

PCAS Course Materials Subcommittee

Recommendations for Controlling Costs to Students

Executive Summary

The Provost charged a subcommittee of the Provost’s Committee on Academic Success (PCAS) to recommend ways that UNM might control textbook and other course materials costs to students. The subcommittee met during the Fall 2014 and Spring 2015 semesters to define the problem, examine alternatives, and develop recommendations best-suited to UNM. The Provost asked that recommendations be revenue-neutral with respect to UNM Bookstore operations.

UNM, primarily through the bookstore, is currently engaged in multiple cost control strategies. But these efforts aren’t well-coordinated with efforts by other parts of the university. What is needed is a multi-faceted approach in which positive synergy is achieved among all of the components. The recommendations described in detail below will provide the most important missing pieces and, if adopted, will ensure that UNM works toward cost control in a coordinated and synergistic manner.

In sum, the recommendations for new cost control efforts include:

1. **Reengineer how instructors and departments select and order textbooks.** Reengineering goals include simplifying the process of finding course materials, providing relevant information about each alternative, enabling faculty members to easily assemble collections of course materials from multiple sources, and streamlining the interface to acquisition and distribution processes.
2. **Pilot alternative purchasing options** with highest priority for options that provide materials to all enrolled students on or before the first day of class with automated billing to student bursar accounts. The goals are to ensure that all students have all the course materials needed to succeed at an acceptable cost achieved through volume discounts and/or electronic delivery.
3. **Engage students in multiple ways to improve their course material selection and purchasing habits.** The goal of improved engagement is to provide students with the knowledge and ability to select and purchase course materials in a way that minimizes their cost and maximizes their academic success.

Implementing all three recommendations will be a multiyear process involving multiple UNM stakeholder groups:

Immediate steps	Improve messaging delivered during new student and new faculty orientation Evaluate summer pilots for 100% purchase and adoption Form a selection process reengineering working group
AY 2015/2016 steps	Determine and implement additional methods to engage students Expand 100% purchase and adoption to high-priority courses Complete analysis phase of selection process reengineering
AY 2016/2017 steps	Implement additional student engagement methods Implement selection process reengineering

Ongoing Cost Control Efforts

Cost control methods currently implemented by the UNM bookstore include:

- Presentations at new student and new faculty orientation
- Buybacks of used books when faculty reorders arrive early enough to enable them
- Comparison shopping through the bookstore Web site
- Assistance to faculty in selecting cost-effective alternatives
- Used, rental, and electronic textbook options for students when approved by faculty

Note that these methods overlap the recommendation in target areas and audiences: faculty ordering, student education and acquisition options, and providing lower cost alternatives to new textbooks and other course materials where possible. However, these methods have proven insufficient. The reasons aren't entirely clear but include:

- Many faculty are either unaware of bookstore services or choose not to use them.
- Many faculty and departments don't submit course material orders early enough to enable used book buy-backs and other cost-saving measures
- Students either ignore or forget related messages delivered during new student orientation

In addition, there are cost control opportunities not fully or directly addressed by current bookstore activities including:

- Opportunities for adopting free or low cost materials
- Opportunities for adopting materials used in multiple courses

The UNM libraries provide some services oriented toward adoption of free or reduced-cost materials. However, many faculty are unaware of those services or choose not to use them.

A recurring theme that crosses many of these issues is **poor visibility of resources and services**. Both students and faculty are difficult groups to reach with information about available cost control methods for course materials. Course materials are only ordered or purchased 2-3 times per year which contributes to rapid fading of related knowledge in the minds of faculty and students. Infrequent messages, low visibility of related services, and scattered access points to those services amplify the problems.

A common theme among our three primary recommendations is addressing these related problems. For example, selection process reengineering focuses on putting the right information in the hands of faculty at selection time. Streamlining a task and building in needed information sources improves the odds of better faculty decisions.

Task streamlining and information support also underlies some of the specific recommendations for engaging students. For example, making course material costs visible and providing a streamlined ordering mechanism at course registration time reduces the tendency for students to delay or avoid course material purchases and the resulting increase in costs and decrease in academic success. Finally, 100% textbook adoption contracts automate purchase by and distribution to students, thus reducing costs via volume discounts and supporting academic success by ensuring that all students have first day access to needed materials.

Recommendation 1: Selection Process Reengineering

Reasons to Focus on the Selection Process

The market for textbooks is somewhat unique in that ultimate customer does not select the specific materials. As in the US healthcare system, this role separation is one factor fueling cost inflation. Faculty members selecting textbooks do not share the “pain” of the ultimate purchaser and consumer. Additional factors combine with the unshared economic motivations. These include difficulties and inefficiencies in finding relevant materials, ascertaining cost, quality, and other characteristics, and interacting with back-end acquisition and distribution systems.

Current methods by which UNM faculty select course materials are highly variable and haphazard. Faculty discover information about available materials via publisher representatives, ads, interaction with colleagues, and Web searches. Some faculty seek UNM bookstore assistance but many don't. Some faculty do a thorough but time-consuming job. Others invest relatively little effort. **UNM-provided tools to increase process efficiency and outcome quality are essentially non-existent.**

Cost is often hidden from or obfuscated to faculty. Publishers do not widely advertise “street prices” for materials and a plethora of purchase options (e.g., used books, custom books, e-books, rentals, and purchasing online vs. UNM bookstore) further obscures true costs. Even if a faculty member is sensitive to cost issues to students, it is difficult to find accurate cost information.

Faculty do not have straightforward access to course material alternatives and their costs from a single source. There is no equivalent of Expedia or Orbitz for textbook selection. Faculty are left to engage in inefficient Web searches for materials and they often miss available options – especially among freely-available course materials. This isn't an area that's ripe for private-sector application development because publishers aren't incentivized to cooperate and because there is no profit motive to simplify selection of free or low cost materials.

In sum, course materials selection is an information-intensive task. But **faculty who perform that task aren't provided with easily accessible, complete, and accurate information matched to the task.** Thus, it's little wonder that desired outcomes including controlling costs to students aren't achieved.

Goals of an Ideal Course Materials Selection Process

The following goals describe an ideal scenario for course materials selection. They may not be achievable in the short term. But progress toward them will help to control costs to students

- Simplify the process of finding **all** relevant course materials for a specific topic or course
- Provide clear, obvious, and unambiguous information about the cost, quality, and availability of each alternative
- Enable faculty members to easily assemble collections of course materials from multiple sources
- Make the interface between the selection and downstream acquisition/distribution processes as seamless and efficient as possible
- Ensure that course materials selection occurs early enough to ensure that cost savings can be achieved in downstream acquisition/distribution processes

How to Achieve Selection Process Reengineering Goals

In an ideal world, others would have already built an information system to achieve the above goals. In that case, the path forward would be a well-defined process of defining requirements using an RFP and selecting a product that best achieves the goals subject to UNM-specific constraints such as cost and compatibility with existing systems, processes, and infrastructure. Unfortunately, our quick scan of the current landscape shows no such options available in the marketplace. That puts UNM in the unenviable position of not being able to address the problem via a straightforward purchase.

There are commercial and other systems that address part of the problem. There may also be systems under development that the subcommittee did not discover during its search. Thus, the subcommittee recommends several next-step tasks to move closer to a solution:

1. Document requirements more thoroughly
2. Do a more thorough search for off-the-shelf alternatives that can address all or part of the need
3. Develop a thorough cost/benefit analysis concentrating on the maximum achievable benefit to students and the amount of resources that UNM is willing to invest to achieving that benefit
4. Develop or join a consortium of higher educational institutions that can jointly develop a solution
5. Jointly develop a solution – preferably by incorporating or expanding existing systems that already address parts of the problem

The subcommittee did identify two potential systems that might be expanded to meet most or all of the goals above. Neither system was fully demoed so the recommendations below are speculative.

- Hero – a commercial product that provides textbook pricing and availability information to faculty
- CSU Affordable Learning Solutions(ALS) – a consortium-developed system that provides information on free, low cost, and library resources

Of the two systems, ALS seems to be the most complete with respect to the goals. It's a Web-based application that provides information on a large number of free and low-cost alternatives. It includes a search capability and provides quality information via feedback from prior adopter and users. Its primary weakness is that it ignores the commercial side of course materials – textbook publishers in particular. But it might be possible to expand the basic shell of the system to include such sources and some of its weaker aspects could be improved. Such an expansion could be undertaken by UNM alone, by UNM in partnership with other academic institutions, or contracted to a third party.

Selection Process Reengineering Summary

The subcommittee emphasizes that **there is no quick fix to the current selection process**. Completing the above-defined tasks will require a significant commitment of resources to evaluate alternatives, find potential partners, fully specify requirements, and develop a system that can achieve desired goals.

As such, the next steps are to:

- Provide resources and establish a timeline
- Formally charter a working group to complete tasks 1-4 above

- Designate project owner(s), champion(s), and deliverables
- Provide lower, likely, and upper bounds for the resources that UNM is willing to devote to task #5 above

The working group should include representatives of all relevant constituencies and members with requisite technical skills. These include UNM faculty (including chairs and/or program directors), Academic Affairs, UNM IT Services, and the UNM bookstore. The working group should be able to complete the tasks above in 2-6 months, depending on the intensity of the effort. The primary required resource is personnel time and the budget to pay for that time directly or to offset the opportunity cost of alternative uses of that time.

Recommendation 2: Pilot Alternative Purchasing Options

Overview

In support of a broad-based and holistic approach to reducing course material costs, the subcommittee recommends piloting multiple alternative purchasing options. Evolving technical capabilities, together with emerging business models and the development of publisher e-book distribution strategies, provide the University of New Mexico various opportunities to reduce costs by leveraging volume through broad adoption of third-party content and/or services. In particular, publishers are able to offer improved discounts in cases of 100% adoption, wherein course enrollment results in an automatic textbook purchase. However, although the potential for savings is significant, issues remain to be addressed which limit the practicality and applicability of any of the components described below.

There are indicators that these types of strategies will see more buy-in and exposure from publishers and universities. During the fall semester, the subcommittee heard presentations from both Pearson and Cengage, and both publishers demonstrated their interest and existing capabilities to implement 100% adoption models by means of access codes, pushing content through the learning management system, or through other means of delivery. Similarly, recent reports from the [Wall Street Journal](#) and the [Chronicle](#) describe the impact which their partnership with Amazon.com has had for Purdue University and UC Davis, respectively.

Three components or strategies for implementing this recommendation are described below. They are neither mutually exclusive nor dependent, and include:

1. 100% adoption contracts with publishers.
2. Embedding the cost of course materials in course fees or tuition.
3. Partner with Amazon or a similar vendor for a UNM branded "storefront" to that vendor's service.

Components

1. 100% Adoption: Contract with publishers for all-student, first day access to content, with delayed billing through UNM.

Description

Among the recommended alternative purchasing options, completing pilots for **this model is the highest priority**. By guaranteeing 100% percent new sales to students within courses which adopt a specific

textbook, the University is able to negotiate lower prices for digital copies of content to be made accessible to all students registered for those course by the first day of class. Billing is charged against student bursar accounts, and is delayed until after the close of drop-add, with students who drop the course losing access to the content.

Content may be delivered via UNM Learn or using access codes which can be retrieved from the UNM bookstore, distributed by the instructor, or through an alternative means.

Process Owner(s) and Principals

- *UNM Bookstore*
- Teaching faculty (coordinate with bookstore on adoption)
- Publishers (negotiate with bookstore on price)
- Extended Learning (as needed for LMS integrations)
- Central IT (support additional technical requirements and contractual relationships)

Timeline

- Summer 2015 pilots
 - MGMT 310 (Cengage)
 - SPAN 101, 102, and 201 (Pearson)
- Fall 2015 assessment of summer pilots
- Identification of appropriate use cases

Issues

- How to bill/pay for content?
 - For the upcoming pilots, students will be billed via bursar accounts
 - Implementation costs – specifically, bookstore technical and human resources
- Impact on bookstore?
 - The UNM bookstore receives a percentage of the markup on textbooks. If the overall price point is lowered for courses following this model, will the increased volume balance out or compensate for the reduced markup?
 - How will the potential change in workflow for placing and processing orders impact bookstore staff?
- The availability of print on demand or hard copy options vary by publisher.
 - Research shows that students currently still prefer hard copies.
 - Students who wish to have access to the content after completing the course may have limited or costly options for securing a hard copy (or a persistent digital copy).
- How will content for multi-term courses be managed?
 - Students would have to repurchase the textbook for each section.
 - Extend access periods or split the content? If extended access periods, how will payment and/or refunds be managed across terms? If split, what are the cumulative costs?
- Contractual relationships?
 - Modern textbooks are frequently bundled with publisher-provided Web-based services (e.g., online quizzing and review) that store FERPA-protected data outside of UNM systems

- Because the implied contract for a textbook purchase is between the student and publisher, UNM has no leverage with publishers to minimize FERPA-related risks and otherwise ensure that publisher-collected data doesn't violated student and instructor privacy
- If UNM engages in 100% adoption projects with publishers then it should bundle in a contractual obligation for publishers to protect student and faculty data to FERPA standards at minimum
- Faculty need to be made aware of FERPA-related issues associated with use of "free" publisher content and services to minimize FERPA and privacy-related risks.

2. Embedding the cost of course materials in course fees or tuition.

Description

This component of the recommendation carries multiple sensitive issues, and is for these and other reasons **regarded as a low priority**. This scenario bears some similarity to the 100% adoption model described above, in that all students are charged a set fee for course content which is made available on or prior to the first day of class. As above, students who drop a course will be refunded or otherwise not billed for the content, to which they would then lose access. This model is however different from the 100% adoption model in that publishers are not directly involved in the content delivery process, although some cost reduction may be expected due to the anticipated increase in the volume of new sales.

Course materials in this model are not presumed to be exclusively digital.

Process Owner(s) and Principals

- *Bursar's Office or Enrollment Management*
- Teaching faculty (coordinate with bookstore on adoption)
- Publishers (negotiate with UNM purchasing on price)
- ASUNM, GSA, Faculty Senate, UNM Administration, the Board of Regents
 - Plus other parties involved in tuition and fee decisions

Issues

- Shared concerns about tuition and fee increases
 - Practical impact
 - Perceptions by various stakeholders
- Accounting
 - New systems and procedures would have to be developed and rolled out. When to bill students with regard to registration and drop-add requirements, as well as when and how to efficiently process refunds are central concerns.
 - There is some expectation of transparency in the course material selection and billing process - how would transparency be built into new procedures?
 - Depending on the level of involvement from the bookstore, how would bookstore costs and salaries be compensated for if the bulk of funds are received by the Bursar's Office?
- Costs per student

- There is no clear formula or method for determining how to distribute costs among students fairly and efficiently.
- Costs may be determined per course, per program, or at another granularity.
- Variability in content types and delivery
 - A flat fee impacts students' ability to choose among multiple options including purchasing a new or used book, borrowing or renting the content, etc.
- Timing
 - This system would be less tolerant of delays with regard to adoption and purchasing.

3. Partner with Amazon or a similar vendor for a UNM branded "storefront" to that vendor's service.

Description

This scenario is dependent upon a novel service model, which although highly visible is **regarded as a low priority** due to a general lack of detail about schools currently engaged in similar programs and because actual savings from those programs remains unknown. Additionally, this component represents a global strategy in the sense that the marketed content is not limited to textbooks or course materials, but may include any and all content or services available from the third party vendor. As described in the linked references below, universities contract or partner with a vendor, in this case Amazon.com, to create a university branded portal or storefront that vendor-provided content and services. Affiliated users accessing the storefront may receive discounts and enhanced delivery options, with some percentage of the revenue potentially transferred to the university.

Process Owner(s) and Principals

- *University Administration*
- *Amazon.com* or other third party vendor
- Central IT (storefront implementation)

Issues

- Real cost savings are unknown
 - Lack of detail available from current pilots.
 - If students save less on textbooks than they would through other models, does the difference balance out by being able to save on other purchases?
- Impact on the bookstore
 - Is potentially lost revenue compensated for through the creation of a new revenue stream to the University? As noted, actual savings and new revenue remain unknown but there are indicators that revenue from Amazon could be less than currently received from the bookstore.
 - Potentially lost revenue from ancillary sales, especially logos and insignia, for which the UNM receives higher licensing fees for in-store rather than online purchases.
 - How would the bookstore be involved in delivery?
- Implementing this model would create a high profile for the University but also carries early adoption risks. Publicity could be negative.
- Timing
 - This system would be less tolerant of delays with regard to adoption and purchasing.

Recommendation 3: Broadly Engage Students with Course Materials

This section presents what we learned about how student use course materials, what we know about keeping costs down for students, and recommendations for better engagement with students.

What We Know About Students

All students are sensitive to the costs associated with higher education. Whereas tuition and fees are fixed, students have a choice about buying the course materials.

The 2014 Student Watch, a survey conducted by The National Association of College Stores (NACS) explores student's use of course materials which shows that almost 46% of first year students, selecting all that apply from 8 choices, made cost of course materials one of their decisions. In addition 60% of first year students said that if cost of required course materials was not a factor or issue – they would have taken one additional course. Once enrolled in classes, 40% make schedule changes based on cost of materials.

While cost is the driver for purchase avoidance, students also encounter situations where purchased material is not used during the course. Almost 14% of students heard from friends that material was not used and thus they did not make the purchase. Students may delay purchase based on this notion, adopting a “wait and see” strategy, delaying book purchase until it is clearly needed. This can save money if the material is never used, but if the material is used, it will end up costing them more as availability for lower priced options such as used and rentals declines into the semester and prices may increase. Acquisition delays can impact ability to complete assignments well and on time. This is reinforced by 75% of students saying that their course materials are somewhat to very useful in assisting them in class.

Late submission of faculty book orders also generates some delays in student purchasing. Less than 25% of UNM faculty submit book order by the requested deadline. While the reasons are varied, the impact is notable. The bookstore has extra expenses for the heroics to source in time for the semester, and students can't sell back a book unless the bookstore knows it will be used again. The inability to sell back is taking upwards of \$200,000 out of students' pockets each year. While there are many factors that impact how student time their purchases, the data show that 36% of course materials are purchased after classes begin, and for freshman it is over 60%. Only some 23% of purchases are made more than two weeks before the semester.

To summarize, when students opt out of materials, they use various strategies to compensate:

- “Wait and see” if really needed
- Buy and return physical book or rent (attachment begins in the major, if at all)
- Copy/borrow materials, sometimes means old editions (sibling, friend)
- Take fewer classes, especially freshman
- Forego the materials

Some students believe they can do without—that they will absorb enough of the material in class or with other on-line resources. This may work sometimes, but often leaves the students at a disadvantage.

Student Engagement Recommendations

Our committee members feel strongly that having timely access to course materials used in class is important to overall student success. Thus, we recommend strategies to engage students in an effort to increase the chances that every student benefits from complete access to materials.

There are three areas to address:

- Stress the importance of having access to required material the first day of class and for the duration of the semester
- Information on how to get the best prices on required material in time for them to make the best decisions
- Enable student engagement with faculty around cost and utility of materials
- Enable student access to supplemental “open source” course materials

The goal is to get the right engagement with students at the right time and in the right context. Some of the ideas support more than one objective and could be listed twice.

Stress the Importance of Having Access to Course Materials

Student information access methods and habits have changed radically in the last decade or two. Specific changes include:

- Purchase and ownership have given way to subscription
- More information is obtained “just-in-time”
- “Free” information sources play a much larger role
- Information and its sources are assumed to be fungible

The combination of these methods/habits has altered the implied contract between instructor and student regarding textbooks and other course materials. Many instructors still assume that students will acquire all the materials listed in their syllabi before the first day of class. They assume that students know that the materials will be needed and used as the semester progresses and that timely access is critical to student success. But students assume that they’ll discover specific needs for information as the course progresses and that they’ll be able to quickly satisfy those needs from a variety of free or instant-access sources. They don’t adequately consider the impact of even minor delays on their performance and grades. Nor do they understand the importance of using specific instructor-selected materials.

The mismatch between these information access paradigms typically becomes apparent during and immediately after the first exam or detailed assignment. Students discover that they don’t have access to the materials that they need, encounter delays in accessing needed materials, and/or substitute different materials (e.g., whatever they can quickly Google) that doesn’t match instructor expectations. Student performance suffers and the resulting damage becomes a drag on student performance and grades for the rest of the course.

The mismatch between instructor and student information access paradigms needs to be addressed head on, with related behavioral changes by both groups. Specific recommendations for students include:

- Make materials an ACADEMIC element of New Student Orientation (NSO)
- Talk up course materials, in general, just as The Reading Experience is talking up books

Specific recommendations for instructors include:

- Address these issues during new faculty orientation
- Address these issues through continuing faculty training (e.g., a CTE-sponsored seminar)
- Encourage faculty to communicate expectations about course materials to students BEFORE the first day of class
- Encourage faculty to frequently evaluate course materials including how/when students access them and their impact on student performance
- Encourage faculty to embed both paid and open access course materials into their courses in ways that better match student expectation of just-in-time access

Help Students Get the Best Value on Course Materials

We sometimes assume that students are savvy shoppers and take the time to “shop around” for the best value. While many students do, many do not—especially freshman. Most students head straight for the campus bookstore, bursars account in hand and pull the books off the shelves. Frequently this is when they may discover that there are options other than a new book. From our examination of available alternatives, buying a used book and selling it back or renting a used book is still the most economical approach. Getting information about choices to students earlier in the process, making it easy to refer to the information they got earlier, and make these choices continually visible is the goal.

At each appropriate touch point with students, especially students new to UNM, course material options should be highlighted as part of the equation. Here are some possible points in the process:

- New Student Orientation
- Net Price Calculator / Estimated Cost of Attendance moments
- When looking at program of studies/degree planning
- When receiving financial aid
- When sitting with an advisor making course decisions
- When they register for a course
- When they receive the syllabus ... etc.

Promote Student /Faculty Dialogue on Course Materials

The committee extensively discussed the disconnect that sometimes exists between the cost-conscious consumer of materials (i.e., the student) and the “decider” of course materials (i.e., the instructor or selection committee) who may not know the price to students and whose affection for the topics often drive expansive but expensive decisions.

Just as in other markets where consumers and providers are not directly linked, it is important that faculty receive feedback from students on how well the materials are working for their learning and their budgets, and that students receive feedback from faculty on how each item contributes to learning and why decisions were made. We need to find ways to make this dialogue acceptable and constructive. Some ideas for this are;

- Make selected and alternative materials visible in the context of the course/section selection

- Consider including course materials as part of course evaluation
- Make previous semesters' use of materials visible
- Provide instructor comments to students on how/why materials will be used via visible comment links connected to online selections and/or audio "shelf talkers" at the bookstore.

Enable Student Access to Supplemental "Open Source" Course Materials

Students will try to find course materials wherever they can. 14% of students each semester download course content from an "unofficial website." Even students of means access web resources to supplement what they have received in the course. It would seem that the more expansive we are with relevant resources, the more access our students have to learning. Knowing that sometimes it might be the only option for students we might want to point students to accessible resources. Individual faculty, programs and departments should strive to direct enquiring students to credible supplemental materials:

- Library resources—local and through shared catalogs
- Professional society resources
- Open source repositories such as Open Stax, Merlot, etc.

By exposing faculty and students to these resources, we would hope to promote more learning, more dialogue about utility of various sources, and the cost of various types of materials.