

# **Report and Recommendations of the Subcommittee Reviewing the Cost of Textbooks**



## **The University of North Carolina Board of Governors**

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**January 12, 2006**

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In March 2005, Mr. Jim Phillips, Chairman of the Committee on Budget and Finance, appointed a Subcommittee charged 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, 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. In each of these meetings, the Chairman sought input from Board members, staff from General Administration, faculty, students, and bookstore managers. The topics covered in each meeting were as follows:

At its first meeting on July 5, 2005, the Subcommittee reviewed the following materials:

*The Costs of Textbooks: An Examination of the Issues*

*Ripoff 101: How the Current Practices of the Textbook Industry Drive up the Cost of College Textbooks*

The Subcommittee also heard from Senior Vice President Gretchen Bataille regarding proposals made by the chief academic officers and others regarding ways to reduce the costs of textbooks to students. “Best practices” proposed were:

- Campuses should review their policies governing textbook orders, purchases, rentals, etc. to ensure that all policies are consistent with sound practice—on-time orders, opportunities to put books on reserve, and bookstore policies.
- Campus bookstores might address the cost issue by supporting collaboration among schools in initiatives such as a buy-back consortium. One campus had offered to support a pilot project of this nature.
- Bookstore staff should be trained to intervene when orders were placed for bundled materials, new editions with minimal new information, etc.
- Libraries should assist in posting information for faculty and students about policies for reserve materials, particularly for “recommended” texts.
- Campuses should establish policies to address potential conflicts of interest in the use of faculty-authored books or sales of desk copies.
- Financial aid offices should ensure that the budget for textbooks was realistic. At UNC-CH, this amount was \$900 for undergraduates and \$1,000 for graduate students, and students who demonstrated that the costs were higher could request an adjustment in aid. Average textbook costs needed to be reviewed on a regular basis and the financial aid budgets adjusted as necessary.

At the Subcommittee's second meeting on August 12, 2005, the group reviewed information from all the campuses as submitted by the CFOs and addressed the following questions:

1. Is your bookstore outsourced or do you operate it?
2. If you operate it, is it "for profit" or "not for profit?"
3. What sum was generated in "profits" last year (2003-04) by your bookstore and how were the profits used? Is there a general campus policy that outlines how the profits will be used? If there is a policy, please provide a copy of it.
4. Do you have policies on bookstore operations – for example, a policy to guide faculty in ordering textbooks, a policy on when a professor may use his/her own book, etc.? If you do, please provide a copy of the policy.
5. Do you have a buy back policy? Please provide a copy of the policy or a description of the practice. Who makes decisions about buying back books?
6. Do you have a book rental policy? If so, what is the rental cost for students each semester? Are all books covered or only those for lower division courses?
7. What books were assigned to your beginning calculus course, beginning biology course, and beginning chemistry course during the spring semester (2005) and what did students pay for the books?
8. Have you had any feedback about the bundling of products (textbooks with cds, etc.) that would be helpful for the task force to be aware of?

After reviewing this information, the Subcommittee discussed ways to ensure that faculty turned in their orders on time for each semester, so as to help minimize the costs of the textbooks for students. Another idea discussed was cooperative buying among bookstores, since larger orders might generate reduced prices. The Subcommittee agreed that the next meeting would focus on presentations by several campus bookstore managers.

On October 3, the Subcommittee invited Bookstore Managers from three campuses (NCCU, UNC-Chapel Hill, and UNC Wilmington) to address the group. Several ideas surfaced at that meeting to aid in the effort to help reduce the cost of textbooks:

- Increasing efforts to get faculty to turn in book orders in a timely manner, which helps by aiding the bookstores in acquiring limited numbers of used textbooks on the market and, therefore, makes more used (and therefore lower priced) textbooks available to students.
- The effort to ensure faculty get textbook orders in on time could be aided by support from Provosts to communicate the importance of timely book ordering, timely establishment of class schedules, and dissemination of due dates for textbook orders.
- Providing more information and better communications to both students and faculty about the circumstances that influence the prices of textbooks and actions that can help reduce costs of textbook purchases and increase the value of textbooks at buyback time. At UNCW, for example, faculty were informed of the dollar amount increases in

buybacks to students that were made possible by the increases in faculty book lists being turned in on time.

- Work to find ways to increase the buying and reselling of used textbooks overall.
- Using “packaged” or “bundled” materials only when the additional materials prove valuable to students in their coursework.
- Manage the use of new editions or changes in titles/texts to the extent that it does not affect the students’ learning experience. Not changing to a new edition or changing texts completely generally means that more used texts are available and also usually means that students pay lower prices.
- Leverage wholesale selloffs to establish a first-tier relationship with the wholesaler so that the campus gets a higher priority on used book orders.
- Using informed, speculative retail buyback, and used book contingent orders, so as to guarantee or “hold” used books.
- Confront publishers (perhaps with the entire Association of Governing Boards) to pressure them to produce less expensive editions and end the system of international tiered pricing.
- Encourage bookstores on multiple campuses to share book lists so that books might be shared, sold, and bought back between campuses when possible. This may extend to the exploration of brokering a consortium of bookstores in North Carolina for purchasing of textbooks and implementing a consortium-wide buyback system.
- Encourage academic officers to actively promote earlier textbook adoptions by faculty.
- Coordinate with the Association of Governing Boards to initiate an effort to minimize the cost of textbooks.

At its meeting on November 10, the Subcommittee heard from Dr. Killingsworth, who spoke on behalf of the Faculty Assembly. She discussed on-going faculty-senate committee activities. The next Faculty Assembly meeting was scheduled for November 18. After that meeting, there would be recommendations coming to this committee from the Faculty Assembly. Mr. Wynne was asked to speak on behalf of the Student Government Association and he endorsed and stated appreciation for the efforts of the bookstore managers.

The Subcommittee also heard from Mr. John Jones, Director of Campus Merchandising at UNC Chapel Hill. Mr. Jones had discussed his perspective with the Subcommittee on October 3 and the Chair had asked him to return for a second meeting. There were two issues that everyone had recognized in all the discussions: (1) faculty should recognize the timelines for book orders and (2) the bookstores should communicate more freely with the faculty. In the end, the committee asked Mr. Jones to provide the Subcommittee with his written recommendations.

The Subcommittee then received a report on contacts that had been made with the Association of Governing Boards. Questions regarding the issue of the cost of textbooks had been posted to the discussion board for that group and responses were to be received by Associate Vice

President Ginger Burks. The Subcommittee would be updated as information became available.

After considerable study and research, the Subcommittee Studying the Cost of Textbooks makes the following recommendations:

1. 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. This might incorporate efforts already underway at some campuses, including:
  - a. extensive campaigns to inform faculty of alternatives, such as digitized materials licensed for campus use or the potential for adoption of electronic textbooks;
  - b. establishing a deadline for faculty to turn in book orders on time to ensure that books can be ordered in time to take advantage of discounts and low cost shipping alternatives;
  - c. encouraging faculty to carefully consider the additional textbook costs associated with bundled materials or new editions with minimal new information (therefore, perhaps continuing to use an older edition or an unbundled option so more used texts are available);
  - d. working with departmental assistants to facilitate timely orders of textbooks by faculty members and/or developing multiple strategies to promote timely textbook adoptions through such mechanisms as websites, email, phone, fax, and on-site orders; and
  - e. documenting and disseminating information regarding the successful financial outcomes for students based on the measures that have been implemented.
2. 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.
3. Each campus should have a policy to address potential conflicts of interest in the use of faculty-authored books or sales of desk copies.
4. Financial aid offices on each campus should regularly review average textbook costs on their campus in order to ensure that the budget included in financial aid packages for textbooks is realistic.
5. 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.

6. 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 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.
7. 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.
8. Campuses should examine providing students with the option of renting textbooks as a means of reducing the costs of education. The result of this examination and proposed campus actions should be presented to the President when submitting requests for campus-initiated tuition increases and fee increases for the 2007 academic year.
9. 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. The President is authorized to promulgate regulations he deems appropriate to implement these recommendations.