

# The University of North Carolina



## Report on Implementation of Recommendations from the Subcommittee Studying the Cost of Textbooks

March 2007

In March 2005, Mr. Jim Phillips, then Chairman of the Board of Governors Committee on Budget and Finance, appointed a Subcommittee and charged them with making recommendations to address student concerns over the rising costs of textbooks. Mr. Peter D. Hans was appointed chair of the Subcommittee and members were Mr. Ray S. Farris and Mr. Benjamin S. Ruffin. Mr. Hans subsequently welcomed Dr. Brenda Killingsworth, Chair of the Faculty Assembly, and Mr. Zachary Wynne, then President of the Association of Student Governments, as members of the Subcommittee.

The Subcommittee held a series of meetings, from July 2005 to January 2006, and the Board of Governors approved the recommendations in February 2006. The recommendations of the Board of Governors are documented in bold italics in the remainder of this document.

The sixteen campuses have been active in addressing and implementing the Subcommittee's Recommendations. Highlights of the findings, results, and improvements to date are listed below. The remainder of the report provides more detailed information, following each Subcommittee recommendation.

### **Summary Highlights of the Results of Campus Responses:**

- ✓ The UNC Buyback Consortium, of the ten self-operated stores, has been established and has resulted in more money returned to students at buyback as well as more, less expensive, used textbooks available to students for purchase.
- ✓ UNC-Chapel Hill and North Carolina School of the Arts have established a partnership so that NCSA students can benefit from greater purchasing power of the larger institution.
- ✓ All sixteen campuses established textbook committees, whose members have spent time analyzing the issues of the costs of textbooks, providing information to the campus on ways to control/reduce the prices of textbooks, and will consider additional ideas to impact the cost of textbooks to students.
- ✓ Across the UNC system, more attention is being paid to the cost of textbooks, the factors that influence the costs, and new efforts are in place to manage the factors that the campus community can affect.
- ✓ The number of on-time textbook adoptions by faculty members has increased greatly. This in turn, means that students were offered more money for books they sold back to the bookstores and more students the next semester were able to purchase lower-cost used textbooks, an overall net reduction in the price of textbooks to those students.
- ✓ Efforts have increased to save students on sales tax paid on textbooks, by offering pre-sales that are processed during the current sales tax holiday.
- ✓ UNCW is currently pursuing a proposal to create a pilot program for ten titles, which would be available to students for sale or rental.
- ✓ UNC Charlotte has proven that it is possible to get 100% of faculty to order textbooks on time.

## **Detailed Responses to the Subcommittee Recommendations:**

***“One year following the conclusion of the work of the Subcommittee, the Vice President for Finance will make a report to the Committee on Budget and Finance on the implementation of the Subcommittee recommendations and progress made system-wide to address keeping the costs of textbooks as low as possible for students.”***

This report to the Budget and Finance Committee has been compiled in accordance with the Subcommittee’s Recommendation. The Report and Recommendations of the Subcommittee Reviewing the Cost of Textbooks was sent to the Chancellors, Chief Academic Officers, Chief Financial Officers, and Bookstore Managers on each of the sixteen campuses. Each campus has reported back to UNC General Administration on their progress towards addressing the cost of textbooks. Many of the campus experiences and findings validate work done by the Subcommittee, provide additional areas for work, and allow for consideration of further recommendations. Substantial progress has taken place and additional efforts are underway.

***“UNC campus bookstore representatives should meet to discuss the possibility of sharing booklists to find overlapping titles and allow the selling between UNC stores of used books, or developing a “UNC Buyback Consortium.” This would help students to receive the best possible prices for their used textbooks, by opening a larger possibility of users. Rather than relying on one campus to reuse textbooks, if any UNC campus were using the text, students would receive a much higher price for their used textbooks. It is recommended that Mr. John Jones, Director of UNC-Chapel Hill’s Student Stores, be asked to lead this initiative.”***

John Jones, Director of Campus Merchandising at UNC-Chapel Hill, was asked to lead the initiative. The initiative was begun by engaging in a discussion with East Carolina University, North Carolina State University, and UNC-Chapel Hill, who share the same electronic software platform in their bookstores, thus providing a good way to quickly test this concept. After some success with those three schools, a meeting was held on October 9, 2006, with all the bookstore managers at self-operated bookstores in the UNC system (ASU, ECU, ECSU, NCA&T, NCSA, NCSU, UNCA, UNC-CH, UNCP, and WCU). These early efforts were aimed to promote collaboration first among the “self-operated” or institutional stores because in those instances, there should not be issues of contract renegotiations in order to allow participation in the efforts. For the time being, the meeting intentionally focused on those stores, which means that stores currently outsourced (FSU, NCCU, UNCC, UNCG, UNCW, WSSU) would need to be considered in further phases of the project.

At the October meeting, the bookstore managers agreed to work together on the first test of a collaborative buyback among UNC system schools. This partnership will address the President’s Advisory Committee on Efficiency and Effectiveness (PACE) recommendation that the institutionally-operated stores form a consortium. Because multiple merchandise management systems and buyback practices exist across the campuses, a small manual pilot of all the institutional stores was tested with the December buyback. ASU, ECU, NCSA, NCSU, UNCA, UNC-CH, UNCP, and WCU provided their top ten desired titles, and textbook managers cross checked for common titles among stores. The commonality of titles was better than ten percent.

This means that of the top ten desired titles in the self-operated UNC system bookstores, use of common titles is about ten percent.

In the small manual pilot of the UNC buy-back consortium, 56 units across nine titles were purchased. As a result, some students' books were purchased from them at higher prices and others had more used books available to them to purchase at lower prices the following semester. There are several conclusions from these pilot endeavors:

1. The concept — which is to let students sell to other students through the campus bookstores of the system — is successful, but needs to be extended to the full list, which can be several thousand titles per school. Even a 10% hit rate on thousands of titles would produce significant savings to University of North Carolina students.
2. The challenge will be to work towards a common software solution, which all institutional stores can use. Three already use the same system—East Carolina University, North Carolina State University, and UNC-Chapel Hill. ECU has just installed their textbook module. NCSU and UNC-CH have more experience with that system and will pilot a real time, shared buyback, across all titles in May 2007. This will allow a better understanding of the potential of full integration of the buyback, as well as process and other challenges which need to be understood before the entire group can integrate their buying and selling of textbooks during the buyback period.
3. The institutional stores began the process of team building, sharing of information, and building on each other's strengths. Those ten stores will repeat manual buyback listing of ten titles this May (along with the full test by NC State and UNC-Chapel Hill).
4. The self-operated or “institutional” stores will also pursue a plan for a deeper integration of buyback titles, beyond just the top ten across stores, for the Fall semester buyback period.

An example of additional positive outcomes from the meeting and information exchange include the fact that it has led UNC-Chapel Hill and North Carolina School of the Arts to establish a collaborative relationship in which UNC-CH will aid NCSA in obtaining both new and used books. The NCSA Store Manager sent book orders to UNC-CH in November. UNC-CH placed the book orders on behalf of NCSA. For NCSA, it has allowed the small staff to focus on buy-back efforts including holding a buy back during the fall term which has never been done before. This cooperative venture has the possibility of providing NCSA with more used books to sell to its students and also providing them with cash back earlier in the year to “reinvest” in educational expenses later in the year. NCSA will also be able to pay publishers on UNC-CH's payment terms, which provide that payment can be made after the start of the semester. Commissions will also be higher for NCSA when books are sold to wholesalers through the arrangement with UNC-CH.

***“Campuses should also consider forming collaborative committees of bookstore staff, faculty and students to examine campus policies, create strategies for sharing of information related to textbook costs and promote best practices regarding textbook adoptions, orders, purchases and rentals.”***

All sixteen campuses either already had a textbook committee or have established one since the report of the Subcommittee. Most campuses (FSU, NCA&T, NCCU, NCSA, NCSU, UNCC, UNCG, UNCP, WCU, WSSU) also indicated that their committees are currently or will become standing committees of their university, thereby ensuring continued efforts to improve sharing of information related to textbook costs. Campus committees studied available research on the causes of high textbook prices and solutions to mitigate the high costs. Campus committees always included students, faculty, staff and administrative representatives.

Examples of some of the committee structures and processes are well-represented by those at East Carolina University and Fayetteville State University. ECU formed a task force, “The East Carolina Coalition for Affordable Textbooks” that includes members representing the Parents’ Council, Faculty Senate, Student Government Association, Advising Center, Student Life, Financial Aid and the Student Stores. At FSU, a task force on reducing textbook costs was established by Chancellor Bryan on January 25, 2006. The task force included faculty, staff, and students from across campus. An interim report of the group was presented to the Academic and Personnel Committee of the FSU Board of Trustees on March 23, 2006, and the final report was given to the Chancellor on March 31, 2006. The recommendations were also presented to the faculty at the General Faculty meeting. In the fall of 2006, the task force was reconstituted as a standing committee.

***“Campuses should endeavor to make extensive information available to students and faculty regarding the factors that affect textbook purchase/rental prices and the prices paid when students sell used books back to the store.”***

The campus reports contain many findings, creative approaches, and “best practices” to address this recommendation and multiple ideas about using these to lower the cost of textbooks. In most instances, the committees discussed in the prior response were vitally important in the efforts to make information more available and more effective in the campus environment. There were several major areas of emphases and multiple “best practices” developed by campuses in this regard.

- ❖ **Efforts to increase campus communications between various constituencies on the issues can help decrease the cost of textbooks.** Almost all campuses noted positive results from the work they did to connect faculty, student, staff and administrator teams to increase knowledge about the issue of textbook costs, discuss the factors that lead to high textbook costs, and develop solutions to help decrease the cost of textbooks. Campuses were able to create “team” environments where students, faculty, staff, and administrators could all work together in lowering the cost of textbooks. This increased information and awareness worked to dispel misconceptions, educate constituencies, and find solutions.

1. On-time Textbook Adoptions – Increased information and materials to explain to faculty and students about the importance of on-time textbook adoptions for the following semester and why the adoption deadlines are important to the price students pay for textbooks. Campuses also developed new processes to make book adoptions easier and more convenient. Previously, due dates for textbooks were sometimes not well-received, and thus late adoptions negatively impacted the price of textbooks to students. Earlier adoptions help bookstores locate more used textbooks to make available to students, have time to talk with faculty about the possibility of selecting less expensive alternatives, and to optimize options like the sales tax holiday.

Several methods were examined and used to accomplish the result of more on-time textbook adoptions, including:

- a. setting a clear deadline and communicating that deadline, along with the reasons to faculty in multiple formats, including websites, newspaper articles, emails, etc. Some campuses also provide previous adoptions and cost information in those courses (ASU, ECU, FSU, NCA&T, NCCU, NCSA, NCSU, UNCA, UNC-CH, UNCC, UNCG, UNCP, UNCW, WSSU);
- b. enlisting help from departmental assistants or “liaisons” to help with increasing timely adoptions (NCSA, UNCC, UNCG, UNCP, UNCW);
- c. emails and memos from the Chief Academic Officers and Faculty Senate to faculty to encourage timely textbook adoptions (ECU, FSU, NCA&T, NCSA, NCSU, UNCP, UNCW, WSSU);
- d. emails, memos, and direct contacts to faculty from the bookstore reminding them to get orders in, also including descriptions of how their adoptions affect prices to students (NCA&T, NCSU, UNCA, UNC-CH, UNCC, UNCP, UNCW, WSSU);
- e. incentives/contests for faculty, departments and departmental assistants/liaisons, such as offering departmental scholarships that can be given to students or incentives to liaisons to assist with getting orders in (ECU, UNCC, UNCP);
- f. providing information to the campus news sources (student newspapers, faculty and staff newsletters, etc.) about textbook adoption cycles and the linkage of that to textbook costs to students and resulting savings to students (ECU, NCSU, UNCC, UNCG, UNCW);
- g. additional information sheets and explanations included with faculty textbook adoption forms (ECU, NCSA, NCSU, UNCC, UNCW);
- h. make textbook expenses a topic during faculty meetings (FSU, NCSA, UNCA, WSSU);
- i. conduct meetings with deans and department chairs where the Provost and/or bookstore shares information on textbook costs or the departments are notified of outstanding book requisitions (FSU, NCA&T, UNCA, UNC-CH, UNCC);
- j. encouraging discussions between departments to mitigate reasons why textbook adoptions were not possible in time for deadlines - earlier class listings so that faculty know what courses they will be teaching and can coordinate this with the book adoptions cycle (UNCP);

- k. focusing additional efforts on academic departments where more on-time adoptions would result in the greatest reduction of student costs (NCSU, UNCC);
- l. make adoption submissions easier by accepting online, phoned-in, faxed, or emailed adoption forms (UNC-CH, UNCC, UNCG, UNCP, UNCW);
- m. make additional information/marketing available to students to promote used books and make it more convenient for students to sell books back (UNCC);
- n. facilitate communication between students and faculty to reduce assignment of materials that are not used in classes (WSSU); and
- o. public thanks given to constituencies for their efforts and document resulting savings to students (UNCC, UNCG, UNCW).

Campuses should be commended for these extra efforts to increase on-time textbook adoptions, since on-time adoptions allow bookstores to locate more used copies of the textbooks for students, give students more money back for their textbooks, therefore lowering the net price of books.

Fruits of these labors include:

- ECU documented an increase in on-time adoptions of textbooks from 50% to 75%.
- UNCC reports that adoption rates have increased significantly and for two consecutive fall semesters the general adoption rate has been 100%. UNCC instituted “Best Value for Your Books” campaign to students to guarantee matching any buyback amount students are offered at local competitors and set up additional, more convenient, buyback locations at more popular times of the day. These efforts resulted in an increase of 30% in buybacks over the previous semester at UNCC. UNCC also determined that its current web-based textbook reservation system for students could be greatly enhanced by integrating it with UNCC’s course registration system. The university hopes to have this operational for the Fall 2007 enrollment process, so that a student who wants to order books online can have his/her “shopping cart” populated automatically with the textbooks that have been adopted for their courses. This may eventually help ensure that more students have the textbook by the first day of classes and help students access more used books.
- UNCG observed that not only do earlier adoptions help the bookstore offer more to students in buyback and provide more used copies to students the next semester, it also allows the bookstore to take advantage of discounts and low-cost shipping alternatives, therefore further reducing costs to students.
- UNCP found that a barrier to on-time adoptions was the conflict between deadlines for class schedules in the registrar’s office and the bookstore’s textbook adoptions. As a result, both offices are now working together to coordinate the two deadlines.
- UNCW reports that 90% of Spring 2006 textbook orders were received prior to fall final exams, thereby significantly increasing the amount that the bookstore was able to pay back to students for their books. UNCW was also able to use successes achieved in early adoptions to increase the buy-back amounts by 40.8% from academic year 2003-04 to 2005-06.

2. Considering Cost as a Factor in Textbook Selections – Encourage campuses to educate faculty and students about practices that affect the cost of textbooks and materials being considered and **if possibilities are equally sound pedagogically**, ask them to choose the lower cost alternative.
  - a. inform faculty of increased textbook costs associated with bundled materials (ECU, NCA&T, NCSA, NCSU, UNCA, UNC-CH, UNCG, UNCP, UNCW);
  - b. consider longer adoption cycles within existing textbook purchasing systems (NCA&T, NCCU, UNCG); ask faculty to consider keeping older versions when new editions become available but have little new content (ASU, NCA&T, NCSA, NCSU, UNC-CH, UNCG, UNCW); and/or suggest delaying adoption of new editions for a semester so that more used copies are available (UNC-CH);
  - c. consider the adoption of a standard personal response system, or “clicker” on campuses where the faculty desire to use that technology – thereby ensuring that a student will not have to purchase multiple clickers by different manufacturers (UNCC);
  - d. use technology to contact all students and notify them of ways to save money on textbooks (FSU contacts students through Banner, UNCC sends emails through the student portal);
  - e. provide information to faculty and students about the use of low-cost, open-source and digital/online materials available for use in the classroom (FSU, NCSU, UNCW, WSSU);
  - f. encourage departments to explore the use of other low-cost textbook alternatives and inform faculty of these (FSU, NCSU, WSSU);
  - g. provide information to freshmen and their parents/guardians at orientation or sometime before their first semester (NCA&T, NCSU, UNCC);
  - h. use a common textbook when multiple sections of the same course are offered (NCCU, UNCW, WSSU);
  - i. consider custom published textbooks if is more cost-effective and will provide greater overall “use rate” of materials purchased by students (NCCU, WSSU);
  - j. encourage faculty to only require a textbook if it will be used in a substantial way (NCSU);
  - k. ask faculty to donate desk copies to library reserves (NCSU); and
  - l. make information available online to faculty and students about what factors affect textbook pricing (NCSU).

Results from these endeavors include the following:

- At Fayetteville State University, at least fifteen courses are using open-source and other free-of-charge materials in lieu of traditional textbooks. FSU also reported that instructors in more than sixty courses ordered older editions of textbooks or allowed students to choose either the newer or older editions of textbooks in a course. Faculty made this even easier for students by notifying them through email about sources for these books, class syllabi and electronic announcements. According to a survey of FSU students conducted in the fall of 2006, about one in four classes offered a low-cost textbook alternative to the students. Finally, many FSU faculty contact students through Banner with statements such as the following:

“The required text is \_\_\_\_\_. You can use either the 16<sup>th</sup> edition or the 15<sup>th</sup> edition. Note that the differences between the 15<sup>th</sup> and 16<sup>th</sup> editions are very small and insignificant for the purposes of the course. You might want to check out some online discount bookstores that sell the 15<sup>th</sup> edition at a very low price (suggestions given for websites).”

- North Carolina A&T State University’s Nursing program previously conducted a three-year pilot program for the use of digitized text. The program was considered successful but was not continued due to prohibitive cost.
- North Carolina State University Bookstore offers lower cost online alternatives such as a digital textbook subscription service that allows students to save as much as 40 to 50% by subscribing to online versions instead of purchasing print versions. Subscriptions are time-limited. While students save on upfront costs under these options, they cannot take advantage of buyback. At the current time, there are a limited number of digitized titles available, but there are more added each year. NC State also offers a free online library resource for students which allows them to view reserves and other online resources for courses in which they are registered. NCSU indicated that electronic reserves are emerging as critical elements to a student’s education and are assisting in lowering the overall educational costs to students.
- UNC Asheville noted that one professor was able to develop on-line texts for three highly enrolled courses that resulted in savings of approximately \$43,000 per year and impacted 380 students.
- UNC Greensboro indicated that although interest in electronic or digital books as the required text has increased slightly at that campus, it has not reached a significant level of appeal to students or faculty. In addition, UNCG noted that these alternatives are not necessarily less expensive than traditional books since they cannot be re-sold or purchased used and are often not preferred over the traditional hard copy.
- At Winston-Salem State University, the store manager has agreed to report any request for textbooks which are not used by students. Students themselves may report this to the bookstore manager. At the beginning of the semester, the Provost communicates with all students, via email announcement, to report any incidents of purchasing textbooks or books that are not used in class. The Provost reports to the Dean when such incidents occurred and requires a written explanation on such incidents.

3. Textbook costs could also be lowered by reducing or eliminating sales taxes.

Four campus reports (NCA&T, NCSA, UNCC, and UNCW) documented current and future efforts to promote sales during North Carolina's sales tax holiday. By aggressive marketing and creative solutions, campuses have been able to generate 7.5% savings to students who may not be on campus during the tax holiday weekend. UNCC estimated that students saved \$30,000-\$40,000 during the 2006 fall semester through the purchase of textbooks during the sales tax holiday. Students at UNCW saved an estimated \$43,750 during the same tax holiday weekend.

Five campuses (ASU, ECU, NCSU, UNCG, UNCW) encouraged the Board of Governors and General Administration to pursue further sales tax relief on textbooks. Options might include: another tax holiday for college stores that would be later so as to maximize times that students typically purchase college textbooks; or a tax holiday at the beginning of the spring semester. The PACE Committee noted various options for this and gave a broad range in fiscal impact/cost savings depending upon the chosen method. It is noted that this item will be the topic of continued discussion through implementation of the PACE Auxiliary Working Group recommendations.

4. Comparison to Industry Averages – Bookstores should evaluate comparable local and national statistics on important cost indicators and factors so as to “beat” industry averages and result in decreased costs to students. Studying “best practices” would also allow campuses to implement strategies.

NC State was able, in 2003, to finalize the reduction of its textbook margins to 20%. (The college bookstore industry average is 25%). To date, this action has saved NC State students \$1.4 million. UNCC studied perceptions of campus bookstore pricing and found that students' perception was that pricing was higher at the campus store than at local competitors, and so the campus store instituted a “Low Price Guarantee” which has been well-received. In addition, the sharing of this report back to all campuses will help each evaluate their own efforts and successes against those of the other system institutions.

***“UNC campus bookstores should explore the option of holding wholesale buyback inventories for three to nine months instead of immediately selling to wholesale companies. Based on experience at one institution, bookstores often find out late that a book will be reused and therefore higher prices can be given to students.”***

This idea would not generally be applicable at bookstores which have rental programs (ASU, ECSU, WCU), since those would be organized more around their textbook adoption cycles rather than processes for selling and buying back books. WCU did express a desire to consider this recommendation within the context of supplemental and graduate student textbooks. It is a difficult recommendation to address in bookstores that are outsourced (FSU, NCCU, UNCC, UNCG, UNCW, WSSU) since those companies conduct their own internal processes for moving books between stores that they operate. UNC-Chapel Hill does this with a limited number of

books/courses and has experienced that they can sometimes offer books back to students as used in a later semester rather than discounting them down to sell to wholesalers. The remaining campuses, indicated that this was a difficult idea for them to implement in their current environments, for a variety of reasons: it would entail having available space in which to store the textbooks for the three to nine month period, would necessitate adding staffing or additional software applications, may lead to holding books past their useful life (particularly in disciplines where texts change rapidly).

***“Financial aid offices on each campus should regularly review average textbooks costs on their campus in order to ensure that the budget included in financial aid packages for textbooks is realistic.”***

Campuses currently use a variety of methods to estimate the average textbook costs for inclusion in the “average cost of attendance” data that are used for many financial aid decisions. Surveys to students, both formal and informal, are one method. Campuses also request information from the bookstores to evaluate the average costs. Campuses with rental programs use the rental fees as a basis, and all campuses include amounts for more general supplies and materials in the cost of attendance data. Most campuses currently use figures of \$800 to \$1200 per year for the average undergraduate student.

Most campuses (ASU, ECU, ECSU, FSU, NCA&T, NCCU, NCSU, UNC-CH, UNCC, UNCP, WCU, WSSU) either were already reassessing average textbook costs on an annual basis or have made the commitment to do that from this point forward. Four campuses, NCSA, UNCA, UNCG and UNCW, formally review the average textbook costs for financial aid purposes on a less frequent basis but do adjust for inflation in the intervening years. Their current reassessments of the entire “base” number happen every three to five years.

***“Faculty members should clearly communicate to their students regarding “required” versus “recommended” texts, and should endeavor to put texts on reserve in the campus library so as to increase options that are available to students. Campus libraries should provide faculty with timely and clear information regarding policies for putting materials on reserve so that they will be available to students when needed for coursework.”***

Faculty routinely document required versus recommended texts in the course syllabi. Furthermore, the campus bookstores generally ask faculty to delineate required versus recommended textbooks on the adoption forms. Bookstores then list required or recommended on the shelf tags so that students can distinguish when they are purchasing textbooks.

Faculty can make requests for any relevant material to be placed on reserve at the campus library. Forms, policies and processes are typically available both in an online format and through the library’s circulation desk. In most cases, the campus library, legal division, or administration handles any perceived issues of copyrighted materials placed on reserve. It is also not uncommon for a faculty member to place his or her personal copy of a required or recommended text on reserve at the campus library.

Evidence also suggests that the frequency of “e-reserves” at the libraries is increasing. This is a process through which the materials would be scanned or electronically saved and made available to students online.

Some campus libraries routinely place copies of required textbooks on reserve (FSU, WSSU). Many campuses encourage faculty to put desk copies on reserve (NCSU) either through resolutions of the faculty senates, policies of the university or recommendations from the Provost and Deans. Some campuses do not have enough capacity to put everything on reserve, and so focus on putting supplemental or recommended materials on reserve.

- ASU and WCU have rental systems, and thus, every undergraduate student receives a copy of the required textbook. Thus, the focus of reserve materials is largely on supplemental and graduate course texts. Information is provided to the faculty about putting supplemental texts on reserve.
- FSU places at least three copies of every required textbook on reserve.
- NCSA’s library tries to place any materials on reserve that are requested by faculty; The CAO is working with Deans to have faculty clearly specify required versus recommended materials and communicate to students where materials might be located (if, for example, on reserve). The campus has increased efforts to get more books on reserve.
- NCSU has a policy that requires faculty to distinguish required from recommended texts on the course syllabus. Textbooks may be put on reserve, but demand is always greater than the supply. NCSU’s Provost and the campus committee have recommended that desk copies be donated to the library reserve room.
- UNCC’s library has the ability to do e-reserves.
- The Dean’s Council and Bookstore Advisory Committee at UNCG will both be examining courses with numerous textbooks to ascertain if an excess number of books are being required, or if, in those classes, there is a lack of clarity in the designation of required versus recommended. It is expected that any problems will be addressed through this process.
- WSSU tries to put a copy of all textbooks on reserve and for larger core courses, makes an effort to put two copies on reserve.

***“Each campus should have a policy to address potential conflicts of interest in the use of faculty-authored books or sales of desk copies.”***

Campus responses on this recommendation were varied. Most campus conflict of interest disclosures require faculty to disclose any instance of assigning faculty-authored textbooks to students in their classes, however this is not universally true. On some campuses, the reporting is all that is required while others require a dean or administrative-level approval of this activity.

If the Board of Governors determines that it is important for all campuses to take a specific position, maintain a specific policy, or create new policies to address issues of faculty-authored texts or the use of desk copies, it is recommended that the issues be studied further, with appropriate input from faculty, legal staff, and others with expertise in these areas.

***“Campuses should examine providing students with the option of renting textbooks as a means of reducing the costs of education.”***

Three campuses are self-operated and have rental programs (ASU, ECSU, and WCU). These programs were begun at different times, have different rental rates, and are structured somewhat differently. All three of the programs cover undergraduate students only.

- Appalachian State University’s program began in 1938. The current charge per semester to each student is \$82 and ASU estimates that students also spend \$50 to \$70 per semester on supplemental books and materials not covered under the rental program. ASU currently has a required adoption cycle of three years for faculty adoptions of textbooks, but the university is moving towards a two-year adoption cycle. In 2004-05, ASU studied the possibility of abolishing the textbook rental system in favor of a textbook purchase system, based on a recommendation of the Faculty Senate. After careful study of the advantages and disadvantages, the study committee recommended keeping the rental system. It is noted that the committee also recommended two items for “additional flexibility” in the rental program – that the rental cycle be modified to allow for two-year adoptions and for each course to use up to two rental texts.
- Elizabeth City State University’s rental program began in 1972. The current charge per semester to each student is \$155, and the program provides all required textbooks for undergraduate students. Additional materials are sometimes necessary for students to purchase as supplemental materials. The required adoption cycle at ECSU is three years. During 2005, ECSU’s Textbook Issues Committee was charged with studying several issues concerning textbook purchase policies and textbook rentals. ECSU abandoned any plans to convert to a book purchase program and is continuing with the textbook rental program.
- Western Carolina University’s program began in 1944, and the current charge per semester to students is \$107 for students taking 12 hours or more; part-time students are charged a pro-rated amount. Supplemental materials (outside the rental program) and books for graduate student courses must also be purchased by students. The university estimates that total costs to undergraduate students for supplemental texts and workbooks vary from \$20 to \$80 per semester. The adoption cycle for textbooks at WCU is two years. Western’s program includes summer school courses in the rental system.

Findings from campus evaluations of the possibility of moving towards a textbook rental model include:

- ASU estimates it would take double the fee now if they were to set up a new program tomorrow (their fee builds on an investment made more than sixty years ago).
- ECU, NCCU, UNCA, UNC-CH, UNCP and WSSU studied schools with rental programs and evaluated the possibilities of using a rental system on their campuses. Considering storage requirements needed, lack of standardized software, loss of faculty freedom to choose different texts, desire for students to build a library of texts, changes in course content against required adoption cycles, and estimated startup costs, these campuses concluded that it was not a good idea for them at this time. In addition, concerns were

raised about the impact of rental programs on revenues that are currently used for student scholarship programs or for bookstore operations and capital needs. NCCU estimated that it might cost approximately \$2 million to begin a book rental program. UNCA estimated that it would cost \$400,000 to begin a partial rental program. WSSU noted that it would require a contract addendum or renegotiation with the vendor who operates its store.

- FSU had a rental program until it was decided, based on a unanimous vote of the Faculty Senate on Nov. 5, 2003 to discontinue the rental system. FSU's experience suggested that while a rental system can help keep costs down, it was not a panacea. However, FSU still considers reinstating a rental system to be one of its options. The university might choose to institute a different type of rental system: such as a partial rental system to apply to classes that all freshmen and sophomores must take and leave courses in students' majors outside the rental system or instituting a partial rental that applies only to certain courses. The university currently outsources its bookstore operations, and that company has suggested that a guaranteed buy-back might work for some courses. The company has also indicated a willingness to work with FSU to set up a new rental system or a guaranteed buyback.
- NCA&T considered the idea of rentals for core curriculum classes only but would like to assess impact of other changes first.
- NCSA's campus bookstore committee discussed in detail the idea of using a textbook rental system, but it was not viewed as feasible due to students' preference to keep their books, the specialized nature of many books, and the funds needed to begin a program.
- At NCSU, textbook rentals were examined by the Bookstore, Bookstore Advisory Committee, and the Provost. The participants concluded that rental is contrary to needs of STEM disciplines (up-to-date information is important); that most rental programs only provide one book per course and additional materials must be purchased by students; rental programs do not usually rent books for summer sessions, graduate courses or distance education; and the cost estimates are prohibitive (\$8.5 million for books plus another \$576K for additional operating requirements). NC State believes that in the next five to ten years, cost-effective digital technology solutions will result in significantly lower textbook costs and will therefore impact the perceptions of rental programs (NC State's student senate also studied the idea and concluded that a rental system was not the preferred model for them.) NC State is still evaluating the potential of a very limited rental program in non-STEM disciplines like large entry-level classes in the social sciences where rental fee would not be for all students but only on a limited, class by class basis. However, until full impact is determined, NCSU is proceeding with these studies very cautiously.
- UNCC engaged in a full dialog with the company to which its operations are outsourced. Models of a full rental program, partial rental, and guaranteed buyback were examined. As a result of their studies, UNCC has begun examining a modification of a rental program referred to as a "guaranteed buyback program." In this model, the student would purchase the book at a set retail price and be guaranteed a set buyback amount, even if they are the last student to sell the book back during the adoption period. This program would eliminate some of the inventory replacement and collection costs associated with the full rental program and could be implemented on a course-by-course

basis, provided that a department would agree to an adoption contract similar to the six terms needed in rental programs. UNCC is continuing to explore this option with the contract company.

- UNCG's Business and Academic Affairs divisions collaborated to consider this but concluded that it was better to pursue other options for reducing costs to students. UNCG is also pursuing the option of a "Guaranteed Buyback" plan; further study by individual academic units may result in identification of courses for which a rental option could be viable.
- UNCW's Bookstore Committee reviewed nine textbook rental programs in North Carolina and across the country; UNCW's research indicated that rental rates may be charged per credit hour (range = \$4.45-\$9.00); per course (range = \$25-\$75); or per semester (range = \$59-\$88). Adoption periods ranged from one year to four years. UNCW's committee recommended that the university consider establishing a pilot textbook rental program in which the bookstore and faculty would choose ten titles for the pilot. These ten titles would be available for sale or rental. If successful, the program could be expanded to include more titles. While this program is developing, UNCW would continue to explore the feasibility of a more complete rental system.

Campuses outlined the following lists of arguments for and against rental of textbooks:

- Arguments for textbook rentals:
  - costs students less;
  - all students have a copy of the book (no one goes without or tries to share to save costs) Note that FSU surveys indicated on average, students decided not to purchase a required textbook in 15.5% of their classes and 59.4% of respondents decided to go without a required textbook in a least one of their classes; and
  - strong student and parent approval; strong positive in marketing/recruitment – ASU reports a recruiting advantage due to textbook rental program.
- Arguments against textbook rentals:
  - expensive start up;
  - low faculty approval with conflict over limitations to the number of books per course and adoption time requirements;
  - not as flexible to changes in curriculum;
  - hard for new faculty who were not part of selection process;
  - students must be charged replacement costs if books are not returned;
  - books may not physically last through rental cycle;
  - storage space requirements;
  - staff needed for distribution and collection of rental books;
  - works against a culture of book ownership;
  - students must still purchase supplemental materials;
  - some programs have little flexibility if a previous instructor selected an inappropriate textbook;
  - can entail cumbersome systems that require additional staffing or software;
  - faculty may have less incentive to select low-cost alternatives; and
  - student compliance to return books can be difficult.

There are additional variables in the consideration of textbook rental programs for which some exploration has been done but there are no conclusive answers at this time. For example:

- multiple analyses about the initial capital investment required to set it up and the ongoing costs to operate;
- need to assess issue of accompanying materials like online supplements and “clickers;”
- multiple decisions need to be made about such questions as applicability of rental programs for summer sessions, required adoption cycles, etc.;
- determine how to deal with revenues from sales that currently go to bookstore operations, capital funding for bookstores, and most importantly, student scholarships—for example, would there be lower contributions to scholarships or could rental fees be high enough to cover those or could scholarships be lower if textbook rentals were in place?
- what is feasibility with current contracts – could they be renegotiated?
- would a rental program preclude movement into a digital environment if the industry moves quickly in that direction?
- impact of rental on privately owned bookstores

It is also important to note that many campuses responded that if many of the requirements included in rental programs (minimum lengths of textbook adoptions, restrictions on bundling, etc.) were applied to the existing purchase programs, that the result may prove more efficient, and certainly more flexible than the full rental option.

### **Summary and Recommendations:**

This report to the Board of Governors can be summarized in the fact that campuses have worked diligently in the last year to engage in a variety of efforts to reduce students’ textbook expenses. In reality, the efforts of the past year are just beginning to yield results. Most campuses indicated that the sharing of additional information generally resulted in faculty being very agreeable to considering options for reducing the costs of textbooks to students. Many campuses reported increases in buybacks, increased adoption rates, overall sales revenue increases and stabilizing or decreasing costs to students. Campus awareness and understanding of textbook affordability issues have improved greatly.

The following additional recommendations are, therefore, presented for consideration by the Board of Governors:

1. Each campus committee must continue; their efforts have resulted in good alternatives, solutions, and increased education. Faculty, student, staff, and administrator turnover makes it important to keep publicizing the issues and working to solve them. There needs to be an on-going, collaborative, frequent, public effort to encourage everyone with a part in the process to do what they can to decrease the costs of textbooks. Campuses are to continue the excellent work of increasing communications and flow of information about issues surrounding the costs of textbooks. Campus committees should monitor campus activities regarding additional recommendations of the Board of Governors and should also consider other options that could be done at the campus level, such as making available to faculty a list of available open-source materials as options to assigning textbooks.

2. Bookstore managers should meet at least quarterly, to discuss the UNC buyback consortium, other best practices, and opportunities for improvements. It may be desirable or necessary to subdivide the group into smaller ones, on the basis of their bookstore models (self-operated or outsourced). UNC-General Administration should work with the group and provide any necessary support. Ask this group, after further information is available from the buyback consortium, to study if additional benefits could be gained from consortial purchasing of textbooks, as was endorsed by the PACE Committee.
3. The PACE implementation effort should continue to consider the various options for possible exemptions or changes to the sales taxes currently charged for textbooks. The PACE workgroup on Auxiliary Services recommended a medium to long-term opportunity to amend G.S. 105-164.13 to exempt textbooks from sales tax, or to amend G.S. 105-164.13C to remove the textbook price cap and establish sales tax holidays that more closely correspond with the start of the fall and spring semesters. Estimated savings to students from books purchased at UNC stores are \$4 million annually for a complete sales tax exemption and \$1.5 million if the fall sales tax holiday were moved closer to the start of the fall semester and another holiday was implemented for the spring semester.
4. All Chancellors should support existing efforts and do what is necessary to ensure 100% on-time adoptions of textbooks. This goal would be met no later than 2008 spring semester adoptions. Campuses shall report their on-time adoption rate to the Vice President for Finance in any request submitted for increases in tuition or fees.
5. Likewise, campus requests for increases in tuition or fees must be accompanied by a calculation of average textbook costs for undergraduates on their campus. General Administration will define a standard methodology for this calculation.
6. By January 2008, all campuses must have a guaranteed buyback or rental of the required textbooks for introductory courses. This should be an option available to students, in addition to the continued option to purchase texts for these courses. Campuses must offer this option for introductory texts that are hardcover and would withstand a two to three year cycle. Campuses must make an effort to implement this system for courses that are introductory level and taken by a relatively high percentage of students. A response to this recommendation must also be reported to the Vice President for Finance in any future request submitted for increases in tuition or fees.