



Steps Taken to Reduce Instructional Materials Costs; Additional Changes Could Benefit Districts

at a glance

The Legislature and the Department of Education have taken steps recommended in our 2003 report to reduce instructional materials costs. The Legislature authorized a pilot program which enabled select school districts to purchase used, state-adopted materials. The three participating districts reported a cost savings of \$84,000; we recommend that this pilot project be extended.

In addition, the Department of Education has taken steps to ensure that all districts receive equivalent free instructional materials from publishers. The department also has taken steps to establish penalties for publishers who fail to deliver instructional materials in a timely manner. However, additional cost savings could be achieved if school districts were authorized to purchase state-adopted textbooks from one another, and to purchase state-adopted materials directly from publishers.

Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Education and the Legislature in response to a 2003 OPPAGA

report.^{1, 2} This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our report.

Background

Florida's school districts purchase large quantities of instructional materials each year. In Fiscal Year 2004-05, the state provided over \$215 million to districts for instructional materials. This funding has increased substantially in recent years. Districts can supplement this funding with other funds, although the amount of additional expenditures is not compiled on a statewide basis.

Florida is considered a major force in the national instructional materials market. Florida is also one of the few states that have developed mandatory curriculum standards for all instructional materials sold to public schools. This, coupled with the large volume of materials that Florida districts buy each year, means that publishers develop their textbooks and other materials specifically to meet the Sunshine State Standards.

¹ Section 11.51(6), *F.S.*

² *K-12 Textbook Approach Needs District Flexibility and Publisher Accountability*, OPPAGA [Report No. 03-28](#), April 2003.

Florida uses an adoption process for instructional materials that includes four steps. First, the Department of Education writes and publishes specifications for new instructional materials and solicits bids for these materials. Second, publishers that respond to the bid submit samples of materials. Third, the Commissioner of Education reviews the publisher submissions and selects (adopts) materials for each subject area.³ Finally, school districts review state-adopted materials and select those that they wish to use in their local schools.

Florida's system is similar to that used by other large and southeastern states in three major areas.⁴ However, Florida differs from other states in that Florida prohibits school districts from buying used textbooks.

Prior Findings

In our prior report we identified five options that could help reduce the state's costs for buying instructional materials: (1) authorizing districts to purchase used state-adopted materials; (2) requiring the Department of Education to better monitor publisher distribution of free materials to some districts; (3) establishing penalties for publishers that fail to deliver materials in a timely manner; (4) authorizing district-to-district sales of instructional materials; and (5) authorizing districts to buy materials directly from publishers.

- Authorizing districts to purchase used books would reduce costs. Current law prohibits districts from purchasing used state-adopted materials. Rather, districts are required to purchase new materials from the state depository. Our analysis of prices for new and used materials found that districts could attain substantial savings by purchasing used

materials. Seven of the 10 states we examined allow schools to purchase used textbooks.⁵

- Ensuring that all districts receive the same free materials could increase availability. Although Florida law requires publishers to provide the same free materials to all districts, the department did not adequately monitor compliance with this requirement. As a result, publishers could offer special deals inconsistent with the state contract to one district that could ultimately increase costs to the state's other 66 school districts. This also created the potential for giving one publisher an unfair advantage over others in marketing instructional materials.
- Establishing penalties for late deliveries of instructional materials. Although it is important for schools to receive textbooks and other instructional materials before school begins, Florida did not penalize publishers for late deliveries. Late delivery of instructional materials can disrupt students' education and is inefficient in time and money. Other states, including Texas and California, impose penalties for failure to deliver materials before specified periods such as the opening day of school. Establishing similar penalties could encourage publishers to make timely deliveries.
- Authorizing district-to-district sales would extend state resources. Current law stipulates that districts must buy state-adopted materials only from the publisher's in-state depository. Allowing districts to purchase materials from each other would reduce costs as districts may have excess textbooks that they no longer need and that another district could use. The Department of Education could facilitate this process by establishing a website where districts could post notices of available materials.

³ The 2000 Legislature transferred the authority to adopt materials from the Department of Education to the Commissioner of Education (Ch. 2000-291, *Laws of Florida*).

⁴ We compared Florida's instructional materials processes to those of California, Texas, New York, Illinois, Alabama, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. The three major areas of similarity are adoption of materials, guarantees for lowest prices, and in-state depositories.

⁵ The seven states are California, Texas, New York, Georgia, Illinois, Mississippi, and Alabama. Alabama allows schools to purchase used materials using funds collected from students/parents for lost or damaged textbooks and from local monies.

Authorizing districts to purchase materials directly from publishers could reduce costs. Currently, Florida pays for shipping and handling of instructional materials twice—once to get the materials to the state depository (generally included in the bid price) and a second time to transport materials from the depository to the districts. Florida school districts could potentially reduce these costs if they were authorized to buy directly from publishers. Seven of the 10 states we examined allowed schools to buy directly from publishers.⁶ While some districts expressed concern that direct purchase could require them to order materials from multiple publishers rather than from the central depository, allowing direct purchase would provide the opportunity for districts that so choose to reduce their costs. Accordingly, OPPAGA recommended that the option of purchasing materials directly from publishers should be voluntary rather than mandated.

Current Status

Since our 2003 report, the Legislature and the Department of Education have taken some steps to reduce instructional materials costs. The Legislature has authorized a pilot program that allows select school districts to purchase used, state-adopted materials. In addition, the Department of Education has taken steps to ensure that all districts receive the same free materials and has established penalties for publishers who fail to deliver instructional materials in a timely manner. However, school districts still are not permitted to purchase state-adopted textbooks from one another, nor are districts authorized to purchase state-adopted materials directly from publishers.

The three participating districts reported savings of \$84,423 by purchasing used, state-adopted materials. The 2003 Legislature authorized a pilot program to enable

participating school districts to buy used, state-adopted instructional materials. Three school districts participated: Hernando, Pasco, and Polk. The three districts together reported savings of \$84,423 as of March 2005, with individual district savings ranging from \$15,305 for Polk to \$42,186 in Pasco. We recommend that the Legislature continue the pilot program and allow participating districts to utilize the option to purchase used, state-adopted materials over the course of an entire textbook adoption cycle of six years. This will provide districts and the Legislature information about whether additional cost savings are realized throughout the adoption cycle.

The department has taken steps to ensure that all districts receive the same free materials, but more could be done. Since our 2003 report, the department has clarified its policies and procedures to help ensure that offers made by publishers to one district must be provided to all school districts. In addition, the department has instituted a firm deadline after which vendors are not permitted to change their bids. The department reports that it is monitoring offers of free materials to assure consistency across school districts, and it investigates all discrepancies brought to its attention. In addition, the department monitors publisher catalogs and contracts in other adoption states to ensure that publishers are complying with Florida's most favored nation clause.

However, the department's ability to monitor compliance with this requirement is hindered because some publisher representatives are reportedly dealing directly with individual schools rather than school districts. As a result, the districts themselves can lack information about whether publishers are providing equivalent free materials to all schools. If this trend continues, the department may need to take additional steps to enforce its contract requirement, possibly including mandating that publishers coordinate their marketing through district instructional materials coordinators or risk being disqualified from the adoption process.

⁶ The seven states are California, Georgia, Illinois, Mississippi, New York, Tennessee, and Texas.

The department has established penalties for publishers who fail to deliver materials in a timely manner. The department has amended its contracts with publishers to include a financial penalty clause for late delivery of instructional materials. Effective with the 2004-05 contracts, publishers must pay a delay of delivery charge at the rate of 1% per day of the undelivered portion of the purchase order if it fails to deliver within 45 days of the date the purchase order was received by the School Book Depository.

The department reports that some publishers were late with the most recent textbook deliveries. It is still in the process of compiling this data, and has not yet imposed any penalties for late deliveries. The department should monitor carefully the effectiveness of its penalty clause, impose late charges as appropriate, and make adjustments as needed.

District-to-district sales of state-adopted materials are still not permitted. While some steps have been taken to improve transfers of instructional materials between districts, additional steps could be taken. The Florida Association of District Instructional Materials Administrators has developed a website which enables school districts to post messages announcing surplus materials they have available or specific instructional materials they need. The Department of Education reports that this listserv has been effective in helping districts transfer textbooks to aid some of Florida's hurricane-affected districts. However, this listserv only allows for districts to exchange instructional materials, as Florida statute continues to prohibit districts to sell surplus materials to each other. We recommend that

the Legislature consider authorizing districts to sell and purchase surplus instructional items to other districts.

Florida's school districts are still not authorized to purchase materials directly from publishers. State law continues to prohibit districts from purchasing state-adopted materials directly from publishers. OPPAGA contacted four states that utilize both a school book depository and allow districts to purchase directly from publishers.⁷ These states report that about 5%-10% of their districts exercise the option to purchase directly, while their remaining districts continue to use the states' central depository.

Instructional materials publishers we contacted that currently have state-adopted materials indicated that they pay Florida's depository a fee of between 6% and 8% of sales. While some publishers did not believe that direct sales would produce savings, other publishers indicated that it could produce long-term savings, as the publisher would avoid the depository fee and could pass on at least a portion of this savings to the districts.

Florida's depository provides a beneficial service to many school districts by providing central storage and ordering of instructional materials. However, as some districts could likely achieve savings through direct purchasing, we continue to recommend that the Legislature consider giving districts the option to buy state-adopted materials directly from publishers.

⁷ The four states are Georgia, Mississippi, Tennessee, and Texas.

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Florida Monitor: www.oppaga.state.fl.us

Project supervised by Jane Fletcher (850/487-9255)

Project conducted by Kathleen Del Monte (850/487-9229)

Gary R. VanLandingham, OPPAGA Interim Director