



AGENDA ITEM BACKGROUND

TO: GOVERNING BOARD		DATE September 12, 2005
FROM: PRESIDENT		
SUBJECT: The 2005 Government Accountability Office Study— Textbook Prices		ENCLOSURE(S) Page 1 of 2
REASON FOR BOARD CONSIDERATION INFORMATION	ITEM NUMBER	

Background:

Congress considers the overall costs of a higher education (tuition, housing, textbooks and supplies), and their potentially negative impacts on access and affordability, as a matter of national importance. Recent reports of escalating textbook prices and instances in which publishers sell U.S. textbooks in other countries at lower prices led 14 members of Congress in 2004 to the Government Accountability Office (GAO) to determine:

- (1) What has been the change in textbook prices?
- (2) What factors have contributed to changes in textbook prices?
- (3) What factors explain why a given U.S. textbook may retail outside the United States for a different price?

The GAO is the independent, investigative arm of Congress. In preparing its response to Congressional requesters, the GAO met with the National Association of College Stores, the American Association of Publishers, wholesalers, and student advocacy groups, and considered college textbook pricing data from the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) and the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS).

In July 2005, prior to the GAO releasing its reports to Congressional requesters, NACS and AAP had an opportunity to review and comment on a draft version of the report. On August 16, 2005, "*College Textbooks: Enhanced Offering Appear to Drive Recent Price Increases*," was made public. Copies of the full report are available online at: <http://www.gao.gov/cgi-bin/getrpt?GAO-05-806>

Findings:

The GAO report made several findings regarding textbook pricing. Among them:

- College textbook prices have risen at twice the rate of inflation during the past two decades, but have trailed other higher education costs.
- Specifically, textbook prices have risen at an average of 6 percent each year since academic year 1987-88, compared with overall average consumer price increases of 3 percent each year.
- The impact of textbooks and supplies cost increases on students can vary greatly depending on the type of institution they attend. The cost of textbooks and supplies as a percentage of

Administrator Initiating Item: Susan Lonblad/ Pegi Ard	Academic and Professional Matter <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Final Disposition
	If yes, Faculty Senate Agreement <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Senate President Signature	

tuition and fees ranges from 72 percent at 2-year public institutions; to 26 percent at 4-year public institutions; and 8 percent at 4-year private institutions.

- While many factors affect the rising prices students and parents pay for textbooks, the increasing costs publishers incur to develop supplements (e.g. CD-ROMs, websites, and other institutional materials) best explain price increases in recent years. Publishers report these materials are developed in response to instructors' demand for them.
- Publisher-developed supplements for textbooks are reflective of changes in the nature of postsecondary education. As teaching and learning have become more reliant on technology, college textbooks have evolved to include a wide array of ancillary products designed to enhance students' educational experience. These supplementary offerings include CD-ROMs, websites, and other tools.
- The price of a U.S. textbook may differ when it is sold in other countries because publishers price their texts to compete in local markets (e.g. based on local incomes, students' willingness to pay for them, the availability of competing textbooks produced locally, differences in instructional styles, etc.)
- The GAO concludes that given the current market environment, textbook prices will continue to rise, although they appear to be slowing relative to other higher education costs.

Position on the GAO Report:

Generally, the report accurately portrays the post-secondary course materials industry and captures many of the key factors affecting textbook pricing and student costs. The Bookstore Committee continues to support efforts that will enhance affordable and equitable access to course materials and will work with concerned parties as an ally for Cabrillo student interests.

Since Congress requested the GAO study, it is likely that its contents will contribute to the ongoing higher education policy debates at the federal, state and institutional levels.

It is likely that the report will trigger legislative and other party proposals. The Bookstore Committee will be closely monitoring these situations and reporting developments to the Cabrillo community.

Board Updates:

In April, an information item was submitted to the Board regarding the accomplishments of the Bookstore Committee. The Committee will continue to meet this academic year and an update will be submitted to the Board later in the spring 2006 semester.