

**Rutgers University Senate
Student Affairs Committee
Response to Charge S-1402
(Cost of Textbooks)
February, 2015**

Charge S-1402: Examine the current practices involving purchasing and cost of textbooks, and investigate possible solutions to mitigate the costs. Consider previous Senate reports and recommendations on textbooks, as well as practices at other institutions, and possible benchmarks.

Sources Considered in Report Preparation:

Sources cited as footnotes in this report and prior Senate Reports including S-0607 (Sale of Examination and Desk Copies of Textbooks), S-0602 (Course-Textbook Reserve Requirement), S-0325 (Possible Conflict of Interest in the Assignment of Textbooks), and S-0213 (Book Buyback); U.S. and/or N.J. PIRG reports including “Affordable Textbooks: A Policy Guide,” “Fixing the Broken Textbook Market: How Students Respond to High Textbook Costs and Demand Alternatives,” and “Open Textbooks: Resources at Big Ten Schools;” materials such as “Faculty Enlight” provided by Rutgers University/Barnes and Noble bookstore representatives.

Background

College textbook costs have skyrocketed in recent years. College textbooks remain one of the largest out of pocket expenses for students and families – meaning that high price tags are yet another threat to affordability and accessibility of higher education in the United States. According to the College Board, the average student spends \$1,200¹ per year on textbooks and supplies. That’s as much as 39% of tuition and fees at a community college and 14% of tuition and fees at a four-year public institution.

Worse, new textbook prices underpin the entire college textbook marketplace, and continue to grow at an explosive pace. Over the past decade, textbook prices have increased by 82% - that’s an increase of three times the rate of inflation.²

These high textbook costs are set to a backdrop of more than \$1 trillion dollars in college student loan debt and skyrocketing tuition. For many students and families that are already struggling to afford college, \$1,200 per year on textbooks is simply too much -- forcing them to incur more debt, work longer hours, or make choices that undermine academic progress.

¹ Baum, Sandy. Trends in Higher Education 2013-14. Retrieved from <http://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2013-14>

² General Accountability Office. (2013). College Textbooks: Students Have Greater Access to Textbook Information. Retrieved from <http://www.gao.gov/assets/660/655066.pdf>

Publisher Practices Drive Prices Skyward

Over the past decade, the Student PIRGs have conducted numerous studies to investigate the rising cost of college textbooks and its impact on students. The underlying cause for high prices comes from a fundamental market flaw in the publishing industry. In a typical market, there is a direct relationship between consumer and provider. The consumer exercises control over prices by choosing to purchase products that are a good value, and the competition forces producers to lower costs and meet demand. In the textbook industry, no such system of checks and balances exist. The professor chooses the book, which is an essential component of academic freedom; however, the faculty has little control over the prices and options in the textbook marketplace. The student is forced to pay the price. Because of this, the student is, in essence, a captive market. Without the ability of the student to choose a more affordable option, publishers are able to drive prices higher without fear of market repercussion.

It is also important to note that just five textbook companies control more than 80% of the publishing market,³ giving them near market monopoly and protecting them from serious competition.

Used Books, Rentals, and E-Textbooks As Options

In recent years, alternatives to a new, print edition textbook have grown significantly. E-textbooks are becoming more and more widely available, and campus textbook rental programs have increased from 300 in 2009 to more than 3,000 by 2013.⁴ Our bookstore provides information which educates faculty members on print and digital options available for course materials/alternate ways to buy textbooks.

While these alternatives do offer students some upfront savings, there are clear limitations to these options. Used books and new and used rental programs are easily undermined by the release of new editions – a practice that publishers undergo every 2-3 years. Rental programs and e- textbooks do not give students the ability to keep their book – they’re due back at the end of the semester, or their digital license expires and the book is longer accessible. E- textbooks include restrictions that limit the number of pages printed, or the number of devices that can access the book.

The most significant problem, however, is that the prices of used books, rentals, and e-textbooks are dictated by the cost of a new, print edition. Therefore – while these alternatives do offer students some upfront savings, they will never solve the problem.

Enter Open Textbooks

The emergence of open textbooks represents a parallel track that can truly challenge the publishers’ lock on new book prices in the marketplace. Open textbooks are faculty-written and peer-reviewed just like traditional textbooks, but are published under an open license – meaning they are free to read online, free to download, affordable in print, and professors can legally modify and update the books to meet students’ needs.

³ Allen, Nicole. (2013). The Future of Digital Textbooks. American Association of State Colleges and Universities. Retrieved from <http://www.aascu.org/WorkArea/DownloadAsset.aspx?id=6308>

⁴ National Association of Campus Stores. (2012). College Stores Earn Gold Medal for Textbook Rentals. Retrieved from <http://www.nacs.org/advocacynewsmedia/pressreleases/collegestoresearngoldmedalfortextbookental.aspx>

Not only are open textbooks more accessible, but they have the potential to save students \$100 on average, per course, per semester. If every student at the University of Wisconsin – Madison were assigned just one open textbook each semester, it would generate over \$6 million in student savings in just one year.

The ‘return on investment’ for open textbooks is huge. Campus and state programs that invested in the creation and use of open textbooks have generated millions of dollars more in student savings in a single year than was originally invested.

In addition to upfront student savings, open textbooks can help reduce costs in the long run and drive real change in the market. Because open textbooks are hard-copy optional – meaning a student can choose between free or paying for a low-cost option – open textbooks give purchasing power back to the student. This removes the market failure that allows high prices for traditional textbooks and encourages competition to drive prices down while also protecting the right of faculty to assign the textbook they feel most appropriate.

Solution

Fund the Development and Creation of Open Textbooks & Ancillary Materials

One of the largest barriers to wide use of open textbooks is the limited supply of classroom-ready textbooks available for adoption. The open textbook movement is relatively new, and, while the number of open textbooks available has grown significantly in recent years, it is still limited.

Projects from OpenStax College at Rice University, the Open Course Library in Washington State, and the Open Textbook Library at the University of Minnesota have helped make hundreds of open textbooks accessible to faculty.⁵

A logical, high-impact place to start is with textbooks for the highest enrolled courses. This allows schools to maximize the potential for student savings and create a strong set of results to build on.

In addition to the creation of full open-source textbooks, there is significant progress to be made in developing ancillary materials to accompany a full textbook. These materials also require resource allocation, but cost much less than a full textbook.

In the traditional market, publishers will provide faculty with these supporting materials, and there is significant demand to develop these resources for open textbooks:

- Presentations/slide decks
- Test banks
- Syllabi

⁵ More information regarding these programs and more can be found at <http://njpirgstudents.org/campaigns/nj/make-textbooks-affordable> or <http://njpirgstudents.org/resources/nj/open-textbooks-resources-big-ten-schools>

- Homework assignments

Additionally, an affordable textbook policy could include funding for faculty reviews of open textbooks – a feature that the traditional publishers offer for their books – to level the playing field and ensure that materials are recommended on merit.

In 2011, the University of Massachusetts-Amherst launched the Open Education Initiative, a competitive grant program aimed at helping faculty make the switch to open textbooks in their classrooms. Leading up to the first wave of grants, the university held a short series of workshops for faculty and offered individual consulting sessions with library staff. After disbursing 39 grants for \$1000 over the course of four years, the OEI projects student savings at almost \$1.5 million. Many open experts see the UMass Initiative as the premier example of a successful open textbook program.

Textbooks Free Degree

The highest savings potential is “The Textbook-Free” option, in which universities could advance beyond the use of textbooks and transition to an entirely open-source textbook academic environment. With this program, a university would transition a degree program based entirely upon open educational resources. Such a university would create a contract with an organization to curate content from existing open educational resources, and develop that content in full instructional course material. This program would require significant investment and would take a more extensive period of time to fully develop, but offers the maximum cost savings for students, and may also increase retention and student performance within the program.

In 2013, Tidewater Community College developed a fully textbook-free degree for their business administration program. Without sacrificing quality, they used existing open educational resources to create new course materials and replace traditional textbooks. After the first year of implementation, the program had saved students over \$128,000 and lowered the cost of the degree by 25%. Additionally, 98% of students said the classes were of equal or better quality than traditional courses, with 58% saying they were better. Student dropout and withdrawal were lower in such courses, and student success was equal.

Recommendations

The University Senate endorses the proposal to establish institutionalized use of open textbooks, which consists of the following two steps:

1. Create a competitive grant program to award faculty to help convert their class to an open textbook.
2. Transition an entire degree program to exclusively open educational resources.

The University Senate calls on the administration and academic deans to fund these programs by making available twelve \$1,000 grants per year to eligible faculty persons, to subsidize time spent finding the appropriate open textbook and all supplementary materials required to teach the course.

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