

BROOKLYN



COLLEGE

Good Afternoon Members of City Council,

My name is Cory Provost and I am a Master's student at Brooklyn College of the City University of New York. I speak before you today to address an issue that is direly affecting hundreds of thousands of students: Overpriced Textbooks.

It was Thomas Jefferson, in a letter to John Adams, which said "I cannot live without books". Now today I say to you: We students cannot succeed without books.

CUNY stands as the leading American Institution founded with the intent to provide a high class education to the poor and the working class. These two demographics overwhelmingly make up the majority of the population of CUNY. It is important to realize that as America, and subsequently NY State and City alike are faced with an economic crisis of an unparalleled magnitude, so are the students of CUNY.

State Comptroller DiNapoli and City Councilman Eric Gioia have both conducted a study on the textbook prices that students are subject to face in addition to their tuition and a myriad of other fees. Both have concluded that students can be expected to pay between 400 and 800 per semester for textbooks, roughly 17-35% of what they must pay for tuition.

For those that may not know the goal for CUNY, it is to make education affordable and I believe that the University is committed to that task; which is why they took the lead and placed \$2 million into a textbook initiative program. However, we need support from City Hall and Albany in order to ease the burden that is placed on the backs of students. No student should have to pick whether to pay their rent or buy a book for class, no student should have to put off taking that one last class for graduation because they can't afford the textbook, no student should have to place their academic life in jeopardy because of overpriced textbooks.

So we ask you to match CUNY's commitment of funds to this textbook initiative so that we can insure that we are able to reap the benefits of attaining knowledge. So that we may set the standard of competition. So that we can make all of our futures that much better.

Cory Provost

President

Graduate Student Body

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The Escalating Costs of Textbooks for CUNY Students.
Before the Committee on Higher Education
September 25, 2009

Chairman Barron and Members of the Committee:

I thank you for this opportunity to testify in support of the CUNY textbook assistance initiative. My name is Dennis Kim, and I am a junior at Lehman College double majoring in political science and philosophy.

As you are aware, the cost of college textbooks has become a major affordability issue for low and middle-income students. The Government Accountability Office in 2004 reported that textbook prices have nearly tripled from 1986 to 2004, rising more than 5 percent every year. This concerning trend has only been exacerbated in recent years, and combined with the recession and the rising of tuition, no doubt remains in my mind that textbook prices are becoming a barrier to receiving a quality college education.

Excessive textbook expenses in my experience have increased the possibility of dropping a course, taking on additional loan debt, or even doing without at the price of being left behind on readings and ultimately undermining the quality of my instruction. Students greatly need textbooks to supplement their class lectures, and they come to understand that it is imperative to do the reading assignments in order to do well.

In my two years at Lehman, I have been dismayed to find antiquated books in the shelves of the library, which is a disadvantage to students in the 21st century

Chairman Barron,
Members of the City Council Committee on Higher Education,
My name is Greg Lawson and I am a graduate student at Queens College, majoring in Urban Studies. I am also a graduate student senator at Queens College and a University Student Senate delegate.

I want to thank Chairperson Barron for bringing the issue of the high costs of college textbooks before the City Council. Books for classes are increasing every semester by as much as 50% with no justification. This phenomenon is occurring for undergrads as well as grad students.

CUNY has earmarked \$2 million for a textbook initiative. This enables our campus libraries to have more reserve textbooks and textbooks available for loan to students. More help is needed, I urge the City to help supplement funding for a similar program. We hope members of the City Council support their colleagues in the state legislature on their efforts to pass legislation to address this issue.

Two bills were introduced in the State Assembly last session.:
Assembly bill #5991 introduced by Assembly member Peralta would have the CUNY Board of Trustees establish an academic review board that would audit the process by which textbooks are sold and used by the university and make recommendations accordingly. This legislation has been wisely co-sponsored by a number of lawmakers, including the very intelligent Assemblywoman from Brooklyn, Inez Barron.

(Note: that's the chair's wife. no need to explain that though, he knows who she is. lol... give a slight pause, so that the chair can chuckle. i hope. lol).

Bill A1610 sponsored by Assembly member Zebrowski, would provide an opportunity for New York State taxpayers, students and parents, to receive a personal income tax deduction for the cost of college textbooks.

Some CUNY student senate delegates think a book exchange program will work the best. With this students are given cash credit for at least 50% of the book price when they brought it. The cash credit will be used to exchange old course books for current course books. As it currently stands book prices are high and when a student tries to sell the book back at the end of the semester they are only given a few dollars for them.

Our student representatives look forward to working with members of the City Council in helping to preserve quality and affordable higher education at CUNY in the greatest city in the world, New York City.

Thank you.

To the Honorable Councilman Charles Barron of the 42nd District, Chairperson of the Committee on Higher Education and the members, Councilman Tony Avella of the 19th District, Councilwoman Gale Brewer of the 6th District, Councilwoman Darlene Mealy of the 41st District, Councilman Larry Seabrook of the 12th District, Councilman Eric A. Ulrich of the 32nd District; To all of the Elected members of the City Council and to The Students of the great City of New York who work tirelessly despite the financial obstacles that we face to obtain a Higher Education in order to pursue your American Dream, I say Good Afternoon.

My name is Jamell Henderson, and I am a student and student ^{leader} at the Borough of Manhattan Community College. As a student in BMCC, like many students in the CUNY system, we are faced with the inexplicable and inexcusable challenges of paying for college. We have recently received an additional tuition increase, which adds on to our financial worries and struggles; however with every semester and every year we are always faced with the ever so expensive prices of textbooks; something that plays a vital and crucial role in our studies of Higher Education.

Textbooks which are critical and essential for our courses of study in our respected fields should not be outrageously expensive for students to purchase. It is already an issue that we have to pay unreasonable prices of tuition; but now in addition to this, we have to pay textbook prices that are not affordable; especially with some textbooks that we purchase during the course of our particular study, will only be used one semester.

Now some may say that textbooks don't play a significant role in Higher Education but in all reality, it does. It is a key foundation in our courses of study. Allow me to demonstrate. You see when we as students pay tuition; it simply puts us in to the door into our area of study. However, our goal is to walk out boldly knowing that we have achieved the requirements that were asked of us in order to pass and move on. Now our professors give us the syllabus for the class which displays the entire outline of the course. Now because textbooks are incredibly expensive for us and the fact that many of us are in low-income to middle class single or family households; the actual purchase will have to be delayed because our daily living takes precedence.

Now regardless if we don't have the textbook, the course moves on and we are now behind in the class. Now some may say that we can constantly make copies, which is true, however when you are in a college like BMCC which currently holds a little over 24,000 students, its next to impossible to take out the book from reserves from the school's library to make copies every week. So because students are behind in the class, some of us may have no other choice but to withdraw or accept a low or failing grade and possibly repeat the course, which will now add delay to our process to obtain a higher education degree and thus slowing our progress to living our individual American Dream.

You may be thinking that this is a bit extreme but in all actuality this happens to a multitude of students each and every semester. I say this because this had happened to me.

I am 24 years old, living in NYC Housing. I have a paid internship, not a job, an internship working as a Youth Advocate for the Administration for Children's Services. My tuition is around \$1500 per semester and in addition to that, I have to pay for transportation to get to and from school and personal daily expenses which is not easy to maintain with the low wages I receive. I can say that during my duration in BMCC, I have never purchased all of my books on time; it will be mid semester on average that I have purchased all of my books.

Many students like myself, are living in financial burdens and situations that greatly affect our daily lives and in order to get out of the obstacles, we make a conscious decision to pursue Higher Education; many of us who will be graduating from college first in our families. Many of us do either recall or experienced a time when obtaining an education in the CUNY system was free, but nowadays that is not the case. A lot of the burdens that administrators of the CUNY system face come directly upon us financially, even though we have a clear vision and obligation to obtain a college degree in order for us to make our American Dream a reality.

I am here as a testimony on behalf of countless students, whose family households make just enough to get by or for those who are in single independent households or like myself who is trying to be a success story after being in the NYC foster care system for 8 years by showing others the importance of obtaining a higher education. I appoint this challenge to the valiant members of the city council whom we elect to represent us, to work alongside with the Higher Education Committee and the ever so passionate champion for the opportunity to receive affordable education, Councilman Charles Barron to come up with strategies and options to alleviate some of the stress that are placed on the students backs. Please make textbooks affordable.

I ask that you please remember that it is important that you invest in our future because this is the generation of change, and change begins right here and right now!

FOR THE RECORD

Testimony of:

Melissa Kirmayer
Director, Kindle Education

Oversight: The Escalating Cost of Textbooks for CUNY Students - September 25, 2009

In August, Amazon began our first Kindle pilot program in schools. Our goal is to better understand the student Kindle user and how we can enhance our devices and the offering to meet the needs of students and faculty. Over all, about 600 students are participating in the pilot across multiple disciplines from the following schools:

- Pace University
- Arizona State University
- UVA's Darden School of Business
- Reed College
- Case Western Reserve University
- University of Washington
- Princeton University

The pilot schools were selected to represent a diverse geographic distribution as well as a variety of institution types and sizes.

The range of disciplines covered in the pilot classes include biology, business, chemistry, computer science, English literature, French, humanities, nursing, political science, and public policy. Each school selected which courses to be included in the pilot. The pilot classes feature approximately 70 textbooks from over 30 imprints as well as over 200 case studies. For most schools, the program will run for the academic year. A few are one semester only.

All pilot students were given a Kindle for use during the pilot at no charge. All pilot students were also given the content used in their pilot courses at no charge. Some schools transferred title with no conditions at the onset of the pilot, while others have decided to loan the devices with an option to purchase at the end of the pilot.

We believe that the Kindle can add value to the classroom for students, faculty, authors and publishers through the following benefits:

- Timely, up-to-date information (Books delivered in 60 seconds)
- Lower total cost for assigned texts
- Immediate access to relevant supplemental texts, articles, essays
- Ability to leverage a community of students, faculty, and researchers
- Reduced environmental impact
- Ability to carry as many titles as you want on your reading device (currently 3,500 on Kindle DX)
- Ability to switch easily between titles
- Ability to make and export notes
- Ease in searching individual titles or across the Kindle for easy reference and location of key data
- Dictionary and Wikipedia lookup for quick reference

The Kindle vision is to make every book ever printed in any language all available in less than 60 seconds. This includes textbooks. Organizations advocating for full participation in digital formats from all textbook publishers will help motivate publishers to more quickly transition their businesses, enabling them to share the cost savings of digital - no printing, shipping, inventory management and returns - with students, dramatically lowering costs for all.

The Textbook Program at the BMCC Library (City Council Hearing on 9/25/09)

Good afternoon, Chairperson Barron and members of the Higher Education Committee. I am Sidney Eng, chief librarian at CUNY's Borough of Manhattan Community College.

The mission of the BMCC library has always been to support learning through collecting books, magazines and other digital resources and make them available to students. Our service has generated much good will and favorable feedback. What is not as apparent is our behind-the-scenes work, such as the simple but strategic decisions we make every day to ensure that students get what they need for their research. It has always been a balancing act to satisfy the complicated needs of as many students as possible.

BMCC has a robust enrollment of nearly 22,000 students. Our students have been sincere in requesting that the library buy textbooks for onsite use. With the current economic downturn, that desire is all the more acute and pressing. BMCC students, like many others, are hard hit by the rising cost of living, unemployment, or underemployment. The publishing industry continues to put out new editions with higher prices every year. The publishers know that libraries, bookstores, and students don't have a choice but to pay what is asked. The situation is bad and getting worse.

As you've heard, CUNY has recently launched a Student Financial Aid Initiative that gives additional funds to libraries for costly textbooks. The initiative also offers other direct financial aid enhancements, and every one of them is timely and necessary.

For many years, BMCC has been at the forefront of building a textbook collection for student use. The additional money has greatly enhanced our efforts. Working with the teaching faculty, we have purchased new titles, replaced outdated editions with current editions, obtained multiple copies for popular titles, and replenished heavily used, damaged, and mutilated copies. These new acquisitions have been cataloged and entered into our online database as well as listed on the library Web site. Students are encouraged by their professors to take full use of these resources.

At our college, I was told that one particular textbook was used over 700 times last semester. Now we are able to buy more copies and circulate them. The student responses are uniformly enthusiastic and thankful. Although the line in front of the circulation desk to ask for and return books can be long, the library staff also step up their effort to meet the increased demand. This is an excellent way to help students when they are strapped for funds.

The BMCC library is looking into expanding our electronic books service, including a pilot project called "patron-initiated book purchasing". The advantage of electronic books is that they are available 24/7 at points of need. However, the challenge will be for the major textbook publishers to make their holdings available online. I am confident that this will happen within the next one to two years. Technological innovations can be an ally to all students. Thank you.

Testimony of Arthur Downing, Chief Librarian and Chief Information Officer,
Baruch College, City University of New York Before the Committee on Higher
Education, Council of the City of New York.

Oversight Hearing - The Escalating Costs of Textbooks for CUNY Students

September 25, 2009

Good afternoon, Chairperson Barron and members of the Higher Education Committee. I am Arthur Downing, the Chief Librarian and Chief Information Officer of Baruch College. I would like to share with you some of the recent initiatives we have taken at Baruch College to help students who are struggling with the high cost of textbooks.

The CUNY Textbook Initiative that Curtis Kendrick described enabled Baruch College's Newman Library to add 500 textbook titles to its lending reserve collection in time for the start of classes on August 28. In its first month of availability the textbook collection has generated approximately 6,000 loans. In addition to acquiring the textbooks, the college has allocated a portion of the funds from the Textbook Initiative toward emergency grants for textbook purchases for students identified by our Financial Aid Office.

Beyond the Textbook Initiative, we are working with faculty to determine how materials from the electronic collections we already hold may be substituted for textbooks that students must purchase. For example, this semester one of our Computer Information Systems courses adopted as its textbook an electronic book from a commercial publisher that the library had already licensed as part of its e-book collection in Information Technology. As a result, students did not have to buy a textbook for that course.

The most substantial financial relief that we have provided to our students has been achieved by leveraging the buying power of having the largest business school in the United States. In our Zicklin School of Business, Associate Dean Phyllis Zadra works with faculty members who teach sections of courses with large enrollments to collectively adopt a single textbook for a course whenever possible. Once we inform publishers that there is an opportunity to sell 2,500 copies of one text the discussion changes. Textbook adoption becomes a highly competitive process that allows us to bargain not just for the best content to teach the material, but also for the best price. This year our work with the faculty teaching an introductory Accountancy course yielded a reduction in textbook price from \$145 per student to \$70 -- less than half of what the students paid for the course text last year. Moreover, that final price includes free access to the electronic version of the textbook and the publisher's ancillary online teaching materials including test banks and learning exercises.

As you can see from my examples, our strategy for dealing with textbook prices has been a combination of exploring new technologies, aggressive negotiation with publishers, direct financial assistance to students, and expanded print collections. I would like to conclude by thanking you for recognizing the rising cost of textbooks as a serious problem for our students.

The City University of New York



**Testimony of Associate Vice Chancellor and Chief Information Officer
Brian Cohen
The City University of New York
New York City Council Higher Education Committee
The Escalating Cost of Textbooks
September 25, 2009**

Good afternoon, Chairperson Barron and members of the Higher Education Committee. I am Brian Cohen, associate vice chancellor and chief information officer for The City University of New York (CUNY). In that capacity I am responsible for technology initiatives University-wide. My office's mission is to support the technology needs of the University's students, faculty, and staff and to explore emerging technologies that may benefit the CUNY community.

CUNY is committed to providing our students with a high-quality education in the most cost-effective way. A key component of that commitment is finding new avenues for students to purchase textbooks at lower prices. To that end, the University has been exploring eBooks as well as eReaders. It is important to note that this effort will not replace the traditional print book but will instead open an array of options for our students.

What do I mean by the terms eBook and eReader? An eBook is an electronic version of a traditional print book that can be purchased as a downloadable or Web-based file and be read using a personal computer, laptop, PDA, or eBook reader. eBooks can be purchased outright or on a subscription basis for a set time period, such as one or two semesters. EReaders are devices created specifically for reading books in electronic format. EReaders are generally lightweight, portable, can hold multiple texts in a single device and generally cost \$300-\$400. While this is a one-time cost, it still places a difficult financial burden upon our students. Examples of eReaders are the Amazon Kindle or the Sony Reader.

Over the last few months CUNY has researched the eBook and eReader markets and concluded that a successful eBook strategy has two components. First is finding appropriate content providers that have extensive libraries of textbooks that can be downloaded in multiple formats at reasonable prices. Second is ensuring that students

have the ability to read the content on the appropriate reader device – whether that be a laptop, desktop or eReader. Our goal is that content should drive technology, not the other way around. We want our students to have access to the broadest range of content possible using the reading method of choice.

We are beginning to evaluate the pros and cons of using eBooks and eReaders in the classroom. One current concern is that the size of the eTextbook library is still small, although it is growing rapidly. Some advantages of eBooks, however, include lower cost and enhanced capabilities, such as tools for sharing notes and social networking.

The lower cost, of course, is the key factor for CUNY students. In our informal survey of 100 Baruch College students, 73% said that they would prefer eBooks to a printed book if it were a cheaper option.

We also conducted a cost analysis of eBooks versus traditional textbooks, comparing the prices of the same title offered by an eTextbook company versus the new and used printed versions. In all cases, eTextbooks were cheaper than new print books, sometimes by as much as 60%. We also found that the eTextbooks undercut the price of used books for the same title, often by as much as 20%.

Whether or not eBooks will continue to be cheaper is an open question. It is commonly assumed that eBooks eliminate printing and delivery costs and thus are cheaper to produce. Publishers, however, have stated that the bulk of book production costs are fixed, covering costs such as author payments, copyrighting, and marketing. From conversations with several eBook publishers, we learned that the goal is not necessarily to lower costs but to increase revenue by penetrating the used book market. As eBooks

gain widespread use and greater market share, it remains to be seen if, in the long run, they will continue to offer the current level of cost savings.

Like the eBook market, the eReader market is growing rapidly. Companies such as Amazon, Sony, and Samsung all have eReaders on the market. Others, such as the Cooler, Plastic Logic, and the iRex are coming on the market soon. In fact, a headline in Wednesday's New York Times announced that Best Buy and Verizon are "jump[ing] into [the] e-reader fray" with the iRex. In the meantime, eTextbook publishers are striking deals with these new reading devices manufacturers where they can.

The capabilities of these readers vary significantly. Amazon's Kindle downloads books wirelessly, but books can only be purchased from Amazon's library. Other companies are searching for a common platform. Many, such as Sony, have adopted the ePub format so that customers may purchase from multiple sellers.

EReaders have the advantage of being able to hold many books on one device—which can be especially useful for the typical CUNY student who commutes daily to classes. On the other hand, eReaders are expensive, typically costing between \$300 -\$400. Additionally, some eReaders are only now incorporating the ability to display charts, graphs, and pictures and may still be best suited for text-based courses such as English and philosophy. In addition, highlighting and making notes on text may still be difficult.

CUNY issued a Request for Information (RFI) on July 20, 2009, to learn more about eBooks and eReaders. The purpose of the RFI is to evaluate competing technologies as well as content providers to determine their potential for providing high-quality educational tools at a reasonable cost.

The RFI asks for information on the costs, technology, features and functionality of their eBooks offerings in the academic setting. Specifically, we asked for a list of textbook titles offered, their costs, how they are accessed, and how they are being used in other higher education institutions.

We have begun reviewing the proposals and will be meeting with the six vendors that have responded so far. Subsequently, we will conduct trials of some of these products in the classroom to evaluate firsthand how they compare to traditional textbooks. We will be examining how eTextbooks and eReaders fare in the classroom context, in the learning process, and in their cost differences for our students. We are also interested in learning whether the electronic format works better for some types of classes than others.

Thank you for the opportunity to discuss this important topic with you today. I am happy to take any questions you may have.

Ganesan Ravishanker, Ph.D.
Vice President for Information Technology and CIO

Amazon Kindle Pilot at Pace University

Pace University is one of the seven Colleges and Universities that are piloting the use of Amazon's Kindle DX as an alternative to conventional textbooks during the Fall semester of 2009. Approximately 80 students enrolled in undergraduate courses in Biology and Marketing and graduate courses in Nursing and Publishing are participating in the pilot. The primary objective of the pilot study is to assess how both the faculty and students are able to adjust to the use of eBooks in the teaching and learning process. However, the financial model for the eBook is certainly a strong factor that has the potential to introduce a paradigm shift.

An initial survey of Pace University students and faculty reveals a very high level of acceptance as well as enthusiasm. Though the list of desirable features for the device is fairly long, primarily driven by the preference for a unified device that does everything, the most important feature desired pertains to the way certain charts and images are rendered in Kindle and the inability to manipulate them. This can be a serious impediment in trying to read a Science textbook on Kindle DX. The easy portability of the device, searchability, note taking and annotation capabilities are cited as the strengths of the Kindle device.

On average, college students are expected to spend between \$400-\$600 in textbook purchases a semester, which adds a considerable financial burden to the students. Any alternative such as the Kindle has the potential to reduce the overall cost of textbook if the device itself is priced right, if most commonly used textbooks are licensed for the reader and if the eBooks are discounted a significant amount compared to the printed books. The pros and cons of the traditional textbook model with eBook readers have been discussed widely, so I will not go into them in detail here. It is important to state here that unless the eBook vendor can make a strong financial case, the "Kindle in every Backpack" will simply remain an attractive sound bite.

Often a comparison is made between Apple's iTunes model for music and the need for the textbook publishers to adapt such a model where the textbooks (or chapters from the textbooks) are sold at affordable prices. Unlike music, college textbooks have a defined audience in students who have no choice but to buy them at the price that the publishers set—often driven up by production values much higher than a paperback or mass-market hardcover, for instance, as well as the costs of the intellectual property, and the need to update them with constantly-changing information. Kindle-like devices are beginning to address this problem by eliminating the cost of producing a printed book while still compensating for the very valuable intellectual and editorial contributions. Although it may be that the total cost of the device and the eBooks are not yet low enough for many students to adopt, technology production and opening of standards may make this a reality soon.

Testimony on Behalf of Barnes & Noble College Booksellers, Inc.

By Jade Roth
Vice President, Books

Before the Council of the City of New York, Office of the Speaker, Committee on the
Higher Education: The Escalating Costs of Textbooks for CUNY Students

September, 25, 2009

to have 90% of all faculty adoptions by finals. Last buyback period, the New York state CUNY stores averaged 38.8 % (up from 34.7% the year prior, an improvement, but obviously we still have a ways to go.) Once we have the adoption and purchase the books from the students, we clean, price and shelve them. This buyback process counts for roughly half of the used books we sell.

While we are actively seeking used books from students, we also work with used book wholesalers to collect more used texts. These companies work as national clearinghouses for textbooks and are our second source for used books. This used textbook process continues until about 6 weeks prior to the first day of classes. At this point, we release orders for new books to the publishers to ensure we have all the books needed for the students when they return to school. We also match our adoptions to the list of digital titles that are available to ensure we are providing students with as many format choices as possible.

Because used books are a finite commodity, you can never meet the demand for used textbooks. The used percentage is in direct correlation with the speed by which we get the adoptions. The later the adoption, the fewer books we can buy from students and the less time we have to get used books in the national market.

Not only do we strive to save students money by offering a wide selection of format and price options, but we also provide a revenue stream to the institutions we serve. In accordance with our contracts, we pay New York schools, including CUNYs, a percentage of our sales. These funds are used by the schools in a myriad of ways which can include the funding of teaching positions, students services and more.

Progress Made in New York:

Barnes and Noble College Booksellers is constantly working to save students money on college textbooks. We have taken several steps in the last few years to address textbook pricing issues, both on the federal level as well as locally, specifically in New York last year.

In fact, BNCB played a significant role in educating legislators about textbook pricing and the role of the bookstore as they were developing the final language of the federal Higher Education Reauthorization Act of 2008. In addition, BNCB met with members of the New York Higher Education Committee to discuss the language for the New York State Textbook Access Act of 2008, which was signed into law by Governor Patterson. The Act promotes "open and transparent marketing, choice, pricing and purchasing of course materials" which will help consumers as they make their spending decisions.

Furthermore, over the course of the summer and fall of 2008, Barnes and Noble College Booksellers teamed with the New York Consumer Protection Board, Governor Paterson and the State University of New York (SUNY) to educate students, parents and faculty about the option and the benefits derived from purchasing used textbooks. It was a successful public/private partnership which led to savings for New York students.

The collaboration amongst the three groups inspired a "411 on Textbooks" bookmark that is currently available in all 72 BNCB campus stores across New York State, providing consumers with information on how they can find, purchase and save money on used books. Additionally, together we held a launch event at SUNY Albany for the release of the bookmarks in mid-



News from the

NYS Consumer Protection Board

Advocating for and Empowering NY Consumers

David A. Paterson, Governor
Mindy A. Bockstein, Chairperson and Executive Director

and

Barnes & Noble College Booksellers



DATE: November 12, 2008

New York State Consumer Protection Board Partners with Barnes and Noble College Booksellers to Raise Awareness about Lower Textbook Cost Options for Students

The rising prices of textbooks are visible and frustrating to millions of students and parents each semester. As we confront the current fiscal crisis, students are looking for cost-savings approaches for these and other expenses associated with their higher education. Therefore, the New York State Consumer Protection Board (CPB), as part of its ongoing Stretch Your Dollar Efforts (SYDE), is working with Barnes & Noble College Booksellers (B&N) and the State University of New York (SUNY) to educate students, parents and faculty about the option and benefits of purchasing used textbooks.

"Students continue to face difficulties in affording the textbooks they need to complete their studies, especially in this time of economic distress," said Governor David A. Paterson. "Through the Textbook Access Act of 2008, government, businesses and academia are lending a hand to college students by assuring that a lower-cost option is available so they are better able to manage these costs. I commend the Consumer Protection Board and Barnes and Noble College Booksellers for their proactive collaboration to promote this new law, and for working together to help our students save money."

In response to the issue, the *New York State Textbook Access Act of 2008* was signed into law on August 7, 2008, by Governor David A. Paterson, and takes effect on July 1, 2009, but the CPB and B&N are not waiting for the effective date to take action. The Act promotes "open and transparent marketing, choice, pricing and purchasing of course materials" which will help consumers as they make their spending decisions.

In 2007-08, students paid an average of \$988 for books and supplies, an amount equivalent to 23% of senior college tuition at SUNY, 25% at CUNY or 28% of average community college tuition and fees in New York State, according to an April 2008 report entitled *Sticker Shock 101*, issued by the New York Public Interest Research Group (NYPIRG). Over the past two decades, college textbook prices have increased at twice the rate of inflation, according to a U.S. Government Accountability Office (GAO) report issued in 2005. The report also stated that textbook prices nearly tripled increasing at an average rate of 6% per year from December 1986 to December 2004.

"Timing is everything, so as the fall semester winds down and students and teachers gear up for the spring term, we are drawing student and faculty attention to used textbooks as one way to hold down some education costs," said Mindy A. Bockstein, Chairperson and Executive Director of the CPB. "Struggling students and their parents will be better able to afford their books thanks to the Governor's Textbook Access Act and the actions of Barnes & Noble College Booksellers and others. By purchasing used textbooks, students will not just be saving money, they will be saving trees, and helping the environment. As students attempt to make their educational ends meet, we are reminding consumers that the CPB is on their SYDE."

To assure continuing education of students and remind faculty of the value and availability of used books, beginning today, a new CPB-inspired "**411 on Textbooks**" bookmark will be available in all 72 B&N campus bookstores across New York State, providing consumers with information on how they can find, purchase and save money on used books. Further, if they know the books will be used again, most bookstores will buy back used textbooks in good condition so that used texts can be resold as "used" for the next term.

About Barnes & Noble College Booksellers

Barnes & Noble College Booksellers' is a privately-held sister company to Barnes & Noble, Inc., the nation's largest bookseller. Based in Basking Ridge, NJ, Barnes & Noble College Booksellers manages bookstores at more than 650 colleges and universities across North America.

About the NYS Consumer Protection Board

The NYS CPB, established in 1970 by the New York State Legislature, is the State's top consumer watchdog and think tank. The CPB's core mission is to protect New Yorkers by publicizing unscrupulous and questionable business practices and product recalls; conducting investigations and hearings; enforcing the "Do Not Call" law; researching issues; developing legislation; creating consumer education programs and materials; responding to individual marketplace complaints by securing voluntary agreements; and, representing the interests of consumers before the Public Service Commission and other State and federal agencies.

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Barnes & Noble College Booksellers
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The A11 on Textbooks



In response to the rising costs of textbooks and school supplies, Governor Paterson and the NYS Legislature passed the **TEXTBOOK ACCESS ACT of 2008**.

The Act addresses New Yorkers' concerns about textbook costs by providing:

- easier faculty access to textbook pricing information;
- assurance that the textbook package a faculty member orders is what they get; and,
- university/college policies that should stimulate and support the used book market.

Some Interesting Facts...

- Textbooks cost more than general reading books because the market for textbooks is much smaller.
- Textbooks are well researched and frequently updated to ensure their content is accurate, which increases costs as well.
- Textbook revenue is shared among many:



- Publishers (30%)
- Distributors (35%)
- School Activities (20%)
- Authors (15%)
- Freight/Shipping (15%)

The USED TEXTBOOK

market is the way to go:

- § To cut textbook expense and help sustain the environment, consider the used textbook market.
- § Because of a limited supply of used books, shop early to save nearly 25% over the cost of a new book.
- § Take care of your books, so they are in good condition to sell back.
- § Ask your faculty to inform the bookstore of what books they will be using for the next term early.

Student Participation

+ Early Faculty Book Requests

Increased Used Book Options
and

INCREASED SAVINGS



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**TESTIMONY OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP (NYPIRG)
REGARDING THE ESCALATING COST OF
TEXTBOOKS FOR CUNY STUDENTS**

FRIDAY, SEPTEMBER 25, 2009

PATRICK KRUG, NYPIRG CHAIRPERSON

Good morning. My name is Patrick Krug. I am Chairperson of the NYPIRG, and a student from Brooklyn College.

NYPIRG — the New York Public Interest Research Group — is New York State's largest non-partisan research and advocacy organization, with a Board of Directors comprised of college and university students elected from campuses with NYPIRG chapters across the state, including nine CUNY schools. We teach organizing, research and communication skills, and provide students with opportunities to learn while working on issues including the environment, consumers' rights, voter registration and mobilization, and higher education.

Our student board is deeply concerned about the rising cost of higher education in general and of textbooks in particular, so we are pleased to have this opportunity to speak.

First, thank you for continuing to monitor this important issue. Textbooks prices are a real problem for students. According to the College Board, the average student now spends \$1,077 a year on textbooks and supplies—an amount equal to 23% of CUNY's senior college tuition or 34% of CUNY's community college tuition.¹ Unfortunately, this expense is a significant access barrier for many low- and moderate-income students, and grant aid doesn't always do enough to help.²

NYPIRG's recent "Empty Wallets" project offers some anecdotal evidence of this continuing trend. At the beginning of this semester, students from several of our CUNY chapters set up tables at high-traffic campus locations to collect anecdotal evidence about students' textbook expenses. The "winners" of our contests were each awarded an empty wallet as a prize. Those students who purchased all of their books usually spent between \$500 and \$700 dollars.

1 College Board, Trends in College Pricing 2008, Table 6: Average Student Expenses by College Board Region, 2008-09 (Enrollment-Weighted), October 2008.

2 Advisory Committee on Student Financial Assistance, Turn the Page: Making College Textbooks More Affordable, May 2007, page 9.

However, many of the hundreds of students who took part in our informal survey told us that they couldn't afford to buy every one of their assigned books. Our biggest "winner" so far, Juliana Teodoro from Brooklyn College, paid an outrageous \$1,100 for her books this semester. That is a lot of money, especially when you pile it on top of students' other expenses. We've shared our students' experiences with state legislators and campus provosts.

NYPIRG is working to save students save money on books in the following ways:

1. Monitoring colleges' implementation of new textbooks laws: the state Textbooks Access Act and the Federal Higher Education Act Reauthorization;
2. Organizing public education and service projects to help students comparison shop online, find used books, and rent books online;
3. Advocating campus-level money savers like bookstore-sponsored rental and discount programs; and
4. Campaigning to support state legislation that will address book prices

The University, faculty, students and other members of the campus community are all working together to bring book prices under control. We're glad the Council's Higher Education Committee is involved in this effort as well. You can be an influential advocate for smart textbooks policy.

CUNY's \$2 million textbooks initiative

CUNY is already on the right track with their \$2 million textbooks initiative. The Chancellor provided the broad outlines of the plan last spring, and we are encouraged by the details discussed today as the initiative gets rolled out on campuses. We understand from the chancellor's statement that CUNY intends to promote online book purchases, require faculty to wait before adopting new editions of certain textbooks to bolster the used books market, institute discounts on textbooks for some students and provide funding for library purchase of additional print and electronic books. We also hope that they are successful in developing a philanthropy matching program that would mobilize private donors to help students pay for their books.

CUNY's promising effort to purchase additional print and electronic books to expand free library reserves seems to be under way. The guidelines promulgated by the University Librarian clarify that these new textbooks funds must enhance rather than supplant current book purchases. (That is important because this money arose out of last year's tuition hike.) The guidelines also target the new textbooks money toward high-cost and high-demand books, and they give libraries the flexibility to explore textbook rental programs and e-textbook purchases, as appropriate.

The Council should help make the textbooks initiative a permanent part of the CUNY budget. Furthermore, we ask the City Council to provide matching funds. That way, the Council would be investing directly in saving students money and providing an incentive for CUNY to keep investing money from the recent tuition hike back into an annual textbooks initiative.

CUNY's implementation of new textbooks laws

CUNY's plan is very encouraging, and it is clearly presented with the best of intentions, but it will be up to all of us in the campus community and/or concerned about higher education — students, faculty, members of this committee, as well as CUNY itself — to ensure that plans are put into place that are effective in meeting one simple goal: save students money.

As you are aware, the state Textbooks Access Act, which went into effect on July 1, 2009, requires publishers to disclose book prices to faculty who request the price, and gives faculty the right to order unbundled books. It also requires colleges to encourage early textbook adoption so that bookstores can tap into the wholesale used textbook market earlier, and more copies of cheaper used books can be made available to students.

The textbooks provisions of the federal Higher Education Act Reauthorization, which go into effect in 2010, go further than the state law. They require that CD-ROMs, workbooks, and other "extras" be sold separately, so that students aren't forced to buy bundled items that aren't actually required by their professors. (We will monitor a significant potential loophole for "integrated textbooks" that is built into that provision, and if we find that that exception takes over the rule, we hope to be able to work with this committee, the university, faculty and others to seek improvements to that law.)

To help faculty make fully-informed choices, the federal law also requires full disclosure, not just of book prices but also of differences between subsequent editions, and of the existence of alternative, cheaper formats.

Beyond that, the textbooks provisions of the Higher Education Act Reauthorization also require that colleges provide ISBNs (International Standard Book Numbers) and retail price information on Internet and paper course schedules.

These new laws—especially the provisions that require colleges to promote early book adoption and post ISBNs in course schedules—will save students a lot of money. We look forward to working with the City University, faculty and this committee to make faculty aware of how their early book selection increases students' ability to get used books. There is only a limited supply of used books available on the wholesale market, and early book adoption allows local bookstores to secure more used books for CUNY students. Also, the earlier that faculty members get their book orders in, the easier it will be for the administration to post ISBNs online.

CUNY has recently made a policy change that, in combination with the posting of ISBNs, will be key for Pell Grant recipients who hope to save money when purchasing textbooks. The University's elimination of campus-bookstore vouchers in favor of debit cards that can be used at any brick-and-mortar or online bookseller will allow who depend on Pell Grants to save money by buying textbooks wherever they find the lowest price, either online, on campus, or elsewhere.³ According to the state comptroller, such comparison shopping online could save students as much as \$245 per semester.⁴

³ Santiago, Katherine, "Searching for Textbook Alternatives," *Clarion*, September 2009, page 4.

⁴ Office of the State Comptroller, *Textbook Pricing Disparities*, December 2008, page 3.

Support other programs that help students save money on books

CUNY's textbooks initiative gives campuses the flexibility to explore textbooks rental programs. Start-up costs for such programs can be rather high and they take up a lot of physical storage space on a campus but they can save students up to \$500 a year on textbooks, and they would work well for undergraduate students in courses where new editions aren't required too often.⁵ The federal government recently provided seed money for pilot programs; we urge the Council to do the same.

CUNY has proposed the creation of a philanthropy matching program that would mobilize private donors to help students pay for their books. The members of the Council's Higher Education Committee could be effective boosters for such a program. Your personal and professional connections could help raise a lot of money to provide money for textbooks to students whose financial aid falls short. The Council could also consider providing additional money to expand the pool of matching funds to leverage additional private donations.

Campaign to support state legislation

There are several pieces of state legislation that would help rein in the high cost of textbooks. Bills that merit your active support include **A.3280**, which would improve competition among textbook retailers; **S.5941**, which would require timely posting of International Standard Book Numbers (ISBNs) to facilitate online comparison shopping; **S.5852**, which would exempt textbooks from online sales tax; and **A.7584**, which would expand the state's textbooks sales tax exemption.

Anything you can do to advance these bills would also be a great help to CUNY students. You could join us in delegation visits with our state representatives, help draw media attention and even secure an official endorsement from the Council as a whole.

In closing

We thank the Council's Higher Education Committee for continuing to recognize the importance of maintaining affordability in higher education, and we are encouraged by your efforts to continue the public discourse about textbook prices, their impact on students, and possible solutions. NYPIRG looks forward to working with you, as well as the City University, faculty, student governments and other student groups, publishers, and bookstores to explore additional solutions. Thank you.

⁵ Koch, Dr James V, Advisory Committee on Student Financial Assistance College Textbook Cost Study Plan Proposal, p 21, September 2006.

The City University of New York



**Testimony of University Librarian Curtis Kendrick
The City University of New York
New York City Council Higher Education Committee
The Escalating Cost of Textbooks
September 25, 2009**

Good afternoon, Chairperson Barron and members of the Higher Education Committee. I am Curtis Kendrick, CUNY's university librarian, and I am pleased to be joined by three colleagues: Brian Cohen, associate vice chancellor and chief information officer, Arthur Downing, assistant vice president for information technology and chief librarian at Baruch College, and Sidney Eng, chief librarian at Borough of Manhattan Community College. Thank you for the opportunity to speak with you regarding issues of textbook affordability. I would like to offer comments about the nature of textbook pricing, discuss what CUNY is doing to mitigate the impact on our students, and provide information about the coming opportunities that may provide long-term structural relief.

Textbooks are a \$10 billion industry in the United States. The market is dominated by three firms that control 60% of the market (Pearson, Wiley, Cengage), while the seven top firms share 90% of the market. According to the Government Accountability Office, prices for textbooks increase at about 6% per year, a rate above the CPI (consumer price index). The textbook industry has been referred to as a broken market where the

“rapid price increases and lack of affordability are best understood as symptoms of a structural imperfection in the market for textbooks and learning materials – a market driven by supply rather than demand. Faculty select textbooks from publishers, bookstores order them, and students must pay. The end consumer has no direct influence over the price, format, or quality of the product.”¹

In fact, the cost to students is considerable. The GAO estimates that textbook expenditures as a percentage of tuition are 26% for students in public four-year colleges, and a higher percentage for students in two-year colleges. CUNY's estimates are in line with these figures, with expected textbook expenditures as a percentage of tuition equal to about 22% of tuition at our baccalaureate colleges and 32% of tuition at our community colleges. Estimates of how much an

average student can expect to pay for a year's worth of textbooks range from about \$700 to \$1,100. These costs are a major issue for CUNY's students, 38% of whom come from families with household incomes of less than \$20,000. The University is particularly sensitive to the barrier that textbook prices can present to students trying to fulfill their higher educational aspirations.

Publishers attribute much of the increase in textbook pricing to the supplemental materials that are bundled with textbooks such as CD-ROMS or web materials. Critics, however, point to this bundling as a way for publishers to justify the creation of new editions of textbooks, thereby inhibiting sales of used textbooks. Indeed, revision cycles are shortening, with new editions of textbooks now produced on average every three to four years. Critics are also concerned about differential pricing within the industry, as the same textbook sold overseas may cost only a fraction of what is charged in the United States. Publishers have begun to take measures to limit consumers' ability to tap into this global market.

Growing concern about the burden of textbook pricing on students and their families has resulted in legislative action at the state and federal level. The New York State Textbook Access Act, which went into effect on July 1, 2009, requires colleges to institute policies that encourage faculty members to place their book orders early enough to enable bookstores to obtain the requested materials in used or digital formats as available. At the federal level, the textbook portion of the Higher Education Opportunity Act, which requires that colleges disclose online ISBN and retail price information, goes into effect on July 1, 2010. Both of these legislative acts recognize the potential of the Internet to alter the dynamics of the textbook market by smoothing

out informational asymmetries on the supply side of the market that contribute to students paying more for books. Indeed, the Internet and other technologies offer the promise of reshaping the market in ways that are highly beneficial to students.

Over the past five years, a new movement has started to take shape in higher education. It is called "open access" and refers to high-quality books and other scholarly materials that are available over the Internet and may be used at no cost. To date the development of open-access textbooks has been slow, but there are signs that this is changing. Rice University has established Connexions, which allows authors to create open-source textbooks. Foothill-De Anza Community College district in California has established the Community College Consortium for Open Educational Resources. Their objective is to make educational resources such as textbooks freely available on the Web, and so far 85 community colleges have joined the effort to explore the feasibility of creating high-quality textbooks at low cost for students.

Increasingly, Web-based services are emerging that not only allow low-cost or free access to traditional textbooks but also encourage innovative means of access. At Flat World Knowledge, instructors can essentially put together new versions of course materials, all free to students, drawing up different subject-based modules. Students have also been quick to seize upon the Web as a way of shopping by price for their textbooks. Like much of the Web, however, there can be at times too much information. A search for a standard textbook such as *Drugs, Society, and Human Behavior, 13th edition* yields an overwhelming set of choices for students, raising questions about students' ability to evaluate so many sources.

While the above suggest that changes may be coming to the textbook industry in the near or long term, CUNY has taken measures that will have immediate benefit for our students. As you know, CUNY's \$10 million Student Financial Aid Initiative was created in fall 2009 to protect students whose matriculation could be at risk due to last year's tuition increase. The initiative includes five important components, one of which is a textbook/e-book initiative to help defray the total cost of our students' education.

The textbook component allocates \$2 million to CUNY's libraries for the purchase of textbooks and electronic books. With funds received at the beginning of the academic year, CUNY's libraries have been quick to acquire textbooks and make them available on course reserves. The program is already producing dividends. Staff in the Central Office of Library Services have established special codes to track usage of materials purchased as part of this program. Through the first three weeks of the school year, textbooks purchased as part of the initiative had already been used more than 11,700 times, contributing to a 13% increase in the use of reserve materials over the same period last year.

CUNY's libraries are also using Student Financial Aid Initiative funds to invest in electronic books. We are currently negotiating for a collection that would make 44,000 e-books available to all CUNY students. This collection covers a broad array of disciplines. Our libraries have also begun to develop mechanisms for promoting the purchase of books online rather than through campus bookstores.

CUNY is cognizant of the fact that new editions of textbooks drive up the cost of books overall

by making obsolete the supply of used textbooks. The University is encouraging colleges to utilize used textbooks with more frequency. A number of possible programs have been identified, including one model developed by other colleges that requires the same textbook to be used in core courses for at least a year. Colleges will also be encouraged to develop student co-op programs to seek or donate used textbooks so that they can be provided to fellow students at a reduced price.

Colleges typically contract with vendors to run campus bookstore operations. As part of these arrangements, a share of sales is returned to the college to offset administrative costs. CUNY is encouraging campuses to reduce college commissions and pass the savings along to students in the form of college bookstore discounts. CUNY is also developing a philanthropy matching program so that private donors can help students cover their textbook obligations. We hope that these and other measures will help to offset the total cost of education for our students and help ensure that students' educational progress is not impeded by textbooks costs. We will continue to find effective ways to help mend the "broken market" and provide leadership in leveling the playing field for our students.

Chairperson Barron, in closing I would like to thank you and the entire committee for this opportunity to speak with you about textbook pricing. We greatly appreciate the council's partnership in addressing this critical issue. And as a librarian, I can't leave without offering at least one recommendation for further reading, and that is "An Economic Analysis of Textbook Pricing and Textbook Markets"ⁱⁱⁱ by Dr. James V. Koch. It provides a lot of insight into the issues we are confronting in this area. Thank you.

ⁱ Turn the Page: making college textbooks more affordable. A report of the Advisory Committee on Student Financial Assistance. Washington, DC, May 2007. URL consulted September 21, 2009:
<http://www.ed.gov/about/bdscomm/list/acsfa/turnthepage.pdf>

ⁱⁱ "An Economic Analysis of Textbook Pricing and Textbook Markets," ACSFA College Textbook Cost Study Plan Proposal, Dr. James V. Koch September 2006, URL consulted September 21, 2009:
<http://wvhepcdoc.wvnet.edu/commission/Textbooks%20Study/ACSFA%20College%20Textbook%20Cost%20Study%20Plan%20Proposal.pdf>

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