

## **Governor Kelly Delivers Her 2023 State of the State Address**

**TOPEKA** - *The following is the transcript of Governor Laura Kelly's 2023 State of the State Address as prepared for delivery.*

Mr. Speaker... Mr. President... Madam Chief Justice and the entire Kansas Supreme Court... members of my Cabinet ...leaders of the Kansas tribes... and all the constitutional officers and legislators assembled here tonight.

It is my honor to welcome Lieutenant Governor David Toland, his wife Beth Toland, and their children Caroline and William. As we all know, Lieutenant Governor Toland holds not one, but two jobs, and I think it's fair to say that he has just wrapped up what has been the most successful year in history for any Kansas Secretary of Commerce. Thank you, David, for a job well done.

Joining us tonight via livestream are my husband, Dr. Ted Daughety, my daughters, Molly Daughety and Kathleen Daughety, my son-in-law Mathias Weiden, along with the newest addition to my family, my granddaughter, Laura "Rory" Weiden.

I know you have all been on pins and needles waiting for me to finally show up, and I appreciate your patience. Many of you, particularly House members, might be thinking that my late appearance is par for the course given my 14 years of operating on Senate time. That is not the case, however.

The delay was simply to ensure that I had a crowd to celebrate my birthday with.

Two weeks ago, I had the honor of being sworn in as governor of the State of Kansas for the second time.

I spoke about the importance of leaders choosing civility and unity, despite the hostility and division we often see in our national politics. I set a North Star for my second term:

Making Kansas the best place in America to raise a family... and I said that we can only get there if we work together.

Because, over the past four years, we've seen what can happen when we truly act as One Kansas:

Four straight years of balanced budgets ...

Four straight years of fully funded schools ...

Once and for all, we closed the Bank of KDOT ...

And we landed the largest economic development project in the history of our state,  
Panasonic....

We created the largest budget surplus Kansas has ever seen...

And we did it all while cutting taxes for families, for veterans, for homeowners, for farmers and ranchers.

Long gone are the days of Kansas making headlines for failure and mismanagement. Now – because we worked together – Kansas is back on track. Kansas is on the road to prosperity. And the state of our state is strong. Very strong.

All of this happened because we came together, Democrats and Republicans. Not a single bill would have been signed into law if people had just dug in their heels and refused to budge.

Our friends in Washington could learn a thing or two from how we operate here in Kansas.

But we can't get complacent.

So my message to you tonight is this: Continue to meet me in the middle.

That's how Kansans solve differences in their everyday lives, and it's the only way we'll solve the big challenges ahead of us:

Like how to cut taxes for Kansans without jeopardizing our schools...how to attract businesses in a way that preserves the essence of our communities. How to ensure every Kansan can access the mental and physical healthcare they need to live happy, full lives.

I already released my budget, so tonight, let's focus on those larger challenges – the ones I'll need your help in addressing, the ones that will determine our state's future.

Let's start with taxes. As prices continue to rise, it's clear that Kansans need relief, and they need it now.

In December, I released my comprehensive plan to cut taxes for working families and seniors, the "Axing Your Taxes" plan.

We began, last year, by finally axing the sales tax on food...

...but it doesn't zero-out until 2025...so the very first thing we must do this session is fully eliminate it, effective immediately.

There is no reason that Kansans should ever look down at their grocery receipts and see this tax. Folks can't afford it. Folks don't deserve it. And there's no need to wait for 2025. Let's end it now.

But let's not stop at food, let's also axe the state sales tax on diapers and feminine hygiene products.

These are two other basic necessities that should be much more affordable for Kansas families – which is something I know both Republicans and Democrats agree upon.

That's part one of the plan.

The second proposal is to create a four-day window every August in which Kansas families can purchase school supplies free from the state sales tax.

Let's make sure "back to school" doesn't break the backs of our parents.

This tax break will make preparing for back to school more affordable – and a lot less stressful. And the tax holiday will also reduce the burden on teachers – who all too often foot the bill for pencils, art supplies, and classroom decorations. Let's make this happen.

The third proposal provides relief for our retirees – something I know is of the utmost importance to all of us here. Right now, Kansas retirees earning \$75,000 per year or less don't pay state income tax on social security.

But if they make one dollar more – whether that's through investments or lower medical costs – the entirety of their social security income becomes subject to state income tax.

Many of my Republican colleagues here have long said this is bad policy and hurts our seniors. And I agree.

Our seniors have worked hard for their entire lives – and their next chapter in life shouldn't be spent figuring out the Kansas tax code. Let's axe that tax cliff and raise the threshold to \$100,000 so more of our seniors can enjoy their retirement.

In total, the 'Axing Your Taxes' plan saves Kansans \$500 million over the next three years – and that's on top of the billion dollars in savings from the tax cuts we passed last year.

These are all ideas that Republicans and Democrats have proposed and supported in the past. Discussions are happening now. I'm ready to sign three, clean bills, to make sure that Kansans save on food, on diapers, on school supplies, and on retirement, right away.

We are in this position to responsibly provide tax relief because we have been laser-focused on creating a solid fiscal foundation for our state.

But let me make myself clear: I will stand against any irresponsible tax proposals that erode that foundation. We have been there before. We know where it leads. And we can't go back.

Not to debt. Crumbling roads. An overwhelmed foster care system.

And perhaps most devastating of all, underfunded schools. We cannot go back to the days where financial irresponsibility here in Topeka robbed our Kansas students of opportunity.

Instead, let's pass fiscally sound tax cuts that we can afford, that help working families and seniors – and that allow us to continue the progress we've made on education.

Earlier this month, I introduced a budget that fully funds our schools for the fifth year in a row.

And in case you're wondering, my budget next year will also fully fund our schools, as will my budget every year I'm Governor.

And to further my commitment to students and families, my budget puts us on the path to fully funding Special Education.

This is a big investment, and make no mistake, I fully recognize that our partners in Washington haven't done their part to deliver the federal funding they promised for Special Education services. I'll continue to work with our federal delegation to push Congress to hold up its end of the bargain.

But in the meantime, Kansas families and Kansas schools need solutions. So let's fix this.

Let's fix it for kids like Danny Robeson, a fifth grader in the Shawnee Mission School District, who is here tonight with his mother, Laura.

Danny has cerebral palsy, epilepsy, and impaired vision, which means that he requires extra support to learn alongside his peers.

Laura stepped away from being a teacher herself to take care of Danny. But, as a frequent volunteer at his school, Laura has seen first-hand what the funding gap means:

Special Education support staff earning well below a living wage...which in turn leaves the school understaffed and under pressure. Laura sometimes has to keep Danny home from school because there aren't enough staff to ensure that he can learn safely.

The Special Education funding gap doesn't just impact students with special needs. It impacts every student, because schools end up diverting funds away from other areas to provide these services.

But adequate funding isn't the only issue our schools face.

I believe – and I think we can all agree – that the classroom is a very special place. It is where young minds are shaped and inspired. It's where professional teachers devote every fiber of their being to ensuring that our students – our children – are cared for, are nurtured, are supported, and are educated.

What the classroom is not, however, is a place for politics.

Know this: I will oppose any efforts that are designed to turn parents against teachers... to turn communities against their schools... to turn young people away from the teaching profession. I will resist politicians who want to score political points at the expense of our students and our families. Our students should not be used as political pawns. Not ever.

We all agree our kids do better when parents and teachers are involved in their education...so rather than distracting ourselves with wedge issues, let's focus on giving them both the resources and the support they need.

If we do that, we will achieve our shared aspiration: To make Kansas public schools the very best in the nation.

It is the right thing to do, but it is also the smart thing to do.

And here's why: Kansas is in a new era of growth. Thanks to the hard work of the Lieutenant Governor and his team at the Department of Commerce, we've brought Panasonic to De Soto, Hilmar Cheese to Dodge City, Amber Wave to Phillipsburg, and Bartlett Grain to Cherryvale...

Since the start of my administration, Kansas has brought in over \$15 billion dollars of new capital investment... and we've created and retained over 54,000 jobs. It's been quite remarkable.

But as our economic trajectory reaches higher and higher, there's one thing in our way: There are not enough skilled workers for all the jobs we're creating. It's the hard truth, and we're all aware of it: our labor shortages are driving up prices and stunting our economic growth.

This is another one of those big, existential challenges ahead of us. If we fail to train up a larger, more skilled workforce, businesses will stop knocking at our door. And the trend of our children and grandchildren moving to Missouri, to Colorado, to Texas in search of work, will accelerate.

We must stop this trend in its tracks. And we can do that by creating a strong pipeline of talent that has abundant educational and economic opportunities right here at home.

Fully funding education was an important place to start, but we must also look outside the traditional classroom. This past fall, I created the Office of Registered Apprenticeship in the Department of Commerce.

Right now, 3,500 Kansans are gaining the skills, the mentorship, and the credentials they need to succeed in the industries driving the future of our state, from energy to healthcare to advanced manufacturing.

Those are 3,500 Kansans who won't just have jobs – they'll have careers.

Those are 3,500 Kansans who will be able to support a family and save for retirement.

Those are 3,500 Kansans putting down roots and contributing fully to their communities.

My budget increases funding for the Office of Registered Apprenticeship, giving more Kansans the tools they need to join the modern workforce. We must continue building on the Office's good work.

Another challenge demanding all hands on deck: Making sure that opportunity and economic prosperity extend to rural Kansas.

This past fall, Secretary of Agriculture Mike Beam and I traveled throughout Western Kansas. We met with leaders from Goodland, to Liberal, and no matter with whom we spoke – Republican or Democrat – we heard one thing over and over:

The single most important issue facing Western Kansas – and perhaps all of Kansas – is water. Our water supply is diminishing.

Parts of western Kansas have an estimated 10 years left. That's 10 short years until the water that has powered our booming farming economy dries up.

For decades, politicians have kicked the can down the road when it comes to water.

Waiting for some miracle to happen is not an option. We have to do something.

All that we've achieved in the past four years is put at risk by inaction. That's true in every part of our state, in Johnson County and Sedgwick County, in Sherman County and Seward County. We are one state, and if any part of our state suffers, we all suffer.

In recognition of this problem, last year, we updated the State Water Plan for the first time since 2009, and we fully funded it for the first time in 15 years. We also paid off state debt on two major water storage projects, freeing up \$30 million for additional water preservation efforts.

In this year's budget, we fully fund the State Water Plan for the second year in a row. We'll divert more money to water projects by paying off other debt early...and we'll make additional investments to work with our producers and irrigators to ensure our water quality and quantity.

That includes Ron and Marsha Schilling, respectively fourth- and fifth-generation family farmers, whom I met on my trip to Edson, a town near Goodland – along with their granddaughter, Kaelyn.

In the early 2000s, water tables indicated that there were very few years left to continue irrigated agriculture in the Goodland area. Instead of throwing up their hands, Ron and Marsha literally threw down their plows, implementing water conservation practices like strip-till and water-saving irrigation technology.

Now, 20 years later, it turns out that their work has more than paid off. The Schillings are growing more bushel with less water, increasing the life of the Ogallala Aquifer in their region. In short, they're making it possible for Kaelyn to become the seventh generation to work their family farm.

The Schillings are here with us tonight, representing the family farmers and ranchers across Kansas, who keep our state's economy humming and our rural communities thriving. Ron, Marsha, and Kaelyn, please stand to be recognized.

Farmers like Ron and Marsha are showing us a path forward. To replicate their success statewide, we will bring even more producers to the table – along with other stakeholders – to ensure a clean, abundant water supply for generations to come.

But we cannot talk about rural Kansas without talking about Medicaid Expansion.

Now I know, I sound like a broken record, but it's only because we have a broken healthcare system.

Already, too many rural hospitals have shut their doors. When that happens, the communities have been devastated.

These Kansans have to drive hours to receive their basic care.

Our doctors, nurses, and hospital staff leave for higher pay in neighboring states, worsening our healthcare workforce shortage.

To date, we have left \$6 billion dollars in Washington, D.C. – squandering our own taxpayer dollars. And we have forfeited 23,000 jobs for Kansans.

There is an obvious way to stop the bleeding: Expand Medicaid.

The argument for expansion is simple – and should be one on which we all agree. Regardless of political party, we all want our rural communities to be hubs of commerce and economic activity.

That's one of the reasons we created the Office of Rural Prosperity – to get more resources to our smaller towns. We've welcomed new businesses and jobs to Western and Southeast Kansas. We've invested in rural housing. We've expanded high-speed internet. All of that work has been essential, and we'll continue to do it.

But, by far the most impactful thing we could do for our small towns would be to draw down the billions of dollars – once again, our own hard-earned tax dollars – that are just sitting there.

By far, the fastest way to a healthier workforce would be to enable 150,000 Kansans to have access to affordable healthcare.

Every single other state surrounding us has expanded Medicaid – including Republican-led states like Iowa, Oklahoma, Missouri, Nebraska, and South Dakota. In many cases, it was because the issue was taken directly to the people – who, not surprisingly, voted in favor of jobs and healthcare.

The data show Kansans are aligned with our neighbors. The Docking Institute at Fort Hays State University has long tracked this issue, and [now finds](#) that more than 7 in 10 – over 70% of – Kansans support expanding Medicaid.

It's clear that blocking Medicaid Expansion means working directly against the interests and preferences of the people of Kansas.

And if you're sick of hearing me talk about this, and you don't want to hear about it again in next year's speech, let's expand Medicaid this session.

There's another common-sense way to improve health care here in Kansas – and that's to finally legalize medical marijuana.

In 39 other states, Americans with chronic pain, seizure disorders, and PTSD can access medical marijuana to relieve their suffering. But, despite the fact that a very clear majority of physicians believe medical marijuana should be part of a comprehensive pain management and palliative care plan, it's still illegal here in Kansas.

In fact, just a few weeks ago, right before Christmas, police raided the hospital room of a terminally-ill man in Hays. Greg Bretz was using marijuana to ease his pain. He was then ordered to appear in court – despite not being able to get out of bed. We all know that was ridiculous.

This is not to blame the police – the police were just enforcing the law. That means the law itself is ridiculous.

Greg died two weeks ago, the first week of session. His passing reminded me of an [op-ed](#) that appeared in the Wichita Eagle last May. It was written by David Auble, a self-described conservative, a U.S. Army veteran from Paradise, Kansas, who was battling his second bout with cancer.

His missive was addressed to the Kansas Senate. In it, Dave wrote, and I quote: “I'm running out of time...I can barely lift my head; my legs are tingly and I have a trachea breathing tube. You have no idea how terrifying it is when you can't move air in or out.” End quote.

Despite friends urging him to get medical marijuana on the black market, Dave refused. He said, “I don’t intend to break the law even though my situation is growing more severe. That’s not who I am.”

Dave passed away just a few weeks after the op-ed was published, never having received the relief he needed and so fiercely advocated for. He is survived by his friend Chris Howell, who advocated alongside him at the Statehouse and who has since taken care of his beloved dog. Chris is here with us tonight – Chris, thank you for taking care of your friend and for being here on his behalf. Could you please stand to be recognized?

Every day, thousands of Kansans are forced to choose between breaking the law and living without pain. It is an unbearable choice – and an absolutely unnecessary one.

Let’s do better in Dave’s honor. In honor of the kids experiencing multiple seizures per day...In honor of veterans suffering with PTSD. Let’s make Kansans’ lives better, and let’s do it right now.

That’s not to say that legalizing medical marijuana won’t be complex. Of course it will.

We’ll need to put in place effective safeguards to ensure that it’s used appropriately and that it’s not abused. But I believe, like with everything else, if you and I work together, we can find a fair and common-sense solution. 39 other states have figured this out. Surely, Kansas can too.

Another area where we should be able to find common ground is our state’s mental health system.

Much like the nation as a whole, we are at a crisis point here in Kansas when it comes to mental health. Recently, a [study](#) by Mental Health America ranked Kansas last in the country on rates of mental illness and access to mental health services.

In the past, we have taken action on this. We’ve launched 9-8-8, the new three-digit code for the National Suicide Prevention Lifeline.

We have expanded mental health programming in our schools so that more than double the number of students are now being served. We’re opening up new youth psychiatric beds so more kids can get the intensive treatment they need.

But there's more to do. And we need to do it together. My budget expands Mental Health Intervention Teams in our schools to have an even greater reach. It also provides funding for adult psychiatric services in the Wichita area, and funding to address the shortage of mental health workers across the state

We also need to pass legislation to guarantee mental health care for our first responders. Right now, our police officers, our firefighters, our EMTs and paramedics are not eligible for workers compensation for PTSD – even if they experienced the traumatic event on the job. That is unacceptable. We say we value our first responders. Let's put our money where our mouth is and protect them just like they protect us.

Also related to the mental health crisis is the rise in opioid overdoses we're seeing across the Midwest. This crisis is hitting our state particularly hard.

In 2021, Kansas saw the nation's second-highest increase in drug overdose deaths, a spike driven by fentanyl.

Opioids like fentanyl have rightly caused a lot of concern across the state. I've heard from local officials who are seeing the toll of this epidemic right in their own backyards.

I have made historic investments to give law enforcement the resources to crack down on the criminals who are pushing illegal drugs on our children, and I will continue to do so.

But as we work to stop the supply of drugs, we should also be focused on decreasing demand.

Drug addiction is a disease, not a moral failing. Which means we need to change the way we treat it.

My budget gives schools the funding they need to have naloxone on hand – so that should a student overdose, first responders will have enough time to get to the scene to save a life on the spot.

But we also need to decriminalize fentanyl test strips. We've debated this before. The reality is test strips save lives and money. Let's get a bill passed this session that decriminalizes these strips and prevents exposure to fentanyl in the first place – long before it kills more Kansans.

Much of tonight has been about the next four months.

And to be clear, as evidenced in my budget, there's much more I am focused on: Expanding high-speed internet...building and rehabbing middle-income and affordable housing...keeping higher education accessible...and shoring up our state's technology and cybersecurity.

But now, I want to talk about the next four years, and the decades after that.

During my swearing in, I said our North Star is making Kansas the best place in America to raise a family. That means a state where parents are supported, where childcare is abundant and affordable, and where our kids get the strongest start to life.

If we're serious about reaching that North Star, we need to put more focus, more energy, and more resources into finding solutions.

Immediately after my inauguration, I issued the first executive order of my second term:

It established a task force that will explore the creation of a Cabinet-level agency dedicated to early childhood. The agency will be completely focused on improving services for our kids during the most critical time of their development.

This should be a place where we can find bipartisan agreement. We all – Republicans and Democrats – want a state where our children, our grandchildren, and our great grandchildren have more and better opportunities than we had.

In the past four years, we've turned our state around. Now, by working together, we can achieve a Kansas families will want to call home for generations.

I've talked a lot this evening about how doing the right thing is far more important than adhering to any party line.

That may be unique in the country, but it's not unique in Kansas. Throughout the history of our great state, Kansans have repeatedly worked across the aisle for a better future.

Think of Kansas becoming one of the first states to ratify the 19th Amendment. Just over one hundred years ago, legislators came together and unanimously said 'yes' to giving women the right to vote.

Think also of Dwight Eisenhower, who, during World War II, led this country – and the world – through the toughest battle it had ever known, without an eye to politics or partisanship. He was so revered, in fact, that both parties thought he should be their candidate for president in 1952.

And think of one of the brave men General Eisenhower led during that war: our own Bob Dole, who went on to become a U.S. Senator and teamed up with a Democrat from Iowa to expand civil rights by passing the Americans with Disabilities Act.

So, by seeking your continued partnership, I'm not asking for the impossible, or something that's never been done before. Kansans have long worked together to take on the challenges facing them.

And don't forget, you and I have, too – 286 times over these past four years. Every time I signed a bill into law, it had bipartisan support. We haven't always seen eye-to-eye, but the truth is, only when we've banded together, have we made real progress.

That's why I'm asking you tonight to, again, meet me in the middle. On so many issues facing our state – from tax relief to water to health care – the best solutions aren't Republican or Democrat. They'll come from compromise and collaboration...finding common-sense, and middle-of-the-road solutions.

Over the next four years, we must see each other as partners, not as foes, to build on all we've accomplished in the last four years. Together, we will make Kansas the very best place in America to raise a family.

God bless Kansas and all of its people. Thank you and goodnight.

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