



Cracking the Books: Policy Measures to Contain Textbook Costs

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Context

As parents and students struggle with increasing college costs, one issue receiving considerable attention over the past several years has been the rising price of textbooks. The question of whether a relationship exists between textbook pricing and the overall cost of college has attracted notice from consumer interest groups and, subsequently, the media. This attention, in turn, has resulted in federal and state government studies of issues affecting textbook pricing. These studies have set the stage for legislation (federal and some state) designed to increase transparency and accountability regarding textbook costs on the part of textbook publishers, retailers and institutions.

The documentation of textbook cost increases has come from consumer interest groups as well as state and federal sources. In 2004, the state Public Interest Research Groups (PIRGs) released “Ripoff 101: How the Current Practices of the Textbook Industry Drive Up the Cost of College Textbooks,” which specifically examined textbook publishers’ practices relating to “bundling,” or marketing textbooks shrink-wrapped with additional instructional material such as CD-ROMs. It also

examined the practice of frequent revisions to textbooks, thus rendering older editions obsolete. A second edition of this report was released in 2005; the state PIRGs (most notably CALPIRG) have continued to publish reports on the topic, with the most recent one being on digital textbooks (2008).

At the national level, the U.S. Government Accountability Office (GAO) released a 2005 report concluding that textbook prices had almost tripled from 1986 to 2004. The primary factor in the increase, according to the study, was the cost of producing ancillary materials such as CD-ROMs and other educational supplements to be bundled and sold with textbooks. However, the Association of American Publishers (AAP) commented on the GAO report at length. According to the AAP’s analysis, average full-time equivalent students (the same metric used by GAO) spend approximately \$580 per year on textbooks rather than the \$898 figure calculated by GAO.

In 2007, another federal report was delivered to Congress, this time by the federal Advisory Committee on Student Financial Assistance. This report stated, in part, that steps needed to be

taken both to increase textbook affordability and to change the textbook market's focus from supply-centered to demand-centered.

On the state front, the State of New York Office of the State Comptroller published a 2008 report, "Textbook Pricing Disparities," focusing on the State University of New York (SUNY) and City University of New York (CUNY) campuses. The report compared mandated textbook prices at on-campus bookstores with various online book vendors. It concluded that if SUNY and CUNY campuses provided information on textbooks in a more timely manner—including International Standard Book Number (ISBN)s—students could save as much as \$2,000 over four years by buying books from sources other than on-campus bookstores.

These studies and the conversations surrounding them help illustrate the complexity of state and federal policymaking in the textbook arena. It involves not only students, colleges and publishers, but wholesalers, online retailers and even Internet sites where users can illegally download not only mass-market books, but textbooks and university press books as well.

Observations

In response to concerns about high textbook prices and a lack of information regarding alternative sources for texts, Congress included groundbreaking new provisions requiring disclosure of textbook information by publishers and institutions in the Higher Education Opportunity Act of 2008 (HEOA). Some states are following suit. The intent of these provisions is to allow students more opportunity to "shop around" for used textbooks and provide faculty with more transparent information on the cost of textbooks and materials they assign for courses. The following requirements must be implemented by July 1, 2010:

1. Textbook publishers providing information on college textbooks or supplemental material to faculty in charge of course material selection at

colleges and universities must do so in writing, including the following:

- a. textbook price
- b. the copyright dates of the three prior editions (if they exist)
- c. a description of "substantial content revisions"
- d. information on whether the textbook is available in other formats; if so, the information must include the price to the institution and to the general public
- e. the price of textbooks unbundled from supplemental material
- f. the same information ("to the maximum extent possible") for customized textbooks

2. Institutions must include "[t]o the maximum extent practicable" the following information on their Internet course schedule (and if applicable, a reference to the Internet course schedule and its Internet address on a written course schedule) for both required and recommended textbooks as well as supplemental material:

- a. International Standard Book Number (ISBN) and retail price
- b. if the ISBN is not available, the author, title publisher and copyright date; if this is not practical, "To Be Determined"

3. Institutions must provide the following to their institutional bookstores upon request by the bookstore:

- a. the course schedule for the next academic period
- b. for each course offered, the information required on Internet course schedule for recommended and required textbooks and supplemental material as well as the number of students enrolled and the maximum student enrollment

4. Institutions are encouraged to also provide information on their Internet course schedules regarding:

- a. renting textbooks
- b. buying used textbooks
- c. textbook buy-back programs
- d. alternative content delivery programs

At the state level, eight states have introduced bills related to textbook cost and provision of information (California, Iowa, Illinois, Kentucky, Maryland, Mississippi, New York, Texas). Most of them are patterned on the HEOA provisions but would take effect sooner.

Textbooks that college students purchase are newly eligible for tax credits as part of the economic stimulus package signed by President Obama in February 2009. This credit makes money spent on textbooks eligible to be claimed as part of the American Opportunity Tax Credit. This is the first time books and supplies have been eligible for this kind of credit, as the Hope Credit could only be used to offset tuition and required fee spending.

The textbook marketplace is being transformed by online retailing. It is no longer necessary to go to a college bookstore in person to buy required textbooks. Online booksellers such as Amazon.com, individuals selling used textbooks on eBay, chain and independent bookstores' Web sites, and even publishers' own Web sites offer students searching for textbook deals many more opportunities than in the past.

In addition, textbook rentals and exchanges, open source textbooks (where textbook or other educational content is licensed under a Creative Commons, GNU, or similar form of license allowing certain types of usage without explicit permission from the author or publisher) and other creative ways of lowering textbook costs continue to proliferate in the marketplace. In the realm of hard-copy textbooks, the ongoing PIRG-created CampusBookSwap.com site (currently available to students at over 300 schools) focuses on providing students a means of swapping physical books. Textbook rental services are also available both from commercial vendors and at individual colleges and universities. In the electronic textbook realm, digital and open source textbooks are being promoted by universities and publishers alike. University-related open source sites include Open Course Ware (Massachusetts Institute of Technology), Connexions

(Rice University, Texas) and MERLOT (led by California State University); on the publishers' side, a consortium of five textbook publishers has funded CourseSmart. This digital textbook site makes thousands of textbooks from those publishers available as e-books on a common Web platform.

Conclusion

All parties involved with the textbook debate—including students, parents, faculty, textbook publishers, campus bookstores, other booksellers, and lawmakers—share concerns about textbook costs, selection and availability. Technological advances enable new ways of distributing information about how to purchase textbooks and about textbooks themselves, though these advances also present unforeseen issues for the higher education community. Thus, recent state and federal laws requiring the provision of information to parents, students and faculty about the cost and availability of textbooks can help mitigate the financial burden to students purchasing said textbooks. In addition, creative solutions for swapping or reselling textbooks continue to make headway in the textbook sales market.

Resources

Reports

Advisory Committee on Student Assistance to

Congress. Turn the Page: Making College Textbooks More Affordable. 2007 report.

www.ed.gov/about/bdscomm/list/acsf/turnthepage.pdf

New York Office of the State Comptroller.

Textbook Pricing Disparities. December 2008 report on textbook prices at State University of New York (SUNY) and City University of New York (CUNY).

www.osc.state.ny.us/reports/highered/textbookpricing12-18-08.pdf

The Student PIRGs.

Course Correction: How Digital Textbooks are Off Track and How to Set Them

Straight. August 2008 report on digital textbooks.
www.maketextbooksaffordable.org/course_correction.pdf

The Student PIRGs. *Ripoff 101: How The Current Practices of the Textbook Industry Drive Up the Cost of College Textbooks.* 2005 report on textbook industry practices, particularly “bundling” of ancillary materials.

www.makertextbooksaffordable.org/newsroom.asp?id2=11993

Organization Web Sites

The Association of American Publishers’ textbook Web site. Source for information on textbook production costs and publishing industry low-cost textbook initiatives.

www.textbookfacts.org/

CampusBookSwap Web site. Student-run site for students to swap textbooks.

www.campusbookswap.org/index.asp

CourseSmart textbook Web site. Founded and supported by five higher education publishers to make electronic textbooks available to faculty and students.

www.coursesmart.com/

The Student PIRGS’ textbook Web site. Source for research on textbook pricing and low-cost textbook initiatives.

www.makertextbooksaffordable.org