



# KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

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## **Governor Kathleen Sebelius' 2009 State of the State Address**

*Remarks as prepared for delivery by Governor Kathleen Sebelius:*

Mr. Speaker, Mr. President, Mr. Chief Justice, legislators, justices, cabinet officers, elected officials, leaders of Indian nations, honored guests, and my fellow Kansans.

Good evening.

As we gather again to assess the state of our State, I want to welcome the new members of the House and Senate and our new House leadership. On behalf of all Kansans, I thank you for your willingness to run for office and serve during a difficult time in our history, pledging to put people before partisanship. I look forward to working with all of you to meet our challenges and secure our future.

And I welcome back the returning members of the Kansas legislature. I look forward to working with you once again. Many of you know better than anyone the challenges before us and that heavy burdens can be lifted when all of our hands lift together.

Since we met for the state of the State last year, we have two new State officials. Attorney General Steve Six is with us tonight, and I want to once again thank him for his willingness to leave the bench and serve as the Attorney General for Kansas.

Also with us is our new State Treasurer Dennis McKinney, sworn in just one week ago. Dennis while you'll be greatly missed in the House, we thank you for taking on new responsibilities as you continue to serve Kansas.

Our new Chief Justice, Bob Davis, is here tonight and Chief we wish you well in your leadership role in the Supreme Court. Over the last 3 decades, Justice Kay McFarland served on the Kansas Supreme Court. Her leadership as Chief was historic and heroic, leading the Court during some very contentious times.

On behalf of all Kansans, who are the beneficiaries of her extraordinary service, I want to thank former Chief Justice Kay McFarland, who unfortunately could not be with us tonight.

And while we are recognizing long service to the state of Kansas, I want to

acknowledge the three leaders of great Kansas universities who will retire at the end of this academic year: Kansas State University President Jon Wefald, University of Kansas Chancellor Robert Hemenway, and Pittsburg State University President Tom Bryant.

Our universities are one of our State's greatest assets. By educating young Kansans they promote generational change and contribute to the knowledge economy that will move Kansas forward. We thank these three leaders for their tireless dedication and considerable contributions to the State.

Everyone I recognized tonight shares one thing. They've all made difficult decisions to benefit our State and its citizens. In fact, the history of Kansas is a series of difficult decisions made by many other humble men and women who served the greater good: Would we be a free or a slave state? How would we put people back to work during the Great Depression? How would we aid the war effort during the two World Wars? How would we preserve our agricultural sector during the farm crisis of the 1980s? And, more recently, how would we provide quality education for our children while protecting our most vulnerable citizens?

The common thread that has enabled Kansans to answer those challenges and succeed is found in the quality and character of our people and our public servants. In meeting past challenges Kansans took care to provide the foundation for the good years. After each difficult period, there were good and prosperous times. And there will be again. In fact, tonight we can mark the beginning of the path toward better days.

The state of our State is not defined by ending balances or revenue receipts. It's about the quality and character of the Kansas people. And I'm proud to report that, in that regard, the state of our State has never been stronger.

We meet tonight at a time when a recession has hit every state, every community, and every American. We're experiencing a shared struggle that requires us to develop shared solutions.

The steps we take now will help us survive this economic crisis and create the foundation to move us ahead. Let us come together, as we have in the past, to find common ground and to work for the common good.

Our focus tonight and over the next 90 legislative days should be on the people we serve: our priorities to educate our children, to provide for public safety and protect health services for our neediest citizens, to spur economic recovery and job growth, to build the infrastructure to move our goods and workers from product to market, and to encourage innovation and research as the core elements of a knowledge economy.

The revised 2009 and the proposed 2010 budgets will be covered in detail beginning tomorrow and in the weeks to come. I'll present to the legislature budgets that balance, without proposing new taxes on our citizens, who are already struggling to make ends meet.

Ultimately, the role of government is to use our collective resources to do what

individuals cannot do alone. We must look to the future and determine what strategic investments we can make to give Kansans the tools they need to prosper in the 21st Century.

In an economic downturn, decisions can have dire consequences and a lifetime impact on future generations. No student can afford to 'miss' a few years of quality education. No Kansan can be denied lifesaving care while waiting for the economy to improve.

Even in a time of shortfalls, we do have resources. Our treasury is stronger than many other states. We have a trained and able workforce. And we are still, proudly, this nation's breadbasket. So when we ask ourselves if government has a positive contribution to make through wise use of these resources, the answer to that question is a resounding "yes."

In all of our endeavors, we recognize that jobs and capital are best expanded in the private sector. But without resources and workers from government, the massive undertakings needed to promote the common good would likely fail.

When we faced the challenge of under funded schools, it was made clear in the courtroom, in the boardroom, and in the classroom that new investments had to be made. And we shared the work of finding a solution.

We invested millions in our schools, our students, our teachers, and our future. And even now, looking through the lens of today's economy, that investment was worth it and worth keeping.

Six years ago we developed shared solutions when our prisons were crowded, beds were full and staffing was short. We were faced with spending millions of dollars on new prisons to house the expanding population.

Instead, we developed bipartisan legislation that resulted in treatment programs for nonviolent drug offenders and innovative and collaborative release efforts for inmates returning to their communities. So today we have fewer inmates, less crime, lower recidivism rates, and more funds for other state needs. And the Kansas model is being replicated around the country.

But it is not just in the crafting of legislation that we came together for a common purpose. When bases across the country were being closed and communities emptied – we protected our military assets and brought the Big Red One home. We opened Fort Riley's doors – and the entire state – to new soldiers, new families, and new investments in Kansas.

Working together across communities and universities, we made our case for the National Bio and Agro-Defense Facility and we are proud to be its future home. We look forward to the contribution Kansas will make to our national security and to NBAF's positive impact on our state for generations to come.

Now, the NBAF effort would not have succeeded without the extraordinary leadership and vision of our Congressional delegation, key members of the Kansas legislature, Kansas State University, Manhattan community leaders, the BioScience Authority, private sector stakeholders, and our administration all

working together.

The same principle that guided those successes should guide us now: Working together, we can succeed.

So let's commit ourselves to balancing the budget with common sense, strategic investments, and a commitment that we're all in this together — every agency has a role to play and a contribution to make.

Let's commit to focusing on priorities: investing in public schools and public safety, continuing basic state services to our most vulnerable populations, putting Kansans back to work, and including all state agencies in a dialogue that results in shared solutions.

My budget recommendations for 2009 and 2010 make significant reductions in most agencies, while trying to protect essential services. The budget also eliminates programs, closes facilities, and freezes new hires. We're asking our state workforce, once again, to do more with less and I am confident they will meet the challenge.

Yes, these are difficult times and we face difficult decisions, but by working in a bi-partisan fashion we'll once again find answers and experience success.

While we address our problems as a unified State, I'll continue the dialogue with the new President and our Congressional delegation on a stimulus package. But we shouldn't wait for or rely on Washington to solve our problems.

I have confidence in our capacity to meet our challenges. And, I also believe that our greatest successes lie before us. Along with the challenges, there are opportunities we cannot afford to ignore.

This is not the time to take our eye off the future. We must continue to look to the horizon for new opportunities. Already, we have several ongoing initiatives that can aid our economic recovery.

The Kansas Innovation Consortium is a group of business leaders representing our most promising economic growth sectors. They've come together to advise me and Cabinet secretaries on the best use of government resources to continue to grow private industry.

Joerg Ohle, the CEO of Bayer Animal Health, who helped lead the effort to brand an "animal health corridor" from Manhattan, Kansas to Springfield, Missouri and promote our NBAF success, is leading this strategic effort.

Seizing opportunities and creating jobs to stimulate our economy is important to our state's recovery. And, transportation is a critical component of both.

T-LINK, the task force led by Tim Rogers from the Salina Airport Authority and our Transportation Secretary Deb Miller, will soon complete their work and recommend new approaches for transportation, new collaborative partnerships and new funding formulas. Their efforts will provide the framework for our future transportation strategies.

Jack Pelton, chairman, president and CEO of Cessna Aircraft, is leading the

statewide dialogue to develop a plan for reduced greenhouse gas emissions while Kansas continues to thrive.

KEEP, the Kansas Energy and Environmental Policy Advisory Group will give us the strategic framework to make good decisions about growth and environmental impact in the future.

None of these initiatives cost state dollars, and in each endeavor we have tapped the best of Kansas – the ingenuity and innovation of our private sector leaders – who give their time so Kansas can grow and prosper.

Among the myriad of issues on the horizon, two demand our attention this Session. The American energy crisis provides Kansas with challenges we must face and opportunities that together we must seize.

The energy crisis is real on many fronts affecting our economy, our national security, and our environment. Our own scientists at Kansas State University and the University of Kansas have joined with an overwhelming number of experts around the world who tell us that our time to solve these problems is running out.

While we know that the incoming President has promised a new federal energy policy and swift action, there's uncertainty about the exact rules and financial liabilities Congress will impose.

Kansas is already one of the nation's worst offenders in per capita carbon emissions, which makes us vulnerable to the costs and penalties of imminent federal regulation.

Recently, the Kansas Energy Council confirmed that we have adequate electricity to power us for years into the future; and no state is better suited to lead the country in renewable power than is Kansas. To do so, we must harness all of the energy that we can from wind, and we've already made significant progress.

Two years ago we entered into a voluntary agreement with our utilities to generate 1,000 megawatts of wind power in Kansas by 2010. Tonight, I'm happy to announce that we achieved that goal two years early.

But, we've just scratched the surface. The time will come when we reach our potential of 10,000 megawatts of wind from the prairies across Kansas—power used both here in our state and exported to supply the country with clean and renewable energy.

In fulfilling our potential we can attract billions of investment dollars for both transmission lines and the wind farms. We can create thousands of new jobs. And, Kansas landowners will see the benefit of millions of dollars of lease payments for their wind.

Just as Dwight Eisenhower led the effort to develop an interstate highway system to move goods and people across the country, Kansas can lead the development of an interstate transmission system to move power to market.

I am committed to work with the Kansas Corporation Commission to bring the competing companies together to reach a compromise on building new

transmission lines in Kansas.

And I pledge that we'll continue to work with neighboring states in encouraging the Southwest Power Pool to accelerate development of a fair and progressive rate structure for a new transmission grid across our region.

But the cleanest and cheapest energy is energy we don't use in the first place, so I'm directing the Kansas Corporation Commission to work with our utility companies on measurable and significant energy efficiency programs to further extend our available power well into the future.

We must change our outdated rate structure, which currently rewards consumption, instead of conservation, and fully engage Kansas consumers in reducing their energy use.

I ask the Kansas Legislature to work with me on a green energy proposal which has already been endorsed by two of our major utilities and includes net metering, new building codes, and statutory goals for renewable energy in Kansas. This legislation will send a clear signal to private investors and renewable manufacturers that Kansas is embracing a clean energy future, and will help to spur investment and innovation.

Finally, I am pleased that Len Rodman, CEO of Black and Veatch, a Kansas company that provides strategic advice throughout the world on green energy initiatives, has agreed to Chair my newly created GreenWorks Advisory Council, to expand our opportunities to add more renewable energy jobs in Kansas. Thank you, Len.

With all of us working together, we can and will seize this opportunity. Kansas will become a hub of wind power, a heartland center for green industries, and we will lead the country and the world out of the energy crisis we face.

Along with the energy crisis, we also face many personal challenges with disease and illness. Cancer has affected many Kansas families. The personal toll in lost lives and unrealized potential cannot be calculated.

The cost to the health care system is also great. The American Cancer Society estimates that it costs our state approximately \$4.4 million a day in lost productivity and direct medical costs.

Over the past few years, scientists have made tremendous strides in early detection and treatment, so that a cancer diagnosis is no longer an immediate death sentence. We're fortunate to have a team of researchers at the University of Kansas who are already finding new cures.

We now have an opportunity to create a Comprehensive Cancer Center. And much like the effort to bring NBAF to Kansas, this will be a multi-year collaborative effort including private sector partners, our research universities, health allies from across the region, the Midwest Cancer Alliance, and the Bio Science Authority.

The application for National Cancer Institute designation will occur in 2011; and, if successful, has enormous potential as an economic engine, estimated to

generate \$1.3 billion dollars annually, and create nearly 10,000 new jobs within a decade.

Just as important, Kansans won't have to travel out of state for cancer care, and our State will contribute to the national goal of finding cures in our lifetime.

The National Cancer Institute designation is another prospect on the horizon, with the potential to impact our state and our citizens for generations to come.

These major opportunities to create jobs and expand our economy are part of a long-term strategy to continue progress in Kansas. We have to keep them in the forefront as we craft short-term budget solutions.

The role Kansas can play in addressing major issues confronting our state, nation, and world can be significant. The promise of our future must not be forgotten in the problems of the moment.

We have the ability by working together to correctly identify assets, mobilize efforts, unify our resolve, and get the job done for Kansas today and tomorrow.

Our state's motto is as true today as it was in 1861. We will overcome our difficulties; we will reach the stars yet again. There will be a better day.

The U.S. and the Kansas economies will rebound, and we'll return to positive growth. We will create jobs. And the opportunities Kansans have enjoyed for generations will not go away. This time of shared struggle will result in shared solutions and a stronger Kansas.

Thank you. May God bless you, and may God bless the Great State of Kansas.

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