

HOUSE BILL REPORT

SHB 3087

As Passed House:

February 9, 2006

Title: An act relating to cost savings on course materials for students at state universities, regional universities, and The Evergreen State College.

Brief Description: Concerning cost savings on course materials for students at state universities, regional universities, and The Evergreen State College.

Sponsors: By House Committee on Higher Education & Workforce Education (originally sponsored by Representatives Ormsby, Sells, Kenney, Cox, Buri, Fromhold, Hasegawa, Morrell, McCoy, Upthegrove, Ericks, Darneille, Rodne, Chase, Conway, Kessler, Dunn, Green and Lantz).

Brief History:

Committee Activity:

Higher Education & Workforce Education: 1/31/06, 2/2/06 [DPS].

Floor Activity:

Passed House: 2/9/06, 98-0.

Brief Summary of Substitute Bill

- States intent of the Legislature to encourage faculty and staff to work with bookstores and publishers to implement least costly options for students.
- Requires boards of regents or trustees at the baccalaureate institutions to adopt rules requiring that bookstores: (1) provide students the option of purchasing unbundled materials; (2) disclose student costs to faculty and staff; (3) disclose the difference between new and previous editions; (4) promote and publicize book buyback programs; and (5) disclose per-course costs.
- Boards must also adopt rules requiring faculty and staff to consider the least costly practices in assigning course materials.

HOUSE COMMITTEE ON HIGHER EDUCATION & WORKFORCE EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Kenney, Chair; Sells, Vice Chair; Cox, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Buri, Dunn, Fromhold, Hasegawa, Jarrett, Ormsby, Priest, Roberts and Sommers.

Staff: Nina Oman (786-7152).

Background:

According to a study conducted by the U.S. Government Accountability Office (GAO), textbook prices have increased at twice the rate of inflation over the last two decades.

According to the GAO study, publishers produce textbooks and market them to instructors. Instructors choose textbooks for their courses and assign them to students. Bookstores stock new and used books for sale to students. Students pay retail prices for new books, or pay 75 percent of the retail price for a used book, if one is available. Through the bookstore "buyback" process, if the instructor reorders the book for a subsequent term, the student can sell the book to the bookstore for 50 percent of the new retail price. If the instructor does not reorder the book, a wholesaler may buy the used book, in which case the student will receive 5 percent to 35 percent of the new retail price. If a new edition of the book has been released, then the student is likely to receive no money in the bookstore buyback process.

According to the 2005 College Store Industry Financial Report, the average price of a new textbook is \$52.36, and the average price of a used textbook is \$40.01. In Washington, according to the Financial Aid Association, books and supplies are budgeted at a total of \$924 for academic year 2005-06. This represents an increase of 3.1 percent from the previous year, to reflect consumer price index data collected from eight geographic regions of the state. The GAO study found that textbook prices have increased at an average of 6 percent per year in the United States. These price increases are mainly due to the increasing costs of supplemental materials designed to accompany textbooks, such as CD-ROMs. Students object to "bundling" (the practice of combining textbooks with supplemental materials) since it has made books more expensive. Publishers say that they provide these supplemental materials at the request of instructors to enhance student learning. For example, one publisher reported a \$1 million investment in a CD-ROM containing three-dimensional images to assist students learning human anatomy.

Another practice that students object to is the frequent revision of textbooks. Publishers report that textbooks are generally revised every three to four years, compared with cycles of four to five years that were standard in the past. Publishers report that frequent revisions are driven by the needs of instructors, who require the most current material reflecting changes in the discipline as well as changes in teaching methods.

Each of the six public baccalaureate institutions in the state is affiliated with a bookstore.

At the University of Washington, the bookstore is incorporated and operated under a board of trustees with student and faculty representation. The bookstore at Washington State University is incorporated. In 2004, Barnes & Noble College Booksellers, Inc. was contracted to manage the Students Book Corporation stores at Washington State University.

The bookstores affiliated with Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College are owned by their respective institutions and operate as self-supporting auxiliary enterprises.

Summary of Substitute Bill:

The Legislature finds that bundling of course materials is unnecessary, and that many faculty and staff select materials uninformed of the retail costs and differences between versions. The Legislature intends to give students more choice in purchasing and to encourage faculty and staff to work closely with bookstores and publishers to implement the least costly option without sacrificing educational content.

The boards of regents or trustees at the public baccalaureate institutions in collaboration with affiliated bookstores and student and faculty representatives are directed to adopt rules requiring that affiliated bookstores provide students with the option of purchasing unbundled materials, disclose to faculty and staff the costs to students of purchasing the materials, and disclose publicly how new editions vary from previous editions. These rules must also require affiliated bookstores to actively promote and publicize book buyback programs, and disclose retail costs for course materials on a per-course basis to faculty and staff, and make this information publicly available.

The rules adopted by the boards must also require faculty and staff to consider the least costly practices in assigning course materials, such as adopting the least expensive edition available when educational content is comparable as determined by faculty, and working closely with publishers and bookstores to create packages and bundles if they deliver cost savings to students.

Appropriation: None.**Fiscal Note:** Available.**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.**Testimony For:** (In support) The practice of bundling course materials such as workbooks or CD-ROMs with textbooks increases costs by as much as 40 percent. Faculty may receive books directly from publishers and be unaware of the cost to students. We do not want to sacrifice educational content. The bill is intended to provide guidelines. We are asking that bookstores work with publishers to obtain unbundled materials. This bill will help us elicit cooperation from publishers. Other Legislatures around the country are also dealing with this issue. The affiliated bookstore at Western Washington University already employs an inventory system that includes information about the cost and retail price of course materials. We support and encourage the bill.

(With concerns) Some concern was stated that this may be an intellectual property issue. Suggested revisions to bill language were discussed.

Testimony Against: None.

Persons Testifying: (In support) Representative Ormsby, prime sponsor; Dan Shafar and Nick Cizek, Washington Student Lobby; Sherry Burkey, Western Washington University; and Rita Rose Pearce, Students Book Corporation-Washington State University.

(With concerns) Sara Singleton, Council of Faculty Representatives; Wendy Rader-Konofalski, Washington Federation of Teachers; and Patrick Miller, The Evergreen State College.

Persons Signed In To Testify But Not Testifying: None.