

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 603 Textbook Affordability

SPONSOR(S): Flores

TIED BILLS: **IDEN./SIM. BILLS:** SB 2350

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Schools & Learning Council</u>	<u>16 Y, 0 N</u>	<u>Merritt/Eggers</u>	<u>Cobb</u>
2) <u>Policy & Budget Council</u>	<u></u>	<u>Martin</u>	<u>Hansen</u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

A recent study by the United States Government Accountability Office found that college textbook prices have risen at twice the rate of annual inflation over the last two decades.

This bill prohibits employees of a community college or state university from receiving anything of value in exchange for requiring a student to purchase a specific textbook for coursework and instruction. The bill does provide exceptions that permit an employee to receive: sample copies, instructor copies, and instructional materials; royalties for books that include the instructor’s own work; honoraria; compensation for reviewing and preparing supporting material; and, training in the use of course materials.

This bill requires community colleges and state universities to post on their websites the books that will be required for each course, including the International Standard Book Number (ISBN) and other relevant information for identifying the book, at least 30 days before the first day of class. The State Board of Education (SBE) and Board of Governors (BOG) are required to create policies, procedures, and guidelines for textbook notification for classes added after the notification deadline.

This bill requires the SBE and the BOG to adopt policies, procedures, and guidelines by March 1, 2009 to further efforts to minimize the cost of textbooks. These policies, procedures, and guidelines must include: sufficient time for bookstores to confirm availability, especially with regard to used books; confirmation, as part of the adoption process, that all required bundled materials will be used; confirmation, as part of the adoption process, that a new edition differs substantially from the earlier editions; and, ways to provide required textbooks to students who could not otherwise afford them.

The fiscal impact of the bill is expected to be minimal. Some institutions may experience minor costs associated with web design and training.

The effective date provided is July 1, 2008.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0603b.PBC.doc
DATE: 3/19/2008

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government – The bill requires the State Board of Education and the Board of Governors to adopt policies, procedures, and guidelines for community colleges and state universities that will help minimize the cost of textbooks. The bill requires community colleges and state universities to post on their websites certain textbook information.

B. EFFECT OF PROPOSED CHANGES:

Background

A recent study by the United States Government Accountability Office found that college textbook prices have risen at twice the rate of annual inflation over the last two decades. The same study also found that escalating costs of postsecondary education, including tuition and textbooks, is of national importance because these costs can have negative effects on access and affordability.¹

Currently OPPAGA is finalizing a report on Textbook Affordability. In this review, OPPAGA surveyed community colleges and universities about the price of textbooks and required course materials for the courses with the most student enrollment across 13 disciplines.² Preliminary information found that community college students can expect to pay about \$117 for required course materials per course.³ This results in an expense of approximately \$468 per semester if a student takes a full course load (4 courses), which is 58% of the tuition cost for those courses. At state universities, students can expect to pay about \$127 per course for required materials.⁴ This results in an expense of approximately \$508 per semester for a full course load (4 courses), which is 37% of the tuition cost for those courses.

OPPAGA's preliminary information shows that students can, on average, save a small amount by purchasing required course materials either online or from local, private bookstores. Overall, however, required course materials most often cost between \$20 more or less than the campus bookstore's retail price. OPPAGA identified five commonly used potential cost-saving mechanisms among the state's public postsecondary institutions:⁵

- Provide textbooks on reserve in the school library;
- Implement textbook buy-back programs;
- Encourage faculty to consider textbook costs before selecting and assigning course materials;

¹ U.S. Government Accountability Office, College Textbooks: Enhanced Offerings Appear to Drive Recent Price Increases, GAO-05-806 (July 2005).

² Preliminary information received during a meeting with OPPAGA on 3/10/08.

³ The price for required course materials is the midpoint price between the average low and high material costs for all 13 disciplines.

⁴ See footnote 3.

⁵ See footnote 2.

- Provide unbundled course materials (according to the Board of Governors, instructors don't always have a choice in unbundling textbooks); and,
- Provide electronic textbook subscriptions.

Fewer institutions use the following five potential cost-saving mechanisms:

- Provide students with money-saving tips;
- Request publishers to disclose textbook shelf-life;
- Use customized textbooks;
- Request publishers to disclose textbook revisions; and,
- Implement a textbook advisory committee.

Florida is not the only state that is addressing the issue of textbook affordability. In 2007 alone, more than 85 bills in 27 states dealt with textbook affordability.⁶ At the end of the year, 10 states enacted 15 laws or resolutions to reduce textbook costs.⁷

- Arkansas now requires booklists to be posted at the bookstore or on the school's website at a set time before the next semester, prevents state employees from receiving inducements to adopt textbooks for classes, and regulates royalties earned by faculty for materials that were adopted for classes at their institution.
- California signed a bill into law that encourages faculty to place textbook orders with sufficient lead time and prohibits acceptance of inducements for textbook adoptions.
- Minnesota now requires publishers to disclose the ISBN, price, bundles, alternative formats, and summary of revisions for each textbook; asks instructors to submit booklists at least 30 days before the start of the term; and asks bookstores to notify students of book adoptions at least 15 days before the term's start.
- Oklahoma signed a bill into law that requires campus bookstores to sell bundle components individually, requires publishers to provide information to faculty on prices and revision history, and prohibits employees from receiving inducements for textbook adoptions.
- Oregon now requires publishers to provide textbook information, including pricing and how long the book is going to be on the market, to a prospective purchaser; and requires publishers to sell materials in individual bundle components.
- Tennessee signed a bill into law that requires the University of Tennessee System and Tennessee Board of Regents to develop policies and procedures requiring: faculty to submit booklists in a timely manner to ensure availability and for posting online with ISBNs; campus stores to sell bundled components individually; and the school's library to provide copies of the textbooks at no charge.
- Washington now requires textbook policies to be developed for community colleges (universities already have policies in place) and requires publishers to inform faculty of the wholesale prices of textbooks and the history of their revisions.

⁶ State Legislatures Magazine, *Textbook Turmoil: Is Containing the Cost of College Textbooks a Role for State Legislatures?* (Feb 2008)

⁷ See footnote 6.

As of March 4, 2008 there are 38 bills either filed or in the drafting stage from 24 states, that focus on textbook affordability.⁸

In 2006, Congress asked the Advisory Committee on Student Financial Assistance (ACSFA) to conduct a one-year study of the cost of college textbooks and to make recommendations on increasing the affordability of textbooks. The report was released in May 2007 and titled, "Turn the Page: Making College Textbooks More Affordable." The study identified best practices and innovations occurring in the states and on campuses aimed at reducing textbook costs, particularly for lower and middle income students. Among the best practices listed in the report were: submitting textbook orders to the bookstore on time, retaining older editions of books, and posting the textbook lists and ISBNs for the textbooks online.⁹

Congress has 4 bills that have been introduced this session that deal with textbook affordability.¹⁰ One of those bills, H.R. 4137, has already been voted on and passed in the House. The textbook provision of H.R. 4137 requires:

- That the publisher, when providing information about textbooks and supplemental materials, provide the following information:
 - o The price;
 - o The copyright dates of all previous editions;
 - o The substantial content revisions made between the current edition and the previous edition; and
 - o Whether the textbook is available in any other format and the price in that format.
- Textbooks and supplemental materials that are bundled be offered as unbundled;
- Institutions to provide, online or in print, the ISBN and retail price of the textbooks that are required and recommended for each course; and,
- Institutions to make available to college bookstores, the institution's course schedule; the ISBN and retail price information for any required or recommended books; the number of students enrolled in each class; and the maximum student enrollment for each class.

In 2006, the Florida House of Representatives, Committee on Colleges and Universities staff surveyed Florida's state universities and community colleges to collect information regarding current policies and practices that may impact the cost of textbooks to students. The survey showed that there is no uniformity with how public postsecondary education institutions in Florida handle textbook adoption, faculty limitations on receiving compensation for textbook adoption, and student notification of required textbooks.¹¹ The State Board of Education (SBE) and the Board of Governors (BOG) currently do not have policies and procedures regarding textbook adoption. However, most institutions have established their own policies and procedures. The textbook adoption policies vary from formal processes set out in their collective bargaining agreements between the union and the board of trustees to the more popular, less formal faculty discussions or committee meetings. There are institutions that have express prohibitions against employees receiving compensation for textbook adoption, but most other institutions either have less restrictive policies, from filling out Conflict of Interest forms to relying on the institution's code of ethics, or don't have policies at all. Textbook information at most postsecondary

⁸ National Association of College Stores, <http://www.nacs.org/news/statebills.asp>

⁹ ACSFA, *Turn the Page: Making College Textbooks More Affordable* (May 2007)

¹⁰ National Association of College Stores, <http://www.nacs.org/news/federalbills.asp>

¹¹ See Survey on Textbook Policies and Practices at Florida's postsecondary education institutions, conducted by the Committee on Colleges and Universities in Summer 2006.

institutions is available at the campus bookstore or the campus bookstore's website; the institution's own specific textbook information website; or through online syllabi.¹²

Effect of Proposed Changes

This bill prohibits employees of a community college or state university from receiving anything of value in exchange for requiring a student to purchase a specific textbook for coursework and instruction. The bill provides exceptions that permit an employee to receive: sample copies, instructor copies, and instructional materials; royalties for books that include the instructor's own work; honoraria; compensation for activities such as reviewing and preparing supporting material; and, training in the use of course materials.

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The BOG suggests that the terms "textbook" and "bundled materials" should be clearly defined in this bill. The BOG also notes that some publishing companies require faculty to use the most recent edition of the textbook, and that this obligation would interfere with the requirement for faculty to determine if there is a significant difference between newer and older editions of the textbook.¹³

The DOE indicates that the requirement to provide textbooks to students who could not otherwise afford them will require community college and university faculty to determine who meets this specific qualification.¹⁴ The BOG suggests that it could be hard to implement a program that provides textbooks to students with financial need without funding support, because libraries normally do not carry every textbook that is used and if the library does carry the textbook, normally it will not carry a sufficient supply of that textbook.¹⁵

C. SECTION DIRECTORY:

Section 1: Creates s. 1004.09, F.S., prohibiting certain actions of community college and state university employees regarding student purchase of textbooks; requiring the institution to provide timely notification of textbook adoptions to the student; requiring adoptions of policies and procedures by the State Board of Education and Board of Governors to minimize textbook costs.

¹² See footnote 9.

¹³ Board of Governors Analysis of House Bill 603.

¹⁴ Department of Education Analysis of House Bill 603.

¹⁵ See footnote 13.

Section 2: Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a fiscal impact on local government revenues.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill may reduce the cost postsecondary education students pay for textbooks.

D. FISCAL COMMENTS:

The fiscal impact of this bill is expected to be minimal. Some institutions may experience minor costs associated with web design and training.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

This bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not create any rule-making authority; however, this bill does require the adoption of policies, procedures, and guidelines.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

Waived by the sponsor due to time constraints.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES