



aap school division

K-12 Instructional Materials & Evolving Policy Trends

Presented by Jay Diskey, Executive Director

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Presentation Topics

- Market drivers.
- Current state of the K-12 IM market.
- Market economics: federal & state outlook.
- Evolving public policies impacting IM.
- Digital trends & market fragmentation.



Traditional Market Drivers

- Enrollment growth.
- Availability of state & local school district funding.
- Adoption cycles.
- New standards.
- New educational trends & policies.



2011 U.S. Publishing Markets

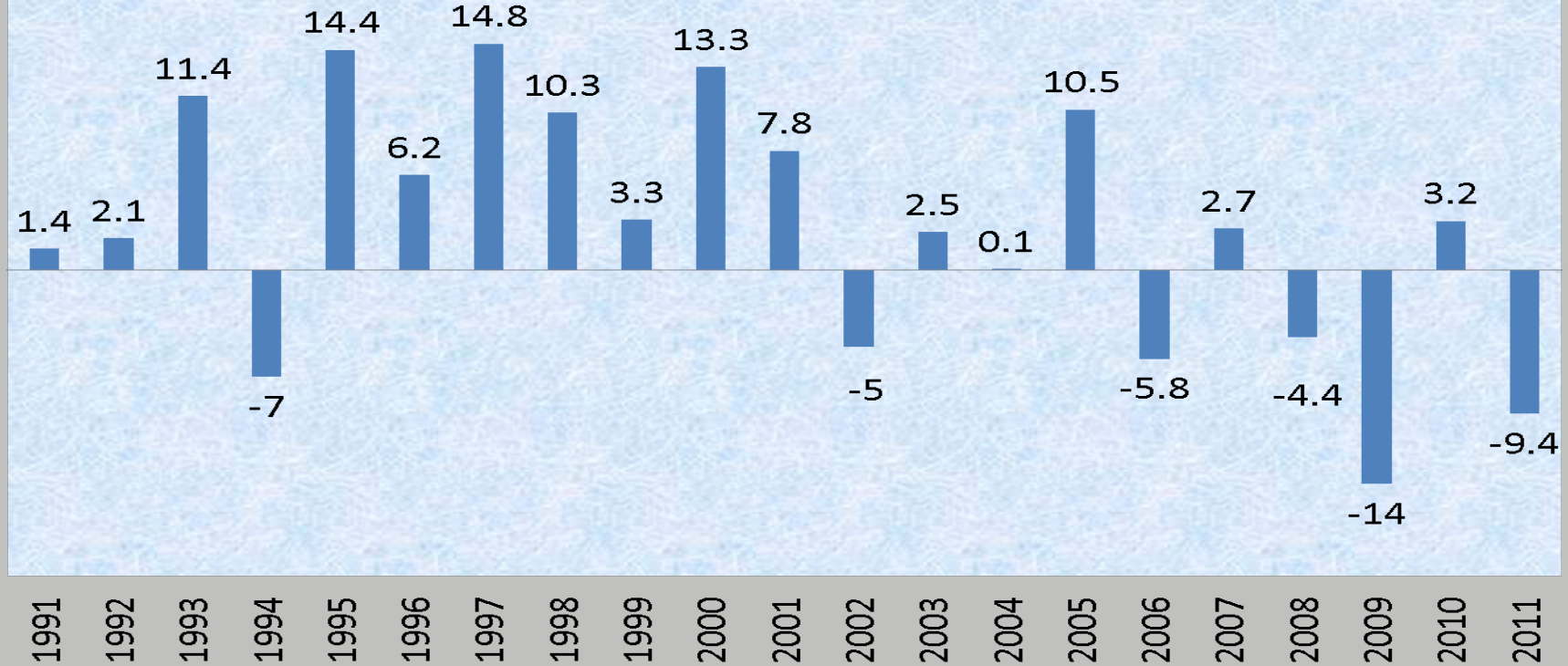
AAP Net Sales Stats End Year 2011:

- K-12 - 9.4%
- College - 1.2%
- Adult Hardcover - 17.5%
- Adult Paperback - 15.6%
- Adult Mass Market - 35.9%
- Trade E-Books +117%



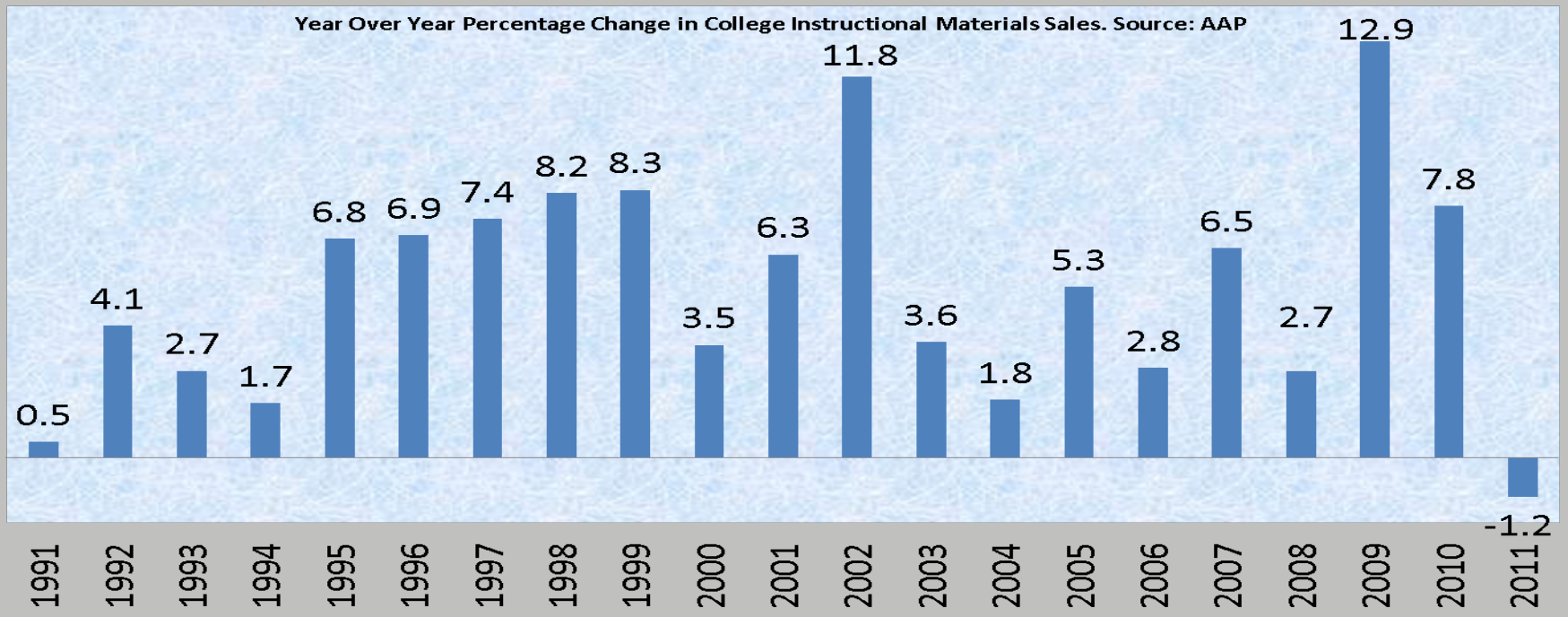
K-12 Net Sales 1991-2011

Year Over Year Percentage Change in K-12 Instructional Materials Sales. Source: AAP





College Net Sales 1991-2011





Current Market Economics

State & Federal Funding Trends:

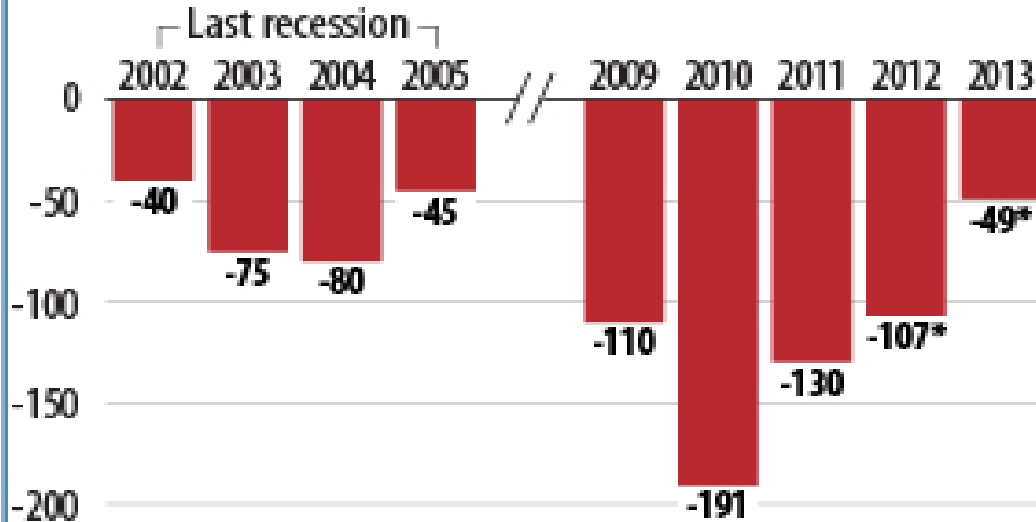
- State tax revenues are growing, but still slow to fully rebound.
- "Services and functions that are largely funded by local governments, such as education and public safety, are likely to be under severe fiscal pressures for some time if current trends continue," Lucy Dadayan, Rockefeller Institute of Government (April 2012)
- Little likelihood of significant new federal aid.
- Strong voter opposition to tax increases.

Source: Rockefeller Institute of Government

Figure 2

Largest State Budget Shortfalls on Record

Total state budget shortfall in each fiscal year, in billions



*Reported to date

Source: CBPP survey, revised March 2012.

Center on Budget and Policy Priorities | cbpp.org



Current Market Economics

K-12 State Budgets:

“Some of the deepest reductions to K-12 formula funding since the onset of the recession have occurred in the past year, as federal aid to sustain state education spending has expired, rainy day funds have been exhausted, and states have resisted raising additional taxes to offset the need for cuts.”

Source: Center for Budget & Policy Priorities



Evolving IM Policies

General Trends at the State & Local Levels:

- Funding flexibility.
- More choices in materials & technologies.
- Consideration of Open Educational Resources.
- Transition to Common Core State Standards.



Evolving IM Policies

- **Criteria for Common Core adoptions.**
- **Common Core adoption processes vs. state and/or local adoptions.**
- **New digital adoption processes.**
- **Government procurement cycles vs. consumer product cycles.**



Conclusions

- 1. Adoption policies and funding measures will continue to evolve as states and districts transition to digital materials and CCSS.**
- 2. Flexibility measures passed during the recession give some districts more choices in materials and technologies. The result is increasing market fragmentation.**
- 3. Spending for new technologies puts pressure on funding for instructional materials. Schools are demanding more for less. OER is seen as a possible supplement.**



Conclusions

- 4. Different devices have different life cycles; new devices are leading the school market into the consumer market.**
- 5. CCSS and Next Generation Science Standard represent the most significant market opportunities in many years.**



Publisher Solutions

- New Common Core materials.
- Digital programs.
- Focus on quality & improving student outcomes.
- Systemic, district-wide initiatives linking curriculum and assessment.
- Service models.



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