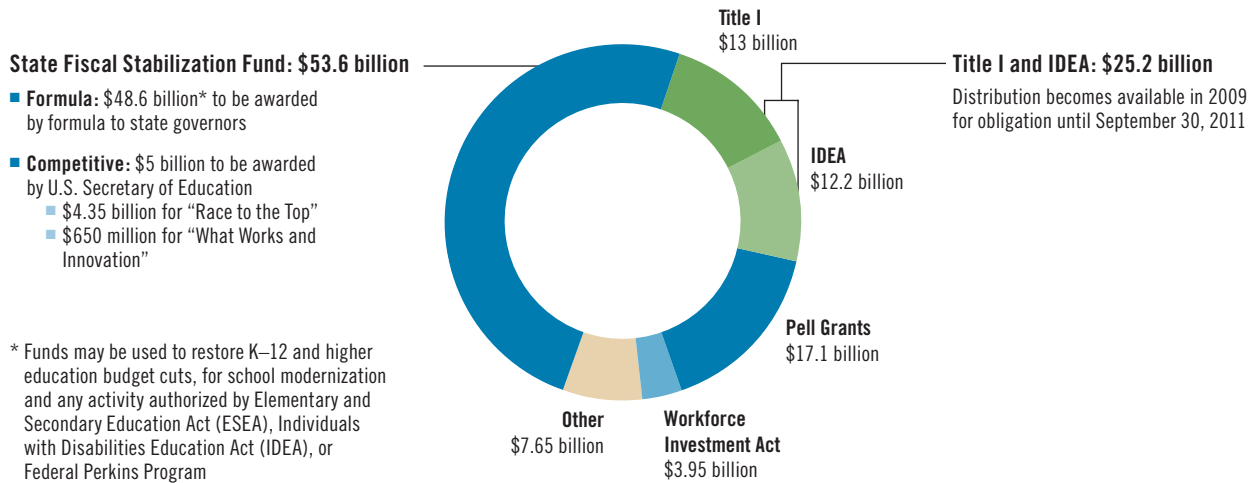


# Growth in Education Funding

In February 2009, President Obama signed into law a \$787 billion economic stimulus bill, the *American Recovery and Reinvestment Act* (ARRA), which provides more than \$100 billion in supplemental education appropriations for fiscal years 2009 and 2010 (ending September 2010 and September 2011, respectively). The ARRA includes two types of funding: (1) a one-time \$53.6 billion appropriation known as the State Fiscal Stabilization Fund (SFSF) program (includes \$5 billion for a discretionary competitive fund to be awarded by the U.S. Secretary of Education), and (2) additional grants to the states. The grants to the states provide funds for specific pre-K–12 programs that use instructional materials and diagnostic or formative testing, including \$12.2 billion for IDEA (special education) and \$13 billion for Title I (disadvantaged students). The Act also provides Pell Grant funding for higher education.

## American Recovery and Reinvestment Act of 2009

More than \$100 billion in education appropriations



## American Recovery and Reinvestment Act (ARRA) Timeline for Education Appropriations

| \$44 billion available in April 2009   | Additional funds available in 2009/2010   | Deadlines for funds  |
|--|---|--|
| <p><b>April 1, 2009</b></p> <ul style="list-style-type: none"> <li>▪ \$6.1 billion (50% of total) of IDEA, Part B</li> <li>▪ \$5.0 billion (50% of total) of Title I, Part A</li> <li>▪ Governors can apply for \$32.5 billion (67% of \$48.6 billion formula total) of State Fiscal Stabilization Fund</li> </ul> | <p><b>Summer/Fall 2009</b></p> <ul style="list-style-type: none"> <li>▪ \$6.1 billion (remaining 50%) of IDEA, Part B to be awarded to states</li> <li>▪ \$5.0 billion (remaining 50%) of Title I, Part A to be awarded to states</li> <li>▪ \$16.1 billion (remaining 33%) of State Fiscal Stabilization Fund to be awarded to states</li> <li>▪ \$17.1 billion available for Pell Grants and \$200 million for Work Study for 2009–2010 school year</li> </ul> <p><b>Fall 2009</b></p> <ul style="list-style-type: none"> <li>▪ \$3 billion for Title I, Part A available for school improvements, conditional on receipt of additional information by U.S. Department of Education</li> </ul> <p><b>Spring 2010–Fall 2010</b></p> <ul style="list-style-type: none"> <li>▪ \$5 billion released from the competitive Race To the Top/What Works and Innovation funds by the U.S. Secretary of Education</li> </ul> | <p><b>September 30, 2010</b></p> <ul style="list-style-type: none"> <li>▪ Local education agencies must obligate 85% of total FY2009 Title I ARRA funds plus FY2009 Omnibus spending for Department of Education's discretionary programs: \$11.5 billion for IDEA and \$14.5 billion for Title I</li> </ul> <p><b>September 30, 2011</b></p> <ul style="list-style-type: none"> <li>▪ All remaining IDEA funds to be obligated</li> </ul> |

Source: U.S. Department of Education

# McGraw-Hill Education: Pre-K–12 Products Aligned with ARRA Funding

|            | Title  | Name  | Pre-K–6 Products and Services  | 6–12 Products and Services   |
|------------|--|---|--|--|
| TITLE I-A  | ESEA (NCLB)<br>Title I, Part A               | <b>School Improvement</b><br>Funds for improving reading and math instruction in high-poverty, failing schools  | <i>Treasures, Little Treasures</i><br><i>Reading Triumphs, Treasure Chest</i><br><i>Tesoros de lectura</i><br><i>Math Connects, Math Triumphs</i><br><i>SRA Kaleidoscope 2–6</i><br><i>SRA Number Worlds Pre-K–6</i><br><i>Wright Group Pinpoint Math 4–7</i><br><i>Acuity™ 3–6</i><br><i>Writing Roadmap™ 3–6</i><br><i>Yearly ProgressPro™ 1–6</i><br><i>First Performances™ Pre-K–3</i><br><i>Fox Tracker™ Pre-K–3</i><br><i>TerraNova™ K–6</i><br><i>SUPERA® K–6</i><br><i>preLAS® 2000 Pre-K–1</i><br><i>LAS Links™ Suite K–6</i> | <i>Glencoe Literature—Core Program</i><br><i>Jamestown Reading Navigator™</i><br><i>Jamestown Print</i><br><i>Expressions (ELL)</i><br><i>Math Connects 6–8—Core Program</i><br><i>Glencoe Math 9–12—Core Program</i><br><i>Math Triumphs 6–12</i><br><i>SRA Corrective Reading: A Direct Instruction Program 3–12</i><br><i>SRA Corrective Math: A Direct Instruction Program 3–12</i><br><i>Grow MyGuide</i><br><i>Acuity™ 6–8</i><br><i>Acuity Algebra</i><br><i>Writing Roadmap™ 6–12</i><br><i>Yearly ProgressPro™ 6–8</i><br><i>TerraNova™ 6–12</i><br><i>SUPERA® 6–10</i><br><i>LAS Links™ Suite 6–12</i> |
| TITLE II-A | ESEA (NCLB)<br>Title II, Part A              | <b>Teacher and Principal Quality Training and Recruiting</b><br>Funds to increase student achievement through strategies improving teacher/principal quality  | Professional Development Modules for all product lines   | Professional Development Modules for all product lines   |
| TITLE II-D | ESEA (NCLB)<br>Title II, Part D<br>Subpart 1 | <b>Enhancing Education Through Technology</b><br>Funds to support efforts that utilize technology to improve student academic achievement, integration into curricula, and instruction  | Progress Reporter for <i>Treasures</i><br>All Online Student Books<br><i>Acuity 3–6</i><br><i>Writing Roadmap 3–6</i><br><i>Yearly ProgressPro 1–6</i><br><i>Fox Tracker Pre-K–3</i><br><i>TerraNova Online 3–6</i>  | <i>Jamestown Reading Navigator™</i><br><i>PassKey</i><br><i>Virtual Labs</i><br><i>Grow MyGuide</i><br><i>Acuity 6–8</i><br><i>Writing Roadmap 6–12</i><br><i>Yearly ProgressPro 6–8</i><br><i>TerraNova Online 6–10</i>   |
| TITLE V-D  | ESEA (NCLB)<br>Title V, Part D<br>Subpart 1  | <b>Fund for the Improvement of Education</b><br>Teacher Incentive Fund  | <i>Treasures, Little Treasures</i><br><i>Reading Triumphs, Treasure Chest</i><br><i>Math Connects, Math Connects Pre-K</i><br><i>Math Triumphs</i><br>Leveled Reader Program<br>Science Leveled Readers<br><i>Macmillan/McGraw-Hill TimeLinks</i><br><i>Leveled Readers</i><br><i>Math Problem Solving Readers</i><br><i>Math manipulatives</i>  | <i>Glencoe Literature—Core Program</i><br><i>Glencoe Read and Write</i><br><i>Jamestown Reading Navigator™</i><br><i>Jamestown Print</i><br><i>Expressions (ELL)</i><br><i>Math Connects 6–8</i><br><i>Glencoe Math 9–12—Core Program</i><br><i>Math Triumphs 6–12</i>   |
| NCLB       | ESEA (NCLB)<br>Section 1003(g)               | <b>School Improvement Grants</b><br>"Race to the Top"—Funds to states that want to try new approaches in raising student achievement  | <i>Treasures, Reading Triumphs</i><br><i>Tesoros de lectura, Treasure Chest</i><br><i>Little Treasures</i><br><i>Math Connects, Math Triumphs</i><br><i>Math Connects Pre-K</i><br><i>SRA Kaleidoscope 2–6</i><br><i>SRA Number Worlds Pre-K–6</i><br><i>Wright Group Pinpoint Math 4–7</i><br><i>Acuity 3–6</i><br><i>Writing Roadmap 3–6</i><br><i>Yearly ProgressPro 1–6</i><br><i>TerraNova K–6</i><br><i>SUPERA K–6</i><br><i>LAS Links™ Suite K–6</i>  | <i>Jamestown Reading Navigator™</i><br><i>Glencoe Literature—Core Program</i><br><i>Math Connects 6–8—Core Program</i><br><i>Glencoe Math 9–12—Core Program</i><br><i>Math Triumphs 6–12</i><br><i>SRA Corrective Reading: A Direct Instruction Program 3–12</i><br><i>SRA Corrective Math: A Direct Instruction Program 3–12</i><br><i>Grow MyGuide</i><br><i>Acuity 6–8</i><br><i>Writing Roadmap 6–12</i><br><i>Yearly ProgressPro 6–8</i><br><i>TerraNova 6–12</i><br><i>SUPERA 6–10</i><br><i>LAS Links™ Suite 6–12</i>   |
| IDEA       | IDEA, Part B<br>Section 611                  | <b>Special Education Grants to States</b><br>Funds to local education agencies (LEAs) to supplement and/or increase the level of special education and related services provided to eligible students with disabilities   | <i>Reading Triumphs</i><br><i>Math Triumphs</i><br><i>Little Treasures</i><br><i>Math Connects Pre-K</i><br><i>Snapshots Video Science 3–5</i><br><i>SRA Kaleidoscope 2–6</i><br><i>SRA Number Worlds Pre-K–6</i><br><i>Wright Group Pinpoint Math 4–7</i><br><i>First Performances Pre-K–3</i><br><i>Fox Tracker Pre-K–3</i><br><i>Acuity 3–6</i><br><i>Writing Roadmap 3–6</i><br><i>Yearly ProgressPro 1–6</i><br><i>TerraNova K–6</i><br><i>SUPERA K–6</i><br><i>LAS Links™ Suite K–6</i><br><i>preLAS 2000 Pre-K–1</i>            | <i>Jamestown Reading Navigator™</i><br><i>Math Triumphs</i><br><i>Jamestown Print</i><br><i>ActiveFolders</i><br><i>Reading Essentials</i><br><i>SRA Corrective Reading: A Direct Instruction Program 3–12</i><br><i>SRA Corrective Math: A Direct Instruction Program 3–12</i><br><i>Grow MyGuide</i><br><i>Acuity 6–8</i><br><i>Writing Roadmap 6–12</i><br><i>Yearly ProgressPro 6–8</i><br><i>TerraNova 6–12</i><br><i>SUPERA 6–10</i><br><i>LAS Links™ Suite 6–12</i>   |
|            | IDEA, Part B<br>Section 619                  | <b>Special Education Preschool Grants</b><br>Funds to assist states in meeting the requirements for federal reporting which include:<br>(1) Transitioning children from early intervention services to preschool services;<br>(2) Providing special education services to preschool children with disabilities;<br>(3) Ensuring the qualifications of staff; and<br>(4) Assuring that children participate and progress in a curriculum aligned to state early learning standards | <i>Little Treasures</i><br><i>Math Connects Pre-K</i><br><i>First Performances Pre-K–3</i><br><i>Fox Tracker Pre-K–3</i>   | N/A  |

Legend:

ELL—English-Language Learner

IDEA—Individuals with Disabilities Education Act

ESEA—Elementary and Secondary Education Act, Title I

NCLB—No Child Left Behind Act

## Response to Intervention

The Individuals with Disabilities Education Act (IDEA) directs schools to focus more on helping children learn by addressing problems before a child is so far behind that a referral to special education services is required. IDEA underscores the importance of providing high-quality, scientifically-based instruction and interventions, and holds schools accountable to meet state grade-level standards.

More and more states are recognizing the important role intervention plays in a student's progress and have begun implementing a process known as Response to Intervention (RtI). RtI is a three-tiered scientific approach to learning that focuses on high-quality interventions while carefully monitoring student progress. Funding for RtI programs comes primarily from IDEA, Part B. Though states and districts are at different points in their RtI planning and implementation, it is expected to continue to grow in use:

- RtI implementations are rapidly extending to middle and high schools
- Implementation of RtI is moving across the curriculum, beyond reading and into math
- Of those districts with enough data to measure, nearly three times as many report improvements in Adequate Yearly Progress achievement

**Tier 1**  
Students who require ongoing, intensive intervention

**Tier 2**  
Students who require additional support and highly structured instructional intervention

**Tier 3**  
Students at or near grade-level proficiency

## Intervention Solutions to Help Struggling Students

McGraw-Hill Education's intervention programs are for students who have fallen behind or need extra help to reach grade-level standards. These programs, which provide elementary and secondary school teachers with research-based instructional routines and explicit direct instruction to support students dealing with barriers to comprehension, combine traditional print materials with digital tools that help teachers maximize individual performance in reading, math, and science (see range of programs on page 23, primarily under IDEA).



### ***Jamestown Reading Navigator™***

*Jamestown Reading Navigator* is a research-based, field tested online and print-based program developed to raise reading competencies and test scores of struggling students in grades 6 through 12.

- The online component improves students' comprehension by utilizing direct, explicit instruction and modeling of good reading practices
- The print-based reading materials encourage collaborative or independent learning
- Teachers can monitor student progress utilizing an online system where scores from formative and summative assessments are recorded

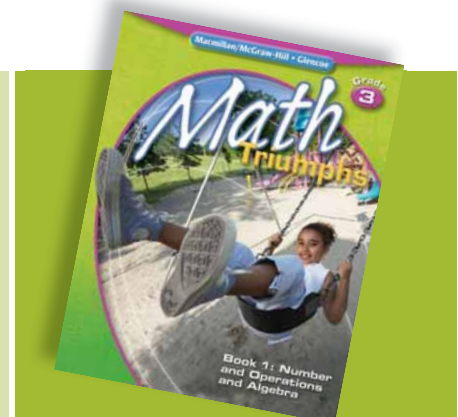
[www.ReadingNavigator.com](http://www.ReadingNavigator.com)



### ***Math Triumphs***

*Math Triumphs* is an RtI Level 3 Intervention Program designed for K–8 students who are two or more years behind in mathematics. It is the first intervention program designed around the National Council of Teachers of Mathematics (NCTM) Focal Points. *Math Triumphs* offers:

- Differentiated instruction, providing many ways a student can practice math skills
- Support for a variety of instruction settings, including after school, before school, summer school, pull-out programs, intersession, and tutoring
- A built-in assessment and monitoring system



[www.macmillanmh.com](http://www.macmillanmh.com)



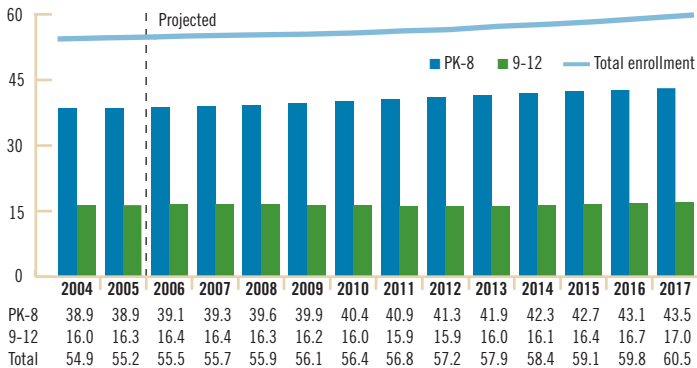
## Pre-K–16: Growing Enrollments

In the United States, school enrollments continue to be on the rise across the entire pre-K–16 student population. By 2017, 60.5 million students will be enrolled in grades pre-K–12, according to the latest projections by the National Center for Education Statistics. Enrollment continues to show steady growth in the public school pre-K programs currently provided by 38 states.

Enrollment in degree-granting higher education institutions is projected to increase 13% to 20.1 million students in 2017.

### Enrollment in Elementary and Secondary Institutions

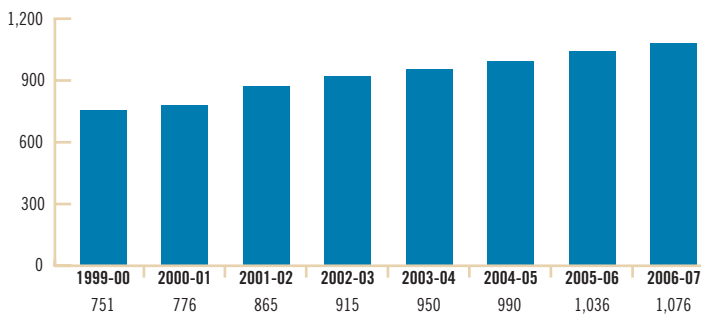
(enrollment in millions)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2017"

### Public School Pre-Kindergarten Enrollment, 1999–2007

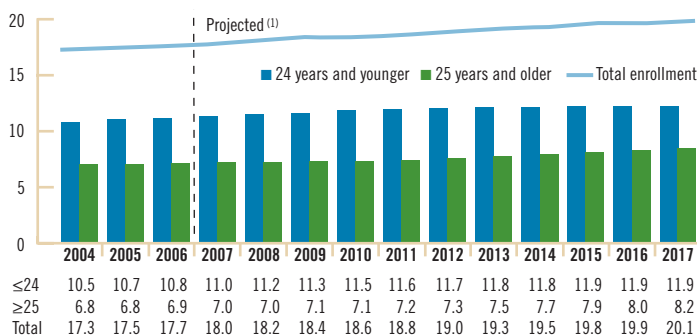
(number of students in thousands)



Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data

### Enrollment in U.S. Higher Education Institutions

(enrollment in millions)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2017"

Note: Detail may not sum to totals due to rounding

(1) Middle range of projections cited

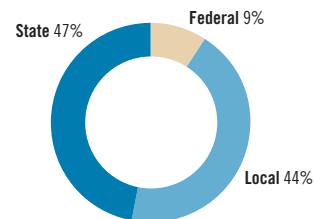
## Public Education Funding and Expenditures

Funding for pre-K–12 education in the United States reached \$521 billion in the 2005-06 school year. State and local governments contributed 91% of this total and the federal government provided 9%. In any given year, more than two-thirds of state funding comes from sales and income tax. At the local level, property taxes account for approximately 60% to 65% of the local funding total.

States spent an average of \$9,099 for each K–12 student in the 2005-06 school year. By 2017, expenditures are projected to increase more than 28% to \$11,600 per student.

### The Public Education Dollar: Revenues by Source

Total Revenue: \$521 billion



Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data, "National Public Education Financial Survey, 2005–06"

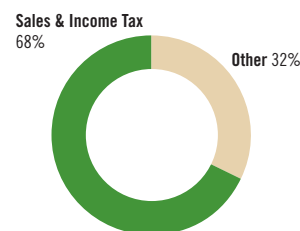
### 46 states' fiscal year is July 1 to June 30

Other fiscal years:

|                 |          |
|-----------------|----------|
| Apr. 1–Mar. 31  | New York |
| Sept. 1–Aug. 31 | Texas    |
| Oct. 1–Sept. 30 | Alabama  |
| Oct. 1–Sept. 30 | Michigan |

### Sources of State Funding

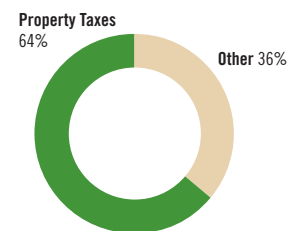
Total State Revenue: \$243 billion



Source: U.S. Census Bureau, "Public Education Finances Report: 2006"

### Sources of Local Funding

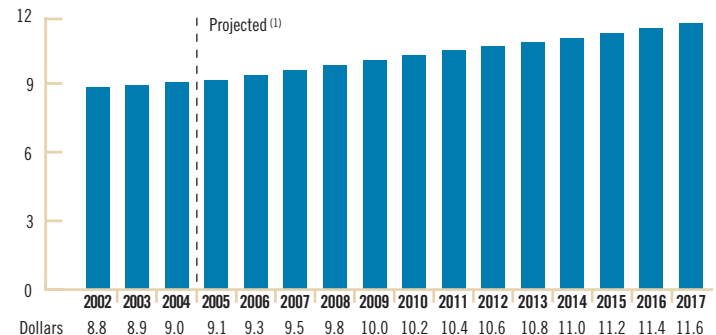
Total Local Revenue: \$231 billion



Source: U.S. Census Bureau, "Public Education Finances Report: 2006"

### Current and Projected Expenditures per Pupil in K–12

(in thousands, in constant 2005–2006 dollars)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2017"

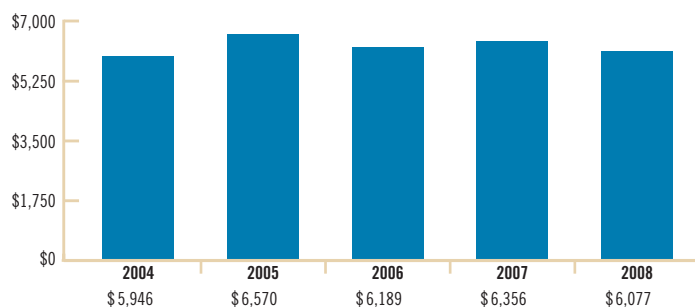
(1) Middle range of projections cited

# Pre-K–12 Education: Market, Adoption States, Open Territories, and Supplemental Sales

In 2008, sales of textbooks and educational materials for the pre-K–12 school market decreased 4.4% to \$6.1 billion, according to the Association of American Publishers (AAP).

## Estimated Total Pre-K–12 Industry Net Sales

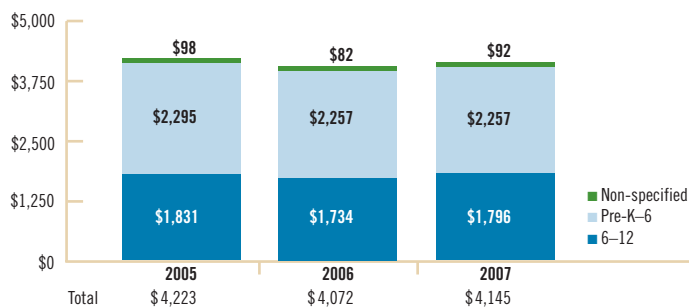
(dollars in millions)



Source: AAP. Includes sales of domestic and non-domestic products

## Total Net Elementary/High School Sales

Basal, Supplemental, and Online Materials  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes sales of U.S. products only. Includes sales to foreign subsidiaries and third parties

## Pre-K–6 Net Sales by State

(dollars in thousands)  
Basal and Supplemental Materials

|                            | 2007                | % of 2007 Total | 2006                | 2005                |
|----------------------------|---------------------|-----------------|---------------------|---------------------|
| 1 California               | \$ 292,155          | 16.1%           | \$ 292,477          | \$ 236,929          |
| 2 New York                 | 120,119             | 6.6%            | 117,874             | 95,291              |
| 3 Texas                    | 112,496             | 6.2%            | 134,175             | 232,302             |
| <b>Top 3 for 2007</b>      | <b>\$ 524,770</b>   | <b>28.9%</b>    | <b>\$ 544,526</b>   | <b>\$ 564,522</b>   |
| 4 Florida                  | 100,102             | 5.5%            | 110,529             | 107,867             |
| 5 Pennsylvania             | 74,033              | 4.1%            | 74,060              | 74,917              |
| 6 Illinois                 | 72,690              | 4.0%            | 86,228              | 87,857              |
| 7 Georgia                  | 72,085              | 4.0%            | 47,713              | 46,456              |
| 8 Ohio                     | 68,169              | 3.8%            | 63,933              | 69,601              |
| 9 Tennessee                | 58,829              | 3.2%            | 24,992              | 27,610              |
| 10 New Jersey              | 57,615              | 3.2%            | 64,526              | 73,810              |
| <b>Top 10 for 2007</b>     | <b>\$ 1,028,293</b> | <b>56.6%</b>    | <b>\$ 1,016,507</b> | <b>\$ 1,052,640</b> |
| 11 Indiana                 | 50,650              | 2.8%            | 35,708              | 47,559              |
| 12 Arizona                 | 49,318              | 2.7%            | 47,143              | 45,566              |
| 13 North Carolina          | 43,253              | 2.4%            | 61,074              | 38,155              |
| 14 Missouri                | 39,434              | 2.2%            | 36,453              | 32,354              |
| 15 Louisiana               | 36,538              | 2.0%            | 27,635              | 29,348              |
| <b>Top 15 for 2007</b>     | <b>\$ 1,247,486</b> | <b>68.6%</b>    | <b>\$ 1,224,520</b> | <b>\$ 1,245,622</b> |
| <b>All Others</b>          | <b>\$ 569,809</b>   | <b>31.4%</b>    | <b>\$ 573,371</b>   | <b>\$ 544,182</b>   |
| <b>Total Domestic U.S.</b> | <b>\$ 1,817,295</b> | <b>100.0%</b>   | <b>\$ 1,797,893</b> | <b>\$ 1,789,806</b> |

Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials. State ranking varies each year in accordance with adoption cycle

## 6–12 Net Sales by State

(dollars in thousands)  
Basal and Supplemental Materials

|                            | 2007                | % of 2007 Total | 2006                | 2005                |
|----------------------------|---------------------|-----------------|---------------------|---------------------|
| 1 California               | \$ 267,709          | 16.9%           | \$ 252,435          | \$ 201,519          |
| 2 Texas                    | 193,333             | 12.2%           | 54,288              | 158,760             |
| 3 New York                 | 93,904              | 5.9%            | 83,065              | 87,205              |
| <b>Top 3 for 2007</b>      | <b>\$ 554,946</b>   | <b>34.9%</b>    | <b>\$ 389,788</b>   | <b>\$ 447,484</b>   |
| 4 Florida                  | 91,543              | 5.8%            | 126,188             | 127,625             |
| 5 Illinois                 | 77,890              | 4.9%            | 76,833              | 59,791              |
| 6 Pennsylvania             | 58,968              | 3.7%            | 57,645              | 58,536              |
| 7 Georgia                  | 57,630              | 3.6%            | 45,322              | 48,135              |
| 8 Ohio                     | 50,457              | 3.2%            | 49,621              | 49,236              |
| 9 New Jersey               | 45,331              | 2.9%            | 46,803              | 47,906              |
| 10 Michigan                | 37,278              | 2.3%            | 40,743              | 33,098              |
| <b>Top 10 for 2007</b>     | <b>\$ 974,043</b>   | <b>61.3%</b>    | <b>\$ 832,943</b>   | <b>\$ 871,811</b>   |
| 11 Virginia                | 36,475              | 2.3%            | 51,940              | 62,522              |
| 12 Missouri                | 35,708              | 2.2%            | 36,229              | 35,172              |
| 13 Maryland                | 35,466              | 2.2%            | 39,296              | 37,079              |
| 14 Louisiana               | 34,820              | 2.2%            | 17,894              | 29,761              |
| 15 Arizona                 | 32,710              | 2.1%            | 28,350              | 27,194              |
| <b>Top 15 for 2007</b>     | <b>\$ 1,149,222</b> | <b>72.3%</b>    | <b>\$ 1,006,652</b> | <b>\$ 1,063,539</b> |
| <b>All Others</b>          | <b>\$ 439,289</b>   | <b>27.7%</b>    | <b>\$ 528,033</b>   | <b>\$ 539,022</b>   |
| <b>Total Domestic U.S.</b> | <b>\$ 1,588,510</b> | <b>100.0%</b>   | <b>\$ 1,534,691</b> | <b>\$ 1,602,562</b> |

Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials. State ranking varies each year in accordance with adoption cycle

## Pre-K–6 Sales by Subject Category

(dollars in millions)

|                       | 2007            | % of 2007 total | 2006            | % of 2006 total | 2005            | % of 2005 total |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Reading/Literature    | \$ 711          | 38.3%           | \$ 707          | 38.4%           | \$ 675          | 36.9%           |
| Mathematics           | 518             | 27.9%           | 487             | 26.5%           | 493             | 27.0%           |
| Science               | 239             | 12.9%           | 174             | 9.4%            | 133             | 7.3%            |
| Social Studies        | 170             | 9.1%            | 194             | 10.5%           | 144             | 7.9%            |
| Language Arts/English | 73              | 4.0%            | 100             | 5.4%            | 101             | 5.5%            |
| Music                 | 53              | 2.9%            | 51              | 2.8%            | 92              | 5.0%            |
| Religion              | 16              | 0.9%            | 19              | 1.0%            | 18              | 1.0%            |
| All Others            | 75              | 4.1%            | 110             | 6.0%            | 171             | 9.4%            |
| <b>Total</b>          | <b>\$ 1,857</b> | <b>100.0%</b>   | <b>\$ 1,841</b> | <b>100.0%</b>   | <b>\$ 1,827</b> | <b>100.0%</b>   |

Source: AAP, as reported by 6 publishers. Excludes supplemental, non grade-specific basal, and non-domestic

## 6–12 Sales by Subject Category

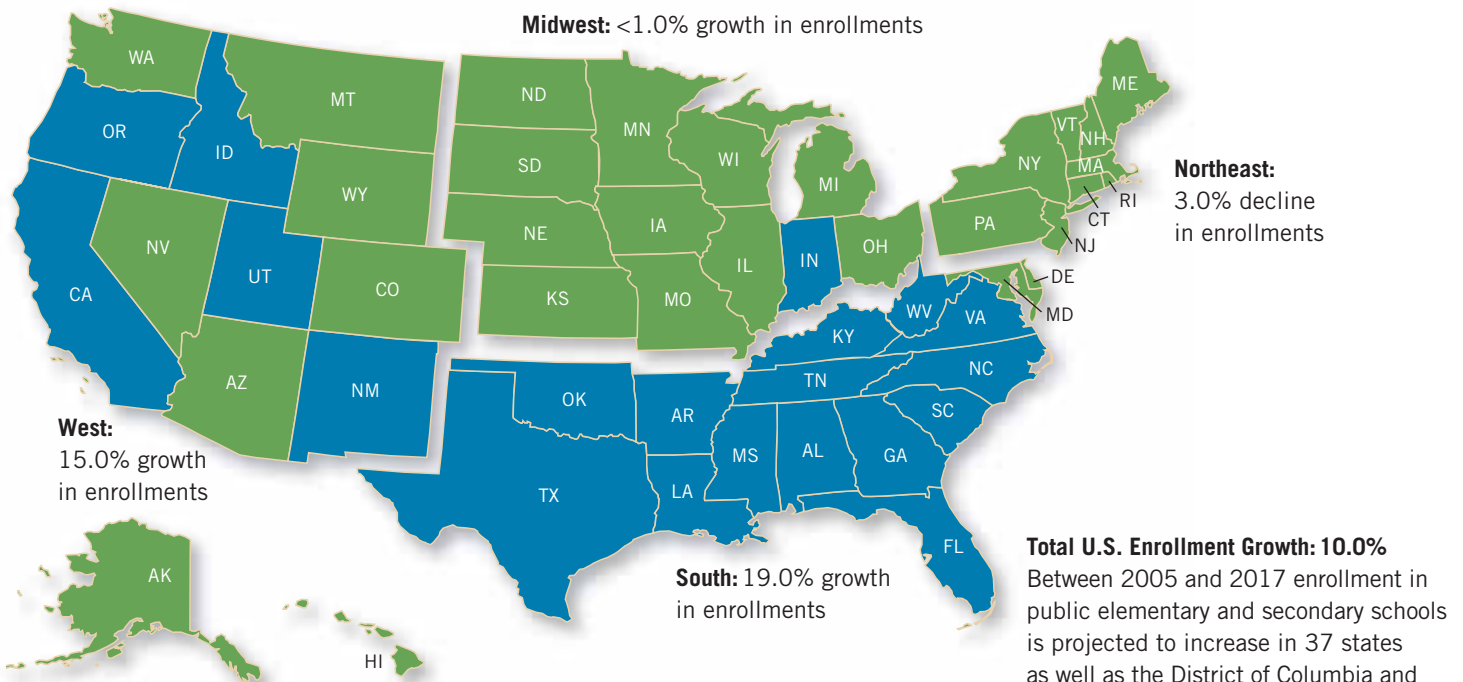
(dollars in millions)

|                       | 2007            | % of 2007 total | 2006            | % of 2006 total | 2005            | % of 2005 total |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Mathematics           | \$ 407          | 25.3%           | \$ 266          | 17.1%           | \$ 301          | 18.5%           |
| Science               | 332             | 20.6%           | 313             | 20.0%           | 272             | 16.8%           |
| Social Studies        | 289             | 17.9%           | 317             | 20.3%           | 326             | 20.1%           |
| Foreign Language      | 142             | 8.8%            | 113             | 7.3%            | 174             | 10.7%           |
| Reading/Literature    | 108             | 6.7%            | 182             | 11.7%           | 162             | 10.0%           |
| Language Arts/English | 98              | 6.1%            | 120             | 7.7%            | 97              | 6.0%            |
| Business Education    | 47              | 2.9%            | 51              | 3.3%            | 58              | 3.6%            |
| All Others            | 189             | 11.8%           | 198             | 12.7%           | 233             | 14.4%           |
| <b>Total</b>          | <b>\$ 1,611</b> | <b>100.0%</b>   | <b>\$ 1,561</b> | <b>100.0%</b>   | <b>\$ 1,623</b> | <b>100.0%</b>   |

Source: AAP, as reported by 6 publishers. Excludes supplemental, non grade-specific basal, and non-domestic

# Growing Enrollments In Key Adoption States

Changing U.S. Pre-K–12 Enrollment by Region and State, 2005–2017



## Mapping the Adoption Process

In the adoption process, a state education board selects elementary and secondary textbooks to be placed on an approved list. To use state education funds, local school districts must choose textbooks from the approved list. In adoption states, the state board issues curriculum guidelines and schedules the purchase of new books in each subject area. In the remaining states, known as “open territories,” textbooks are purchased independently by local school districts or individual schools. There are no statewide purchasing schedules or state selected lists of textbooks.

### Adoption States (20 States):

States in which school districts must purchase educational materials that have been “adopted” at the state level in order to qualify for state funding.

### Open Territories (30 States):

States in which schools purchase educational materials independently.

#### Notes:

California: Adopts for grades K–8; grades 9–12 are open territory

Utah and Oregon: Issue state-recommended lists, but do not tie textbook purchases to funding

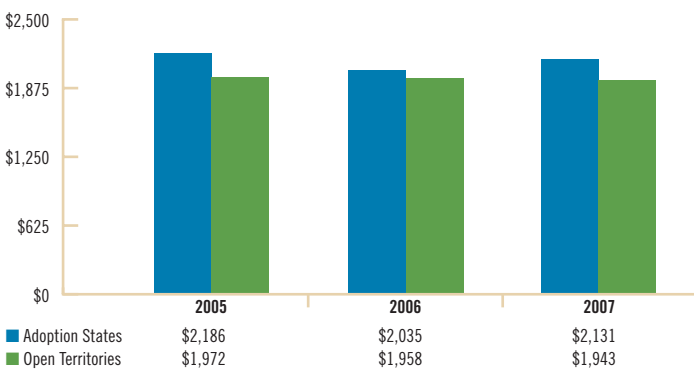
## Projected Enrollment Growth in Key Adoption States, 2005–2017

|                |       |
|----------------|-------|
| Texas          | 32.9% |
| Florida        | 28.9% |
| North Carolina | 23.1% |
| Virginia       | 13.0% |
| California     | 8.7%  |

Source: U.S. Department of Education, National Center for Education Statistics, “Projections of Education Statistics to 2017”

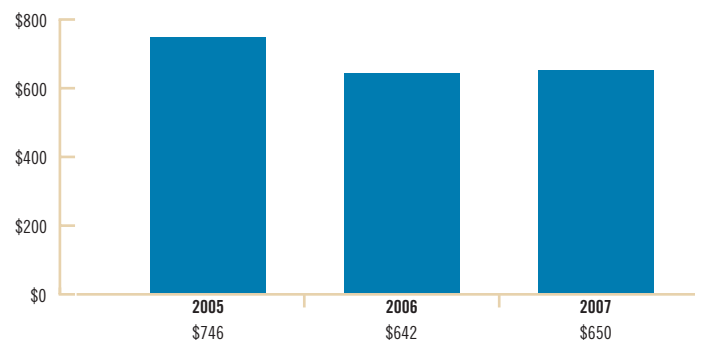
## Adoption States, Open Territories, and Supplemental Sales

Industry Textbook Sales: Adoption States, Open Territories (Pre-K–12)  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific basal and supplemental materials. Excludes non-domestic sales of \$71 million, \$78 million, and \$65 million for 2007, 2006, and 2005, respectively

Supplemental Materials Market (Pre-K–12)  
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific materials

# El-Hi Adoption Opportunities

Substantial growth in the state new adoption market is expected in 2010 and 2011 as key states plan to buy reading, math, and science. The state new adoption market may top \$1.0 billion in 2010 and again in 2011. Texas is scheduled to return to the market in 2010 to buy K–12 reading and literature with legislative approval to spend \$465.3 million for the programs. Florida is scheduled to buy K–12 math in 2010. States will also benefit from the more than \$100 billion federal stimulus for education.

## Elementary School Adoption Schedule

| Bid Year  | 2008   | 2009  | 2010   | 2011   | 2012   | 2013  | 2014   |
|---|--|---|--|--|--|---|--|
| Purchase Year                                     | 2009   | 2010  | 2011   | 2012   | 2013   | 2014  | 2015   |
| <b>Reading<sup>2</sup></b>                        | California<br>Georgia  | New Mexico<br>Texas (Eng/ <i>Span K-5</i> )           | Arkansas<br>Mississippi<br>Oklahoma <sup>1</sup><br>South Carolina (K-5)               | Kentucky<br>North Carolina<br>Virginia (K-5)   | Indiana (1-6)<br>Tennessee<br>West Virginia  | Alabama<br>Florida<br>Idaho <sup>1</sup><br>Oklahoma <sup>1</sup><br>Oregon | Georgia<br>Louisiana   |
| <b>Mathematics</b>                                | Idaho<br>Kentucky (P-6)<br>North Carolina (K-5)<br>Oregon<br>South Carolina <sup>1</sup> | Florida<br>Indiana (1-6)<br>Oklahoma<br>West Virginia | Alabama<br>Tennessee<br>Virginia   | Arkansas   | Georgia <sup>3</sup><br>Louisiana<br>New Mexico  | California<br>Mississippi   | Idaho<br>Kentucky (PK-6)<br>North Carolina (K-5)<br>South Carolina <sup>1</sup><br>Texas (Eng/ <i>Span K-5</i> ) |
| <b>Social Studies</b>                             | Indiana (1-6)  | Virginia  | Alabama<br>Georgia<br>Idaho<br>Mississippi <sup>3</sup><br>New Mexico<br>West Virginia | California<br>Florida<br>Mississippi <sup>4</sup><br>Oregon<br>South Carolina <sup>1</sup>           | Kentucky<br>Oklahoma<br>Texas (Eng/ <i>Span</i> )  | Arkansas<br>Louisiana<br>North Carolina<br>Tennessee                        | Indiana (1-6)  |
| <b>Science</b>                                    | Tennessee  | Mississippi<br>Oregon                                 | Florida<br>Indiana (1-6)<br>Louisiana<br>North Carolina                                | Alabama<br>Idaho<br>New Mexico<br>Oklahoma<br>Texas (Eng/ <i>Span</i> )<br>Virginia<br>West Virginia | Arkansas<br>California<br>South Carolina   | Georgia<br>Kentucky   | Tennessee  |
| <b>Language Arts/<br/>English<sup>2</sup></b>     | California (Eng/ <i>Span</i> ) <sup>1</sup>  | Tennessee (1-6)<br>Texas (Eng/ <i>Span K-1</i> )      | Arkansas<br>Oklahoma<br>South Carolina (K-5)<br>Texas (Eng/ <i>Span 2-6</i> )          | Kentucky<br>North Carolina<br>South Carolina <sup>1</sup>  | Idaho <sup>1</sup><br>Mississippi  | Indiana (1-6)<br>Oregon<br>West Virginia                                    | Alabama<br>Florida<br>Georgia<br>Louisiana   |
| <b>Health (H)<br/>Physical<br/>Education (PE)</b> | North Carolina (H)<br>Oklahoma (H, PE)<br>Tennessee (H)                                  | Alabama (H, PE)<br>Idaho (H, PE)<br>Kentucky (H, PE)  | Georgia (H, PE)<br>Indiana (H) (1-6)<br>Louisiana (H, PE)<br>South Carolina (H) (K-5)  | Florida (H, PE) <sup>6</sup><br>New Mexico (H, PE)<br>West Virginia (H)                              | Arkansas (H, PE)<br>Mississippi (H, PE)  | California (H)  | North Carolina (H)<br>Oklahoma (H, PE)<br>Oregon (H, PE)<br>Tennessee (H)  |
| <b>Art (A)<br/>Music (M)<br/>Drama (D)</b>        | Florida (M)  | Arkansas (A, M)<br>Idaho (A, M) <sup>1</sup>          | Georgia (A, M, D)<br>Kentucky (A, M)   | Indiana (A, M 1-6)<br>Louisiana (A, M)<br>Mississippi (A, M)<br>Tennessee (A, M)                     | Alabama (A, M, D)<br>Florida (A) <sup>6</sup><br>New Mexico (A, M)<br>North Carolina (A, M, D)<br>Oklahoma (A, M)<br>Oregon (A, M) | South Carolina (A, M, D)  | California (A)<br>Florida (M) <sup>6</sup><br>Texas (A, M)<br>West Virginia (A, M)                               |
| <b>Spelling</b>                                   | –  | –   | Arkansas<br>Oklahoma<br>South Carolina (K-5)<br>Texas                                  | Kentucky<br>North Carolina (2-6)<br>Tennessee (1-6)  | Idaho<br>Mississippi   | Indiana (1-6)<br>West Virginia  | Alabama<br>Georgia   |
| <b>Literature<sup>2</sup></b>                     | –  | –   | –  | Kentucky   | Indiana (Reading 1-6)  | Alabama<br>Oklahoma   | Louisiana  |
| <b>World<br/>Languages</b>                        | –  | –   | Oregon ( <i>Span K-6</i> )   | –  | Alabama<br>California<br>Florida   | South Carolina  | Texas<br>Virginia  |
| <b>Computer<br/>Education</b>                     | –  | Idaho   | Florida <sup>6</sup><br>Idaho<br>Louisiana   | Arkansas<br>Idaho<br>Mississippi   | –  | –   | –  |
| <b>English as a<br/>Second Language<br/>(ESL)</b> | Arkansas   | North Carolina<br>Tennessee (1-6)                     | Oklahoma<br>Oregon<br>Texas  | –  | –  | Oregon  | Arkansas   |
| <b>Handwriting</b>                                | –  | –   | Arkansas<br>Oklahoma<br>South Carolina (K-3)<br>Texas                                  | Kentucky<br>Louisiana<br>North Carolina (1-5)  | Idaho<br>Indiana (1-3)<br>Mississippi  | West Virginia   | Alabama  |
| <b>Dictionaries</b>                               | –  | –   | Arkansas<br>Oklahoma   | –  | Idaho<br>Mississippi   | –   | Alabama<br>Georgia   |

Source: AAP School Division/NASTA

Notes: Elementary adoptions are for grades K–6, unless otherwise noted

Secondary adoptions are for grades 6–12, unless otherwise noted

Schedules are subject to change. 2008 and 2009 bid years are in effect. 2010 to 2014 bid years reflect assumptions from various sources including state websites. Except for Bid Year 2009/Purchase Year 2010, all other calls by South Carolina are tentative

*Italics indicate Spanish-language program*

(1) Selected titles

(2) Some states bid separately on, or some combination of, Reading, English/Language Arts, and Literature programs. These states may be listed under more than one discipline in a bid year until they issue their actual bids

(3) U.S. History only

(4) Except U.S. History

(5) Pending final decision and/or approval

(6) Effective June 2009, Florida's state website only reflects core subjects. Districts can purchase non-core subjects; the formal state evaluation and contract process will not be required

## Secondary School Adoption Schedule

| Bid Year  | 2008  | 2009   | 2010   | 2011  | 2012  | 2013   | 2014   |
|---|---|--|--|---|---|--|--|
| Purchase Year   | 2009  | 2010   | 2011   | 2012  | 2013  | 2014   | 2015   |
| <b>Mathematics</b>  | Idaho<br>Kentucky<br>Oregon (6-8)<br>South Carolina (6-8) <sup>1</sup>  | Florida<br>Indiana<br>North Carolina<br>Oklahoma<br>Oregon (9-12)<br>South Carolina (9-12) <sup>1</sup><br>West Virginia | Alabama<br>South Carolina (9-12) <sup>1</sup><br>Tennessee<br>Virginia   | Arkansas  | Georgia (6-8) <sup>5</sup><br>Louisiana<br>New Mexico   | California (6-8)<br>Georgia (9-12) <sup>5</sup><br>Mississippi                                     | Georgia <sup>1</sup><br>Idaho<br>Kentucky<br>South Carolina (6-8) <sup>1</sup>   |
| <b>Science</b>  | South Carolina (9-12) <sup>1</sup><br>Tennessee   | Mississippi<br>Oregon  | Florida<br>Indiana<br>Louisiana<br>North Carolina<br>South Carolina (9-12) <sup>1</sup>  | Alabama<br>Idaho<br>New Mexico<br>Oklahoma<br>Texas<br>Virginia<br>West Virginia                                    | Arkansas<br>California (6-8)<br>South Carolina (6-8)  | Georgia<br>Kentucky<br>South Carolina (9-12) <sup>1</sup>  | Tennessee  |
| <b>Social Studies</b>                                     | Indiana   | Virginia   | Alabama<br>Georgia<br>Idaho<br>Mississippi <sup>2</sup><br>New Mexico<br>South Carolina (9-12) <sup>1</sup><br>West Virginia           | California (6-8)<br>Florida<br>Mississippi <sup>4</sup><br>Oregon<br>South Carolina (6-8) <sup>1</sup>              | Kentucky<br>Oklahoma<br>Texas   | Arkansas<br>Louisiana<br>North Carolina<br>South Carolina (9-12) <sup>1</sup><br>Tennessee         | Indiana  |
| <b>Literature<sup>2</sup></b>                             | Florida<br>Georgia (6-8)<br>New Mexico (9-12)<br>South Carolina (9-12)  | Georgia (9-12)<br>New Mexico (6-8)<br>Texas (Eng/ <i>Span 6</i> )  | Arkansas<br>Mississippi  | Kentucky<br>North Carolina<br>South Carolina (6-8)<br>Tennessee<br>Virginia   | Indiana (6-8)<br>West Virginia  | Alabama<br>Indiana<br>Oklahoma<br>Oregon   | Florida<br>Georgia (6-8)<br>Louisiana<br>New Mexico (9-12)<br>South Carolina (9-12)  |
| <b>Reading<sup>2</sup></b>                                | California (6-8)<br>Georgia (6-8)<br>New Mexico (9-12) <sup>1</sup>   | New Mexico (6-8) <sup>1</sup><br>Texas (6-8) <sup>1</sup>  | Arkansas (6-8)<br>Mississippi (6-8)<br>Oklahoma <sup>1</sup>   | Kentucky (6-8)<br>North Carolina (6-8)  | Indiana (6-8)<br>Tennessee<br>West Virginia (6-8)   | Alabama (6-8)<br>Florida<br>Idaho <sup>1</sup><br>Oklahoma <sup>1</sup><br>Oregon (6-8)            | Georgia (6-8)<br>Louisiana<br>New Mexico (9-12)  |
| <b>Language Arts/<br/>English<sup>2</sup></b>             | Alabama<br>California (6-8) <sup>1</sup><br>(Eng/ <i>Span</i> )<br>Florida<br>Georgia (6-8)<br>South Carolina (9-12) <sup>1</sup> | Georgia (9-12)<br>Tennessee  | Arkansas<br>Oklahoma<br>Texas  | Kentucky<br>North Carolina<br>South Carolina (6-8) <sup>1</sup><br>Virginia   | Idaho <sup>1</sup><br>Mississippi   | Indiana<br>Oregon<br>West Virginia   | Alabama<br>Florida<br>Georgia (6-8)<br>Louisiana<br>New Mexico (9-12)<br>South Carolina (9-12) <sup>1</sup>  |
| <b>World<br/>Languages</b>                                | Arkansas<br>Mississippi<br>New Mexico (9-12) <sup>1</sup><br>Oklahoma<br>West Virginia (7-12)                                     | Georgia<br>Idaho<br>New Mexico (6-8) <sup>1</sup><br>North Carolina <sup>4</sup><br>Tennessee                            | Kentucky<br>Oregon   | Louisiana   | Alabama<br>California (6-8)<br>Florida  | Indiana<br>Mississippi<br>South Carolina   | Arkansas<br>New Mexico (9-12) <sup>1</sup><br>Oklahoma<br>Texas<br>Virginia<br>West Virginia (7-12)  |
| <b>Business<br/>Education</b>                             | Arkansas<br>Idaho <sup>1</sup><br>Mississippi <sup>1</sup><br>Oklahoma<br>South Carolina (9-12) <sup>1</sup>                      | Alabama<br>Kentucky<br>Louisiana   | Florida <sup>1,6</sup><br>South Carolina (7-12) <sup>1</sup>   | Georgia<br>Indiana<br>Tennessee   | Florida <sup>6</sup><br>North Carolina<br>South Carolina (9-12) <sup>1</sup>  | Mississippi <sup>1</sup><br>New Mexico<br>South Carolina (9-12) <sup>1</sup><br>Texas <sup>1</sup> | Arkansas<br>Idaho<br>Oklahoma<br>South Carolina (9-12) <sup>1</sup>  |
| <b>Computer<br/>Education</b>                             | Idaho<br>Oklahoma   | Alabama<br>Idaho<br>Kentucky   | Florida <sup>6</sup><br>Idaho<br>Louisiana<br>South Carolina (7-12) <sup>1</sup>   | Arkansas<br>Idaho<br>Mississippi<br>Oklahoma<br>Tennessee   | Florida <sup>6</sup><br>North Carolina (7-12)<br>South Carolina <sup>1</sup>  | South Carolina (9-12) <sup>1</sup>   | Idaho<br>Oklahoma  |
| <b>Health (H)<br/>Physical<br/>Education (PE)</b>         | North Carolina (H)<br>Oklahoma (H, PE)<br>Tennessee (H)   | Alabama (H, PE)<br>Idaho (H, PE)<br>Kentucky (H, PE)   | Georgia (H, PE)<br>Indiana (H)<br>Louisiana (H, PE)<br>South Carolina (PE 9-12)  | Florida (H, PE) <sup>6</sup><br>New Mexico (H, PE)<br>South Carolina (H)<br>West Virginia (H)                       | Arkansas (H, PE)<br>Mississippi (H, PE)   | California (H 6-8)   | North Carolina (H)<br>Oklahoma (H, PE)<br>Oregon (H, PE)<br>Tennessee (H)  |
| <b>Family/ Consumer<br/>Science</b>                       | Idaho<br>Oklahoma<br>Tennessee  | Alabama<br>Arkansas<br>Kentucky<br>Louisiana<br>West Virginia  | South Carolina<br>(Non-Occup) <sup>1</sup>   | Georgia<br>Indiana<br>North Carolina<br>South Carolina <sup>1</sup>   | Florida <sup>6</sup><br>Mississippi   | New Mexico<br>South Carolina (Occup) <sup>1</sup><br>Texas   | Idaho<br>Oklahoma<br>Tennessee<br>West Virginia  |
| <b>Art (A)<br/>Music (M)<br/>Drama (D)<br/>Speech (S)</b> | Alabama (S 9-12)<br>Florida (M)<br>South Carolina (S 9-12)<br>West Virginia (D)   | Arkansas (A, M)<br>Georgia (S 9-12)<br>Idaho (A, M) <sup>4</sup> (D 9-12)<br>Tennessee (S 9-12)                          | Arkansas (S 9-12)<br>Florida (D, S 9-12) <sup>6</sup><br>Georgia (A, M, D)<br>Kentucky (A, M, D)<br>Oklahoma (S 9-12)<br>Texas (S 6-8) | Indiana (A, M)<br>Kentucky (S 9-12)<br>Louisiana (A, M)<br>Mississippi (A, M) (D 9-12)<br>Tennessee (A, M) (D 9-12) | Alabama (A, M, D)<br>Florida (A) <sup>6</sup><br>Idaho (S)<br>Mississippi (S 9-12)<br>New Mexico (A, M) (D 9-12)<br>North Carolina (A, M, D)<br>Oklahoma (A, M) (D 9-12)<br>Oregon (A, M)<br>Texas (S 9-12) | South Carolina (A, M, D)<br>West Virginia (S 9-12)   | Alabama (S 9-12)<br>California (A 6-8)<br>Florida (M) (D, S 9-12) <sup>6</sup><br>South Carolina (S 9-12)<br>Texas (A, M)<br>West Virginia (A, M, D) |
| <b>Vocational/<br/>Technical Education</b>                | Arkansas<br>Idaho <sup>1</sup><br>Mississippi <sup>1</sup><br>North Carolina (9-12)<br>Oklahoma<br>South Carolina <sup>1</sup>    | Alabama<br>Arkansas (9-12) <sup>1</sup><br>Kentucky<br>Louisiana   | Florida <sup>1,6</sup><br>North Carolina (7-12) <sup>1</sup><br>South Carolina <sup>1</sup>  | Georgia<br>Indiana<br>Tennessee<br>Texas (9-12) <sup>1</sup>  | Arkansas (9-12) <sup>1</sup><br>Florida <sup>1,6</sup><br>Mississippi <sup>1</sup><br>South Carolina (9-12) <sup>1</sup>  | Mississippi <sup>1</sup><br>New Mexico<br>North Carolina (7-12)<br>Texas                           | Arkansas<br>Idaho <sup>1</sup><br>North Carolina (9-12)<br>Oklahoma<br>South Carolina <sup>1</sup>   |
| <b>Career/ Workforce<br/>Education</b>                    | Arkansas<br>Idaho (9-12) <sup>1</sup><br>Mississippi<br>North Carolina<br>Oklahoma  | Alabama<br>Kentucky<br>Louisiana   | —  | Georgia   | —   | New Mexico<br>South Carolina (9-12) <sup>1</sup><br>Texas (9-12)                                   | Arkansas<br>Idaho (9-12)<br>North Carolina<br>Oklahoma   |



## Center for Digital Innovation

To create the same digital environment in elementary and secondary classrooms that is emerging outside of school, McGraw-Hill Education has created a Center for Digital Innovation (CDI). The Center is focused on developing digital platforms that are customized by state standards, district requirements, and teacher and student needs for individualized instruction. Programs are designed to help teach **21st century skills** through high-level critical thinking and the many different ways to use the Internet—skills essential in today’s knowledge-based global economy.

To help all students acquire the skills they need, the Center is dedicated to supporting and promoting the four pillars of a solid academic foundation:

- **Data-driven instruction/learning** to enable schools to analyze data and develop the best instructional methods for each individual
- **Intervention** to help educators identify students at risk for poor learning outcomes and intervene early enough to make a difference
- **Literacy skill development** to give individuals the ability to reach their full potential through targeted instructional reading and intervention programs
- **Cognitive learning** approaches that are adapted to each learner’s aptitude and intelligence enabling educators to support individuals at the point of need

[www.mhcedi.com](http://www.mhcedi.com) 

**McGraw-Hill Education is helping accelerate the development of these necessary 21st century skills<sup>(1)</sup>:**

- Creativity and collaboration
- Critical thinking and problem solving
- Understanding of global issues and the ability to communicate and collaborate across all geographical and cultural boundaries
- Life-long learning habits to ensure adaptability to rapidly changing work environments
- The ability to harness the power of a variety of media and information technologies

(1) List of skills taken primarily from Partnership for 21st Century Skills literature

## Innovative Solutions, Greater Customization

Led by an experienced team of former educators, expert engineers, and instructional designers, the Center is developing innovative, all-digital instructional programs that provide teachers with greater customization to enhance instruction and help students acquire the skills they need.

### eSuite packages for *Everyday Mathematics* and *Imagine It!*

The Center is designing the digital components for McGraw-Hill’s instructional programs, including *Everyday Mathematics* and *Imagine It!*


*Everyday Mathematics*’ online eSuite offers pre-K–6 teachers and students fully integrated resources, including:

- **ePlanner:** Lesson materials are online which saves teachers time when planning
- **Assessment Management System:** Identifies student and class progress
- **Interactive Student Reference Books:** Includes “Show Me” animations which visually explain math concepts step-by-step

*Imagine It!* is a pre-K–6 reading and language arts program that combines the strength of proven, research-based instruction with explicit instruction and practice in the five key areas of reading: phonemic awareness, phonics, vocabulary, comprehension, and fluency.

- **Online activities:** Teachers, students, and parents can find engaging online activities for students to practice any-time, anywhere as well as support for reading practice



[www.EverydayMathSuccess.com](http://www.EverydayMathSuccess.com) 

[www.ImagineItReading.com](http://www.ImagineItReading.com) 

# All-Digital Curriculum and Instruction for the Classroom



*Planet Turtle* is the first mathematics instructional system that engages children as much as video games. The program's interactivity captures the attention of pre-K–3 students while building their computational fluency. Students:

- Customize their own turtle character to navigate through *Planet Turtle* and compete in two-player games as part of a meaningful learning experience
- Practice math skills aligned with curriculum standards
- Automatically receive individualized content in response to individual performance
- Learn collaborative skills by working together to solve problems



CINCH Mathematics is a complete K–6 math curriculum that uses the power of interactive whiteboards and versatile online capabilities to engage all students in learning. This all-digital program offers:

- Animated tools that help teach math concepts
- Engaging math skills practice
- Targeted instruction
- An individual action plan that helps organize a student to prepare better for lessons and tests



CINCH Project takes collaborative learning to a new Web 2.0 level. Teachers are now able to offer an educational experience in line with today's technological realities to better prepare their students for the emerging 21st century workplace. CINCH Project helps:

- Build classroom learning communities
- Enable collaboration in active, engaged content learning
- Develop critical thinking, collaborative strategies, and problem-solving skills
- Grow self-directed learners

# Transforming the Learning Continuum

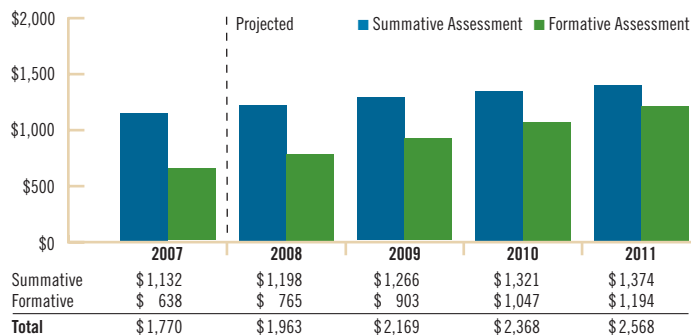
Education today is undergoing a profound change worldwide as students prepare to participate in the global economy. This transformation, aligned to accountability measures, technology advances, and the availability of comprehensive resources for students and parents as well as educators, is changing the way teachers teach, students learn and parents engage in classrooms around the world. McGraw-Hill Education, through its leading brands CTB and The Grow Network, is leveraging advances in assessment and reporting to create a more dynamic, transparent form of education—one that is much more individualized and efficient and aligned with true data-driven instruction.

As a leader in summative and formative assessment, online reporting capabilities, and student and parent action plans, McGraw-Hill Education is providing comprehensive solutions and best practices at home and abroad:

- Summative assessments that compare student performance nationally and provide valid and reliable measures of learning and growth
- Formative assessments that align with individual state standards, predict performance, and provide measures of performance growth
- Personalized study guides that address individual student needs
- Online multilingual assessment reporting that gives both families and schools exceptional clarity around achievement
- Adult assessments and English-language proficiency resources that enable more learners to reach their education goals
- International assessments and reports that guide the future of global education efforts

## K–12 Educational Testing: Projected Market Growth

(dollars in millions)



Source: Outsell (formerly Eduventures), "Market Forecast to 2010"

## Federally-Mandated Annual Testing

| Starting Year | Subject     | Grades          | Frequency                                   |
|---------------|-------------|-----------------|---|
| 2005-06       | Reading     | 3–8             | Once a year                                 |
|               |             | 10–12           | Once in high school *                       |
|               | Mathematics | 3–8             | Once a year                                 |
|               |             |                 | Once in high school *                       |
| 2007-08       | Science     | 3–5, 6–9, 10–12 | Once a year at three different grade levels |

\* Grade not specified. At the time of publication of the 2009/10 Investor Fact Book annual testing requirements mandated by the No Child Left Behind Act remain in effect

## Assessment and Reporting Solutions—Serving the Needs of All Learners

### Pre-K–12

#### FIRST PERFORMANCES™

Reading and mathematics assessments and instructional guidance for students; monitors student progress toward state standards (Grades pre-K–3)



All-in-one interim and formative assessment solution that informs teaching and improves student learning (Grades 3–12)



Assessments and instructional guidance for English-language learners (Grades pre-K–12)



Innovative online writing assessments and instructional guidance aligned with national and state standards (Grades 3–12)



Personalized data-driven student learning pathways in print and online to help teachers differentiate instruction and accelerate student achievement

#### ParentNetwork

Personalized parent engagement plans based on student assessment results. Provides families with immediate 24/7 online access to their child's test results



Assessment solution that supports data-driven instruction, measures student progress relative to state standards, and predicts student performance on state tests (Grades K–12)

### Adult



TABE Complete Language Assessment System—English™



Diagnostic assessments and instructional support for adult students, including Basic Education and English as a Second Language students

# Technology to Enhance Teaching and Learning


## Diagnostic and Predictive Benchmark Assessments for the Formative Market

Developed in consultation with administrators, principals, teachers and students, McGraw-Hill's Acuity™ helps teachers gauge student performance and deliver targeted classroom assessments and instructional resources so students receive immediate individualized assistance throughout the year. Acuity is a suite of diagnostic and predictive formative and interim assessments designed to show student growth toward state standards in reading, English/language arts, math, and science for grades 3–8 and in algebra for grades 6–12.

Acuity features:

- Online and paper-and-pencil administration options to match the level of technology available in schools
- Informative reports that provide data teachers need to improve student achievement
- Instructional exercises tied to student performance and a state-correlated online item bank
- Custom, teacher-created tests to help students remain current on classroom instruction
- Compatibility with wireless student response devices to allow students to take the assessments “online” and eliminate the need to scan answer sheets




[www.acuityforschool.com](http://www.acuityforschool.com) 

## Awards

- *Scholastic Administrator's* 2009 “Best in Tech” for Reading/Response to Intervention Assessment
- *District Administrator's* “Reader’s Choice Top 100 Product” for 2008
- 2009 CODiE Award Winner for “Best Student Assessment Solution” from the Software and Information Industry Association (SIIA)



[www.grownetwork.com](http://www.grownetwork.com) 

## Reaching Parents Statewide through Technology

The Parent Network is the first system in the nation to deliver statewide student assessment results directly to parents online.

- Gives states and districts an innovative digital platform that provides meaningful and timely information
- Enables parents to remain continuously engaged in their child’s academic growth and planning for college and beyond
- Offers Personal Action Plans and other resources to help students succeed

**In Florida, the Parent Network has had more than 6.2 million visits and 160 million hits**

## Anytime, Anywhere Learning

The integration of content, technology, and distribution offers significant opportunities for growth in a rapidly changing world. McGraw-Hill Education is answering the demand for anytime, anywhere learning and is improving the learning experience while helping students acquire 21st century skills.

Global demand for U.S. content in higher education remains strong, especially in the business disciplines and in engineering and computer science, and McGraw-Hill content is used throughout the world through export, adaptation, and translation programs. McGraw-Hill Education is also producing digital products for the global higher education market.

While the delivery of core instructional course content is still overwhelmingly print, the development of new online study tools is rapidly gaining traction in higher education. The nearly universal access to high-speed Internet service by North America's higher education student population is giving rise to new online study applications that are increasing students' efficiency and efficacy in their courses.

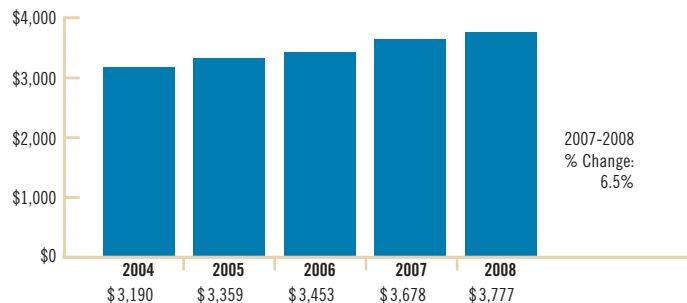
Online formative assessments (interactive study tools and self-quizzing) mimic what students do in a paper-pencil environment but allow the collection of performance data for immediate and accurate feedback to the student. The same data are cumulated for the instructor, allowing far more precise assessment of how well the whole class is mastering the content and allowing instructors to adjust instruction mid-course.

McGraw-Hill Education is producing adaptive tools ("intelligent software"), which have even greater potential to individualize feedback to students and improve learning outcomes.

A growing lineup of new digital offerings open up new revenue opportunities for McGraw-Hill Education and will shift the business model from the traditional one-time unit sale to more advantageous subscription-based revenue.

**95% of McGraw-Hill's higher education textbooks can be downloaded from CourseSmart, a common industry eBook platform that standardizes delivery for students and instructors**

**Estimated Higher Education Industry Sales of U.S. Publishers\***  
Books and Materials  
(dollars in millions)



\* Domestic and Non-Domestic

Source: AAP. Includes sales of domestic and non-domestic products

## Online Courses—Meeting Students Where They Are Today

Online courses enable college students and working adults to take standard courses anytime, anywhere. Most traditional postsecondary institutions are increasing their offerings of fully online courses, and a number of totally online schools are emerging in the for-profit sector.

McGraw-Hill's instructional design enables its online courses to be used in an exclusively online program or in a blended learning environment that leverages the best of traditional and innovative online learning solutions.

**More than one in five college students is taking at least one course online**

Source: 2008 Sloan Survey of Online Learning



**Understanding Business Online** enhances learning by delivering key course concepts in an online, interactive format.

- Course is aligned to the market-leading textbook, *Understanding Business*, by Nickels, McHugh, and McHugh (McGraw-Hill)
- Augments but does not replace a textbook
- Supports different learning styles through animations, graphics, streaming video, and interactive activities
- Allows instructors to customize content with a modular topic and objective-based format

[www.mhhe.com/ubonline](http://www.mhhe.com/ubonline)

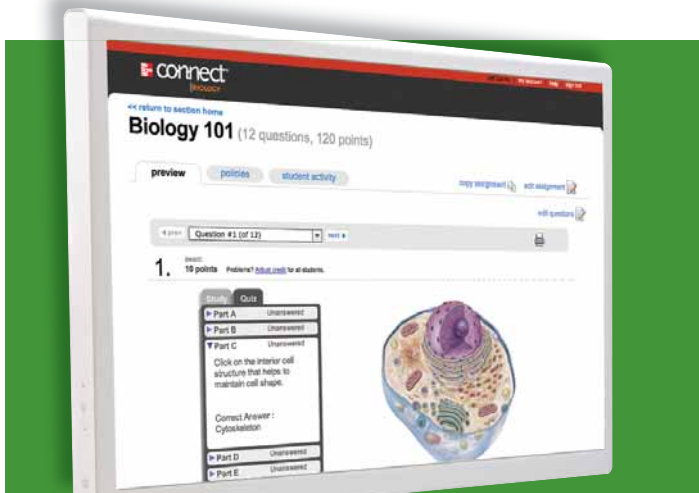
# Connect. Learn. Succeed.

A robust new platform for college faculty and students, *McGraw-Hill Connect™* bridges the printed page with a dynamic online learning environment. From practice questions and homework problems to quizzes and exams—*McGraw-Hill Connect* integrates media-rich e-books, study tools, and assessments all in one place. *McGraw-Hill Connect* can be integrated with course management systems such as Blackboard.

**McGraw-Hill Connect™ is offered in many disciplines across the higher education curriculum**

### Media-Rich eBooks

*The Art of Public Speaking* by Stephen Lucas is the market's leading textbook in its field. As students read the book online, linked icons in *Connect Lucas* guide them to embedded media-rich interactive features, including a complete media and research library, study aids, speech preparation, and assessment tools. The online version provides flexibility, allowing *Connect Lucas* to be updated with new speeches all the time, keeping course content timely and relevant.



### Online Formative Assignments

Instructors can assign problems, quizzes, and other homework online.

- Students receive immediate feedback
- Instructors have better insight into how well the class is mastering the content and allows instructors to adjust instruction mid-course

### Videos, Animations, Simulations, and Audio Files

Information is transformed into content students will study, retain, and understand with mastery.

#### Lecture Capture

Instructors can record and assign their class lectures to students as tagged, searchable content. Students can replay specific portions of any lecture by simply searching on a key word or phrase.

#### Speech Capture

Students in public speaking courses can upload video recordings of their speeches. Instructors watch the speech online and insert evaluations at precise points. This tool integrates the student's video and instructor's critiques all in one place.



# Meeting the Information Needs of Global Professional Customers

The McGraw-Hill Higher Education, Professional and International (HPI) Group continually leverages its powerful brands and must-have content to provide new services and tools to professionals around the world.

## Medical: An Expanding Line of Subscription-Based Medical Specialty Sites

McGraw-Hill's online medical specialty sites provide researchers, physicians, medical students, professors, and healthcare professionals worldwide with fully-searchable market-leading texts, medical updates, curricular tools, illustrations, animations and videos, interactive self-assessments, comprehensive search platforms, and content downloadable to PDAs.

### McGraw-Hill's ACCESSMedicine

Online access to more than 50 leading clinical resources that are fully-searchable and regularly updated. Used in more than 42 countries and by virtually all U.S. medical schools.

[www.AccessMedicine.com](http://www.AccessMedicine.com)

### McGraw-Hill's ACCESSPHARMACY

An online curricular resource developed to meet the changing demands of pharmacy education.

[www.AccessPharmacy.com](http://www.AccessPharmacy.com)



**McGraw-Hill's ACCESS Anesthesiology**  
Pain Management, Critical Care & Perioperative Medicine

Dedicated to pain management, critical care, and perioperative medicine.  
*AccessAnesthesiology:*

- Gives anesthesiology residents a suite of detailed reference materials and multimedia learning aids
- Enables anesthesiology program directors to track and monitor residents' progress
- Provides practicing professionals with an in-depth resource for maintaining certification

[www.AccessAnesthesiology.com](http://www.AccessAnesthesiology.com)



### HARRISON'S practice

Answers on Demand

A point-of-care clinical resource for internal medicine providing quick access to the latest diagnosis and treatment recommendations.

[www.HarrisonsPractice.com](http://www.HarrisonsPractice.com)

### McGraw-Hill's ACCESSSURGERY

A resource for surgical education that enables residency directors to customize a media-rich curriculum.

[www.AccessSurgery.com](http://www.AccessSurgery.com)

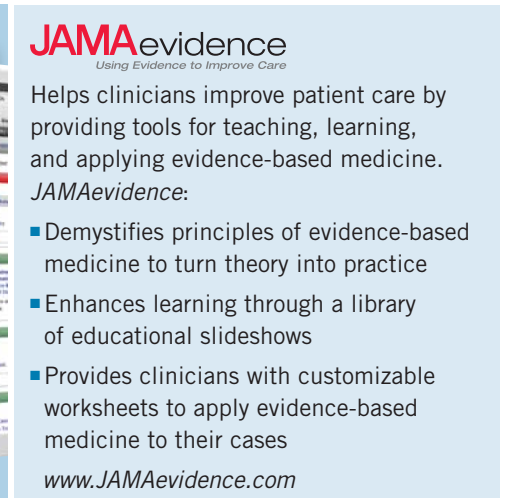


**JAMA Evidence**  
Using Evidence to Improve Care

Helps clinicians improve patient care by providing tools for teaching, learning, and applying evidence-based medicine.  
*JAMAEvidence:*

- Demystifies principles of evidence-based medicine to turn theory into practice
- Enhances learning through a library of educational slideshows
- Provides clinicians with customizable worksheets to apply evidence-based medicine to their cases

[www.JAMAEvidence.com](http://www.JAMAEvidence.com)



**McGraw-Hill's AccessMedicine**  
weekly podcasts feature audio lectures by world-renowned academic physicians on the latest medical advances

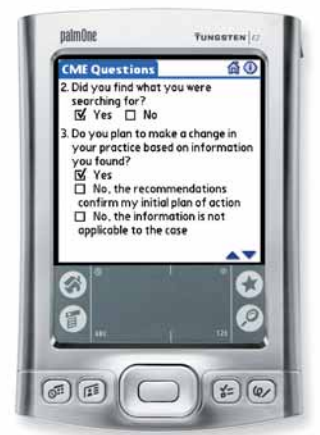
<http://books.mcgraw-hill.com/podcast/acm/>



## Accredited Learning for Physicians on the Go

McGraw-Hill supports busy physicians with the introduction of Continuing Medical Education (CME) credits.

- Innovative CME modules on *AccessEmergency Medicine* combine procedural videos with key texts and pre- and post-tests for a rich multimedia learning experience.  
[www.AccessEmergencyMedicine.com](http://www.AccessEmergencyMedicine.com)
- Physicians can conduct clinical queries on *Harrison's Practice* using their Smartphone, PDA, or the Web and more easily earn CME credits to meet their yearly continuing education requirements.  
[www.HarrisonsPractice.com](http://www.HarrisonsPractice.com)



## Scientific and Technical: Supporting Research in the Corporate, Industrial, Government and Academic Sectors

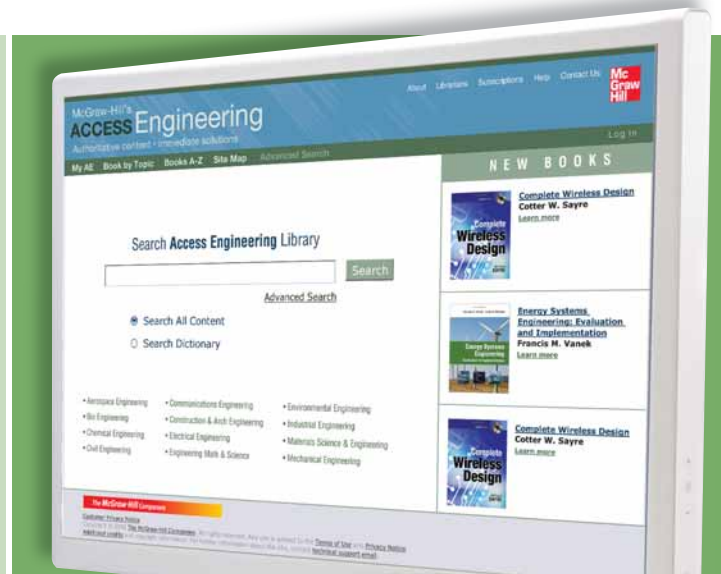
McGraw-Hill's  
**ACCESS Engineering**  
Authoritative content • Immediate solutions

*AccessEngineering* is an online resource that features content from 250 of McGraw-Hill's industry-leading engineering titles across 14 engineering disciplines, as well as a science and engineering dictionary with more than 30,000 terms in a fully-searchable, taxonomically-organized database

- New titles are added weekly. Personalization tools, including bookmarking and highlighting, allow content to be easily integrated into a subscriber's workflow

*AccessEngineering's* growing list of adoptions includes Caterpillar Inc., Melbourne University, the Chinese University of Hong Kong, and the Bharat Institute of Technology.

[www.AccessEngineeringLibrary.com](http://www.AccessEngineeringLibrary.com)



### McGraw-Hill **ACCESS Science**

Encyclopedia of Science & Technology Online

*AccessScience* provides authoritative articles in all major areas of science and technology, including the fully-searchable content of *The McGraw-Hill Encyclopedia of Science and Technology*, 10th Edition. The site is updated daily and offers students, educators, and librarians:

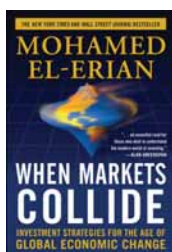
- 110,000+ definitions from the *McGraw-Hill Dictionary of Scientific and Technical Terms*
- 15,000 illustrations and graphics as well as multimedia content
- *My AccessScience* to save search results, bookmark articles, and archive favorite images

*AccessScience's* growing list of adoptions includes the Hong Kong Public Libraries, all of Pakistan's academic institutions and public libraries, and academic and public libraries across Scandinavia.

[www.AccessScience.com](http://www.AccessScience.com)

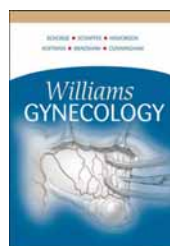
## Serving the Professional Community

The HPI Group provides timely and authoritative knowledge to its global professional customers through the publication of nearly a thousand titles a year.



### Business:

A leader in management, finance, and investing content, McGraw-Hill provides thought leadership titles such as *When Markets Collide*, which was named the 2008 "Business Book of the Year" by *Financial Times*/Goldman Sachs



### Medical:

A leading medical publisher with global brands, McGraw-Hill provides expert solutions in every critical area of clinical medicine to medical students and practitioners throughout their careers



### Technical:

McGraw-Hill's global author teams provide cutting-edge information to meet the emerging needs of engineering, computing, and technical professionals worldwide