

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 785 (Senator Harris, *et al.*)  
Education, Health, and Environmental Affairs

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**Higher Education - Tuition - Textbooks**

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This bill requires the governing boards of public institutions of higher education to develop plans to include textbook costs in the tuition charged to students at the institutions. Plans must be developed by July 1, 2008 and must be implemented by the beginning of the 2008-2009 academic year. An institution may not require an enrolled student to purchase a textbook that has not been covered through the tuition charge.

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**Fiscal Summary**

**State Effect:** Higher education revenues would increase beginning in FY 2009 due to the purchase of all textbooks through tuition paid to public institutions of higher education. State institutions of higher education could develop and implement textbook plans with existing personnel and resources.

**Local Effect:** Community college revenues would increase beginning in FY 2009 due to the purchase of all textbooks through tuition paid to the colleges. Community colleges could develop and implement textbook plans with existing personnel and resources.

**Small Business Effect:** Meaningful. Small business bookstores would have less opportunity to compete for student textbook sales.

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**Analysis**

**Current Law:** Tuition is set independent of textbook costs. Students may purchase textbooks from campus bookstores or from any other vendor.

**Background:** A July 2005 report from the U.S. Government Accountability Office (GAO-05-806) found that college textbook prices increased by 186% from 1986 to 2004, more than twice the rate of inflation but less than the 240% increase in tuition over the same period. The report concludes that “many factors affect textbook pricing, [but] the increasing costs associated with developing products designed to accompany textbooks, such as CD-ROMs and other instructional supplements, best explain price increases in recent years.”

Some Maryland institutions have developed policies to restrain textbook cost increases. The University of Maryland, College Park requires assigned textbooks to be listed early so students have time to shop for less expensive copies. St. Mary’s College of Maryland reports that it provides textbook information on its college bookstore web site two weeks prior to the start of classes. The University of Maryland University College requires instructors to use at least 50% of a textbook in order to assign it for a course. Some campuses also work with vendors to get partial textbooks that exclude some of the supplemental materials.

The Maryland Higher Education Commission conducts an annual survey to determine the average cost of books and supplies at Maryland colleges and universities. The most recent survey concluded that, on average, full-time students spend about \$1,100 per year on textbooks.

**State and Local Revenues:** All students currently pay tuition, but students use different methods to acquire textbooks. Many students buy textbooks from campus bookstores, providing auxiliary revenues to the campuses, but others may purchase books on-line or at noncampus bookstores, borrow textbooks from friends, or share books with classmates. These options would seemingly be eliminated if all students paid for textbooks through tuition. In total, revenues for State institutions of higher education and community colleges would increase as students would buy all their textbooks through the institutions. The added revenues cannot be reliably estimated, but could collectively be significant.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1269 (Delegate Aumann, *et al.*) – Appropriations.

**Information Source(s):** St. Mary’s College, Morgan State University, University System of Maryland, Maryland Higher Education Commission, Baltimore City Community College, Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 2007  
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