

HOUSE BILL REPORT

2SHB 1025

As Passed Legislature

Title: An act relating to cost savings on course materials.

Brief Description: Requiring disclosure of certain information relating to higher education course materials.

Sponsors: House Committee on Education Appropriations (originally sponsored by Representatives Armstrong, Upthegrove and Wallace).

Brief History:

Committee Activity:

Higher Education: 1/27/09, 2/20/09 [DPS];

Education Appropriations: 2/25/09, 2/26/09 [DP2S(w/o sub HE)].

Floor Activity

Passed House: 3/5/09, 97-0.

Passed Senate: 4/17/09, 44-0.

Passed Legislature.

Brief Summary of Second Substitute Bill

- Requires affiliated bookstores to disclose information on required course materials at least four weeks before the start of class.
- Allows the chief academic officer to waive the disclosure requirement on a case by case basis.
- Exempts faculty who are hired four weeks or less before the start of a class from disclosure requirements.
- Requires affiliated bookstores to consider open digital collections when considering course materials.
- Removes the requirement that affiliated bookstores consider "bundled" course materials as a means to provide savings to students.

HOUSE COMMITTEE ON HIGHER EDUCATION

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Angel, Carlyle, Driscoll, Haler, Hasegawa and White.

Staff: Andi Smith (786-7304)

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 14 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Anderson, Carlyle, Cox, Haler, Hunter, Kagi, Probst, Quall, Rolfes and Wallace.

Staff: Debbie Driver (786-7143)

Background:

In 2008 a survey of California and Oregon students indicated that, on average, students pay roughly \$900 per academic year for course materials. A recent study by the U.S. Government Accountability Office (GAO) found that since 1986, textbook prices have nearly tripled, increasing by 186 percent. The GAO reports that the price of textbooks has increased in recent years largely due to increases in costs associated with new features, such as Web sites and other instructional supplements. Publishers told the GAO they have increased their investments in the development of supplements to meet the demands of a changing postsecondary market.

Keeping current with consumers often entails reissuing editions with modernized text and graphics. According to a study conducted by the Public Interest Research Group, the average release time between textbook editions is 3.8 years. The price of the average new edition was found to be increasing at twice the rate of inflation compared to the previous edition. The survey also found price increases as high as 21 percent between editions, more than three times the rate of inflation.

In some cases, new editions are "bundled" and packaged together with supplemental content like workbooks, DVDs, CD ROMs, or Web-content. According to a study conducted by the Public Interest Research Group, the bundled books surveyed were 10 percent more expensive than their unbundled versions, with examples of price differentials of up to 47 percent. The same survey reported that 50 percent of all bundled books did not have an accompanying unbundled version on the shelf.

Many students are buying both used and new books from sources outside the affiliated campus bookstore. Web sites like *Amazon*, *ECampus*, and *Cheapest Textbooks* are increasing in popularity, as is sourcing books from overseas Web sites, where the prices may be significantly cheaper for new books, though doing so means longer shipping times and no return.

Each of the six public baccalaureate institutions in the state is affiliated with a bookstore. In 2006 the Legislature passed Substitute House Bill 3087 to give students at public four-year institutions more choices when purchasing educational materials and to encourage faculty and staff to work with bookstores and publishers to implement the least costly option to students without sacrificing educational content. In 2007 the Legislature passed House Bill 1224 which added community and technical colleges to the list of schools covered by the 2006 legislation.

In 2008 Congress passed the Higher Education Opportunity Act (Act), which amended and extended the Higher Education Act of 1965. The Act included specific provisions regarding text books in three areas. The Act requires:

1. publishers to disclose pricing information up-front to faculty;
2. publishers to offer textbooks and supplemental materials “unbundled” (separately); and
3. institutions, to the maximum extent practicable, to provide the prices and International Standard Book Numbers (ISBNs) of required and recommended textbooks when students register for classes.

Summary of Second Substitute Bill:

Affiliated bookstores are required to disclose information on required course materials at least four weeks prior to the start of the class for which the materials are required. Course material information includes title, author(s), edition, price, and ISBN. This requirement is waived for faculty who were hired four weeks or less before the start of class and may also be waived on a case-by-case basis by the Chief Academic Officer. Faculty are required to consider open textbooks and collections of digital materials when considering the least costly options for course materials. Faculty and staff are no longer required to work with publishers to create bundles of course materials if they deliver cost savings to students.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Higher Education):

(In support) Prices for textbooks are going through the roof. Institutions should be able to give students information about the required textbooks that would allow the materials to be purchased online at a cost savings. Students want to shop online because we've experienced up to a 50 percent discount from bookstore prices. To know about the ISBN and edition numbers earlier would facilitate online shopping and be very helpful to students. The Legislature is also encouraged to check up on the book stores to see if they are really complying with the law. This would be a great way to help low-income students save a little money without costing the state anything.

(Concerns) The four-week stipulation is going to be very hard to comply with. At Evergreen, faculty don't often use textbooks, so they are waiting for the last minute to get updates on current periodicals, articles, and other course materials that simply won't be available four weeks before the start of class. Sometimes changes are made to a class right before it starts. Evergreen would be looking to use the "out" through the provost, since our curriculum changes every year and our faculty are literally updating courses until the very last minute.

Staff Summary of Public Testimony (Education Appropriations):

(In support) Currently, finding and purchasing the necessary textbook is a challenge to students given that many times key information about the textbook is unavailable. Oftentimes students receive required course material information with very little time to find the book. The required book is often sold out at the book store and because some information about the book is unavailable, the option of purchasing the textbook online is diminished. This bill provides an opportunity for the state to save students money and the savings associated with textbook transparency would be substantial. The fiscal note seems high at a couple of colleges as the information the bill asks for is available at the colleges and universities.

(With concerns) Faculty in colleges and universities are aware of and empathetic about the high cost of books and materials to students. Whatever faculty can do to choose the least expensive materials is being done. There is a feasibility problem with the bill, however, as some faculty are hired not long before courses begin which means it would be difficult to meet the notification requirements of the bill. The bill should include a change that states the required notification does not apply if the faculty are hired with four weeks of the beginning of the course. Additionally, courses are sometimes offered at the last minute and there needs to be an exception opportunity which might be due to course changes, faculty changes, or faculty revisiting curriculum.

(Opposed) None.

Persons Testifying (Higher Education): (In support) Representative Armstrong, prime sponsor; Matthew Holmes, Washington Student Lobby; and Tad Roeder and Lenn Lund, Centralia College.

(Concerns) Julie Suchanek, The Evergreen State College.

Persons Testifying (Education Appropriations): (In support) Wendy Rader-Konofalski, Washington Education Association.

(With concerns) James Pappas, Counsel of Faculty.

Persons Signed In To Testify But Not Testifying (Higher Education): None.

Persons Signed In To Testify But Not Testifying (Education Appropriations): None.