Joan Wagnon: This oral history of Kathleen Gilligan Sebelius, formerly a member of this body, the House of Representatives, formerly Insurance Commissioner of Kansas, and Secretary of the Department of Health and Human Services under President Obama is being conducted under the sponsorship of the Kansas Oral History Project, a nonprofit corporation created for the purpose of establishing an archive of oral histories of Kansans who served in policy-making roles. Our collection, Kansas Governors, will interview former governors who also served in the legislature or held other elected office. These interviews focus on their legislative activity and provide insights on how these legislators developed their political and policy skills. This interview will also explore how that legislative experience shaped your public policy priorities as Governor and Secretary of HHS.

I'm Joan Wagnon, former legislator and Secretary of Revenue, and I will be conducting this interview along with my colleague, Duane Goossen who was a former legislator. In fact we all served at exactly the same time.

Kathleen Sebelius: We did.

Duane Goossen: That's correct.

JW: Duane was also Budget Director and Secretary of Administration under Kathleen. Both of us served with you, Kathleen in the legislature and joined your Cabinet in 2003. You were elected Governor.

KS: Yes, you did.

JW: That was quite a crowd you had. Our videographer today is David Heinemann who was also in the legislature with us and [served] as Speaker Pro Tem. We all serve, Duane, David, and I on the Kansas Oral History Project Board of Director.

Governor, Secretary, Kathleen, friend, would you start off by just giving us your background? You had an interesting political family when you grew up.

KS: Well, I was born in Cincinnati, Ohio. My dad, John, better known as Jack Gilligan, ran for office for the first time when I was five. So I really grew up thinking that's what families did in the fall. They went door to door. They put up yard signs. Nobody ever told me it was a volunteer activity.

He won some elections; he lost some elections, but he served as a member of City Council. He served as a member of Congress, and he ultimately was Governor of Ohio. That really taught me a lot about politics on the ground, about elections, about parties. He really built the Democratic Party in Cincinnati. There wasn't a Democratic Party in Cincinnati when he started to run.

My mother's father was also in politics. He was probably very successful and could have been enormously successful, but my grandmother hated it. So he dropped out early on.

And then I ended up marrying a Kansas native whose father was in politics on the other side of the aisle but who had served in the State Senate and then served as a member of Congress. He was in Congress when we got married. So I actually had politics all around me.

JW: To say that it was in your genes is not an understatement.

KS: That's probably true.

JW: When you arrived in this Chamber in 1986—

KS: '87. I was elected in '86, came in '87.

JW: What had you been doing just prior to that?

KS: For eight years prior to running for the House, I had been Executive Director of the Kansas Trial Lawyers Association. So I had spent a lot of time in the Capitol. I lobbied for the trial lawyers, gave testimony, watched issues on their behalf. So I was pretty familiar with both the House and the Senate, the Governor's Office. When I came here, it felt like I finally actually got to make my own votes and not just try to twist somebody else's arm to cast a vote on an issue I believed in.

JW: Is there anything else about your background that we ought to probe? It's pretty well known. I started doing a Google search, and there are any number of articles on you in the New York Times and just about everywhere. So that part of your background is pretty well known. I think that we want to do now, unless you have something else.

KS: I would add something.

JW: Go ahead.

KS: Because I think a lot of people assume when they look at what I did in politics and kind of the steps beyond the House of Representatives that I ran for the House in order to be Governor, that I ran for the House to build that political resume. I actually ran for the House to go home. My kids were two and five. I lived here in Topeka, the capital city. My husband was a busy trial lawyer.

I would say the wheels were kind of coming off the wagon. I was working for the trial lawyers forty, fifty, sometimes sixty hours a week. I was traveling nationally a bunch at their meetings, and when the seat in my neighborhood came open—I had worked on Judy Runnel's campaign. She was my predecessor. I knew the drill, but it also was a part-time job. I was in a very full-time, high-pressure job, and the legislature met four months a year, and then you could pick and choose interim committees. For me, with young kids and a busy husband, it seemed like a great step to actually have a better work/family balance, and that's really why I ran. I think that gets lost somehow in the shuffle along the way.

JW: I'm sure it does. But it also seemed like there was a—what's the word?

KS: A cabal?

JW: An expectation. It was—

KS: Ruth Wilkin.

JW: Ruth Wilkin and Judy Runnels and you and then Marge Petty. Potwin just had a seat in the Kansas House.

KS: That's right. Except Marge ran for the Senate.

JW: Well, it's still a seat. Duane, why don't we shift gears for a minute and let you ask Kathleen a few questions about how she saw the culture of the legislature?

DG: As your career actually played out, you experienced and knew the legislature from multiple different angles as a lobbyist, as a sitting legislator, as Insurance Commissioner, and then, of course, as Governor. That's a lot of different angles and different ways of interacting with the legislature. Reflect on that a little bit. How did you experience the legislature at each of those stages? How did it change along the way?

KS: It's a great question. I would say in those early days—if I ran for the House in '86, it was about '78, '78 to '86 that I was working with the trial lawyers and in and out of this Chamber in that regard. First, there were a bunch of lawyers here on both sides of the aisle. And often law firms felt that it was their civic responsibility to send a young member of their firm to serve four years. That was a pretty common trait that the big firms would have a member who served, and then when he or she decided not to serve any longer, somebody else would step up and serve.

So there were bunches of lawyers, and in those days, I was really looking for people who were interested in legal issues. When I got to the House, the House and the Senate were pretty evenly divided. It was a much closer mix of legislators, which meant counting votes was important, but also making coalitions was important. You could not pass things without finding some folks across the aisle, but pretty evenly balanced. Lots of moderate Republicans who were interested in school finance and health care and other issues. Some conservative Democrats who were not so interested in some of those issues, conservative Republicans.

So you would, issue by issue, be able to put together a coalition. One time, two years in the House in my four terms, I actually served in the majority, and that was a whole different experience of finally chairing the committees and kind of helping to run the show and shape the policy. But I'd say around 1996, and I say '96 because we suddenly had two open US Senate seats in Kansas. Bob Dole left the Senate to run for president, and Nancy Kassebaum announced she wasn't going to run again.

Bill Graves, the sitting Republican Governor, appointed his Lieutenant Governor, and suddenly there was a fissure in the Republican Party where first-term Congressman Sam Brownback up and said, "I will take on Sheila Frahm," sitting Senator. "I will run a primary." And you had the

Chairman of the Republican Party sort of declare war on the sitting Republican Governor, and the Republican Party really began to divide.

One of the first people to endorse Sam Brownback for Senate was a legislator named Phill Kline who ended up running for Attorney General and serving as my first-term Attorney General, which was frankly fairly terrifying because he and I did not share much in terms of issues or have the same view of the law.

So I watched this split that was not only occurring in the Republican Party but again to show up in the legislature, where frankly the moderate Republicans were more disliked by conservative Republicans than were Democrats. It wasn't we got a free pass, but often the battle was so ferocious internally, and more and more moderate Republicans began losing in primary challenges to the point that it hadn't tilted as far certainly as it has today, but by the time I was Governor, the legislative makeup began to look very different and feel very different.

There were really two Republican parties by that point. The Democrats still had a range of people from Johnson County to southeast Kansas to central Kansas not sharing a lot of the same views on issues but could be put together as a reliable block. But the Republicans were splintered all over the place. That really was a very dramatic change, I think, in what I experienced.

When I came to Kansas, Bob Bennett was a sitting state Senator had just been elected Governor. I got married in December 1974, came here in January of '75. So Bob Bennett was a newly elected Republican Governor, and he was talking about mental health reform and more money in education.

Bob Docking who had just departed as the Democratic Governor was talking about fiscal austerity and adequate but austere budgets, and I really thought I had lost my mind because if I closed my eyes, Bob Bennett to me sounded like an Ohio Democrat, and Bob Docking sounded like an Ohio Republican. So I was very confused about the political terrain I was stepping into.

DG: Yes. In your early years as a lobbyist, you were then working though with really both parties.

KS: You bet. Yes.

DG: How did that serve you then when you went into the legislature?

KS: Well, I think one of the things I learned to do early on was count votes.

DG: Yes.

KS: It didn't really matter where the votes came from. It was who is possibly gettable, if you will, to get a bill out of committee, passing a bill on the floor. You're absolutely right. I learned quickly that there were very reliable trial lawyer votes on the Republican side of the aisle and very reliable trial lawyer votes on the Democratic side of the aisle and then very unreliable. So to try and figure out who was who, my goal in those days and continued on certainly as a legislator

was to get to 63 in the House and 21 in the Senate, and I think that experience was helpful because it—what I learned quickly is it wasn't about really party. It was really issue by issue.

DG: Yes.

KS: Some issues brought together one coalition of folks from both sides of the aisle. Another issue, a social issue may divide those folks but put together a different group. But the goal being to kind of move the ball down the field and figure out who was available. When I first got to the legislature, one of the things I identified very quickly is that Bob Miller, who was a Wellington Republican, and he and I served on the fed and state committee together, he had young children. And he was interested in some of the same early childhood issues and some of the issues around kids' health that I was interested in. And my deal with him was I'll bring you ideas. You take the lead on the bill. I can second. He would say, "But it's your idea." I said, "No, no, no, I'm a Democrat. They won't let me have a bill that gets out of committee, but you can do this."

So we formed a very early coalition around some issues. I didn't necessarily agree with Robert on 100 percent of the issues, probably not even 60 percent of the issues, but on those issues, we were totally in synch. So learning how to figure out where people came from, what they were interested in, what their priorities were, and how that could maybe match was a really important lesson that I learned at every step along the way.

DG: Did that still seem to work the same way when the Democrats were in the majority in the House? Was there still pretty interesting cross-communication between Democrats, moderates, other Republicans?

KS: Yes, there really had to be because we had 63 votes. We were at the bare—to call it a majority, it's like the 50-50 Senate split right now we watch in the United States Senate. We could not lose a single Democrat. So we never relied on 100 percent Democratic votes. We really needed kind of a coalition of people because a lot of the issues again divided people on geography, on background and interests, on pro-business versus pro-labor. I mean, there were all kinds of reasons that people would split. So you always had to be able to put together that 63. It was never about if you're in the Party, you vote this way. The Democratic Caucus was, as Joan knows well, hardly a monolith. It always took some folks.

I think it also was an era when I served in the legislature, and this continued on I think while I was Governor, it wasn't treason to compromise. It wasn't seen as being a traitor to your party nomination to actually form a coalition. It was seen as pretty positive in many ways, both to stop things. I was part of a group who stopped Mike Hayden's highway bill, and that was a very curious coalition of most Democrats. We lost a few who were very interested in highways. Then this very conservative group of Republicans who really wanted to stop the bill for different reasons. So coalitions were often odd bedfellows, I would say.

JW: The rebels.

KS: Yes.

DG: And then as you continued on as an Insurance Commissioner, did you spend much time with the legislature in that role, or did you watch more from a distance? How did you interact then?

KS: I had some interaction with the legislature but far less. I tried to have as little as possible, frankly, because the office had pretty broad jurisdiction, and my goal was to kind of stay out of the legislature and use the administrative powers. I'd never run an agency. I'd never really worked in a state agency, and it's an enormous learning experience to try and get up to speed on regulating this multi-billion dollar industry.

But we certainly dealt with the Insurance Committee a lot, and there were bills and issues that affected—I got very involved in particularly health insurance issues and in some cases some of the issues involving property and casualty insurance. Companies would threaten to pull out after a tornado and leave people hanging. So consumer protection issues and health insurance were the two areas where I continued to have a lot of legislative involvement.

DG: Did any of that stuff seem partisan at the time? Or did it play out in more of an issue coalition kind of way with the legislature?

KS: I would say the insurance industry was pretty damn partisan. The companies were big players, and in many ways, I think tilted against consumers. The Insurance Commissioner's Office, that regulatory agency, had been basically controlled by the companies for a long period of time and had never—they made healthy contributions to the sitting Commissioner, helped to write a lot of the rules and regs.

What I found when I got there was that Kansas was really tilted very much on the industry side of the house. We tried to retilt it. The good news was, I did not need legislative permission to do that because I'm not sure I could have gotten the legislative permission to do that. A number of the bills that I would take to the legislature, some of them just symbolic, I didn't have a lot of hope they would pass, but I thought at least it gave me an opportunity to say, "We should be doing these kinds of things. We should be providing more help in health insurance. We should be looking out for consumers more, preventing people from dropping coverage," that kind of thing. I wasn't terribly hopeful that the legislature would pass the bill, but at least it gave me a chance to talk about an issue, and then we could move as far as we could administratively.

DG: You then came out of those experiences as an Insurance Commissioner and ran for Governor.

KS: I did.

DG: At the time you were running and campaigning, Kansas, really all states, were in a recession and having pretty significant budget problems. The legislature in the session before you were elected raised taxes. Then Governor Graves after that legislative session used his allotment authority a couple of times to cut back on spending that had been approved, all while this campaign was going on. Did that financial situation that the state was in, did that affect your campaign? How did you think about it at the time? Did you hope that it would just be gone?

KS: Absolutely I hoped it would be gone. I mean, it was fairly terrifying because we had looming in the horizon a major school finance lawsuit that had really been put on hold during the Graves administration by lawyers who decided not to bring it forward while there was a Republican Governor, but it was there and ready to be acted on. So a lot more money was going to be required to meet constitutional muster.

On the other hand, I was advised by a lot of campaign operatives that "Do not talk about raising taxes" because that would be the death knell. "You'll never get to be Governor if you do that." The balance of trying to be as honest with Kansans as possible. The one commitment that I felt comfortable making is I would never cut schools. I would never cut funding for schools in spite of the turmoil. It was a logical place to go for money because it had the bulk of the budget, but to make that commitment—

And my opponent who had also served in the House with us, Tim Shallenburger, who was actually my seat mate for my first time in office. I was at the so-called DMZ line where a Democrat had to sit next to a Republican. We were that closely divided. I found out later that the leadership decided I could be that person because nobody was going to talk me into voting for anything I didn't vote for. They didn't want anyone to be compromised by the Republicans. So they said, "You can do that."

And Tim and I actually got to be pretty good friends, but Tim made a statement at some point during the campaign that he would cut, that on the table would be everything—the follow-up question was, "Including schools?" and he said yes. At that point, it was like that is an issue that may be the defining issue to get me to the Governor's Office. God knows what I will do when I get there with $12.50 in somebody's bank account, but that became a critical issue. But, yes, I was terrified by that downturn.

DG: Well, when you actually did get there, despite the tax increases and the revenue that that raised and despite Bill Graves's allotment cuts, the State was still in a super rough situation, and I think it was widely assumed at the time that you were going to have to raise taxes and cut spending probably pretty significantly in your first budget at least or to make things balance.

So no Governor wants to be in such a position, especially in the very first time that they encounter putting a budget together. How did all of that seem to you? You came in with your pledge on school finance. School financing is half the General Fund budget.

KS: You bet.

DG: It's pretty hard to protect that in a situation, the kind of situation you were facing at the time.

KS: One of the things I was fortunate to do is talk some really good people into serving in the Cabinet. Joan Wagnon took the job as the Secretary of Revenue, so in charge of finding every dime that was out there and figuring out ways to actually bring in more money with the framework that we had. The brilliant Duane Goossen talking right now knew more about the

budget than I will ever know. I felt some confidence in at least having very capable, skilled people to look at the situation.

We started by having a very transparent, bipartisan, public/private process to look for ways to cut spending and look for budget adjustments that we could make because it seemed like one of the things that was really needed was an education of the public, how bad things really are, where the money is, where it's being spent. Let the public get a real view into what the budget looks like.

There were all kinds of people who said, "I can do this." People from industry who were particularly proud of their business acumen, "No problem at all. We can figure this out." So I said, "Fine, come on." And we had a process, a couple of months' process that began immediately after I was elected. We had hearings around the state, had looks at transportation, at education, at the major areas, incarceration, areas that spent a lot of money and said, "We're open to all ideas. Bring them forward."

DG: Did you know you were going to do that? That process started immediately after your election. You had to put a budget together before you actually took the Oath of Office as Governor.

KS: Right.

DG: You started those teams very, very quickly.

KS: By about Labor Day, in hopes—it was always optimistic that, yes, I think I can win this thing, we began to put that framework today and really find some models in other states and some people who came out of other states and had done this before. So we weren't kind of inventing it.

I worked very closely with outgoing Governor Graves who was totally spectacular at, say, departing Governor to work with me on—because he put forward the first budget, and I got to sort of amend it, but it was really his framework budget, and the allotments that you're referring to, the cuts that he made were cuts that he came to me with and said, "Why don't I do these now and kind of save you at least this chapter of pain?" And we worked together on "Don't cut so much here. How about there?" But he took those on himself, which was really a great gift, coming into an office so I didn't, as you say, had to start with slashing funds away.

Then we came up with kind of an interesting scheme, which wasn't a scheme. It was a framework. The legislature, the law says that the Governor has to submit a balanced budget, and the notion was that I couldn't—at this point that legislature was less balanced than it was when I served in the legislature. There were more Republicans and fewer Democrats, and I knew what I could not do was get Republicans to spend money in areas where I wanted to spend.

So working with the Budget Director, we spent every dime. I put together a budget that spent 100 percent of every dime I could find. Then we had a little proviso that went into the budget that said, "If the legislature wants to cut funding to comply with the Balanced Budget Act," or

whatever the official title was, we gave them a percent that you cut across the board, knowing that no one would ever do that. But the last thing that I wanted to do was give a road map of how to cut money out of programs that I felt were really important and hoping that that expanded spending would get us to the point where the economy would begin to tick upwards, and Joan, by that point, would have found lots of nickels and dimes.

JW: Streamlined sales tax.

KS: Streamlined sales tax, collecting more revenue, auditing people, going after stuff, and that we'd find some real savings in the process. The hope was that the combination would get us to the point where the economy was beginning to look better.

DG: And how did that work? As you look back on it, how did that work with the legislature, both with Republicans and Democrats? You had to sell it to both of them.

KS: We did. I think there was initial shock by Republicans who charged that you weren't complying with the law. You weren't doing this. You need to cut the budget. I think they were furious that I'd found a way to actually present a budget, and if they wanted to reduce resources, they had to do the cutting, and they had to start in committees cutting very popular programs. So it was a flip of the scenario that they were hoping they would come into.

DG: Right, and there were no tax increases.

KS: No tax increases that were proposed. There were some additional revenue that was found in various ways, but no tax increases in the budget. So the initial response was furor. At the end of the day, they passed the budget absolutely as presented to them, which was frankly shocking to me.

DG: Yes.

KS: But it worked.

JW: They thought they were going to trap you.

KS: It seemed like the logic—every indication pointed that it was a trap. You're walking into a place, promising not to raise taxes with a school finance plan, with this, with that, and we ended up figuring out a way to get through that recession, and indeed the economy, thank God, began to tick up. It began to fill the coffers and then the lawsuit became activated.

DG: That's right. Things did get much, much better eventually after that.

KS: It did.

DG: The issues changed, but really your Governorship was in a way bookended by recessions because you had one coming in and then towards the end of your administration what has been called the Great Recession was really just getting started in Kansas.

KS: That's right. It seemed like a good time for me to leave.

DG: Well, those kind of financial pressures, they had to have influenced you in your strategy and in the kinds of policies and issues that you were willing to take on.

KS: They did in a way, but I had the luxury of at least the time that I was here, we had pretty substantial revenues, and we had an opportunity to pick and choose. I bet on the fact that even though the Republicans that I served with talked a good game about cutting budgets, they really didn't want to cut budgets. They really didn't want to cut programs. They wanted somebody else to do it. They would vote for it, but absent me doing it, they were not about to cut money out of budgets or health care or prison care or all the major components.

I'm not sure that's true today, but it was true then. The programs that basically comprise a state budget which are, as one of my friends used to say, who served as Governor with me, "We incarcerate, we medicate, and we educate," and those are the big chunks. He said, "The rest is chump change." That's really what state budgets comprise, and if you look at it, it's really true. That's where you had to get the money in. They were not about to cut those programs.

So I kind of bet on that. I watched it happening. It was a bit of a staring contest. Duane, you remember as Budget Director, when I first kind of proposed and said, you said, "How are we going to get to this point?" I said, "Can't we just write a paragraph that says, 'You want to cut? Here's how you cut,' and just give them a percentage?" You said, "Actually, that could work." It was like, "Okay, well, then let's do it." And literally we spent every dime, every stream. We didn't steal money out of other programs, which was done in later administrations, but we really spent every dime that we had.

DG: There were limited amounts available, but everything—

KS: It was gone.

JW: Let's switch gears and talk a little bit about schools because the Montoy decision came while you were in office, and it was the first real challenge to the bill that we worked on in 1994. In 1994, we sat over there in that Speaker's Office, probably twenty of us, all talking about "How do we craft a school finance bill that's going to be constitutional and will still do what we want it to do?" And we argued and fought, and we went back and forth, and we passed it.

So by 2004 and '05, when the lawsuit is progressing, they hadn't funded it.

KS: Right.

JW: They just didn't put money into it. So it was the first real challenge of that '94 [school finance legislation]—talk to me a little bit about how you called that special session in 2005, and how that worked.

KS: Well, that was—Judge Bullock, a local Topeka judge, ruled that the school finance plan was at that point unconstitutional because it was not providing fair and adequate funding. And that case began to work its way through. Phill Kline, a former legislative colleague, was the sitting Attorney General. And he began to get very actively involved in the process, meeting with the Republican Caucus, giving them what I thought was really bad legal advice, saying, first of all, "You don't have to pay any attention to the court. You don't have to pay attention to the parameters that they've given. Pay no attention to the—we can just proceed on this," and frankly declared himself to be the State. He would be the State.

So, Step 1 was really to fire him as my attorney. I had a very tense meeting with him and said I was going to hire an outside counsel to represent the Governor, that I actually was the State; he was not. And I would tell the Court that he should not have standing to come into the courtroom because he was representing nobody at the time. He could be with the Caucus all he wanted, but he was not representing the State of Kansas.

So I did that. In spite of that activity, there was a bill passed by the Republicans that I felt in no way, shape, or form satisfied the court issues. And again Attorney General Kline advised the Republicans it was just fine.

So what I decided was that I wouldn't veto the bill and put myself in the middle of this contest. I would just expedite a bill as you both know can become law without a signature, that I would just let it become law and send it immediately and ask for an expedited hearing at the Kansas Supreme Court. So it was not about me versus the legislature. It was the legislature going to the Court with their brilliant proposal, and indeed the Court fairly quickly said, "Absolutely not. This does not work. It doesn't meet the qualifications. Here are the parameters."

At that point, I think an unhappy opinion said basically "We are not sure we will allow schools to even open in September." That was the ultimate cudgel, "But this bill, until there is adequately funding, we're not going to continue to allow this unconstitutional situation to continue."

So we had the grounds to then call the legislature back. And again knowing that a tour around the state was not a bad idea. I had done it when I was Insurance Commissioner and had to make a ruling on Blue Cross/Blue Shield, and whether they should—I went around the state. I did it as I came in as Governor on the cuts that we would invite people to the SMART Program that we would invite—it wasn't called the SMART Program. I can't even remember. Do you remember what the task force was called? We had an acronym for the budget-cutting process.

DG: BEST teams.

KS: BEST teams, thank you. But again we had hearings around the state. So this preceding the call for the legislature, did sort of hearings and town halls around the state to talk about what we had to do for school funding, knowing that it was—I think school funding is the most personal issue. It also is an issue that's most important everywhere. And everybody knew if you close a school, you close a town, that it was important to balance rural/urban. It was important to have excellence in schools, and it was a real value that Kansans shared—Republican, Democrat,

independent. I mean, people believed K through 12 education was really fundamentally the job of state government and something that they were willing to pay taxes to fund. That was critical.

So we called them back. I had an outline of a bill, knew what they had put together. But the Court wasn't shy about giving parameters: how much money, how it had to be done, and how it had to power equalized, how much you could balance rich versus poor, and put together a coalition again of some moderate House members, some of whom paid the price of their legislative seats by participating in that, including Bill Kassebaum, Nancy's son who was part of that coalition. But it was a really urgent need, and we could say, "Okay, we've got the Supreme Court on one hand. We've got schools that have to open in September. If you want your kid to go back to school in August, we have to come back this summer and get this done."

It was not easy, but again I think people understood. I think it was important to get their hometown constituents ready to roll—the School Board Association, the folks at the local level, the parents to understand this was a job that had to be done.

JW: I think taking your—I didn't want to call it "problems," but the issues that impacted people's lives directly out to people appears to be one of the hallmarks of your strategy and the way you work. Where did you learn to do that? Did you just make it up?

KS: It always seemed to me to be sort of logical. My dad did some of that with town halls and various things, but I think knowing that often what would happen here is legislators would vote a certain way, and then I would read the hometown paper and realize that they were going home and saying, "Oh, I'm all for education. I'm all for this."

So part of what I began to do and I learned this even in my trial lawyer days is go to that hometown and say to people, "You know what Duane is doing in Topeka? He says he believes this, but here's how he's voting." In the trial lawyer days, I could do that with groups in the Bar Association. I expanded that to insurance issues. "They say they're for health insurance. Here's what they're voting on."

So that kind of informed inside/outside game. I think one of the things a Governor could do, and I could certainly do it as Insurance Commissioner, is get out of the Capitol. I did not need to sit every day for the hearings and for the committee work. I could be out. Legislators were captive prisoners here because that's the job they were committed to do. I wasn't. I could go to their hometown and talk to their Rotary Club and their Optimist Club and the Chamber of Commerce and visit and talk about the issues that they were working on and inform constituents back home what it was that was coming up in the legislature, and that seemed to me to be a really important thing to do.

JW: Did you try that in Washington when you were HHS Secretary?

KS: To some extent. We certainly went to places, not at election time because you weren't really allowed to do that. We were sort of taken off the road as Cabinet members. You weren't to participate in elections. The Hatch Act prevented you from going to Joan Wagnon's district and saying, "Never vote for her again!"

But we could certainly go—it was done more in a positive sense. I spent a lot of my travel time going places to highlight programs and leaders in various health areas. So we could shine a bright light. You could put money in certain areas and go say, "This is why the money is there." It was more kind of the—I wasn't the good cop/bad cop. I was the good cop most of the time in that role.

JW: I think one of your signature issues, if you could define something as a signature for Kathleen Sebelius, was your interest in health care. That was obvious. You were also interested in kids, but health care was something that you talked about from the first time I knew you and throughout your whole legislative and political career. So what were you able to accomplish in health care as a Governor? And what were you able to accomplish as the Secretary of HHS? I always thought that's what pulled you into Washington, even though you fought hard against going.

KS: Well, it's absolutely true that's what pulled me into Washington. I'd say as Governor, we were able to do some modest things, not nearly as much as I would have liked. I tried to work when I was Governor with then Insurance Commissioner Sandy Praeger, a different party, but we'd been legislators together, on expanding Medicaid, on looking at a variety of programs involving maternal births, money to rural areas, looking at various things we could do.

Some of those were successful. We managed to set up a program that helped pay medical school debt if you served in a rural area and had that actually paralleling the federal program. We were able to do some expansion in rural access issues and health care. Medicaid expansion was not something people were interested in in any way, shape, or form. So that was kind of frustrating.

We did make some advances in health insurance, when I was Insurance Commissioner, and I continued that along the way. But then I had the opportunity to work in the Obama administration as the Secretary of Health and Human Services, and it was really Health and Human Services. So not only did it have a President who came in committed to passing a health care bill, having watched the Clinton bill fail, and he was committed to doing that. But it also had all the children and family issues.

So it was really the sweet spot in my passion about policy. HHS had the Agency for Children and Families, all the adoption issues, all the foster care issues, Head Start, Early Head Start, and all the healthcare, and all the senior care, and mental health. When he [Obama]called me and said, "I know you said you didn't want to be considered for a Cabinet position," because as Duane said, the economy was going downhill, and I'd asked about Thanksgiving time to be taken out of consideration and take my name off the list, and came back and said, "Tom Daschle has withdrawn his name. Would you serve in this position if I offered you this position?" I said, "Yes, I would." So that was the sweet spot.

JW: The sweet spot. Do you have other questions? We're getting close to the end of time. The Governor has to leave. But you wanted to ask a couple of things.

DG: I'll try a one-minute question.

KS: I never make a one-minute answer.

DG: As Governor, you had a pretty diverse Cabinet with Republicans. You had a former Republican Governor, Mike Hayden, as Secretary of Wildlife and Parks. You had a former [Republican] State Chair as Lieutenant Governor for a period and others. How did that affect your Governorship and how you did business? Did it help you? Did it make things easier or rougher? How did you get to that point in the first place, and how did it play out?

KS: I think that, first of all, it was terrific. I was really pleased that by the end of my service as Governor, basically everybody I had appointed with the exception of Pam Betts who wanted to retire early was still there. So it was a Cabinet that worked but worked well together, and I thought served the state enormously well.

I did have to do a lot of apologies to Mike Hayden because like I said, I was a young legislator who was part of a coalition, trying to make sure he was not re-elected Governor. I felt badly about that basically every day after that. When I went to him and said, "I'd really love you to serve in this position," he said, "It's the best job I've ever had. Absolutely I'll do it." I can't tell you how much I've learned from Mike Hayden in that experience, not just about wildlife and parks, but he loves Kansas, and he loved the outdoors, and he taught me so much, including how to shoot a turkey. So I now have a turkey in the Turkey Hall of Fame. Who knew?

My first Lieutenant Governor was a Republican businessman, John Moore. He came out of Cessna. I knew John when I was Insurance Commissioner. I had dealt with some issues around Cessna, and I went to him and said, "Would you ever?" I knew his philosophy. I knew that he was pretty moderate. But I also thought it would be great to have somebody from the business community, somebody who had even been the President of the Kansas Chamber. He had credentials that I clearly did not have and thought that would be a great balance. He was a bit shocked when I asked him but said, "You know, that might just work."

Mark Parkinson, my second lieutenant governor, was even more curious. I was actually recruiting Paul Morrison who I knew. He was the Johnson County District Attorney. I'd worked with him on insurance issues on sting operations, getting some bad agents out of the way, and I decided we needed an opponent for Phill Kline, the Attorney General. I thought Paul Morrison, if he would switch parties, might be the perfect guy. He had this interesting background and record.

So I asked Paul to come meet me in a secret, dark basement room in Kansas City, which he did. He brought Mark Parkinson with him. And Mark I knew because Mark and I served in the legislature together. Mark was in the Senate while I was in the House, and I began to talk to Paul.

I finally said to Mark, "What are you doing here?" I was totally baffled. He said, "Paul is my best friend, and if he's in, then I'm in. If he wants to do this, I'll do anything I can to help him. If he's willing to change parties, then I'm willing to change parties." I said to Mark, "Don't change parties now! We need somebody to support Paul if he does this who's a Republican. So stay where you are."

And then about four months later as we were talking about Lieutenant Governor, John was going to leave and go into full retirement as he had wanted to do earlier. I remembered that conversation. He said, "I'd be willing to switch parties." I thought, "Wouldn't that be interesting?"

So I went to him and said, "You want to help Paul. How about if you run with me?" He said okay. That was the double dark secret that was not revealed to anybody until we announced it in May or June. He was a terrific partner. He and I had worked on some issues together—the Indian Compact issue, some other things. So I knew him. I knew that we would work well together.

But I think it did give me a balance. It gave me a way to see issues from a broader perspective that came out of geographic areas—John out of Wichita, Mark out of Johnson County, that I didn't know. Mike Hayden was Western Kansas. It all broadened the perspective. I think it gave some additional credibility to me from their Republican friends, "They're willing to work with her. We must be, too." I thought it worked really well.

JW: Any more questions?

DG: I have lots more questions, but I think we're probably close to time here.

JW: Let me give you an opportunity to just sum up your experience as Kansas Governor.

KS: Wow. That's a hard thing to do. I would say that there's no question being a legislator made me a much better Governor because I knew how the legislature worked. I knew what people needed and wanted. It made me much more able to kind of put the coalitions together, build the program, identify policies where people would come together, and no question being Governor made me a much better Secretary.

I felt very sorry for some of my colleagues who either came out of a Congressional office or someplace else and ended up in the Cabinet because they did not know the agency rhythm. I had had a Cabinet, and HHS had eleven operating agencies, very similar to a Cabinet, really talented people running each of those agencies. I'd dealt with that before. I knew how to work with the Congressional issues and work on those budgets.

What was a real surprise to me when I got to be a Cabinet member was I had a boss again. I hadn't had a boss in a really long time, not in the legislature, not in the Insurance office, not as a Governor. I had no boss. So that was a shock.

But each step along the way I think really served me well, and ironically, one of the things I think happened as Secretary and one of the traits, and I would not have ever picked it out of the puzzle was as an Insurance Regulator, I had regulated the private insurance market. There was nobody in [federal] government who did that. They ran Medicare and Medicaid, but not until the Affordable Care Act passed did they have any programs in the private market that were actually regulated at the state level. I knew how to do that. I had done that. Ironically so each piece of the puzzle really served me enormously well.

JW: So what's next, Kathleen? And forgive me for calling you Kathleen.

KS: What else would you call me? That's my name. I love what I'm doing now. I have a portfolio of—I've got some interesting boards on the commercial side, some policy issues that I'm involved in. It won't come as a surprise. They still involve health care. I have four beautiful grandchildren. I play pickle ball most days and still run. So my life is a great balance of interesting activities, and I get to say no to a whole lot of things that I don't want to do.

JW: On that note, let me and Duane thank you for your service to the State of Kansas, to our community, and to the nation. I noticed somewhere in all of this stuff that I looked at that you are now named by Forbes magazine as one of the 100 Most Powerful Women in the country. Does that make you feel powerful?

KS: No. Somebody needs to tell the people who live in my house that's the case.

JW: Thank you very much.

KS: You bet.

JW: It was fun working with you.

[End of File]

