

FOLLOW UP ON THE COST OF TEXTBOOKS

EXECUTIVE SUMMARY

BACKGROUND

The UW System Office of Operations Review and Audit finalized a program review entitled, “Textbook Costs in Higher Education” in April 2007. This review, which was requested by the Business, Finance, and Audit Committee, identified factors driving textbook cost increases and identified strategies that UW System faculty, students, and institutions could use to control textbook costs.

The report recommended that each institution involve faculty, students, bookstore managers, and others in examining textbook selection and selling practices, with the goal of choosing and implementing cost-saving strategies for that institution. At the request of the Business, Finance, and Audit Committee, in December 2007, an update was provided on strategies UW System institutions had adopted to control textbook costs and additional strategies they anticipated adopting in the future. This is the second progress report on such initiatives.

REQUESTED ACTION

For information only.

DISCUSSION

When evaluating strategies for addressing textbook costs, each UW System institution needs to consider the environment in which it operates. Several UW System institutions require students to purchase textbooks, while others operate textbook rental programs, in which student segregated fees cover the use of most required textbooks. A variety of business models are also used for the operation of university bookstores. In all cases, existing contracts and relationships need to be considered when evaluating approaches to reduce textbook costs and the timeframe in which they can be accomplished. In addition, legislative requirements may play a role in the strategies and priorities that UW System institutions establish for implementing cost-saving initiatives.

Textbook Rental Programs

The National Association of College Stores estimates that nationally, only one percent of institutions offer a textbook rental program. However, at the time of the initial Office of Operations Review and Audit review, seven four-year UW System institutions and two UW Colleges operated textbook rental programs. The segregated fees for these programs for the 2004-05 academic year through 2008-09 are provided in Table 1. Given that estimates to purchase all books and supplies ranged from nearly \$650 to \$900 per academic year in 2003-04, the UW System textbook rental programs have often been cited as a model for controlling textbook costs for students.

**Table 1: Annual Textbook Rental Fees at UW System Institutions
Academic Years 2004-05 through 2008-09**

UW SYSTEM INSTITUTION	2004-05	2005-06	2006-07	2007-08	2008-09
Eau Claire	\$154.00	\$161.00	\$168.00	\$168.00	\$174.00
La Crosse	148.61	152.00	157.00	157.00	157.00
Platteville	136.00	140.00	140.00	140.00	140.00
River Falls	118.00	118.00	123.30	133.30	143.30
Stevens Point	130.80	130.80	130.80	130.80	130.80
Stout	129.05	135.14	141.23	151.80	157.50
Whitewater	120.00	124.80	127.68	130.80	134.64
Barron	120.00	120.00	121.36	130.00	134.80
Richland	123.00	123.00	127.00	131.90	132.90
Average	\$131.03	\$133.83	\$137.91	\$141.51	\$144.99

Though students may need to purchase some supplemental materials and textbooks under a textbook rental program, some UW System institutions attempt to minimize these purchases. For example, UW-Platteville limits a student's required purchases to \$7 per credit.

Two UW Colleges have recently initiated pilot textbook rental programs. In the December 2007 update report, it was noted that UW-Marshfield/Wood County was offering a textbook rental program for select math courses. For the 2008-09 academic year, UW-Marshfield/Wood County staff indicate that almost every academic discipline on campus is participating in the program at some level. Staff estimate that 45 to 50 percent of all courses currently offer a rental option, but the goal is to have an 80 percent participation rate. Participation in the rental program requires a six-semester commitment to use the same textbook. The UW-Marshfield/Wood County rental rates vary by course and are set at 25 percent of the textbook's replacement cost.

Following UW-Marshfield/Wood County's lead, for the current academic year, UW-Sheboygan is piloting a textbook rental option for one math course. For this course, students have the option of renting the textbook for \$35, while the retail value is \$120.

Textbook Purchase Programs

Within the UW System, UW-Green Bay, Madison, Milwaukee, Oshkosh, Parkside, Superior, and the majority of the UW Colleges continue to require students to purchase textbooks. Students' actual textbook costs at these institutions depend on several factors, such as the number of enrolled credits and courses taken. As a result, the institutions' estimated costs of attendance include varying amounts for textbooks and supplies, ranging from \$500 for the 2008-09 academic year at UW-Oshkosh to \$990 at UW-Madison.

While rental programs have been considered on these campuses, they have not been implemented. The primary reasons for not doing so include the significant start-up costs and the potential limitation of textbook choices, since rental programs typically require a four- to six-semester commitment to use a book.

However, all UW System institutions are concerned about the cost of textbooks and, for the 2008 fall semester, UW-Milwaukee is piloting a guaranteed buy-back program. UW-Milwaukee refers to this program as "a bridge to a pilot rental program." Though there is no long-term commitment to use textbooks, this program, which consists of approximately 20 titles, offers students purchasing books in select courses (primarily 100, 200, or 300 level) the foreknowledge that they can be sold at semester-end for 50 percent of the new book cost. UW-Milwaukee staff indicated they anticipate continuing this program as long as it remains sustainable or until a trial rental program is initiated.

Other initiatives to control textbook costs are centered on promoting early textbook-adoption decisions, educating students and faculty regarding textbook costs, and providing alternatives to traditional textbook purchases, such as textbook swaps and library reserves.

Early Textbook Adoptions - As noted in the initial program review, several bookstore managers indicated that the single most effective strategy for reducing textbook costs may be faculty making textbook adoption decisions as early as possible. Early decisions give the bookstores time to extensively shop the used textbook market. In addition, bookstores are able to offer students the maximum amount for their used textbooks if bookstores are informed that an instructor plans to use a textbook again.

To encourage instructors to make early adoption decisions, UW System institutions have reported undertaking different initiatives.

- UW-Milwaukee developed an early-adoption campaign. The focal point of this campaign has been a notice hung on office doors, reminding instructors that early adoption could save UW-Milwaukee students money. Other components of the campaign have been mass emails and group presentations.
- UW-Parkside's efforts include developing an online textbook adoption process, conducting personal visits with departments and faculty offices and with new faculty, and sending focused emails to faculty and teaching academic staff.
- UW-River Falls' early-adoption efforts have resulted in more adoption decisions being made in a timely manner. For the fall 2007 semester, approximately 60 percent of textbook adoption decisions were made by July 1, while nearly 79 percent of the

decisions were made by July 1 for the fall 2008 semester. UW-River Falls staff noted that this increase in timely decisions allowed more purchases to be made from the used textbook market.

- UW-Whitewater notifies instructors electronically when adoption decisions are due and provides instructions for online ordering. Follow-up announcements are sent shortly before the due date and if necessary, subsequent to that.

Education Regarding Textbook Costs - Several campuses are also pursuing ideas to provide additional information on textbook options to students and instructors. For example, to help educate students about textbook costs, UW-Green Bay developed an informational brochure for students regarding textbook purchase options. UW-Madison Libraries updated their “Tips to Students” brochure and posted it on their website. The UW-Madison Vice Provost for Teaching and Learning also sent an email to all faculty and instructors prior to the fall 2008 semester with tips and guidelines on their role to help students manage textbook costs. According to UW-Madison staff, a similar email is anticipated prior to the start of each semester. UW-Platteville monitors textbooks that receive little or no use during a semester, as reported by students on course evaluations, and shares that information with the schools.

Alternatives to Traditional Textbook Purchases - Several campuses identified initiatives that are potentially lower-cost alternatives than purchasing traditional textbooks. These initiatives include electronic books (e-books) and library reserves.

Several UW System institutions reported that the form, content, and means of delivery of e-books are still under development, and the general demand remains light. However, due to changing technologies and student preferences, some campuses offer e-book options. Beginning in the fall 2008 semester, approximately 30 e-books were available to UW-Green Bay students at a cost generally lower than used books. UW-Oshkosh reported making e-books available for two courses. Ten percent of the students selected the e-book option for one course, while one percent of the students in the second course chose an e-book. UW-Superior students may currently choose between a traditional textbook and an e-book for three classes. In addition, UW-Superior has started discussions to provide e-books to students in distance learning classes.

Another approach to reduce textbook costs is to place textbooks on reserve at libraries. Several campuses reported purchasing textbook copies for high-enrollment courses and placing them in library reserves.

Textbook Legislation

In recent years, several states, including Wisconsin, have attempted to legislatively address increasing textbook costs. Assembly Bill (AB) 883 was introduced in Wisconsin’s 2007-2008 legislative session. Though it failed to pass, AB 883 would have required textbook publishers to provide the textbook price and history of revisions to instructors at institutions of higher education. Efforts to reduce textbook costs were also included in the federal College Opportunity and Affordability Act, which reauthorized the Higher Education Act and was signed into law in August 2008.

In accordance with the College Opportunity and Affordability Act, higher education institutions will be required, effective July 2010, to disclose in their course schedules the International Standard Book Number (ISBN), which is unique to each title, and retail price information for every required and recommended textbook. The intent is to inform students of textbook costs prior to their registering for a class and allow them to shop for less expensive options online or elsewhere. Institutions may indicate that the ISBN and price information is “to be determined” if they are unknown at the time the course schedules are set.

Several UW System institutions already provide this information in some form. For example, UW-Green Bay’s student government website posts the ISBNs. In late 2007, the UW-Milwaukee Bookstore began providing all available ISBNs and edition detail on course materials reported by faculty. UW-Oshkosh and UW-Madison began offering similar information for the spring 2008 and fall 2008 semesters, respectively.

The College Opportunity and Affordability Act also places two requirements on textbook publishers. First, publishers are required to offer all “bundled” textbooks and supplemental materials for sale as separate items. Since supplemental materials are occasionally not needed for a course but provided as one package with a textbook, unbundling the items may reduce a student’s cost. Second, publishers must provide faculty with information on price, copyright dates of the three previous editions, any substantial revisions between a new edition and prior iterations, and whether the textbook is available in any other format and at what price. By providing this information, the intent is that instructors will be more cost-conscious when selecting textbooks.

Conclusion

The seven four-year UW System institutions and two UW Colleges that operate full textbook rental programs have been cited as models for controlling textbook costs, with annual rental fees ranging from nearly \$131 to \$174 in the 2008-09 academic year. Two additional UW Colleges have recently implemented some type of rental program as well. Many of the remaining UW System institutions have considered such programs, but indicate they are unable to implement them, largely due to the necessary start-up costs and limited textbook options. Other strategies identified by UW System institutions primarily focus on early textbook adoption decisions by instructors, education regarding textbook costs, and alternatives to traditional textbooks.

In the future, UW System institutions will determine whether additional textbook disclosures are needed to meet new federal requirements. UW System institutions indicated they will also continue to evaluate the success of their implemented strategies and assess any new approaches for containing textbook costs.

RELATED REGENT POLICIES

None.