

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1068
Appropriations

(Delegate Barnes)

Higher Education - College Textbooks - Disclosures and Sales

This bill requires college textbook publishers that offer textbooks for sale at public institutions of higher education in Maryland to disclose • the retail price of textbooks in the campus bookstores; • the publication dates of previous editions of the textbooks; and • the availability of lower-priced versions or alternatives, including unbundled or online versions of the textbooks. The price of a textbook quoted to a bookstore by a publisher may not be changed during the academic term for which the textbook is required. The governing boards of public institutions of higher education must adopt regulations to require campus bookstores to sell textbooks in accordance with the bill's requirements and must allow students who have been awarded but have not received financial assistance to buy textbooks during the first week of the academic term and pay for the textbooks when the financial assistance is received.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: State institutions of higher education could adopt and enforce the required regulations with existing personnel and resources.

Local Effect: Community colleges could adopt and enforce the required regulations with existing personnel and resources.

Small Business Effect: Minimal. The bill could impact college textbook publishers, but the publishers are not small businesses.

Analysis

Current Law: There are no laws requiring college textbook publishers to provide specific information about textbooks. In general, the governing boards of institutions of higher education are responsible for setting policies and procedures for the institutions.

Background: With the 2004 release of “Rip-off 101,” the U.S. Public Interest Research Group (PIRG) launched an effort to inform the public about practices by textbook publishers that, according to PIRG, result in higher college textbook prices. 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.” Different sources have estimated that the increase in costs associated with the “bundling” of textbooks with supplementary materials is 10% to 30%.

The College Opportunity and Affordability Act passed by the U.S. House of Representatives on February 7, 2008 attempts to address the concerns about college textbook prices by requiring publishers to provide unbundled versions of textbooks and more pricing information to course instructors as they choose textbooks for their students. The legislation also requires institutions of higher education to make international standard book numbers (ISBNs) or other details about textbooks available to students on course schedules. The bill has yet to be considered by the U.S. Senate.

Actions in Other States

State Legislatures magazine reports that 85 bills in 27 states addressed college textbook costs in 2007, with 10 states enacting 15 laws and resolutions. Some of the bills require publishers to offer bundled and unbundled versions of textbooks or to provide more information to faculty about the changes made to textbooks from one edition to the next. Other states have required instructors to consider lower cost options when choosing course materials and have urged colleges and universities to implement options that will reduce costs.

Maryland Legislative Actions

During the 2007 session, the General Assembly considered several bills that would have addressed textbooks costs. To gather additional information before making any decisions about a course of action, one of these bills, House Bill 204, was amended to require a legislative study of textbook prices. The bill was signed into law as Chapter 295 of 2007.

In response to Chapter 295, the Department of Legislative Services conducted a survey of college bookstore and textbook adoption policies and practices at higher education institutions. DLS also organized a briefing that took place on January 10, 2008 and included testimony from DLS, college students, faculty, on-campus and off-campus bookstores, textbook publishers, and Maryland PIRG. Legislators from the education and budget committees and subcommittees in the Senate and House were invited to attend the briefing and had the opportunity to ask questions of presenters.

State Fiscal Effect: The Maryland Higher Education Commission advises that the institutions currently have a variety of policies for handling textbook purchases by students who have been awarded financial aid but have not yet received it. Some institutions provide vouchers for students to use to purchase textbooks until financial aid is received. Other institutions charge students' accounts for book purchases and wait to get reimbursed once financial aid is received. Some institutions simply require students to pay for the books themselves. Although the bill may require some institutions to effectively loan students the money they need to purchase textbooks until financial aid awards are disbursed, the bill would not materially affect higher education finances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Morgan State University, University System of Maryland, Maryland Higher Education Commission, Department of Legislative Services

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