

BILL ANALYSIS

Senate Research Center
81R20343 KJM-D

C.S.S.B. 145
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Higher Education
4/18/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of C.S.S.B. 145 is to reduce the rising cost of higher education for students and Texas families by lowering the amount students pay for textbooks. A 2005 report by the United States Government Accountability Office found that college students spend an average of \$900 for textbooks. This high cost has led to an increasing number of students taking out additional loans to pay for books or simply opting not to buy the textbooks. Textbooks often come in bundles that include supplementary materials that many students do not need, are not required for specific classes, and are 10 to 50 percent more expensive than the cost of the textbook alone.

This bill requires a publisher that offers textbook bundles for sale directly to higher education students or a university-affiliated bookstore for resale to offer each individual item of the bundle as a separate, unbundled item and price each individual item so that the total cost of purchasing all of the items included in the bundle are the same, or as reasonably close to the same, as the price of the bundle. The bill also requires the Texas Higher Education Coordinating Board (THECB) to adopt rules under which THECB is authorized to impose an administrative penalty against publishers that violate the unbundling rule and allows the attorney general to bring an action to collect penalties that are not paid as directed by THECB.

C.S.S.B. 145 amends current law relating to the sale by textbook publishers of bundled instructional material for use by students at public institutions of higher education, and provides a penalty.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 51.9701, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 51, Education Code, by adding Section 51.9701, as follows:

Sec. 51.9701. TEXTBOOK BUNDLES. (a) Defines "coordinating board," "institution of higher education," "textbook," "textbook bundle," and "university-affiliated bookstore."

(b) Requires a publisher that offers a textbook bundle for sale directly to students enrolled at an institution of higher education or to a university-affiliated bookstore for resale to also offer, as applicable, each individual item of instructional material as a separate, unbundled item, and price the individual items in the textbooks bundle so that the total cost of purchasing all of the items as included in the textbook bundle individually would be the same or as reasonably close to the same as practicable, to the price of the textbook bundle.

(c) Requires an institution of higher education to maintain a record of any publisher that violates Subsection (b), and submit the record to the Texas Higher Education Coordinating Board (THECB), in the time and manner established by THECB rule, to use in determining whether to assess an administrative penalty under Subsection (d).

(d) Requires THECB to adopt rules under which THECB may impose a reasonable administrative penalty against a publisher that violates this section. Requires that the rules require THECB to provide for a hearing to determine whether to impose a penalty and its amount. Requires THECB to base the penalty amount on certain factors.

(e) Authorizes the attorney general to bring an action to collect an administrative penalty that is not paid as directed by THECB.

(f) Requires that revenue collected from administrative penalties imposed under this section be deposited to the credit of the general revenue fund and authorizes it to be appropriated only to fund the TEXAS grant program administered under Subchapter M (Toward Excellence, Access, & Success (TEXAS) Grant Program), Chapter 56 (Student Financial Assistance), Education Code.

SECTION 2. Makes application of this Act prospective to September 1, 2010.

SECTION 3. Effective date: January 1, 2010.