decrease 16 percent for the last month of the fiscal year (June) to meet the official estimates. State budget director, Mary Lassiter, says officials are confident Kentucky will end the year ahead of budgeted estimates. Despite the strong revenue growth in 2011, revenues are still far below where they were in 2007, indicating Kentucky’s economy has not fully recovered from the recession.



Source: Kentucky Education and Workforce Development Cabinet. Available at: <http://www.workforcekentucky.ky.gov/article.asp?PAGEID=4&SUBID=&articleID=1119>

May 2011 Revenues Remain Below Pre-recession Levels
Revenues on Track to Meet Budget Projections



Source: Office of the State Budget Director, "General Fund and Road Fund Receipts Increase in May 2011" Available at: <http://www.osbd.ky.gov/NR/rdonlyres/E9AB740F-9D94-4154-9EF4-ABDB3C205021/0/1105TaxReceipt.pdf>

To access this issue and archives of the Kentucky Economic Watch, visit: 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.