

**BOARD OF HIGHER EDUCATION
REQUEST FOR BOARD ACTION**

NO.: FAAP 08-01

BOARD DATE: October 19, 2007

STUDENT TEXTBOOK PRICING DISCLOSURE

MOVED: The Board of Higher Education endorses House Bill 1200, An Act Relative to the Production and Pricing of College Textbooks, filed by Representative Steven Walsh.

Authority: Massachusetts General Laws, Chapter 15A, Section 9

Contact: Sue Wolfe, Associate Vice Chancellor for Fiscal and Administrative Policy

Background

House Bill 1200, An Act Relative to the Production and Pricing of College Textbooks, requires that textbook producers provide purchasers (bookstore operators and professors) with pricing information and a date when the next edition will be released. Producers must provide an alternative to bundled textbook packagers with single books available, as well.

The purpose of this Bill is to ensure fair pricing at college bookstores and to reduce unnecessary expenditures by students.

This bill was heard by the Joint Committee on Higher Education on October 2, 2007.

At the June 2007 FAAP Committee Meeting, Ms. Saffron Zomer, State Campus Program Director for MASSPIRG, presented background information about the bill and the cost of textbooks to students. The Committee voted unanimously to support the Bill.

HOUSE No. 1200

By Mr. Walsh of Lynn, petition of Steven M. Walsh and others relative to the production and pricing of textbooks for public institutions of higher education. Higher Education.

The Commonwealth of Massachusetts

PETITION OF:

Steven M. Walsh	Mary E. Grant
Peter V. Kocot	Kathi-Anne Reinstein
Mark C. Montigny	David M. Nangle
Timothy J. Toomey, Jr.	Christopher J. Donelan
Steven J. D'Amico	Denise Provost
Denis E. Guyer	James E. Timilty
John P. Fresolo	Christine E. Canavan
Stephen R. Canessa	Jennifer M. Callahan
Lida E. Harkins	

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO THE PRODUCTION AND PRICING OF COLLEGE TEXTBOOKS.

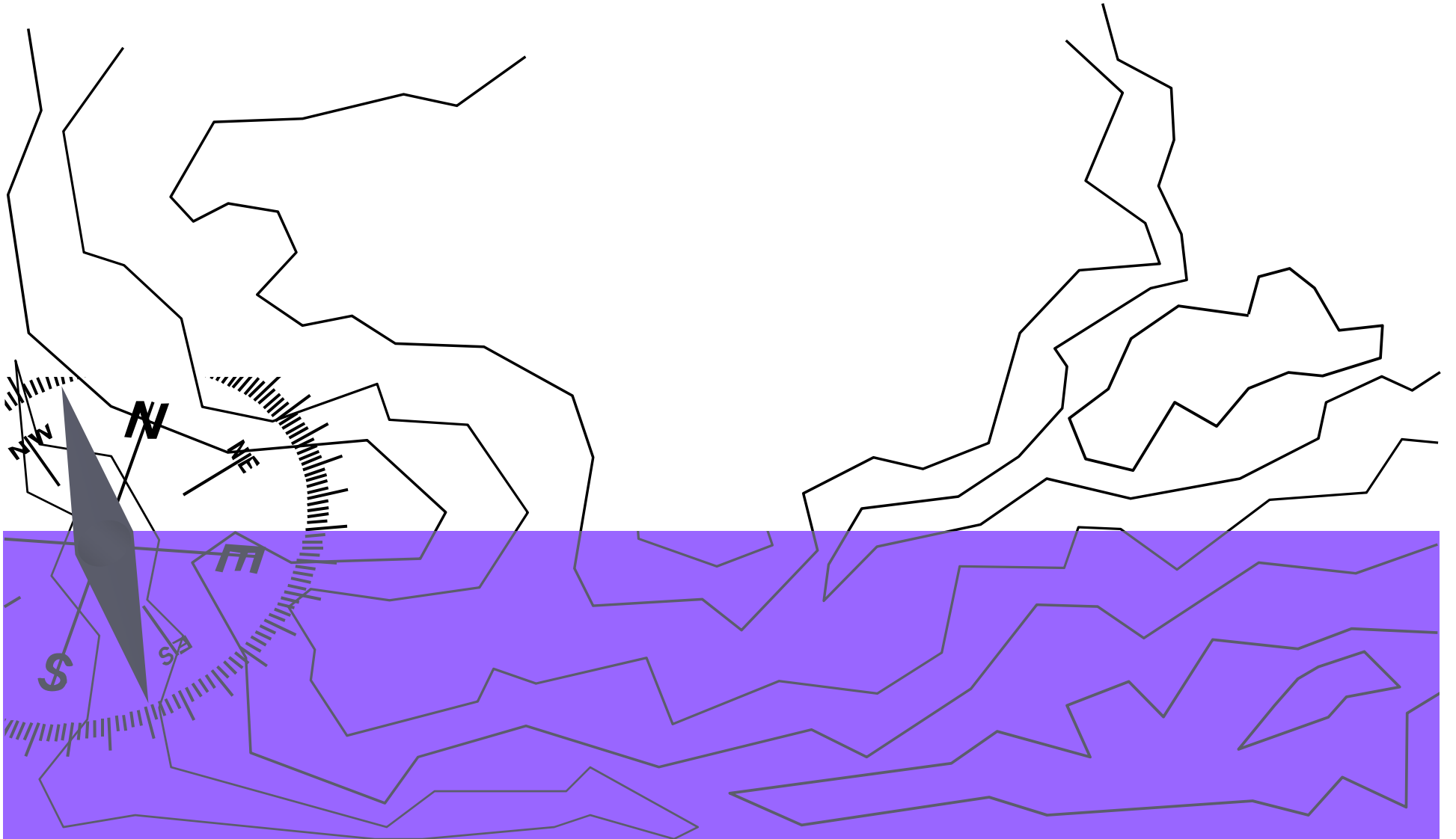
Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 Chapter 15A of the Massachusetts General Laws, Official 2004
- 2 Edition, is hereby amended by inserting in Section 10 the following
- 3 definitions:—
- 4 “Products” includes all different versions of a particular textbook
- 5 or set of textbooks in a particular subject area, including, but not
- 6 limited to supplemental items, workbooks, and CD-ROMs, both
- 7 when sold together and separately from a textbook.
- 8 “Bundled Textbook” shall mean a textbook offered for sale in
- 9 combination with additional related products.
- 10 Said Chapter 15A is hereby amended by inserting after section 31
- 11 the following section:—
- 12 Section 31A. Provide High Quality Products That Are Affordable.
- 13 (a) Any entity that sells textbooks and related products to a col-
- 14 lege or university in the Commonwealth shall provide prospective

15 purchasers of their products a complete list of all of the company's
16 products, wholesale price, and estimated length of time that the pub-
17 lisher intends to keep the product on the market. This list shall be
18 provided at the start of any sales interaction, whether it be in person,
19 by phone, or electronically. This list must also be made available in
20 an easy to locate section on the company's website and generally be
21 easily accessible by any member of the public.

22 (b) Any entity that sells textbooks and related products to a col-
23 lege or university in the Commonwealth that offers bundled text-
24 books with other products must also offer the option of buying the
25 textbook and each of the individual products separately.

26 (c) Any entity that sells textbook and related products to a college
27 or university in the Commonwealth shall disclose to end users of
28 such textbooks, including college faculty and students, information
29 indicating the availability and cost of the textbook when purchased
30 separately from such textbook bundle. The publisher shall include
31 this disclosure in all printed, electronic, and verbal communications
32 to faculty and students regarding availability of the textbook for pur-
33 chase and use.

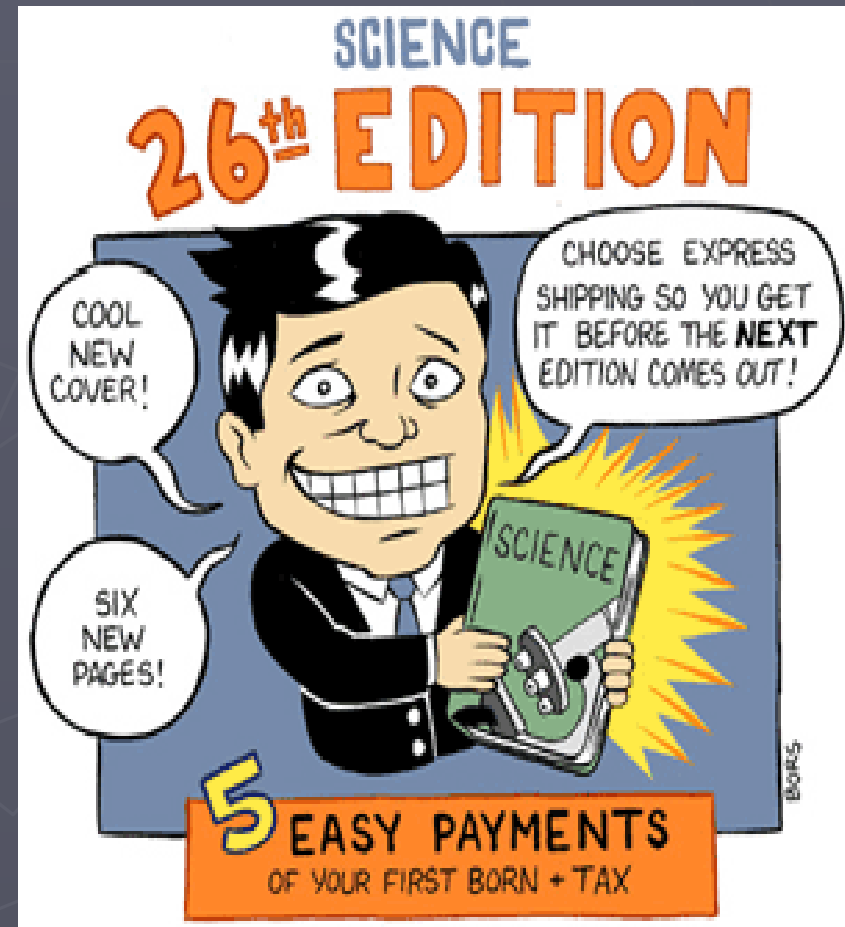


Outline

- ▶ Introduction to MASSPIRG
- ▶ Overview of problem
- ▶ Affordable textbooks Bill
- ▶ Request for endorsement!

MASSPIRG

- ▶ Student funded, student directed.
- ▶ Working to make textbooks affordable since 2003
- ▶ The lead student organization working to document and expose the problem of over priced books.



Dennis Plato, UMASS Amherst

This semester, my textbooks cost a total of \$600. I haven't had the money to buy everything, so I photocopy pages from my friend's chemistry book. Also, I haven't purchased the calculator. This prevents me from answering some of the in-class PRS questions on time, resulting in a direct loss of points towards my final grade.



The Cost to Students

- ▶ Average cost \$900 per year (about 26% of tuition and fees at a community college in MA)
- ▶ Rapid price escalation – about 4 times the rate of inflation
- ▶ Educational impacts

The textbook market out of balance

- ▶ Unusual characteristics of the textbooks market:
 - Lack of competition – publisher consolidation
 - Students lack purchasing power
- ▶ The result?
Students are a captive market, and unfair business practices flourish.
- ▶ Failure to disclose price information to faculty is compounding these problems.

Unfair Business Practices

1. Bundling

2. New Editions

- ▶ Depress the used book markets
- ▶ Increase Bells and whistles.

The result: rapid price escalation.

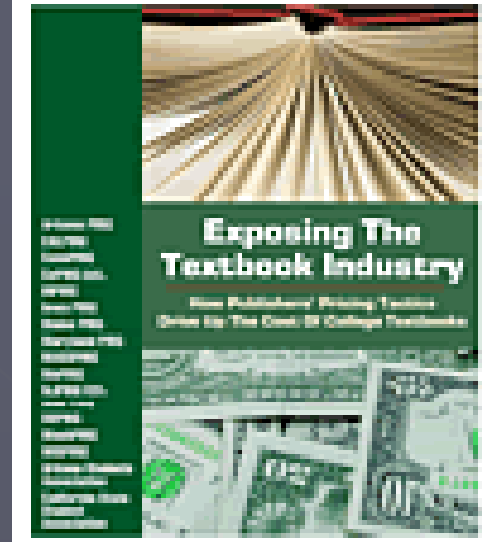
This analysis has been confirmed by the Government Accountability Office and other independent studies.

What the faculty say:

287 MA professors surveyed

- ▶ Price disclosure is inadequate
- ▶ Professors want more options and information about bundled books
- ▶ Professors care about cost to students
- ▶ The faculty support a legislative solution

"If they can't afford the book, they can't learn from it"
Prof Brian Travers, Salem State College



Solution?

*An Act Relative to the Production and Pricing of
College Textbooks.*

HB 1200, Chief Sponsor Rep Steve Walsh

- ▶ Disclosure
- ▶ Bundling

Better information and more choices for faculty.

PROGRESS: Save the date!

- ▶ Bill Hearing: October 2, 2007
- ▶ Endorsed by
 - Students
 - Faculty (HELC)
- ▶ Indications of support from Rep Murphy,
Sen O'Leary