

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB1478

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|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input checked="" type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron Oder

3. Committee Senate Education and Health

4. Title Textbook sales at public institutions of higher education.

5. Summary/Purpose: The proposed legislation provides that the governing boards of public institutions of higher education must implement policies for minimizing the cost of textbooks for students at colleges and universities.

The guidelines must include (i) that faculty members submit lists of their required textbooks to the university bookstore in a timely manner, (ii) that any on-campus university bookstore selling textbooks to students as part of a package with other study products also sell such textbooks separate of such study products, (iii) that faculty members affirmatively acknowledge the price of textbooks they require before the order is complete, (iv) that faculty be encouraged to limit their use of new edition textbooks, (v) that sample copies of textbooks be made available for students in the university library, and (vi) that the revenue collected by the university from textbook sales at institution-owned or privately contracted bookstores be used solely for on-campus student activities, financial aid, or improvements to existing university infrastructure and services.

The measure further provides that no funds for financial aid from university bookstore revenue may be counted in the calculation for state appropriations for student financial aid.

6. Fiscal Impact. Preliminary. See Line 8.

7. Budget amendment necessary: Yes, all institutions of higher education.

8. Fiscal implications: If institutions of higher education are required to provide sample copies of textbooks in the university library, there would be a fiscal impact. Most, if not all, university libraries do not add textbooks to the library collections. A survey of two institutions, University of Virginia and George Mason University, indicate that it would cost them \$375,000 and \$350,000, respectively to add textbooks for each of courses taught. In addition to the cost of the textbooks, additional funding could be required to acquire and process the textbooks for the library. At some institutions, space to house the textbooks in the library could be an issue.

The last provision of the bill prohibits consideration of bookstore revenue in the calculation of state appropriations for student financial aid. Bookstore revenue is considered an auxiliary enterprise operation and therefore considered a self-supporting entity. No funds from bookstore operations are considered when developing state budget recommendations for student aid supported from the general fund.

9. Specific agency or political subdivisions affected:

Public institutions of higher education

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/2/06/aps

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cc: Secretary of Education