

Kansas Senate Blocks Oversight Of Bioscience Funds

By Paul Soutar
Kansas Watchdog

TOPEKA — Under the direction of Senate President Steve Morris, R-Hugoton, the Kansas Senate twice blocked efforts to safeguard the \$581 million entrusted over 15 years to the troubled Kansas Bioscience Authority.

Critics say KBA's 11-member board provided lax oversight, authorized high executive pay, cultivated a cult of secrecy around grant awards and engaged in conflicts of interest.

"All attempts to reform the agency or make them accountable to the taxpayers have failed," said state Sen. Susan Wagle, R-Wichita, a KBA critic.

Wagle was behind the 2012 Legislature's first reform attempt when, on Feb. 3, she introduced Senate Bill 378 to tighten KBA's conflict-of-interest requirements.

But three days later, on Feb. 6, Morris used his power as Senate president to reassign responsibility for the bill — from the Senate Commerce Committee that Wagle chairs to state Sen. Terrie Huntington's Ethics and Elections Committee. No further action

was taken.

"The Senate president put that bill in Ethics and Elections, where it died," Wagle told Kansas Watchdog.

Then, on March 30, the House unanimously passed House Substitute for Senate Bill 40. That would have required KBA board members to step down or divest interests if a conflict arose.

Led by Morris, the Senate rejected the House measure the same day.

Then the Senate used a bit of sleight of hand to replace the contents of the bill passed in the House with a new, unrelated measure. It's what insiders call a "gut and go."

Exact circumstances of the Senate's gut and go are unclear. Morris' office did not respond to a request for comment.

"This type of thing is one example of the kind of parliamentary hocus pocus that makes it nearly impossible for taxpayers to follow what goes on in the Legislature," said James Franko, communications director for the Kansas Policy Institute, a free-market think tank in Wichita.

Franko said he experienced the same kind of "legislative sausage making" exemplified in the Senate action while working for several members of the U.S. Congress before coming to KPI.

"It flies in the face of transparent, accountable government, and I certainly don't remember it from Schoolhouse Rock," Franko told Kansas Watchdog.

Schoolhouse Rock was a series of animated musical educational short films featured during the ABC network's Saturday morning cartoons in the 1970s and '80s. One of the films, "I'm just a bill," explained the legislative process used to pass laws.

All was not lost.

The House and Senate did agree to withhold \$22.6 million of KBA funding this year as requested by Gov. Sam Brownback.

The Senate approved two Brownback appointees to the KBA board.

Brownback rebuffed a Senate attempt to require KBA funding by a specific date next year by using a line

item veto.

Wagle said changes in the board and withholding money are good but aren't a permanent fix for KBA's problems.

"We need a lot more fixing," Wagle said. "We're doing what we can at the moment but Senate leadership has been blocking reform measures."

She said for now she's relying on a new board to sort out how KBA operates.

"Hopefully we'll have some more information next year and we'll work on it again," Wagle said.

Morris, the Senate leader, has been a KBA supporter since its creation in 2004 and of Tom Thornton, KBA's former president and CEO who resigned days after an audit of the organization began in April 2011.

KBA initiated the audit at Brownback's insistence and chose the auditing firm. Agriculture Secretary Dale Rodman monitored the audit for Brownback and was harshly critical of the audit's findings and KBA's conduct and findings in hearings before Wagle's committee in January.

Conflict of interest allegations have

focused on KBA board members Bill Sanford and Angela Kreps, both Morris appointees. Kreps is no longer on the board.

Sanford is CEO and 14 percent owner of NanoScale, a Manhattan bioscience company that received four KBA grants. Former board member Kreps is president of KansasBio, which also received grants from KBA while she was a board member.

"I think the only thing we need to be concerned about is letting the KBA do the work it was created to do, bringing jobs and new investments to Kansas," said Joshua Lewis, Morris's chief of staff, in an email statement he attributed to Morris. "More than 3,000 hours and 1 million taxpayer dollars have been spent on an audit that turned up nothing but minor, correctable irregularities. That's time and money that could have been spent shoring up more good-paying jobs for Kansans and putting Kansas at the forefront with these up-and-coming industries."

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Judge Paul Miller Retires



Judge Paul Miller (left) greeted well-wishers at his public reception Tuesday, Retired Judge Jerry Mershon (center) was also there.



Manhattan Attorney Terry Arthur (left), Judge Meryl Wilson (center) and Judge David Stutzman attended.

Kansas School Fortunes Ride On Trial Outcome

By Gene Meyer
Kansas Reporter

TOPEKA — Cynthia Lane wants her students in Unified School District 500 to succeed.

But the odds, well, they aren't exactly in her favor. The Kansas City, Kan., schools superintendent said as much before a packed Topeka courtroom Monday.

Lane was the first of 44 witnesses scheduled to appear in the second major school funding lawsuit in six years to hit Kansas courts. Fifty-four school districts are suing Kansas to recover school-aid money legislators chose not to budget during the 2008 financial crisis.

The trial before a special panel of three Kansas judges in Shawnee County District Court in Topeka is expected to last as many as four weeks.

In Kansas City, some 87 percent of

the inner city urban district's nearly 19,000 students qualify for free or reduced lunches. One in three comes from a home where English isn't spoken, and four in 10 aren't ready to graduate high school after four years, Lane said.

Lane will attend commencement ceremonies at each of the district's five high schools, and she will shake hands with each graduate.

And she will know this: "I know that many of them are not ready for college or a career."

She said school officials know the strategies most likely to help students, but the district simply doesn't have the resources to implement them.

Now, a group of 54 schools that have formed a coalition called Schools for Fair Funding, is suing Kansas to secure those resources and honor a commitment that, they say, Kansas legislators made to them in 2006.

Bill Frost, City Sign Six Months Contract

The Manhattan City Commission agreed to a six month contract with retired City Attorney Bill Frost at Tuesday night's meeting.

The City agrees to pay Frost \$6,000 per month for the life of the Contract. Here is a Memo given to the Commission telling of the agreement:

BACKGROUND

Legal services have traditionally been supplied to the City of Manhattan through an annual contract with Morrison, Frost and Olsen, with Bill Frost serving as the City Attorney. Mr. Frost retired on May 26, 2012, and over the course of the past six months the City has transitioned into hiring full-time staff serving as Deputy and Assistant City Attorneys.

City Administration has been functioning with three City Attorney's now for a couple of months including Mr. Frost and is comfortable with the capacity and capabilities. Katie Jackson has transitioned to the City Attorney and Sarah Hoskinson is the Assistant City Attorney. Keeping Mr. Frost on a part-time contractual basis will help balance the load and benefit the City with his institutional knowledge, expertise, and experience with specific projects.

Mr. Frost's role with the City will primarily continue with subject matters that he has been involved with over the past several months. Some of these include the Economic Development sales tax renewal, downtown redevelopment agreements, National Bio and Agro Defense Facility, USD 383 lawsuit, and Airport land acquisition.

DISCUSSION

Attached is a contract with Mr. Frost's firm (Morrison, Frost, Olsen, Irvine, and Shartz, LLP) as an independent contractor for legal services through the end of the year in a part-time capacity. Services from Mr. Frost would be of no more than an average of 40 hours per month for the next seven months until the end of the 2012 calendar year. The agreement sets forth compensation at \$6,000 per month, or approximately \$150 per hour for legal services. The term of the agreement would be effective as of June 1, 2012, and be set to expire January 1, 2013. There is also a provision for a 6 month extension.

Either party may terminate this agreement upon 30 days written notice.

Gov. Brownback Signs And Delivers FY13 Budget

Topeka — After careful review and consideration, Kansas Governor Sam Brownback signed House Substitute for Senate Bill 294 and delivered to the Kansas Legislature. With the line-item vetoes made by the Governor, the state's projected ending balance in Fiscal Year 2013 will be approximately \$468.5 million, giving the state approximately a 7.6% ending balance.

The following is his message to the Kansas Senate, where the bill originated:

Message to the Senate of the State of Kansas:

I want to thank all Kansas legislators and particularly, the members of the House Appropriations Committee and the Senate Ways and Means Committee, for producing a budget that for the first time in many years meets the statutory requirement of maintaining a 7.5% ending balance. Our state has gone through an incredible transition in just two years: from a projected \$500 million deficit to putting nearly half a billion dollars in the

bank. A \$1 billion swing can only occur when we commit ourselves to shrinking the footprint of state government and pursuing policies that grow the economy. I look forward to continuing this prosperous path in the fiscal years to come.

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Substitute for Senate Bill No. 294 with my signature approving the bill, except for the items enumerated below.

Behavioral Sciences Regulatory Board Limitation on Expenditures

That portion of Section 12(a) that reads as follows has been line-item vetoed:

"Provided, however, That expenditures from the behavioral sciences regulatory board fee fund for the fiscal year ending June 30, 2012, for leased office space shall not exceed \$14.00 per square foot."

That portion of Section 12(b) that reads as follows has been line-item vetoed:

"Provided, however, That expenditures from the behavioral sciences regulatory board fee fund for the fiscal year ending June 30, 2013, for leased office space shall not exceed \$14.00 per square foot."

Oversight of leased office space is the domain of the Department of Administration. To the extent that we can centrally manage leased space, we can manage our operating costs. These provisions would arbitrarily provide an exception not afforded other agencies and supersede the management function properly placed in the executive branch so I find it necessary to veto them both.

Department of Health & Environment—Environment Local Environmental Protection Programs

That portion of Section 84(c) that reads as follows has been line-item vetoed:

"Local environmental protection program....."

.\$800,000

Provided, That any unencumbered balance in the local environmental protection program account in excess of \$100 as of June 30, 2012, is hereby reappropriated for fiscal year 2013."

The appropriation of \$800,000 from the State Water Plan Fund (SWPF) for the Local Environmental Protection Programs would increase funding beyond my budget recommendations for FY 2013. Funding for this program was not recommended by the Kansas Water Authority nor the Department of Health and Environment, and was not included in my budget. The program was started in the early 1990s for the purpose of providing local governments with technical assistance and grant funds in order to establish environmental programs specifically suited for local priorities. Once the programs were established, the intent was to discontinue the state funding. The addition of \$800,000 in expenditures from the SWPF for FY 2013 would result in a negative balance of approximately

\$565,000 in this state fund. Therefore, I hereby line-item veto this provision.

Department of Education Uniform Accounting Act for Schools

That portion of Section 42(a) that reads as follows has been line-item vetoed:

"Operating expenditures (including official hospitality) ..\$50,000"

The 2011 Legislature enacted the Uniform Financial Accounting and Reporting Act for school districts to report expenditures to the Department of Education. This funding was not originally included in my FY 2012 budget recommendations and I believe the agency can develop and maintain this system which is similar to current procedures within current resources. I find it necessary to veto this appropriation.

Department of Revenue Fee Sweeps

See Brownback page 6

K-State Announces Extension for John Currie

K-State Sports Information

Kansas State University President Kirk Schulz announced today that Athletics Director John Currie has signed a contract extension through the 2018 academic year, a move that recognizes the success of the department under Currie's leadership while providing continuity as K-State surges forward toward its vision of a model intercollegiate athletics program.

The agreement adds two years to his current contract, securing Currie's services through June 30, 2018. Schulz said that Currie's annual salary will be \$450,000 for 2012-13 and will increase by \$25,000 for each remaining year on the contract. The extension also includes an enhanced retention incentive structure.

"John has provided tremendous leadership for our athletics department and entire university family since his arrival in 2009," Schulz said. "Over the last three years, our student-athletes have enjoyed unprecedented success in the classroom and on the playing field, the department has seen record fundraising and a dramatic increase in members of the Ahearn Fund and over \$100 million in facility improvements benefiting all of our 16 sports are underway. Great days are ahead for K-State as a member of the Big 12 Conference, and John's continued leadership and vision will enhance our position as a national leader in intercollegiate athletics."

"Mary Lawrence, our chil-

dren and I are thankful for the opportunity to be a part of the K-State family and live in the great college community of Manhattan," Currie said. "Thanks to the efforts of President Schulz and his K-State 2025 vision, our terrific coaches, support staff, loyal fans and donors, and, most importantly, over 400 dedicated student-athletes, we have made tremendous progress toward our vision of a model intercollegiate athletics program and enjoyed across-the-board success over the past three years. And now, with the support of the K-State Nation, we have to continue to take strides forward to maintain and build upon our competitive future as a national leader in college athletics."

Since Currie's introduction as Director of Athletics on May 18, 2009, K-State's intercollegiate program has experienced an unprecedented combination of athletic, academic and administrative accomplishments and national attention.

With the vision and support of Schulz, the re-earned trust of Wildcat fans nationwide and the efforts of K-State's outstanding coaching staff, Currie's rebuilt senior leadership team has earned national acclaim by turning an inherited annual deficit into one of the NCAA's most financially solvent programs, initiated \$100 million in comprehensive athletic facility improvements and launched K-StateHD.TV, the nation's No. 1 premium digital network, all while navigating the tumultuous waters of conference realignment and help-

ing the Big 12 emerge ready for a new era of excellence.

"John has been a tremendous leader and ambassador for the athletics department and the entire university community," said Carl Ice, President of BNSF Railway Company and Ahearn National Leadership Circle member. "His enthusiasm and tireless commitment to the vision and goals of the department have positively impacted the Wildcat Nation, and I am confident in the future of K-State Athletics."

K-State's fundraising efforts have been overhauled during Currie's tenure with an emphasis on grass roots support, personal interaction and communication for Ahearn Fund donors of all levels. K-State supporters immediately responded in Currie's first year by increasing total annual fund cash gifts more than 50 percent versus the previous year to an all-time high of \$14.47 million. Fiscal year 2011 was even better as total athletics giving set another all-time record exceeding \$17.5 million, while a new record total is pending as with three weeks remaining in fiscal year 2012 the department has already exceeded the \$20 million mark. Additionally, the Ahearn Fund has grown by more than 2,500 members since Currie's arrival and pushed past the 8,000 mark this past month.

K-State donors have stepped up with 11 private gifts in excess of \$1 million since fall 2009, enabling the department to begin construction in 2011 on the \$18 million Basketball Training Facility and building

momentum towards the department's new comprehensive facility improvement benefiting all 444 Wildcat student-athletes. On April 28, 2012, ground was broken for Phase II of the Bill Snyder Family Stadium master plan thanks to a national effort that has included a \$5 million anonymous gift, the largest in the history of the department.

"John's commitment to excellence, his ability to have a clear vision, and the transparency that he has brought to K-State Athletics has brought a renew sense of confidence and excitement," said Dennis Mullin, NLC member and President/CEO of Steel and Pipe Supply Co. "He has worked hard to support all of our great athletic programs with better facilities, more secure finances and increased attendance. Thanks to John and his staff along with all of our terrific coaches, it is a great time to be a Wildcat!"

Under Currie's leadership, the department's commitment to the best fan experience in the Big 12 has provided affordable and accessible ticket options to ensure that every Wildcat fan has the opportunity to support the Cats. And K-State Nation has responded with eight sell-out crowds at Bill Snyder Family Stadium since 2009 while also setting new program attendance records in all ticketed sports, including Top 25 national acclaim in volleyball and women's basketball.

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Obituaries

Stuart Charles Williams

Stuart Charles "Stu" Williams, 54, passed away Friday, June 1, 2012 at Mercy Regional Health Center in Manhattan, Kansas. He was born on March 4, 1958 in Manhattan, Kansas, the son of Alvin Wayne "Deak" and Edna Lorrin Hoft Williams.

Stuart's great-grandfather was one of a group of early settlers who came in 1855 and settled Ashland Bottoms and Ashland Town. Stuart was honored to be a contributor to the family and their accomplishments.

Stuart graduated from Manhattan High School in 1976. He completed his vocational technical training in 1977 in Building Trades at the Manhattan Vocational Technical College in Manhattan, Kansas. He was a Master Craftsman and enjoyed restoring many historic homes, including the current stone residence of his parents. He was a

member of Boy Scouts of America Troop 278 and earned his Eagle Scout Badge in 1975. He also earned his "God & Country" Badge. In 1986, he acquired Williams Appliance and Service Center on Poyntz Avenue in Manhattan, Kansas, which was started in 1951 by his father and uncle, Phillip M. Williams. After 54 years, the family business was sold in 2005.

He was a member of the Riley County Historical Society, Friends of the Wolf House and an active member of the Kaw Valley Rodeo Association. Stuart was a member of and christened on May 25, 1958 at St. Luke's Lutheran Church in Manhattan, Kansas.

Stuart and his first wife, Jane Del Baugh Williams, were united in marriage on April 18, 1982. They later divorced. They were blessed with two beautiful children, Daniel

Xavier Williams and Katelyn Elizabeth North. On March 20, 1997, Stuart was united in marriage to Nancy Buckingham in Las Vegas, Nevada. She survives of the home.

He is survived by his father and mother, Alvin and Edna Williams of Manhattan, Kansas; one sister, Kay Elizabeth Williams, of Colorado Springs, Colorado; one brother, Vincent Richard Williams and his wife Linda of Orange County, California; one niece, Emily Louise and one nephew, Ian Marshall, one son, Daniel Xavier Williams and his wife Mindy of Manhattan, Kansas; one daughter, Katelyn Elizabeth North and her husband, Michael Scott of Anchorage, Alaska and one granddaughter, Alice Ender North; one step-son, Herbert Michael Shanks, Jr., Manhattan; and numerous cousins.

Family received friends dur-

ing a visitation that was held Wednesday at the Irvin-Parkview Funeral Home.

Funeral services will be held at 2 p.m. on Thursday at St. Luke's Lutheran Church, 330 Sunset Avenue, Manhattan, with Rev. Michael T. Schmidt officiating. Interment will follow at the Ashland Cemetery.

Online condolences may be left for the family through the funeral home website located at www.irvinparkview.com

In lieu of flowers, memorial contributions may be made to the Boy Scouts of American - Camp Fund, Inc. or the Riley County Historical Society - Wolf House Museum Restoration. Contributions may be left in care of Irvin-Parkview Funeral Home - 1317 Poyntz Avenue - Manhattan, Kansas or Ashland Community Church and St. Luke's Lutheran Church Endowment Fund.

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Charlotte Ann Jones

Charlotte Ann Jones, 88, of Paxico, Kansas, died Sunday, June 3, 2012, at the Baldwin Healthcare and Rehab Center in Baldwin City, Kansas. She was a long-time member of the Paxico community.

Charlotte was born on August 3, 1923, in Greenleaf, Kansas, the oldest of nine children of John and Merwina Levings Martin. She attended local schools and graduated from Wetmore High School. Charlotte attended Normal Training and also graduated with a degree in Education from Washburn University.

Charlotte was an elementary teacher for the better part of forty years. She taught in sev-

eral rural schools in Nemaha, Dickinson and Wabaunsee Counties, including the Farmington Community which was one of the last three one-room schools in Kansas. In Paxico, Charlotte taught for sixteen years. She enjoyed quilting and many community activities. She worked with the Paxico Housing Authority for many years and was a member of the Paxico Senior Citizens. Charlotte was an active member of Sacred Heart Catholic Church at Newbury.

Charlotte married K William Jones on October 26, 1946, in rural Nemaha County, Kansas. They were later divorced.

She is survived by her sons, Elvyn Jones and his wife, Laura Dickinson, Baldwin City and Verne Jones, Manhattan; her siblings, Betty Fuqua and her husband, Jack, Mayetta, Leroy Martin, Topeka, Patricia Taylor, Wichita, Chuck Martin and his wife, Bev, Mayetta, Anna Mae Whitesell and her husband, Gene, Carbondale, and numerous nieces and nephews. Charlotte preceded in death by her parents, two infant children, Verne Edward and Nancy Jane, and siblings, Leo Martin, Rosemary Passino and Jim Martin.

Mass of Christian Burial will be held at 10:30 a.m., Thursday, June 7, 2012, at

Sacred Heart Catholic Church in Newbury, north of Paxico, Kansas. Father John Pilcher will be the Celebrant. Burial will follow at Sacred Heart Catholic Cemetery. The family will greet friends on Wednesday, at the church, from 6:00 p.m. until 8:00 p.m. A rosary prayer service will be held at 7:00 p.m. The family suggests memorial contributions to Sacred Heart Catholic Church or Sacred Heart Catholic Cemetery, and those may be sent in care of Campanella-Evans Mortuary in Wamego. Online condolences may be made at www.campanellafuneral.com.

Richard E. Fulghem

Richard E. Fulghem, 72, of Manhattan, died on Tuesday, May 29, 2012 at his home.

Richard was born on October 6, 1939 in Kansas City, Missouri and moved to Manhattan, where he was raised by his adoptive parents Dorothy E. and William P. Fulghem.

He attended public schools and Kansas State University for one year before entering into the Navy in 1958. He was a Vietnam Veteran serving aboard the USS Whetstone LSD 27 and the USS America CV 66. After serving 21 years, he retired from the Navy as a Machinist Mate 1st Class in 1979.

Returning to Manhattan, he was employed by Bird Music Company, as a vending machine repairman. After that he was employed by Kansas State University as a Security officer at the university police department and then later on as a building system technician at the power plant. After 20 years at Kansas State University he retired in October of 2000.

He was a member of the First United Methodist Church in Manhattan, the American Legion Post #17, Manhattan and was a member of the Fleet Reserve Association Post #161 in Kansas City, Missouri.

Richard is survived by one sister, Dorothy Mae Jarmon, of

Kansas City, Missouri; one niece, Jessica Elaine Fulghem-Jarmon; two nephews, Kelvin C. Jarmon Jr. and Kevon W Jarmon, all of Kansas City, Missouri. He was preceded in death by his parents; William P. Fulghem in 1988 and Dorothy E. Fulghem in 1995.

A funeral service will be held at Irvin-Parkview Funeral Home & Cremation at 11:00 am on Friday, June 8, 2012, burial will follow at Sunset Cemetery, Manhattan.

The family requests memorial contributions be made to the First United Methodist Church 612 Poyntz Ave Manhattan or the American Heart Association.

For more information or to send an online condolence you can visit www.irvinparkview.com or on Facebook.

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The Kansas State Capitol

Transparency Cost High In Capitol Restoration

By Paul Soutar
KansasWatchdog

TOPEKA — The 2000 Kansas Legislature approved the restoration of the Kansas State Capitol with a price tag of \$90 million to \$120 million and an eight-year timetable.

It's still several years from completion, and the price tag has risen to \$320 million.

Want answers? Well, good luck.

Most of those lie shrouded within the 1,781 pages of contracts and amendments surrounding the project.

That's nearly twice the 906-page federal Patient Protection and Affordable Care Act, the national-health care law.

In an age when just about everything, including Graham Barker's Navel Fluff Collection, is on the Internet, the contracts for the Capitol's restoration are not.

The mammoth document isn't even available in an electronic format, such as a text or PDF file, said Shelley King, an

attorney at the Kansas Department of Administration's Office of Chief Counsel.

People can visit the DOA's offices, where a designated page turner will watch as one peruses the document.

Want to copy a page? That's 25 cents, please. Want the entire document? Well, that will run you about \$445.25 — plus staff time.

"I have been told," King said in an email, "that the contracts are bound a certain way and that copying a page would require taking the binding/document apart — making it much easier to copy once a document has been completely reviewed. Staff familiar with the contracts would be able to assure the documents stay together and in order."

No one prior to Kansas Watchdog has filed an open records request for the contract, King said. That request was filed May 3.

Scott Walker's Reforms Are A Good Start

By Chris Edwards
CATO Institute

All eyes are on Wisconsin today to see whether Governor Scott Walker's budget and public-sector union reforms will be validated by the voting public. I applaud Walker's reforms. But his reforms should be just the first step. Virginia took the next step two decades ago and completely repealed collective bargaining in the public sector.

I happened to hear conservative radio talker Chris Plante this morning discussing his support of Walker, but saying something like "But I'm not against collective bargaining rights in either the private sector or the public sector."

Too many conservatives, and maybe even some libertarians, seem to buy the labor union line that collective bargaining is somehow a fundamental "right," like the freedom of speech. It isn't. Collective bargaining in both the private and government sectors is monopoly unionism. It represents a violation of the freedom of association.

Here's what Charles Baird says on www.DownsizingGovernment.org:

The ideas embodied in the federal union laws of the 1930s make no sense in today's dynamic economy. Luckily, constant change and innovation in the private sector has relegated compulsory unionism to a fairly small area of U.S. industry. But the damage done by federal union legislation is

still substantial. Many businesses and industries have likely failed or gone offshore because of the higher costs and inefficiencies created by federal union laws, while other businesses may not have expanded or opened in the first place. So the damage of today's union laws is substantial, but often unseen, in terms of the domestic jobs and investment that the laws have discouraged.

Davis-Bacon, the Norris-LaGuardia Act, and the National Labor Relations Act serve the particular interests of unionized labor rather than the general interests of all labor. These laws abrogate one of the most important privileges and immunities of American citizens—the rights of individual workers to enter into hiring contracts with willing employers on terms that are mutually acceptable. ...

The principle of exclusive representation [collective bargaining], as provided for in the NLRA, should be repealed. Workers should be free on an individual basis to hire a union to represent them or not represent them. They should not be forced to do so by majority vote. Unions are private associations, not governments. For government to tell workers that they must allow a union to represent them is for government to violate workers' freedom of association. Restrictions on the freedom of workers to choose who represents them should be eliminated.

Commission: No Vote On Social Service

The Manhattan City Commission told the public Tuesday night that they will not be voting on a Petition and Ordinance Relating to Social Services. Here is a Memo given to the Commission:

PRESENTERS: Katharine J. Jackson, City Attorney

BACKGROUND

K.S.A. 12-3013 allows citizens to initiate the adoption of a city ordinance through the initiative and referendum process. The process involves the drafting of an ordinance and the circulation of petitions to obtain signatures in support of the proposed ordinance. If the petition and ordinance are procedurally and legally sufficient, the City Commission must either adopt the proposed ordinance, without alteration, within 20 days, or submit the ordinance to a vote. The state law requires the Commission to call a special election unless a regular city election is scheduled within 90 days after the 20-day ordinance adoption deadline has expired. If the petition and ordinance are not sufficient, the City Commission should not take any action on the matter.

If the ordinance is adopted, either by the Commission or a majority of the voters, the ordinance cannot be repealed or amended, except as follows: (1)

by a vote of the electors; (2) by the City Commission, after the ordinance has been in effect for ten years; and (3) at a succeeding regular city election, if the Commission submits a proposition for repeal or amendment, and the majority of the votes support repeal or amendment. Of course, if the ordinance is unconstitutional or otherwise legally flawed, it may be overturned by a court.

DISCUSSION

On May 4, 2012, the City received a petition with a proposed ordinance that establishes a Social Services Advisory Board and requires a minimum annual level of City funding for social services. The City submitted the petitions to the Riley County Clerk for verification that those individuals that signed the petitions are electors, equal in number to at least 25% of those who voted in the last preceding regular city election. In the most recent election, 5,976 City of Manhattan residents participated in the election. Therefore,

the petition is required to have 1,494 valid signatures (25% of 5,976). The Riley County Clerk has verified that the petitions have been signed by 1,500 registered voters in the City of Manhattan.

Also attached is a memorandum

from the City Attorney's Office providing an overview

and opinion on whether the submitted petitions and ordinance are legally valid. It is the Legal Department's opinion that the proposed ordinance is an administrative ordinance that cannot be adopted using the initiative and referendum process. The Legal Department recommends that the City Commission take no further action on the petition and ordinance. If the City Commission wants to discuss the legal opinion more in depth than what is presented in the memorandum, the Legal Department recommends that the Commission recess into executive session for discussions that are protected under the attorney/client relationship (see alternative motion for Executive Session).

If the City Commission declines to accept the Legal Department's opinion, but still does not desire to pass the proposed ordinance, and wishes to call a special election, the Riley County Clerk's Office has indicated that the question needs to be submitted by June 13, 2012, in order to place it on the August 7, 2012, primary election ballot. The Commission would have to pass a resolution at tonight's meeting or consider it at a Special City Commission

meeting on June 12 in conjunction with the scheduled Work

Session in order to make the August ballot as currently scheduled, otherwise a resolution in the future will require a separate special election. (Note, due to redistricting at the state level, there is the potential that the primary election could be moved to August 28, 2012; in which case, the question would have to be submitted by June 19, 2012.)

However, since the outcome of this state issue is unknown at this time, the Commission should consider the attached resolution at the June 5 meeting or a June 12 special meeting if it intends to submit it to a public vote as part of the primary election).

Moreover, it is critical to note that, if the City Commission declines to accept the Legal Department's opinion and proceeds through the initiative and referendum process, and there is a legal challenge to the validity of the use of the process, it will be difficult, if not impossible, for the legal staff to defend that challenge and take a position contrary to the attached legal opinion. For more discussion on this issue, please recess into executive session for attorney/client relationships.

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Riley County Commission Minutes

The Board of County Commissioners Of Riley County, Kansas

The Regular meeting of the Board of County Commissioners met at the Riley County Plaza East Building May 24, 2012 with the following members present: Alvan Johnson, Chair; Dave Lewis, Vice Chair; Karen McCulloh, Member; and Rich Vargo, County Clerk.

8:30 Public Comment & Business Meeting

Clancy Holeman, Counselor/Director of Administrative Services; Paul Foltz; Mel Van Der Stelt; Eileen King, Treasurer; Rod Harms; Johnette Shepek, Budget and Finance Officer; Leon Hobson, Public Works Director/County Engineer; Gary Rosewicz, Assistant County Engineer; Cheryl Collins, Museum Curator; Ron Wells; Lori Muir,

REACH Committee; Julie Winter, Public Works Office Manager; Debbie Register, Register of Deeds; Cindy Volanti, Human Resource Manager/Deputy Clerk; Gilbert Terrell, Public Works Operator II; Allen Todd, Appraisal Analyst; Sid Musil, Public Works Operator II; Eric Valaika, Kansas State Bank; and Julie Merklin, League of Women Voters, attended.

Muir and Winter presented Gilbert Terrell, Public Works Operator II, an Employee of the Month plaque. Muir described the complex vault renovation Terrell completed for the Public Works Department.

Valaika stated the reason Kansas State Bank wants to remove the ATM from the County Office Building is financial and because the ATM is not ADA compliant. Valaika stated to replace the ATM with

an ADA compliant ATM it would not be economically feasible.

King and Vargo stated the ATM is a convenience to the customers Riley County serves.

Valaika stated Kansas State Bank will take into account Riley County's comments in reviewing the status of the ATM.

The Board of County Commissioners signed Riley County Personnel Action Forms for the following:

Allana Saenger, a new hire, as a Curator of Designer, in the Museum Department, at a grade N step 1, at \$19.69 per hour.

Jay Holmes, a new hire, as an Emergency Response Coordinator, in the Health Department, at a grade L, step 4, at \$19.74 per hour.

Zoe Rohr, a Dietitian, in the Health Department, for Separation from County Service, effective May 31, 2012.

The Board of County Commissioners signed a Riley County Position Action Form for a WIC Dietitian, in the Health Department, at a grade O.

McCulloh moved to approve a Renewal of Online Access Agreement with Heartland Title Services, Inc. for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Central National Bank for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Alfred Benesch & Company for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Doc Hunters for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Parry, Inc. for

the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Blanton Realty for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve a Renewal of Online Access Agreement with Bill Von Elling for the Register of Deeds' Office. Lewis seconded. Carried 3-0.

McCulloh moved to approve the minutes of May 21, 2012 as amended. Lewis seconded. Carried 3-0.

9:00 Johnette Shepek, Budget and Finance Officer

Clancy Holeman, Counselor/Director of Administrative Services; Paul Foltz; Mel Van Der Stelt; Rod Harms; Ron Wells; Jeff Burkhart, KMAN; and Julie Merklin, League of Women Voters, attended.

Shepek presented the Riley County Bonded and Indebtedness report.

Shepek presented a CIP, county building, economic development, and ½ cent sales tax update.

9:34 Robert Nall, Information Technology Director

Clancy Holeman, Counselor/Director of Administrative Services; Paul Foltz; Mel Van Der Stelt; Rod Harms; Ron Wells; Jeff Burkhart, KMAN; and Julie Merklin, League of Women Voters, attended.

Nall presented an AT&T High Volume Calling IV Service Agreement, an AT&T ILEC Plexar Pricing Schedule/Service Agreement, and an AT&T ILEC Plexar Customer Service Arrangement Attachment Services Covered.

Lewis moved to approve the AT&T High Volume Calling IV Service Agreement, the AT&T ILEC Plexar Pricing Schedule/Service Agreement, and the AT&T ILEC Plexar Customer Service Arrangement Attachment Services Covered. McCulloh seconded. Carried 3-0.

Nall presented an Information Technology/GIS staff report.

9:50 Clancy Holeman, Counselor/Director of Administrative Services Administrative Work Session

Clancy Holeman, Counselor/Director of Administrative Services; Paul Foltz; Mel Van Der Stelt; Rod Harms; Ron Wells; Jeff Burkhart, KMAN; and Julie Merklin, League of Women Voters, attended.

Holeman stated SB207 regarding allowing counties to accept payment by credit cards has passed.

Holeman asked if the Board wants to have a joint meeting with Geary and Pottawatomie Counties on a mental health facility.

The Board said they would like to have a joint meeting on mental health facility.

10:20 Dr. Rob Edleston, President and CEO Manhattan Area Tech College

Clancy Holeman, Counselor/Director of Administrative Services; Mel Van Der Stelt; Rod Harms; Ron Wells; Jeff Burkhart, KMAN; Burk Krohe, Manhattan Mercury; Johnette Shepek, Budget and Finance Officer; and Julie Merklin, League of Women Voters, attended.

Edleston discussed MATC's transition to a full fledged Community College. Edleston stated if MATC transitioned to a Community College they would lose \$1.65 million or approximately 65% of their operating cost. Edleston stated it cost approximately 3-4 mills in ad valorem taxes annually.

Edleston said he is asking the Riley County Commission to provide the results of the study to the Board and to the citizens of Riley County to consider. Edleston said the study would take 6 months - 1 year.

Lewis asked, what curriculum would be expanded?

Edleston stated it would allow curriculum to expand to associate degrees in Science and Arts.

Lewis asked, what areas are currently growing at MATC?

Edleston said the largest growth is in the general education studies.

McCulloh stated technical information is vitally important.

McCulloh said counties are being asked to do more each year from the State government.

McCulloh stated having 19 Community Colleges in Kansas is too many.

McCulloh stated 3-4 mills is a large increase when we don't know how to pay for ambulances.

Lewis said he is supportive of the study.

Edleston said MATC is working on a Strategic Plan and Campus Master Plan. Edleston said MATC would like to build an administrative building. Edleston said MATC would like for Riley County to consider forming a public building commission.

McCulloh stated Riley County could consider forming a building commission to assist MATC.

10:50 Monty Wedel, Planning/Special Projects Director

Clancy Holeman, Counselor/Director of Administrative Services; Robert Reece, Pottawatomie County Administrator; Buck Driggs; Mel Van Der Stelt; Rod Harms; Ron Wells; Jeff Burkhart, KMAN; Burk Krohe, Manhattan Mercury; Johnette Shepek, Budget and Finance Officer; and Julie Merklin, League of Women Voters, attended.

Wedel presented an email communication from Buck Driggs, SMH Consultants, explaining that Pottawatomie County has contracted with SMH to do a conceptual route study for the Marlatt Avenue/Junieta Road connection and asking if Riley County would participate in the Steering Committee for this project.

Wedel said staff is seeking direction from the commission regarding how involved Riley County should be in this project and who, if any, should be involved in the Steering Committee.

Johnson moved to appoint Monty Wedel to participate in the project steering committee meetings and to provide progress reports back to the Board of County Commissioners and staff. Lewis seconded. Carried 3-0.

11:00 Clancy Holeman, Counselor/Director of Administrative Services

Lewis moved that the County Commission recess into executive session pursuant to the non-elected personnel matters exception to the Kansas Open Meetings Act in order to discuss a performance matter involving a County employee and to protect the privacy of the employee, the open meeting to resume in the County Commission Chambers at 11:10 a.m. McCulloh seconded. Carried 3-0.

11:10 Johnson moved to go out of executive session. Lewis seconded. Carried 3-0.

No binding action was taken during the executive session.

11:11 Lewis moved to adjourn. Johnson seconded. Carried 3-0.

Kansas Economy Continues To Slow

By Gene Meyer
Kansas Reporter

FAIRWAY — Two new reports show the Kansas economy slipped a bit in May, but those reports offer varying opinions about the state's fiscal future.

The reports emanate from the Kansas Department of Revenue and the Mid-America Business Conditions Index, compiled by economic forecasters at Creighton University in Omaha.

The Revenue Department on Friday reported that tax collections in May — which totaled \$564 million — were nearly \$27 million, or 4.5 percent, below monthly projections. Kansas has collected \$5.4 billion in general fund tax revenue since the fiscal year began July

1 — 0.5 percent less than officials had projected.

Individual income tax collections, one measure of how incomes are changing, failed in May to grow as fast as expected, the report said. It's the second consecutive month and third time since January that revenue has fallen short of expectations.

Even so, this fiscal year's total tax collections are 8 percent higher than last year.

That's good news for the state's economy, said Revenue Secretary Nick Jordan.

"We are pleased to see the Kansas economy continuing to grow and build its way out of the recession," Jordan said in a statement released with the report.

But a report on Kansas' eco-

nomical outlook for the next three to six months, also released Friday, shows that the state's economic growth may, in fact, be slowing.

The Mid-America Business Conditions Index shows Kansas' economic prospects slipped during the month nearly 6 points on a 100-point scale, almost to the point in which economic growth stops.

The index is a scale based on business conditions reported by supply managers in nine states, including Kansas. It measures monthly changes in production, sales, changes in supplies of unsold inventory, employment and other business patterns.

Readings higher than 50 indicate probable future growth, and readings of less than 50 indicate probable eco-

nomical contraction. Kansas' reading in May dropped to 50.8 from 56.4 in April, said Ernie Goss, the Creighton economist in charge of the survey. Kansas' reading is the lowest among the nine states surveyed.

Kansas, more than many other states in the survey, is a major exporter of things, such as high-tech aircraft parts and agricultural commodities. But Europe's financial crisis is driving up costs in international markets, which makes all U.S. exports more expensive and, ultimately, slows demand, Goss said.

Kansas' economy is expected to continue growing, Goss said, "but more slowly than before."



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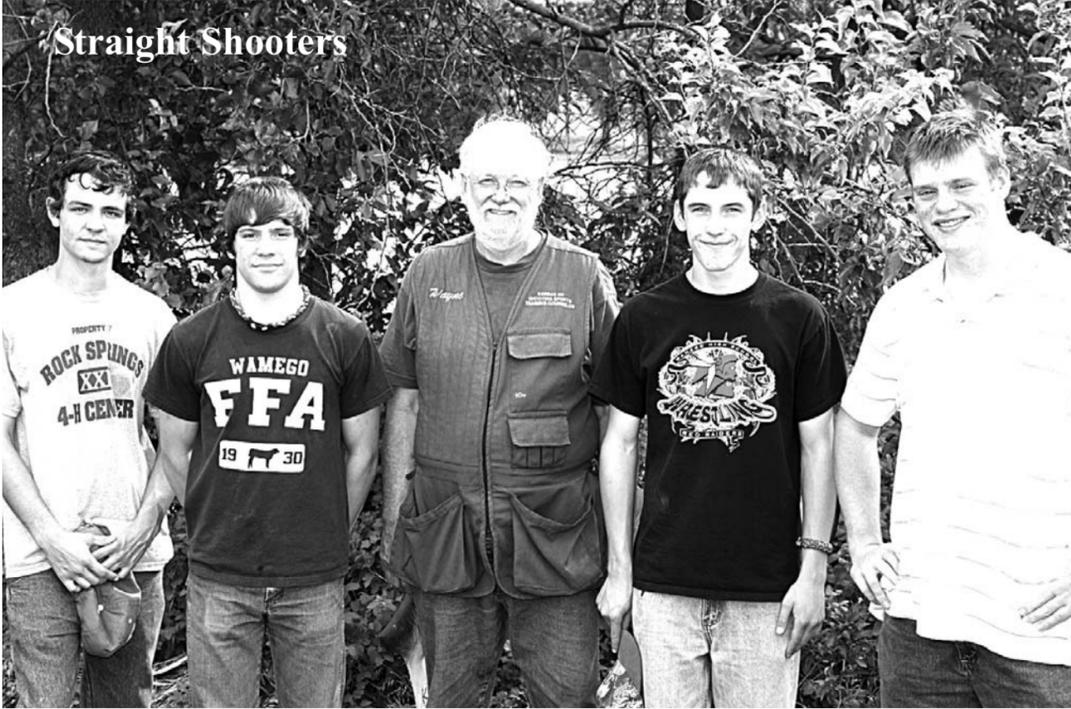
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Straight Shooters

Pictured from left to right, with their discipline, are: Matthew Plummer, Wamego, Hunting Skills; Jacob Dietrich, Wamego, Air Rifle, Wayne Hubbard, St. George, Assistant Coach, Hunting Skills, Daniel Dietrich, Wamego, Hunting Skills, and Austin Becker, Manhattan, Small Bore Pistol. Not pictured: Wade Stroda, Manhattan, Small Bore Rifle and Sally Stroda, Manhattan, Coach, Small Bore Rifle.

Straight Shooters Take Aim At Invitational

Kansas 4-H Shooting Sports will be sending a team of 35 shooters to the National 4-H Shooting Sports Invitational Match in Grand Island, NE, on June 18-22. Five members of the Riley/Pottawatomie 4-H Straight Shooters were chosen for the team representing Kansas, crossing 4 disciplines.

The RL/PT 4-H Straight Shooters are sponsored by Riley County 4-H Foundation, Pottawatomie County 4-H Foundation,

Kansas State University Military Science Department, Kansas State Rifle Association, Friends of the NRA, Kaw Valley Archery, Daisy Outdoor Products, Justin Corbet Foundation, Kansas Muzzleloaders Association, National Wildlife Turkey Federation, Flint Hills Pheasants Forever, Riley County Fish & Game Association, and all 4-H Straight Shooters parents, families, and instructors.

Kansas Profile: Aurelia Pacey

By Ron Wilson, director of the Huck Boyd National Institute for Rural Development at Kansas State University.

Let's go to Haiti. A big smile comes across the face of a little native girl here, as she opens a package containing a new, handmade dress for her. This dress is one of many which were handmade by a woman from rural Kansas. Thanks to Sue Chavey who shared this story with us. It's today's Kansas Profile.

Aurelia Pacey is a retired farm wife who now lives in Manhattan. This is the story of her remarkable family and her continuing service to others.

Aurelia and her husband are originally from north central Kansas. Franklin Pacey and Aurelia Richard were high school sweethearts at Miltonvale Rural High School where they graduated in 1945. They were married in 1946 in the rural community of Miltonvale, population 539. That's rural – but there's more.

Franklin and Aurelia settled on the farm south of Miltonvale, northwest of the rural town of Oak Hill, population 24 people. Now, that's rural.

For 58 years the Paceys would farm on this place.

Franklin farmed with his brother Laurence, whom we have previously profiled from his work as a one-room school-teacher. The brothers started a full service custom baling business for area farmers. They would mow, rake, bale, and shed or stack the bales. They taught their children how to run farm equipment and stack bales at a young age.

"They were always very strict about safety," said Franklin's daughter, Sue Chavey. In the beginning, the Pacey brothers handled only small round bales, but later came small square bales and then large round bales. One year 20,000 straw bales were baled and put in the shed.

Franklin continued on with the custom baling business into his seventies. He was the regional expert for the Allis-Chalmers small round baler repairs. Vermeer Equipment even used Franklin as a consultant for their large round balers.

Franklin and Aurelia raised beef cattle, wheat, alfalfa, and prairie hay, but perhaps their greatest crop was their own children. In this rural setting they raised six children, all of whom are honor graduates of Miltonvale High School and all are Kansas State University

graduates.

"Our parents taught us the value of hard work, education, and honesty," said Sue Chavey. The six children all married and moved to cities including Olathe, Denver, Omaha, and Manhattan.

The two sons are engineers. Mike lives in Olathe and is a structural engineer for Butler Industries. David lives in Manhattan and is a professor of Mechanical and Nuclear Engineering at K-State.

Among the daughters, Sue works as a medical technologist for the K-State College of Veterinary Medicine. Marie lives in Manhattan and teaches math at Susan B. Anthony Middle School. Loretta lives in Denver and has her own child care business. Polly is a substitute teacher in Omaha.

Franklin and Aurelia Pacey enjoyed traveling and were able to visit all 50 states. In 2003, Franklin was diagnosed with cancer and they moved to Manhattan where three of the six children live. Franklin died in June of 2004, less than one week shy of his 77th birthday.

Aurelia, now 84 years old, maintains an active lifestyle.

She sews and belongs to a church group, two book clubs, and a ThirdAge group.

Aurelia now has 16 grandchildren and 9 great-grand children.

"She bakes the best angel food cakes in the world, and she always makes them from scratch," said daughter Sue. "She has taught several of her grandchildren the art of making a perfect angel food cake."

In the fall of 2010, Aurelia began making dresses for little girls in Haiti and Africa using fabric given to her from various sources. Aurelia uses her 60-year-old Kenmore sewing machine which has a lifetime warranty with Sears – who would have guessed the warranty would last this long! Aurelia has now made 370 dresses and continues to make more.

It's time to leave Haiti, where a young girl is thrilled with the handmade dress she received from a woman from rural Kansas. We commend Aurelia Pacey for making a difference with her service. How remarkable to realize that, even at the age of 84, we can still serve our fellow man.

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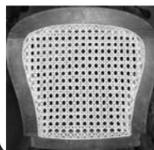
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Kansas Secretary of State, Kris Kobach, held a meeting at the Library Tuesday. This was one of a 11 city tour to talk about the new Voter Identification Law. The Free Press counted 18 in attendance, most from the County Courthouse.

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May 2012 Sales Tax For Manhattan

Monthly Sales Tax Summary

For the Month of May, 2012

		Downtown Redevelopment TIF/TDD	
		Current Month	Total-to-Date
City Sales Tax	\$ 881,673		
City Compensating Use Tax	\$ 41,187		
Riley County Sales Tax	\$ 446,257		
Riley County Compensating Use Tax	\$ 27,248		
Pott County Sales Tax	\$ 23,563		
Pott County Compensating Use Tax	\$ 2,051		
Limey Point Transportation District (TDD)	\$ 4,896		
Quality of Life Sales Tax	\$ 240,129		
Totals	\$ 1,667,004		
plus	\$ 114,422		
May State Distribution	\$ 1,781,425		

	City Sales Taxes	City Compensating Use Taxes	Riley County Sales Taxes	Riley County Compensating Use Taxes	Pott County Sales Taxes	Pott County Compensating Use Taxes	Total-to-Date
General Fund	\$ 2,076,083	\$ 203,278	\$ 1,091,723	\$ 128,510	\$ 111,355	\$ 10,626	\$ 3,621,575
Sales Tax Fund	\$ 2,076,083	\$ 203,278	-----	-----	-----	-----	\$ 2,279,360
EcoDevo Fund	-----	-----	\$ 1,096,209	\$ 128,846	-----	-----	\$ 1,225,054
General Fund-Airport	\$ 3,090	-----	\$ 946	-----	-----	-----	\$ 4,036
Quality of Life Project Accounts	\$ 1,122,661	\$ 103,099	-----	-----	-----	-----	\$ 1,225,760
North-end Downtown TDD	\$ 171,669	-----	-----	-----	-----	-----	\$ 171,669
South-end Downtown TDD	\$ 8,210	-----	-----	-----	-----	-----	\$ 8,210
Limey Point TDD	\$ 23,526	-----	-----	-----	-----	-----	\$ 23,526
Downtown Redevelopment TIF	\$ 354,338	\$ 3,148	\$ 108,329	\$ 963	-----	-----	\$ 466,778
Total-to-Date	\$ 9,025,968						

	City Sales Taxes	City Compensating Use Taxes	Riley County Sales Taxes	Riley County Compensating Use Taxes	Pott County Sales Taxes	Pott County Compensating Use Taxes	Total for 2011
General Fund	\$ 4,655,116	\$ 416,569	\$ 2,488,362	\$ 247,775	\$ 237,690	\$ 25,155	\$ 8,070,667
Sales Tax Fund	\$ 4,655,116	\$ 416,569	-----	-----	-----	-----	\$ 5,071,685
EcoDevo Fund	-----	-----	\$ 2,488,362	\$ 247,775	-----	-----	\$ 2,736,137
General Fund-Airport	\$ 7,690	-----	\$ 2,380	-----	-----	-----	\$ 10,070
Quality of Life Project Accounts	\$ 2,499,181	\$ 207,699	-----	-----	-----	-----	\$ 2,706,880
North-end Downtown TDD	\$ 384,927	-----	-----	-----	-----	-----	\$ 384,927
South-end Downtown TDD	\$ 10,551	-----	-----	-----	-----	-----	\$ 10,551
Limey Point TDD	\$ 58,589	-----	-----	-----	-----	-----	\$ 58,589
Downtown Redevelopment TIF	\$ 659,007	\$ 9,124	\$ 204,095	\$ 2,822	-----	-----	\$ 875,048
Total Sales Tax Distributed for Year	\$ 19,924,554						

tion provided by the secretary of revenue.”

In recent years the state has had to delay its quarterly transfers to the Kansas Bioscience Authority from time to time, particularly the November amount, when the State General Fund was low on cash. This was done in cooperation with staff at the Bioscience Authority and was not done in a manner that was intended as punitive or harmful. Because we need to maintain our flexibility in managing the State General Fund cashflow, I veto this provision to require transfers on certain dates. This has the effect of leaving processes as they have been handled up to this point.

people of Kansas, particularly our children, depend on us to put our state on a path of economic growth and prosperity. We took a giant step in the right direction this year. I look forward to continuing to work with the Kansas Legislature to review areas where we can reduce the reach of state government, streamline agencies and programs and focus funding on the state's core responsibilities.

Again, I commend the Legislature for its work during the 2012 session, and I look forward to working with all of you in the coming months and years as we get our state's budget and economy back on track.

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SALES TAX RECEIPTS

City of Manhattan

Month	2009			2010			2011			2012			Change from 2011 (Total)	Change from 2011 (Adjusted)	2012 Adjusted Forecast	2012 Adjusted Compared to Forecast	2012 Budget	2012 Adjusted Compared to Budget
	Actual	Forecast	Budget	Actual	Forecast	Budget	Actual	Forecast	Budget	Actual	Forecast	Budget						
January	892,749	764,096	843,350	48,051	795,299	969,391	78,859	892,532	126,041	97,233	800,000	92,532	764,000	128,532				
February	729,661	785,540	880,755	69,804	810,951	923,690	77,978	845,712	42,935	34,761	750,000	95,712	740,000	105,712				
March	844,483	840,255	830,362	51,274	779,088	892,087	66,912	825,175	61,725	46,087	820,000	5,175	825,000	175				
April	666,777	644,888	659,676	49,554	610,122	777,423	67,259	710,164	117,747	100,042	700,000	10,164	725,000	(14,836)				
May	659,156	783,382	836,280	57,370	778,890	947,003	65,330	881,673	110,743	102,783	750,000	131,673	725,000	156,673				
June	719,847	785,112	840,829	46,830	794,299						775,000		750,000					
July	810,073	704,124	800,362	55,299	745,063						770,000		775,000					
August	691,478	794,785	768,817	39,897	728,920						755,000		750,000					
September	763,405	781,511	791,917	50,213	741,704						775,000		773,000					
October	830,220	936,270	892,090	61,640	830,450						825,000		774,000					
November	878,028	788,960	936,906	68,913	867,993						845,000		840,000					
December	842,927	838,309	895,505	60,363	835,142						850,000		825,000					
TOTALS:	\$9,328,804	\$9,446,172	\$9,976,929	\$659,008	\$9,317,921	\$4,509,594	\$354,338	\$4,155,256	\$459,191	\$380,906	\$9,415,000	\$335,256	\$9,286,000	\$376,256				

Net change in year-to-date for 2012 over 2011 (less all sales taxes reserved) 10.1% (percent increase or decrease)

Brownback

Sections 75(h) and 75(i) have been line-item vetoed in their entirety.

At the direction of the Legislature, the Department of Revenue is now more heavily dependent on fee income for its operations and two of the three fee sweeps included in the appropriations bill are insupportable. For these two, the cash on hand on the date specified will not be sufficient to make such sizable transfers and the agency would not be left with enough funds to function. I am leaving one of the sweeps the agency can manage. The other two sweeps go too far, and I therefore must veto them.

Department of Education Mentor Teacher Bonuses

That portion of Section 88(a) that reads as follows has been line-item vetoed:

“Mentor teacher program grants.....\$484,337”

I proposed educator quality and mentoring reforms as part of my overall education policy reform for consideration this session, however, the Legislature did not adopt most of these initiatives. For a mentoring bonus program to work properly, it must be done in concert with education reform policy. Without those reforms we fail our educators and their students. Therefore I find it necessary to veto this appropriation and look forward to discussing with the Legislature next session how we can improve teacher performance through mentoring.

Kansas Water Office Water Resource Education

That portion of Section 114(c) that reads as follows has been line-item vetoed:

“Water resource education \$40,000

Provided, That any unencumbered balance in the water resource education account in excess of \$100 as of June 30, 2012, is hereby reappropriated for fiscal year 2013.”

The appropriation of \$40,000 from the State Water Plan Fund for the Water Resource Education program would increase funding beyond my budget recommendations for FY 2013 and would also

contribute to a negative balance of approximately \$565,000 in the State Water Plan Fund. Funding for this program was not recommended in my budget. Therefore, I hereby line-item veto this provision.

Wichita Aquifer Storage

Section 114(d) has been line-item vetoed in its entirety.

The additional appropriation of \$500,000 from the Expanded Lottery Act Revenues Fund (ELARF) for the Wichita Aquifer Recharge Project would increase funding beyond my budget recommendations for FY 2013. My FY 2013 budget recommendations included a \$500,000 appropriation from the State Water Plan Fund for the project that demonstrates an effective method to provide for long-term planning related to future water supplies. Furthermore, the use of the ELARF will have to be leveraged as part of a specific debt reduction and budget balancing strategy. Therefore, I hereby line-item veto this provision.

State Fair Board

Enhanced Marketing

Section 113(c) has been line-item vetoed in its entirety.

I included funds in the Department of Commerce budget for a study to examine the feasibility of changing the dates when our State Fair is held. Rather than finance this study, the money was shifted to the Fair for promotion. With the projected negative balance in the Economic Development Initiatives Fund and this change in plan, I veto the funds. While it does not bring the EDIF into the black, it will be much closer.

Department of Social & Rehabilitation Services and Department on Aging

FMS Fee for HCBS Providers

Section 35(b) has been line-item vetoed in its entirety.

That portion of Section 35(1) that reads as follows has been line-item vetoed:

“Mental health and retarda-

tion services aid and assistance.....\$91,429”

That portion of Section 36(a) that reads as follows has been line-item vetoed:

“LTC — Medicaid assistance — HCBS/FE...\$99,634”

Section 122 has been line-item vetoed in its entirety.

The Financial Management System for Medicaid Home and Community Based Services providers was implemented in FY 2012 as required by the Center for Medicare & Medicaid Services. The system pays a \$115 per consumer per month fee to providers for administrative services. The 2012 Legislature appropriated a total of \$385,878 from the State General Fund in the above referenced sections to increase the fee to \$125 for the months from November 2012 to June 2013. This would require retroactive payments that would strain agency resources. No additional funding was approved to continue the increased rate in FY 2013. The agencies set the \$115 fee using a range derived from a study performed by an impartial contractor and by using comparisons with rates paid by other states. The rate is well above the national average and in my opinion is fair payment for services provided. I therefore find it necessary to veto these supplemental appropriations for FY 2012.

Motor Vehicles Limitations on Acquisitions

Section 119 is vetoed in its entirety.

Agencies purchase vehicles for a variety of reasons and we have a process in place to ensure new purchases are not made unnecessarily. To ensure that agencies have the resources they need to get their work done, I veto this section of the bill.

Kansas Bioscience Authority

Timing of Transfers from the State General Fund

That portion of Section 156(d)(1) that reads as follows has been line-item vetoed:

“During the fiscal years ending June 30, 2013, and June 30, 2014, the state treasurer shall

from page one

make payments to the bioscience authority on July 15, October 15, January 15 and April 15 in equal installments, subject to the limitations established in subsection (h). If on such dates, during fiscal years 2013 and 2014, such payments can not be made in equal amounts, the state treasurer shall make the payment in the amount of moneys that is available on such date and upon the next payment date, the state treasurer shall make the payment in an amount equal to the amount that is to be paid on that date plus any additional amount that is owed from a previous date. During the fiscal years ending June 30, 2015, and following fiscal years thereafter, the state treasurer shall make payments to the bioscience authority on July 15, October 15, January 15 and April 15 based on the certifica-

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As reported April 4th in the Free Press the Clarion Hotel will become a Sheraton Hotel with the same K-State graduate owners. The City of Manhattan has received and are reviewing inside and outside remodeling plans. The hotel is located at 530 Richards Drive in Manhattan. For years this was the Holiday Inn.

Clarion Undergoing Renovations

The first-ever Four Points by Sheraton in the state of Kansas will open in Manhattan in 2012. A first-class facility for guests and conventions in the Manhattan community since 1980, the Clarion Hotel (530 Richards Drive) is currently in the midst of a multi-million dollar renovation project. The owner of the hotel, Dennis Hulsing, President and CEO of Hulsing Enterprises, LLC, has signed an agreement with Starwood Hotels & Resorts Worldwide, Inc., to become a Four Points by Sheraton in November 2012. Focused on providing the best-possible experience for guests and recognizing the growth of hotels in the Manhattan community, Hulsing sought to introduce the largest and most aggressive renovation in the property's history and partner with one of the nation's most recognizable and trusted brands.

The initial steps in the construction project began in January with the renovation and enhancement of the hotel's guest bathrooms with the

installment of new bathtubs and tile in all 197 guest rooms. Last week, the project entered its next phase as construction began on the exterior of the hotel's east side.

The exterior wall project, which is being constructed by Manhattan contractor Trinium, a sub-company of Hi-Tech Interiors, will include extending and enclosing the outside facing guest rooms on each side of the property. J Webb Design of Kansas City, an interior design company, will be in charge of redesigning a majority of the hotel's interior and exterior surfaces. A number of fellow Manhattan-area entities, including Mid-American Plumbing, Roberts Electric, Tri-City Fence, HTI, Manko, Associated Insulation Inc, Elite Concrete, Ebert Mayo, Steve Miller Construction, and Cool Enterprises, will provide extensive involvement in facilitating assistance as the hotel upgrades and enhances its many amenities to continue to provide guests with an outstanding experience within the largest

operating space of any hotel in the Manhattan community.

"Obviously, as the Manhattan community remains in a stage of exciting and continual growth, we remain committed to our mission of providing first-class services to our thousands of guests and clients annually," said Jenn Alley, Director of Sales and Catering at the Clarion Hotel. "We maintain outstanding partnerships with a variety of different groups, including both large and small state associations, intercollegiate athletics organizations and Division I-A athletic teams, and also remain a perfect venue for wedding receptions, family gatherings, as well as an abundance of other independent meetings.

"As this hotel undergoes this vast and exciting transformation to an upscale facility, we will significantly enhance the experience for our valued guests while maintaining the

same outstanding customer service and individual attention that visitors have come to expect when walking through our doors."

About the Clarion Hotel

The present Clarion Hotel first opened as a Holiday Inn Holiday and operated under that brand name during its first 26 years. In 2006, K-State alumnus and supporter Dennis Hulsing, of Hulsing Enterprises, LLC, purchased the property, and immediately financed guest room and public area renovations before re-flagging to the Clarion Hotel brand that September. The hotel has facilitated annual enhancements in each of the past five years under Hulsing, including the installment of bathroom tile and granite countertops, and updated carpet in both the lobby and in guest rooms.

Mayor Bloomberg's Sweet Sugary Nanny State

By David Boaz
CATO Institute
"A spoonful of sugar helps the medicine go down," sang a legendary nanny. But today's most powerful nanny, New York mayor Michael Bloomberg, won't tolerate that. He plans to ban the sale of large sodas and other sugary drinks at restaurants, movie theaters, and even street carts, the New York Times reports.

Mayor Bloomberg has lots of facts at his fingertips: Many Americans are overweight. Consumption of sugar can cause weight gain. All true, and a good reason for Mike Bloomberg to watch his diet.

But why should he watch MY diet? And the diets of 8 million New Yorkers, most of them adults? If he thinks New Yorkers should consume less sugar, let him hold a press conference. But giving people information isn't good enough for him. Sometimes he gives people information, and they still don't act the way he thinks they should. So what's a billionaire mayor to do? He could bribe them, I suppose. But as Otter said, that could take years and cost millions of lives. Well, millions of dollars anyway. So, like Otter, he's decided to go with "a really futile and stupid gesture" instead.

When he's in the mood, Mayor Bloomberg can give eloquent testimony to the virtue of freedom when it comes to Muslims -

America is a beacon of freedom, and no place defends those freedoms more fervently, or has been attacked for those freedoms more ferociously, than New York City.

- or gay people:

I have no doubt that in your lifetime, liberty's light will allow us to see more clearly the truth of our nation's founding principles, and allow us to see all people, and all couples, as full and equal members of the American family...If government can deny freedom to one, it can deny freedom to all. But somehow when it's the mayor's own sensibilities that are offended, he forgets his eloquent defense of freedom. Suddenly, as White House chief of staff Andrew Card said of President Bush, Bloomberg "sees America as we think about a 10-year-old child." A child who needs protection. A child who can't make his own decisions. A child who needs a parent, or a nanny, to tell him what to eat and when to exercise.

In a free society, government doesn't make our personal decisions for us. We don't need a Big Brother or a mayoral nanny. We have the right and the responsibility to make our own decisions, so long as we don't interfere with the rights of others. And even if we make what Mayor Bloomberg views as the wrong decisions.

And speaking of the mayor's commitment to freedom, who exactly is going to impose this sweeping ban? Not the people, in a referendum. Not a constitutional convention. Not even the city council. This "far-reaching ban," as the Times describes it, will be imposed on 8 million free citizens of New York by the city's unelected Board of Health, all of whose members are appointed by... the mayor.

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CBO's Long-Term Budget Outlook: Congress Must Act

By Patrick Louis Knudsen
Heritage Foundation

Not surprisingly, the latest Congressional Budget Office (CBO) long-term budget outlook projects a disturbing and unsustainable rate of growth in federal spending, deficits, and debt. Equally troubling, however, is the growing urgency of the problem: The "long term" is drawing nearer.

The longer Congress delays, the more wrenching will be the policy changes needed to correct the government's fiscal course—and the deeper will be the economic damage of undisciplined spending and growing deficits and debt.

The Troubling Long-Term Outlook

As in the past, CBO presents its analysis from two perspectives, only one of which offers a near-realistic outlook. Though called the "extended alternative fiscal scenario," this projection reflects CBO's estimate of the most likely policies in coming decades—and the prospects remain grim[1]:

The government's debt held by the public—what the government owes to credit markets—approaches the size of the entire economy by 2022, a dangerous 93 percent of gross domestic product (GDP). It then mushrooms to nearly double the economy's output by 2037.

Net interest payments for the government's debt will surge from 1.4 percent of GDP today to 9.5 percent in 2037.

Total spending swells to 24.3 percent of GDP in a decade (by 2022)—far more than the historical average of 20.2 percent of GDP—and continues to grow from there. Even excluding interest payments, government spending exceeds its historical level by 2022 and continues to mount thereafter.

Although tax revenues reach their historical level of 18.1 percent of GDP in 2016 and then continue to rise, the rate of spending growth outraces revenue, requiring increased borrowing and debt to make up the difference.

CBO's other presentation, its "extended baseline scenario," shows similar trends, though its deficits are smaller. This is in part because the estimate—intended to reflect laws currently in place—projects lower spending; for example, it assumes that Congress will allow sharp scheduled reductions in Medicare physician payments, which it has rejected every year since 2002. It also assumes sharply higher revenues mainly due to the scheduled expiration of the Bush-era tax policies.

The scenario is useless for at least three reasons. First, not even President Obama is proposing all the massive tax increases it assumes. Second, as CBO concedes, the projection fails to account for the stifling economic effect of sharply higher tax rates. Third, the projection foresees tax burdens well in excess of 20 percent of GDP for an extended period, which the U.S. economy has never sustained and are probably impossible with the current tax code.[2]

The growing debt that CBO projects in its more realistic alternative scenario has severe economic consequences. It would reduce real (inflation-adjusted) gross national product by about 4.5 percent in 2027 and by a staggering 13.5 percent in 2037, CBO estimates. The government's net

CHART 1
Publicly Held Debt Set to Skyrocket

Runaway spending on Medicare, Medicaid, and Social Security will drive federal debt to unsustainable levels over the next few decades. Total national debt consists of publicly held debt, the debt most relevant to credit markets, and intergovernmental debt, debt that one part of the government owes to specific programs, such as the Social Security Trust Fund.

Source: U.S. Office of Management and Budget, Budget of the United States Government, Fiscal Year 2013 (Washington, D.C.: U.S. Government Printing Office, 2012); Historical Tables, <http://www.whitehouse.gov/omb/budget/Historicals> (accessed May 9, 2011); and Congressional Budget Office, 2012 Long-Term Budget Outlook, Alternative Fiscal Scenario, June 5, 2012, <http://www.cbo.gov/publication/43288> (accessed June 5, 2012).

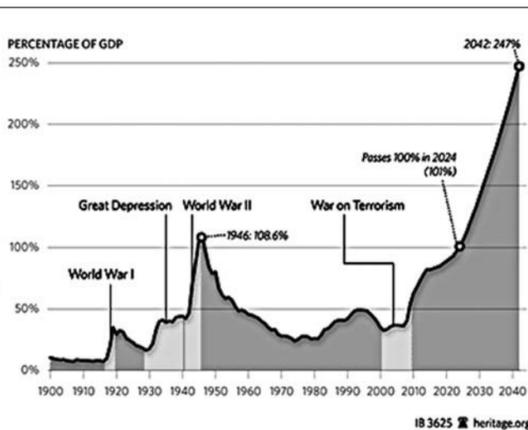
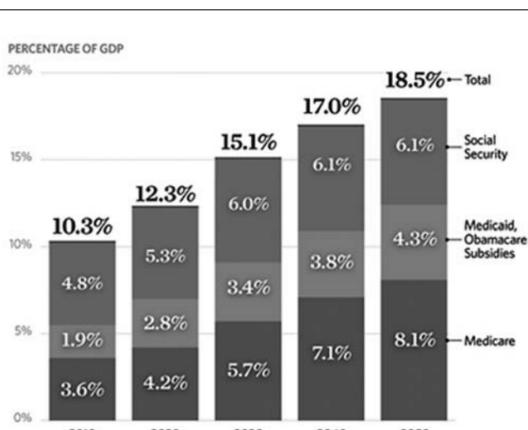


CHART 2
Entitlement Spending Will Nearly Double by 2050

Spending on Medicare, Medicaid, Social Security, and the Obamacare subsidies will soar as 78 million baby boomers retire and health care costs climb. Total spending on federal health care programs will nearly double. Future generations will be left with an untenable debt burden.

Source: Congressional Budget Office, 2012 Long-Term Budget Outlook, Alternative Fiscal Scenario, June 5, 2012, <http://www.cbo.gov/publication/43288>.



interest costs would grow, forcing tax increases or benefit cuts. The debt would also increase the likelihood of a fiscal crisis, "during which investors would lose confidence in the government's ability to manage the budget and the government would thereby lose its ability to borrow at affordable rates." CBO then dryly observes: "Such a crisis would confront policymakers with extremely difficult choices and probably have a very significant negative impact on the country."[3]

Source of the Problem: Entitlement Spending

As in prior reports, nearly all the growth CBO projects in non-interest spending as a share of GDP over the long term comes from mandatory spending, particularly the government's major health care programs: Medicare, Medicaid, the State Children's Health Insurance Program, and the Obamacare subsidies. Along with Social Security, they will soak up about 18.5 percent of GDP by mid-century—nearly all the annual average of total federal spending over the past 50 years and more than the historical average of total tax revenue. Thus, if left unchanged, these programs will increasingly crowd out funds for all other government programs, including national defense.

What Congress Should Do

Correcting this disastrous fiscal course will require significant policy reforms—especially in the major entitlement programs—and delay only makes the problem worse. As CBO puts it: "The longer the necessary adjustments were delayed, the greater would be the unfavorable consequences of the mounting debt; the more uncertain individuals, businesses, and financial markets would be about future government policies; and the more drastic the ultimate changes in policy would need to be."[4] All of this would leave future generations worse off.

Congress should do the following:

Get back to budgeting. In the absence of regular budgets for the past three years, lawmakers have resorted to various ad hoc

maneuvers and spend-as-you-go legislation that only push off serious fiscal policy choices for a few months or for a new Congress. Meanwhile, spending, deficits, and debt have worsened. Serious budgeting requires, first, a coherent fiscal plan—a budget resolution—to guide spending decisions in a comprehensive way. Adopting such a resolution is not an option: It is required by statute. For those who write the federal laws to neglect this legal obligation is a stunning abdication of duty. Such negligence also exacerbates the government's budgetary problems, both near- and long-term. The House, to its credit, has passed budget resolutions, both this year and last, that make substantial efforts to address these issues.[5] The Senate should follow suit—though it has deliberately shirked this obligation for the past three years.

Address the fiscal cliff now, not later. As last week's mediocre jobs report demonstrates, the gathering budgetary storm clouds threatening to burst at the end of the year are already producing deep uncertainties in the economy, slowing growth.[6] Among these is a doomsday of huge tax increases, known as "Taxmageddon," that would spike taxes by nearly \$500 billion in 2013 alone.[7] Also looming is a set of crude, indiscriminate spending cuts called "sequestration," a product of last year's debt ceiling "resolution," the Budget Control Act. It would, among other things, impose reckless cuts in national defense while shielding nearly all the spending in the Big Three entitlements—the principal contributors to the cancer of spending and debt. The House has already acted,[8] but nothing more can happen if the Senate refuses to address the problem.

Lay the groundwork for

addressing the long-term crisis. The aging of the U.S. population, and the burdens this puts on federal entitlement programs, has begun: The first of the baby boomers have already started to retire. While supporting their incomes and medical needs, the U.S. economy must also generate sufficiently robust growth to improve standards of living for future generations. By draining ever-greater shares of economic resources, increasing government spending stifles the economy's potential for growth. That is why reducing long-term spending is the key to sustainable economic growth.

Preventing "Austerity" Taking these steps does not suggest a future of pain and sacrifice. It does not demand "austerity." Restructuring the government's major entitlements, for example, can make them more effective, efficient, affordable, and fiscally sustainable in the long run. By easing the burden of government spending and debt, these steps would improve the prospects for sustainable, long-term economic growth.

Such policies are not out of reach. One example is The Heritage Foundation proposal, Saving the American Dream, which contains a range of entitlement and tax reforms that achieve a balanced budget in 10 years and ensure long-term prosperity for future generations.[9]

But Congress's failure to take action, if it continues, will only add to the mounting debt the country faces, smothering its potential prosperity. That is where the real threat of austerity lies.

Patrick Louis Knudsen is Grover M. Hermann Fellow in Federal Budgetary Affairs in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.

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