

# 2011 State of the State Message

Sam Brownback, Governor

Representative Hall

"Mr. Speaker, Mr. President, Minority Leaders Hensley and Davis, Mr. Chief Justice, legislators, justices, cabinet officers, elected officials, honored guests and my fellow Kansans:

I understand that my predecessor gave this speech last year without notes. Well...not only am I using notes, I'm using a teleprompter! But I've got some good things to say, so I want to make sure I get it right.

I love Kansas! There truly is no place like home. This is our 150th anniversary, an appropriate time to reflect on our past and look toward our future.

The first generation of Kansans pledged their lives and destinies to forge a Kansas of freedom in the midst of the blood and fire of war. Against immeasurable odds, they succeeded and God blessed this State with generations of men and women who had the courage to build a Kansas of humanity and hope.

These Kansans had a long view of our state's future. They understood that the heritage of our state and the judgment of history would rest not on the harvest reaped in their time, but rather on the seeds sown for all time. Courage, humanity and hope – in good times and bad, these bedrock characteristics of Kansans have stood the test of time.

It is this heritage and legacy that prepares us for the challenges that Kansas faces today. To Kansans who are out-of-work, underemployed or fearful of losing your jobs; to Kansans looking to leave our state to find opportunity so your families may thrive; to Kansas children who live in poverty and despair, please know that the courage, humanity and hope of Kansas are not lost. They will never be lost. Today's challenges will be met and overcome; they will be met and overcome because, like those Kansans before us, we will remain strong, focused and steadfast.

This Administration will tackle the daunting challenges facing our state through four significant and distinct initiatives, including Growing the Kansas Economy, Excelling in Education, Reforming State Government and Protecting Kansas Families. In these initiatives we not only pledge to lift Kansas out of its economic morass, but we also commit to assess, monitor and publish that progress as it is made.

## **Growing the Kansas Economy**

Growing the Kansas economy is my first priority. We must take bold steps today to create economic growth tomorrow. In saying this, however, let me be clear; we cannot government-program or borrow our way into a stronger state economy. We cannot hope for the best and paper over the worst.

Kansas will emerge stronger economically through hard work, practical ingenuity and removing government impediments to both rural and urban private-sector growth. In the coming days, I will be proposing an integrated, strategic plan to spur the Kansas economy. This plan will create the framework for more private sector – not government – jobs; put more earnings in the pockets of average Kansans; and help to raise out of poverty many of our families and children who now despair.

My plan to create jobs will be paid for by eliminating corporate tax subsidies enjoyed by only a few. These reforms include:

- Enhanced Expensing: Allowing Kansas business to immediately deduct a higher percentage of the cost of an investment.
- Rural Opportunity Zones, or ROZes, will provide a state income tax waiver for any individual relocating from out-of-state into any participating county that has experienced double digit percentage population decline the last ten years.

Additionally, other items critical to my plan will include:

- A three-year, \$105M University Economic Growth initiative to enhance job growth in key economic sectors such as Aviation, Cancer Research, Animal Health, and Engineering. Each university will be required to provide through private sector or reprogrammed funds 50% of the cost of the program initiative.
- Creation of the Governor's Economic Council: Chaired by myself, this council will consist of some of our state's most successful men and women who are leaders in the private sector. The Council will assure strategy integration, coordination and accountability across all of the state's economic development agencies and initiatives.
- Full funding of Wichita Fair Fares to underpin this critical economic growth initiative in south-central Kansas.

I also intend to work with the Legislature, stakeholders, and the people of Kansas to take advantage of growth in our state's industries of emerging opportunity:

- We will build the expansion of the Holcomb power plant. Affordable energy and electricity exports will help underpin Kansas' 21st Century economy.
- We will expand and start new wind energy projects in the state. If we do this right, we will see the development of a renewable energy corridor between Wichita and Salina that will provide jobs for rural Kansas and clean energy for the world. I want Kansas to be known as the not only as the Wheat state – but as the Renewable State.
- We will update our telecommunications policy to facilitate greater investments in broadband and wireless deployment.
- We will grow the animal ag sector, facilitating greater investments in livestock production and dairy.
- We will share with the world the serene beauty of the Flint Hills and our undisturbed tallgrass prairie land. Increased tourism to our pristine environmental treasures will benefit our rural communities, the state, and anyone who chooses to spend their precious vacation days in their peaceful expanse.

And for all of this to work, we need a tax code that encourages investment, income growth, and job creation. I pledge to work with the Legislature on resetting our tax code, particularly with an eye toward lowering income tax rates.

In general, my Administration's first priority will be creating jobs that provide more income and opportunity for Kansas families. When my cabinet meets, I will ask, "What are we doing today to help create jobs in our state?"

## **Excelling in Education**

Educating children is to the state government as national defense is to the federal government: it is the state's primary function and the lion's share of the state's budget. And that is as it should be.

Great educations grow great futures. Yet our public universities have suffered severe cuts and stagnant rankings at a time when the Kansas economy needs better educated students and ascending institutions. A crisis of learning exists for many Kansas children failing to acquire the basic reading skills they need to succeed in school and the workplace. The situation is especially dire for our children who are economically disadvantaged.

The budget I am submitting to this Legislature for its consideration will provide school districts with more overall state funding and will also stabilize state support for higher education for the first time since the Great Recession began.

Since state money will be tight and federal funds declining for the foreseeable future, we need to make sure we target our funding in the right places to give children the foundation they need for success. This is why I am proposing we dedicate \$6 million this year from the Children's Initiative Fund to the development of early childhood education centers in our most needy school districts. I look forward to meeting with the Children's Cabinet to focus more funding on early childhood reading.

No child should pass the 4th grade without being able to read. If a child cannot read, her world closes in. If she can read, her world expands.

Before leaving the critical topic of education, let me briefly touch on the issue of what our Kansas constitution means when it speaks to the need of providing a "suitable" education for our children. For years, we have faced repeated legal action against the state because no one knows what a "suitable" education actually means. I invite this Legislature to define suitability and end the confusion. This will provide us with a definition of what we need to undertake reform of our school finance formula and provide our school districts with stable, sustainable funding for the future. Let the Legislature resolve school finance... not the courts, so we can send more money to the classroom, not the courtroom.

## **Reforming State Government**

The days of ever expanding government are over – and under my administration, they will not return. The future demands of us a commitment to deliver core services in innovative and more efficient ways. We will do that, beginning with a structural lowering of the job positions in state government. In my FY2012 budget recommendations, I have eliminated over 2,000 unfilled employee positions.

Yes, the days of ever expanding government are over. In the next few days, I will submit a series of Executive Orders and Executive Reorganization Orders designed to reduce the total number of state-related entities through targeted realignment, combination and sunseting. This will include eliminating eight state agencies. These reductions will not be easy, but these reductions are necessary. In the aggregate, these changes not only will save Kansas taxpayers millions of dollars each year, they will help us form a more nimble, responsive and forward-looking state government.

In order to assure that reform continues, I have established an Office of the Repealer, and I have appointed Dennis Taylor, my Secretary of Administration, to be the Repealer. His job will be to work closely with my Administration, the Legislature, and the public to identify regulations or statutes for repeal that are costly, outdated and ineffective.

The days of ever expanding government are over. My proposed total state spending for the next fiscal year will be more than three quarters of a billion dollars lower than this year. This will be the first time that the total or all-funds state budget has been cut since 1972.

On the first day of this fiscal year, Kansas State government had exactly \$876.05 in the bank.

Since that time, a sluggish economy has pushed our current year budget into deficit and left many costs unaccounted for. My Administration is proposing a spending freeze bill which will close that gap immediately and bank more than 35 million taxpayer dollars.

I ask the Legislature to have this bill on my desk for signature before the end of the month.

The days of over expanding government are over.

### **Protecting Kansas Families**

But Kansans are can-do people. We take care of each other, even when circumstances are difficult, as they surely are now. We help those in their time of need; we protect those who cannot protect themselves. Joining us tonight is Sergeant 1st Class David Edington. He exemplifies what it means to live this calling in a difficult situation. While performing his daily duties in Iraq in 2007, Sergeant Edington was wounded in a surprise mortar attack on his position. Without regard for his own safety, he ordered his troops to take cover and began scouring the area for the wounded. He discovered that one of his soldiers had sustained a wound to her leg, and even though he was injured, he applied first aid and successfully slowed her blood loss and saved her life. Sergeant Edington descends from a long tradition of Kansans who sacrifice themselves for others, and tonight we salute their service and his.

Yes, we help those in their time of need. And many of our state's families are being tested in ways wholly unimaginable in previous generations. Because of this, the people of Kansas have created a myriad of services designed to sustain the parents, children, families and disabled citizens who live on the margin or in poverty. It is altogether fitting and proper that we have done so. The bulk of total expanded state funding for FY2012 relates to the increased cost of caseloads in SRS and Medicaid and the federally mandated increase in the state's share of funding for these programs.

Quality, affordable, patient-centered healthcare is a priority for all Kansans. Next year, Medicaid will command over 18% of the state general fund, and the program is growing faster than the economy. Additional commitments required of us by Washington have set us on a path of unsustainable spending and lower-quality care. Rather than receiving dictation from Washington, I pledge to fight for Kansas solutions for Kansas healthcare needs.

Under the leadership of Lieutenant Governor Doctor Jeff Colyer, our Administration will begin this month a collaborative effort to remake Medicaid and improve healthcare. If we are going to keep our promises, quality must be improved for the patient. And for the taxpayer, costs must be controlled. If and only if we do this, will we protect Kansas' families and help those in their time of need.

Let us also ensure that KPERS is made sound so that those promises are kept. Currently, under the most favorable set of estimates, the system has an unfunded actuarial liability of nearly \$8 billion. Some private auditors suggest that KPERS is the second worst funded public pension system in the country. I encourage the Legislature to work to ensure the integrity and soundness of the system for decades to come.

Successive generations of Kansans have been charitable people. Over the years, doctors and dentists in our state have provided free services to thousands of needy Kansans, and this is the sort of community action that our laws should encourage. Unfortunately, medical professionals who provide this free care are subject to malpractice lawsuits for the free care they provide. I call on the Legislature to address and change this, and also to allow incoming governors to use funds raised from their inaugural galas on charity, not Cedar Crest.

This is our calling: to help those in their time of need, including and especially those who are the most vulnerable. I call on the legislature to bring to my desk legislation that protects the unborn, establishing a culture of life in Kansas. We must support the dignity of every human being whether that person is unemployed, undereducated, or unborn.

## **Judgment**

Few, if any, of us in this chamber tonight will merit mention in the long judgment of Kansas history, but let each of us do what we can to improve the lives of Kansans today and those to come tomorrow.

My Administration will put forth five measurable, significant goals that cumulatively will help push our great state forward into better times with courage, humanity, and hope. They are:

- Increase in net personal income
- Increase in private sector employment
- Increase in the percentage of 4th graders reading at grade level
- Increase in the percentage of high school graduates who are college or career ready
- Decrease in the percentage of Kansas' children who live in poverty

We are certainly subject to global currents largely out of our control, but we are not rudderless. I believe these goals to be significant and achievable; successfully reaching them will change countless lives for the better and make the future of Kansas brighter.

## **The State of our State**

Through war, strife and economic chaos, through doubt and trepidation, the people of Kansas have borne our state to greatness. Each generation of Kansans and the successive waves of immigrants who moved here have maintained the rugged courage to meet every challenge and overcome seemingly insurmountable obstacles with humanity and optimism. This is our legacy, our heritage and profound gift from those who have come before us and led us to this day.

Mr. Speaker - Mr. President – Leaders of Kansas – The state of our character is strong.

It is strong because since 1861, generations of Kansans and waves of immigrants have had the courage, humanity and hope to make it so. God's abundant grace has favored us. By His continued grace, the good character of the people of Kansas and the greatness of Kansas will grow.

Thank you. May God bless Kansas and these United States.