

# McGraw-Hill Education

## A Leading Provider of Learning Solutions

As a leading provider of learning solutions from early childhood to professional career, McGraw-Hill Education is helping learners worldwide attain the skills they need to succeed.

The digital integration of content, technology, and distribution is creating significant new growth opportunities around the globe for McGraw-Hill Education's products and services.

### McGraw-Hill Education At-a-Glance

#### School Education Group (SEG)

##### Key markets:

Pre-kindergarten, elementary, secondary, testing, supplemental, vocational, and post-secondary fields in the U.S.

#### Higher Education, Professional and International Group (HPI)

##### Key higher education markets:

International college, university, and post-graduate fields/markets, and English as a Second Language (ESL).

##### Key professional markets:

Worldwide medicine, healthcare, engineering, science, computer technology, business, and general reference publishing.

##### Key international markets:

Education, business, and professional markets.

### Segment Highlights

Three out of four parents with school-age children recognize the McGraw-Hill name in education.

In the elementary-high school market, digital components are integrated into virtually every McGraw-Hill Education program. In fact, it is misleading to speak of e-books "textbooks" because what is offered are multimedia packages. The mix of components varies by grade and subject, but interactive, online student solutions are part of the future that is already here.

McGraw-Hill Education offers a great majority of its higher education textbooks in eBook form, featuring interactivity, search, and note-taking functionality.

McGraw-Hill Education publishes and distributes more than a 1,000 titles a year for professional markets worldwide.

*Harrison's Principles of Internal Medicine*, the best-selling medical reference, is used by healthcare professionals and students around the world.

## Full range of digital platforms and products for every level of education



### Center for Digital Innovation

A first-of-its-kind pre-K–12 digital research and development center with digital offerings that include **Project Turtle™**, **CINCH™ Mathematics**, **CINCH™ Project**, and **LEAD21**



### ConnectED™

A digital platform and resource center for the pre-K–12 market that gives teachers, students, and parents anytime, anywhere access to McGraw-Hill's content and resources



### McGraw-Hill Connect®

An all-digital learning platform for the higher education market. It connects students to their professors and to a range of engaging, interactive content for more effective learning



### AccessPhysiotherapy™

The newest of McGraw-Hill's suite of online medical specialty sites that are generating strong global subscriptions by providing access to McGraw-Hill's media-rich content and interactive features. AccessPhysiotherapy broadens the addressable market by going beyond medical education into the allied health field

# Federal Funding for Key Education Programs

Federal dollars continue to flow into the U.S. education system. No major actions will be taken on the U.S. Department of Education's FY 2011 budget or reauthorization of the Elementary and Secondary Education Act (ESEA), also known as No Child Left Behind (NCLB), until Congress reconvenes in fall 2010.

The passage of the FY 2011 education budget and reauthorization of ESEA are independent of each other. If reauthorization of the ESEA does not occur in 2010, we expect to see the passage of a FY 2011 budget to fund the programs of the U.S. Department of Education. The budget is likely to include initiatives outlined in the budget proposal submitted to Congress in February 2010. The President's proposed budget incorporates funding for several programs first introduced in the American Recovery and Reinvestment Act of 2009 (ARRA). Congress has shown some bipartisan interest in funding these programs, which include Race to the Top and Investing in Innovation. If Congress does not finalize the budget before the beginning of the new fiscal year, starting on October 1, 2010, Congress can maintain funding through a series of continuing resolutions, which has happened in the past.

Title I grants and IDEA grants are the largest sources of federal funding to states

## "Blueprint" for Reauthorizing ESEA

On March 13, 2010, the U.S. Department of Education released the Administration's "blueprint" for reauthorizing ESEA. The proposed reforms include:

### Standards

In order to receive Title I funds, states will be required to align their mathematics and English/language arts (ELA) standards with college- and career-ready expectations, either through adoption of the Common Core Standards or through individual state action, with incentives for Common Core.

### Assessments

States will be required to continue assessments in English/language arts (ELA), math, and science as provided under NCLB. In addition to funding support for these existing state testing programs, the reauthorization blueprint proposes new formula grants for improved assessments and competitive grants for Common Core assessments.

### Accountability

States will be required to make annual accountability determinations for all schools and districts, with transparent, disaggregated reporting. The Annual Yearly Progress (AYP) measurements currently prescribed by NCLB will be eliminated; accountability will be based on growth and progress, with the goal of ensuring college- and career-readiness for all students by 2020.

### Race to the Top and Investing in Innovation

The proposed budget would continue federal funding for state comprehensive reforms and local innovation.

## Federal Funding for Key Education Programs

	American Recovery and Reinvestment Act of 2009 <sup>(1)</sup>	FY 2010 Budget Appropriation	President's Proposed FY 2011 Budget Request
<b>Title I</b> (Disadvantaged Students)	\$10 billion	\$14.5 billion	\$14.5 billion
<b>Title I</b> (School Improvement Grants)	\$3 billion	\$546 million	\$900 million
<b>IDEA—Part B</b> (Special Education)	\$11.3 billion	\$11.5 billion	\$11.8 billion
<b>IDEA—Other</b> (Preschool Grants and Grants for Infants and Families)	\$900 million	\$1.1 billion	\$1.1 billion
<b>State Fiscal Stabilization Fund</b> (SFSF)	\$48.6 billion <sup>(2)</sup>	n/a	n/a
<b>Competitive Grants</b>			
<b>Race to the Top</b> \$4 billion for education reform \$350 million to create new college- and career-ready assessments	\$4.35 billion	n/a	\$1.35 billion
<b>Investing in Innovation (i3)</b>	\$650 million	n/a	\$500 million
<b>Total Competitive Grants</b>	\$5 billion	n/a	\$1.85 billion

Source: U.S. Department of Education

(1) Title I and IDEA are long established categorically funded programs. The ARRA 2009 economic stimulus bill included incremental appropriations that were distributed to the states in 2009 for Title I (\$13 billion) and IDEA (\$12.2 billion)

(2) ARRA established a \$48.6 billion State Fiscal Stabilization Fund (SFSF) to help states fill gaps in their education budgets. \$37.1 billion was distributed in 2009 and \$11.5 billion is being released in 2010

The proposed budget for FY 2011 would continue federal funding for Race to the Top and Investing in Innovation

## ARRA Competitive Grants

The ARRA economic stimulus bill gave the U.S. Secretary of Education authority to establish two competitive grant programs designed to help states and local schools drive educational results. All winners will be announced and all awards will be distributed by September 30, 2010, the end of fiscal year 2010.

### Race to the Top

Race to the Top (RTTT) is a U.S. Department of Education program designed to promote comprehensive school reform. Of the \$4.35 billion in RTTT funds, the Department is awarding \$4 billion directly to states that develop the most promising plans to advance education reform. RTTT will also provide \$350 million in competitive funding to multi-state consortia to create new college- and career-ready assessments. The Administration has proposed to continue the education reform program by requesting \$1.35 billion in the FY 2011 budget.

### Investing in Innovation (i3)

Investing in Innovation will make competitive investments in cutting-edge ideas aimed at producing the next generation of school reforms. Applicants could receive funding for scale-up grants, validation grants, and development grants. Grant recipients would be required to match their federal awards with other private dollars, and to demonstrate how they would sustain their activities after the end of the federal award period. ARRA provided \$650 million in funding. The Administration has proposed to continue the program by requesting \$500 million in the FY 2011 budget.

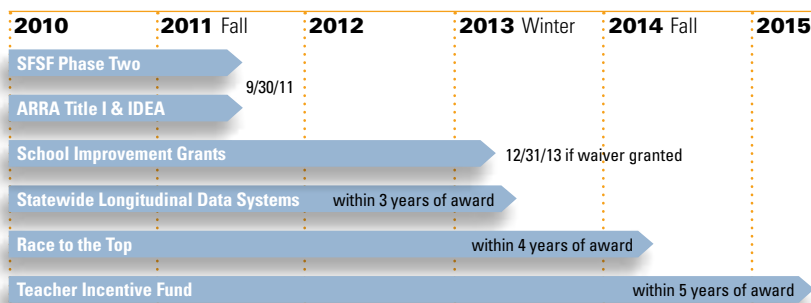
### Update on Competition

**Phase 1:** The Department of Education received 41 state applications. In April 2010, Delaware and Tennessee were chosen as the winners.

**Phase 2:** 19 applicants have been announced as finalists. The winners will be announced in September 2010.

On August 4, 2010 the Department of Education announced that 49 school districts, nonprofit education organizations, and institutions of higher education were selected from 1,698 applicants for the i3 program. To receive a share of the \$650 million in i3 grants, the winning applicants must secure a commitment for a 20% private sector match by September 8, 2010.

### ARRA Spending Timelines



Source: *Is the Stimulus Meeting its K-12 Goals?* www.edweek.org/go/webinar

More than 40 states are expected to adopt Common Core Standards for K–12 math and for reading and language arts by the end of 2010

## Common Core State Standards & Assessments

In June 2010, the National Governors Association Center for Best Practices and the Council of Chief State School Officers released a set of state-led education standards, known as the Common Core State Standards. Designed to establish clear and consistent goals for learning that will help prepare America’s children for success in college and work, the standards are:

Aligned with college and work expectations

Include rigorous content and application of knowledge through high-order skills

Build upon strengths and lessons of current state standards

Informed by other top performing countries, so that all students are prepared to succeed in the global economy and society

Evidence- and research-based

### Timeline:

Each state will follow its own procedures and processes for adoption of the Common Core State Standards. Applicants that declared their intention to adopt the standards by August 2010 earned extra points in the Race to the Top grant competition.

Later in 2010 the Department of Education will award \$350 million to multi-state consortia with winning proposals for developing new assessments based on the Common Core Standards. Present indications are that testing development work will begin in late 2010 or perhaps early 2011, and that the Common Assessments will be implemented from 2012 through 2014.

### How McGraw-Hill May Benefit

**New assessment and instructional materials:** The Common Core movement has favorable implications for new assessment and instructional materials. There is an expectation that there will be more new purchasing as states adopt materials that incorporate the new standards

**Less need for customization:** As states adopt the new Common Core Standards, the demand for customized material may also be reduced, which could translate into cost savings in content development

# Pre-K–16 Public Education: Funding, Expenditures, and Enrollments

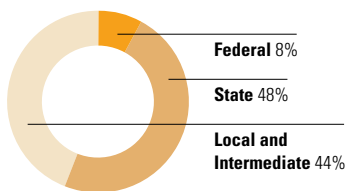
Public school systems received \$582.1 billion in funding in 2008, up 4.5% from 2007

## Growth in Public Education Funding

Funding for pre-K–12 education in the United States reached \$582.1 billion in the 2007–08 school year. State and local governments contributed 92% of this total and the federal government provided 8%. 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.

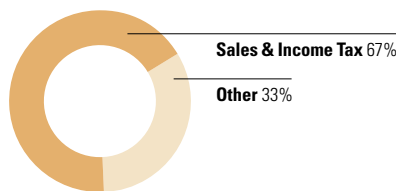
### The Public Education Dollar: Revenues by Source\*

Total Revenue: \$582.1 billion



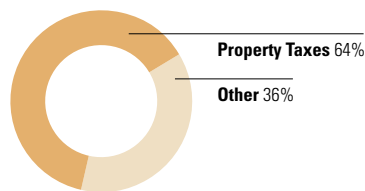
### Sources of State Funding\*

Total State Revenue: \$281 billion



### Sources of Local Funding\*

Total Local Revenue: \$254 billion



\*Source: U.S. Census Bureau, "Public Education Finances Report: 2008"

46 states' fiscal year is July 1 to June 30

### Other fiscal years:

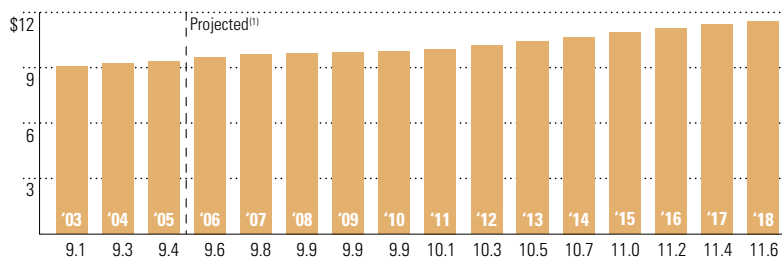
Apr. 1 – Mar. 31	New York
Sept. 1 – Aug. 31	Texas
Oct. 1 – Sept. 30	Alabama and Michigan

## Increasing Expenditures for Students

States spent an average of \$9,400 for each K–12 student in the 2005-06 school year. By 2018, expenditures are projected to increase nearly 24% to \$11,600 per student.

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

(in thousands, in constant 2006–2007 dollars)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Note: Detail may not sum to totals due to rounding

(1) Middle range of projections cited

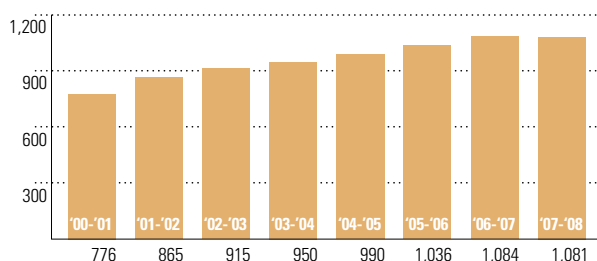
## Growing Enrollments

In the United States, school enrollments continue to be on the rise across the entire pre-K–16 student population. By 2018, nearly 60 million students will be enrolled in grades pre-K–12, according to the latest projections by the National Center for Education Statistics. Enrollment is holding steady 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 20.6 million students in 2018.

### Public School Pre-Kindergarten Enrollment, 2000–2008

(number of students in thousands)

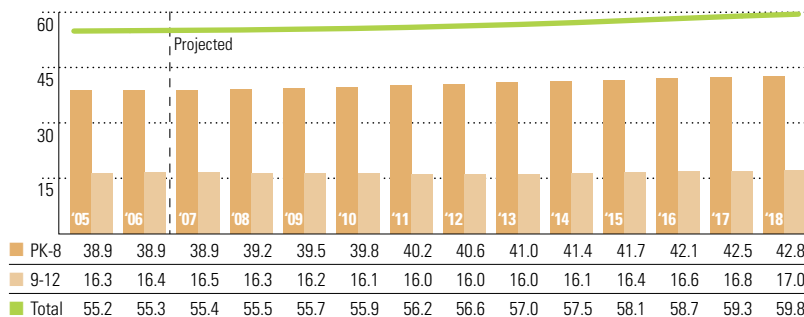


Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data

Total public and private elementary and secondary school enrollment reached 65 million in fall 2006, representing a 12% increase since fall 1993

### Enrollment in Elementary and Secondary Institutions

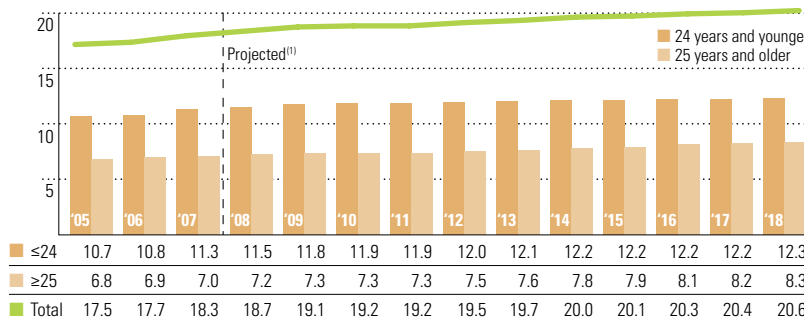
(enrollment in millions)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

### 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 2018"

Note: Detail may not sum to totals due to rounding

(1) Middle range of projections cited

# Growing Enrollments in Key Adoption States

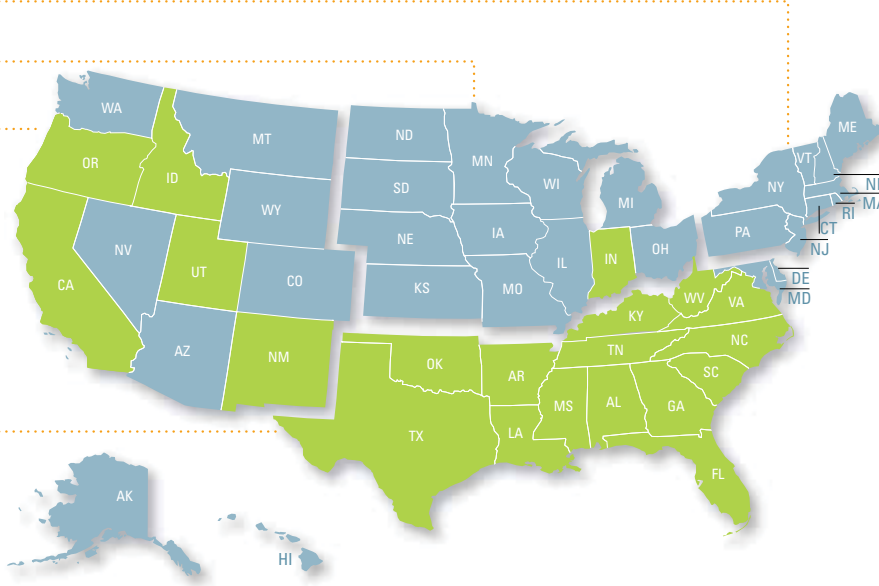
Changing U.S. Pre-K–12 Enrollment by Region and State, 2006–2018

**Northeast:**  
– 5.0%

**Midwest:**  
+ <1.0%

**West:**  
+ 15.0%

**South:**  
+ 18.0%



## Total U.S. Enrollment Growth: 8.0%

Between 2006 and 2018 enrollment in public elementary and secondary schools is projected to increase in 34 states as well as the District of Columbia and decline in 16 states, translating into an 8.0% national increase in public school enrollment.

## Projected Enrollment Growth in Key Adoption States, 2006–2018

Texas	32.1%
Florida	24.0%
North Carolina	22.9%
Virginia	11.5%
California	8.6%

Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

## 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:

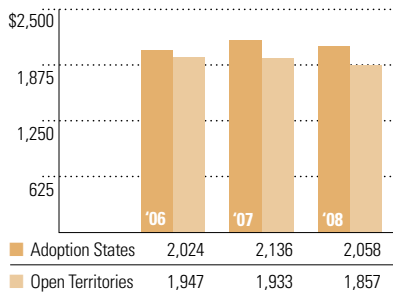
California: Adopts for grades K–8; grades 9–12 are open territory

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

## Adoption States, Open Territories, and Supplemental Sales

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

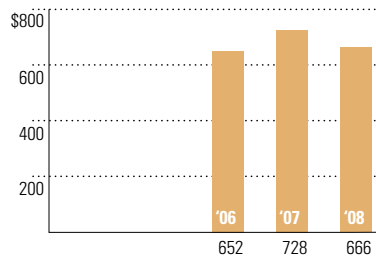
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific basal and supplemental materials. Excludes non-domestic sales of \$80 million, \$74 million, and \$79 million for 2008, 2007, and 2006, respectively

### Supplemental Materials Market (Pre-K–12)

(dollars in millions)



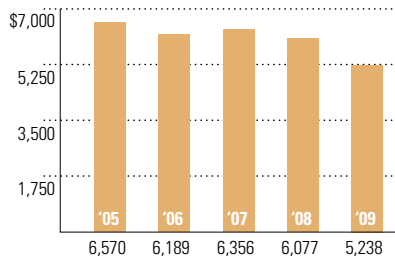
Source: AAP, as reported by 6 publishers. Includes non grade-specific materials

# Pre-K-12 Market Sales

In 2009, sales of textbooks and educational materials for the pre-K-12 school market decreased approximately 14% to \$5.2 billion, according to the Association of American Publishers (AAP).

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

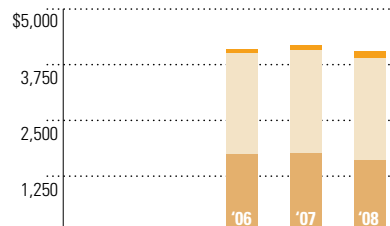
(dollars in millions)



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

## Total Net Elementary/High School Sales

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



Year	Non-specified	Pre-K-6	6-12	Total
'06	79	2,243	1,727	4,050
'07	112	2,283	1,748	4,143
'08	154	2,257	1,585	3,996

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<sup>(1)</sup>

Basal and Supplemental Materials

(dollars in thousands)	2008	% of 2008 Total	2007	2006
1 California	\$ 258,424	14.2%	\$ 287,598	\$ 292,475
2 Texas	183,839	10.1%	109,782	134,161
3 Florida	137,876	7.6%	96,573	110,506
<b>Top 3 for 2008</b>	<b>\$ 580,139</b>	<b>31.9%</b>	<b>\$ 493,953</b>	<b>\$ 537,142</b>
4 Illinois	100,553	5.5%	72,297	86,227
5 New York	97,619	5.4%	115,705	117,844
6 Pennsylvania	76,914	4.2%	70,943	74,060
7 Georgia	72,016	4.0%	71,803	47,707
8 New Jersey	58,772	3.2%	57,352	64,516
9 Ohio	57,361	3.2%	67,592	63,933
10 Louisiana	45,697	2.5%	36,318	27,635
<b>Top 10 for 2008</b>	<b>\$1,089,071</b>	<b>59.9%</b>	<b>\$ 985,963</b>	<b>\$1,019,064</b>
11 Alabama	43,680	2.4%	24,555	29,236
12 Arizona	43,493	2.4%	49,500	47,143
13 North Carolina	40,647	2.2%	43,502	61,073
14 Indiana	34,000	1.9%	49,594	35,708
15 Michigan	32,282	1.8%	32,126	43,507
<b>Top 15 for 2008</b>	<b>\$1,283,173</b>	<b>70.6%</b>	<b>\$1,185,240</b>	<b>\$1,235,731</b>
<b>All others</b>	<b>\$ 533,836</b>	<b>29.4%</b>	<b>\$ 597,760</b>	<b>\$ 562,033</b>
<b>Total domestic U.S.</b>	<b>\$1,817,011</b>	<b>100.0%</b>	<b>\$1,783,004</b>	<b>\$1,797,762</b>

## 6-12 Net Sales by State<sup>(1)</sup>

Basal and Supplemental Materials

(dollars in thousands)	2008	% of 2008 Total	2007	2006
1 California	\$ 225,596	15.9%	\$ 260,283	\$ 248,094
2 New York	106,530	7.5%	91,978	81,428
3 Georgia	79,021	5.6%	56,339	44,227
<b>Top 3 for 2008</b>	<b>\$ 411,147</b>	<b>29.0%</b>	<b>\$ 408,600</b>	<b>\$ 373,749</b>
4 Indiana	63,840	4.5%	12,707	24,344
5 Illinois	63,049	4.5%	76,533	75,754
6 Pennsylvania	52,760	3.7%	57,268	56,657
7 North Carolina	50,057	3.5%	18,987	53,221
8 Ohio	48,657	3.4%	49,204	48,847
9 Texas	46,286	3.3%	188,770	53,152
10 New Jersey	45,735	3.2%	44,084	45,627
<b>Top 10 for 2008</b>	<b>\$ 781,531</b>	<b>55.2%</b>	<b>\$ 856,153</b>	<b>\$ 731,351</b>
11 Tennessee	42,979	3.0%	13,456	41,598
12 Florida	41,689	2.9%	88,101	121,957
13 Michigan	39,496	2.8%	36,370	40,121
14 Missouri	34,850	2.5%	34,766	35,771
15 Louisiana	33,490	2.4%	34,258	17,720
<b>Top 15 for 2008</b>	<b>\$ 974,035</b>	<b>68.8%</b>	<b>\$1,063,104</b>	<b>\$ 988,518</b>
<b>All others</b>	<b>\$ 441,991</b>	<b>31.2%</b>	<b>\$ 481,311</b>	<b>\$ 516,319</b>
<b>Total domestic U.S.</b>	<b>\$1,416,022</b>	<b>100.0%</b>	<b>\$1,544,413</b>	<b>\$1,504,835</b>

## Pre-K-6 Sales by Subject Category<sup>(2)</sup>

(dollars in millions)	2008	% of 2008 total	2007	% of 2007 total	2006	% of 2006 total
Reading/Literature	\$ 693	38.2%	\$ 652	36.6%	\$ 689	38.3%
Mathematics	652	35.9%	512	28.7%	480	26.7%
Science	176	9.7%	233	13.1%	168	9.4%
Social Studies	127	7.0%	167	9.4%	191	10.6%
Language Arts/English	79	4.3%	86	4.8%	98	5.4%
Music	39	2.1%	53	3.0%	51	2.8%
Computer/Technology	11	0.6%	11	0.6%	10	0.6%
All others	40	2.2%	68	3.8%	110	6.1%
<b>Total</b>	<b>\$1,817</b>	<b>100.0%</b>	<b>\$1,783</b>	<b>100.0%</b>	<b>\$1,798</b>	<b>100.0%</b>

## 6-12 Sales by Subject Category<sup>(2)</sup>

(dollars in millions)	2008	% of 2008 total	2007	% of 2007 total	2006	% of 2006 total
Mathematics	\$ 321	22.7%	\$ 386	25.0%	\$ 261	17.3%
Science	253	17.9%	317	20.5%	297	19.7%
Reading/Literature	237	16.8%	160	10.4%	176	11.7%
Social Studies	231	16.3%	275	17.8%	305	20.3%
Foreign Language	114	8.1%	136	8.8%	108	7.2%
Business Education	45	3.2%	45	2.9%	50	3.3%
Computer/Technology	39	2.8%	35	2.3%	38	2.5%
All others	174	12.3%	189	12.3%	270	17.9%
<b>Total</b>	<b>\$1,416</b>	<b>100.0%</b>	<b>\$1,544</b>	<b>100.0%</b>	<b>\$1,505</b>	<b>100.0%</b>

(1) 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

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

# El-Hi Adoption Opportunities

Adoption states select print and digital instructional materials for one or more core disciplines each bid/purchase year. Adoption cycles vary by state, but most operate on a six- or seven-year cycle. A few are on a shorter cycle (i.e., three-, four-, five years). Elementary and secondary adoption schedules provide visibility into the state new adoption market for several years. The presence or absence of adoption states with large student enrollments—such as California, Florida, and Texas—will influence the size of the market opportunity each year.

## Elementary School Adoption Schedule

Bid Year	2009	2010	2011	2012	2013	2014	2015
Purchase Year	2010	2011	2012	2013	2014	2015	2016
<b>Reading<sup>2</sup></b>	New Mexico (Tradtnl/Lit) Texas (Eng/ <i>Span</i> K-5)	Arkansas North Carolina	Mississippi <sup>5</sup> Virginia (K-5)	Florida (K-5) <sup>5</sup> Indiana (1-6) Kentucky Oklahoma (Remedial) Tennessee West Virginia	Alabama <sup>5</sup> Idaho Oregon	Georgia Louisiana <sup>5</sup>	New Mexico <sup>5</sup> Oklahoma <sup>1</sup>
<b>Mathematics</b>	Florida Indiana (1-6) Oklahoma West Virginia	Alabama <sup>5</sup> Tennessee Virginia	Arkansas	Georgia Louisiana New Mexico	California <sup>7</sup> Mississippi <sup>5</sup>	Idaho South Carolina <sup>1,5</sup> Texas (Eng/ <i>Span</i> K-5) <sup>5</sup>	Florida <sup>5</sup> Indiana (1-6) Kentucky (PK-6) <sup>5</sup> North Carolina (K-5) <sup>7</sup> Oregon West Virginia <sup>5</sup>
<b>Social Studies</b>	Virginia	Georgia Idaho Mississippi <sup>3</sup> New Mexico West Virginia	Alabama <sup>5</sup> California <sup>7</sup> Florida Mississippi <sup>4,5</sup> Oregon	Oklahoma South Carolina <sup>5</sup> Texas (Eng/ <i>Span</i> ) <sup>5</sup>	Arkansas Kentucky <sup>5</sup> Louisiana <sup>5</sup> Tennessee	Indiana (1-6) North Carolina <sup>7</sup> Oklahoma <sup>5</sup>	Virginia <sup>5</sup>
<b>Science</b>	Mississippi Oregon	Florida Indiana (1-6) Louisiana	Idaho New Mexico Texas (Eng/ <i>Span</i> ) <sup>6</sup> Texas (5-6) (Supplemental Science) Virginia West Virginia <sup>6</sup>	Alabama <sup>5</sup> Arkansas California <sup>7</sup> North Carolina <sup>5</sup>	Georgia Oklahoma South Carolina <sup>5</sup>	Kentucky <sup>5</sup> Tennessee	Mississippi <sup>5</sup>
<b>Language Arts/English<sup>2</sup></b>	Tennessee (1-6) Texas (Eng/ <i>Span</i> K-1)	Arkansas North Carolina South Carolina (K-5) <sup>6</sup> Texas (Eng/ <i>Span</i> 2-6)	–	Florida (K-5) <sup>5</sup> Idaho <sup>1</sup> Kentucky <sup>1,5</sup> Mississippi <sup>5</sup> Oklahoma	Indiana (1-6) Oregon West Virginia	Alabama <sup>5</sup> Georgia	Louisiana <sup>5</sup> Tennessee (1-6) <sup>5</sup>
<b>Health (H) Physical Education (PE)</b>	Alabama (H, PE) Idaho (H, PE) Kentucky (H, PE)	Georgia (H, PE) Indiana (H 1-6)	Louisiana (H, PE) New Mexico (H, PE) West Virginia (H)	Arkansas (H, PE) Mississippi (H, PE) <sup>5</sup> South Carolina (H K-5) <sup>5</sup>	California (H) <sup>7</sup>	Oregon (H, PE) Tennessee (H)	Idaho (H, PE) <sup>5</sup> Texas (H, PE) <sup>5</sup>
<b>Art (A) Music (M) Drama (D) Speech (S)</b>	Arkansas (A, M) Idaho (A, M) <sup>1</sup>	Georgia (A, M, D)	Indiana (A, M 1-6) Kentucky (A, M) Louisiana (A, M) Tennessee (A, M)	Alabama (A, M, D) <sup>5</sup> New Mexico (A, M) Oregon (A, M)	Florida (A, M, D) <sup>5</sup> Mississippi (A, M, D) <sup>5</sup> North Carolina (A, M, D) <sup>7</sup> South Carolina (A, M) <sup>5</sup> West Virginia (A, M)	California (A) <sup>7</sup> Oklahoma (A, M) <sup>5</sup> Texas (A, M) <sup>5</sup> West Virginia (A, M)	Arkansas (A, M) <sup>5</sup> Idaho (A) <sup>5</sup> South Carolina (A, M, D, S) <sup>1,5</sup>
<b>Spelling</b>	–	Arkansas Texas (1-6)	Tennessee (1-6)	Idaho Kentucky Mississippi <sup>5</sup> North Carolina (2-6) <sup>7</sup> Oklahoma	Indiana (1-6) West Virginia	Alabama <sup>5</sup> Georgia	–
<b>Literature<sup>2</sup></b>	–	–	–	Indiana (Reading 1-6) Kentucky <sup>5</sup>	Alabama <sup>5</sup>	Louisiana <sup>5</sup>	Oklahoma <sup>5</sup>
<b>World Languages</b>	Georgia	Oregon ( <i>Span</i> K-6)	–	Alabama <sup>5</sup> California <sup>7</sup> Florida <sup>5</sup>	–	Arkansas Texas <sup>5</sup> Virginia West Virginia	Georgia South Carolina <sup>5</sup>
<b>Computer Education</b>	Idaho <sup>1</sup> Louisiana	Idaho <sup>1</sup>	Arkansas Idaho <sup>1</sup>	Idaho <sup>1</sup>	Idaho <sup>1</sup>	Idaho <sup>1</sup> South Carolina <sup>1,5</sup>	Idaho <sup>1,5</sup>
<b>English as a Second Language (ESL)</b>	North Carolina Tennessee (1-6)	Texas	–	Oklahoma	Oregon	Arkansas	Tennessee (1-6) <sup>5</sup>
<b>Handwriting</b>	–	Arkansas Texas (1-3)	Louisiana	Idaho Indiana (1-3) Kentucky Mississippi <sup>5</sup> North Carolina (1-5) <sup>7</sup> Oklahoma	West Virginia	Alabama <sup>5</sup>	–
<b>Dictionaries</b>	–	Arkansas	–	Idaho Mississippi <sup>5</sup> Oklahoma	–	Alabama <sup>5</sup> 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. 2009 and 2010 bid years are in effect. 2011 to 2015 bid years reflect assumptions from various sources including state Web sites

*Italics indicate the Spanish-language edition of the program*

<sup>1</sup> Selected titles

<sup>2</sup> 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 bid calls

<sup>3</sup> U.S. History only

<sup>4</sup> Except U.S. History

<sup>5</sup> Tentative, pending final decision and/or approval

<sup>6</sup> Postponed to a later bid/purchase year

<sup>7</sup> Suspended until further notice



## Secondary School Adoption Schedule

Bid Year	2009	2010	2011	2012	2013	2014	2015	2016
Purchase Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Mathematics</b>	Florida Indiana North Carolina Oklahoma Oregon (9-12) South Carolina (9-12) <sup>1</sup> West Virginia	Alabama <sup>5</sup> Georgia (9-12) <sup>1</sup> Tennessee Virginia	Arkansas South Carolina (9-12) <sup>1,5</sup>	Georgia Louisiana New Mexico	California (6-8) <sup>7</sup> Mississippi <sup>5</sup>	Idaho South Carolina (6-8) <sup>1,5</sup>	Florida <sup>5</sup> Indiana Kentucky <sup>5</sup> Oregon South Carolina (9-12) <sup>5</sup> Texas (Eng/ <i>Span</i> 6) <sup>5</sup> West Virginia <sup>5</sup>	
<b>Science</b>	Mississippi Oregon	Florida Indiana Louisiana	Idaho New Mexico South Carolina (9-12) <sup>1,5</sup> Texas <sup>6</sup> Texas (Supplemental Science) Virginia West Virginia <sup>6</sup>	Alabama <sup>5</sup> Arkansas California (6-8) <sup>7</sup> North Carolina <sup>5</sup>	Georgia Oklahoma South Carolina (6-8) <sup>5</sup>	Kentucky <sup>5</sup> South Carolina (9-12) <sup>1,5</sup> Tennessee	Mississippi <sup>5</sup>	
<b>Social Studies</b>	Virginia	Georgia Idaho Mississippi <sup>3</sup> New Mexico West Virginia	Alabama <sup>5</sup> California (6-8) <sup>7</sup> Florida Mississippi <sup>4</sup> Oregon South Carolina (9-12) <sup>1,5</sup>	Oklahoma South Carolina <sup>1,5</sup> Texas <sup>5</sup>	Arkansas Kentucky <sup>5</sup> Louisiana <sup>5</sup> Tennessee	Indiana North Carolina <sup>7</sup> Oklahoma <sup>5</sup>	South Carolina (9-12) <sup>1,5</sup> Virginia <sup>5</sup>	
<b>Literature<sup>2</sup></b>	Georgia (9-12) New Mexico (6-8) Texas (Eng/ <i>Span</i> 6)	Arkansas North Carolina	Mississippi <sup>5</sup> Tennessee Virginia	Indiana (6-8)/Rdg (6-8) Kentucky <sup>5</sup> West Virginia	Alabama <sup>5</sup> Florida (6-8) <sup>5</sup> Indiana Oregon	Florida (9-12) <sup>5</sup> Georgia (6-8) Louisiana <sup>5</sup> New Mexico (9-12) <sup>5</sup>	Georgia (9-12) New Mexico (6-8) <sup>5</sup> Oklahoma <sup>5</sup>	
<b>Reading<sup>2</sup></b>	New Mexico (6-8) Texas (Elective 6-8)	Arkansas (6-8) North Carolina (6-8)	Mississippi (6-8) <sup>5</sup>	Indiana (6-8)/Lit (6-8) Kentucky (6-8) Oklahoma (Remedial) Tennessee (6-8) West Virginia (6-8)	Alabama (6-8) <sup>5</sup> Florida (6-8) <sup>5</sup> Idaho Oregon (6-8)	Florida (9-12) <sup>5</sup> Georgia (6-8) Louisiana <sup>5</sup> New Mexico (9-12) <sup>1,5</sup>	New Mexico (6-8) <sup>5</sup> Oklahoma <sup>1</sup>	
<b>Language Arts/ English<sup>2</sup></b>	Georgia (9-12) Tennessee	Arkansas North Carolina Texas	South Carolina (6-8) <sup>1,5</sup> Virginia	Idaho <sup>1</sup> Kentucky <sup>1,5</sup> Mississippi <sup>5</sup> Oklahoma	Florida (6-8) <sup>5</sup> Indiana Oregon West Virginia	Alabama <sup>5</sup> Florida (9-12) <sup>5</sup> Georgia (6-8) New Mexico (9-12) <sup>5</sup>	Georgia (9-12) Louisiana <sup>5</sup> South Carolina (9-12) <sup>5</sup> Tennessee <sup>5</sup>	
<b>World Languages</b>	Georgia Idaho New Mexico (6-8) (Fr/ <i>Span</i> ) North Carolina <sup>1</sup> Tennessee	Oregon (Fr/ <i>Span</i> )	Kentucky Louisiana	Alabama <sup>5</sup> California (6-8) <sup>7</sup> Florida <sup>5</sup>	Indiana	Arkansas Mississippi <sup>5</sup> New Mexico (9-12) (Fr/Lat/ <i>Span</i> ) Texas <sup>5</sup> Virginia West Virginia	Georgia Idaho <sup>5</sup> New Mexico (6-8) (Fr/ <i>Span</i> ) <sup>5</sup> South Carolina <sup>5</sup> Tennessee <sup>5</sup>	
<b>Business Education</b>	Alabama Idaho (9-12) <sup>1</sup> (Interim) Kentucky Louisiana	South Carolina (7-12) <sup>1</sup>	Georgia Indiana South Carolina <sup>1,5</sup> Tennessee	Florida <sup>5</sup> South Carolina (9-12) <sup>1,5</sup>	Mississippi <sup>1,5</sup> New Mexico North Carolina <sup>7</sup> Texas <sup>1,5</sup>	Arkansas Idaho Mississippi <sup>5</sup> South Carolina (9-12) <sup>1,5</sup>	Florida <sup>5</sup> South Carolina <sup>1,5</sup>	
<b>Computer Education</b>	Alabama <sup>1</sup> Idaho <sup>1</sup> Kentucky Louisiana	Idaho <sup>1</sup>	Arkansas Idaho <sup>1</sup> South Carolina <sup>1,5</sup> Tennessee	Florida <sup>1,5</sup> Idaho <sup>1</sup> South Carolina (7-12) <sup>1,5</sup>	Idaho <sup>1</sup> North Carolina (7-12) <sup>7</sup> Oklahoma	Idaho <sup>1</sup> South Carolina <sup>1,5</sup>	Idaho <sup>1,5</sup>	
<b>Health (H) Physical Education (PE)</b>	Alabama (H, PE) Idaho (H, PE) Kentucky (H, PE)	Georgia (H, PE) Indiana (H)	Louisiana (H, PE) New Mexico (H, PE) South Carolina (PE) <sup>5</sup> West Virginia (H)	Arkansas (H, PE) Mississippi (H, PE) <sup>5</sup>	California (H 6-8) <sup>7</sup>	Oregon (H, PE) Tennessee (H)	Idaho (H, PE) <sup>5</sup> North Carolina (H) <sup>7</sup> Texas (H, PE) <sup>5</sup>	
<b>Family/ Consumer Science</b>	Alabama Arkansas Kentucky Louisiana West Virginia (5 yrs)	–	Georgia Indiana South Carolina <sup>1,5</sup>	Mississippi <sup>1,5</sup> North Carolina <sup>7</sup>	New Mexico South Carolina (Occup) <sup>1,5</sup> Texas <sup>5</sup>	Idaho South Carolina <sup>1,5</sup> Tennessee West Virginia	Arkansas <sup>5</sup> West Virginia <sup>5</sup>	
<b>Art (A) Music (M) Drama (D) Speech (S)</b>	Arkansas (A, M) Georgia (S 9-12) Idaho (A, M) <sup>1</sup> (D 9-12) Tennessee (S 9-12)	Arkansas (S 9-12) Georgia (A, M, D) Texas (S 6-8)	Indiana (A, M) Kentucky (A, M, D) Louisiana (A, M) Mississippi (D 9-12) <sup>5</sup> Tennessee (A, M) (D 9-12)	Alabama (A, M, D) <sup>5</sup> Idaho (S) Kentucky (S 9-12) Mississippi (S 9-12) <sup>5</sup> New Mexico (A, M) (D 9-12) Oklahoma (S 9-12) Oregon (A, M) Texas (S 9-12) <sup>5</sup>	Florida (A, M, D) <sup>5</sup> Mississippi (A, M, D) <sup>5</sup> North Carolina (A, M, D) <sup>7</sup> South Carolina (A, M) <sup>5</sup> West Virginia (S 9-12)	Alabama (S 9-12) <sup>5</sup> California (A 6-8) <sup>7</sup> Florida (S 9-12) <sup>5</sup> Oklahoma (A, M) (D 9-12) <sup>5</sup> Texas (A, M) <sup>5</sup> West Virginia (A, M, D)	Arkansas (A, M) <sup>5</sup> Idaho (A) (M, D 9-12) <sup>5</sup> South Carolina (A, M, D, S) <sup>1,5</sup> Tennessee (S 9-12)	
<b>Vocational/ Technical Education</b>	Alabama <sup>1</sup> Arkansas (9-12) <sup>1</sup> Kentucky Louisiana	–	Georgia Indiana South Carolina <sup>1,5</sup> Tennessee Texas (9-12) (Engineering) <sup>6</sup>	Florida <sup>1,5</sup> North Carolina (7-12) <sup>7</sup>	New Mexico Texas <sup>5</sup>	Arkansas <sup>1</sup> Idaho <sup>1</sup> Mississippi <sup>1,5</sup> South Carolina <sup>1,5</sup>	Alabama <sup>5</sup> Arkansas (9-12) <sup>5</sup> Florida <sup>1,5</sup> North Carolina (9-12) <sup>7</sup> South Carolina <sup>1,5</sup>	
<b>Career/ Workforce Education</b>	Alabama Arkansas (9-12) <sup>5</sup> Idaho (9-12) <sup>1</sup> (Interim) Kentucky Louisiana	Louisiana <sup>1</sup>	Georgia Louisiana <sup>1</sup>	Florida <sup>1,5</sup>	Florida <sup>1,5</sup> New Mexico (9-12) South Carolina (9-12) <sup>1,5</sup> Texas (9-12) <sup>5</sup>	Arkansas Idaho (9-12) Mississippi <sup>5</sup>	Alabama <sup>5</sup> Arkansas <sup>5</sup> Florida <sup>1,5</sup> North Carolina <sup>7</sup> South Carolina <sup>1,5</sup>	
<b>Driver Education</b>	Idaho (9-12)	–	Tennessee (9-12)	–	Alabama (9-12) <sup>5</sup> Arkansas (9-12) Mississippi (9-12) <sup>5</sup> New Mexico (9-12)	South Carolina (9-12) <sup>5</sup> West Virginia (9-12)	Idaho (9-12) <sup>5</sup>	

# Digital Solutions, Better Teaching, Better Learning

## Center for Digital Innovation

A first-of-its-kind digital research and development center, McGraw-Hill's Center for Digital Innovation (CDI) is furthering its mission to equip all students with the 21st century skills they need to succeed in school and in today's competitive global economy. Its new offerings and collaborations leverage students' deep engagement with the digital world to create resources that meet today's education and learning challenges in the classroom.

McGraw-Hill Education has developed specialized learning centers for the K–12 education market. Experts and scholars partner with educators to focus on improving student learning outcomes and promoting digital innovation in:

Intervention and special needs

Literacy

College and career readiness

STEM (science, technology, engineering, and mathematics)

CDI is using a variety of digital tools to improve learning by enabling teachers to deliver personalized instruction adapted to each individual student's abilities. Approaches include:

- Digital socialization to promote collaborative learning
- Creative multimedia tools to facilitate student work and teacher-designed instruction
- Digital gaming technologies for sustained learning, building problem-solving skills, and growing self-directed learners
- Expanded and refined reporting capacities to analyze assessment data, correlate data with learning needs, and return it as precisely-targeted instruction

## New Programs Developed in Conjunction with the Center for Digital Innovation

### ConnectED

McGraw-Hill Education is now making its pre-K–12 content and resources available on one digital platform—ConnectED. Students, teachers, and parents have anytime, anywhere access—in the classroom, at home, or wherever there is an Internet connection.

ConnectED enhances the teaching and learning experience. Teachers can search for materials that match their teaching style and meet their students' unique ways of learning.

<http://connected.mcgraw-hill.com>

Every program on the ConnectED platform features:

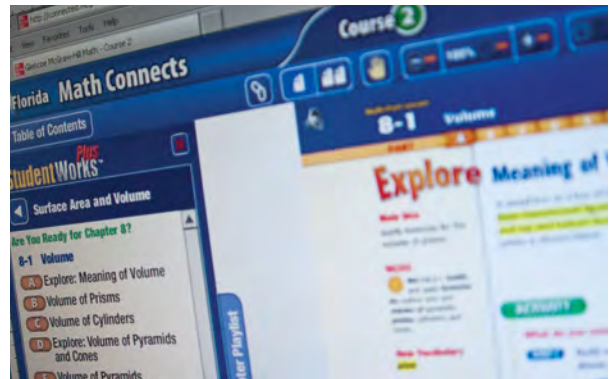
An interactive textbook where students can highlight key points and add notes

Digital resources that reinforce the educational topics taught through the printed textbook

Assessments that help teachers target instruction

Supplemental materials for intervention and enrichment

Planning tools help teachers quickly prepare classroom lessons and instruction

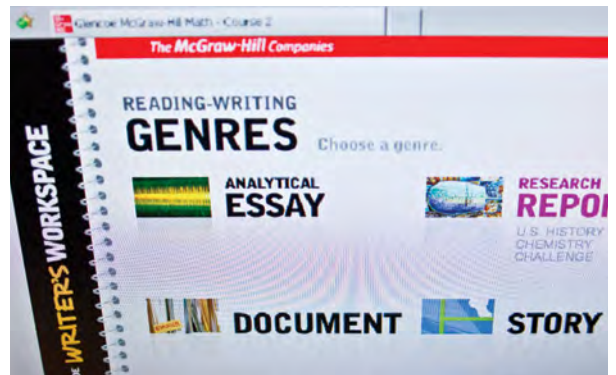


### Writer's Workspace

Writer's Workspace is a new, all-digital language arts and writing program for middle and high school students. It engages students in the writing process and allows them to prepare writing assignments online and get feedback from their teacher throughout the entire process.

Writer's Workspace supports writing and grammar instruction through three steps:

1. **Interactive Reading:** Before beginning a writing lesson, students read literature in the genre of the writing activity.
2. **Reading-Writing Connection:** Reading-writing practice activities provide a bridge between reading and writing.
3. **Comprehensive Writing:** Students write longer compositions. Teachers can comment online at each stage of the writing process.



## New Technology Partnerships and Products

McGraw-Hill Education has established a series of new technology partnerships and products that will enhance its digital K–12 education solutions to drive student achievement and foster the development of 21st century skills.

McGraw-Hill has selected M&A Technology to manufacture and distribute the McGraw-Hill Companion Touch, a full-featured student laptop computer based on the Intel®-powered classmate PC reference design. This laptop combines Intel® Learning Series' technology with McGraw-Hill's trusted educational content. McGraw-Hill's collaboration with these two partners offers school districts the flexibility to choose from a variety of options, including total digital solutions or hybrid models consisting of print and digital components.

Developed in conjunction with McGraw-Hill's Center for Digital Innovation, the first programs optimized for the McGraw-Hill Companion Touch device include:

- **LEAD21, an all-new elementary literacy program designed to reach a new generation of readers**
- **CINCH Mathematics, a digital K–6 math curriculum that uses the power of interactive whiteboard teaching and versatile online capabilities to fully engage students**

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

McGraw-Hill's technology collaborations offer school districts the flexibility to choose from a variety of options, including total digital solutions or hybrid print/digital models

### LEAD21

LEAD21 is a new research-based core K–5 literacy program that engages students at all reading levels. LEAD21 helps teachers better manage diverse classes with blended group instruction, built-in acceleration plans, and digital offerings.

[www.wrightgroup.com/wglead21](http://www.wrightgroup.com/wglead21)

LEAD21 is the first education program made available on the Intel®-powered classmate PC and provides:

Students with easy access to digital tools, such as an Online Coach and ePractice activities. Every book in this program is available as an eBook

Teachers with flexible digital tools like Group Manager, which coordinates the placement of students for differentiated reading, and the ePractice Activity Reporting Tool and Assessment Handbook, which helps monitor progress toward proficiency



### CINCH Mathematics

CINCH Mathematics engages teachers and students and supports an active learning style through its rich use of technology. In particular, the program uses the interactive whiteboard for visual learning activities that help build math concepts for multiple learning styles in the same class.

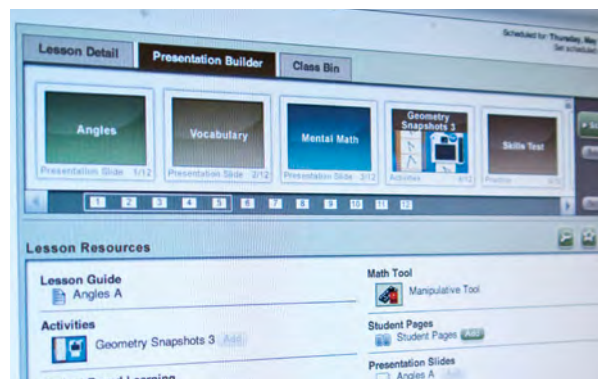
This all-digital program offers:

Extensive and flexible resources to help teach math concepts, including interactive tools

Built-in teaching support and professional development

Individualized instruction for on-target teaching

Engaging math skills practice



# Assessment and Reporting Market: Shaping the Pre-K–12 Learning Continuum

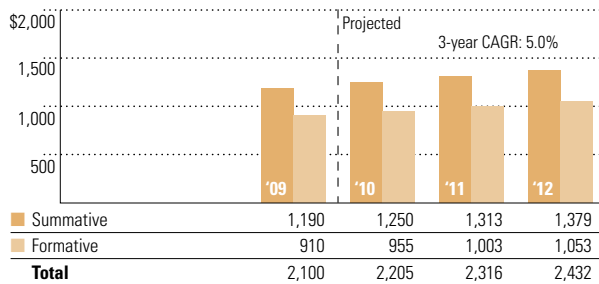
Education today is undergoing a profound change worldwide. This transformation—aligned to accountability measures, technology advances, and the availability of comprehensive resources for students, parents, and educators—is creating new ways of teaching and learning.

New classroom solutions for meeting the diverse needs of today's students are transforming education

A leader in summative and formative assessments, online reporting capabilities, and student and parent resources, McGraw-Hill Education is creating a more dynamic, transparent form of education in the U.S. and abroad—one that is much more individualized and efficient, and aligned with data-driven instruction.

## K–12 Educational Testing: Projected Market Growth

(dollars in millions)



Source: Outsell, "K–12 Testing and Assessment Market: 2009 Market Forecast and Trends Report," January 2010

## Testing Terminology

**Summative assessments:** Once a year, high-stakes achievement assessments to compare student performance nationally and provide valid and reliable measures of learning and growth

**Formative assessments:** Tests given throughout the school year that align with state and common core standards, diagnose progress, predict performance, and provide measures of performance growth

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

### Pre-K–12

#### FIRST PERFORMANCES™

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

#### ParentNetwork

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

#### ACUITY

Award-winning interim and formative assessment solution that informs teaching and improves student learning. Integration of Acuity with student response devices marks an education technology first  
(Grades 3–8 reading/ELA, math and science; Grades 6–12 algebra)

#### TERRANOVA<sup>3</sup>

Standardized achievement tests in reading, language arts, mathematics, science, and social studies. Compares student performance against their national peers based on 2007 empirical norms and measures student growth  
(Grades K–12)

#### LAS Links<sup>®</sup>

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

#### WritingROADMAP<sup>®</sup>

An online essay scoring tool that provides continual practice and automatic feedback. Its easy-to-use interface and instructional tools motivate and guide students through each step of the writing process  
(Grades 3–12, college and adult learners)

#### MyGuide

Personalized data-driven student learning pathways in print and online

### Adult



TESTS OF ADULT BASIC EDUCATION



TABE CLAS-E

Diagnostic assessments and instructional support for adult students, including Basic Education and English as a Second Language students. In 2010, TABE assessments were approved by the U.S. Department of Education's National Reporting System (NRS) for Adult Education for use by state agencies that receive Workforce Investment Act funding

## Federal Funding and Assessments

In the U.S., the assessment market is responding to new forces, such as Common Core State Standards, Race to the Top, Investing in Innovation (i3), School Improvement Grants; the National Educational Technology Plan; and proposed Elementary and Secondary Education Act (ESEA) reforms. The table below summarizes the federal grants available for pre-K–12 education and how McGraw-Hill assessment and reporting products align with the requirements for each grant.

Program	Summary	McGraw-Hill Product Alignment	
<b>Title I</b>	Title I provides financial assistance to Local Education Agencies (LEAs) and schools with high numbers or high percentages of poor children to help children meet challenging state academic standards.	Acuity <i>TerraNova, Third Edition</i> LAS Links	Writing Roadmap Yearly ProgressPro First Performances
<b>Race to the Top (RTTT)</b>	RTTT asks states to compete for grants to advance reform in four specific areas: standards and assessments, data systems, effective teachers and principals, and turning around low-performing schools.	Acuity <i>TerraNova, Third Edition</i>	Writing Roadmap Yearly ProgressPro
<b>RTTT Common Core Assessment Programs</b>	RTTT provides competitive funding to consortia of states to develop assessments that are valid, support and inform instruction, measure the Common Core Standards, and provide accurate information about what students know and can do.	Acuity <i>TerraNova, Third Edition</i>	Customized Assessment Services
<b>Investing in Innovation (i3)</b>	i3 provides competitive grants to applicants with a record of improving student achievement in order to expand the implementation of, and investment in, innovative practices.	Acuity LAS Links	Writing Roadmap Yearly ProgressPro
<b>School Improvement Grants</b>	School Improvement Grants are used to improve student achievement in schools identified for improvement, corrective action, or restructuring so as to enable those schools to make Adequate Yearly Progress (AYP) and demonstrate sustained improvement.	Acuity <i>TerraNova, Third Edition</i>	Writing Roadmap Yearly ProgressPro
<b>IDEA</b>	IDEA provides grants to states and public educational agencies to provide special education to children with a wide diversity of disabilities.	Acuity <i>TerraNova, Third Edition</i>	Writing Roadmap Yearly ProgressPro First Performances

## Diagnostic and Predictive Benchmark Assessments for the Formative Market

### Acuity®

Acuity, an InFormative Assessment™ solution, is a flexible assessment program that can be administered online, with paper-and-pencil or with handheld response devices. Used by more than 65,000 teachers and 1.5 million students nationwide, Acuity helps teachers gauge student performance and deliver data-driven instruction for every student. Acuity features 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 contains all the elements of a comprehensive assessment system:

Standards-aligned, pre-built assessments for state and Common Core standards

Instructional resources

Actionable reports; indicates if intervention is required early in the academic year

Item banks and item authoring for customized assessments



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

### Industry Awards

Software & Information Industry Association (SIIA) CODiE Award winner for “Best Student Assessment Solution” in 2009 and 2010

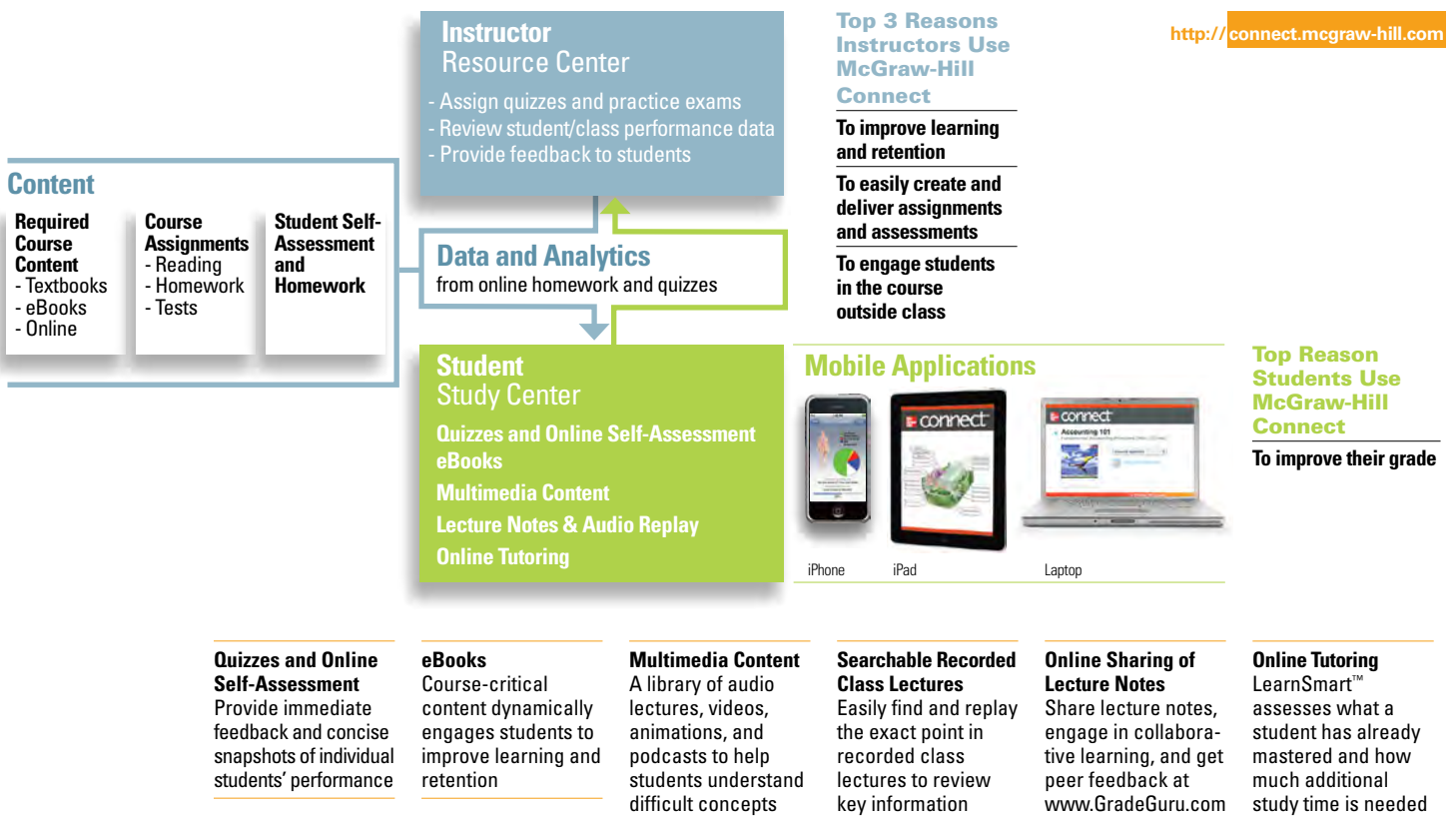


# Higher Education and Online Learning

Nowhere in education is the digital revolution moving faster than in the higher education market. This is giving McGraw-Hill Education the opportunity to personalize and improve learning for students regardless of distance and time. In 2010, McGraw-Hill Education took a major step to improve its connectivity with faculty and students by partnering with Blackboard.

## McGraw-Hill Connect®

McGraw-Hill Connect is an assignment and assessment platform that uses the principles of cognitive science to individualize the learning process. The online platform is based on McGraw-Hill's extensive, ongoing research of professors' instructional processes and students' study habits and includes digital learning tools that enable professors to customize courses to improve student learning and mastery of course content.



McGraw-Hill Education's partnership with Blackboard increases the reach and ease of access for McGraw-Hill's suite of digital products on college campuses

## Improving Connectivity with Faculty and Students—McGraw-Hill/Blackboard Partnership

In June 2010, McGraw-Hill Education partnered with Blackboard Inc. to increase the reach and ease of access to McGraw-Hill's suite of digital products on college campuses. The integration of McGraw-Hill's content with Blackboard Learn™, Blackboard's Web-based teaching and learning platform, is expected to be ready for classroom use in early 2011.

Benefits include:

### Single Sign-on

A single Blackboard log-in for access to McGraw-Hill Connect's content and tools

### Integrated Grade Book

Grades for assignments, quizzes, and tests will post directly to the Blackboard grade book, eliminating the need to manage two systems

### Seamless Course Management for Instructors

Seamless access to McGraw-Hill Connect to manage course content, create assignments, and track student performance

## Technology: An Opportunity, Not a Threat

### What we know as an educational publisher:

All information is not equal in the education marketplace. Curriculum content must be accurate, authoritative, and sequenced according to a logical learning progression

Digital does not disintermediate content

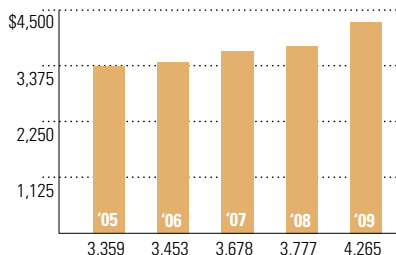
Digital delivery allows for added functionality and higher value

Content counts and correlating it to standards is vital

The digital business model expands the addressable market. Changing the workflow changes the opportunity for publishers who know how to tailor their digital offerings to the needs of customers

### Estimated Higher Education Industry Sales of U.S. Publishers

Books and Materials  
(dollars in millions)



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

## The Need for Trusted Content Has Not Changed; How Content Is Delivered Has

McGraw-Hill Education’s editors, authors, and digital innovators understand what higher education students need to know, when they need to know it, and the different ways they learn it best. What has changed is how to leverage technology to engage students and improve the teaching and learning experience. McGraw-Hill Education is partnering with a range of technology firms to link technology, content, and distribution and expand the addressable market.

### eBooks & Mobile Apps

Top-selling higher education titles are available for purchase through the various eBook stores, spanning disciplines, including business, economics, science, math, humanities, foreign languages, and social sciences.

The HPI Group is partnering with makers of devices to provide content to students. Devices include the Entourage eDGe™ and Kakai Kno tablets, as well as other PC-based eBook software providers, including Follett’s Café Scribe, Missouri Book’s xPlana, and Baker and Taylor’s Blio.

The HPI Group is developing applications for the iPad and for selling titles directly through Apple’s iBookStore. The HPI Group has multiple avenues for delivering its content on the iPad, including CourseSmart, Amazon, Barnes & Noble, and Zinio. All partners with Web-available content can be accessed through the Safari browser on the iPad as well.

The majority of McGraw-Hill’s higher education textbooks can be downloaded from CourseSmart, a common industry eTextbook and digital course materials platform that standardizes delivery for students and instructors.

### Online Courses

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. McGraw-Hill’s online courses are aligned to the market-leading textbooks and enhance learning by:

- Delivering key course concepts in an online, interactive format
- Supporting different learning styles through animations, graphics, streaming video, and interactive activities
- Allowing instructors to customize content with a modular topic and objective-based format

## LearnSmart—Improving Student Performance and Retention

In order to succeed in a course, students need to master core concepts to move on to deeper critical thinking. LearnSmart assesses a student’s current level of knowledge and provides a personal learning path in order to master key concepts. Students can access this module using a Web browser or mobile device such as the iPhone or iTouch.

### How is LearnSmart built?

#### Rooted in textbooks

Experienced instructors dissect the contents of textbooks, pulling out main concepts and ideas

#### Concept maps are built

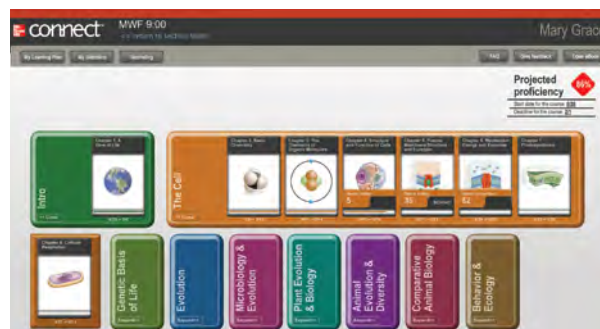
Concepts distilled from textbooks are entered into a concept mapping software, adding in remediation at the appropriate levels

#### The LearnSmart “module” is made

The authoring software uses information in the concept maps to build a LearnSmart module for each title

#### Learning Plans are created

As a student works within the system, LearnSmart develops a personal learning path adapted to what the student has learned and retained and recommends how much time to study and the exact resources to improve understanding



# Meeting the Information Needs of Global Professional Customers

The McGraw-Hill Higher Education, Professional and International (HPI) Group provides books, services, and tools to medical, business, and technical professionals around the world.

## Leveraging Digital Channels to Provide Content When and Where Customers Want It

### eBooks

More than 5,000 eBooks are available on devices such as Amazon's Kindle, the Sony e-Reader, and the Apple iPad



### Mobile Applications

More than 100 applications to help high school students, medical students, and physicians achieve their goals

Mobile apps are available for test prep, including AP, SAT, and USMLE exams



### AccessEngineering

Covers 14 major areas of engineering and supports all levels of scientific and technical research in the corporate, industrial, government, and academic sectors. This subscription service provides:

Content from more than 300 industry-leading engineering titles, together with image banks, learning aides, and PowerPoints

Weekly engineering news articles

A 125,000-term science and engineering dictionary, in a fully searchable database

Personalization tools, including bookmarking and highlighting, allow content to be easily integrated into a user's workflow



AccessEngineering's growing list of global adoptions includes:

- Stanford University
- University of California
- University of Illinois
- Rand Water Corporation
- Caterpillar Inc
- Chinese University of Hong Kong
- Bharat Institute of Technology

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

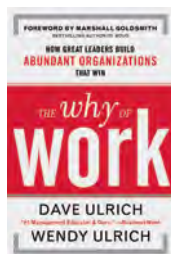


## Serving the Professional Community

The HPI Group provides timely and authoritative knowledge to 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 books



### Medical

A leading medical publisher with storied brands like *Harrison's*, McGraw-Hill provides expert solutions to medical students and practitioners throughout their careers



### Technical

McGraw-Hill's global author teams provide cutting-edge content to meet the emerging needs of technical professionals everywhere



## Digital Subscription Services for Medical Schools and Hospitals

McGraw-Hill's online medical specialty sites provide researchers, physicians, medical students, professors, and healthcare professionals worldwide with integrated learning portals that feature market-leading texts, animations, illustrations, videos, interactive self-assessments, and curriculum tools.



## Custom Curriculum Tool Helps Medical Students and Educators

McGraw-Hill's Access sites feature the innovative Custom Curriculum, a powerful online tool that educators can use to assign, manage, and track the progress of student assignments.

For program directors, Access represents a significant step forward in curriculum development and design, offering detailed assignment monitoring, student assessment tests and tools, and the ability to share assignment designs with colleagues at other programs

Students can view available topics from their program director, as well as their own individual progress by activity



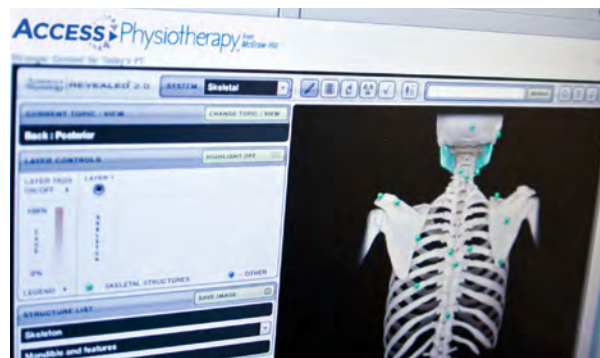
## AccessPhysiotherapy

Searchable, full-text access to leading McGraw-Hill physical therapy and internal medicine content, including *Orthopaedic Examination, Evaluation, and Intervention*, *Imaging in Rehabilitation*, and *Pharmacology for the Physical Therapist*. In addition, AccessPhysiotherapy provides:

Anatomy & Physiology REVEALED, an online cadaver dissection resource developed by McGraw-Hill Education and the University of Toledo

Over 90 procedural videos demonstrating key concepts and techniques in clinical practice

Integrated drug database with critical information on medication indications, dosages, contraindications, and drug classes, as well as patient handouts in English and Spanish



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