THE STATE UNIVERSITY OF NEW YORK

Joint Legislative Hearing
of the

Senate Higher Education Committee
and
Senate Consumer Protection Committee

Investigating issues relating to sales of textbooks at Universities and colleges, the cost of college textbooks, the uniqueness of the textbook market, and the impact on student's access to higher education

Testimony of

Dr. John B. Clark
Interim Chancellor
And
Dr. Risa Palm
Provost and Vice Chancellor for Academic Affairs

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Statement of Dr. John B. Clark, Interim Chancellor:

Good morning Chairman LaValle, Chairman Fuschillo and members of the Higher Education and Consumer Protection Committees. I am Dr. John B. Clark, Interim Chancellor of the State University of New York, and seated with me is Dr. Risa Palm, SUNY Provost; Dr. Carl Wiezalis, Chair of our Faculty Senate; Dr. Milton Johnson, Chair of the SUNY Faculty Council and our student trustee and President of the Student Assembly, Mr. Donald Boyce.

My colleagues here today represent a cross section of our University and will provide greater insights on the issue before us today.

First of all, on behalf of The State University of New York I want to express our appreciation to you for holding this hearing on this most important issue because the skyrocketing costs of textbooks are having a decidedly negative impact on the delivery of an affordable education. As you are aware, Congress has been examining the issue, as well as New York State with the introduction of your legislation, Senator LaValle, Senate bill 3063.

A recent study by the Advisory Committee on Student Financial Assistance (ACSFA), which was commissioned by Congress, details how colleges and states are working to make textbooks more affordable for students and how they can partner with the private sector to adapt these efforts to the rapidly changing textbook market.

The report concludes a fundamental change is needed in the way the textbook market is structured, saying that, the “supply-driven, producer-centric market must be transformed into a demand-driven, college- and student-centric market. Pursuing short-term improvements in affordability without addressing the problem of market failure is likely to undermine the quality and accessibility of learning resources in the future.”

I want to assure the Committee members, the State Legislature and especially our students and their hard-working parents that The State University of New York is committed to examining all avenues to ensure accessible and affordable academic materials for all who attend our colleges and universities.

Thank you for this opportunity and I will now ask Dr. Palm to continue this discussion.

Statement of Dr. Risa Palm, Provost and Vice Chancellor for Academic Affairs:

Good morning Chairman LaValle, Chairman Fuschillo and members of the Higher Education and Consumer Protection Committees. I am Risa Palm, Provost of the State University of New York, and I am pleased to be here today not only as the chief academic officer of SUNY, but also as the author of two books that have been used as college texts.

I certainly agree that the cost of textbooks and other course materials has risen very rapidly, and that the costs of course materials can hinder an affordable education. Faculty who do not follow the cost of textbooks closely may have no idea how quickly prices have, or the burdens that may be placed on students by the practice by publishers of "bundling" materials.

Although we are here to talk about textbooks, I want to note that we are in a period of technological transition. When I went to college, course content was obtained through the combination of reading a text, doing assigned library readings, and listening to a professor give lectures. Now, many courses are very different in format, and the pace of change is accelerating. Many SUNY courses are now "hybrids" – combining the use of web materials, self-teaching modules on CDs, and lecture materials that are available at any time, anywhere through the use of the internet. We are approaching a time when the textbook plays a smaller and smaller role in the transmission of knowledge.

In addition, we are increasingly aware that so-called "millennial" students have different modes of learning than were common 20 or 30 years ago. Millennial students tend to learn in groups, to enjoy active learning situations, and are accustomed to multi-tasking. They see "Google" in the same way that the older generation saw the Encyclopedia Britannica.

Our SUNY faculty are also changing their teaching techniques to correspond with these different learning styles, and are also adjusting to the fact that not all learners are comfortable with the same modes of teaching. One of the important projects that SUNY has undertaken is the Course Redesign Initiative wherein entire introductory courses are redesigned by faculty to make them more web-friendly, to use multiple modes of instruction, and to permit students to learn at their own pace.

But, at the same time, we also recognize that textbook use is still very common, that textbooks and other course materials are expensive, and that many entities nationally have become concerned with these costs. Indeed, over 120 legislative bills on the subject of textbook costs have been introduced in thirty-four states. Most of these bills focus on supplying better information on textbook prices to faculty and students, and to deal with the issue of "bundling" – of including supplemental materials other than the text that may or may not be of use to the students, but that add to the cost.

According to the Government Accounting Office, the price for college text books has risen by approximately 6 percent per year between the years of 1986 and 2004. Depending on which study you follow, the average student pays approximately $900 a year for textbooks. The actual cost for each student changes each semester, depending on the number of classes they take as well as the books required for those classes. While student aid will cover a portion of textbook expenses, the fact remains that textbooks account for approximately seven percent of the cost of attendance at the State University.

As we discuss the reasons why text books seem so expensive, it may be helpful to examine the costs associated with the development and eventual sale of a college text book. On the publishing side, costs include payments to the author, and to the publisher – to pay for the paper, editing costs and actual printing. The publisher must also pay for general administrative overhead as well as marketing. Publishers are also for-profit entities, and do make a profit of about 7% of the cost of the book after all expenses and taxes are paid. According to the National Association of College Stores, costs associated with the publisher account for 76% of textbook costs (http://www.nacs.org/common/research/textbook$.pdf).

The seller also marks up the book. The retail seller (often a college bookstore) pays for the shipping and handling of the book as well as some overhead. According to the National Association of College Stores, costs associated with the seller account for 24% of textbook costs.

Turning to the proposed legislation, a number of items could provide students with other options to find the lowest cost providers for their textbooks. Providing information on required texts and other materials would allow students to compare prices for books sold at different outlets – both nationally and internationally.

Faculty do need to be able to have the latitude to require or recommend the purchase of materials that will help students master the content of their courses. Faculty who have written textbooks to fit the courses they teach should be able to use those textbooks in these courses.

In sum, the proposed legislation increases student and faculty awareness of price and may result in a reduction in the practice of “bundling” materials that students should not be required to purchase.

Thank you for your time. I’d like to introduce Dr. Carl Weizalis, chair of the University Faculty Senate.