Educational Publishing and Digital Directions: A USA Perspective

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About the Presenter: Jay Diskey

- **Currently is the Executive Director of AAP’s PreK-12 Learning Group.**

- **Chairman of the International Publishers Association’s education committee.**

- **Previously:**
  - 1997-1999: Communications Director for the U.S. House of Representatives’ Committee on Education and the Workforce.
  - 1992-1997: Vice President of the education practice at Hager Sharp Inc.
Today’s Topics

• **Topic 1**: Education in USA – Facts and Figures.

• **Topic 2**: U.S. Publishing Markets and Statistics.

• **Topic 3**: Current Public Trends & Funding.

• **Topic 4**: Digital Trends and Transitions.
Today’s Topics

General Themes

- Economic recovery in the states.
- Opposition to new curriculum standards (Common Core).
- Digital transitions.
- Concerns over student data privacy.
- Possible Congressional action on education programs.
Topic 1: Education in USA
K-12 Facts and Figures

• Total K-12 Enrollment: 55 million (90% public; 10% private).

• Number of teachers: 3.3 million.

• Number of K-12 Public Schools: 98,817.

• Number of school districts: 14,000.

• Average per student funding: USD$11,500.

• Funding: USD$600 Billion to $800 Billion annually.
K-12 Facts and Figures

**Federal Role in K-12:**
- Research
- Statistics
- National priorities
- Funding (8% of total K-12 funding)

**State Role in K-12:**
- Education standards & curriculum
- Management of federal grants & allocations
- Statewide testing (“assessment”)
- Stateside resources (Example: textbook approval in some states)
- Funding (44% of total K-12 funding)

**Local Role K-12:**
- Delivery of education services
- Administration of federal & state monies
- Procurement of products & services
- Local testing
- Funding (48% of total K-12 funding)
K-12 Spending

Spending on Public K-12 Education By Function

- Salaries and Benefits: 61%
- Instructional Materials: 1%
- Food Services: 4%
- Transportation: 8%
- Student Support: 5%
- Instructional Staff: 8%
- Administration: 10%
- Operations: 12%

Source: NCES, AAP
Topic 2: USA Publishing Markets and Statistics
Markets and Statistics

Publishers’ aggregated net revenues were up +4.9% in 2014 compared to 2013.

• This totals $15.7 billion USD for the year, compared to $15.0 billion USD in 2013. (The numbers include fiction/non-fiction Trade, K-12 Instructional Materials, Higher Education Course Materials, University Presses, etc.)

• Within the trade category, revenues were up +3.8% over the prior year at $7.2 billion USD, compared to $6.9 billion USD in 2013.
Markets and Statistics

General Trends:

• Childrens & Young Adult Books had consistent growth every month, with impressive double-digit growth over the previous year in 11 out of 12 months.

• All categories experienced growth over the prior year, with the exception of Adult Books, which was down -1.4%; within that category, Downloaded Audio (+27.2%) and Paperback (+2.3%) were bright spots growing compared to 2013; and Hardback declined (-8.2%).

• eBooks resumed their growth in 2014, at +4.7% over 2013.
Markets and Statistics

+4.9% increase in net sales in 2014 (over 2013)

- +20.8% childrens & young adults.
- +16.1% eBooks.
- **+10.7% K-12 instructional materials.**
- +2.4% higher education course materials.
- +1.3% religious presses.
- +.3% university presses.
- -1.4% adult trade.

Source: AAP Statistics Program
USA Instructional Materials Market

Source: Simba Information
2014 K-12 Publishing (AAP)
K-12 Market Drivers

Drivers of the K-12 Instructional Materials Market

- Increasing enrollments.
- Funding.
- Changes in educational standards.
- Changes in pedagogy.
- New state adoptions.
- Digital infrastructure and new devices.
- Accountability systems.
Topic 3: Policy trends & funding
Public Policy

Trends impacting the industry:

- Funding for instructional content.
- Funding for digital infrastructure.
- New national education standards.
- Student data privacy.
- Open Educational Resources (OERs).
- Congressional action on education.
- Copyright review by U.S. Congress.
- Digital piracy.
Funding

State budgets are on the rebound. (Source: NASBO)
Funding

And, K-12 education is the top beneficiary. (Source: NASBO)
Funding

But, states are providing less per-pupil funding for K-12 than they did seven years ago. (Source: CBPP)

• “At least 30 states are providing less funding per student for the 2014-15 school year than they did before the recession hit. Fourteen of these states have cut per-student funding by more than 10%.”

• “Most states are providing more funding per student in the new school year than they did a year ago, but funding has generally not increased enough to make up for cuts in past years.”
Figure 2
Dollars Spent Per Student Still Down in Most States Since 2008

Change in spending per student, inflation-adjusted, FY08 to FY15

- $1,128 | Alabama
- $1,014 | Wisconsin
- $864 | Idaho
- $861 | Kansas
- $857 | Oklahoma
- $853 | North Carolina
- $848 | Maine
- $679 | Virginia
- $665 | Utah
- $663 | Arizona
- $633 | New Mexico
- $623 | Mississippi
- $615 | Michigan
- $561 | Kentucky
- $535 | Georgia
- $390 | Texas
- $317 | South Carolina
- $277 | South Dakota
- $268 | Florida
- $222 | Illinois
- $208 | California
- $192 | Arkansas
- $167 | Louisiana
- $99 | Montana
- $95 | West Virginia
- $96 | Nevada
- $34 | Tennessee
- $20 | New Jersey
- $8 | Colorado
- $7 | Vermont
- $13 | Ohio
- $29 | Nebraska
- $33 | Pennsylvania
- $83 | New Hampshire
- $127 | Missouri
- $131 | Oregon
- $194 | New York
- $277 | Massachusetts
- $290 | Wyoming
- $296 | Rhode Island
- $306 | Washington
- $321 | Maryland
- $326 | Connecticut
- $383 | Minnesota
- $425 | Delaware
- $1,329 | North Dakota
- $1,351 | Alaska

Note: Hawaii, Indiana, and Iowa are excluded because the necessary data to make a valid comparison are not available.
Sources: CBPP budget analysis and National Center for Education Statistics enrollment estimates.
Funding 2015

State tax revenues increasing.

• State tax revenues grew by 5.7% in the fourth quarter of 2014.

• Preliminary figures for the first quarter of 2015 indicate continued growth in overall state tax collections.

(Source: Rockefeller Institute of Government)
Funding 2015

California:

- Gov. Brown has proposed a $6.1 billion increase for California’s schools following higher state and local tax revenues. The proposal marks a significant boost in K-14 funding with an emphasis on support for Common Core.
- The proposal adds $2.4 billion to school districts for discretionary funding, or implementation of the Common Core and/or Next Generation Science Standards (NGSS).
- These funds are in addition to the $1.1 billion Common Core fund provided in the January budget bringing the total amount of funding to $3.5 billion. The fund is for instructional materials, professional development, and technology needed to implement the new standards.
Florida:

- Florida begins a special session next week to deal with the state budget.
- The state is considering a 1% to 3% increase in the instructional materials categorical, which would take the fund to at least $223.3 million a year.
Funding 2015

Texas:

- A $1.1 billion biennial appropriation for instructional materials is under consideration. The appropriation is the largest ever in Texas.
- The appropriation will fund purchases of digital and print instructional materials beginning this year and continuing into 2016.
Funding 2015

Other States:

• **Alabama**: The legislature approved budget recommendations to raise spending on textbooks from $34 to $52 per student, a $13 million increase. The money can be used for “paper textbooks or digital alternatives.”

• **Illinois**: A $32 million instructional materials fund that was zeroed out during the recession is being considered in the legislature.

• **Indiana**: The enacted 2016-2017 provides $39 million each year for textbook reimbursement.

• **New Mexico**: The Governor signed the General Appropriation Act of 2015 that includes almost $23 million for instructional materials, $6 million for standards-based assessments, and $15 million for early literacy programs.

• **North Carolina**: The House budget committee is considering a $50 million increase in the education budget for instructional materials for a total of $74 million.

• **South Carolina**: The proposed FY 2016 budget would provide a $7.1 million increase for instructional materials for a total of $28 million.
Federal Education

- **Elementary and Secondary Education Act.** There is increasing optimism that Congress will reauthorize ESEA this year. The Act is eight years overdue for reauthorization. Important changes and revisions include:
  - Assessment.
  - Standards.
  - Literacy.
  - Technology.

- **E-Rate Boost.** In late 2014 the FCC approved a $1.5 billion increase in the E-Rate fund, which will now total $3.9 billion annually. The E-Rate funds telecommunications services for schools and libraries.
Topic #4: Digital Trends and Transitions
Digital Trends

Topics:

1. Digital **products** in the classrooms.
2. Digital **infrastructure**.
3. Digital **share** vs. print share.
4. **Time spent** using digital.
5. **Attitudes** to using digital (teachers, students, parents).
Learning Resources Past & Present

“Legacy”
Prior to 2000
- Textbooks
- Blackboards
- Filmstrips
- Films & Projectors
- CD-ROMs
- Transparencies
- Desktop PCs
- VHS, Laserdisc

“Established”
2000 to 2010
- Internet use
- School networks
- Laptops, netbooks
- Whiteboards
- DVDs
- PDF books
- Online courses

“Emerging”
2010 & Future
- Courseware
- eTextbooks
- Apps
- Tablets and eReaders
- Digital coursepacks
- Virtual schools
- Cloud computing
- Learning Management systems
- Gaming
- MOOCs
Digital Share

• **30% digital / 70% print** ratio of product in K-12 classrooms.

• Time spent using digital products in classroom:
  - Reading/language arts: 17.8% usage (increase of 2% since 2012).
  - Mathematics: 22.6%.
  - Social studies: 29.3%.

Source: EMR
Digital Infrastructure in USA

Broadband Access:

• 62% of students have wireless access at school.
• 93% of students have wireless access at home.

Availability of Laptops or Tablets:

• Student to computer ratio is 3.5 to 1 (in school).
• 16% of students have laptops or tablets provided by school.
• 35% of students access laptops at school in a computer lab.
• 27% of students share laptops and tablets in-class.

Sources: Harris Poll, National Center for Education Statistics (USA)
Digital Infrastructure in USA

Types of Devices:

- **13.2 million computing devices in USA K-12 schools.**
  - 4.7 million desktops.
  - 3.9 million laptops.
  - 2.3 million tablets.
  - 2.3 million not identified.

Student Preference:

- 51% would like their school to provide a laptop.
- 43% would like their school to provide a tablet.

Sources: 2014 Harris Poll, EMR
Digital Trends

What device would be the best to use? Students respond:

<table>
<thead>
<tr>
<th>Schoolwork Tasks</th>
<th>First Choice</th>
<th>Second Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a presentation</td>
<td>Laptop (69%)</td>
<td>Tablet (31%)</td>
</tr>
<tr>
<td>Communicate with classmates</td>
<td>Smartphone (68%)</td>
<td>Laptop (38%)</td>
</tr>
<tr>
<td>Collaborate on a school project</td>
<td>Laptop (59%)</td>
<td>Tablet (34%)</td>
</tr>
<tr>
<td>Follow experts on Twitter</td>
<td>Smartphone (54%)</td>
<td>Laptop (42%)</td>
</tr>
<tr>
<td>Create a video</td>
<td>Laptop (50%)</td>
<td>Smartphone (40%)</td>
</tr>
<tr>
<td>Take notes in class</td>
<td>Laptop (46%)</td>
<td>Tablet (45%)</td>
</tr>
<tr>
<td>Read a book or article</td>
<td>Digital reader (44%)</td>
<td>Tablet (41%)</td>
</tr>
</tbody>
</table>

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What Works

Elements for digital learning success:

1. A clear vision for the type of digital learning desired.
2. Government policies to support digital learning.
3. Long-term strategic planning at the state, local and school levels.
4. Investments in infrastructure.
5. Extensive teacher training linked to new pedagogy.
6. Close collaborations of all parties (educators, technology vendors, publishers, other service providers).
7. Interoperability and compatible standards and specifications.
8. Trial-runs and demonstration projects prior to large-scale implementation.
K-12 Market Drivers

Drivers of the K-12 Instructional Materials Market

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✓ New state adoptions.
✓ Digital infrastructure and new devices.
✓ Accountability systems.
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