

Approved 2-14-90
Date

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Senator Dave Kerr at
Chairperson

8:00 a.m./~~p.m.~~ on February 7, 1990 in room 123-S of the Capitol.

All members were present except:
Senator Jack Steineger
Senator Wint Winter

Committee staff present:

Bill Edds, Revisor of Statutes' Office
Lynne Holt, Kans. Leg. Research Dept.
Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Steve Gilliland, Gilliland Printing
Myles Schacter, Connecting Point
Bill Muggy, Jayhawk Bookstore
Mike Swalm, Jayhawk Bookstore
Jim Yonally, Nat. Federation of Independent Business
Chris Wilson, Ks. Grain & Feed & Ks. Fertilizer & Chemical Assoc.
Chuck Scott, Dir., Central Ks. Area Vocational-Technical School
John Peterson, Ks. Assoc. of Professional Psychologists
Joe Lieber, Ks. Cooperative Council

Chairman Kerr called the meeting to order. He said the committee was having a hearing on S.B. 437, which establishes a Kansas Private Enterprise Review Board. He introduced Steve Gilliland.

Mr. Gilliland supplied the committee with Att. 1. He stated that his company does competetively support accounts in almost every state, but is not allowed to print for the Kansas Regency schools, because Kansas has its own printing plant. Kansas sales generate only 5% of their total sales. He urged support of S.B. 437.

Myles Schacter of Connecting Point testified. (Att. 2) He stated that since the Universitites are operating their own companies, many small companies have greatly suffered and some businesses are almost bankrupt. He said he favored passage of S.B. 437 because it would at least set up a task force and be the beginning of a solution to the small business problems.

Bill Muggy of Jayhawk Bookstore testified. (Att. 3) He stated that he was very unhappy with the unfair and leveraged competition by the University of Kansas with the private sector. He stated that the University bookstore enjoys amenities of the non-taxable, non-profit structure of retailing. He is not able to compete with this situation and has lost thousands of dollars.

Mike Swalm of Jayhawk Bookstore testified. (Att. 4) He also stated that there is no effective way to compete with the KU bookstore because of it's many benefits of operating under tax exemption, location, alumni mailing lists, etc.

Jim Yonally, Nat. Federation of Independent Business testified. (Att. 5) He stated that he represented more than 8,000 small businesses. The members want the opportunity to demonstrate that the private enterprise system does work. He urged passage of S.B. 437.

Chris Wilson, Kansas Grain & Feed & Ks. Fertilizer and Chemical Assoc. testified. (Att. 6) She stated that the organizations she represents are involved in the state's grain handling, storage, merchandising and processing industry. They feel it is improper for government to be in direct competition with private business where government is not

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

room 123-S Statehouse, at 8:00 a.m./~~a.m.~~^{p.m.} on February 7, 1990

providing a basic public service. When government agencies are in direct competition with private businesses, it makes it difficult or impossible for small businesses to remain competitive. She urged passage of S.B. 437 and requested that the bill be amended to apply to any government program which is authorized by state law.

Roland Smith, Wichita Independent Business Association did not testify but submitted written testimony. (Att. 7)

Shelby Smith, Secretary of Department of Administration submitted a written statement. (Att. 8)

Fiscal Note from the Division of the Budget was distributed to the Committee. (Att. 9)

Chuck Scott, Director of Central Ks. Area Vocational-Technical School testified in opposition to S.B. 437. (Att. 10) He stated that disrupting the efficiency of vocational-technical schools is alarming. The students could be forced to stop building houses, repairing cars, etc. and be subject to challenge by any business who thought they were in competition with them.

John Peterson testified representing Kansas Association of Professional Psychologists. (Att. 11)

He stated that he supported the concept of establishing a procedure for evaluation and determination of whether free enterprise can or is already providing a service better than that of the government. (Att 12 is recommendation for amendments.)

Joe Lieber, Kansas Cooperative Council testified. (Att. 13) He stated that if S.B. 437 was expanded to include all governments in the state, they could take their complaints to the review board.

Senator McClure made a motion to accept the minutes of the February 1, 1990 meeting. Senator Oleen seconded. Motion passed.

Meeting adjourned.

Date 2-7-00

VISITOR SHEET

(Please sign)

Name/Company	Name/Company
Harry Falgren ^{Kansas City} AVTS	Bill Murray Jayhawk Bookstore
Lester J Abel ^{SEKS} AVTS	Mike Swalm Jayhawk Bookstore
DONALD HRABIK ^{JOHNSON COUNTY} AVTS	Mark Lockidge
BOB SEVERANCE ^{WCK-AVTS} BEHDIT	Jon Josselyn - KU
CHUCK SCOTT, CRAVTS, NEWTON	Jim Youally ^{NFIB/Kansas}
Kevin Robertson, KA AVT Schools	MYLES SCHACHTER ^{CONNECTIVE POINT} COMPUTER CENTER
Richard Amundson ^{WIBSA}	mike zheng ^{microtech computers, inc.}
Dawn Anne Brewer ^{ASK}	S. Peterson ^{KANSAS STATE UNIV}
Mark Tallman ^{ASK}	
Joe Lieber ^{Aslo-up Council}	
Bill Berry ^{manhattan} ^{Vo-Tech}	
Keith Stodje ^{Forest Hills} AVTS	
Kimmberly Kirby ^{WICHITA} AVTS	
Mary Jo Bern. - ^{JCAVTS} ^{OLAING}	
Robin Smith - ^{ADIA} ^{Martin-Smith}	
Judy Krueger - ^{US SBA}	
Eugene Lundgrin ^{Salina} AVTS	
Larry Karris - ^{N.W. KS.} ^{A.V.T.S.}	
Melvin F. Coen - ^{liberal} ^{Adts}	
Thomas P. Beard ^{Lawrence}	
Steve Billiland ^{GILLILAND} PRINTING	
Ed Billiland ^{GILLILAND} PRINTING	
Elton R. Fastvy ^{US Bond} ^{Agriculture}	
Rich Gonzales - ^{State of Kansas}	
Riley Walters - ^{county} ^{West Br.}	
William T. ^{KSBA}	



Gilliland Printing, Inc.

Edward H. Gilliland, *President*
Steven E. Gilliland, *Vice President*
Martin H. Gilliland, *Vice President*
Marvin Schoonover, *Asst. Prod. Manager*

215 North Summit
Arkansas City, Kansas 67005
1-800-332-8200 • FAX-(316) 442-7454
316-442-0500

Patsy Sweely, *Customer Service Coordinator*
Wanda VanHoove, *Prod. Planner/Sched. Manager*
Rosalie Savala, *Composition Manager*
Sharon Rising, *Pre-Press Manager*
Sam Crowl, *Cover Manager*

February 7, 1990

Topic: Senate Bill No. 437, an act establishing the Kansas private enterprise review board

Background

Gilliland Printing is a company of approximately 100 employees, located in Arkansas City. We specialize in the printing of college catalogs on a national basis because most of our customers are state controlled. They are forced by law to bid their catalogs.

Usually, price is the sole determining factor. We have accounts in almost every State of the country, including Alaska. We also do work for colleges in Puerto Rico. We are not, however, allowed to print for the Kansas Regency schools. As a result our sales in our own state of Kansas are only 5% of our total sales.

The reasons we can produce college catalogs for colleges long distances away, even though we must pay freight charges, are as follows:

TYPESETTING

College catalogs require complex typesetting. We have the latest equipment, and are continually making capital outlays to keep up with technology. Our outlays on these types of purchases last year amounted to close to one hundred thousand dollars.

The special computers, software and typesetting equipment we purchase are especially designed for book publishers. Printers specializing in other specialties would buy different equipment. Practically every specialty now has its own software. Our people, of course, are specifically trained for this particular software.

PRESSES

College catalogs are different sizes than regular printing. People in our business have special size presses designed for book publishing.

Other printers specializing in four color magazines are not

equipped to compete with us. Conversely, we're not equipped to compete with them in their specialty.

For example, we do not have a web press. You can only print newsprint on webs. If a college catalog requires newsprint, we are not competitive. We hope to install a web within the next few years.

SERVICE (Specialization)

At many colleges, the responsibility for publishing the catalog is given to an instructor or administrator with no previous experience in book publishing. Because we specialize in college catalogs, we are familiar with the problems facing these customers. We are able to make their jobs much easier. We can also provide faster turnaround than a printing plant that does all types of work but only a few dozen college catalogs a year.

We have used our company as a typical example to show you why it does not make sense to continue supporting a large state print shop. It has now become impossible for a large general printing plant to buy all the equipment and staff all the people necessary to compete with the specialty printers.

As a printer who has dealt with practically every state for many years, we are well aware that Kansas is an anachronism. There is not another state like us. They've either completely or partially eliminated their state printshops.

The most recent case is the Federal Government, which has closed a majority of the federal government printing plants in the last 8 years, putting all of this business out for bid. They have saved millions of dollars in printing costs yearly.

Problem

The problem is the state has a large general printing plant trying to be all things to all of the state agencies. To keep busy they take on work they are not well equipped to do. If they decrease their orders they have idle workers and increase their overhead costs.

Comments

Kansas is one of the few remaining states with a large, all-purpose state printing plant. The printing industry is the seventh largest employer in the United States. It ranks number one in the number of establishments (over 30,000). The state can encourage or discourage the printing industries' growth by legislation.

We have noticed over the years that in those states which have established protectionist bidding procedures, there are many more local bids from some very competitive in-state printers. We believe the state printing business helps enlarge the size of those printing businesses who are awarded the contracts.

I am a CPA. I read in a recent accounting magazine that

"Separate surveys by the Pennsylvania and Texas societies of CPAs showed that an overwhelming majority of members favor privatization of government services. About seven of eight CPAs in Pennsylvania and Texas believe that government can be made more effective and efficient by turning some services over to the private sector..."

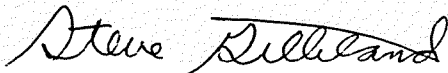
Source: Accounting Today

Conclusion

History has shown time and again that government can not compete with private enterprise. Many of the socialist regimes today are trying to convert many of their industries from public to private enterprise. The situation in Kansas is a typical example of the government trying to do what private enterprise does better.

We are in support of Senate Bill No. 437 not only because it provides a glimmer of hope to a Company such as ours (which is locked out of many bids because of the existence of a State Printer), but also because the bill will save the State money. Perhaps most importantly, it will stimulate the State's economy as startup companies- in many industries besides printing- are allowed to provide services presently being handled by the State.

Thank you for your consideration in this matter.



Steve Gilliland

Testimony by Myles Schachter

February 7, 1990

- Overview: The University "Entrepreneurial" Spirit
- The Lack of Controls
- Profit Activity Growth in the Past Few Months
- Rationalizing the Profit Motive of the University
- The University Competitive Advantage
- The Deepening Effect of University Retailing
- The Need for Legislative Controls
- Action by Other States
- Legislation is the Small Business Person's Only Option

The University "Entrepreneurial" Spirit

- The University has put a strong, new emphasis on raising funds
- One major thrust of this emphasis is increasing retailing and "service for sale" activities
- In most cases these activities are in direct competition to established businesses which were founded to provide these same goods or services to the University population
- The University has used all its resources to promote these competitive activities:
 - Printing, mailing, locational access, parking, databases, staff endorsement, etc.
- The of the University's computer sales efforts has merely been a replacement of private sector sales with public sector sales (with no net increase in acquisition).

The Lack of Controls

- The Legislative Audit showed that 10% of computer sales were not to qualified buyers
- The Legislative Audit could not quantify the computers resold to the business community
- The University eased its aggressive advertising during the Legislative hearings
- The University now feels unchecked and has opened the retailing "floodgates"

The official newsletter of the National Association of College Stores



NACS

weekly bulletin

No. 1936

December 15, 1989

Kansas Computer Resale Controversy Nears End

A Kansas franchisee of computer equipment and supplies has apparently lost his bid to persuade the Kansas legislature to prohibit state-controlled campus bookstores from reselling personal computers. **Myles Schachter**, operator of a *Connecting Point of America* franchise, began lobbying the legislature last summer with allegations of improper resales of Apple Macintosh computers by state-supported university bookstores. Schachter, through a letter-writing and telephone campaign, was able to force the legislature to conduct a five-week audit of the stores last fall. According to **Kay Farley CSP**, manager, K-State Union Bookstore, Manhattan, the audit found only one instance of an improper computer sale at her store, to a student who wasn't classified as "full-time." An audit of the University of Kansas bookstore also found "few violations." Schachter, however, alleged that "a large percentage" of computer sales weren't to students, and that the number was even higher when resales were considered. Schachter was never able to prove his allegations. A November 3 session of the Kansas Joint Committee on Economic Development resulted in a special task force to act as a watchdog over campus computer sales. Schachter, meanwhile, has launched a pricing war with the universities which, at least, may benefit students.

Discovery Schedule Set For Six Publishers In FTC Case

An administrative law judge has set the schedule for discovery in the Federal Trade Commission's case against six major publishers for unfair price discrimination, advertising, and promotion allocations. The publishers have 60 days, which began Nov. 8, to produce documents subpoenaed by the FTC. Once the Commission has the necessary documents, it has 60 days to produce witnesses for the case. Witnesses will be obtained from the eight metropolitan areas the FTC originally requested: Atlanta; Boston; Columbia, Md.; Denver-Colorado Springs; Minneapolis-St. Paul; Portland, Ore. metro; San Francisco Bay metro; and Seattle. Booksellers in these areas will be contacted by the FTC between January and March. In related rulings, remaindered books, at the publishers' request, were excluded from consideration in the case, but children's books, as requested by the Commission, were included. Assessment of the charges in the case will be limited to the years 1986-1988. The publishers named in the suit are *Harper & Row*, *The Hearst Book Group*, *Random House*,

1/24/90

~ 150 col. in

Center keep Medicare money

costs and the percentage of those costs they believe should be covered by Medicare. Medicare then pays the percentage that relates to Medicare patients.

Since 1967, the Med Center had been billing Medicare for the cost of running the School of Nursing and School of Allied Health, excluding tuition, and claiming them as hospital expenses, Staples said.

A Louisiana case in 1989 prompted Medicare to question whether university hospitals could claim educational costs as Medicare benefits, he said.

A dispute arose in the summer when Medicare said the School of Allied Health and the School of Nursing were run by the University of Kansas, not by the Med Center, and that the Med Center had been filing excessive claims.

Medicare then ordered the Med Center to pay back the \$3.2 million, or the agency would cut off all financing.

Staples said the Med Center paid back the money in August 1989 in order to keep Medicare payments coming. The new law prevents Medi-

care from trying to recover those overpayments.

Ed Brennan, associate regional administrator for Medicare, said that the statute did prohibit Medicare from pursuing overpayments, but that it said nothing about returning any money.

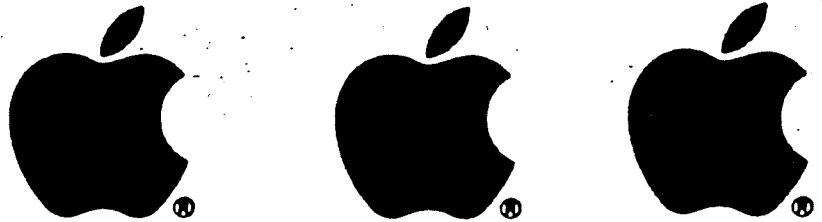
He also said that Medicare should not have to pay those educational expenses because the two schools were run by the University and not by the Med Center.

"These were costs that the hospital considered appropriate," Brennan said. "We considered them to be inappropriate, but now we can't try to get the money back."

If not for the adoption of the statute, the Med Center might have had to pay back millions of dollars in overpayments for other years as well.

"We estimate that we would have lost about \$8 million," Staples said.

He said that when the money was returned it would be deposited with the state.



Macintosh Demo Day

Representatives from Apple, Informix (maker of WINGZ), and MacSource will be available for free demonstrations, as well as advice on service, upgrades, and much more. Come join us!

Today
10 AM - 2 PM
Burge Union
Level Two
864-5697



LUISE'S BAR

TOWN

- Mon. \$1⁰⁰ Well Drinks
- Tues. \$1⁰⁰ Longnecks
- Wed. \$1⁰⁰ Schooners
- Thur. 50¢ Draws
- Fri. 75¢ Schnapps
- Sat. \$2⁵⁰ Pitchers
- Sun. \$2²⁵ Schooner of Margarita

* Shot Specials Everyday

THE UNIVERSITY OF KANSAS

THIS SUMMER EARN KUI CREDIT ABOARD

2-5

v/24/90

Confessions of a Law Student



"I committed a crime..."

"You see, as a law student, I feel the need to give everything a fair trial. So I did. One night while my roommate was out, I snuck into his room to try my hands at what he calls his "personal computer." Well, I found nothing personal about it. It didn't communicate with me like my Macintosh does.

When I sit down at a computer, I don't want to be sentenced to hard labor. I expect it to make my job easier.

Macintosh. To use anything else would be a crime."

-Name Withheld.

Mac Pac Savings
Are Here!
Burge Union
864-5697



Macintosh 

Power to do your best at KU

Registered trademarks of Apple Computer, Inc.

- Nautilus
- Sauna
- Steam Bath
- Woolf tanning bed

535 Gateway Dr
842-4966

U.S. POST OFFICE

ku students
KS union
Lawrence, KS
66045

sweet
1234 h
anytow
12345

Stop by level four of
Union and mail your
early! Open from 9a
Monday through

E. & J. Gall

Mac Pac Savings Are Here!

Mac Pac I

	Special Price:	List Price:
Macintosh Plus	\$919.00	\$1,799.00
Imagewriter II Printer	449.00	625.00
CMS 20MB Hard Drive	449.00	669.00
Carrying Case & Accessories*	149.00	225.00
Total	\$1,966.00	\$3,318.00

Mac Pac II

Macintosh SE 20 MB/HD	\$1,899.00	\$3,469.00
Standard Keyboard	85.00	129.00
Imagewriter II Printer	449.00	625.00
Carrying Case & Accessories*	149.00	225.00
Total	\$2,582.00	\$4,448.00

Mac Pac III

Macintosh SE 40 MB/HD	\$2,299.00	\$4,069.00
Standard Keyboard	85.00	129.00
Imagewriter II Printer	449.00	625.00
Carrying Case & Accessories*	149.00	225.00
Total	\$2,982.00	\$5,048.00

Mac and More

Macintosh SE 30 40 MB/HD	\$2,969.00	\$4,869.00
Standard Keyboard	85.00	129.00
WINGZ	89.00	395.00
Total	\$3,143.00	\$5,393.00
Macintosh SE 30 80 MB/HD	\$3,998.00	\$6,569.00
Standard Keyboard	85.00	129.00
WINGZ	89.00	395.00
Total	\$4,172.00	\$7,093.00
Macintosh II CX CPU	\$2,799.00	\$4,669.00
Extended Keyboard	\$149.00	\$229.00
CMS 40 MB Hard Drive	\$599.00	\$1,295.00
Carrying Case & Accessories*	\$149.00	\$225.00

*Accessories include: Targus Delux SE bag, Curtis SP-3 Safestrip, Sony DSDD discs, disc file box, Moustrak Mousepad, Kensington dustcover, Imagewriter ribbon, Kensington printer dustcover, printer stand, Curtis clip, and computer paper-200 ct.

Prices good while existing quantities last. Offer open only to students enrolled in six or more credit hours of course work, full-time faculty members, or full-time research staff members of the University of Kansas, Lawrence campus. Student dividends have already been applied on computer purchases. Please add on 4.75% sales tax.

Macintosh 

Burge Union
864-5697





LAWRENCE
BOOK
 SPRING
 1990

Film Developing Special

80



*Limit one
 roll with
 Coupon.*

- 12 EXPOSURES . . . \$1.49
- 15 EXPOSURES . . . \$1.99
- 24 EXPOSURES . . . \$2.99
- 36 EXPOSURES . . . \$3.99

C-41 COLOR PROCESSING ONLY

COUPON EXPIRES MAY 21, 1990

KANSAS AND BURGE UNIONS

20% OFF

79

the regular price of any
 clothing item in the store!

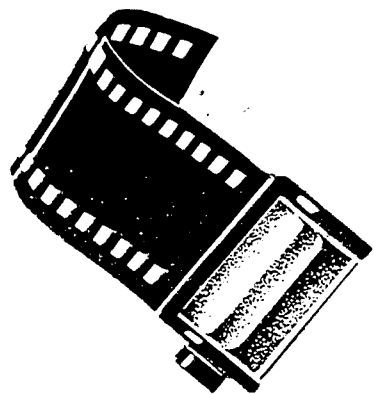
EXCEPT SALE ITEMS
 AND SPECIAL ORDERS
 EXPIRES MAY 21, 1990

KANSAS AND BURGE UNIONS



Everyone is welcome
 For more information call 841-1012.

Film Processing



\$1.99

per roll

- No limit on number of rolls
- C-41 color processing only
- Disc, 126, 110, and 135 film
- Sale ends Jan. 30, 1990

KU Bookstores
 Kansas
 & Burge Unions



Jayhawk Tickets

Your tickets to a delicious pizza season!

Godfather's Pizza

711 W. 23rd • 843-6282

Two Medium One Toppers

\$9.99

Or two large \$11.99



Additional toppings extra. Not valid with Sunday FREE drinks or any other discount offers. Limited delivery area and times. Add \$1 for delivery.

COUPON VALID THRU 2/11/90

not exceed 15 to 20 minutes, he said. "It turns out that our wait is shorter than any doctor's office in town without an appointment," he said. "It is also shorter than the usual emergency room wait."

However, Marc Wolverson, St. Louis senior, has not been as impressed with waiting time at Watkins. He said although it helped to make an appointment, waiting times to see a physician at Watkins were still too long.

"I have been to Watkins several times, and I become impatient with the wait," he said. "I end up waiting

an orthopedic or to give them a referral. I have surgeons said. However, a surgeon, such as removal."

Yockey said students seek evaluation at initial services are \$69.50 student health students as part semester. Treatment less expensive than a physician or Lawrence emergency room. h

Yockey said



SKIPPY PEANUT BUTTER

Creamy or Chunky
 18 Oz. Jar



LOOK FOR THESE A

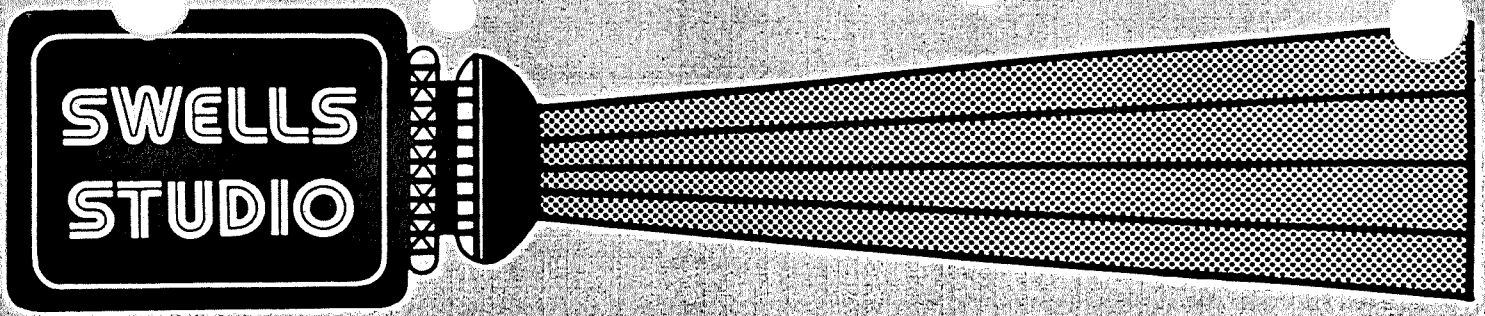
HELLMANN'S
Mayonaise
 CHAPELLE
 Water

2-9

32 Oz. Jar

1 Ltr. Bottle

DORC
 Ho
 ORVI
 Po



11 East 8th • Lawrence, Kansas 66044 • 749-1611

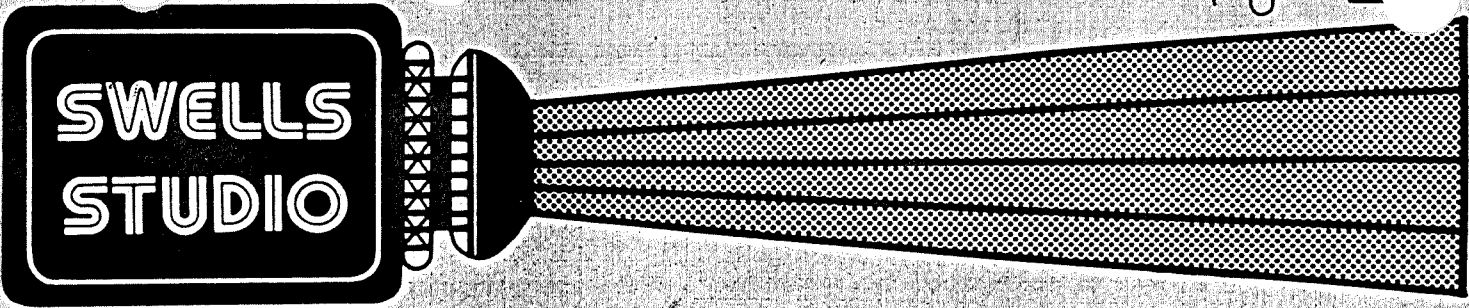
3 FEBRUARY 90

DEAR KANSAS LEGISLATURE

My name is Tom Wells, I'm the owner of Swells Studio now located at 820 1/2 Massachusetts St., Lawrence. I am a professional photographer and receive 100% of my income from the photography business. I've been in this town for the past twelve years, in the photography business.

This is what the University of Kansas has done to offer unfair competition to MY business:

They have hired a full time photographer and assistance(s) being

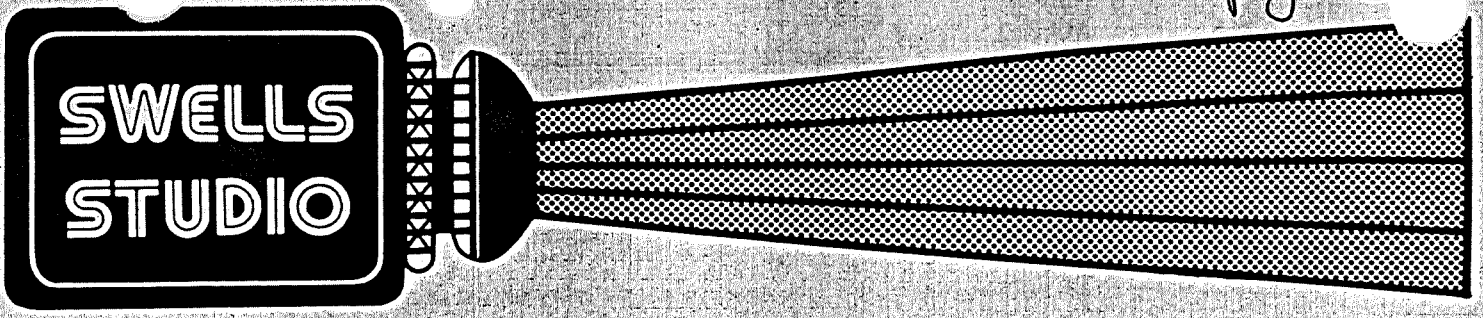


11 East 8th • Lawrence, Kansas 66044 • 749-1611

paid by the STATE of KANSAS a higher salary than my own. They compete and unfairly under bid directly against my private business.

They operate this at a loss to the state by offering prices under market (fair market) value for their services. They receive FREE RENT, FREE ADVERTISING, high wages and pay NO TAXES.

Since they have opened this KU film service my student business has stopped! This was previously 60% to 70%
2-11



11 East 8th • Lawrence, Kansas 66044 • 749-1611

of my business — now it is 0%

PLEASE take my situation

into consideration. When voting for this bill against UNFAIR COMPETITION by the State, consider small private Kansas business who do pay taxes. Kansans should not compete against fellow Kansans

Thank you for your time

Sincerely
Tom Wells

2-12



February 5, 1990

Honorable Senators
Kansas Senate
Topeka, Kansas

In Re Senate Bill No. 437

Our business is comprised of the sale of office furniture, business machines, supplies and graphic and fine art supplies to retail, student trade and commercial accounts. We employ approximately 15 full-time staff. We maintain a clearly defined graphic and fine art supply department called PEN & INK, (after the former stand-alone store PEN & INC., acquired several years ago by Strong's from a local bank who had taken it over as a result of financial difficulties). Pen & Ink is geared to serve the student trade to a large extent. It has excellent staffing, with the manager having over 50 years in the business, and assistant staff educated in both graphic and fine arts, including one fulltime staff member with a degree from the San Francisco Art Institute. Pen & Ink has been a successful part of Strong's.

We recognize Kansas University as a much needed, vital, vibrant part of our community, and enjoy some very limited sales to it, and to a larger extent sales to businesses that located here at least in part because of Kansas University. We contribute to several of its cultural programs, etc. Unfortunately the paradox is, that as much as we appreciate it, we have also come to recognize that its increasing competition with us for the very dollars we need to maintain our Pen & Ink department is rapidly eroding our needed sales base. Pen & Ink has experienced almost a 30% sales drop recently. In an attempt to maintain acceptable volumes we have increased our student savings program to attempt to provide pricing at or below the KU Bookstore and Burge Union store prices, further eroding profit margins.

STRONG'S OFFICE SYSTEMS 913-843-3644 1040 Vermont, Lawrence, Kansas 66044

2-13

We ask that you please consider the following facts relating to the cost of competing against the KU Bookstore and Burge Union store before you act on Senate Bill No. 437.

1) The KU Bookstore and Burge Union store PAY NO REAL ESTATE TAXES. Our lease for our building includes in excess of \$9,000.00 in real estate taxes.

2) The KU Bookstore and Burge Union store paid no inventory tax in prior years. Prior to its elimination in reappraisal and reclassification Strong's paid over \$7,000.00 yearly in inventory tax.

3) The KU Bookstore and Burge Union bookstores pay no personal property taxes on vehicles, fixed assets, etc.

4) Strong's rent is almost \$5.00 per square foot, plus maintenance, cleaning, repairs, etc. How much rent per square foot does the KU Bookstore and Burge Union store pay?

5) The KU Bookstore and Burge Union store benefit from University benefits, paid for by taxpayers in the form of security, parking lots, mail services, phone systems, etc., etc.

6) Strong's is not provided any Professor or instructor lists of required supplies that would assist us in properly preparing for the student rush at the start of each semester.

7) We understand that Professors and Instructors are instructed to indicate to students that the KU Bookstore and Burge Union store are THE source for their class supplies. (We are most fortunate to have some Professors and instructors whose sense of "fairplay" goes far enough to list our name on the student supply lists, which at least provides our name to the students)

8) Signs that we post in the Art and Design building, etc. disappear almost as rapidly as we post them.

9) Our understanding of the function of the KU Bookstore and Burge Union store is that it is there to meet the necessities of the students--why then are they one of the sponsors of the KU Basketball broadcasts on the Ray Com network, at an expense that must be thousands of dollars, and with an advertising coverage that clearly is intended to extend far beyond the scope

of encouraging student purchases--in fact clearly such broad advertising can serve no purpose but to seek business from the non-university sector, in many areas beyond graphic and fine arts.

10) Why is the KU Bookstore distributing to all departments, faculty, staff, secretaries, etc. a full-line office supply catalogs that include furniture, machines and the broadest line of supplies? Such distribution of full-line commercial dealers catalogs certainly constitutes an attempt to solicit general line business from faculty and staff.

The KU Bookstore and Burge Union have a competitive advantage in terms of operating costs that puts us or any other supplier at a clear disadvantage, and it is apparent that they are not willing to restrict their activities to serving the necessities of the students, but to increasing their base of sales at the expense of local business enterprises that are at a competitive disadvantage. The mingling of University and these "affiliated activities" seems to have become so immersed in the University that determining precisely what really is happening becomes nearly impossible.

We urge you to report out a bill that will adequately address the ever-growing encroachment of these "affiliated activities", and indeed force these enterprises to operate in a competitive environment. We understand the need for competition, and do not fear our competitors, but we are not competing with a competitor facing the same economic realities we face daily.

We urge you to view this as if you were a small business competing with the University as we are--what would you want your elected representatives to do--We think you must answer that action must be taken to either eliminate such "affiliated activities", or at a bare minimum by legislative action place them in a position of competing as a fair competitor, not one using our own tax dollars against us.

Thank you for your consideration.

Sincerely yours,


Robert A. LeGresley.

2-15



820 MASSACHUSETTS
LAWRENCE, KS 66044
(913) 841-0100

3 FEB 19th 1970
RE: UNFAIR
COMPETITION
by the STATE

Dear Senators;

We have been in business in Lawrence since 1972. We sell Natural Fiber Clothing including imported alpaca sweaters.

For the last several years the Kansas Student Union has let private VENDORS go into the Union and sell the exact same sweaters. These VENDORS have to

a) get sponsorship from a club on campus which gets a percentage of the 'profits'.

b) get OK'd by the Kansas Union bookstore ... IF not OK'd NO DEAL.

So these VENDORS haul literal pick-up loads of sweaters up to the Union and set up booths to sell to students.

I employ 11 to 15 people and pay their salaries & State and Fed taxes.

I pay SALES TAX PROPERTY TAX 2-16



820 MASSACHUSETTS
LAWRENCE, KS 66044
(913) 841-0100

page 2

UNFAIR
COMPETITION
by the State

& KANSAS INCOME TAX. I support the
community and I support the State —
Some of these vendors and not even KANSANS

So tell me should we all go up to
the union and set up a booth... will the
KU Bookstore let me in? I would be
ashamed to do it! It would be unfair
competition to my fellow DOWNTOWN
merchants.

or tell me should we ALL
go up to the union & set up a booth.

Sincerely,
George F. Pailey
GEORGE F. PAILEY

2-17

Agency Overview

Oread Advertising

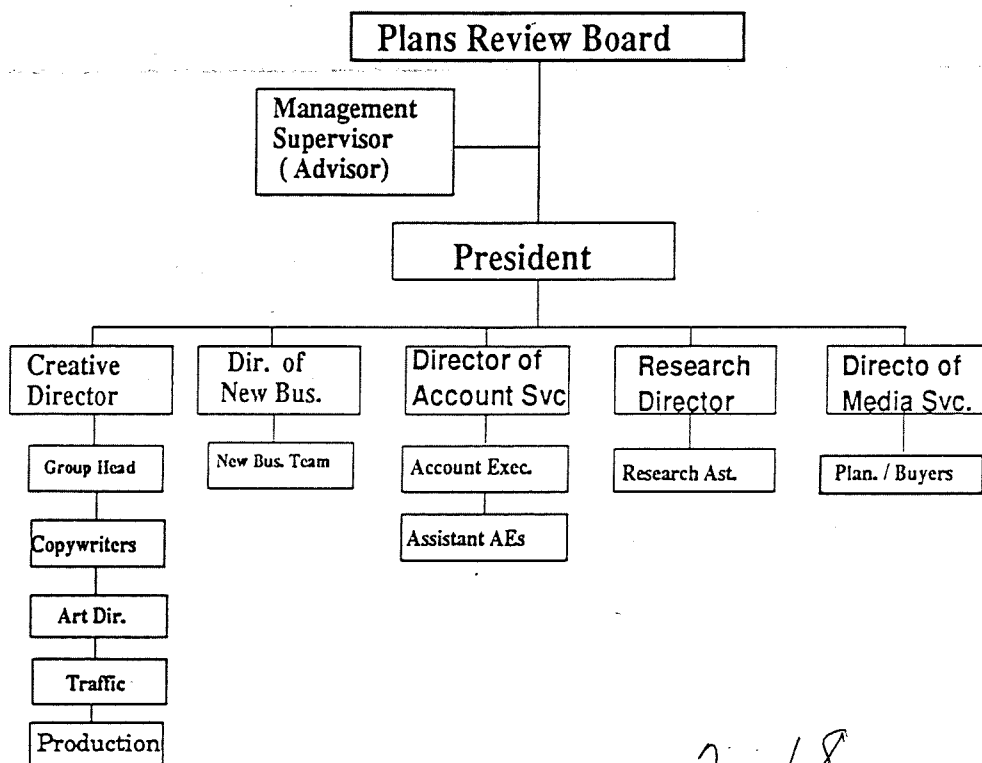
B9 Stauffer-Flint Hall, The University of Kansas 864-4755

Oread Advertising exists to provide a professional learning experience for students while at the same time providing full-line advertising services to the university community and Lawrence area merchants.

The Agency, while primarily comprised of students, is overseen by the Plans Review Board. This board consists of four advertising faculty members, all with professional advertising agency or brand management experience, whose job it is to ensure professionalism in all work done by Oread Advertising.

Oread Advertising is primarily made up of four departments, research, media, creative and account service. Each department is headed by a student director.

Oread Organization Structure



Breakdown of Department Functions

The following services are available at the client's discretion:

1

Research - all research except for focus groups and secondary research will be done through face-to-face or phone survey.

- Focus group analysis.
- Complete analysis of current competitive advertising.
- Determination of current and historical market trends.
- Consumers' preference analysis.
- Determination of effectiveness of current client advertising.

2

Media Planning - The main goal of the media department is to find the most effective way to reach the client's target audience on a consistent basis, while holding costs to an acceptable level.

A. Development of comprehensive media plan.

B. All media plans based on:

- Target audience profile
- Cost
- Effective reach and frequency
- Desired Gross Rating Point level

C. Complete plan for actual media implementation.

- Cost
- Schedule buying

D. Access to all major media (newspaper and magazine, radio, TV, direct-mail, outdoor, etc).

3

Creative Service - The creative product is the life blood of any ad campaign and is therefore treated with due importance. All creative work will meet with client and Plans Review Board approval before implementation

A. Complete creative service from concept to finished product.

B. Production of advertisements in all media:

- Use of professional production studios depending on cost.
- Production by Oread Advertising

C. Production of promotional material. Also included:

- Interoffice communication
- Press releases
- Logo and letterhead work

4

Account Service - Account service is the primary communication link between the agency and the client. The account executive is responsible for communicating the client's needs to the agency and presenting the agency's work to the client for approval. Functions provided through account service are as follows:

A. Complete situation analysis:

- Analysis of client business
- Current market environment
- Future market developments

B. Compilation of strategic marketing plan. Focusing primarily on:

- Target audience analysis
- Factors motivating purchase behavior
- Unique product characteristics

C. Compilation of a complete marketing and media document. Document includes:

- Situation analysis
- Research findings
- Problems and opportunities
- Strategic marketing plan
- Media plan: costs and implementation
- Strategy for creative executions
- Promotional plan
- Evaluation

Agency Compensation

1

At the introductory stage, Oread Advertising charges a \$100 retainer. This fee is for initial research and will amount to at least 50 hrs of labor.

2

Upon the decision to use Oread Advertising's services, the \$100 retainer will be dropped, ie, credited to the client on the first month of billings.

3

An industry standard 15% commission will be charged on all media placed. That is, if Oread Advertising buys \$100 worth of media for placements of advertisements for XYZ Inc., XYZ will be billed \$115. However, some media offer agencies a 15% discount on media. If that is the case, the client will not be billed any additional cost over the regular advertising rate, ie, if Oread Advertising places \$200 with KCMO, KCMO will charge Oread Advertising \$170 and Oread Advertising will bill the client \$200. The \$200 is the regular rate.

4

Any outside production costs will be billed to client. For example, if Oread Advertising has to use a print shop to make brochures, the client will be charged the amount the printer is charging Oread Advertising to have it done. This is simply the raw cost of production.

5

Agency compensation is subject to negotiation based on the amount of media purchased by the client.

**Thank You,
Oread Advertising**

**K.U.
Sportswear
Gift Items
Memorabilia**

864-4640

864-5697

*

All merchandise officially licensed
by the University of Kansas



KU Bookstores
KANSAS UNION BURGE UNION

**Allied Glass
& Metal Inc.**

843-6100

"We Do Windows"

- Auto Glass
- Commercial
- Residential

*Same Day Service for
Most of Your Glass Needs*

943 E. 23rd Street (Corner 23/Haskell)
Lawrence, KS 66044

**Here For You,
in Lawrence!**

We are professionals in glass and repair for:

- Auto glass
- Storm windows and screens
- Storm doors
- Tub and Shower enclosures
- Commercial storefronts
- Custom mirrors and mirrored walls
- Frame mirrors (25% off from now until Christmas)
- Table tops and shelving
- Custom insulated and tempered glass
- Plexiglass
- Solariums

For all of your home, auto and business glass needs,
Harding Glass is CLEARLY THE RIGHT CHOICE!

Harding Glass Industries



2530 IOWA 841-9778
HOURS: 8am-5pm M-F
8am-noon SAT

Larry Vasholz, Manager

Kennedy

FAMILY
OWNED & OPERATED

GLASS, INC.

- COMMERCIAL GLAZING
- AUTOMOBILE GLASS
- MIRRORS • PATIO DOORS
- SOLARIUMS • STORM WINDOWS & DOORS
- PLEXIGLASS • SHOWER DOORS • SOLAR FILM

"INSURANCE CLAIMS
HANDLED PROMPTLY"

843-4416

730 NEW JERSEY LAWRENCE, KANSAS 66044



Park Inns
INTERNATIONAL, INC.

Restaurant/Lounge • Gift Shop • Banquet/Mtg. Rooms

2222 West 6th Street
Lawrence, Kansas 66044
Phone (913) 842-7030

2-22

Reservations 1-800-437-PARK

Now This Is Service!

Film Processing
Cassette Duplication
Textbook Buyback Daily
Typewriter Rental
Blueprint Reproduction
Special Order Service for Books
College Rings
Gift Wrapping
Graduation Announcements
Diploma Mounting and Laminating
Discounts on Magazine Subscriptions
Exclusive Student Dividend Program
 (You get back approximately \$1.00 back
 for every \$17.00 spent)
Lawrence Book Distributor



Kansas Union Level 2
 864-4640
 Textbooks
 864-5285
 Burge Union
 864-5697
 Mt. Oread Bookshop
 864-4431

We stock all texts ordered by instructors

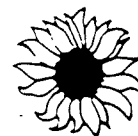
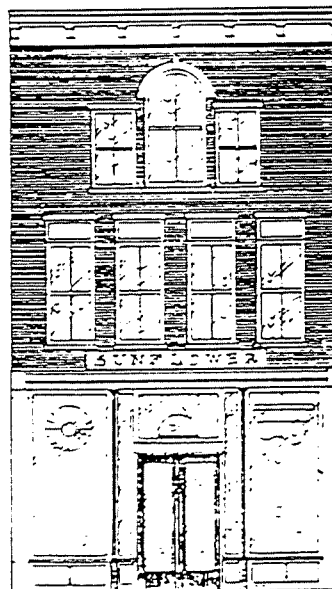
ESCAPE
FROM THE ORDINARY
TO THE EXTRAORDINARY
"LAWRENCE'S HOMETOWN HOTEL"

- 192 LUXURIOUS ROOMS AND SUITES
- INDOOR RECREATION CENTER
- RESTAURANT AND CLUB
- 19,000 SQ. FT. CONVENTION CENTER
- VERANDA COFFEE SHOP
- GREAT WEEKEND RETREATS


Holiday Inn
 200 McDonald Drive
 Lawrence, KS 66044
 (913) 841-7077
 Call for more
 information

Owned & Operated by Landmark Hotel Corp
 Under License by Holiday Inns Inc.

Merchandisers of guaranteed quality backpacking &
 camping equipment, canoes, inflatables and other
 river gear, outdoor clothing, boots, downhill skis,
 Nordic skis, optics, bicycles & windsurfers.



Well known for
 rugged & comfortable
 Army, Navy surplus
 clothing & equipment



Home of North Face, Hind,
 Danner, Vasque, Gregory
 Bianchi, Old Town, Lowe,
 Trek, Woolrich, Mistral
 Rosignol, Moss, Patagonia,
 Royal Robbins, Vuarnet, Buck,
 Eureka, Victorinox, Caribou,
 Coleman, Peak One, Speedo,
 Bellwether, Bausch & Lomb
 and the list goes on.

SUNFLOWER
 843-5000 804 MASSACHUSETTS
 LAWRENCE, KS. 66044

COMMUNICATIONS-MOBILE
 Radiotelephone Communications-Common
 Carrier

COMMUNITY RECREATION CENTERS-See
 Recreation Centers

Compact Discs

★ **DISCOUNT RECORDS & TERECD SUPPLY**
 Complete Selections-Low Prices
 2429 Iowa ----- 842-1544
 nylane Records & Tapes ----- 749-4211
 14 Massachusetts ----- 842-7173
 Outside Records 1403 W 23 ----- 842-7173
 Love Garden Sounds/Arts
 Multiplex 936-1/2 Massachusetts ----- 843-1551

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 ...ter by using the index.

Designlab

Computers, peripherals and
 software for all your design needs.

- ▲ presentation graphics, film recorders, graphic design tools, color printers
- ▲ video animation, solid modeling
- ▲ CAD software, hardware, system integration and customization
- ▲ consulting, training and production services

AutoCAD® **Tektronix®**
Approved AutoCAD Reseller The best and the brightest
841.1510
 10 East 9th Street, Lawrence, KS



PowerMate[®] SX

NEC
 AUTHORIZED DEALER

NOVELL

Compressors-Air & Gas

Autobuf Inc 400 E 23 ----- 841-5100
TOPEKA PUMP CO INC
 AUTHORIZED PARTS DEPOT
 FOR QUINCY COMPRESSORS
 SALES FOR QUINCY - CHAMPION
 & AJAX AIR COMPRESSORS
 & REFRIGERATED AIR DRYERS
 Good Selection Of Used Compressors
 Repairs For All Makes
 1733 N Kansas Topeka ----- 354-1210

**Compressors-Air & Gas
 Repairing**

Bill's Pump & Repair Service Rt 2 ----- 841-1758

► **COMPUTER CONSULTANTS**-See Computers-
 System Designers & Consultants; Data
 Systems-Consultants & Designers

► **COMPUTER FURNITURE**-See Furniture
 Dealers-Retail; Office Furniture &
 Equipment-Dealers

Computer Graphics

DESIGNLAB
 10 East 9th Street Lawrence Ks ----- 841-1510
 ★FOR MORE INFORMATION
 See Advertisement This Page
 eMdesign 10 E 9 ----- 842-0265

► **COMPUTER INSTRUCTION**-See Computers-
 System Designers & Consultants;
 Computers-Software & Services; Schools-
 Industrial & Technical & Trade

► **COMPUTER PROGRAMMING SCHOOLS**-See
 Schools-Business & Secretarial

► **COMPUTER PROGRAMMING SERVICE**-See
 Computers-Software & Services

► **COMPUTER PROJECTION SYSTEMS**-See
 Audio-Visual Equipment & Supplies

Computers-Dealers

AFFILIATED COMPUTER SERVICES
 600 Lawrence Av ----- 842-6444
APPLE COMPUTER -
BOTTOM LINE COMPUTERS INC
 THE
 4722 NE Vivion Rd
 Kansas City Mo ----- 816 452-8588
 12136 W 95 Lenexa ----- 888-3342
MACSOURCE
 Office
 9083 Metcalf Av Overland Park -383-3111

COMPUTER PLUS INC
 LOCALLY OWNED & OPERATED
 BUSINESS & PERSONAL SOFTWARE
 PERIPHERALS & ACCESSORIES
 601 Kasold Dr ----- 841-1958

COMPUTER SUPPLY SOURCE INC
 2512 W 6 ----- 842-6379
 ★FOR MORE INFORMATION
 See Advertisement Page 49

COMPUTERLAND
 2429 Iowa Lawrence ----- 841-4611
 ★FOR MORE INFORMATION
 See Advertisement Page 50

*listings of this classification are
 continued on next page*

Keeping up with the Joneses? Why not?
 Whether your competitor's name is Jones
 or Smith or whatever - don't let him have
 the unnecessary advantage of a larger ad
 in *The One and Only* Southwestern Bell
 Yellow Pages. Compete with him on
 the street and in the Book...take out a
 larger ad and tell more about you!

**Computers-Dealers
 (Cont'd)**

**CONNECTING POINT COMPUTER
 CENTER** 804 New Hampshire St ----- 843-7584
 ★FOR MORE INFORMATION
 See Advertisement Page 48

DATA ANILAS 3220 Mesa Way ----- 843-8171
DESIGNLAB

See Ad Under Computer Graphics
 10 East 9th Street Lawrence Ks ----- 841-1510

EZ COMP 536 Fireside Ct ----- 841-5715
 ★FOR MORE INFORMATION
 See Advertisement Page 50

**EPSON -
 AUTH COMPUTER DEALER**

CONNECTING POINT
 804 New Hampshire St ----- 842-7526

Grafix Cadware 211 E 8 ----- 843-7834

**HEWLETT-PACKARD -
 CONNECTING POINT OF
 LAWRENCE**
 804 New Hampshire St ----- 842-7526

IB EMCLONE COMPUTERS 728 N 2 ----- 841-4236

IBM



FOR INFORMATION CALL

IBM CORP
 Sales
 Phone Orders IBM Direct
 Toll Free-Dial "1" & Then
 ----- 800 426-2468

Branch Office
 Toll Free-Dial "1" & Then
 ----- 800 274-0056

Service
 Toll Free-Dial "1" & Then----- 800 426-7378

Supplies
 Phone Orders IBM Direct
 Toll Free-Dial "1" & Then
 ----- 800 426-2468

AUTHORIZED DEALERS

COMPUTERLAND
 515 SW 37 Topeka ----- 267-6530
COMPUTERLAND OF LAWRENCE
 2429 Iowa Lawrence ----- 841-4611

Keeping up with the Joneses?
 Why not? Whether your
 competitor's name is Jones or
 Smith or whatever - don't let him
 have the unnecessary advantage
 of a larger ad in *The One and
 Only* Southwestern Bell Yellow
 Pages. Compete with him on the
 street and in the Book...take
 out a larger ad and tell
 more about you!


 Southwestern Bell
 Gold Pages
 Discount Coupons

**FOLLOW THE
 WALKING
 SCISSORS
 TO SAVINGS!**

Check out the Gold Pages
 discount coupons.

INLAND BUSINESS SYSTEM.

INLAND

- IBM SALES
- PROMPT SERVICE
 ON IBM MACHINES
- IBM RENTALS
- SUPPLIES

INLAND BUSINESS SYSTEMS ----- 843-0067

KU BOOKSTORE
 Burge Union ----- 864-5697
 Logan Business Machines ----- 841-802
 1000 Massachusetts ----- 841-802
 RESOURCE 1-800-8-1111 ----- 748-4854

★FOR MORE INFORMATION
 See Advertisement This Page

MICROTECH COMPUTERS
 2329-M Iowa ----- 841-9153

★FOR MORE INFORMATION
 See Advertisement This Page

NEC INFORMATION SYSTEMS

- PERSONAL COMPUTERS
- PRINTERS
- MULTIUSER SYSTEMS



"FOR INFORMATION CALL"
**CONNECTING POINT COMPUTER
 CENTER** 804 New Hampshire St----- 843-7584

Radio Shack-A Division Of Tandy
 Corp
 Business Computer Center
 711 W 23 ----- 843-5347

SYSTEMS INTEGRATION INC
 815 Vermont ----- 842-0286
 ★FOR MORE INFORMATION
 See Advertisement Page 50

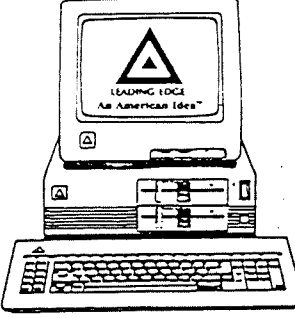
*listings of this classification are
 continued on next page*

**COM
 SUP
 Comput**

WHOLESALE PRICE
 LARGE LOCAL INVENTORIES
 PAPER (ALL SIZES) • RIBBONS

**STAR
 FORMS**

MIC


 LAUNCH LOGIC
 An American Idea™

Purchase Order Welcome
 Call For Your Business Needs

2-24

Profit Acitivity in the Past Few Months

- **Fourth Quarter Promotions**

 - Aggressive Advertising

 - Sales in Academic Buildings

 - Lowering Prices to Eliminate the Competition

- **New Ventures**

 - Computer Peripherals (hard drives, modems, etc.)

 - Portrait Photography

 - Advertising Services

 - Four Color Catalogue Sales

 - Mail Order Sales

 - Merchandise Bazaars

- **The K.U. University Bookstore has Grown to a \$ 20,000,000 Business:
One of the Three Largest Retailers in Lawrence**

Rationalizing the Profit Motive of the University

- **A Better Education:**

No more students are acquiring computers

The average price of a computer has actually gone up (\$1500 to \$2000)

The student is being marketed rather than educated

- **These Sales are not for Profit:**

Apple prices afforded a 20% margin (on over \$ 3 million in sales)

Why is the University fighting so hard to protect their retailing interests?

- **Profits Fund Programs:**

Taxes fund the University

Should the retailing community be sacrificed for programs?

- **The University Population Needs Convenience:**

Most of these sales are not convenience items

- **The Bookstore is Not Part of the University:**

The Bookstore is a University Affiliate and aggressively uses the resources of the University

The Bookstore has the bonding capacity of the State

- **Competition is Good:**

The University is State funded and has set up an unfair "playing" field

- **University Sales "Stimulate" the Private Sector:**

Education stimulates the private sector!

The University Competitive Advantage

- University Resources
- University Access
- University Endorsement

The Deepening Effect of University Retailing

- Lost Taxes

Property Taxes Paid by the Retailer:

Closed Computer Stores

Closed Photographers

Closed Office Supply Stores . . .

Reduced Payroll Taxes

- Lost Jobs

- Lost Incentive

The Need for Legislative Controls

- Recent proof demonstrates that this cannot be self-controlled

Action By Other States

- Arizona
- Michigan
- Georgia
- Since 1988:

25 states have introduced studies on unfair public sector competition and its impact on small business

11 states have introduced legislation prohibiting governmental and non-profit competition

36 states have passed legislation on this issue

4 state have set up more stringent repoting regulations



15 January 1990

together!

Dear Member:

The National Tour Association posted substantial gains this year in fighting the threat of unfair competition -- thanks to the concerted efforts of NTA members, the Business Coalition for Fair Competition (BCFC), and groups of concerned state and federal leaders.

Responding to a legislative alert, NTA members sent more than 1,300 letters to members of the Oversight Subcommittee of the House Ways and Means Committee, supporting the reforms in the unrelated business income tax (UBIT). Now, a draft report prepared by subcommittee chairman J.J. "Jake" Pickle (D-TX) calls for this change in UBIT regulations: "Income derived from travel and tour activities should be treated as income derived from an unrelated trade or business," subject to normal income tax rates. This broad rule would spell major victory for NTA members, causing tax-exempt organizations to pay taxes on their commercially operated tours. Currently, this report remains stalled in the subcommittee, because Congress wrestled with budget matters until its Christmas recess. However, in a letter to the Treasury Department, House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) stated, "We view the final resolution for improvements in the unrelated business income tax rules to be a priority matter for this Committee."

At the state level, much activity has occurred since 1988:

- * Twenty states have introduced legislation authorizing studies or have had ongoing studies on the growth of unfair competition and its impact on small business;
- * Eleven states introduced legislation prohibiting unfair competition by government agencies and tax-exempt non-profit groups;
- * Thirty-six states outlawed specific types of non-profit commercial activities or privatized certain state activities; and
- * Four states set up more stringent reporting regulations for non-profit commercial activities.

Enclosed in this letter is more information about reform efforts in various states. Please continue to support the work of legislators and business leaders, as well as NTA, by writing letters and making telephone calls and visits to key players. With continued effort on our part, this David-and-Goliath battle will ultimately end in victory.

Sincerely,

A handwritten signature in cursive script that reads "George C. Guenther".

George Guenther
President

2-30

UNFAIR COMPETITION:
REFORM EFFORTS IN THE 50 STATES

Since 1988, 20 states have introduced legislation authorizing studies or have had ongoing studies on the growth of unfair competition and its impact on small business: California, Colorado, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Nebraska, New Jersey, Ohio, Texas, Vermont, Virginia, Washington, and Wisconsin. While some efforts dealt with the privatization of state services, most examined the general problem of unfair competition from both government and tax-exempt non-profit sources.

Eleven states introduced legislation prohibiting unfair competition by government agencies and tax-exempt non-profit groups: Colorado, Georgia, Indiana, Iowa, Kansas, Louisiana, Montana, Nebraska, Texas, Utah, and Washington. Arizona passed the first general statute in 1981, mandating that state agencies (including higher education groups) not engage in commercial activities. Colorado outlawed commercialism by state agencies and universities; Iowa did the same, but included political subdivisions as well. Finally, Utah enacted a Privatization Policy Board, charged with overseeing the distribution of contracts for state services and recommending privatization wherever possible.

Thirty-six states outlawed specific types of non-profit commercial activities, or privatized certain state activities: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, Tennessee, Utah, Virginia, Washington, West Virginia, and Wisconsin.

Finally, several states set up more stringent reporting requirements for non-profit commercial activities: Arizona, Georgia, Virginia, and Washington.

The bottom line remains the same: While many states have tried to address this issue through some form of legislative proposal, unfair competition is a complex problem that defies simple legislative solution. In most areas, the high esteem in which non-profit groups are held means that many laws are peppered with exemptions that render them ineffective. However, as this listing shows, the "level playing field" for both for-profit and tax-exempt entities is slowly coming.

(Listings taken from material prepared by BCFC)

**A BILL TO PROHIBIT CERTAIN COMPETITION WITH PRIVATE
ENTERPRISE BY PUBLIC INSTITUTIONS OF HIGHER EDUCATION**

Be it enacted by the People of the State of Michigan:

Section 1. Legislative declaration. The Legislature hereby finds and declares that the growth of private enterprise is essential to the health, welfare and prosperity of the people of Michigan and that public institutions of higher education compete with the private sector when those institutions provide certain goods and services to the public. Recognizing this problem, it is the intent of the Legislature and the purpose of this Act to provide additional economic opportunities to private industry and to regulate competition by public institutions of higher education. The Legislature intends that, with limited exceptions, if public institutions of higher education engage in sales of goods or services at retail, such sales shall reflect the costs that would be borne by persons making similar sales in the private sector. It is the further intent of the Legislature that issues and complaints regarding competition between public institutions of higher education and the private sector be addressed through a private enterprise review commission, which commission shall be created in this Act.

Section 2. Definitions. As used in this article, unless the context otherwise requires:

(1) "Commercial activity" means the activity of performing or providing goods or services which can normally be obtained from private enterprise.

(2) "Commission" means the Preservation of Private Enterprise Review Commission.

(3) "Institution of higher education" means a state-supported college, university, or community college.

(4) "Invited guests" means persons who enter onto a campus of an institution of higher education for an educational, research, or public service activity and not primarily to purchase or receive goods and services not related to the educational, research, or public service activity.

(5) "Private enterprise" means an individual, firm, partnership, joint venture, corporation, association, or any other legal entity engaging in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing, or advertising of goods or services for profit.

(6) "Public service" means an activity normally and generally associated with colleges and universities and other education institutions in this state, a purpose or significant result of which is not to engage in competition with private enterprise.

(7) "State agency" means a department, office, commission, institution, board, or other agency of state government.

(8) "Student" is a person seeking a degree from an institution of higher education on a full-time basis.

(9) "Uniform accounting standards" means an accounting method which allows institutions of higher education and state agencies to identify the true and total cost of supplying goods and services in the same manner as private enterprise would identify true and total costs, including, but not limited to, the following:

(a) Labor expenses, including direct wage and salary costs, training costs, overtime, and supervisory overhead;

(b) Total employee fringe benefits and other personnel expenses;

(c) Operating costs including vehicle maintenance and repair, marketing, advertising and other sales expenses, office expenses, billing, and insurance expenses;

(d) Real estate and equipment costs, debt service costs and a proportionate amount of other agency overhead and capital expenses including vehicle depreciation and depreciation of other fixed assets such as buildings and equipment;

(e) Contract management costs;

(f) The imputed tax impact of the activity if such entity were required to pay federal and state taxes; and

(g) Any other cost particular to the business or industry supplying the goods or services.

Section 3. Competition with private enterprise by institutions of higher education - rules. (1) Institutions of higher education shall not, unless specifically authorized by statute:

(a) Perform or provide commercial activities for students, faculty, staff, and invited guests, or the general public that can be procured from private enterprise through ordinary business channels, unless the provision of the commercial activities as determined by the commission:

(i) Utilizes students and faculty as a required part of an educational program which leads to a degree;

(ii) Is directly related to teaching, educational, or research programs leading to a degree; or

(iii) Consists of on-campus activities including:

(I) Food service and sales;

(II) Sales of course books and course related supplies;

(III) Sponsoring or providing facilities for recreational, cultural, and athletic events;

(IV) Sale of personal items bearing the institution's insignia; or

(V) Student housing;

(b) Enter competitive bidding for a commercial activity rendering any goods or services unless, as determined by the commission, the activity is performed by students and faculty and is directly related to teaching, educational, and research programs leading to a degree from the institution of higher education rendering the goods or services. Any such bid shall fairly and fully include all direct and indirect costs utilizing uniform accounting standards unless the funding source provides for or requires all bidders to use a specific procedure or formula for allocating costs;

(c) Provide commercial activities for or through another state agency including by intergovernmental agency agreement; or

(d) Provide for the disposal by sale of services, products, and by-products which are part of research or instruction conducted by students and faculty of the institution of higher education and leading to a student degree unless the sale is an integral part of the particular research project or instructional program or there is no other practical way of disposing by sale of the services, products, or by-products as determined by the commission, and if the services, products, or by-products are sold at their market value utilizing uniform accounting standards.

(e) In determining whether the provision of a good or service is directly related to teaching, educational or research programs leading to a degree, the following criteria shall be considered:

(i) Whether the provision of the good or service is necessary for the student to pursue a degree or for faculty or staff to engage in research or teaching;

(ii) Whether the good or service is a specialty good or service not generally available to the public;

(iii) Whether the price charged for the good or service reflects the direct and indirect costs and overhead costs of providing such good or service and the price in the private marketplace; and

(iv) Whether measures have been taken to ensure that the provision of a good or service pursuant to this subsection is only for students, faculty or staff and not the general public.

(2)(a) The commission shall develop, after consultation with governing boards of institutions of higher education and Michigan business organizations, guidelines for the provision of goods and services to students, faculty, and staff of institutions of higher education and to the invited guests of such students, faculty, and staff.

Section 4. Presentation of Private Enterprise Review Board. (a) There is created the Preservation of Private Enterprise Review Commission for the purpose of reviewing and making determinations concerning state statutes, state regulations, and practices of institutions of higher education and state agencies relating to activities being or proposed to

be performed or provided by institutions of higher education or state agencies which may be affected by this Act and to enforce violations of the provisions of this Act.

(b) The commission shall determine final uniform accounting standards to be used for cost analysis in this Act in at least as strict a form as the definition of uniform accounting standards in this Act.

(c) The commission shall develop procedures to:

(1) Regulate competition by institutions of higher education with private enterprise and ensure compliance with this Act;

(2) Regulate the use of facilities of institutions of higher education by students, faculty, staff, invited guests, and the general public; and

(3) Promptly hear and resolve complaints lodged under this section.

(d) The commission shall report its activities, determinations, and any proposed legislation to the Governor, and members of the Legislature not later than December first of each year.

(e) The commission shall consist of seven members appointed by the governor, including:

(1) Five members from private enterprise who are owners or officers of small businesses.

(2) One member who shall be a chief executive or administrative officer of a state agency; and

(3) One member who shall be appointed from an institution of higher education.

(f) The chairperson of the commission shall be appointed by the Governor from the members representing private enterprise.

(g) All initial appointments to the commission shall be made by not later than _____, 1990. Terms of office for all members of the commission shall be two years and members may be reappointed up to an additional four terms. Each member who is a state agency employee shall remain on the commission until the end of his term of office, but only so long as he remains a state agency

employee. A vacancy on the commission shall be filled within 60 days of the date the vacancy occurred in the same manner as the original appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term. Each member shall continue in office until his successor is appointed and qualified.

(h) Four members of the commission shall constitute a quorum. No action shall be taken by the commission without the concurrence of at least three members.

(i) The commission shall adopt, and may amend or rescind, such internal management rules, subject to the Michigan Administrative Procedure Act, as are necessary to govern its proceedings. Members of the commission shall serve without compensation but shall receive the same reimbursement for actual travel expenses and per diem for official commission meetings as members of the Legislature receive for legislative interim committees.

(j) Any person who believes that an institution of higher education has violated any provision of this Act may file a written complaint with the commission stating the grounds for such complaint. Upon receipt of such complaint:

(1) The commission shall immediately transmit a copy of such complaint to the head of the institution of higher education which is the subject of the alleged violation;

(2) The head of the institution of higher education named in the complaint shall respond to the commission in writing within 30 days after receipt of a complaint. The institution of higher education shall either admit or deny the allegations made in the complaint and it shall indicate whether remedial action will be taken;

(3) Within 30 days after receipt of the institution's response, the commission shall hold a public hearing on the complaint where all parties are afforded an opportunity to present evidence unless the remedial action agreed to be taken by the institution of higher education is acceptable to the complainant. The commission shall determine whether the institution of higher education is authorized to perform or provide the commercial activity or is in violation of the provisions of this chapter. If a violation is found, the commission shall terminate the

commercial activity and require the institution of higher education to implement an appropriate contract for such activity;

(4) Within 30 days after the public hearing, the commission shall issue a report of its findings to the complainant and the institute of higher education; and

(5) If the institution's commercial activity is to be terminated, the action shall take place within three months of the commission report or under a schedule as determined by the commission.

Section 5. Civil Right of Action. (a) A private enterprise that suffers economic loss as a result of an institution of higher education violating this Act may bring a civil action in the superior court where the private enterprise is located for appropriate injunctive relief or damages, or both. Any damages awarded in a cause of action brought pursuant to this Act shall be assessed against the specific institution of higher education which violated this Act. A private enterprise shall not have standing to seek injunctive relief or damages or to challenge violations of this Act in the courts of this state until the private enterprise has first made a complaint to the commission and has received the decision of the commission.

Section 6. Effective Date. This Act shall become effective on _____, 1990.

Section 7. Integration with other law. All laws and parts of laws in conflict with this Act are repealed.

**Legislation is the
Small Business Person's
Only Option!**

KU/KU BOOKSTORE...
COMPETITION OR MANIPULATION?

Unfair and leveraged competition by the University of Kansas for the private sector dollar runs unchecked and deep. This testimony will deal with only one sector ... the college bookstore industry; in which a private book store meets roadblocks and hurdles placed with the sole purpose of killing any competition, or at least crippling it. After 40 years of sole reign, when the Kansas Union Bookstore enjoyed a "do as they will" monopoly, I started the Jayhawk Bookstore, in the spring of 1978.

After a few weeks of sending out independent book order requests, letters were sent by the administration advising faculty that book information had to be sent to the Kansas Union Bookstore, and it was their discretion as to whom and how the information would be given. A few weeks before the fall semester would begin I was asked to sign a non-solicitation contract, pay \$500. and was given a print out of the booklist. Thereafter I had to pay for each copy of book information submitted on a four part form which gave no indication of my existence and expected all correspondence and reorders to go to the KUB. This policy and book ordering forms still exists, even though three manager changes and three reprintings (two with logo and typeset changes benefiting the Kansas Union Bookstore) have been made. Each time I discussed changes, to better the information requested and to identify my store by name and logo. The results to date... "pink copy to the private store" typed in small print at the bottom of the form. Within a few weeks of my first summer school rush, the then current bookstore manager was spreading false information as to ownership of my store and threatening salespersons that she would cease orderin, if he or she did business with me. When it became apparent my store would survive, several administrative "moves" were made. Fee payment was moved from the fieldhouse to the fourth floor of the Union; and the planned payment of fees by mail was cancelled. This has led to requiring all students to be in the Union before classes and to be directed to the Kansas Union Bookstore by extr signage in the building.

Three years ago, I purchased a double decker bus with the hope of providing free transportation from some of the dorms and the union to my store. The request was denied on the basis that my bus had advertising on it and would violate the non-solicitation policy. It did not phase the committee chairperson that every bus going through campus had advertising on it, or that most business vehicles of any kind had their name on the side; my bus was banned from going through campus, unless special advance permission was obtained.

Until last spring I was denied course enrollment information. From the very beginning I have been denied instructor re-order information, and any art or engineering supply information. If maveric instructors or departments have special KU printed materials, it tends to all be dropped off at the KUB, (as if students coming to my store didn't, or shouldn't.) If I request copies for resale, they become non-returnable...even though the Union store can return theirs.

Two remodelings, and an enlarged and consolidated main store, as well as the building of a satellite union store, have been given state underwriting; while I have been dealt denials and absurd limitations on any expansion due to vocal University associated neighbors, as well as Endowment's political ion pressure and signed petition against allowing expansion of my building.

A fast run down of other actions and/or policies include:

*Athletic scholarship students are directed to my store only if the Union Bookstore is out of something.

*Freshman orientation is held in the union. All comments about books are "Kansas Union, Kansas Union Bookstore". The printed materials plus the bag to put them in tout the Kansas Union Bookstore.

*

The book pre-order program which I first implemented to try to recapture some traffic, has been copied by the KUB and their order form is stuffed in the Freshman Orientation bags.

*

An exemption for the royalty fees for my store, signed 10 years ago by the KU Bookstore management, was nullified without reason, or even my knowledge, just last July.

*Edition changes made by their book staff, have forced instructor book changes, and the loss of tens of thousands of dollars in lost sales and "swallowed" inventory by me.

*Net pricing changes, for University publications, to a % below breakeven operating cost, was made several years ago.

*Moving semester buyback operations out of their store and into multiple locations where traffic is the highest and "trappable".

*Using the Alumni mailing lists for off campus sales.

*Paying corporate sponsorships for athletic events.

*Use large store buying group demands and clout for wheeling and dealing. As well as insisting on exclusive sales rights when possible.

The University and "their" bookstore enjoy all the amenities of the non-taxable, non-profit structure of retailing, while being given the rights and privileges of University services and favors. They do not contribute one dollar in taxes (except sales tax) and suck out growth and taxable income from the private sector. It is time to call a halt to this situation.

Bill MUGGY
MANAGER/OWNER
Jayhawk Bookstore



864-5285
Kansas Union
Level 2

TEXTBOOK REQUISITION

Date: 9/25/89

SUBMISSION DATES	
Fall Semester	<input type="checkbox"/> Submit April 10-15
Spring Semester	<input checked="" type="checkbox"/> Submit Oct. 10-15
Summer Semester	<input type="checkbox"/> Submit March 15-20

Course Number, Section, Line No. ECON 140, 8:00 TR, #24225

Course Title Introduction to Economic Analysis

Instructor's Name Professor Malcolm R. Burns

Contact Phone No. 864-3501

Off Campus Course Location: _____

If NO TEXT is required, check here

Author	Title	Price	Edition/Year	H/B	P/B	ISBN #	Publisher/Source	Anticipated Enrollment	If Recommended only check here		If Yes, When?
									Yes	No	
Peterson	Principles of Economics-Macro.	24.50	89 7th		X	0-256-06795-3 (16-)	Richard D. Irwin	300			
Peterson	Principles of Economics-Micro.	24.50	7th PS		X	0-256-05796-1 (43-)	Richard D. Irwin	300			

RECEIVED
SEP 29 1989
BOOKSTORE

1. Please type!
2. Please list above the books that you intend to require for your class.
3. If the book is recommended only, check box above.
4. Use a separate form for each course number.
5. A requisition should be submitted every semester.
6. If no text is used please indicate.
7. Please specify hardbound or paperbound (H/B or P/B).
I will provide gold copy for your files. Return remaining copies to us.
8. If class enrollment exceeds expectation notify the TEXTBOOK DEPARTMENT immediately for re-ordering. (Campus Ext. 4-5285)
9. If course is taught off campus, be sure to indicate the location.
If you have any questions regarding this procedure please call Ex. 4-5285.

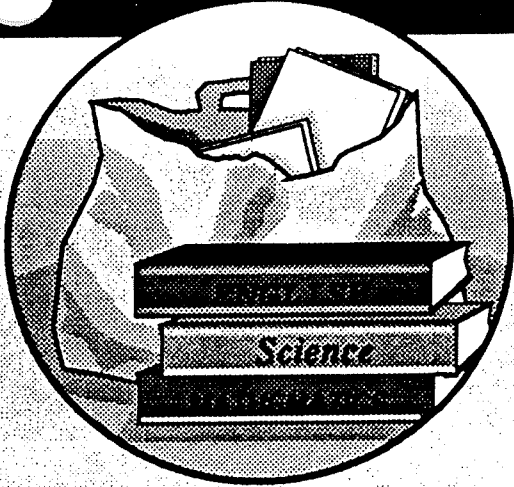
Signature

Will any special supplies be required for this course? _____
If "Yes," the appropriate Department Buyer will contact you for additional information.

We, in the KU BOOKSTORE, appreciate your cooperation with respect to Book Requisition deadlines.
Please return this form to the K.U. Bookstore, Kansas Union Level 2.
Please note: A copy of this Requisition is automatically forwarded to the private bookstore.

3-3

SIMPLIFY BOOK BUYING



Save Time, Effort and up to 25% off your book costs!

When available, used books save you 25%.

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Please enclose a deposit of \$15.00 plus tax. (\$15.68)

Dept. Course Number	Instructor or Staff (Note if lab or discussion group)	Line #	Time / Days	Preference:	
				New	Used
ENG 203	Swalm (example)	82345	8:30 M-W-F		✓
Hist 114	Stewart, Lynn	34124X	8:30 M-W-F		X
ENGL 655	Gridley, Roy E	23076H	9:30 M-W-F		X
ENGL 211	Houston, Ned S	27280H	4:00 T-R		X

Some books may not be available until classes begin. All books are returnable with receipt through February 1, 1990.

Name ERIC WAW
 KU address #131 ELLSWORTH HALL, 1734 ENGEL RD, 66045
 Home add. 5010 ROCK CREEK LANE, MISSOURI, KS, 66205
 KU Phone 304-1008 Home # 231-2524 (913)

DEPOSIT IS FORFEITED IF ORDER IS NOT PICKED UP BY JANUARY 19, 1990.

PRE-BAG OFFER ENDS DECEMBER 31, 1989

CHECK BOX IF WE MAY SEND YOU OUR KU GIFT AND GARMENT CATALOG!



PLUS A FREE Gift Certificate
 Good towards the purchase of any regularly stocked items, when your order totals 75.00 or more. A \$10 value. Your pre-order must be received by Dec. 12, 1989.

Clip and Mail to:

Jayhawk Bookstore

1420 Crescent Road, Lawrence, Ks. 66044 (913-843-3826)
 Hours: 8-5 -Monday -Friday, 9-5 -Saturday, 12-4 -Sunday
 Your Book Professionals at the top of Naismith Hill

3-4

THE UNIVERSITY OF KANSAS AND THE CITY OF LAWRENCE HAVE EXPERIENCED MUTUAL GROWTH AND SHARE IN THE OVERALL ECONOMIC DEVELOPMENT AND SECURITY OF OUR COMMUNITY. THIS IS A NATURAL RESULT OF THE DIRECT CO-OPERATION BETWEEN THE LAWRENCE COMMUNITY AND THE UNIVERSITY. RECENTLY THIS CO-OPERATION HAS ERRODED INTO COMPETITION ESPECIALLY DUE TO SOME OF THE ACTIONS OF THE KU BOOKSTORES. JAYHAWK BOOKSTORE IS ONE PUBLIC BUSINESS TO BE AFFECTED BY SOME OF THE KU BOOKSTORES' RECENT ACTIONS. GRANTED, OUR BUSINESS IS ENTIRELY DEPENDENT UPON THE UNIVERSITY OF KANSAS IN THAT WE ARE IN DIRECT, HEAD TO HEAD COMPETITION FOR THE STUDENTS' DOLLARS. IN GENERAL, WE BELIEVE THAT WE SHOULD HAVE THE OPPORTUNITY TO COMPETE FAIRLY AND OPENLY WITH THE KU BOOKSTORES AND IN SOME RESPECTS WE HAVE RECEIVED SOME 'BEGRUDGENED' CO-OPERATION FROM THEM. BUT IT HAS BEEN MY EXPERIENCE THAT THE KU BOOKSTORES DO NOT OFFER ANY SUCH CO-OPERATION WILLINGLY. THE FACT THAT THE KU BOOKSTORES IS NOT TAX SUPPORTED IS A SIGNIFICANT FACTOR IN THEIR FAVOR, HOWEVER, THEY ENJOY MANY BENEFITS FROM THEIR NON-PROFIT STATUS. AMONG THESE, THE GREATEST ADVANTAGE THAT THE KU BOOKSTORES HOLD OVER THE PUBLIC SECTOR IS THEIR TAX EXEMPT STATUS. THE KU BOOKSTORES DO NOT HAVE TO REPORT THEIR PROFITS TO ANYONE NOR DO THEY PAY TAXES! IF THE JAYHAWK BOOKSTORE OR ANY OTHER PUBLIC BUSINESS FAILED TO COMPLY WITH STATE LAW REGARDING SALES, INVENTORY VALUE, PROFITS OR OTHER FINANCIAL MATTERS, WE WOULD BE SHUT DOWN IN A MINUTE! THE KU BOOKSTORE OCCUPIES SPACE IN THE KANSAS UNION BUILDING WHICH GENERATES AN EXTREMELY HIGH 'CAPTIVE' TRAFFIC VOLUME IN THAT NEW STUDENT ORIENTATIONS ARE CONDUCTED THERE, SEMESTER FEES ARE PAID THERE, AND COURSE TIMETABLES ARE DISTRIBUTED THERE AND AT THE SATELLITE BURGE UNION. THE IMPLICATION TO THE STUDENT IS THAT THERE IS NO OTHER SOURCE FOR THEIR ACADEMIC OR SUPPLY NEEDS.

A SPECIFIC AREA OF CONTENTION IS IN THE MARKETING OF ELECTRONIC CALCULATORS. THE AVERAGE PROFIT MARGIN ON HEWLETT-PACKARD ELECTRONIC CALCULATORS IS 34%, WHEN PRICED AT THE MANUFACTURER'S SUGGESTED RETAIL SELLING PRICE. THE KU BOOKSTORES' CURRENT PROFIT MARGIN, ON SELECTED MODELS IS APPROXIMATELY 8.22%. THE JAYHAWK BOOKSTORE HAS REDUCED ITS MARGIN TO 22.43% IN AN EFFORT TO COMPETE, BUT HAS SEEN SALES OF HEWLETT-PACKARD ELECTRONIC CALCULATORS DROP CONSIDERABLY. JAYHAWK BOOKSTORE CANNOT MEET ITS FINANCIAL OBLIGATIONS ON 22.43%, MUCH LESS ON 8.22%.

THE KU BOOKSTORES' RECENT CALCULATOR ADVERTISEMENTS, ATTACHED, ILLUSTRATE THE PRICING STRUCTURE ADOPTED TO COMPETE WITH JAYHAWK BOOKSTORE. YOU WILL ALSO FIND ATTACHED, COPIES OF THE DEALER PRICE LIST FROM WHOM BOTH JAYHAWK BOOKSTORE AND THE KU BOOKSTORES PURCHASE CALCULATORS, PRIMARILY. THE CASE QUANTITY PRICING IS ALLEGEDLY THE SAME FOR BOTH STORES, YET THE KU BOOKSTORES CAN SELL THEIR PRODUCT FOR

MARKEDLY LESS. THE KU BOOKSTORES' RECENT ADVERTISEMENT FOR THE SHARP EL-51211, ILLUSTRATES A 9.07% MARGIN. THE MANUFACTURER'S SUGGESTED RETAIL PRICE YIELDS A 36.38% PROFIT MARGIN. AS A DIRECT RESULT OF THIS MARKETING CONFLICT, OUR COMMON CALCULATOR SUPPLIER HAS ADVISED A NEW SCHOOL SUPPLY BUSINESS, RECENTLY MOVED TO LAWRENCE, NOT TO CARRY HEWLETT-PACKARD ELECTRONIC CALCULATORS.

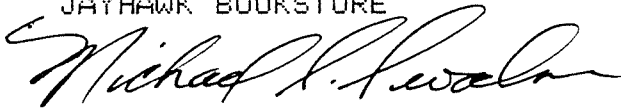
THE KANSAS UNION BOOKSTORES HAVE BEEN VERY AGGRESSIVE IN THEIR ADVERTISING, ESPECIALLY SINCE THEIR ACQUISITION OF MACINTOSH COMPUTERS. DURING THE FALL 1989 SEMESTER'S 51 ISSUES OF THE UNIVERSITY DAILY KANSAN, OVER 59% OF ALL PRINT ADVERTISING WAS DEVOTED TO MACINTOSH COMPUTERS. THE ACTUAL DISPLAY ADVERTISING SPACE FOR THE FALL SEMESTER AVERAGED TO BE 2,261.33 COLUMN INCHES PER MONTH. AT THE PUBLISHED DISCOUNT RATE FOR VOLUME ADVERTISING, OF \$3.90 PER COLUMN INCH, THE KU BOOKSTORES' PRINT ADVERTISING COSTS WOULD AVERAGE AROUND \$8,820.00 PER MONTH. THIS FIGURE MIGHT REPRESENT THE ANNUAL ADVERTISING BUDGET FOR MANY PUBLIC SECTOR SMALL BUSINESSES, I KNOW THAT JAYHAWK BOOKSTORE COULD NOT AFFORD THIS AMOUNT, MONTHLY. ALTHOUGH THE UNIVERSITY DAILY KANSAN IS ONLY A PART OF OUR ADVERTISING PLAN, I MUST MENTION THAT DURING THE ENTIRE FALL SEMESTER, THE JAYHAWK BOOKSTORE PRECEDED THE KU BOOKSTORES IN AD PLACEMENT ONLY ONCE. A RECENT COMPARISON OF CURRENT KU BOOKSTORE ADVERTISING TRENDS VERSUS THE VOLUME OF PRINT ADVERTISING IN THE UNIVERSITY DAILY KANSAN OF TWO YEARS AGO INDICATES A MARKED INCREASE IN BOTH THE VOLUME AND FREQUENCY OF DISPLAY ADVERTISING, AN AVERAGE INCREASE FROM APPROXIMATELY 500 COLUMN INCHES PER MONTH TO THE CURRENT AVERAGE OF 2,261.33 COLUMN INCHES.

ON ANOTHER MATTER, THE KU BOOKSTORES DISTRIBUTE AN OFFICE PRODUCTS CATALOG TO EACH DEPARTMENT ON CAMPUS OFFERING DISCOUNTS ON SUPPLY PURCHASES MADE THROUGH THE KU BOOKSTORE OR BURGE UNION SATELLITE STORE. I HAVE ENCLOSED A COPY OF THE COVER LETTER, WHICH ACCOMPANIES THE CATALOG, IN YOUR INFORMATION PACKETS. AS I UNDERSTAND, THE VARIOUS SCHOOLS AND DEPARTMENTS OF THE UNIVERSITY OF KANSAS ARE TO ORDER THEIR SUPPLIES THROUGH A CENTRAL OFFICE SUPPLY 'STORE' LOCATED IN STRONG HALL AND THAT ITEMS NOT STOCKED THERE OR MAJOR PURCHASES ARE PUT OUT TO BID. ARE THE KANSAS UNION BOOKSTORES COMPETING WITH THE UNIVERSITY ITSELF FOR THE UNIVERSITY'S BUSINESS? AND IF THE KU BOOKSTORES ARE ON THE UNIVERSITY'S LIST OF POTENTIAL CONTRACTORS, WHY AREN'T OTHER LOCAL BUSINESSES INVITED TO BID COMPETITIVELY FOR THE UNIVERSITY'S BUSINESS?

IN CONCLUSION, WE AT JAYHAWK BOOKSTORE DO NOT DENY THE FUNDAMENTAL PRIVILEGES OF PRIMACY TO THE KU BOOKSTORES. IN REALITY, WE MUST HAVE THEM FOR OUR OWN ENDEAVORS TO SUCCEED. HOWEVER, WE ENCOURAGE YOU TO ENACT A BILL THAT WILL CREATE AND PRESERVE AN ATMOSPHERE OF FAIR AND EQUAL COMPETITION BETWEEN THE INSTITUTIONAL CAMPUS STORES

BUSINESS SECTOR THAT SUPPORTS THE INSTITUTION THROUGH ITS TAXES. REMEMBER, NOT EVERY COLLEGE OR UNIVERSITY FEATURES A CAMPUS STORE LIKE THE KU BOOKSTORES AND THAT MANY ARE TAX SUPPORTED ENDEAVORS AND THE PUBLIC SECTOR BUSINESSES DO NEED YOUR SUPPORT AS WELL. THIS SITUATION SHOULD NOT BE TREATED AS ONE END PLAYED AGAINST THE OTHER. YOU HAVE AN OPPORTUNITY TO INSURE THE INEVITABLE GROWTH AND ECONOMIC DEVELOPMENT OF NOT ONLY LAWRENCE, BUT OF EACH COMMUNITY IN WHICH A STATE GOVERNED COLLEGE OR UNIVERSITY RESIDES. THE RESULT COULD ONLY MEAN BETTER SERVICE TO THE STUDENTS, FACULTY, AND STAFF OF THE UNIVERSITY COMMUNITIES SERVED AND INCREASED BUSINESS FOR THE PUBLIC SECTOR BUSINESSES AND AS A DIRECT RESULT, INCREASED REVENUES FOR THE STATE OF KANSAS THROUGH HIGHER TAXES PAID.

RESPECTFULLY SUBMITTED,
JAYHAWK BOOKSTORE



MICHAEL S. SWALM
SUPPLY DEPARTMENT MANAGER

What if it were your store?

Anyone should realize that Kansas University is a tremendous asset to Lawrence. Benefits extend into nearly every home in Lawrence in some form or another, and the presence of the state's leading educational institution has spin-offs which enrich the lives of nearly all of the residents of the community.

The financial benefits are tremendous. State appropriations, student fees, federal grants and many millions of dollars in private gifts pour into the city every year. Much of the business activity in Lawrence is activated by university employees and the students.

Lawrence is grateful. City services are enlarged to meet added services to the school. The people of Lawrence are among the most generous of the school's private donors. When troubles and deficiencies have developed, local residents always have been quick to lend meaningful support.

Lawrence is indeed fortunate to have KU right here in the midst of the city. The state is fortunate to have the principal school of higher learning settled in such a highly desirable community where the support of residents is sure, strong and dependable.

All this is true, but try to imagine how the owner of a book store on the fringe of the campus feels when city planners deny him the privilege of expanding and improving his service to the school and its students?

The planners have said "no" to the owner of the Jayhawk Bookstore at Naismith Drive and Crescent Road, just west of the Chi Omega fountain, because neighbors are unhappy with the prospect of expansion. The owner wants to create more space for business activity, for storage of books and to provide more off-street parking.

The principal competitor of the Jayhawk Bookstore is the giant, tax-free bookstore in the Kansas Union building, which doesn't need to declare a profit or pay taxes and which occupies space created largely by donations from alumni and friends.

The Kansas Union Bookstore has been expanded numerous times without asking for permission from any city officials. Besides paying no taxes, it can do most anything it pleases without contributing a dime to city operations or services.

The university also is competitive in selling hundreds of items stocked by downtown tax-paying stores, selling advertising and publications produced in tax-free plants sometimes with no-cost student labor, and selling millions of dollars in meals and other foods, produced in tax-free properties.

Who could blame the privately owned bookstore owner for wondering why he is so quickly brushed off by public officials when he wants to expand and improve his business which pays a full share of the cost of government?

What about fair competition?



Barbara Bush: Example for Ameri

WASHINGTON — The gush is on about Barbara Bush. The same journals that were enthralled by Nancy Reagan's chic for eight years are now suddenly enchanted by Barbara Bush's crow's feet and comfortable stoutness. Time magazine, borrowing what is purportedly a family nickname, put her on its cover as "The Silver Fox," suggesting with wild inappropriateness that she is like a luxury fur. She will bring "a refreshing new style to the White House." Time promised its readers before the new mistress of the mansion ever set foot in the place.

The New York Times, not to be outdone, said on its front page: "With a sigh, Barbara Bush acknowledges that she now views herself as a role model for many American women. 'My mail tells me a lot of fat, white-haired, wrinkled ladies are tickled pink,' she said."

When the press is in the grip of this kind of gushiness, the prudent thing to do is to stay away from the topic. A political columnist has the freedom to say, "I don't do first ladies," and as a general rule, I don't. To ignore the special qualities of Barbara Bush, however, would be to miss one of the most important clues to the character of this new administration.

THE WOMAN most Americans have known only as the white-

David Broder



haired matron with three strands of (fake) pearls has the capacity — and likely, the inclination — to become a major influence on her husband and the nation.

Mrs. Bush has cautioned reporters that she dislikes the comparison to Eleanor Roosevelt, who was not as beloved in the Republican household where Barbara Bush was reared as in many other Depression-era homes. But that exact comparison is made by Susan Baker, spouse of Secretary of State James A. Baker III and a close friend of the Bushes.

"She sees needs; she involves herself with them; and she gives others the strength and encouragement they need to involve themselves," Susan Baker said.

The strengths Barbara Bush brings to her role are evident to anyone who knows her. She is direct, honest, clear about her loyalties (most importantly to her husband) and her values. Perhaps as a result of raising her own large, diverse batch of children, she also has exceptionally keen antennae for the moods and needs of other people. As a reporter, I have seen her, more than once,

defuse a tense situation simply by slipping her arm through the aggravated party's arm and walking and talking until the hurt and anger have passed.

WHAT IS LESS evident — because she has tended to downplay her role during the past eight years out of deference to Mrs. Reagan — is her strong personal awareness of the problems that blight too many lives in this outwardly affluent society. Her special cause has been the fight against illiteracy, and those who share it — like Ruth Graves and Anne Richardson of "Reading Is Fundamental" — testify that Barbara Bush's involvement has been intense and unstinting.

In the last few years, Mrs. Bush has begun working with groups aiding the homeless and has encouraged many of her friends to put their energies into that effort. These are personal causes, but they spill over into consciousness-raising for her husband, the president. Last spring, Bush told David Hoffman of The Washington Post that after he had talked about aiding the homeless in a Republican candidates' debate, "some guy that's all involved in one of these homeless programs wrote Barbara saying, 'I know you care about the homeless, but I listen to your husband (and) he doesn't.' So we got into a big argument. She had been telling me I had to do more, and I think she's

right."

IT MAY SEEM exaggerated to suggest that Barbara Bush will be the conscience of this White House, but my guess is that she will be more: an example to the country. She comes from a tradition that says that those who are favored with wealth and power thereby acquire reciprocal obligations to those who lack any advantages.

In a speech last autumn in San Francisco, George Bush talked about what "a shallow nation" economic growth is. Let's remember that prosperity has a purpose and it's to pursue what Lincoln called "the better angels of our nature"....

"As I get older," he continued, "I find myself almost haunted by the lives being lived by the children of our inner cities, children growing up . . . in a loveless environment . . . amidst violence and horror. What is going to become of them? The answer is up to us. The answer is in each individual act of kindness, multiplied by tens of thousands. The answer is in a new engagement in the pain of others."

The voice was George Bush's but the spirit was that by which his wife has lived her life. Her presence will remind him of that pledge, and her example can now inspire, not just those who have been privileged to know her in the past, but millions of other who are just discovering what it is Barbara Bush so special.

Crisis could bring out Bush's strengths

By ANDREW J. GLASS
Cox News Service

WASHINGTON — Even as platoon of presidential grandchildren romp through the White House, our local certified cynics are wagering how long it will be before the weekly news magazines run cover stories about "George Bush's First Crisis."

Whatever the answer, it's a safe bet that the current honeymoon phase of the presidency won't last forever. In the real world, crises can't be avoided. That shouldn't upset anyone so long as Bush

shows he can handle them. If he does so, he could well emerge from such an episode as a stronger president.

Although it wasn't evident at the time, it's now clear that Ronald Reagan's fortunes rose when he overcame two grave crises early in his presidential career.

The first Reagan crisis came when he was shot. That happened only a few weeks into his presidency — a crucial period when the champagne in the political honeymoon glasses tends to go flat. By peppering his doctors with questions during a life-threatening

procedure, Reagan showed everyone that he had what it takes.

THE SECOND crisis came several months later — still in his first year — after he fired striking government air controllers, despite warnings that the transportation system could collapse. In breaking the controllers' union, Reagan elicited respect among voters for his tough-guy stance and fear among other government workers that they could suffer the same fate.

And what of Reagan's successor? Is George Bush a

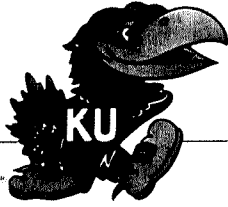
swashbuckling, elbow-grabbing Texan in the tradition of Lyndon Baines Johnson? Is he a reticent and finicky sock-darning Yankee in the tradition of Calvin Coolidge? Or is he rather an establishment patrician, drawn by family ties to public service, in the mold of John Kennedy and Nelson Rockefeller?

THOSE WHO know George Bush say all three facets can be found in his make-up. What's so odd about enjoying some blue grass music while wearing your "B" Series blazer?

You don't have to be an insider, however, to know his main priorities. They are (1) to win re-election in 1992 and (2) to ensure a good place in history.

Those aren't a bad set of goals for a national leader — so long as





THE KANSAS AND BURGE UNIONS

K.U. BOOKSTORES

Jayhawk Boulevard
University of Kansas
Lawrence, Kansas 66045-1963

MEMO TO: ALL UNIVERSITY STAFF

FROM: KU BOOKSTORES .

DATE: JANUARY 10, 1989

Accompanying this letter is our new KU Bookstores Office Supply Catalog. We hope we can be of assistance to you by offering this additional on campus source for your office needs.

To locate an item in the catalog, you may use either the General Index or the Manufacturer's Index located at the back of the catalog. If we do not have a particular item in our store, we can place a special order for you. Most orders will arrive within a week to ten days.

For your convenience, you can place an order with our Supply Department by calling the Bookstore at 864-4640. The regular list price of each item is shown in the catalog. University departments are given discounts for purchases over \$30.00. Any purchase over \$30.00 is given a 5% discount, any over \$50.00 a 10% discount, and any over \$100.00 a 15% discount. These discounts apply only to departmental charges.

Items that are not carried in the Bookstore and are ordered by request will be assessed a restocking fee of 15% of your retail price if returned. This is a fee required by our suppliers for all returned merchandise, unless defective. Defective merchandise can always be returned for replacement or refund without a restocking fee.

We look forward to serving you. Please contact us if you need further assistance.

Sincerely,

Kathy Roberts
Supplies Buyer

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Textbook Dept. 913/864-5285

4-4

Confidential Price List

SHARP

July/19
800-356-8370

Part #	Description	Sugg. List	Broken Case	Full Case	Case Qty.
18160	SHARP EL-361D	\$14.99	8.82	8.28	5
18081	SHARP EL-520 64-FUNCT W/STATS	\$19.99	13.29	12.48	10
18079	SHARP EL-531A SCIENTIFIC	\$17.99	10.87	10.21	10
18082	SHARP EL-509S SCI W/STATS	\$19.99	11.39	10.75	10
18087	SHARP EL-506A SCI. STAT	\$29.99	16.49	15.51	10
18088	SHARP EL-546/506 SLR CALC.	\$39.99	24.17	22.70	10
18095	SHARP EL-512/II 128STEP PROG.	\$49.99	33.84	31.78	10
18054	SHARP EL-731 FINANCIAL	\$29.99	16.92	15.89	10
18158	SHARP EL-731 SOLAR	\$35.99	14.99	14.99	5
18053	SHARP EL-533/733 FINANCIAL	\$45.99	27.81	26.11	10
18159	SHARP EL-735 BUSINESS DATA	\$59.99	36.27	34.06	5
18085	SHARP EL-5200 GRAPHIC PROG.	\$139.99	84.64	79.48	6
18099	SHARP EL-5500 II/III CALC/COMP	\$129.99	78.60	73.80	5
18196	SHARP EL-640 TALKING CALC.	\$119.99	72.55	68.13	5
18197	SHARP EL-6250H PCKT. TELEDIALER	\$89.99	56.83	53.37	6
18063	SHARP EL-6060 TELE DIRECTORY	\$29.99	17.52	16.45	3
18157	SHARP EL6230 AUTO DIALER/CALC.	\$79.99	44.73	42.01	5
18062	SHARP EL-6061 TELE DIRECTORY	\$29.99	17.52	16.45	3
18061	SHARP EL-470 TRAVEL PARTNER	\$34.99	21.75	20.43	3
18044	SHARP OZ WIZARD CALCULATOR	\$299.95	227.27	213.42	3
18067	SHARP OZ-701A TIME MANAGE	\$119.99	89.61	84.15	3
18068	SHARP OZ-702A DICT.&THESAURUS	\$129.99	97.40	91.46	3
18069	SHARP OZ-703A LANG.TRANSLATOR	\$99.99	76.62	71.95	3
18072	SHARP OZ-791 POCKET LINK	\$149.99	116.87	109.74	3
18096	SHARP OZ-780 32K RAM	\$79.99	58.44	54.88	
18097	SHARP OZ-781 64K RAM	\$129.99	101.30	95.12	
18074	SHARP CE-152 RECORDER	\$99.99	77.91	73.16	3
18075	SHARP CE-131T LEVEL CONVERT.	\$99.99	77.91	73.16	3
18076	SHARP CE-200L DUBBING CABLE	\$30.00	23.38	21.95	5
18132	SHARP EL-336/386 SOLAR SEMI-DKTOP	\$29.99	19.34	18.16	10
18113	SHARP EL-335A SOLAR DESKTOP	\$24.99	13.90	13.05	10
18107	SHARP EL334 SEMI DESK	\$19.99	9.99	9.30	10
18071	SHARP EL-344A METRIC CONVERTER	\$13.30	12.49	11.84	10
18130	SHARP EL-351 FOLDING SOLAR 8 DIG.	\$19.99	11.48	10.78	10
18162	SHARP EL-1609B HAND HELD PRINTER	\$34.99	20.55	19.30	4
18237	SHARP EL-1611S/C/A PALM PRINTER	\$39.99	24.17	22.70	4
18105	SHARP EL-1621 10-DIG HANDHELD	\$54.99	35.06	32.93	4
18239	SHARP EL-1601T PALM PRINTER	\$54.99	35.06	32.93	4
18238	SHARP EL-1600B HANDHELD PRINTER	\$54.99	33.84	31.78	6
18156	SHARP EL-1626 10DIG 2CLR PRTR.	\$59.99	39.90	37.46	4
18252	SHARP EL-1192D/H/C PRINTER	\$69.99	43.52	40.87	4
18264	SHARP EL-2626 2 COLOR PRINTER	\$69.99	44.74	42.01	10
18260	SHARP EL-2192/C 12DIG/2COL PRTR	\$74.99	46.45	43.62	4
18045	SHARP EL-1197H/IV PRINTER	\$89.99	55.62	52.23	4
18047	SHARP EL-2197II PRINTER	\$109.99	66.50	62.45	4

Part #	Description	Sugg. List	Broken Case	Full Case	Case Qty.
Hewlett-Packard Calculators					
12005	HP-10B BUSINESS CALC	\$49.95	35.46	32.97	10
12021	HP-11C ADVANCED PROG/203-STEP	\$56.00	39.76	36.96	10
12025	HP-12C FINANCIAL PROG/99-STEP	\$94.95	67.41	62.67	10
12006	HP-14B ENTRY LEVEL BUSINESS	\$79.95	56.76	52.77	5
12001	HP-15C ADVANCED PROG/448-STEP	\$79.95	56.76	52.77	10
12002	HP-16C BASE CONVERT./203-STEP	\$99.95	70.96	65.96	10
12027	HP-17B BUSINESS CALC	\$110.00	78.10	72.60	5
12029	HP-19B BUSINESS CALC	\$175.00	124.25	115.50	5
12020	HP-20S SCIENTIFIC CALC	\$49.95	35.46	32.97	10
12003	HP-22S SCIENTIFIC CALCULATOR	\$59.95	42.56	39.57	10
12028	HP-27S SCIENTIFIC CALC	\$110.00	56.10	50.60	5
12032	HP-28S SCIENTIFIC CALC	\$235.00	166.85	155.10	5
12004	HP-32S RPN SCIENTIFIC CALC	\$69.95	49.66	46.17	10
12045	HP-41CV H-L PROG/2000-STEP	\$175.00	124.25	115.50	5
12046	HP-41CX-BUILT-IN EXT.FUNCTIONS	\$249.00	176.79	164.34	5
12007	HP-42S RPN SCIENTIFIC	\$120.00	85.20	79.20	5
12047	HP-82242A INFRARED PRINTER MOD	\$65.00	46.15	42.90	2
13460	HP-82240A THERMAL PRINTER HP-18	\$135.00	95.85	89.10	5
Power Supplies					
13007	HP-82001B BATTERY PACK	\$15.00	10.50		1
13008	HP-82002C ADAPTER/CHARGER	\$35.00	24.50		1
13009	HP-82004A RESERVE BATTERY PK	\$40.00	28.00		1
13001	HP-82019B BATTERY PACK	\$15.00	10.50		1
13022	HP-82033A BATTERY PACK	\$25.00	17.50		1
13023	HP-82037A RESERVE POWER PACK	\$60.00	42.00		1
13003	HP-82041C ADAPTER/CHARGER	\$22.00	15.40		1
13035	HP-82052A BATTERY PACK	\$30.00	21.00		1
13033	HP-82059D ADAPTER/CHARGER	\$20.00	14.40		1
13034	HP-82066B ADAPTER/CHARGER-220V	\$25.00	17.50		1
13042	HP-82109A BATTERY PACK	\$15.00	10.50		1
13249	82120A BATTERY PAC FOR HP-41	\$35.00	24.50		1
13465	HP-82241A AC ADAPT.18C PRNTR	\$15.00	10.50		1
13158	HP-82402A DUAL HP-1L ADAPTER	\$99.00	69.30		1
13069	HP-88014 BATTERY PACK-9114A	\$55.00	38.50		1
13046	HP-92266B N-CELL NI-CADS 4PK	\$12.00	8.40		1
13045	HP-92266A "N" CELL RECHARGER	\$39.95	27.97		1
Series 10 Books					
13311	00011-90001 HP-11C OWNER MANUAL	\$10.00	7.00		1
13411	00011-90005 HP-11C SPANISH MAN.	\$15.00	10.50		1
13295	00011-90009 HP-11C SOLUTIONS BK.	\$15.00	10.50		1
13312	00012-90001 HP-12C OWNER MANUAL	\$10.00	7.00		1
13412	00012-90005 HP-12C SPAN. MANUAL	\$15.00	10.50		1
13313	00012-90022 HP-12C TRAINING MAN	\$15.00	10.50		1

4-6

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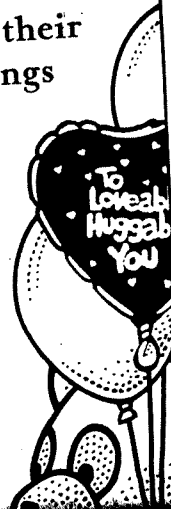
THE LITTLE MERMAID (G)
(*1:10-3:05-5:05)-7:10-9:10
no two for one passes

STEEL MAGNOLIAS (PG)
(*2:15-4:45)-7:15-9:45

CHRISTMAS VACATION (PG-13)
(*1:05-3:00-5:10)-7:20-9:30

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4-7

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Andrew Morrison/KANSAN

ather.

OW new

technology advanced. He does, however, still play classical music.

"It's real important not to get in a rut," Errante said. "I am a specialist with new music, but I am open to all types of music."

New music is more appealing and accessible to the public, Errante said.

"When you go to a symphony, you usually hear music 100 to 200 years old," he said. "Symphonies have become like museums, and the public is lagging behind."

Errante said he played new music with multi-media emphasis because it was fun.

"When it stops being exciting, energizing and fun, that is when I'll stop playing it," he said.

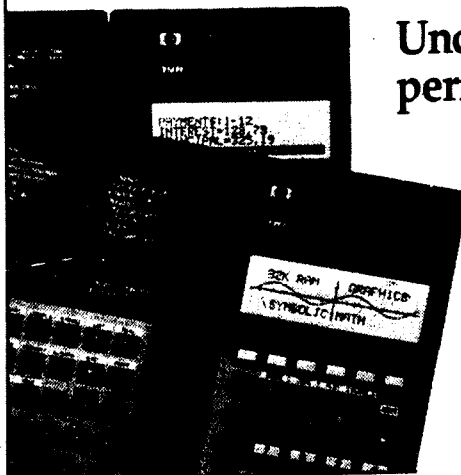


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Kansas & Burge Unions



4-8

State hall of fame inducts Woodard

Former KU star now is playing in Italy

By Matt Taylor

Kansan sportswriter

Former Kansas basketball player Lynette Woodard was one of five people inducted Saturday into the State of Kansas Sports Hall of Fame during halftime of the Kansas-Kansas State men's basketball game in Manhattan.

Woodard, a part-time assistant coach for the women's basketball team until Jan. 12, could not attend the induction. She now plays professional basketball in Bari, Italy, where she plans to continue until May.

"I think she is very deserving of this honor," said Coach Marian Washington. "She is one of the finest single sources of pride we have at this university."

Steve Jansen, executive secretary for the Hall of Fame and director of Watkins Community Museum, said inductees were chosen for their long-term contribution to athletics in the state.

Jansen said a seven-member board of trustees voted the inductees into Hall of Fame.

Woodard was a four-time All-American at Kansas from 1978 to 1981 and received the 1981 Wade Trophy, recognizing her as the country's best collegiate women's basketball player. Woodard also was a two-time Academic All-American.

After graduating from KU in 1981,

'(Lynette Woodard) is one of the finest single sources of pride we have at this university.'

— Marian Washington
KU women's basketball coach

woman member of the Harlem Globetrotters in 1985, touring with the team for two years.

Woodard served several stints on Washington's coaching staff from 1982 to 1985 and joined the staff again last fall.

Before her return at the beginning of last semester, Woodard played for a team in Priolo, Italy, for two years and led it to the Italian national championship last year.

Woodard holds several records at KU, including career scoring (3,649) and rebounding (1,714). She also holds single-season and single-game scoring records.

Jansen said the Hall of Fame, located in the first floor of Watkins Community Museum, 1047 Massachusetts, was formed in 1961. It has been in Lawrence since 1972.

He said an exhibit about Woodard's career soon would be displayed in the museum.

Woodard was inducted along with Tom Watson, professional golfer; Jack Hartman, former Kansas State basketball coach; Walter Shubloom, former Woodliffe High School

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Arts/Entertainment Page

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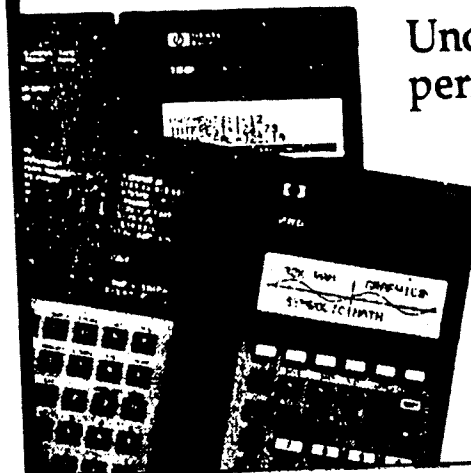


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Kansas & Burge Unions



THE UNIVERSITY OF KANSAS AND THE CITY OF LAWRENCE HAVE EXPERIENCED MUTUAL GROWTH AND SHARE IN THE OVERALL ECONOMIC DEVELOPMENT AND SECURITY OF OUR COMMUNITY. THIS IS A NATURAL RESULT OF THE DIRECT CO-OPERATION BETWEEN THE LAWRENCE COMMUNITY AND THE UNIVERSITY. RECENTLY THIS CO-OPERATION HAS ERRODED INTO COMPETITION ESPECIALLY DUE TO SOME OF THE ACTIONS OF THE KU BOOKSTORES. JAYHAWK BOOKSTORE IS ONE PUBLIC BUSINESS TO BE AFFECTED BY SOME OF THE KU BOOKSTORES' RECENT ACTIONS. GRANTED, OUR BUSINESS IS ENTIRELY DEPENDENT UPON THE UNIVERSITY OF KANSAS IN THAT WE ARE IN DIRECT, HEAD TO HEAD COMPETITION FOR THE STUDENTS' DOLLARS. IN GENERAL, WE BELIEVE THAT WE SHOULD HAVE THE OPPORTUNITY TO COMPETE FAIRLY AND OPENLY WITH THE KU BOOKSTORES AND IN SOME RESPECTS WE HAVE RECEIVED SOME 'BEGRUDGENED' CO-OPERATION FROM THEM. BUT IT HAS BEEN MY EXPERIENCE THAT THE KU BOOKSTORES DO NOT OFFER ANY SUCH CO-OPERATION WILLINGLY. THE FACT THAT THE KU BOOKSTORES IS NOT TAX SUPPORTED IS A SIGNIFICANT FACTOR IN THEIR FAVOR, HOWEVER, THEY ENJOY MANY BENEFITS FROM THEIR NON-PROFIT STATUS. AMONG THESE, THE GREATEST ADVANTAGE THAT THE KU BOOKSTORES HOLD OVER THE PUBLIC SECTOR IS THEIR TAX EXEMPT STATUS. THE KU BOOKSTORES DO NOT HAVE TO REPORT THEIR PROFITS TO ANYONE NOR DO THEY PAY TAXES! IF THE JAYHAWK BOOKSTORE OR ANY OTHER PUBLIC BUSINESS FAILED TO COMPLY WITH STATE LAW REGARDING SALES, INVENTORY VALUE, PROFITS OR OTHER FINANCIAL MATTERS, WE WOULD BE SHUT DOWN IN A MINUTE! THE KU BOOKSTORE OCCUPIES SPACE IN THE KANSAS UNION BUILDING WHICH GENERATES AN EXTREMELY HIGH 'CAPTIVE' TRAFFIC VOLUME IN THAT NEW STUDENT ORIENTATIONS ARE CONDUCTED THERE, SEMESTER FEES ARE PAID THERE, AND COURSE TIMETABLES ARE DISTRIBUTED THERE AND AT THE SATELLITE BURGE UNION. THE IMPLICATION TO THE STUDENT IS THAT THERE IS NO OTHER SOURCE FOR THEIR ACADEMIC OR SUPPLY NEEDS.

A SPECIFIC AREA OF CONTENTION IS IN THE MARKETING OF ELECTRONIC CALCULATORS. THE AVERAGE PROFIT MARGIN ON HEWLETT-PACKARD ELECTRONIC CALCULATORS IS 34%, WHEN PRICED AT THE MANUFACTURER'S SUGGESTED RETAIL SELLING PRICE. THE KU BOOKSTORES' CURRENT PROFIT MARGIN, ON SELECTED MODELS IS APPROXIMATELY 8.22%. THE JAYHAWK BOOKSTORE HAS REDUCED ITS MARGIN TO 22.43% IN AN EFFORT TO COMPETE, BUT HAS SEEN SALES OF HEWLETT-PACKARD ELECTRONIC CALCULATORS DROP CONSIDERABLY. JAYHAWK BOOKSTORE CANNOT MEET ITS FINANCIAL OBLIGATIONS ON 22.43%, MUCH LESS ON 8.22%.

THE KU BOOKSTORES' RECENT CALCULATOR ADVERTISEMENTS, ATTACHED, ILLUSTRATE THE PRICING STRUCTURE ADOPTED TO COMPETE WITH JAYHAWK BOOKSTORE. YOU WILL ALSO FIND ATTACHED, COPIES OF THE DEALER PRICE LIST FROM WHOM BOTH JAYHAWK BOOKSTORE AND THE KU BOOKSTORES PURCHASE CALCULATORS, PRIMARILY. THE CASE QUANTITY PRICING IS ALLEGEDLY THE SAME FOR BOTH STORES, YET THE KU BOOKSTORES CAN SELL THEIR PRODUCT FOR

MARKEDLY LESS. THE KU BOOKSTORES' RECENT ADVERTISEMENT FOR THE SHARP EL-51211, ILLUSTRATES A 9.07% MARGIN. THE MANUFACTURER'S SUGGESTED RETAIL PRICE YIELDS A 36.38% PROFIT MARGIN. AS A DIRECT RESULT OF THIS MARKETING CONFLICT, OUR COMMON CALCULATOR SUPPLIER HAS ADVISED A NEW SCHOOL SUPPLY BUSINESS, RECENTLY MOVED TO LAWRENCE, NOT TO CARRY HEWLETT-PACKARD ELECTRONIC CALCULATORS.

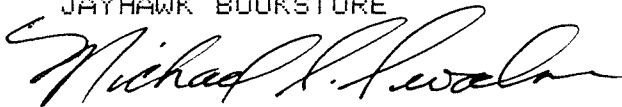
THE KANSAS UNION BOOKSTORES HAVE BEEN VERY AGGRESSIVE IN THEIR ADVERTISING, ESPECIALLY SINCE THEIR ACQUISITION OF MACINTOSH COMPUTERS. DURING THE FALL 1989 SEMESTER'S 51 ISSUES OF THE UNIVERSITY DAILY KANSAN, OVER 59% OF ALL PRINT ADVERTISING WAS DEVOTED TO MACINTOSH COMPUTERS. THE ACTUAL DISPLAY ADVERTISING SPACE FOR THE FALL SEMESTER AVERAGED TO BE 2,261.33 COLUMN INCHES PER MONTH. AT THE PUBLISHED DISCOUNT RATE FOR VOLUME ADVERTISING, OF \$3.90 PER COLUMN INCH, THE KU BOOKSTORES' PRINT ADVERTISING COSTS WOULD AVERAGE AROUND \$8,820.00 PER MONTH. THIS FIGURE MIGHT REPRESENT THE ANNUAL ADVERTISING BUDGET FOR MANY PUBLIC SECTOR SMALL BUSINESSES, I KNOW THAT JAYHAWK BOOKSTORE COULD NOT AFFORD THIS AMOUNT, MONTHLY. ALTHOUGH THE UNIVERSITY DAILY KANSAN IS ONLY A PART OF OUR ADVERTISING PLAN, I MUST MENTION THAT DURING THE ENTIRE FALL SEMESTER, THE JAYHAWK BOOKSTORE PRECEDED THE KU BOOKSTORES IN AD PLACEMENT ONLY ONCE. A RECENT COMPARISON OF CURRENT KU BOOKSTORE ADVERTISING TRENDS VERSUS THE VOLUME OF PRINT ADVERTISING IN THE UNIVERSITY DAILY KANSAN OF TWO YEARS AGO INDICATES A MARKED INCREASE IN BOTH THE VOLUME AND FREQUENCY OF DISPLAY ADVERTISING, AN AVERAGE INCREASE FROM APPROXIMATELY 500 COLUMN INCHES PER MONTH TO THE CURRENT AVERAGE OF 2,261.33 COLUMN INCHES.

ON ANOTHER MATTER, THE KU BOOKSTORES DISTRIBUTE AN OFFICE PRODUCTS CATALOG TO EACH DEPARTMENT ON CAMPUS OFFERING DISCOUNTS ON SUPPLY PURCHASES MADE THROUGH THE KU BOOKSTORE OR BURGE UNION SATELLITE STORE. I HAVE ENCLOSED A COPY OF THE COVER LETTER, WHICH ACCOMPANIES THE CATALOG, IN YOUR INFORMATION PACKETS. AS I UNDERSTAND, THE VARIOUS SCHOOLS AND DEPARTMENTS OF THE UNIVERSITY OF KANSAS ARE TO ORDER THEIR SUPPLIES THROUGH A CENTRAL OFFICE SUPPLY 'STORE' LOCATED IN STRONG HALL AND THAT ITEMS NOT STOCKED THERE OR MAJOR PURCHASES ARE PUT OUT TO BID. ARE THE KANSAS UNION BOOKSTORES COMPETING WITH THE UNIVERSITY ITSELF FOR THE UNIVERSITY'S BUSINESS? AND IF THE KU BOOKSTORES ARE ON THE UNIVERSITY'S LIST OF POTENTIAL CONTRACTORS, WHY AREN'T OTHER LOCAL BUSINESSES INVITED TO BID COMPETITIVELY FOR THE UNIVERSITY'S BUSINESS?

IN CONCLUSION, WE AT JAYHAWK BOOKSTORE DO NOT DENY THE FUNDAMENTAL PRIVILEGES OF PRIMACY TO THE KU BOOKSTORES. IN REALITY, WE MUST HAVE THEM FOR OUR OWN ENDEAVORS TO SUCCEED. HOWEVER, WE ENCOURAGE YOU TO ENACT A BILL THAT WILL CREATE AND PRESERVE AN ATMOSPHERE OF FAIR AND EQUAL COMPETITION BETWEEN THE INSTITUTIONAL CAMPUS STORES AND THE PUBLIC

BUSINESS SECTOR THAT SUPPORTS THE INSTITUTION THROUGH ITS TAXES. REMEMBER, NOT EVERY COLLEGE OR UNIVERSITY FEATURES A CAMPUS STORE LIKE THE KU BOOKSTORES AND THAT MANY ARE TAX SUPPORTED ENDEAVORS AND THE PUBLIC SECTOR BUSINESSES DO NEED YOUR SUPPORT AS WELL. THIS SITUATION SHOULD NOT BE TREATED AS ONE END PLAYED AGAINST THE OTHER. YOU HAVE AN OPPORTUNITY TO INSURE THE INEVITABLE GROWTH AND ECONOMIC DEVELOPMENT OF NOT ONLY LAWRENCE, BUT OF EACH COMMUNITY IN WHICH A STATE GOVERNED COLLEGE OR UNIVERSITY RESIDES. THE RESULT COULD ONLY MEAN BETTER SERVICE TO THE STUDENTS, FACULTY, AND STAFF OF THE UNIVERSITY COMMUNITIES SERVED AND INCREASED BUSINESS FOR THE PUBLIC SECTOR BUSINESSES AND AS A DIRECT RESULT, INCREASED REVENUES FOR THE STATE OF KANSAS THROUGH HIGHER TAXES PAID.

RESPECTFULLY SUBMITTED,
JAYHAWK BOOKSTORE



MICHAEL S. SWALM
SUPPLY DEPARTMENT MANAGER

What if it were your store?

Anyone should realize that Kansas University is a tremendous asset to Lawrence. Benefits extend into nearly every home in Lawrence in some form or another, and the presence of the state's leading educational institution has spin-offs which enrich the lives of nearly all of the residents of the community.

The financial benefits are tremendous. State appropriations, student fees, federal grants and many millions of dollars in private gifts pour into the city every year. Much of the business activity in Lawrence is activated by university employees and the students.

Lawrence is grateful. City services are enlarged to meet added services to the school. The people of Lawrence are among the most generous of the school's private donors. When troubles and deficiencies have developed, local residents always have been quick to lend meaningful support.

Lawrence is indeed fortunate to have KU right here in the midst of the city. The state is fortunate to have the principal school of higher learning settled in such a highly desirable community where the support of residents is sure, strong and dependable.

All this is true, but try to imagine how the owner of a book store on the fringe of the campus feels when city planners deny him the privilege of expanding and improving his service to the school and its students?

The planners have said "no" to the owner of the Jayhawk Bookstore at Naismith Drive and Crescent Road, just west of the Chi Omega fountain, because neighbors are unhappy with the prospect of expansion. The owner wants to create more space for business activity, for storage of books and to provide more off-street parking.

The principal competitor of the Jayhawk Bookstore is the giant, tax-free bookstore in the Kansas Union building, which doesn't need to declare a profit or pay taxes and which occupies space created largely by donations from alumni and friends.

The Kansas Union Bookstore has been expanded numerous times without asking for permission from any city officials. Besides paying no taxes, it can do most anything it pleases without contributing a dime to city operations or services.

The university also is competitive in selling hundreds of items stocked by downtown tax-paying stores, selling advertising and publications produced in tax-free plants sometimes with no-cost student labor, and selling millions of dollars in meals and other foods, produced in tax-free properties.

Who could blame the privately owned bookstore owner for wondering why he is so quickly brushed off by public officials when he wants to expand and improve his business which pays a full share of the cost of government?

What about fair competition?



Barbara Bush: Example for America

WASHINGTON — The gush is on about Barbara Bush. The same journals that were enthralled by Nancy Reagan's chic for eight years are now suddenly enchanted by Barbara Bush's crow's feet and comfortable stoutness. *Time* magazine, borrowing what is purportedly a family nickname, put her on its cover as "The Silver Fox," suggesting with wild inappropriateness that she is like a luxury fur. She will bring "a refreshing new style to the White House," *Time* promised its readers before the new mistress of the mansion ever set foot in the place.

The *New York Times*, not to be outdone, said on its front page: "With a sigh, Barbara Bush acknowledges that she now views herself as a role model for many American women. 'My mail tells me a lot of fat, white-haired, wrinkled ladies are tickled pink,' she said."

When the press is in the grip of this kind of gushiness, the prudent thing to do is to stay away from the topic. A political columnist has the freedom to say, "I don't do first ladies," and as a general rule, I don't. To ignore the special qualities of Barbara Bush, however, would be to miss one of the most important clues to the character of this new administration.

THE WOMAN most Americans have known only as the white-

David Broder



haired matron with three strands of (fake) pearls has the capacity — and likely, the inclination — to become a major influence on her husband and the nation.

Mrs. Bush has cautioned reporters that she dislikes the comparison to Eleanor Roosevelt, who was not as beloved in the Republican household where Barbara Bush was reared as in many other Depression-era homes. But that exact comparison is made by Susan Baker, spouse of Secretary of State James A. Baker III and a close friend of the Bushes.

"She sees needs; she involves herself with them; and she gives others the strength and encouragement they need to involve themselves," Susan Baker said.

The strengths Barbara Bush brings to her role are evident to anyone who knows her. She is direct, honest, clear about her loyalties (most importantly to her husband) and her values. Perhaps as a result of raising her own large, diverse batch of children, she also has exceptionally keen antennae for the moods and needs of other people. As a reporter, I have seen her, more than once,

defuse a tense situation simply by slipping her arm through the aggravated party's arm and walking and talking until the hurt and anger have passed.

WHAT IS LESS evident — because she has tended to downplay her role during the past eight years out of deference to Mrs. Reagan — is her strong personal awareness of the problems that blight too many lives in this outwardly affluent society. Her special cause has been the fight against illiteracy, and those who share it — like Ruth Graves and Anne Richardson of "Reading Is Fundamental" — testify that Barbara Bush's involvement has been intense and unstinting.

In the last few years, Mrs. Bush has begun working with groups aiding the homeless and has encouraged many of her friends to put their energies into that effort. These are personal causes, but they spill over into consciousness-raising for her husband, the president. Last spring, Bush told David Hoffman of *The Washington Post* that after he had talked about aiding the homeless in a Republican candidates' debate, "some guy that's all involved in one of these homeless programs wrote Barbara saying, 'I know you care about the homeless, but I listen to your husband (and) he doesn't.' So we got into a big argument. She had been telling me I had to do more, and I think she's

right." IT MAY SEEM exaggerated to suggest that Barbara Bush will be the conscience of this White House, but my guess is that she will be more: an example to the country. She comes from a tradition that says that those who are favored with wealth and power thereby acquire reciprocal obligations to those who lack any advantages.

In a speech last autumn in San Francisco, George Bush talked about what "a shallow nation" economic growth is. Let's remember that prosperity has a purpose and it's to pursue what Lincoln called "the better angels of our nature"....

"As I get older," he continued, "I find myself almost haunted by the lives being lived by the children of our inner cities, children growing up... in a loveless environment... amidst violence and horror. What is going to become of them? The answer is up to us. The answer is in each individual act of kindness, multiplied by tens of thousands. The answer is in a new engagement in the pain of others."

The voice was George Bush's but the spirit was that by which his wife has lived her life. Her presence will remind him of that pledge, and her example can now inspire, not just those who have been privileged to know her in the past, but millions of others who are just discovering what Barbara Bush so special.

Crisis could bring out Bush's strengths

By ANDREW J. GLASS
Cox News Service

WASHINGTON — Even as platoon of presidential grand-children romp through the White House, our local certified cynics are wagering how long it will be before the weekly news magazines run cover stories about "George Bush's First Crisis."

Whatever the answer, it's a safe bet that the current honeymoon phase of the presidency won't last forever. In the real world, crises can't be avoided. That shouldn't spook anyone so long as Bush

shows he can handle them. If he does so, he could well emerge from such an episode as a stronger president.

Although it wasn't evident at the time, it's now clear that Ronald Reagan's fortunes rose when he overcame two grave crises early in his presidential career.

The first Reagan crisis came when he was shot. That happened only a few weeks into his presidency — a crucial period when the champagne in the political honeymoon glasses tends to go flat. By peppering his doctors with one-liners during a life-threatening

procedure, Reagan showed everyone that he had what it takes.

THE SECOND crisis came several months later — still in his first year — after he fired striking government air controllers, despite warnings that the transportation system could collapse. In breaking the controllers' union, Reagan elicited respect among voters for his tough-guy stance and fear among other government workers that they could suffer the same fate.

And what of Reagan's successor? Is George Bush a

swashbuckling, elbow-grabbing Texan in the tradition of Lyndon Baines Johnson? Is he a reticent and finicky sock-darning Yankee in the tradition of Calvin Coolidge? Or is he rather an establishment patrician, drawn by family ties to public service, in the mold of John Kennedy and Nelson Rockefeller?

THOSE WHO know George Bush say all three facets can be found in his make-up. What's so odd about enjoying some blue grass music while wearing your Shell & Boner blazer?

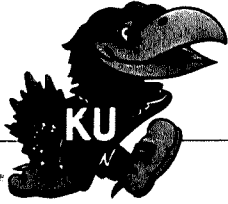
You don't have to be a Bush insider, however, to know his main priorities. They are (1) to win re-election in 1992 and (2) to ensure a good place in history.

Those aren't a bad set of goals for a national leader — so long

4-13

MILEV





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MEMO TO: ALL UNIVERSITY STAFF

FROM: KU BOOKSTORES .

DATE: JANUARY 10, 1989

Accompanying this letter is our new KU Bookstores Office Supply Catalog. We hope we can be of assistance to you by offering this additional on campus source for your office needs.

To locate an item in the catalog, you may use either the General Index or the Manufacturer's Index located at the back of the catalog. If we do not have a particular item in our store, we can place a special order for you. Most orders will arrive within a week to ten days.

For your convenience, you can place an order with our Supply Department by calling the Bookstore at 864-4640. The regular list price of each item is shown in the catalog. University departments are given discounts for purchases over \$30.00. Any purchase over \$30.00 is given a 5% discount, any over \$50.00 a 10% discount, and any over \$100.00 a 15% discount. These discounts apply only to departmental charges.

Items that are not carried in the Bookstore and are ordered by request will be assessed a restocking fee of 15% of your retail price if returned. This is a fee required by our suppliers for all returned merchandise, unless defective. Defective merchandise can always be returned for replacement or refund without a restocking fee.

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4-14

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Part #	Description	Sugg. List	Broken Case	Full Case	Case Qty.
18160	SHARP EL-361D	\$14.99	8.82	8.28	5
18081	SHARP EL-520 64-FUNCT W/STATS	\$19.99	13.29	12.48	10
18079	SHARP EL-531A SCIENTIFIC	\$17.99	10.87	10.21	10
18082	SHARP EL-509S SCI W/STATS	\$19.99	11.39	10.75	10
18087	SHARP EL-506A SCI. STAT	\$29.99	16.49	15.51	10
18088	SHARP EL-546/506 SLR CALC.	\$39.99	24.17	22.70	10
18095	SHARP EL-512/II 128STEP PROG.	\$49.99	33.84	31.78	10
18054	SHARP EL-731 FINANCIAL	\$29.99	16.92	15.89	10
18158	SHARP EL-731 SOLAR	\$35.99	14.99	14.99	5
18053	SHARP EL-533/733 FINANCIAL	\$45.99	27.81	26.11	10
18159	SHARP EL-735 BUSINESS DATA	\$59.99	36.27	34.06	5
18085	SHARP EL-5200 GRAPHIC PROG.	\$139.99	84.64	79.48	6
18099	SHARP EL-5500 II/III CALC/COMP	\$129.99	78.60	73.80	5
18196	SHARP EL-640 TALKING CALC.	\$119.99	72.55	68.13	5
18197	SHARP EL-6250H PKT. TELEDIALER	\$89.99	56.83	53.37	6
18063	SHARP EL-6060 TELE DIRECTORY	\$29.99	17.52	16.45	3
18157	SHARP EL6230 AUTO DIALER/CALC.	\$79.99	44.73	42.01	5
18062	SHARP EL-6061 TELE DIRECTORY	\$29.99	17.52	16.45	3
18061	SHARP EL-470 TRAVEL PARTNER	\$34.99	21.75	20.43	3
18044	SHARP OZ WIZARD CALCULATOR	\$299.95	227.27	213.42	3
18067	SHARP OZ-701A TIME MANAGE	\$119.99	89.61	84.15	3
18068	SHARP OZ-702A DICT.&THESAURUS	\$129.99	97.40	91.46	3
18069	SHARP OZ-703A LANG.TRANSLATOR	\$99.99	76.62	71.95	3
18072	SHARP OZ-791 POCKET LINK	\$149.99	116.87	109.74	3
18096	SHARP OZ-780 32K RAM	\$79.99	58.44	54.88	
18097	SHARP OZ-781 64K RAM	\$129.99	101.30	95.12	
18074	SHARP CE-152 RECORDER	\$99.99	77.91	73.16	3
18075	SHARP CE-131T LEVEL CONVERT.	\$99.99	77.91	73.16	3
18076	SHARP CE-200L DUBBING CABLE	\$30.00	23.38	21.95	5
18132	SHARP EL-336/386 SOLAR SEMI-DKTOP	\$29.99	19.34	18.16	10
18113	SHARP EL-335A SOLAR DESKTOP	\$24.99	13.90	13.05	10
18107	SHARP EL334 SEMI DESK	\$19.99	9.99	9.30	10
18071	SHARP EL-344A METRIC CONVERTER	\$13.30	12.49	11.84	10
18130	SHARP EL-351 FOLDING SOLAR 8 DIG.	\$19.99	11.48	10.78	10
18162	SHARP EL-1609B HAND HELD PRINTER	\$34.99	20.55	19.30	4
18237	SHARP EL-1611S/C/A PALM PRINTER	\$39.99	24.17	22.70	4
18105	SHARP EL-1621 10-DIG HANDHELD	\$54.99	35.06	32.93	4
18239	SHARP EL-1601T PALM PRINTER	\$54.99	35.06	32.93	4
18238	SHARP EL-1600B HANDHELD PRINTER	\$54.99	33.84	31.78	6
18156	SHARP EL-1626 10DIG 2CLR PRTR.	\$59.99	39.90	37.46	4
18252	SHARP EL-1192D/H/C PRINTER	\$69.99	43.52	40.87	4
18264	SHARP EL-2626 2 COLOR PRINTER	\$69.99	44.74	42.01	10
18260	SHARP EL-2192/C 12DIG/2COL PRTR	\$74.99	46.45	43.62	4
18045	SHARP EL-1197H/IV PRINTER	\$89.99	55.62	52.23	4
18047	SHARP EL-2197II PRINTER	\$109.99	66.50	62.45	4

4-15



Part #	Description	Sugg. List	Broken Case	Full Case	Case Qty.
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12005	HP-10B BUSINESS CALC	\$49.95	35.46	32.97	10
12021	HP-11C ADVANCED PROG/203-STEP	\$56.00	39.76	36.96	10
12025	HP-12C FINANCIAL PROG/99-STEP	\$94.95	67.41	62.67	10
12006	HP-14B ENTRY LEVEL BUSINESS	\$79.95	56.76	52.77	5
12001	HP-15C ADVANCED PROG/448-STEP	\$79.95	56.76	52.77	10
12002	HP-16C BASE CONVERT./203-STEP	\$99.95	70.96	65.96	10
12027	HP-17B BUSINESS CALC	\$110.00	78.10	72.60	5
12029	HP-19B BUSINESS CALC	\$175.00	124.25	115.50	5
12020	HP-20S SCIENTIFIC CALC	\$49.95	35.46	32.97	10
12003	HP-22S SCIENTIFIC CALCULATOR	\$59.95	42.56	39.57	10
12028	HP-27S SCIENTIFIC CALC	\$110.00	56.10	50.60	5
12032	HP-28S SCIENTIFIC CALC	\$235.00	166.85	155.10	5
12004	HP-32S RPN SCIENTIFIC CALC	\$69.95	49.66	46.17	10
12045	HP-41CV H-L PROG/2000-STEP	\$175.00	124.25	115.50	5
12046	HP-41CX-BUILT-IN EXT.FUNCTIONS	\$249.00	176.79	164.34	5
12007	HP-42S RPN SCIENTIFIC	\$120.00	85.20	79.20	5
12047	HP-82242A INFRARED PRINTER MOD	\$65.00	46.15	42.90	2
13460	HP-82240A THERMAL PRINTER HP-18	\$135.00	95.85	89.10	5
Power Supplies					
13007	HP-82001B BATTERY PACK	\$15.00	10.50		1
13008	HP-82002C ADAPTER/CHARGER	\$35.00	24.50		1
13009	HP-82004A RESERVE BATTERY PK	\$40.00	28.00		1
13001	HP-82019B BATTERY PACK	\$15.00	10.50		1
13022	HP-82033A BATTERY PACK	\$25.00	17.50		1
13023	HP-82037A RESERVE POWER PACK	\$60.00	42.00		1
13003	HP-82041C ADAPTER/CHARGER	\$22.00	15.40		1
13035	HP-82052A BATTERY PACK	\$30.00	21.00		1
13033	HP-82059D ADAPTER/CHARGER	\$20.00	14.40		1
13034	HP-82066B ADAPTER/CHARGER-220V	\$25.00	17.50		1
13042	HP-82109A BATTERY PACK	\$15.00	10.50		1
13249	82120A BATTERY PAC FOR HP-41	\$35.00	24.50		1
13465	HP-82241A AC ADAPT.18C PRNTR	\$15.00	10.50		1
13158	HP-82402A DUAL HP-1L ADAPTER	\$99.00	69.30		1
13069	HP-88014 BATTERY PACK-9114A	\$55.00	38.50		1
13046	HP-92266B N-CELL NI-CADS 4PK	\$12.00	8.40		1
13045	HP-92266A "N" CELL RECHARGER	\$39.95	27.97		1
Series 10 Books					
13311	00011-90001 HP-11C OWNER MANUAL	\$10.00	7.00		1
13411	00011-90005 HP-11C SPANISH MAN.	\$15.00	10.50		1
13295	00011-90009 HP-11C SOLUTIONS BK.	\$15.00	10.50		1
13312	00012-90001 HP-12C OWNER MANUAL	\$10.00	7.00		1
13412	00012-90005 HP-12C SPAN. MANUAL	\$15.00	10.50		1
13313	00012-90022 HP-12C TRAINING MAN	\$15.00	10.50		1

4-16

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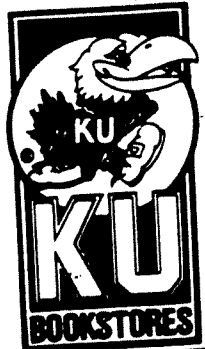
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4-17

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technology advanced. He does, however, still play classical music.

"It's real important not to get in a rut," Errante said. "I am a specialist with new music, but I am open to all types of music."

New music is more appealing and accessible to the public, Errante said.

"When you go to a symphony, you usually hear music 100 to 200 years old," he said. "Symphonies have become like museums, and the public is lagging behind."

Errante said he played new music with multi-media emphasis because it was fun.

"When it stops being exciting, energizing and fun, that is when I'll stop playing it," he said.



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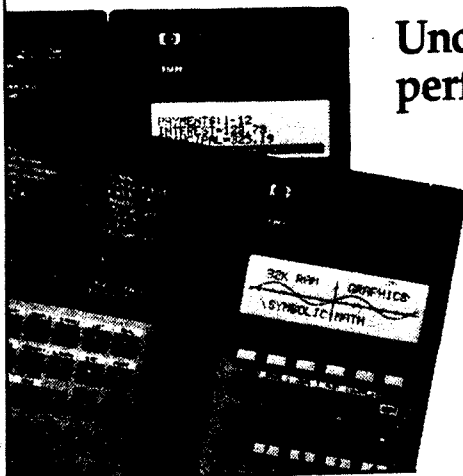
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4-18

State hall of fame inducts Woodard

Former KU star now is playing in Italy

By Matt Taylor

Kansan sportswriter

Former Kansas basketball player Lynette Woodard was one of five people inducted Saturday into the State of Kansas Sports Hall of Fame during halftime of the Kansas-Kansas State men's basketball game in Manhattan.

Woodard, a part-time assistant coach for the women's basketball team until Jan. 12, could not attend the induction. She now plays professional basketball in Bari, Italy, where she plans to continue until May.

"I think she is very deserving of this honor," said Coach Marian Washington. "She is one of the finest single sources of pride we have at this university."

Steve Jansen, executive secretary for the Hall of Fame and director of Watkins Community Museum, said inductees were chosen for their long-term contribution to athletics in the state.

Jansen said a seven-member board of trustees voted the inductees into Hall of Fame.

Woodard was a four-time All-American at Kansas from 1978 to 1981 and received the 1981 Wade Trophy, recognizing her as the country's best collegiate women's basketball player. Woodard also was a two-time Academic All-American.

After graduating from KU in 1981,

'(Lynette Woodard) is one of the finest single sources of pride we have at this university.'

— Marian Washington

KU women's basketball coach

woman member of the Harlem Globetrotters in 1985, touring with the team for two years.

Woodard served several stints on Washington's coaching staff from 1982 to 1985 and joined the staff again last fall.

Before her return at the beginning of last semester, Woodard played for a team in Priolo, Italy, for two years and led it to the Italian national championship last year.

Woodard holds several records at KU, including career scoring (3,649) and rebounding (1,714). She also holds single-season and single-game scoring records.

Jansen said the Hall of Fame, located in the first floor of Watkins Community Museum, 1047 Massachusetts, was formed in 1961. It has been in Lawrence since 1972.

He said an exhibit about Woodard's career soon would be displayed in the museum.

Woodard was inducted along with Tom Watson, professional golfer; Jack Hartman, former Kansas State basketball coach; Walter Shublom, former Wyandotte High School

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Arts/Entertainment Page

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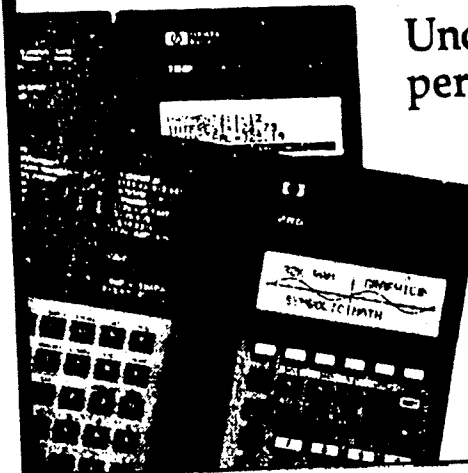
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NFIB Kansas

National Federation of
Independent Business

Testimony before the Senate Committee on Economic Development
February 7, 1990

Mr. Chairman and members of the committee, my name is Jim Yonally, Kansas Director of the National Federation of Independent Business. I am pleased to appear today in support of Senate Bill 437, on behalf of the more than 8,000 small and independent businesses who are members of our organization.

Each year we submit a ballot to our members seeking their opinions on matters before the legislature. Our members have consistently supported some remedy for curbing unfair government competition with private enterprise. Also, a part of that ballot includes a space for comments. Often I receive comments from members citing some activity by state or local governments which, in the mind of that member, could be provided more effectively, more efficiently, and less costly by private enterprise. Our members want the opportunity to demonstrate that the private enterprise system does work. That competition in the marketplace forces businesses to develop a service and the delivery of that service that is as cost efficient as possible.

We believe that Senate Bill 437, which as you know, provides for a private enterprise review board, is an appropriate step to begin this process. Our NFIB Guardian Advisory Council, meeting in Topeka on Jan. 23 of this year gave their unanimous endorsement to this bill.

Monday night, of this week, I received a call from Gary Bruch, President of the Kansas Commercial Fish Growers Association. He said that he attempted to get on the agenda for today, but was told there wouldn't be time for him to testify, and asked me if I would include in my remarks that his organization wholeheartedly supports SB 437.

Lastly, I would say that two items which are priorities for members of NFIB are before this committee. This bill is one of them, and the second issue is the removal of casual labor from the definition of employee under the unemployment compensation laws. We thank the committee for agreeing to introduce a bill on the latter subject, and look forward to appearing in support of that bill at a later time.

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SENATE ECONOMIC DEVELOPMENT
2-7-90 Att. 5

STATEMENT OF THE KANSAS GRAIN AND FEED ASSOCIATION
AND
THE KANSAS FERTILIZER AND CHEMICAL ASSOCIATION

TO THE SENATE ECONOMIC DEVELOPMENT COMMITTEE

SENATOR DAVE KERR, CHAIRMAN

REGARDING S.B. 437

FEBRUARY 6, 1990

Mr. Chairman and Members of the Committee, I am Chris Wilson, Director of Governmental Relations of the Kansas Grain and Feed Association (KGFA) and the Kansas Fertilizer and Chemical Association (KFCA). KGFA has over 1300 members involved in the state's grain handling, storage, merchandising and processing industry. KFCA's over 500 members are agrichemical retail, distribution, manufacturing and service firms. We appreciate this opportunity to testify in support of S.B. 437, concerning the establishment of a private enterprise review board, as recommended by the interim economic development committee.

We believe that it is improper for government to be in direct competition with private business, where government is not providing a basic public service. Private sector firms provide jobs and generate local and state taxes. When government uses such taxes to put government entities in competition with business, it makes it difficult or impossible for the businesses involved to remain competitive. Our Associations' members include the state's country grain elevators, which store and market grain and provide farm supplies. In many rural Kansas communities, our members are the only local businesses. They

provide jobs and are a major source of local property taxes. Government competition is an increasing problem for our members, to the point where government competition can make the difference as to whether a firm will be able to continue to sell farm inputs or to even be in business at all. Due to increased government sales of grain and reduced crops, and therefore reduced storage income, local elevators which would depend on sales of inputs such as seed to maintain their business, find themselves in competition with government entities.

One example of government competition with our industries is the sale of seed by conservation districts. County conservation districts have dramatically increased their sales of grass seed--from \$2.23 million in sales in 1986 to over \$7 million in 1987 to approximately \$10.5 million in 1988. K.S.A. 2-1908 gives the districts the authority to sell "agricultural and engineering machinery and equipment, fertilizer, seeds and seedlings, and such other material or equipment" to land occupiers for conservation purposes. Over the years, districts have sold seed when existing conservation practices provided an increased market for such sales. The current Conservation Reserve Program has put 2.5 million acres in Kansas in grass and trees, mostly grass.

Due to the districts' sales, our members have lost millions of dollars of seed sales. There have been many horror stories reported about districts insisting that landowners buy the seed through them--at a higher cost than through the local businessman--in order to have their plantings approved. The Kansas Conservation Commission has been understanding of our

concerns and encouraged the districts not to improperly operate their seed sale programs. The Commission, however, believes this is a short term problem which will end with the Conservation Reserve Program, so our members should not worry about this situation. Short term or not, it does not change the fact that our members are losing millions of dollars worth of business. Also, there will likely be an additional conservation reserve established under the 1990 Farm Bill, which will idle many million more acres throughout the country. We submit to you that this has become a long term problem.

According to the Commission, the districts' mark-up on the seed is from 5 to 15%. Our members can sell seed to producers at a lower cost in most cases, but what is happening is that the producers buy the seed at a higher price from the district, because they sign up for the program in that office and that office approves their plantings and compliance with the program.

Another area where our Associations' members compete with a government entity is in the sale of chemicals for the treatment of noxious weeds. In this case, K.S.A. 2-1319 permits counties to sell chemicals at a discount for the treatment of noxious weeds. County tax dollars are used to subsidize the cost of the chemical by up to 50%. The land owner or operator can not receive the discount unless he buys the chemical from the county. Here again, if the private sector businessman were allowed to compete on the same playing field with the government entity, we could provide a lower or equal cost product. No other state in the country has a noxious weed control statute which puts government in competition with the private sector. Any other

state which provides cost-sharing on chemicals allows the government to sell the chemicals only if they are unavailable in the private sector. This program is costly to the taxpayer and the businesses affected. In 1988, the value of chemicals sold by the counties was over \$15.3 million, up from \$9.8 million in 1982. The value of chemicals sold in 1989 is not yet known, but the county chemical budgets were raised by \$1 million over the previous year. The cost in county taxes of the chemical sales program is over \$8 million annually.

We believe that those who are in the business day in and day out of providing crops inputs, whether they be seeds or chemicals, can do so more efficiently than can government. These businessmen are integrally involved in all phases of their operations, including compliance with environmental regulations. Some county commissions would like to have their local retailers handle and sell the chemicals and allow the county weed directors to devote full attention to the control of noxious weeds in the county, but the law limits their ability to do so.

The value of the county seed and chemical sales represents the value of sales of about 100 small or 50 medium-sized businesses.

We submit to you that the private sector can provide many goods and services more efficiently and at a lower cost than can government. One example of this would be grain inspection. In many states, private sector grain grading agencies are certified by and contract with the Federal Grain Inspection Service to inspect grain. In Kansas, the state grain grading entity has a

6-4

monopoly, established by K.S.A. 34-102. Because of the state's bureaucracy, the grain inspection department could not even replace their 50-year old desks with ones which meet the Federal Grain Inspection Service's requirements in order to be able to accurately grade the grain. The budget agency did not approve this request, even though the grain inspection department had a \$4 million reserve in its fee funded, and is totally fee funded. There are many more examples concerning grain inspection which point to the need to allow private enterprises to do the job.

The passage of S.B. 437 would not result in getting the government out of our business, but it would at least give an opportunity for businesses' concerns about competition with the government to be heard. It is unclear to us whether the bill as written would even allow our specific concerns to be addressed, since it applies only to state agencies. We respectfully request that the bill be amended to apply to any government program which is authorized by state law. And we strongly urge you to pass S.B. 437, which would at least give businesses an opportunity to have their concerns examined and reviewed by an independent board. It should be the policy of this state to not have government-run, tax-supported businesses, funded in part by businesses who in turn must compete against their government counterparts.

Thank you for this opportunity to speak on behalf of S.B. 437. I will attempt to answer any questions you may have.

February 7, 1990

STATEMENT TO: SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

SUBJECT: SUPPORT FOR S. B. 437

FROM: Roland E. Smith, Executive Director of the
Wichita Independent Business Association

The Wichita Independent Business Association is an Association of 1400 plus locally owned businesses in the Wichita Area.

WIBA does support S.B. 437 that provides for a Kansas private review board that would be able to review complaints and situations where government competes with free enterprise. This is a positive step, we believe, in the right direction. If passed and in place for a time, additional legislation might be needed to enforce compliance, depending on how well the board is able to handle the situations as they come up.

Thank you for the opportunity to submit this written testimony.

February 7, 1990

Comment received from Shelby Smith, Secretary of Department of Administration regarding Senate Bill 437.

"Instead of requiring quarterly meetings, meet on call of the Chairman or any two members."

STATE OF KANSAS

120-5



DIVISION OF THE BUDGET

MIKE HAYDEN,
Governor
MICHAEL F. O'KEEFE
Director of the Budget

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1575
(913) 296-2436

January 24, 1990

The Honorable Dave Kerr, Chairperson
Committee on Economic Development
Senate Chamber
Third Floor, Statehouse

Dear Senator Kerr:

SUBJECT: Fiscal Note for SB 437 by Joint Committee on Economic
Development

In accordance with KSA 75-3715a, the following fiscal note concerning SB 437 is respectfully submitted to your committee.


SB 437 creates the Kansas Private Enterprise Review Board, consisting of three members: two representatives of the general public appointed by, and serving at the pleasure of, the Governor and the Secretary of Administration as an ex officio member. Not more than two members can be of the same political party.

The new board is charged with the responsibility of reviewing complaints from private enterprises with respect to the activities of state agencies (including postsecondary educational institutions) that compete directly with these private enterprises. The Board is directed to report its findings and recommendations quarterly to the Governor and the Legislature.

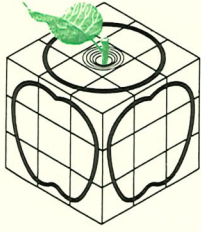
The Department of Administration estimates the fiscal effect of this legislation to be \$120,413 from the State General Fund for FY 1991. The estimate is based on the addition of three new staff positions in the Division of Purchases: a State Contracting Officer IV, a Secretary II, and an Office Assistant III. Other operating expenditures include funds for office space, communications, printing, travel and subsistence, court reporter services, and capital outlay. The addition of these three positions assumes an increase in workload for the division based on an estimate of the complaints that most likely would be received.

The Honorable Dave Kerr
January 24, 1990
Page Two

The fiscal note on this bill would be in addition to amounts contained in the Governor's budget recommendations.


Michael F. O'Keefe
Director of the Budget

cc: Sherry Brown, Department of Administration
53



CKAVTS

Central Kansas Area Vocational-Technical School

Administrative Center

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February 7, 1990

TO: Senate Committee on Economic Development
FROM: Chuck Scott
SUBJECT: SB-437 Private Enterprise Review Board

Chairman Kerr and members of the Senate Committee on Economic Development, thank you for allowing me to come before you today to testify on behalf of the state's sixteen area vocational-technical schools. My name is Chuck Scott, and I am the director of Central Kansas Area Vo-Tech School, headquartered in Newton. Running a vo-tech school is often like running an obstacle course. You have to climb walls, jump over barriers, wade through mud, and perform all these feats while balancing a set of delicate china on the end of a stick. And when you finish, you get to go back and do it all over again. But the effort is worth it because you know you're doing a lot of people a lot of good.

To those of us involved in delivering vocational-technical education, SB 437 represents yet another hazard on the obstacle course.

I attended the October 12, 1989, meeting of the Joint Committee on Economic Development. I understand the concern expressed by both our colleagues in institutions of higher education and those representatives of the private sector who feel that their right to operate in a free market has been impinged upon.

I believe the testimony and discussion which took place was too narrowly focused on the sale of computers at university bookstores and did not take into account the broader implications of the proposed legislation establishing the Kansas private enterprise review board. Any concern that an area vo-tech school is competing with private enterprise is spurious in light of the facts of the nature of vocational-technical training: 1) the repair time is often inordinately long, 2) the work does not contain the same implicit guarantee of standard of quality as that performed in the free market, 3) the volume of work is limited, 4) the school has internal regulatory controls that limit acceptance of work to curricula relevancy, 5) and, most important, the absence of opportunities for "live work" severely inhibits the ability of the school to provide employers with a skilled work

force. The implications for disrupting the efficacy of vocational-technical education is alarming. Carpentry students may be forced to stop building houses; auto body repair students would have to repair and finish the same fenders over and over again; welding students would be limited to performing the same repetitive shop projects throughout the school year; and virtually all programs would be immediately vulnerable to challenge by any business which perceived even a semblance of competition from an area vo-tech school.

Consider the ultimate irony: While area vo-tech schools would operate under constant scrutiny, subject to a "private enterprise litmus test," for-profit private schools could compete with private enterprise with impunity. An illustration of the probability of this occurrence can be seen on the attached sheet, copied from a shopper's tabloid published recently in Wichita.

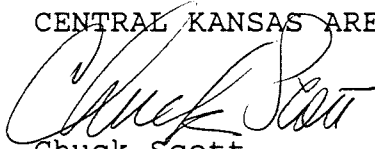
At stake is not just the propriety of the sale of computers, pencils and paper at university bookstores, but the larger issue of providing the state with a competent work force equipped with the technical skills derived from participating in a meaningful education program relevant to the needs of business and industry.

Kansas area vo-tech schools have entered an era of great expectations. The State Board of Education, the State Department of Education, business and industry, and you, members of the Legislature, all expect us to deliver the training Kansas needs. I urge you to carefully consider the impact of any legislation which creates impediments to us getting the job done.

I will try to answer any questions you might have.

Sincerely,

CENTRAL KANSAS AREA VOCATIONAL TECHNICAL SCHOOL



Chuck Scott
Area Director

CPS/br

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January 23 Thru January 30, 1990

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TESTIMONY BEFORE THE SENATE COMMITTEE
ON ECONOMIC DEVELOPMENT

John C. Peterson
Kansas Association of Professional Psychologists
February 7, 1990

Members of the Committee. In his first budget address to Congress, President George Bush stated: "Government should not be the provider of first resort for things that the private sector can produce better." That was precisely the premise and purpose of Senate Bill 164, introduced during the last session.

As government has expanded, it has increasingly become involved in activities which are directly in competition with those already being provided by the private sector. Obviously it does so at a competitive advantage with the State providing salaries, office overhead, and other expenses.

Last year Senate Bill 164, as well as the joint committee's reworded version, are designed to establish a mechanism for determination of whether a function being provided by state government can more readily and easily be provided by private enterprise. It is private enterprise which is paying taxes and providing economic growth for our state.

In 1974, our state began to provide direct assistance to Community Mental Health Centers. Those Centers served the

important tasks of making sure that services were available to all citizens regardless of their ability to pay. Increasingly, during the past few years, CMHC's have moved beyond that goal, to one of providing all services, to all citizens, in direct competition with tax paying and non-subsidized providers, such as psychologists and psychiatrists. They increasingly are directing their resources (the taxpayers' resources) away from chronic mentally ill and the poor or near poor to providing services to insurance companies and clients who are fully able to pay.

No on objects to competition, but it should be on a level playing field.

The concept of establishing a procedure for evaluation and determination of whether free enterprise can or already is better providing a service than government, is one which I would commend to you.

EEP020600K4

SENATE BILL No. 437

By Joint Committee on Economic Development

1-8

10 AN ACT establishing the Kansas private enterprise review board;
11 duties.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. As used in this act:

15 (a) "Private enterprise" means an individual, firm, partnership,
16 joint venture, corporation, association or any other legal entity en-
17 gaging in the manufacturing, processing, sale, offering for sale, rental,
18 leasing, delivery, dispensing, distributing or advertising of goods or
19 services for profit;

20 (b) "state agency" means a department, office, commission, in-
21 stitution, board or other agency of state government. Such term shall
22 include institutions of postsecondary education;

23 (c) "board" means Kansas private enterprise review board.

24 Sec. 2. (a) There is hereby established the Kansas private en-
25 terprise review board which is composed of (1) the secretary of
26 administration and (2) two representatives of the general public, who
27 are engaged in private enterprise, appointed by the governor.

28 (b) The members appointed under this section by the governor
29 shall serve at the pleasure of the governor. Not more than two
30 members of the board shall be members of the same political party.

31 (c) The chairperson of the board shall be designated by the gov-
32 ernor. The board shall meet at least once each calendar quarter and
33 at such other times as may be required on call of the chairperson
34 or any two members thereof.

35 (d) A quorum of the Kansas private enterprise review board shall
36 be two. All actions of the board shall be taken by a majority of all
37 of the members of the board.

38 (e) Members of the Kansas private enterprise review board at-
39 tending meetings of such board, or attending a subcommittee meet-
40 ing thereof authorized by such board, shall be paid compensation,
41 subsistence allowances, mileage and other expenses as provided in
42 K.S.A. 75-3223, and amendments thereto.

43 Sec. 3. Except as otherwise provided by this act, all budgeting,

and governmental institutions or agencies
which receive over 20% of their funding
through appropriations from the State
legislature

New Section 2. It is the policy of this
state that no state agency shall engage in
any activity which is in competition with
private enterprise unless the agency
demonstrates an overriding or compelling
public interest served by the provision of
the service.

12-2

1 purchasing and related management functions of the Kansas private
2 enterprise review board shall be administered by the secretary of
3 administration under the direction and supervision of the chairperson
4 of the board. All vouchers for expenditures and all payrolls of the
5 Kansas private enterprise review board shall be approved by the
6 chairperson of the board or by a person or persons designated by
7 the chairperson.

8 Sec [4.] (a) The Kansas private enterprise review board shall:

5 []
[] proposed or current

9 (1) Receive written complaints [] from private enterprise [] that an
10 activity of a state agency is in direct competition with [] private
11 enterprise;

12 (2) transmit complaints received under paragraph (1) of this sub-
13 section to the state agency alleged to be in competition with such
14 private enterprise;

15 (3) hold public hearings on complaints and determine whether
16 the state agency is in competition with such private enterprise;

17 (4) within 30 days after receiving the state agency's response to
18 the complaint, issue a written report of its findings to the complaint;

19 (5) transmit a quarterly report to the legislature and the governor,
20 including the findings, conclusions and recommendations of com-
21 plaints reviewed by the board during the previous quarter.

22 (b) The board, when reviewing the complaint in subsection (a),
23 shall consider the following:

24 (1) will cessation of the activity by the state agency create a bona
25 fide emergency;

26 (2) will cessation of the activity cause substantial harm or loss of
27 substantial invested funds to the state;

28 (3) is there an overriding or compelling state interest;

29 (4) is such activity specifically authorized by law; or

30 (5) will cessation of the activity cause substantial harm to the
31 legitimate educational needs or activities of the state.

32 (c) The state agency shall respond to the board, in writing, within
33 30 days after receipt of a complaint transmitted under paragraph (2)
34 of subsection (a) and shall either deny or concur with the complaint
35 and indicate any necessary and contemplated remedial measures.

36 (d) The board shall adopt by rules and regulations a procedure
37 for an expedited hearing process if it is determined the alleged
38 competition may cause severe financial hardship on the private en-
39 terprise filing the complaint.

Sec. 6. In the event that the board deter-
mines that the activity or program is
inappropriately in competition with private
enterprise, and if such program is not spe-
cifically authorized by statute, then the
state agency shall discontinue such program
or activity until such legislative approval
has been obtained.

40 Sec [5.] This act shall take effect and be in force from and after
41 its publication in the statute book.

7.

Testimony on SB 437
Senate Committee on Economic Development
February 7, 1990
Prepared by Joe Lieber
Kansas Cooperative Council

Mr. Chairman and members of the Committee, I'm Joe Lieber, Executive Vice President of the Kansas Cooperative Council. The Council has a membership of nearly 200 cooperatives that have as their member/owners nearly 200,000 Kansas farmers and ranchers.

Because we believe in the free enterprise system we support SB 437. But we do not think it goes far enough. If constitutionally possible we would like it to include agencies of all governments in the state.

Currently the county governments in our state are involved in the selling of ag chemicals to farmers for their use on noxious weeds.

Two years ago the industry tried to change the Noxious Weed Law so chemical dealers could financially compete with the county, but our efforts failed.

Currently, Kansas chemical dealers are losing thousands of dollars in sales to their county government.

If SB 437 was expanded to include all governments in the state, we would take our complaints to the review board.

Again, we support SB 437 and would like to see it expanded.

Thank you and I will attempt to answer any questions.