



ACUMEN

A Faculty Newsletter
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The Effects of Federal and State Legislation on Textbooks

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The issue of textbook prices has been a hot topic on campus for as long as we can remember. In the last few years, however, the debate has extended beyond the campus into the media and has become the subject of discussion in state, and even the federal, government.

As a result, legislation addressing textbook use and pricing has been widely introduced, in 26 states as this is written. As you may know, there was even an attempt to add an amendment addressing textbooks to the recent Higher Education Authorization Act in the United States Senate.

In this issue of *Acumen*, we thought you would find it valuable to receive a brief review of the legislation that has been both passed in some states and proposed in many others. We will also offer our perspective on how we can work together to save students money.

What areas have legislation pending?

There are a number of current legislative initiatives across the nation in the following areas, with some sample language from the bills:

- **Sales tax exemptions for textbooks**

"Sales and use taxes shall not be imposed on the gross receipts from the sales in this state of college textbooks to full-time and part-time students enrolled at institutions of higher education if the student presents a valid student identification card."

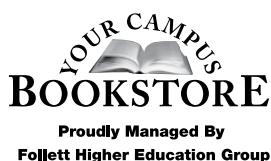
- **Posting requirements for textbook course lists**

"Each institution of higher education shall compile a list of required textbooks for each course and post that list on a website available to students. The list must include the International Standard Book Number for each textbook, if one has been assigned."

"An institution shall post the list as soon as practicable and in no event later than one week after such information is made available to the university-affiliated bookstore."

- **Course adoption submission schedules**

"Each institution of higher education shall set a deadline for submission of textbook lists by faculty that will allow for timely placement of orders."



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- **Royalties**

“A state-supported institution of higher education shall establish guidelines for the use of royalties received by a faculty member from the sale of textbooks and course materials for classes taught by the faculty member.”

- **Faculty inducements**

“No state-supported institution of higher education in this state or a department or employee of the institution of higher education shall demand or receive any present or promised gift, payment, loan, subscription, advance, deposit of money, services, or any other thing of value as an inducement for requiring students to purchase a specific textbook for coursework or instruction.”

- **Required publisher disclosures**

“When contacting prospective clients, each publisher of college textbooks shall disclose the following to the faculty member or, where applicable, the other entity in charge of selecting textbooks for courses taught at an institution:

- The price at which the publisher would make the textbooks and, if applicable, supplementary learning materials available to a college bookstore or bookstores;
- The history of revisions for such products;
- Changes to the course material from the previous edition;
- The availability of the course materials currently and in the future;
- Whether the materials are available in alternative formats.”

“If supplemental items are available, the publisher’s disclosure must include the supplements’ prices if sold individually versus their prices if sold packaged with a textbook (i.e., bundled), where bundling is available.”

- **Un-bundling provisions of packages**

“A university-affiliated bookstore shall not sell instructional materials as a bundle unless:

- All items in the bundle are required by a faculty member; or
- The bundle price is lower than the total price of all of the required materials sold separately.”

“A faculty member shall not require a bundle unless:

- All materials in the bundle are intended to be used in the course; or

- The bundle price is lower than the total price of the materials intended to be used in the course sold separately.”

- **Textbook rental programs**

“The Board shall create a university textbook rental program in which public universities in this State rent textbooks to their students instead of requiring the students to purchase their textbooks. Each public university in this State must rent textbooks to its students under this program beginning with the next academic year. The Board may adopt any rules necessary to carry out its responsibilities under this Section.”

Follett’s position

Of course, we share the concern of faculty, legislators, university administrators, parents and students regarding the cost of higher education and textbooks. While we believe that many of these bills are well-intentioned, we do not believe that rising textbook prices can best be addressed through legislative mandates because it is impossible to address complex market realities and educational processes through legislation.

The best solution is through the combined efforts of those serving higher education: colleges and universities, campus bookstores, and collegiate publishers.

At the core, we believe that the course materials decision needs to rest fully in the hands of faculty. We support the right of the faculty to choose the materials that will provide their students with the best education.

When fully integrated into a course by the instructor, the value a student receives from a textbook should always outweigh costs. To deny faculty the opportunity to choose the best possible work, regardless of cost, is to potentially deny students the best possible education.

At the same time, we encourage faculty to consider the impact of their decisions on total course material costs, especially the impact on used-book availability of selecting new editions and bundled course materials.

Today’s textbook market, with its many retail outlets and Internet sites, is growing increasingly competitive. We believe market forces will continue to control or reduce prices without the need for legislation. Instead, we believe that legislators and administrators should encourage and facilitate:

- Colleges, universities and faculties to establish guidelines that reinforce the timely selection and use of faculty-selected course materials;

- Publishers to limit the release of new editions and the bundling of ancillary materials with textbooks to only those instances that are academically appropriate; and
- Bookstores to become even better student advocates in helping to control costs through aggressive used book programs.

We therefore recommend that you monitor legislation in your state and comment to your legislators about the effects that any textbook legislation may have on the educational process.

Some thoughts about specific legislative proposals

Sales Taxes: Twenty-seven states tax textbook sales.

We believe that exempting textbooks from sales taxes is a significant approach to making college textbooks more affordable.

ISBN Posting: We agree with the position of the National Association of College Stores and other Higher Education associations, which says that ISBNs are no longer an accurate source for textbook information. The same textbook can have several different ISBNs, depending on whether the publisher bundles or customizes or reprints editions. Publishing ISBNs, therefore, may cause students to purchase the wrong books or to purchase more expensive versions of books that might otherwise be available unbundled or used, especially if institutions are forced to publish this information before the bookstore has time to verify the information and work with the faculty to ensure they will use all the material they have adopted.

These associations also believe, as do we, that if a bookstore, after spending months obtaining and verifying course and book information and purchasing all the books for students (and especially combing the used book market and operating a buyback program)—if that bookstore is then required to supply the information to online textbook retailers, the result will be an uneven playing field. Online textbook sellers do not support the student and campus community, do not collect and pay state sales taxes or other taxes and fees that help pay for education, and may charge students excessive restocking fees for returns.

Textbook Rental Programs: Textbook rental programs have both positive and negative aspects.

Textbook rental programs may work well when the college or university, along with the faculty and students, fully support

such a program. However, most rental programs require a 3-year commitment to a specific text and edition, a requirement that deprives faculty of the flexibility to make course material changes.

In addition, rental programs reduce publisher interest in providing ancillary and faculty support materials without fee to the campus. Students will still have to purchase supplemental readings, along with consumable workbooks and laboratory manuals. Electronic components and access codes will have to be purchased separately and may come at a substantial cost.

Determining the appropriate rental price is another challenge. Should all students pay the same fee, or should fees be specific to the department, course or even title? Will the fee be a percentage of the retail price, a charge per credit hour or course, or depend upon the level of the course or program?

The investment required to purchase the rental inventory of required material is substantial. Also, systems will be required to manage the dissemination and collection of books. Ensuring that students return books or pay for unreturned titles may be problematic.

Advantages for students include potentially lower costs (although they ultimately may be higher than for students who traditionally buy used books and then sell them back). Renting books also may help ensure that all students have basic textbooks for their courses and may make it easier for students to budget for textbook costs.

Textbook Bundling: We support the effective design, packaging, and utilization of course materials that improve learning and are valued by faculty and students.

We oppose legislation that includes any mandates that restrict the ability of faculty to choose the appropriate course materials, including bundles.

We also oppose legislation that would force the college bookstore to stock both bundles and individual components because it creates an inventory level greater than the sales opportunity. However, we do encourage publishers to provide faculty and stores, at a reasonable cost, the opportunity to acquire individual components of bundled course materials, including access to electronic components, for adoption and resale.

We believe course materials should be marketed in a way that allows bookstores to readily stock, and students to easily select, the books and ancillary materials that will provide the best education at reasonable costs.

Required Disclosures By Publishers: We think publishers, through any method or style of sales representative or company interaction with faculty, are singularly best positioned to present their product offerings. We encourage publishers to be proactive and forthcoming when sharing details, including, but not limited to, the history of revisions, the changes between textbook editions, the availability of format options (such as bundled, stand alone or digital) and the expected length of time a book will be on the market.

A Cautionary Note: When faculty ask for the price of a text, sales representatives sometimes quote figures that reflect the wholesale cost, not the new—or used—retail price ultimately paid by students. It is important to know which price is being quoted or risk underestimating the price paid by students. If you have any questions about the selling price of a text, either before or after you have chosen to use it, your bookstore can quickly and easily provide that information.

For more information: Information about current legislative initiatives in your state can be found by accessing the National Association of College Stores website at www.nacs.org/news/statebills.asp. The Association does a comprehensive job of tracking these bills.

As the issue of textbook prices continues to attract attention both within and outside of the academic community, we at Follett will continue to keep you informed, and we encourage you to share your ideas with us, as well. As always, we welcome your thoughts and observations.

What can faculty do to keep textbook prices in check?

We fully support your right to select the materials that will provide the best education for your students, but we also ask you to consider the impact of your decisions on your students, especially the selecting of new editions and bundled course materials.

We consistently try to reinforce the message that while price is a factor in book selection, it is only one of several. There are, however, some steps you may want to consider to help keep textbook costs in check:

- Adopt only materials that you plan to use in the course. If you adopt a bundle, please use every component. Students need to be aware of price, but also—and more importantly—that the content will enhance their education;
- Educate your students on the value course materials bring to their education and how to get the most from their textbooks;

- Submit adoption information on time so that used books can be bought back from students and made available for the next term or semester;
- Consider using a specific text and edition, where feasible, for a number of years so that books can be bought back and resold; and
- If not disclosed by the publisher, ask for clarification about things which influence the cost of the text to the student, such as:
 - How many terms is the book designed to cover?
 - Are there alternative titles or series available at a lower price?
 - How long will the current edition be available?
 - Is the title available as the text alone or is it packaged with other items?

What can publishers do?

Publishers should be encouraged to market the books and ancillary materials that will provide students with the best education at reasonable costs.

Neither bookstores nor students should be required to purchase bundles, some components of which may serve a limited academic purpose. We support the concept that each component in the bundle should be available separately and at a reasonable cost, including access to required electronic components. This will ensure that students retain the option to purchase only the materials they need.

Publishers should become more aware of student price sensitivity and, when possible, modify their materials to be more cost efficient.

Publishers should review edition revisions to ensure that the changes are significant and meaningful.

What can bookstores do?

Your campus bookstore has the obligation to provide all the materials that are required for a course in the right quantities prior to the start of a term or semester.

We also feel strongly that the bookstore should promote the buying back of used books at the highest market-driven price so they are available for other students and should source as many used books as possible for students to buy. The time honored tradition of buying back and reselling used books is the most effective way to save students money.