OSPIRG
Standing Up To Powerful Interests

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TO: Joint Committee On Ways and Means, SubCommittee On Education
FR: David Rosenfeld, Executive Director, Oregon State Public Interest Research Group (OSPIRG)
RE: Support for House Bill 2871 A

OSPIRG supports House Bill 2871 A. In addition to this written testimony, I have submitted a recent report by the Student PIRGs (a consortium of student organizations that include the OSPIRG student chapters), "Open Textbooks: The Billion Dollar Solution". Citations for statistics in this testimony can be found in the report.

By way of background, I was the lead author of the original body of research produced in 2004 by the student chapters of OSPIRG and CALPIRG that quantified the problem of high textbook prices and its underlying causes. Our work then, and subsequent efforts since, helped catalyze debate and attempts at action at the federal level and in state legislatures and colleges around the country.

I'm proud to have played a role in advancing both discussion and action on the high cost of college textbooks, but sobered by the fact that the problem remains as pressing at it was over ten years ago. The College Board advises students to budget up to $1300 annually for textbooks, which can be as much as 40% of tuition at the average American community college. Textbook prices have increased more than three times the rate of inflation since 1978 – faster than medical costs – a trend that holds to the present.

Understanding the two flaws in the textbooks market help explain why solutions can be so elusive:

- Just five textbook publishers control more than 90% of the $8.8 billion market. As a result, these companies are protected from serious market competition.

- Unlike a typical market, there is no direct interaction between the producer and the consumer (a student). In a normal market, the consumer exercises control over prices by choosing to purchase products that priced best for their value. This consumer choice forces producers to price their products competitively. In the textbook market, however, this consumer control is eliminated by the fact that the professor, not the student/consumer selects the product, and the student/consumer actually expends the money.

  Because of this, the student is a captive market, and traditional publishers are able to drive continually prices higher without fear of market repercussion.

To be clear, faculty should have control over instructional materials; academic freedom is a critical foundation of higher education. Additionally, we suspect that solutions such as price controls would have negative unintended consequences. Thus, any solution to the problem needs to be market-oriented, and focused on either changing demand or supply.

Unfortunately, most of the short term solutions out there – used books, e-books or rental programs -- don't do much to solve the overall problem. Publishers undermine these markets by releasing new editions,

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bundling in single-use pass codes, or including use restrictions. Even more problematic, the price of these textbook options is still determined by the ever increasing price of a new, printed textbook.

While it is unlikely that a silver bullet exists, we are persuaded that open textbooks may be one of the best hopes that students and their families have for reducing textbook prices.

Open textbooks are faculty-written, peer-reviewed textbooks that are published under an open license – meaning that they are available free online, they are free to download, and print copies are available at $10-40, or approximately the cost of printing.

Open textbooks are part of a broader movement called Open Educational Resources (OER), and are conceptually rooted in the open-source software movement. Just as coders and developers realized the power of the Internet to facilitate collaboration and content delivery to massive audiences at little-to-no-cost, the concept was also applied to educational content in the late 90s.

Based on a review of college-based open textbook programs around the country, we estimate when a traditional print textbook for an introductory level course is replaced with OER and open textbooks, a student saves approximately $128 per course, per semester.

When we extrapolate this out using national enrollment data, we project that if every student had just one of their traditional textbooks replaced with OER or an open textbook, it would save American students more than $1 billion dollars annually.

To put this into even more concrete terms, we looked at the impact open textbooks could have on students that take an Introductory Psychology course every year (data that is reported annually by the American Psychological Association). Introductory Psychology makes an ideal example for comparison, because there is high quality, faculty-used open textbook available for the course, adoptable immediately (OpenStax Psychology). If each of these students had their traditionally published textbook replaced with the textbook, it would save students across the country almost $200 million dollars each year.

Unfortunately, the scale of open textbooks adoptions remains relatively small, too small to make much of an impact for most students. We've identified three reasons why:

- Awareness: Despite the increases in open textbook use, many faculty members are not aware that these alternatives exist and are ready for classroom use.
- Access: In making the transition from publisher prepared materials to open textbooks, faculty often need some assistance in finding open materials for their course and training on how to curate the content.
- Availability/Quality: While there have been significant gains in the number of open textbooks readily available, there is still much room to expand beyond introductory level courses. In addition, some faculty spurn open textbooks because they view current offerings as inferior quality.

My PIRG colleagues recently studied some of the country's most successful college-based attempts to tackle these barriers. The specifics of each program vary, but all have invested funds towards increasing the ease with which faculty can find appropriate open textbooks and related materials, and addressing the issues of

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availability and quality. We found all the programs are finding success in increasing open textbook adoptions and saving students money. Equally important, we found the total savings to students outstripped the total funds invested in these programs – often by orders of magnitude.

HB 2871 is a sensible way to help advance open textbooks efforts already underway at Oregon colleges. We see two benefits to this legislation, if enacted. First, it could allow campuses to more easily draw upon the work already being conducted at other schools, and reduce the likelihood of redundant efforts. Second, the competitive grants program could help scale up the number of open textbooks available and adopted.

We are glad to see that the legislation includes a report back to the legislature. If the bill is adopted, it is important that the program establish a clear set of metrics at the very outset that are rigorously tracked over time. At minimum, these metrics should be designed to help determine the return on investment that is specifically tied to efforts linked to HB 2871. This could include the amount that students saved as a direct result of the program; the number of new adoptions put into place by HB 2871, and so forth. As much as possible, we'll want to understand what HB 2871 catalyzed, and what would have happened regardless of HB 2871.

HB 2871 won't be the silver bullet, but it follows a reasonably established path that has shown promising results for reducing college costs, for a relatively small initial investment. We ought to give it a shot, study the results intensely, and base our next steps in 2017 on what we learned.