

# TEXTBOOK AFFORDABILITY PROVISIONS IN H.R. 4137

## Student PIRGs Analysis

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**Bill Text (see Sec. 112):** <http://thomas.loc.gov/cgi-bin/bdquery/z?d110:HR04137>:

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## SUMMARY

Textbook costs can be a barrier to an affordable education. The average student spends about \$900 per year, and textbook prices increase faster than inflation. To address this problem, Congress included a set of strong policies in *the Higher Education Opportunity Act of 2008*.

### The textbooks section has three main provisions:

1. Requires publishers to disclose textbook pricing and revision information to faculty
2. Requires publishers to offer textbooks and supplemental materials “unbundled” (separately)
3. Asks colleges to provide the list of assigned textbooks (incl. ISBNs and prices) for each course when students are registering for classes.

## 1. PRICING INFORMATION DISCLOSURE

### What it says:

Publishers are required to include pricing information with any information they provide to faculty about a textbook. Pricing information includes the following four items:

- Wholesale price & suggested retail price
- Copyright dates for the past 3 editions
- Substantial changes between the current edition and the previous edition.
- The existence and prices of alternative formats

### Why it is necessary:

The primary reason textbooks are expensive is that the textbooks market does not function like a normal market. The person who chooses the textbook (faculty) is not the same person who buys the textbook (students). Therefore, price is removed as a primary factor in the sale.

Textbook publishers exacerbate this problem by withholding price information from faculty. A recent study released by The Student PIRGs found that 77% of faculty said that publishers rarely or never report the price of a book during sales interactions. Inevitably, when price is not put on the table, the more expensive items will prevail.

### How it lowers costs:

Since the problem is that cost is not naturally a part of textbook sales, the first step is to get that information on the table. Faculty can use the price information to select the right textbook at the best price. Faculty can use the revision history and list of alternate formats to determine whether a cheaper or older edition would be sufficient for the class.

## 2. UNBUNDLING

### **What it says:**

Publishers are required to offer all “bundled” textbooks for sale as individual unbundled textbooks and supplemental items. Textbooks with supplemental materials that are integrated into the content are exempt (e.g. a CD with clips analyzed in a music text).

### **Why it is necessary:**

Publishers use “bundling” – the practice of shrink-wrapping textbooks supplemental items including CDs, workbooks and online passcodes – to justify increased prices and to suppress the used book market. Research conducted by The Student PIRGs found that about half of all textbooks are bundled, and that bundled textbooks are more expensive than the textbook alone.

### **How it lowers costs:**

Supplemental items do not always contribute a textbook’s value. Two-thirds (65%) of professors reported they “rarely” or “never” use the supplemental items in bundled textbooks.

Students will have the option to purchase only the materials they need for their classes. Instructors will have the option to select less expensive, unbundled textbooks. Students will be able to find lower prices by purchasing individual components from different sources.

The broad definition of “integrated textbooks” could potentially be used as a loophole to avoid unbundling. Given the strength of the overall bill, however, this is not a major concern.

## 3. TEXTBOOK LIST DISCLOSURE

### **What it says:**

Colleges should include the International Standard Book Number and retail price information of required and recommended textbooks in the internet course schedule students use for registration. Schools must comply with this provision “to the maximum extent practicable.”

### **Why it is necessary:**

Textbooks are an unpredictable expense. Students often find out their bill when they go to the campus bookstore the week before school starts, and do not plan ahead for the cost. Furthermore, students do not always have their booklists in time to shop for better deals online.

### **How it lowers costs:**

Students will be able to predict the cost of their books during registration (to an extent) and prepare for the full cost of the next term. Students will also be given time to search for lower prices and leave enough time for shipping. Knowing ISBNs makes searching more efficient.

## STATE LEGISLATION

Recent state legislation establishes the precedent for these policies. Six states have passed price-disclosure bills, and a number of states have considered similar measures.

Connecticut HB 5527 (2006)

Washington HB 2300 (2007)

Oregon SB 365 (2007)

Oklahoma HB 2103 (2007)

Minnesota HF 1063 (2007)

Colorado SB 73 (2008)