

**EMBARGOED UNTIL DELIVERY:**

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**Governor Laura Kelly's State of the State Address**

*Remarks prepared for delivery*

Mr. Speaker, Madam President, Chief Justice, Members of the Supreme Court, Members of the Legislature, Honored Guests, and my Fellow Kansans:

What a profound honor to stand before you tonight to offer a vision for the state we all love.

In the east gallery, I'm joined by the man I often joke about as "my long-suffering husband," Ted Daughety. But he truly has been a pillar of support for me and my daughters for over 30 years - and especially the last 13 months.

Our daughters, Kathleen and Molly, were here earlier this week.

Every time I see them, I'm reminded of why Ted and I made our home in Kansas over three decades ago. What a wise decision that was. The upbringing we were able to give our daughters in this magnificent state helped mold them into two remarkable individuals.

I'm very proud of them - and the strong, talented women they have become.

My partner on this journey, Lieutenant Governor Lynn Rogers, is here with his wife Kris. Kansans will be hard pressed to find a more energetic, big-hearted, dedicated lieutenant governor. Lynn will be a true asset to our state as he works to cultivate growth in rural Kansas.

I'm also thrilled to welcome members of my new Cabinet.

From the beginning, I committed to building a strong, diverse, dynamic group to rebuild our state. You'll recognize both Democrats and Republicans, women and men, a mix of seasoned veterans and fresh faces, all with a love for Kansas and a sincere desire to serve. And I thank them for their willingness to take on these new challenges.

And to the Kansas Legislature: welcome back! It's wonderful to see so many old friends and also so many new leaders. I know I'm in a new role, but I want to maintain my working relationship with you. We are all in this together, we've got to be pulling in the same direction. There's so much at stake. And I look forward to working with you.

It has been quite a week. I'm not usually one for ceremonial fanfare, but I've treasured every minute. From the day of service to the inauguration on the capitol steps to this incredibly surreal moment.

But I'm also ready to get to work.

My message to you this evening is both constitutionally-mandated and a time-honored tradition. Of course, the personalities and dynamics shift over time, but the backdrop, and the fundamental tasks at hand, never change.

I am here, as your governor, to offer a blueprint for the year ahead. You are here, as lawmakers, to enact a budget. This has been done 157 times before.

Yet, something feels different tonight.

After a decade of crises - starting with the Great Recession, followed by a self-inflicted budget catastrophe – we found ourselves at a turning point. We were at times weary, frustrated and, sadly, untrusting of one another.

But, in the end, it came down to a fundamental question.

We had to ask, what is Kansas worth?

This was not just a matter of dollars and cents. It forced us to re-examine some of our most deeply-held convictions, and it was a painful process.

But as problems piled up, we had to accept reality. In 2017, we defied the odds, acknowledged the mistake, and hit “reset” in a historic act of bipartisanship.

That is what it means to be a Kansan.

Regardless of our state's partisan breakdown, our crowning achievements have always been won on the middle ground.

Now, tonight we will start a new chapter. We must unite around the values we share ... we must always remember that the people who sent us here expect compromise and results.

But we must also strike a delicate balance in the days ahead. It will require an acknowledgement of the entire Kansas story. Not just one fiscal year or one moment in time.

It is with this renewed sense of purpose, appreciation for our past struggles, and optimism for our next chapter that I proudly report:

The state of our state is improving.

2019 offers an unmatched opportunity for Kansas to continue its upward climb. But for our fragile recovery to continue, we must resist running to our partisan corners. We must keep our eyes fixed on the task at hand – and the job we were elected to do.

And all of that begins at the heart of our communities - in our public schools.

Just a few weeks ago, a story in the newspaper caught my eye. It was about a young man named Braxton Moral. He will graduate from Ulysses High School and Harvard University. That's right, Harvard, this year at the tender age of 16. He will graduate with a Bachelor's Degree in government, and a minor in English. All while he is still in high school right here in Kansas.

And he has big plans after graduation - he is looking ahead to law school.

Braxton is obviously a uniquely talented student. But he also reminds us of what young people will accomplish when given the opportunity. Braxton is here today with his family in the east gallery – I ask you to join me in recognizing this amazing young Kansan.

Students like Braxton exemplify the transformative power of our public schools. A place where all Kansas children who strive can reach their potential and overcome any obstacle, no matter where they come from.

But only if we, as elected leaders hold up our end of the bargain.

Unfortunately, throughout Kansas' decades-long debate over school funding, we've fallen into a troubling pattern. It begins with a promise from elected leaders to fund our schools. Then a failure to follow through on that promise.

That is going to change this year. This year, we will end this cycle of litigation and meet the needs of our students and teachers once and for all.

The days of doing the bare minimum to fund our schools are over. It stops now.

Remember, just a few short years ago, schools closed early because they literally could not afford to stay open. Test scores dropped for the first time in a decade. Class sizes grew – some with more than 30 kids in a single classroom.

Superintendents and principals struggled to hold their districts together, often taking on multiple roles like counselor or bus driver. Sometimes they even refused to be paid, just to keep their budgets above water.

Teachers fled the state. And those who stayed received an average salary that ranked 42nd in the nation.

The consequences were tangible and the scars are lasting.

Never again.

**We're going to properly fund our schools this year. And next year. And the year after that. Every year, every month, every day that I'm governor.**

And we're going to make sure our schools prepare our children for a changing economy. Modern classrooms with modern technologies.

Because at the end of the day, we need our children to graduate high school or college or technical school so they can find jobs right here in Kansas. So they can stay here and raise their families close to home.

When I began work on the state's budget last month, this was the very first decision I made. Budgets reflect our priorities, and my number one priority will always be our public schools.

Now I'm calling on lawmakers to act on my proposal with equal urgency.

To assist in the effort, I separated education funding from the rest of the budget. This will provide a vehicle for you to consider the matter cleanly and quickly.

My friends, we have debated this issue in these halls, in the courts of law, and in the court of public opinion. Kansans flocked to the polls in record numbers last year to send a message about this issue specifically. Now, we must listen to them – our families, our teachers, our business leaders.

We have a deadline to meet, so let's get this done. If we act decisively, we can all share in a bipartisan victory.

Because I assure you, we face plenty of other urgent problems - especially in our rural communities.

This past July, I put forth a detailed plan to address the challenges facing rural Kansas. The majority of our 105 counties lost population last year and for many years prior to that. And whether it's roads, broadband, housing, or agriculture - they need our support.

Speaker Ryckman and Representative Hineman, thank you for recognizing this important challenge and creating a new committee to focus significant time and energy on this issue. We look forward to partnering with you and the committee members.

Lt. Governor Lynn Rogers - along with our new Secretary of Commerce, David Toland, will head up this effort on behalf of my administration.

In the coming days, we will build an interconnected, strategic plan for rural economic development that leverages our communities' unique assets. That means developing infrastructure. Addressing the shortage of affordable housing and supporting agribusiness.

We're going to cherish our rural and small-town way of life – and we're going to make sure that rural Kansans can get the support they need to thrive.

One more important way we do that... by expanding Medicaid.

Just two weeks ago - on December 31st - Mercy Hospital in Fort Scott closed its doors after more than 100 years in the community. This followed the closure of the hospital in Independence in 2015.

Now the folks of Bourbon County will have to travel long distances for emergency care, to give birth, or just to get tests done.

According to some reports, 30% of our state's hospitals are considered financially vulnerable. In small communities across our state - these facilities are at serious risk of closure.

Rural communities cannot survive without hospitals and affordable healthcare. Period.

Young families, seniors, Kansans who suffer from chronic illness, Kansans who just want to stay healthy -- no one can afford to risk their safety and wellbeing by living in a community without access to healthcare.

Just by expanding KanCare - the state's Medicaid program - we can help keep these important facilities stay open and provide affordable health care to 150,000 more Kansans - no matter where they live.

I've made no secret that expanding this program is one of my top priorities. And 77% of Kansans agree with me.

To date, our failure to act has cost Kansas over \$3 billion in federal funding. That's 3 billion in tax dollars we've paid to the federal government that has gone to benefit other states. It's \$3 billion that could have helped save Kansas lives, Kansas hospitals, and Kansas communities.

Instead, we sent it to states like Iowa, Colorado, Indiana, and Arkansas or one of the 32 other states that have already expanded Medicaid.

Child advocates support Medicaid expansion as a means of keeping vulnerable parents healthy. If low-income Moms and Dads can afford treatment for mental health, substance abuse, or just everyday preventive care, they can take better care of their children, and perhaps we can keep these kids in their own homes and out of our foster care system.

Senator Jerry Moran recently noted that rural hospitals are – and I quote - hanging on by a thread - end quote. And he agreed that expanding Medicaid could help them.

And just last fall, Governor Jeff Colyer's Task Force to Address Substance Abuse Disorders and the opioid crisis also recommended expansion to ease the unsustainable burden on our hospitals and criminal justice system.

We've seen Republican and Democratic led states across the country find consensus on this issue to benefit their citizens, their communities and their economies.

For all these reasons and so many more, tomorrow's budget will pave the way for Medicaid expansion.

Next week, I will announce a bipartisan working group to finalize a path forward.

By Kansas Day, there will be a plan to expand Medicaid put before the Kansas Legislature.

I can imagine no better way to celebrate our state's 158th birthday than by embracing a policy that will make every Kansas community healthier, stronger, and more secure. Please join me in this effort.

And finally, another critical challenge we must address immediately. A moral crisis in Kansas that troubles me every day. And sadly, it is a matter of life and death.

Our foster care system is at a crisis point. It requires immediate and considerable attention.

This is an issue I have been working on since I graduated from high school. I worked with troubled teens and children struggling with mental illness. It has been a lifelong mission to help our most vulnerable - and often forgotten - children.

In the last few years, nothing has made me more angry than the callous disregard some agency leaders demonstrated towards our vulnerable children and their families. The incompetence and lack of transparency we witnessed in committee hearings 18 months ago ... made national news. And it put a spotlight on this reprehensible crisis.

Last year, when I found out 70 foster children were missing - I was beside myself. Not only that, the secretary at the time didn't seem bothered by the revelation. But I demanded answers. And together with colleagues and advocates, we demanded change.

In the last year, the Child Welfare Task Force has done great work studying the problems and working towards accountability. But there was only so much we could do without full cooperation and transparency.

The number of Kansas children in foster care has skyrocketed - up 45% since 2011. We've seen the programs, charged with helping families, overwhelmed by the sheer numbers in need. And the caseloads of dedicated social workers are absurdly high - making it challenging to provide the services needed by our most vulnerable children and their families.

There is not an easy answer. But we must do what we can to protect our kids.

This is an emergency. These are our children in our communities facing abuse, neglect and worse.

Let's remember Evan Brewer... Jayla Haag... Mekhi Boone. And many more who needed our help.

These were our children... in our communities. And I refuse to forget them.

We must fix this now.

My budget provides funding for the Families First Prevention Services Act, a landmark piece of legislation approved by Congress last year. It will inject millions into efforts that strengthen vulnerable families and prevent children from entering the foster care system.

My budget includes funding to hire more, qualified social workers and reduce their caseloads. We will restore funding cuts to our prized Children's Initiatives Fund, where we know our investments have the greatest impact on our youngest children.

We will prioritize SCHIP – the State Children's Health Insurance Program – to accommodate federal changes so that low-income Kansas children don't lose their access to healthcare.

Finally, working in partnership with my new Department for Children and Families Secretary, Laura Howard, we will rebuild an agency decimated by ideology and mismanagement. In November of last year, I said that “in order to fix something, you have to know what's going on. You have to be able to get under the hood, see what is working and what is not.”

My team is already at work - and we will be transparent about what we find and we will make it right.

I know that each of you is committed to protecting all God's children. And that begins with our most needy. I ask you to join me with this fight.

Tonight, I've laid out a few of our priorities for Kansas.

We must restore funding to Kansas schools and end the cycle of litigation.

We must expand Medicaid so we can create jobs, keep our tax dollars in Kansas, save our rural communities, and protect our most economically fragile families.

We must fix our broken foster care system and do absolutely everything in our power to ensure that our most vulnerable children are protected from neglect and violence.

Yet, there are so many things we haven't discussed. Our crumbling roads and bridges. Public safety. Higher education. Mental health. Meeting the demands of our rapidly changing economy. I could go on and on. And I know many of you are worried I will...

But this is just the beginning.

Tomorrow morning, my budget director, and your former colleague, Larry Campbell, will walk you through the details of my first state budget recommendation - delivered three weeks ahead of the statutory deadline.

And later this week, I will convene my first official cabinet meeting, during which time I will instruct each member to complete a thorough audit of her or his respective agency – so we can

increase effectiveness and efficiency. And we can eliminate waste and improve transparency by ending “no-bid” contracts

But we have one more thing to cover tonight.

And it brings us back to where we started.

Those breathtaking years of crisis have left Kansas on the brink of collapse. Kansas lost more revenue in the first year of the Brownback tax plan alone than we lost in the entire Great Recession.

While the time for finger pointing is over, we’re not off the hook for the long-term consequences of past policy decisions.

I’m proud to honor my promise to balance the budget without raising taxes.

If we are going to succeed, I need your help to protect both sides of the budget equation until our fiscal health stabilizes. As many of you have already said, we must show restraint. Because ultimately, we do not know what lies ahead.

Kansas has endured two historic national recessions in the last 20 years.

Another recession will soon be upon us. It’s not a question of “if”. It’s a question of “when” and “how bad.” Unlike the last two record-setting downturns, Kansas finds itself now completely unprepared. We have no margin for error.

That is why we must be cautious, conservative and fiscally responsible. We must live within our means. Prioritize what matters most. Always look for ways to save. And always make sure our children come first.

And we must work together to write this new chapter - as Kansans.

Throughout my time in the Senate, I’ve worked with all of you. As governor, that will continue. My door will be open. I will listen.

**But, I was elected to rebuild our state.** And I take that responsibility very seriously.

Kansans want us to work together to make our state better. To provide more opportunities for our children. To grow our economy. To make it possible for our rural communities to thrive again.

And as your governor, I plan to do just that.

That means cooperation, compromise, and bipartisanship.

No one person – not even the governor – can act alone to achieve consensus. That’s the whole point... working together.



And in that spirit, I'll promise you this: I will do everything in my power to set the right tone. I will listen every day ... to leaders from both parties and to the people of this state.

We'll take the best ideas no matter where they come from – and we'll work together.

It won't be easy. We all know we have a very long, challenging road ahead of us.

These past eight years have been a hardship, no doubt about it.

But we're united by a common set of values. That spirit of neighbor-helping-neighbor. Respect for one another. And always doing right by our children.

Those are the values that brought my family here more than three decades ago. And they are the values that will guide me as your governor.

Kansans are no stranger to hardship or hard work. We don't want things handed to us. We don't expect life to be easy. That raw grit - our fierce determination – is part of our history. It makes us who we are. And if we work together... if we put partisanship aside and Kansas families first....

Then we can truly live up to our motto, Ad Astra Per Aspera.

And the story we write together - will be one of cooperation and prosperity.

God bless you all. And may God bless the Great State of Kansas.

Now, let's get to work.

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