

Governor Sam Brownback
State of the State address
January 15, 2015

Mr. Speaker, Madam President, Legislators, Elected Officials, Cabinet Members, Justices of the Kansas Supreme Court, Leaders of Kansas sovereign Native American Nations, Lt. Governor and his wife Ruth, the first lady of Kansas, my wife Mary...My Fellow Kansans...

One person I want to recognize in particular is the new House Minority Leader, Tom Burroughs. Tom, welcome to leadership.

Good evening and welcome back.

Before I begin the State of the State in earnest this evening, I want to pay tribute to the men and women of our armed forces. The strength of Kansas is best represented by those who risk their lives to protect us.

Major General Paul Funk from Fort Riley currently is leading the fight against ISIS. So obviously he is not here with us tonight. Instead we are honored to recognize all the brave Kansans who serve through the presence of Brigadier General Eric Wesley and Command Sergeant Major Maurice Jackson of Fort Riley.

Please help me welcome and recognize them.

I am informed by the clerks that of the 165 current members of the Legislature, about 100 of them are new to the body since 2010¹.

That is to say, many of you have never had the opportunity as Legislators to hear a different Governor give a State of the State Speech.

And for that, I don't apologize.

¹ Kansas Legislature <http://www.kslegislature.org/li/>

But, I will keep this speech as short and concise as I can.

Throughout my career in public service, I have been driven by the belief that Government exists to serve the people. Those who lead, those who govern, must do so with courage and compassion. In that way, those we serve can live in freedom and dignity.

That belief continues to guide my actions today, as it did four years ago when I gave my first State of the State message.

At that time, we gathered to address the challenges confronting our state.

Two of the biggest challenges were our economy and budget.

On that January night, four years ago, more than 100,000 Kansans were actively looking for work and could not find it². Kansas ranked near the bottom among US states in private sector job growth³. Personal income growth was low and poverty was headed up⁴.

From 1999-2009, the number of Kansans in private sector employment had actually dropped – actually dropped ⁻⁵ while state general fund spending had grown by more than a third⁶.

In Fiscal Year 2010, for the first and only time in Kansas history, the State General Fund ended the fiscal year in a negative status⁷.

² U.S. Department of Labor, Bureau of Labor Statistics, Unemployment

http://data.bls.gov/timeseries/LASST200000000000004?data_tool=XGtable

³ U.S. Department of Labor, Bureau of Labor Statistics, Total Private Sector Jobs

See Appendix A - Table 1 – Available upon request

⁴ U.S. Department of Commerce, Bureau of Economic Analysis, Personal Income Summary

<http://bea.gov/iTable/iTable.cfm?reqid=70&step=30&isuri=1&7022=21&7023=0&7024=non-industry&7033=-1&7025=0&7026=20000&7027=2010%2c2009%2c2008&7001=421&7028=-1&7031=0&7040=-1&7083=levels&7029=21&7090=70#reqid=70&step=30&isuri=1&7022=21&7023=0&7024=non-industry&7033=-1&7025=0&7026=20000&7027=2010,2009,2008&7001=421&7028=-1&7031=0&7040=-1&7083=levels&7029=21&7090=70>

⁵ U.S. Department of Labor, Bureau of Labor Statistics, Total Private Sector Jobs 1999 - 2009 Annual Averages

http://data.bls.gov/timeseries/SMU20000000500000001?data_tool=XGtable

⁶ FY1999 Actual SGF Expenditures - \$4,196,200,000 – The Governor's Budget Report, Fiscal Year 2001, Vol. 1 (Page 16)

<http://budget.ks.gov/publications/FY2001/Vol%201%20FY%202001rev2.pdf>

FY2009 Actual SGF Expenditures - \$6,064,400,000 – The Governor's Budget Report, Fiscal Year 2011, Vol. 1 (Page 11)

http://budget.ks.gov/publications/FY2011/FY2011_GBR_Volume1--updated_2-10-2010.pdf

Total Increase – 44.52%

⁷ FY2010 Ended with a deficit of \$27.1 Million. The Governor's Budget Report, Fiscal Year 2012, Volume 1 (Page 22)

http://budget.ks.gov/publications/FY2012/FY2012_GBR_Volume1.pdf (See "FY2010 Actual")

Our economic and fiscal course was clearly unsustainable. It was time for a change.

From this podium, I announced that the days of ever-expanding government were over.

And we went to work.

We reformed state government to better serve Kansans by eliminating, consolidating, or privatizing multiple state agencies and redundant functions⁸, and reduced the public sector workforce by more than three thousand positions⁹.

We embarked on a budgetary course that saw State General Fund expenditures grow at a lower rate than throughout the terms of each of the previous nine Governors¹⁰, while continuing to support core government functions and serving Kansans.

With bipartisan support, we overhauled our state's economic development strategy¹¹, established rural opportunity zones¹², and strengthened KPERS¹³.

Four years later, I submit these facts for your review.

Kansas has created more than 59,000 new private sector jobs¹⁴. Our unemployment rate is tied for the tenth lowest in America¹⁵ and more Kansans are working today than ever in the history of the state¹⁶.

⁸ ERO 41 http://www.kslegislature.org/li_2012/b2011_12/measures/ero/41/

⁹ U.S. Department of Labor, Bureau of Labor Statistics, Total State Government Jobs 2011-2014 http://data.bls.gov/timeseries/SMS20000009092000001?data_tool=XGtable

¹⁰ Kansas Division of Budget

¹¹ Kansas Department of Commerce, Business and Community Development Division <http://www.kansascommerce.com/index.aspx?nid=90>

¹² SB 198 (2011) http://www.kslegislature.org/li_2012/b2011_12/measures/sb198/

Kansas Department of Commerce <http://www.kansascommerce.com/index.aspx?nid=320>

¹³ KPERS Annual Report, Fiscal Year 2014 (Page 22) <http://www.kpers.org/annualreport2014.pdf>

HB 2333 (2012) http://www.kslegislature.org/li_2012/b2011_12/measures/hb2333/

CJOnline.com, July 18th, 2014 <http://cjonline.com/news/2014-07-18/kpers-hits-60-percent-funded-benchmark>

¹⁴ U.S. DOL, Bureau of Labor Statistics, Total Private Jobs - Jan 2011-Nov 2014 (Total Increase 59,400) http://data.bls.gov/timeseries/SMS20000000500000001?data_tool=XGtable

¹⁵ U.S. Department of Labor, Bureau of Labor Statistics, Unemployment Rate Oct 2014 See Appendix A - Table 2

¹⁶ U.S. Department of Labor, Bureau of Labor Statistics, Employment http://data.bls.gov/timeseries/LASST200000000000005?data_tool=XGtable

Personal income is rising¹⁷, we are addressing the causes of poverty, and welfare rolls have been cut in half¹⁸.

Thanks to the efforts of our teachers and parents, Kansas students score among the best in the country¹⁹, record numbers of Kansans are enrolled in technical education²⁰ and our institutions of higher education are global leaders in fields from animal health²¹ to aeronautics²² to the universal fight against cancer²³.

Mr. Speaker, Madam President, it is for these reasons and more that I can report to you tonight that Kansas is on the rise, and the State of our State is STRONG!

As we have always known in Kansas, great achievements require hard work. It requires the courage to face our challenges head-on and find solutions that work for Kansans.

The goal of the Department for Children and Families is to be the agency of opportunity, helping Kansans move from poverty to prosperity.

One of our great successes has been the number of people who have left welfare and found work. We have seen more than a 50 percent decline in TANF recipients in the last four years²⁴.

Instead of welfare, we want Kansans to enjoy the dignity of work and build a better life for themselves and their families. This is to be celebrated.

¹⁷ U.S. Department of Commerce, Bureau of Economic Analysis, Quarterly Personal Income <http://bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=36&7023=0&7033=-1&7024=Non-Industry&7025=0&7026=20000&7027=2014%2C2013%2C2012%2C2011&7001=336&7028=10&7031=0&7040=-1&7083=Levels&7029=36&7090=70#VK63R5B0MfQ.email>

¹⁸ Kansas Department for Children and Families Public Assistance Report, Fiscal Year 2015 (Page 2) –TANF Monthly Average Number of Persons, 2011 vs. 2014 http://www.dcf.ks.gov/services/ees/Documents/CURRENT_PAR_SF2015_Access.pdf

¹⁹ WallletHub.com <http://wallethub.com/edu/states-with-the-best-schools/5335/>

Nation's Report Card, 2013, Reading State Snapshot Report, Grade 4 (Percent at Proficient or Advanced)

<http://nces.ed.gov/nationsreportcard/subject/publications/stt2013/pdf/2014464KS4.pdf>

Nation's Report Card, 2013, Mathematics State Snapshot Report, Grade 4 (Percent at Proficient or Advanced & Average Score)

<http://nces.ed.gov/nationsreportcard/subject/publications/stt2013/pdf/2014465KS4.pdf>

²⁰ Kansas Board of Regents

http://kansasregents.org/workforce_development/excel_in_career_technical_education_initiative_senate_bill_155

²¹ Kansas State University College of Veterinary Medicine <http://www.vet.k-state.edu/>

²² Wichita State University National Institute for Aviation Research <http://www.niar.wichita.edu/>

²³ University of Kansas Cancer Center <http://www.kucancercenter.org/>

²⁴ Kansas Department for Children and Families Public Assistance Report, Fiscal Year 2015 (Page 2) –TANF Monthly Average Number of Persons, 2011 vs. 2014 http://www.dcf.ks.gov/services/ees/Documents/CURRENT_PAR_SF2015_Access.pdf

Valerie Cahill is a single mother who was on public assistance. With the help of our Employment and Training program, Valerie is now earning full-time wages in the medical industry and is off welfare assistance.

Valerie and her son, Cortez, are here with us tonight. Valerie, will you and your son please stand so we can congratulate you on the courage and perseverance that has allowed you to build a better life for you and your son.

We will continue to move forward, helping people move from dependence on the government to independence.

We will put forth programs that require more able-bodied welfare recipients to apply for work or work training as a condition of receiving the welfare benefit.

One of the key ways out of poverty and despair is through work. That brings hope and that brings a path forward.

To move forward, we need all of Kansas growing.

This includes our urban cores that in too many cases have seen their problems multiply and their solutions divide.

In the first term, we implemented Rural Opportunity Zones. It has been a success. 77 counties have embraced it with more than 2,000 applications received²⁵ – and more than a quarter of those are from out-of-state²⁶. People are coming to Kansas for opportunity and growth.

It is time to take this same successful concept to our urban core.

I am proposing that we provide the same growth tools to high poverty areas in Kansas City, Wichita and Topeka. The same requirements for local participation will exist as well.

This will help more Kansans succeed and will draw more people to our state.

²⁵ Kansas Department of Commerce <http://www.kansascommerce.com/index.aspx?nid=320>

²⁶ Kansas Department of Commerce <http://www.kansascommerce.com/index.aspx?nid=320>

Now, even as we celebrate our successes, we must acknowledge that the most recent data regarding state government revenue and expenditures present a clear challenge that must be addressed²⁷.

For the past several weeks, we have been in consultation with government, business and industry leaders regarding our shared fiscal concerns. They have been generous with their time and frank with their advice.

Tomorrow I will present to the legislature a proposed two-year budget that is in balance – with revenues exceeding expenditures each year.

And we will continue our march to zero income taxes.

Because the states with no income tax consistently grow faster than those with high income taxes²⁸.

There may be some who consider this course too bold...well, I'm the sort of guy who would have sent Alex Gordon from third base.

I propose this budget as a starting point to your deliberations. I understand and appreciate that the "power of the purse" is yours and does not belong to any other branch of government²⁹.

In my travels around Kansas I've found what I expect most of you have during your visits with the people we serve.

Kansans are sensible, decent, compassionate, thoughtful people.

They prize liberty, celebrate achievement and recognize an obligation to their fellow man.

They want government to focus on its core functions, to perform them well, to provide quality services, good schools, good roads and low taxes.

²⁷ November 2014 Consensus Revenue Estimates <http://budget.ks.gov/cre.htm>

²⁸ See Appendix B, Tables 1-3, available upon request

²⁹ Constitution of the State of Kansas, Article Two <http://kslib.info/828/Article-Two-Legislative>
Constitution of the State of Kansas, Article Eleven <http://kslib.info/837/Article-Eleven-Finance-and-Taxation>

Kansans understand the importance of living within our means and meeting our obligations.

Kansans know the importance of a promise whether to friends, family or a business. And recognizing that promise, they pay their debts on time and in full. The Kansas Constitution should reflect that as well.

I am proposing the Legislature pass a Constitutional Amendment and put it before Kansas voters stating the debt of the state is a general obligation of the state and we will pay it first.

This is good policy for our state.

Those who make state policy in the people's name have to make the tough choices. Those who refuse, don't lead.

Everyone will be able to find things in the budget I put forth that they disagree with. I hope as you review the budget, you put forth what you would do to make it better.

But as we go about this work, please bear two things in mind.

First, the family budget is more powerful than the government budget.

Second, a growing economy that is adding private sector jobs and increasing personal income can fix a government budget.

A growing government budget cannot bring lasting prosperity to its citizens by appropriating ever more of their earnings.

If we could spend our way to paradise, we would already be there.

40 Governors held office before the State General Fund Expenditures reached \$1 Billion for the first time³⁰.

The next 4 Governors saw that number hit \$6 Billion³¹.

That government spending growth was not reflective of the trajectory of our population or of the economy³². It was government getting too big too fast.

The era of ever expanding government is over, because it has to be.

The major drivers in state spending increases are what you think they are: K-12 education³³, public pensions³⁴ and Medicaid³⁵.

Over the past several years, in addition to providing medical care in war zones around the world, Lt Governor Colyer has led our efforts to improve services and control costs in Medicaid.

The results have been good.

Waiting lists are down³⁶ and services are up³⁷. Costs are growing, but at a slower rate than before³⁸.

On pensions, we have enacted reform and succeeded in devoting considerably more resources to what was a badly underfunded system.

30 Kansas Division of Budget

31 Kansas Division of Budget

32 United States Census Bureau <http://www.census.gov/population/cencounts/ks190090.txt>
<http://quickfacts.census.gov/qfd/states/20000.html>

33 New K-12 Education Funding Figures will be available The Governor's Budget Report, Vol. 1, Fiscal Year 2016 – Available 01/16/15.

34 New KPERS Funding Figures will be available The Governor's Budget Report, Vol. 1, Fiscal Year 2016 – Available 01/16/15. Prior years' figures are available in The Governor's Budget Report, Fiscal Year 2015, Vol. 1 (Page 61 & Page 259)

http://budget.ks.gov/publications/FY2015/FY2015_GBR_Vol1--UPDATED--01-28-2014.pdf

35 New Medicaid Funding Figures will be available The Governor's Budget Report, Vol. 1, Fiscal Year 2016 – Available 01/16/15. Prior years' figures are available in The Governor's Budget Report, Fiscal Year 2015, Vol. 1 (Page 14)

http://budget.ks.gov/publications/FY2015/FY2015_GBR_Vol1--UPDATED--01-28-2014.pdf

36 Kansas Department of Aging and Disability Services.

37 [Kancare.ks.gov http://www.kancare.ks.gov/download/Preliminary_Utilization_Report.pdf](http://www.kancare.ks.gov/download/Preliminary_Utilization_Report.pdf)

38 New Medicaid Funding Figures will be available The Governor's Budget Report, Vol. 1, Fiscal Year 2016 – Available 01/16/15. Prior years' figures are available in The Governor's Budget Report, Fiscal Year 2015, Vol. 1 (Page 14)

http://budget.ks.gov/publications/FY2015/FY2015_GBR_Vol1--UPDATED--01-28-2014.pdf
Kancare.ks.gov http://www.kancare.ks.gov/download/KanCare_Cost_Comparison.pdf

In 2010, according to the Pew Center, Kansas had the second worst funded pensions system among all the U.S. states³⁹.

Thanks to the reforms undertaken since, done with bipartisan support, our rankings have improved and we are now middle-of-the-pack⁴⁰.

Understand though, that the unfunded liability in KPERS vastly exceeds any issues with our year-to-year budget. It dwarfs every other item on the state balance sheet⁴¹.

All of those truly interested in fiscal prudence should support putting our state retirement system on a sound long-term footing.

Now, on the matter of K-12 spending.

A majority of the projected shortfall we face is due to increases in K-12 spending since Fiscal Year 2014⁴².

I want to repeat that.

A majority of the projected shortfall we face is due to increases in K-12 spending.

For decades now, Kansas has struggled under a school finance formula which is designed not to be understood---to frustrate efforts at accountability and efficiency. A formula designed to lock in automatic, massive increases in spending unrelated to actual student populations or improved student achievement.

³⁹ "The Trillion Dollar Gap: Underfunded State Retirement Systems and the Roads to Reform"

<http://www.pionline.com/assets/docs/CO68648218.PDF>

The Lawrence Journal-World, Jan. 15, 2011 <http://www2.ljworld.com/news/2011/jan/15/kansas-legislatures-lack-funding-hurts-kpers/>

⁴⁰ Understanding Public Debt: A State-by-State Comparison, Robert Sarvis (Page 20)

<https://cei.org/sites/default/files/Robert%20Sarvis%20-%20Understanding%20Public%20Pension%20Debt.pdf>

⁴¹ KPERS Total Unfunded Actuarial Liability - \$9,765,900,000 (as of 12/31/2013) - KPERS 2014 Comprehensive Annual Financial Report (Page 78) <http://www.kpers.org/annualreport2014.pdf>

⁴² New K-12 Education Funding Figures will be available The Governor's Budget Report, Vol. 1, Fiscal Year 2016 - Available 01/16/15.

A formula which calculates that we have added more than 100,000 new students⁴³ to the public schools while the actual census has grown by a fraction of that number⁴⁴---an accounting scheme that claims cuts to per pupil spending even as budget increases dramatically outpace increases in student population⁴⁵.

Not surprisingly, that formula has been under litigation in Kansas for the past 40 years. Just within the last few weeks, the latest ruling was issued in a suit filed under the previous Administration⁴⁶.

In the words of that court ruling, “one cannot classify the school financing structure as reliably constitutionally sound⁴⁷.”

I agree.

Friends, it is time for a new school finance formula.

That formula should reflect real-world costs and put dollars in classrooms with real students, not in bureaucracy and buildings and artificial gimmicks.

That formula should be about improving student achievement and school accountability, not bureaucratic games.

My suggestion is simple, and I believe necessary---a timeout in the school finance wars.

In this two-year budget, the Legislature should appropriate money directly to school districts, so it can be spent where it is needed most, and that’s in the classroom.

⁴³ Unweighted vs. Weighted FTE Enrollment – The Governor’s Budget Report, Fiscal Year 2015, Vol. 1 (Page 60) http://budget.ks.gov/publications/FY2015/FY2015_Comparison_Report--7-10-2014.pdf

⁴⁴ Weighted FTE Enrollment – The Governor’s Budget Report, Fiscal Year 2015, Vol. 1 (Page 60) http://budget.ks.gov/publications/FY2015/FY2015_Comparison_Report--7-10-2014.pdf

⁴⁵New K-12 Education Funding Figures will be available The Governor’s Budget Report, Vol. 1, Fiscal Year 2016 – Available 01/16/15.

Prior data is available in The Governor’s Budget Report, Fiscal Year 2015, Vol. 1 (Page 60) – Total State Aid - http://budget.ks.gov/publications/FY2015/FY2015_Comparison_Report--7-10-2014.pdf

⁴⁶ Gannon v. State of Kansas, December 30th, 2014 <http://www.shawneecourt.org/DocumentCenter/View/527>

⁴⁷ Gannon v. State of Kansas, December 30th, 2014 (Page 110) <http://www.shawneecourt.org/DocumentCenter/View/527>

At the same time, the Legislature should repeal the existing school finance formula and allow itself sufficient time to write a new modern formula that meets our needs for great 21st Century schools.

And as we go about that process, it should be accountable to local parents and voters, because here the people rule.

Accountability. You have heard me say that we must be accountable with our budget and education policy.

That accountability should extend to how our elected officials and judiciary are selected.

Currently, most elected officials in Kansas are chosen in elections when the fewest voters participate.

In general, Spring elections see a mere fraction of the voters who participate in Fall elections...generally with about 10 percent of eligible voters coming to the polls in the Spring⁴⁸.

Yet that's when most of our elected officials are selected. That does not honor our values of wanting higher voter participation.

It is time to move local elections to the Fall.

It also is time we change the way we pick our Supreme Court.

Recently, the Legislature introduced a greater element of public accountability to judicial selection by reforming the process for selecting appellate judges in Kansas⁴⁹.

It is time for similar reforms to apply to the Kansas Supreme Court.

⁴⁸ Kansas GOP

⁴⁹ HB 2019 (2013 Session) http://www.kslegislature.org/li_2014/b2013_14/measures/hb2019/

Currently, we have the least democratic system in America to select Supreme Court justices.

The Legislature should put before Kansas voters a proposed Constitutional amendment for a more democratic selection process---one either based on the federal model or providing for direct election of Supreme Court justices, as we did for the first 100 years of our history.

With the Court involving itself in so many public policy issues, it is time the selection process be more democratic.

Now we turn to a subject that will directly affect the future of every single Kansan. And that is.... water.

In my first term I challenged my administration and the citizens of Kansas to develop a long-term vision for the future of the water supply in our state.

And you answered that challenge⁵⁰. Now it is time for us to act.

Water is an intensely passionate issue where local situations vary enormously.

We have not yet accomplished a plan that ensures adequate water supplies throughout our state for the next 50 years but this will happen before my second term is concluded.

When I began my comments this evening, I told you that throughout my career, I have been driven by a belief that we are here to serve others. It is a God-given responsibility that we, as elected officials must accept and act upon.

We are at our best when we stir within ourselves our better angels. When our hearts are tender to what God is tender to...the poor, the voiceless, the powerless.

We should see human life as sacred, and recognize its immeasurable worth in every human condition.

⁵⁰ Kansas 50 Year Water Vision. http://www.kwo.org/50_year_vision/50_year_vision.htm

Whether at the beginning of life, or the end of life, Kansas is the most pro-life state in America⁵¹. And we are not going back.

So let us be wise and loving in how we serve the people particularly those in the greatest need at the time of their greatest need.

We need a budget that is adequate and not pernicious.

We need social policies that are wise and helpful, and which lead people from dependence to independence.

We need strong, healthy marriages and families. As I said at the Inauguration, big government can never be big enough to replace the family.

And we need vision to pass on to our children and their children to come. A vision of Kansas that stands the test of time because it is built on truth.

So as we move forward in this legislative session, let us be wise and prudent and act in the way that the Ancients told us to. That is that our actions should be “first pure, then peaceable, gentle, open to reason, full of mercy and good fruits, impartial and sincere⁵².”

Thank you and may God grant us all grace, mercy and truth to carry out our duties.

⁵¹Governor Brownback has signed multiple pro-life bills, including HB 2253 (2013) HB 2218 (2011) HB 2035 (2011).

⁵²James 3:17 - ESV