

# Transforming Textbooks

*How electronic formats can reduce costs  
and expand academic resources in our  
public university systems*



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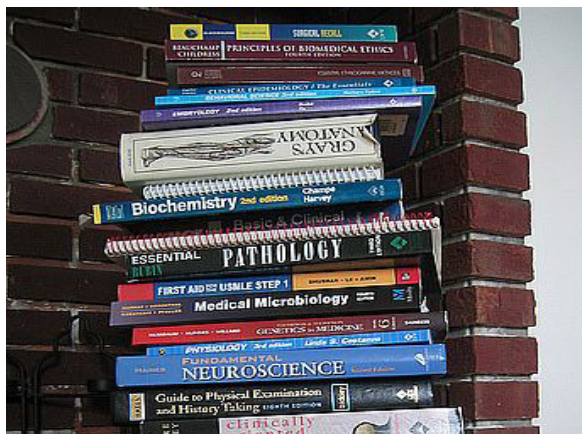
# Introduction

The rising cost of college textbooks has attracted the attention of students, parents, university administrators, faculty members, and lawmakers across the country.<sup>1</sup> At the same time, the academic and textbook publishing industry has begun shifting toward increasing digitized text and electronic resource usage. More and more teaching and learning is occurring in these “virtual environments.”<sup>2</sup> Thus, electronic textbooks and teaching resources are emerging as potential tools for reducing the cost of textbooks and improving access to higher education. This report summarizes the research and political response to rising textbook costs and presents a series of case studies profiling universities using electronic books and resources. It

concludes by articulating a long-term strategy and incremental steps for dramatically reducing the cost of college textbooks for public university students in New York State.

At the national level, the rising cost of college textbooks has been the subject of a number of reports. Most notably, the United States Government Accountability Office found that the cost of college textbooks nearly tripled between 1986 and 2004.<sup>3</sup> The federal Advisory Committee on Student Financial Assistance’s 2007 report on this issue concluded that, in addition to taking steps to reduce textbook costs, there is a need for a shift from a supply-centered textbook market to a demand-centered one.<sup>4</sup> Resulting federal legislation aims to increase both transparency of the cost of textbooks and opportunities for students to shop for the lowest priced option.<sup>5</sup>

In New York, the rising cost of college textbooks most directly affects the state’s nearly 625,000 undergraduate public university students attending either State University of New York (SUNY) or City University of New York (CUNY) schools.<sup>6</sup> A recent report from New York State Comptroller Thomas DiNapoli found that the average SUNY and CUNY college freshman pays between \$400 and \$800 a semester for required textbooks.<sup>7</sup> The increasing cost of textbooks presents a barrier to low- and moderate-income families in New York State accessing higher education.



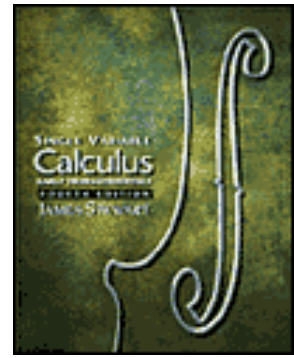
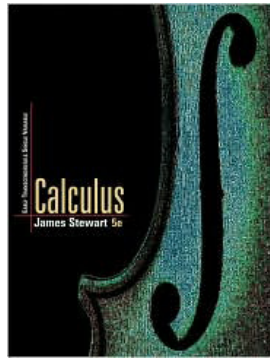
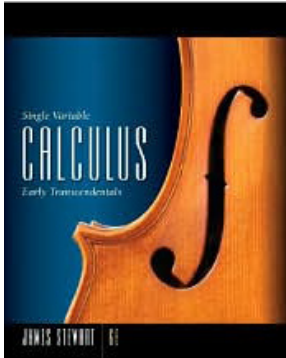
**IN THE FALL OF 2009, THE AVERAGE CUNY FRESHMAN PAID \$536 EACH SEMESTER FOR TEXTBOOKS.**

(*New York Times*: “The Significant Cost of Textbooks for CUNY Students,” August 17, 2009)



- 1) McBain, Lesley. 2009. “Cracking the Books: Policy Measures to Contain Textbook Cost.” Association of State Colleges and Universities.
- 2) 2009. “Clicking on a new chapter: The e-textbook is only one part of a bigger revolution in online learning.” *Nature*. 458(7238):549-550.
- 3) <http://www.ed.gov/about/bdscomm/list/acfsa/gaoreport.pdf>
- 4) <http://www.ed.gov/about/bdscomm/list/acfsa/turnthepage.pdf>
- 5) Higher Education Opportunity Act of 2008, Public Law No: 110-315. H.R.4137 sponsored by Rep. George Miller and S.1642 sponsored by Senator Edward M. Kennedy.
- 6) CUNY Office of Institutional Research. Fall 2008 Students profile and The State University of New York Fast Facts 2009.
- 7) Office of the New York State Comptroller. “Textbook pricing disparities.” December 2008. Available at: <http://www.osc.state.ny.us/reports/highered/textbookpricing12-18-08.pdf>

# Understanding the problem



**SINGLE VARIABLE CALCULUS: EARLY TRANSCENDENTALS, A WIDELY USED COLLEGE TEXTBOOK PUBLISHED BY STEWART CALCULUS, HAS RELEASED THREE NEW EDITIONS IN UNDER TEN YEARS [Left to right: Sixth Edition (2007), Fifth Edition (2002), Fourth Edition (1999)]**

Research suggests that a number of publishing industry and university practices significantly contribute to the rising cost of textbooks. These include:<sup>1</sup>

- Publishers shortening the time between new and previously published editions of textbooks, which makes older books in the used textbook market obsolete more quickly;
- “Bundling” supplementary materials such as workbooks and CD-ROMs into textbook packages that cost an average of 10% more than stand-alone books;
- Textbooks purchased at campus bookstores cost more than the identical book that may be purchased from an online retailer;
- Marketing practices obscure textbook prices from faculty instructors and thus eliminate “sticker shock” as a factor in selecting course materials.

The marketplace for college textbooks is unique in that the cost of books is not influenced by the prices that students are willing to pay. Rather, because faculty instructors select required textbooks, the instructors

serve as a third party and distort the normal price constraints a supply-and-demand marketplace would generate. Furthermore, consolidation of the college textbook industry to three major publishers (Wiley, Pearson, and Cengage<sup>2</sup>) significantly hinders the price constraints set in motion through competition<sup>3</sup>.



1) New York City Council Committee on Higher Education. 2009. “The Escalating cost of textbooks for CUNY students.”

2) <http://www1.cuny.edu/mu/library-news/2009/11/13/making-textbooks-affordable/>

3) Allen, Nicole. 2008. “Course correction: How digital textbooks are off track and how to set them straight.” The Student Public Interest Research Groups.

# Current efforts to address the problem

A number of policy and practice-based responses have been advanced by university administrators, elected officials, Public Interest Research Groups, and entrepreneurs to reduce the cost of textbooks, but none go far enough to ensure that college textbooks are affordable, or address the need for a fundamental shift from a supply-centered textbook market to a demand-centered one.

• *CUNY has allocated \$2 million dollars to explore a range of options for reducing the financial burden of textbooks on students.* The plan includes<sup>1</sup>:

- Promoting the use of online discount book vendors;
- Encouraging the use of used textbooks;
- Developing student book cooperatives;
- Reducing college commissions at campus bookstores;
- Soliciting philanthropic support;
- Funding library acquisition of textbooks that cost more than \$75; and,
- Funding additional library purchases of electronic books.

• *Textbook rentals* present yet another route to reducing the cost of textbooks for students. A number of private companies allow students to rent textbooks for varying durations of time at 40-70 percent of their sale price. In addition to reducing costs for students, textbook rental companies increase revenues for publishers and authors who receive fees for each rental rather than only a one time purchase price. This response has already received funding for pilot programs through the federal Higher Education Opportunity Act.<sup>2</sup>

• *Increasing the use of library e-reserves and customized course packs* can eliminate the need for textbooks in many college courses. This pedagogical strategy focuses on leveraging faculty expertise and password protected library access to primary source materials.<sup>3</sup>

• *Electronic textbooks* generally cost students about half the price of printed textbooks because they eliminate the costs of printing, shipping, and distribution.<sup>4</sup> But, expiration dates on electronic textbook purchases can force students in yearlong courses to pay for the same book twice which eliminates the initial savings.

• *“Open” textbooks* are electronic textbooks that are published under an open license. Open textbooks are free to download, can be easily accessed online, and can be printed without restriction or purchased in hard copy at a fraction of what most textbooks cost.

A transition toward increased use of e-textbooks in universities and state-wide educational systems is just beginning. The descriptions of these programs, their shortcomings and successes, suggest promising routes of action for New York. Together these examples highlight that:

- Web-based e-books and resources avoid the problems associated with proprietary digital formats;
- Web-based e-books can be used on laptops and in campus-based computing facilities, thus obviating the need for additional hardware;
- Open textbooks present a web-based and low-cost option for colleges and universities; and,
- E-book pilot and adoption programs are motivated by potential cost savings, increasing access to more up-to-date information covering a wide breadth of subjects and concerns about environmental sustainability.

## CALIFORNIA

In May 2009, Governor Arnold Schwarzenegger announced a plan to use open e-textbooks to reduce costs, encourage collaboration between school districts, and ensure that students have access to the most up-to-date information available.<sup>5</sup> California is the first state to issue a mandate for schools to transition to using e-textbooks. Unlike universities buying into e-textbooks contracts that often rely on specific reader devices, California’s initiative focuses on using free,

**WIKIBOOKS HOSTS THE CALIFORNIA OPEN SOURCE WORLD HISTORY PROJECT**  
([http://en.wikibooks.org/wiki/COSTP\\_World\\_History\\_Project](http://en.wikibooks.org/wiki/COSTP_World_History_Project))

*The stated aim of the project is "to use California State K-12 Standards to develop printed, open source textbooks that will be approved for adoption by California's State Board of Education for use in California public schools at far less cost than current commercial textbook offerings, thus helping the State of California save money (more than \$200M per year) while providing more robust content for its public schools."*



open textbooks. So far, the state has identified ten electronic texts that meet at least 90 percent of the state's content standards for math and science. Their open format allows these digital texts to be projected on a screen, read on a computer, and/or printed in part or in whole within the classroom.<sup>6</sup>

### **PRINCETON UNIVERSITY (PU)**

In fall 2009, PU began piloting the use of the new Kindle DX e-book reader in three of its seminar courses. The DX is the only e-book reader with a color display and screen large enough to view diagrams and textbook pages. The pilot aims to determine if e-books can cut down on paper usage without negatively affecting educational experiences. Reducing paper usage is beneficial to both environmental sustainability and PU's bottom line.<sup>7</sup>

### **NORTHWEST MISSOURI STATE UNIVERSITY (NMSU)**

NMSU's pilot e-textbook program used the Sony Reader as its e-book reading device, distributing these to about 240 students. These devices were challenging to use and about 40 percent of students in the pilot reported studying less as a result, whereas only 17 percent reported studying more. Over time, students and professors became more comfortable with the devices and developed new studying and teaching techniques. The pilot also found that some subjects are better suited to e-book usage than others. For example, most e-book readers do not have color displays, making them inappropriate for subjects like science and medicine, which rely heavily on color illustrations.<sup>8</sup>

### **UNIVERSITY OF TEXAS (UT)**

As early as 1999, UT committed to using web-based e-books and acquired its e-book content through both purchase and subscription. UT has studied how e-book usage compares to usage of its print collections. They found that e-book usage was most popular in the disciplines of computer science, economics, and business. E-books were used less in medicine, sociology, American history, and literature. Overall the e-book collection was mostly used for reference checking. UT identified a number of advantages of e-books over paper books. E-books cannot be lost or stolen, and because they are often purchased, or licensed, in bulk collections they expanded the number of titles held by UT libraries. Some of the most popular e-book titles were books that had previously been unavailable.<sup>9</sup>



- 1) [http://www1.cuny.edu/porta1\\_ur/cmo/i/9/14/index.html](http://www1.cuny.edu/porta1_ur/cmo/i/9/14/index.html)
- 2) Lwein, Tamar. "Textbook publisher to rent to college students." The New York Times. August 13, 2009. Available at [http://www.nytimes.com/2009/08/14/education/14textbook.html?\\_r=1](http://www.nytimes.com/2009/08/14/education/14textbook.html?_r=1)
- 3) <http://www.ed.gov/about/bdscomm/list/acsfa/turnthepage.pdf>
- 4) Young, Jeffrey. 2009. "Six lessons one campus learned about E-textbooks." Chronicle of Higher Education. 55(39):A18.
- 5) Peek, Robin. 2009. "California charts a new digital frontier." Information Today. July/ August: 13, 15.
- 6) Office of the Governor, Arnold Schwarzenegger. "Gov. Schwarzenegger releases free digital textbook initiative phase 1 report. August 11, 2009. Available at: <http://gov.ca.gov/index.php?/text/press-release/12996>
- 7) <http://www.princeton.edu/ereaderpilot/>
- 8) Young, Jeffrey. 2009. "Six lessons one campus learned about E-textbooks." Chronicle of Higher Education. 55(39):A18.
- 9) Dillon, Dennis. 2001. "E-books the University of Texas experience, part 1." Library Hi Tech. 19(2):113-124.

# Advantages and disadvantages of using electronic texts in an academic environment

As the publishing industry transitions away from paper-based products, it has developed a range of digital text formats and content licensing and purchasing arrangements. With this proliferation, CUNY and SUNY have an opportunity to save money for their institutions and students while also increasing access to scholarly resources. The following table presents some of the advantages and disadvantages of electronic publishing for academic use as the publishing industry now stands.

ADVANTAGES	DISADVANTAGES
E-book readers with displays appropriate for textbook use are just now reaching the market.	Most e-book and digital publishing models are designed to preserve copyrights and ensure revenue streams to publishers rather than to improve experiences of consumers.
E-books bring added value for people who need to easily enlarge text, convert text to speech, and for people who wish to “data mine” or search the contents of many books at once.	E-books and reading devices are still enmeshed in proprietary format and content networks that make it difficult for large educational systems to ensure that any one device and subsequent content network can meet the needs of all of its students, teachers, and researchers.
More than one book can be held on an e-book reader at any one time. This makes it physically easier to carry five e-books on one device instead of five individual paper books.	E-books present a paradox of portability. While their reduced bulk and electronic formats would make them appear more portable, within a university library system they are more limited in this regard than paper books because academic libraries cannot share e-books through interlibrary loan networks because of licensing restrictions.
Younger readers are more comfortable with studying and reading on electronic devices.	Scholarly and educational usages require different capabilities from electronic or digitized texts and although there are multiple electronic text formats in use, not all of them support both kinds of usage.
Thousands of textbooks, for a wide range of subjects, are already available in digital formats. Some of these are open textbooks and some must be purchased, but there is still a range of resources available for instructors to choose from. <sup>1, 2</sup>	Most electronic textbook “purchases” provide students with access to these books for limited periods of time (180 days) and have printing restrictions.



1) <http://www.coursesmart.com>

2) <http://washingtontimes.com/news/2009/sep/02/digital-texts-could-turn-page-on-print-costs/>

# Pending NYS legislation

Below is a summary of pending New York State legislation on the pricing of college textbooks.

BILL #	DESCRIPTION	STATUS (as of 2/2010)	LEGISLATIVE HISTORY
A.564 (Cahill)	Authorizes the trustees of the SUNY to create an Advisory Review Board (ARB) for the review of textbooks sold, purchased, or used for academic purposes on all SUNY campuses. ARB would negotiate with publishing companies and bookstores to curtail rising textbook costs; require publishing companies to justify the introduction of new additions of existing textbooks. In addition the legislation would eliminate the marketing costs built into the price of textbooks.	Referred to Committee on Higher Education	A.355 (2007-2008); A.4766 (2005-2006); A.8316 (2003-2004).
A.1610 (Zebrowski)	Would allow for New York State income tax deductions for qualified taxpayers for the cost of textbooks they have purchased at public or private universities in New York State.	Referred to Ways and Means Committee	A.8914 (2007-2008); A.11494 (2005-2006); A.9771 (2003-2004).
A.3280 (Englebright)	Requires SUNY and CUNY to provide all textbook retailers, upon request, with information on textbooks to be used in courses of study when this information is provided to on-campus bookstore.	Referred to Committee on Higher Education	A.1518 (2007-2008); A.3877 (2005-2006); A.6684 (2003-2004); A.4027 (2001-2002); A.7514-B (1999-2000); A.2878 (1997-1998); S.1849 (1995-1996); A.894 (1993-1994)
A.5591 (Peralta) S.3104 (Diaz)	Authorizes the trustees of the SUNY and CUNY to create academic review boards to study the cost of college textbooks.	Referred to Committee on Higher Education	None.
A.7584 (Ortiz)	Exempts all textbooks required or recommended by college professors for use in a particular course from sales and compensating use taxes.	Referred to Ways and Means Committee	A.2350 (2007-2008); A.1965 (2005-2006); A.10386 (2003-2004)
S.5941 (Rules – State Comptroller #16)	Requires institutions of higher education to post full course listings with required textbooks on their websites at least six weeks prior to the start of classes to allow students to comparison shop for textbooks.	Referred to Higher Education Committee	None.

# A vision for the future

To fulfill its mission of providing low- and moderate-income New Yorkers with access to higher education, CUNY had a free tuition policy for New York City residents until 1976. Following in this tradition, a policy aimed at taking the burden of textbook costs off of CUNY and SUNY students and their families could be developed by leveraging the collective buying power of the nearly 625,000 undergraduate public university students across New York. Such a collectivization of buying power has the potential to shift the textbook publishing marketplace from a supply-centered market to a demand-centered one.

Current policy does not go far enough to push for changes in the publishing industry that will benefit low- and moderate-income families. A long-term vision for harnessing the opportunities presented in this digital age follows.

1. SUNY and CUNY should demand, through direct negotiations representing the collective buying power of their student populations, that publishers begin to provide universities with the option to buy multiuser and multiplatform licenses to e-textbooks.

2. The role of libraries within public universities as sources for required course materials should be expanded, while the role of campus bookstores should be reduced as we shift to using electronic textbooks and teaching resources to lower the costs of higher education. Such a shift toward utilizing more electronic texts would also bring the “green benefits” of improving the environmental sustainability of CUNY and SUNY campuses by reducing their consumption of paper-based books. CUNY and SUNY already have robust e-book infrastructures in place.

3. CUNY and SUNY should ensure that they retain ownership of texts they purchase, that the text formats purchased or licensed support scholarly and

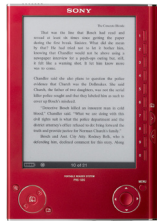


educational use, and effectively utilize resource sharing and distribution networks.

In this vision faculty instructors would deliver their lists of required course readings to CUNY and SUNY, who would collectively purchase multi-user and multiplatform e-textbook licenses for their students. The cost of these licenses would be passed on to students through increases to their library and technology fees and libraries would manage students’ privileges to access licenses for the courses in which they are registered. These fees would be nowhere near the \$500-\$800 they currently pay for textbooks.

Because of their expanded purchasing power, CUNY and SUNY schools would be able to demand that publishers sell them electronic textbooks and teaching resources in flexible formats that students could use on their existing hardware whether those students prefer to use an e-book reader, laptop, or desktop computer. CUNY and SUNY would also ensure that these resources could easily be printed, if a student wishes, on campus at no cost, or at a very low cost to students.

As public institutions of higher education, CUNY and SUNY have a duty to use their collective, publicly-financed buying power to incentivize change in current publishing industry practices. Such change is likely not only to benefit New York residents, but to spill over and bring similar practices to institutions across the country.



**DESKTOP, LAPTOP, SONY-EBOOK READER, AMAZON KINDLE, OR APPLE IPAD? *Electronic textbooks must be available in flexible formats in order to be useful to all students.***

To promote this vision, the following legislative actions are recommended:

**A.9893 (Kellner)** - Authorizes the trustees of CUNY and SUNY to create a joint advisory board on the issues of textbooks' cost, bulk electronic purchasing, open-access textbooks, and utilization of library resources to achieve the following:

- a. Identify a comprehensive list of textbooks currently in use that are available electronically;
- b. Identify a list of e-textbook titles where CUNY and SUNY can work together to maximize their bulk license purchasing power;
- c. Evaluate the potential for replacing currently used titles with comparable open textbooks;
- d. Establish a unit to negotiate bulk purchases of electronic textbook licenses with publishers on behalf of the two university systems; and,
- e. Support a 'culture change' wherein individual departments are encouraged to develop guidelines and trainings so faculty who wish to transition away from textbooks and into using customized course packages from primary sources already purchased by SUNY and CUNY library systems are supported in their efforts.

**A.9894 (Kellner)** - Creates a pilot program for bulk purchase electronic textbook delivery through CUNY and SUNY campus library systems. The bill provides criteria for colleges and universities to be eligible for the program and requires the chancellors of SUNY and CUNY to evaluate the results of the program and report to the Governor and legislature on its impact on student textbook spending, students' experiences with electronic textbooks, faculty experiences with identifying and using electronic textbooks, library staff time, and other infrastructure impacts.

**A.9897 (Kellner)** - Mandates that CUNY and SUNY library acquisition contracts ensure that libraries can retain the rights to the information they purchase in electronic formats. This will ensure that electronic materials acquired by university libraries are available through interlibrary loan networks and that such electronic materials are not restricted more than is reasonable and required by copyright laws.