

Kansas not at the top for state budget cuts

Everything coming out of Topeka these days is cuts, cuts and more cuts, and it would be easy to feel like we're the only ones who have it bad, but it's just not the case. In fact, we're not even in the top, or rather the bottom 10.

The Pew Center for The States released a report in November that ranked each state by a variety of factors such as revenue change, unemployment rate change and foreclosure rates. The states at the bottom of the rankings included California, Arizona, Rhode Island and Michigan.

California is squarely at the bottom. Revenue shortfall – something Kansas is currently dealing with – hit California the most out of any state. The state cut its general fund by \$45.5 billion in July and had another deficit of \$1.1 billion in October, all because there is less money coming in.

It was also particularly hit by the housing market, with the state's foreclosure rate jumping from 6.8 percent of first mortgages last year to 11.4 percent this year.

The California government, between both political parties, hasn't been able to fix the problems. Political bickering in the legislature delayed the passage of the state's budget by 85 days, Republicans rejected tax increases and Democrats resisted spending cuts. The voters turned down a proposed \$6 billion tax increase.

Pew gives the state a D- in money management practices, tied for the lowest with Rhode Island. During the 1990s and early 2000s, California increased its spending well beyond the rate of growth in its tax-paying population and did not set aside much in the way of contingency funds.

Arizona was one of the fastest growing states in terms of population, drawing not just snow birds – retirees with a second house somewhere else – but permanent residents as well. Unfortunately that made it susceptible to the housing bust. The foreclosure rate was the highest in the country in the first quarter of 2009 and all the while tax revenue was dropping. According to Pew, the state currently has about \$7 billion coming in to pay for \$10 billion in expenditures.

Rhode Island had several major high-tech companies go bankrupt in 2009. The state had the highest tax rates in New England going into 2006, and unfortunately decided on massive tax cuts right before the recession hit. The cuts were designed to promote business growth but ended causing revenue shortfalls.

Michigan, of course, was pummeled by the near-collapse of the American auto industry. Trying to make it all work has caused the state government to shut down a few times, and only now have they begun to diversify their economy.

So what does Pew say about Kansas. While it isn't in the ten worst states, at least for the moment, it isn't well off. Overall Kansas has had an 11 percent drop in revenue since 2008, a 2.5 percent rise in unemployment and a .7 percent foreclosure rate. The state is ranked 16th worst and although the report only goes into detail on the top 10, it gives Kansas a B- in money management.

By no stretch of the imagination is Kansas in a good financial spot. But we're not in this alone, and in fact we're better off than a lot of other states. And with so many states in terrible economic straits – Pew lists about 30 that are either strained or in crisis – we might begin to wonder: what will the future look like? Every week it seems new stories come out about an improving economy and end to the recession. Well, in state governments, the recession is alive and well.

– Kevin Bottrell

Inmate work crews good for city, county

In the past there have been some strong objections for using work crews from the City! I believe it is time to re-evaluate this position! The work crews have been used very beneficially to the Community for many projects: our brick streets, the Fairgrounds, State Park, etc. They have installed gutters and painted the local VFW making it not quite the eyesore it was. They have worked on the Norton County Museum; caulking and painting the windows, installing gutters, sealing and painting the basement and trimmed up the grass edging. While these were not City projects, they were things done that neither organization could afford, if contracted out. Thus no conflict with the local labor market and all our materials were bought locally benefiting our merchants! With proper selection and control of Projects using Inmate



Work Crews, there is no reason our City and County could not do the same! This Partnership with Department of Corrections would be one more justification to keep this facility from being closed and losing needed employment in this area! Another possibility is coordination with other Communities, like Atwood, to promote the use of the Inmate Crews in the Northwest Kansas area.
Joe E. Ballinger

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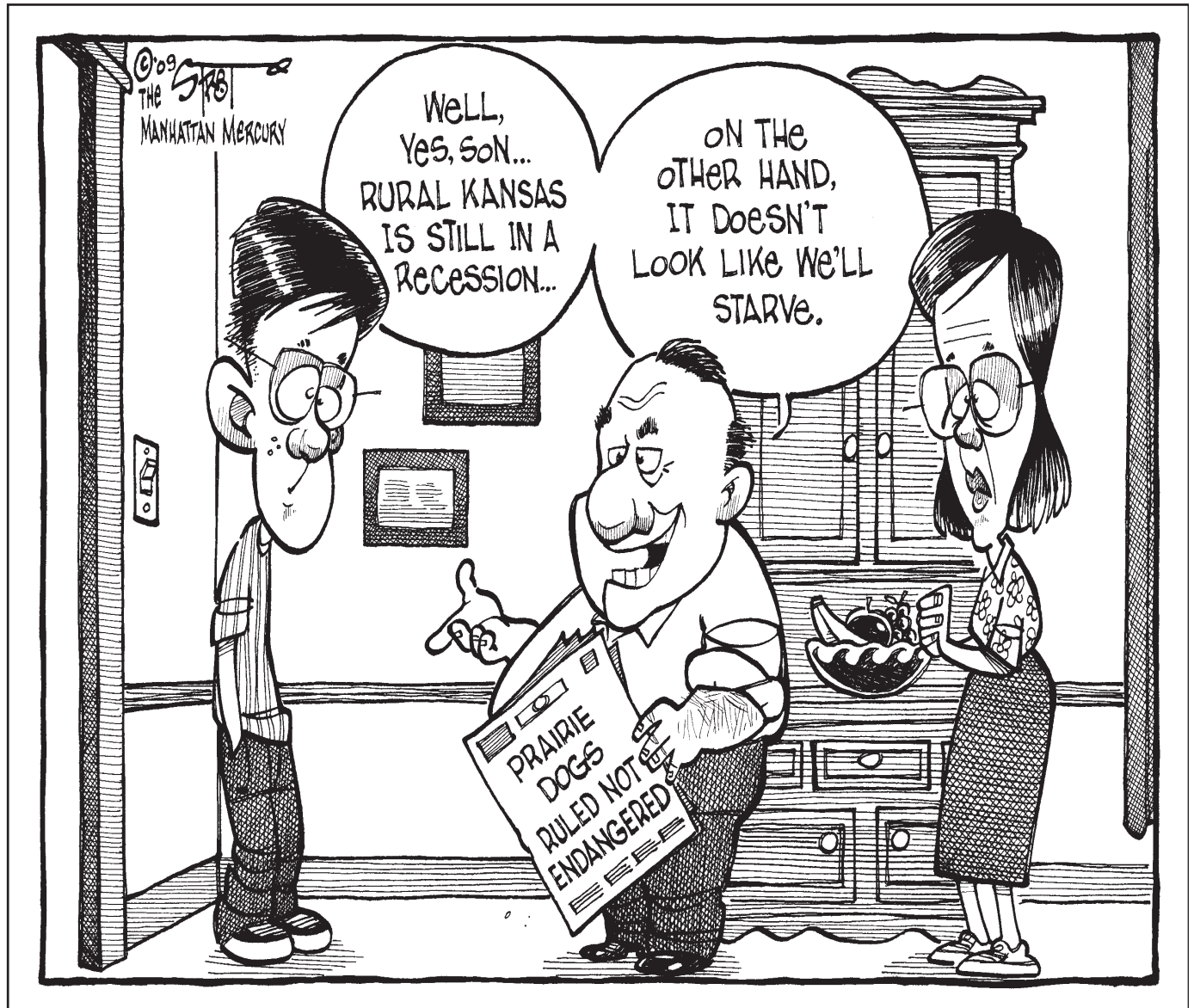
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Humor lacking in colder weather

An acquaintance recently commented, "Your column hasn't been very funny lately."

I guess even at the Plotts' house it isn't always a laugh a minute. Jim must be slipping, because he is the "fodder" for my grist mill.

The other explanation is "cold" kinda kills Jim's sense of humor. He really suffers when temps drop. The rest of us will be perfectly comfortable, and he will be shivering. Standard issue at our house is a cuddly, warm blanket on his chair.

That's why I'm glad he got up as many Christmas lights as he did before it turned really cold. I know he was torn between putting up lights and working on his restoration shop while the weather was still mild.

Sometimes the lights won, and sometimes the shop won. At any rate, there are enough lights up to suit me, and enough is done on the shop to keep him happy until he gets the siding.

— ob —

If you happen to live in northwest

Out Back Carolyn Plotts



Kansas, you are experiencing the same snow I am. I think this is what Coloradans would call "powder." It's so light and fluffy. This morning when I went out to check the chickens' water and feed, I noticed how the flakes were piled high on the barrel where we keep their mash. It was mounded at least a foot high and sparkled like diamonds. If my overshoe hadn't had a hole in it that was letting my foot get wet and cold, I might have appreciated its' beauty a little more.

Speaking of the hens, I had to have a little talk with the ol' girls. Their output has certainly dropped off with the cold. I actually had to buy eggs the other day.

Now, that kills me, to have 17 beautiful laying hens and they can't keep up with the demands of three people! That's just wrong. Especially, when I'm feeding them as much, if not more, than I do in nicer weather. I'm not ready to threaten them with the "noodle bath" just yet. But I'm close.

— ob —

I've been to the grocery three times in the last four days, and each time I have forgotten to buy white corn syrup. Every candy maker knows you can't make peanut brittle, caramel corn, penuche or pecan pralines without the stuff.

So, I'm going to the store one more time and this time SYRUP is at the top of the list. I'm itching to get started on my Christmas candy.

It's dawning on me that Christmas is less than two weeks away, and I have four boxes to get mailed.

We don't do much in the way of presents, but all the kids would be disappointed if they didn't get some candy. It's my gift to them.

Tough times

Insight

John Schlageck

dredweight for their milk, but when the economy went south, it took along these profitable prices.

"About this time, our export market for milk had picked up but now these countries couldn't afford to buy milk and everything backed up," Lynda says.

"You just can't tell those cows to quit producing milk overnight. It takes time to reduce production."

At the tail end of '08, milk prices began to drop, and by mid 2009 they had fallen to unseen levels – down to \$9 a cwt. in some instances. At the same time cow feed, like soybean meal jumped from \$180 to \$523 a ton.

It's backed off some but it's still more than \$300 a ton, and even at that price it's impossible to make ends meet, Lynda says. There just aren't many alternatives for a protein source.

With a 130-head cowherd like theirs, the Fosters are losing \$12,000 a month. Milk producers can only keep that up for so long.

"We're using up our family's equity," Lynda says in a whisper. "Thank goodness we have a good banker who's not ready to milk cows yet and is willing to stick with us and understands there has to be a light at the end of the tunnel. Our problem is we don't know how long that tunnel is."

In spite of this difficult year and eroding farm equity, the Fosters remain optimistic about their farming future. They also realize that others in the ag community and other sectors of the economy are also

struggling.

The Bourbon County dairy producer believes the answer for their industry is a stronger economy and increased export markets.

"There are still people in our country and the world who need to eat and drink the products we provide," Lynda says. "That's why we do what we do by providing a nutritious product."

And even though the price of milk has increased on the shelves of grocery stores, it still remains one of the most inexpensive sources of nutrition.

Milk costs approximately 25 cents per eight-ounce glass, and you receive so much nutrition including calcium, protein and other essential nutrients, Lynda says.

"I can't stress to youngsters, teens, adults and everyone how important it is to drink milk daily," the dairy producer says.

"We're living in a world where people are calcium deficient. Everyone needs to consume milk, cheese and yogurt every day – at least three servings of dairy products daily."

With the pendulum swinging ever so slowly back toward better economic times, more people here and around the world will once again begin to upgrade their diets.

At the same time, dairy farmers like the Fosters can once again do what they do best, increase their production of nutritious milk.

John Schlageck is a leading commentator on agriculture and rural Kansas. Born and raised on a diversified farm in northwestern Kansas, his writing reflects a lifetime of experience, knowledge and passion.