

To: University Senate
From: Mario Belfiglio, University Senator
Date: October 31, 2017

A RESOLUTION to Support Textbook Affordability by Encouraging a State and Local Sales Tax Exemption for Post-Secondary Textbooks

LEAD SPONSOR: Mario Belfiglio

COSPONSORS: Michael Frank, Lauren Fechtel, Rebecca Gutterman, Julia Dennen, Sophie Chang, Samer Abusway, Shamina Merchant, Michael Watson, Andrew Jackson (Undergraduate Students); Alex Wesaw, Yao Wan (Graduate Students); Sara Adelman (Professional Student); Blaine Lilly, Sharon Schweikhart, and Mike Hogan (Faculty).

WHEREAS Section 3335-5-41-B of the University Faculty Rules states that “The university senate, subject to the authority of the board of trustees, shall have the power to consider, to make recommendations concerning, and (in pursuance of rules pertaining to the university) to act upon matters relating to the rights, responsibilities, and concerns of students, faculty, administrators, and staff”¹; and

WHEREAS on March 9, 2017, the University Senate passed “A Resolution to Increase Textbook Affordability by Encouraging Timely Ordering,”² which encouraged faculty to submit timely textbook orders as soon as practicable and recommended appropriate incentive structures to ensure broad cooperation; and

WHEREAS The Ohio State University’s Strategic Plan emphasizes affordability for all students, specifically, to “improve affordability to reduce indebtedness”³; and

WHEREAS The Ohio State University continues to work on textbook affordability, such as the Affordable Learning Exchange, which focuses on helping faculty transform courses using open and affordable learning materials⁴; and

WHEREAS the current total (state and local) sales tax rates in the counties where The Ohio State University operates its main and regional campuses are as follows: Franklin County 7.50%, Allen County 6.75%, Licking 7.25%, Marion 7.25%, Wayne County 6.50%, Richland 7.00%⁵; and

¹ <http://trustees.osu.edu/rules/university-rules/chapter-3335-5-faculty-governance-and-committees.html>

² <http://senate.osu.edu/materials/senate/2017-03-09/RevisedUSGTextbookOrderingWhereas.pdf>

³ https://president.osu.edu/assets/uploads/PDFs/WEB_Ohio%20State_Strategic_Plan_Narrative_.pdf

⁴ <https://affordablelearning.osu.edu/about>

⁵ http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/salestaxmapcolor.pdf

WHEREAS The Ohio State University Office of Student Financial Aid, in its estimated Cost of Attendance for the 2017-2018 academic year, estimates that undergraduate students pay \$1,168 for books and supplies each year⁶; and

WHEREAS there are 52,517 undergraduate students enrolled at The Ohio State University (Columbus, 45,831); (Lima, 1,007); (Mansfield, 1,056); (Marion, 1,194); (Newark, 2,607); (Wooster, 707)⁷; and

WHEREAS by the above referenced numbers, undergraduate students could be paying as much as \$86.95 in sales tax per year per student, or \$4,566,144 per year in total, for books and supplies⁸; and

WHEREAS The Ohio State University Office of Student Financial Aid, in its estimated Cost of Attendance for the 2017-2018 academic year, estimates that graduate students pay \$1,243 for books and supplies each year⁹; and

WHEREAS there are 10,708 graduate students enrolled at The Ohio State University (Columbus, 10,672); (Lima, 11); (Mansfield, 5); (Marion, 4); (Newark, 16)⁷; and

WHEREAS by the above referenced numbers, graduate students could be paying as much as \$92.53 in sales tax per year per student, or \$990,831.05 per year in total, for books and supplies¹⁰; and

WHEREAS there are 3,219 professional students enrolled at The Ohio State University⁷, and professional students also purchase textbooks and thus incur sales tax; and

WHEREAS Rep. Mike Duffey said in his sponsor testimony in 2015 regarding Ohio House Bill 308 that, “Currently there are 27 states- including our border states of Pennsylvania, Kentucky, and West Virginia- in which textbooks are exempt from sales tax as a method of making the cost of receiving a college education more affordable. Based on a study conducted by The College Board for the school year 2014-2015-- the cost for textbooks per [undergraduate] student at an in-state four year college is \$1,225 per year which constitutes 5.25% of an [undergraduate] student’s overall budget. Furthermore, according to the Bureau of Labor Statistics (BLS) data, textbook prices have risen over three times the rate of inflation from January 1977 to June 2015, a 1,041 percent increase”¹¹; and

⁶ <https://www.sfa.osu.edu/current-student/about-aid/financial-aid-eligibility>

⁷ http://oesar.osu.edu/pdf/student_enrollment/15th/enrollment/15THDAY_AUTUMN_2017.pdf

⁸ Appendix 1

⁹ <http://sfa.osu.edu/graduate-students/about-aid/financial-aid-eligibility>

¹⁰ Appendix 2

¹¹ http://search-prod.lis.state.oh.us/cm_pub_api/api/unwrap/ready_for_publication/cmte_h_ways_means_1/testimony/cmte_h_ways_means_1_2015-10-21-1000_931/hb_308_sponsor.pdf

WHEREAS textbook costs have increased by 945% since 1978¹²; and

WHEREAS a 2017 survey of more than 1,000 undergraduate students from four-year colleges in the U.S. and Canada found that 85% had delayed or avoided purchasing textbooks for their courses even though half did so expecting that their grades would be negatively impacted by their decision¹³; and

NOW THEREFORE BE IT RESOLVED that the University Senate hereby strongly supports legislation such as the 131st Ohio General Assembly's HB 308¹⁴ and the 132nd Ohio General Assembly's HB 337¹⁵ that would specifically exempt post-secondary textbooks from state and local sales tax as a means of making it easier for students at Ohio's institutions of higher education to obtain a high quality education at an affordable price; and

LET IT FURTHER BE RESOLVED that the University Senate supports any additional measures that create a state and local sales tax exemption for post-secondary textbooks.

¹²<http://www.aei.org/publication/the-new-era-of-the-400-college-textbook-which-is-part-of-the-unsustainable-higher-education-bubble/>

¹³<https://www.insidehighered.com/quicktakes/2017/09/20/study-high-textbook-prices-lead-poor-grades>

¹⁴ http://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_131/bills/hb308/IN/00?format=pdf

¹⁵ http://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_132/bills/hb337/IN/00?format=pdf

Appendix 1

Estimated Annual Books and Supplies Sales Tax Cost Incurred by Undergraduate Ohio State Students

Estimated Cost for Books and Supplies \$1,168.00¹⁶

Campus	County	County Tax Rate	Tax Cost	Enrollment	Total Cost
Columbus	Franklin	7.50% ¹⁷	\$87.60	45,946 ¹⁸	\$4,024,869.60
Lima	Allen	6.75%	\$78.84	1,007	\$79,391.88
Newark	Licking	7.25%	\$84.68	2,607	\$220,760.76
Marion	Marion	7.25%	\$84.68	1,194	\$101,107.92
ATI-Wooster	Wayne	6.50%	\$75.92	707	\$53,675.44
Mansfield	Richland	7.00%	\$81.76	1,056	\$86,338.56
Estimated Total				52,517	\$4,566,144.16
Estimated Total per Student					\$86.95

Appendix 2

Estimated Annual Books and Supplies Sales Tax Cost Incurred by Graduate Ohio State Students

Estimated Cost for Books and Supplies \$1,234.00¹⁹

Campus	County	County Tax Rate	Tax Cost	Enrollment	Total Cost
Columbus	Franklin	7.50% ²⁰	\$92.55	10,672 ²¹	\$987,693.60
Lima	Allen	6.75%	\$83.30	11	\$916.25
Newark	Licking	7.25%	\$89.47	16	\$1,431.44
Marion	Marion	7.25%	\$89.47	4	\$357.86
ATI-Wooster	Wayne	6.50%	\$80.21	0	\$0.00
Mansfield	Richland	7.00%	\$86.38	5	\$431.90
Estimated Total				10,708	\$990,831.05
Estimated Total per Student					\$92.53

¹⁶ <https://www.sfa.osu.edu/current-student/about-aid/financial-aid-eligibility>

¹⁷ http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/salestaxmapcolor.pdf

¹⁸ http://www.oesar.osu.edu/pdf/student_enrollment/15th/enrollment/15THDAY_AUTUMN_2017.pdf

¹⁹ <https://www.sfa.osu.edu/graduate-students/about-aid/financial-aid-eligibility>

²⁰ http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/salestaxmapcolor.pdf

²¹ http://www.oesar.osu.edu/pdf/student_enrollment/15th/enrollment/15THDAY_AUTUMN_2017.pdf