Report of the
Textbooks and Supplies Subcommittee of the
Affordability Taskforce

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Executive Summary

The Books and Supplies subcommittee of the Affordability Taskforce was created in response to President Bradley's charge that ISU explore ways to constrain tuition increases to CPI and to explore ways in which students could save further on their non-tuition expenses. The subcommittee met weekly from November 1 to the end of the semester, deciding early to subdivide into five smaller groups (which had as their respective foci: creating a student survey, creating a faculty survey, investigating faculty policies, piloting a course fee for ebooks, and "everything other than books"). This report constitutes the conclusions of the thirteen member committee. It is divided into four main sections (Findings, Areas for Immediate Action, Areas for Intermediate Action, and Areas for Long Run Investigation).

Under Findings the subcommittee noted that the market for textbooks has changed dramatically over the course of the last five years. There are opportunities for textbook rental and the availability of electronic books giving students options for savings money. At the same time textbook bundling practices, including with software login keys, are dramatically reducing the buy-back possibilities for students. In the last 15 years the prevalence of course fees has escalated even more dramatically. While at one time ISU covered course-idiosyncratic expenses through tuition-driven budgets, that is no longer the case with the current expectation being that course fees would cover these expenses. In addition, the need to track educational outcomes in Nursing and Education has led to increased student costs for the software that enables students to input and faculty to extract data. The largest of the fees not billed by the University was and continues to be the flight-school expenses for students in the Professional Aviation program. In response to these rapidly increasing book, supply, and service costs, students have increasingly sought cost-reducing options (such as rentals, or internet searches for older textbook editions) or have engaged in educationally-compromising behaviors such as choosing to not purchase required texts. Faculty have also responded, mostly positively, by including the costs of textbooks as one of their considerations when choosing texts and by providing substitute materials on their Blackboard sites. The university imperative to increase class sizes has led some faculty to require software packages within these larger courses which has enabled publishers to profit from (and for students to pay the price for) the bundling practices described above. This university cost-saving imperative has also manifested itself in the increased frequency of courses moving from being offered every semester to being offered only once a year. This practice has also significantly reduced the buy-back value of textbooks.

Under Areas for Immediate Action the subcommittee noted that there is not universal understanding among students or faculty of a variety of issues affecting the costs of textbooks. Faculty, for instance, are generally unaware of the stipulations in the ISU-Barnes and Noble contract that gives the latter an "exclusive" status (rather than the previously existing "preferred" status) as the book and supply provider to ISU students. While faculty understand that they must provide their book order information to the ISU Barnes and Noble store, they do not know that suggesting alternative outlets is a violation of that contract provision. While most faculty understand, at least conceptually, that ordering their books on time saves students money, at least a quarter of them do not understand the full magnitude of the effect on both the outgoing and incoming students in their courses. Overwhelmingly, faculty are willing to learn how their practices affect students and this is an area that the subcommittee believes should be exploited with an immediate effort to produce informational pieces aimed at faculty education. Similarly, students are also engaging in practices that are either fiscally or educationally unwise. The subcommittee believes these should also be addressed immediately with informational pieces. The final area of immediate action involves education of Chairpersons and how their actions impact the cost to students. In particular, their scheduling practices can have an impact on student expenses. When a department does not elect to use a common text for lower-level undergraduate courses and the faculty teaching those courses consider them to be less desirable assignments, Chairpersons frequently rotate the assignment and thereby increase the cost to students of the textbook purchases by reducing the buy-back potential for one set of books while decreasing the availability of used books for the others.

Under Areas for Intermediate Term Action the subcommittee believes that there are three avenues for savings that should be explored. The first of these is to work with the governance structure to change the language of the University Handbook regarding textbooks. The current language is worse than vague with regard to textbook selection in multi-section courses. There is also no language to prevent or even discourage faculty from profiting from their selection of texts. The second of these recommendations is that Business Affairs and Barnes and Noble negotiate a mechanism which results in an increase in the buy-back price of books that are used in courses only offered on a once-a-year basis. While the particulars of that negotiation are likely to be complicated, the result could save juniors and seniors significant sums relative to the current system. The third intermediate term recommendation is that the University engage in an experiment to determine whether the course-fee model employed at other institutions could result in significant net savings to students. This approach has the university billing every student enrolled in the course a fee in an amount sufficient to provide electronic access to the text. Though required by contract to flow through Barnes and Noble, though ISU would have to absorb risks and administrative costs in executing this experiment, and though the educational impact on the experiment is theoretically ambiguous (with every student having access competing against the possibility that knowledge could be undermined by having access be electronic), this course-fee and ebook approach has the potential to save students as much as 30% on their textbook costs. The course-fee model would be conducted in the Fall 2012 semester with a five to eight courses that utilize McGraw-Hill books.

Under Areas for Long-Term Action the subcommittee believes that, subject to being proven effective in the Fall 2012 semester, the course fee model could be expanded to cover more courses and more publishers. If the experiment works educationally, saves students money, is found to be implementable in the context of the Fall experiment, the long-term approach would require a significant analysis of the costs of scaling it up. There are technical issues regarding Financial Aid (Pell eligible students must be allowed to opt out of a university's textbook purchasing method), Registration (the current thinking is there is no way to automate having section-specific course fees, there are only imperfect mechanisms to inform students as to which sections involve course fees and ebooks, and there are impediments created by this approach for rolling out new schedules), and billing. Resource requirements, and needs for new policies and procedures for selecting texts in a timely fashion, for dealing with disabled students, and for myriad other issues not yet imagined would have to be tackled. As such there is no possibility that a multi-publisher system could be in place any earlier than Fall 2014.

Findings

For a complete understanding of the textbook and supply landscape, it is necessary to have an understanding of the terms and practices that exist. To have that understanding one must know how books and supplies are purchased, how they are returned, how much they garner when they are returned, how faculty and students are navigating this landscape, how non-book fees are being imposed (both through the ISU billing system and outside it), and what the ISU Handbook says (and what AAUP's national office says) regarding textbook and supply selection practices. This section provides this basic understanding and much of what follows in terms of recommendations for action is predicated on the reader having a complete understanding of this aspect of the educational expenses to students.

The Basics

Though the term "textbook" is generally understood, in practice, the same book can cost a student a very different amount. For instance, a book that is new and purchased that way could cost $150, while a book that is purchased as a used one could be $112, and a book that is rented or sold to the student in an ebook form could be $75. Because the first two forms can be returned for some value that depends on institution, course, and institution-specific idiosyncrasies and the latter two forms cannot, that leads to a need to understand the effective price of textbooks, that is, there acquisition price minus their return value. Similarly, some supplies are provided by the university as part of the tuition paid by all students, some supplies are provided by the university as part of a course fee paid by students enrolled in the course, some are purchased by the students themselves on a one-time basis, while others are purchased by the students and depend on the instructor's syllabus.

Books

A new book is any textbook that a student must purchase that is not available in the used book market. These are typically purchased by the bookstore directly from the publisher. Because they are subject to a restocking fee, if the bookstore purchases more new books that it sells, it can return them to the publisher but receive only 90% of what they paid. Bookstores will typically markup the textbooks they purchase from publishers by 25%.

A used book is one that has been purchased by the bookstore from individuals or warehouse operations. It is typical that a used book be sold for 75% of the new book price. The markups for used books are such that while they are the most lucrative for the bookstore, they are also the most risky. A book that was sold for $150 new (and is not bundled with software or other consumable), will be purchased by the bookstore for $75 when it is going to be used the next semester on the ISU campus. They will then sell that book for $112 in its used form. When that book is returned, it will garner its buyer $55 and once again the bookstore will sell it for $112. That increased markup is partially explained by the risk that the bookstore faces in overstocking a used book that cannot be returned to the book's publisher. Under the circumstances where a faculty member changes their book choice between the time when they place an order and when those used books are sold, the bookstore could be stuck with a large inventory of nearly valueless texts. When the text is not going to be used on the ISU campus during the next semester but there is a national market for the book, such that another Barnes and Noble outlet has a standing order for the text, ISU's bookstore will pay between 20% and 30% as the buyback price and ship those texts to its used book sorting warehouse.[1] It is worth noting that the improvement in information regarding used textbook demand because of the ubiquitous nature of the internet when coupled with easily available overnight shipping has solved one of the more vexing issues in the used book market: the December-January problem. The used book market had long ago dealt with larger universities' demands for used books during the three week time between the end of fall semesters and the beginning of Spring semesters. The internet and overnight shipping simply solved the problem for all colleges and universities. What this meant was that the revenue publishers had garnered by selling more new copies than perfectly-informed demand would have enabled, was eliminated. This left publishers scrambling for a response.

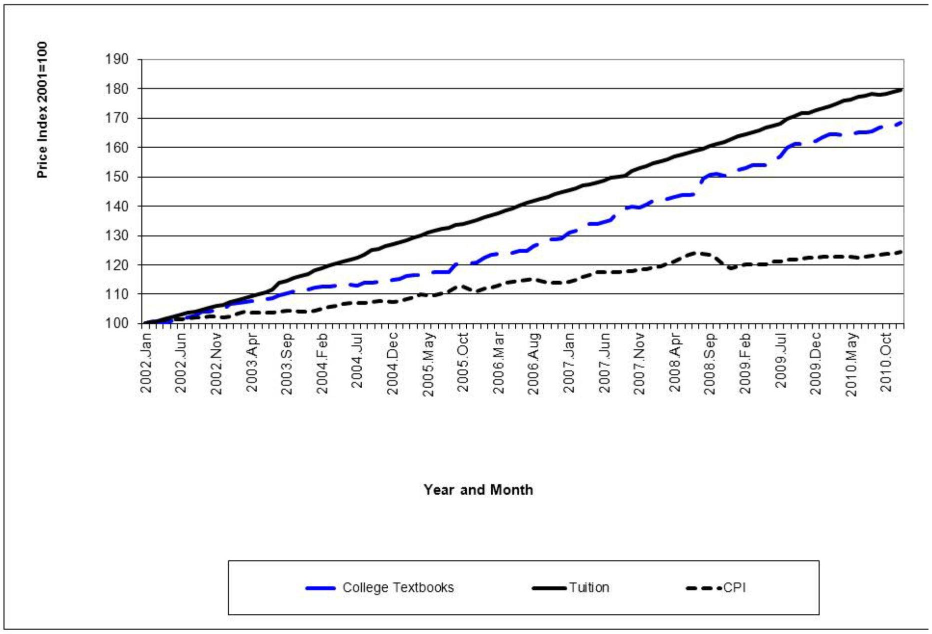
There are many reasons why books will have nearly no buy-back value. The first, and most obvious reason, is that the textbook has been revised and the faculty member has ordered the new edition. Though this reason is old, its importance has increased as publishers have increased the frequency of new edition production as a mechanism to react to lost revenues from increased used book market efficiency. The second, like the first, has been around a while and it stems from the fact that in this market some titles' sales are on the rise and some moving in the other direction. Titles of the latter variety are ones for which there is a glut of used copies available. These will have little to no buy-back value if there is no local need. The third reason students are likely to face no buy-back value is explained by another publishers' response to their decreased revenues owing to greater efficiency in the used book market. That is books are sold now as bundles with software or with workbooks. Because the publishers' pricing structure charges a very high price for the consumables when sold as individual elements, there is no value to the core textbook in the used form.[2] The fourth reason for textbooks having diminished buy-back value is that faculty are responding to higher new book prices by going to two cheaper forms- custom-published books and loose-leaf books- which in most cases, reduces the likelihood that the book can be sold as a used book. This is sold to faculty as a method of reducing the price to students, which it generally is because they are only using a portion of a textbook and they can have just that portion of the book published separately for use at that school. In this form, these texts have no national market and therefore no buyback value. In loose leaf form, the book also has no buy-back value because bookstores do not have the time to check each page. Publishers encourage this as it creates greater long term publisher revenue by eliminating the used book market in the areas it is employed.

A student and bookstore response to this back-and-forth has been to create a new mechanism for dealing with high book prices: textbook rental. Whether through the ISU Barnes and Noble outlet or through a national textbook renting operation (Chegg), students can typically acquire most of their books by paying approximately half the new book price to rent a text. The ISU Barnes and Noble bookstore makes approximately 75% of its offerings available through this

[1] While many internet operations will purchase used books regardless of their source, the ISU Barnes and Noble outlet does not.

[2] Consider the following example. A core text is sold for alone for $140, while the software is sold alone for $100, but when they are bundled they are sold for $150. The bookstore cannot use its usual pricing structure to match a used book matched with a new software subscription for anything less than $170. It therefore buys no books back. The publisher, because it has a monopoly on both products, effectively inhibits the used book market from working. With larger class sizes faculty are using homework management software more frequently, are sold on it because it adds only $10 to the price of the new book, but in so doing are gaining new sales each semester.

mechanism. For rental operations to be profitable, the books must be able to be rented three or more times during its lifespan.



eBooks

An ebook is an electronically available version of a textbook. Most ebooks are purchased directly from the publisher. The ISU Barnes and Noble outlet sold fewer than 300 total ebook units in the Fall 2011 semester. [3]

Effective Price

The effective price of a book is the acquisition price of a book minus its return value. The effective price, therefore, depends greatly on the return value. Because traditional physical books have an end to their useful life, at some point, there will be no return value. As such the publication cycle, that is whether the book is on a two-year or three-year cycle, significantly impacts its effective price. Because loose-leaf, custom, rental, and electronic books typically have no return value, their effective price is their acquisition price.

A survey of Barnes and Noble buy-back rates for books priced between $100 and $150 shows that 97 of 234 titles had no buyback value. Of those 97, 40 were because the book was going out of edition, 16 were because the book was bundled with software, and 8 resulted from one of the reasons a text becomes unique to ISU ("loose leaf" or "custom publication").

To compare alternative modalities, therefore, it is vitally important to understand the publication cycle of the texts in question and the principal form of the book faculty order (traditional, loose-

[3] This excludes the several hundred units of the ebooks associated with the developmental math courses that are tied to Pearson's MyMathlab product.

leaf, custom, or bundled). Table 1 lays out the effective price of a hypothetical $150 book when sold in these forms.

Table 1
Effective Textbook Prices
Under Alternative Assumptions and Modalities

Term		Traditional				Loose-leaf/ Custom*			
		2 year cycle		3 year cycle		Whole Book	Third of Book	Half of Book	Three Quarters of book
		Ordered Every Semester	Ordered Once Per Year	Ordered Every Semester	Ordered Once Per Year				
1	Initial Purchase	150	150	150	150	75	35	43	53
	Initial Return	75	30	75	30				
	Effective Price	75	120	75	120	75	35	43	53
2	Purchase	113		113		75	35	43	53
	Return	56		56					
	Effective Price	56		56		75	35	43	53
3	Purchase	113		113	150	75	35	43	53
	Return	56		56	30				
	Effective Price	56		56	120	75	35	43	53
4	Purchase			113		75	35	43	53
	Return			56					
	Effective Price			56		75	35	43	53
5	Purchase			113		75	35	43	53
	Return			56					
	Effective Price			56		75	35	43	53
Final	Purchase	113	150	113	150	75	35	43	53
	Return	0	0	0	0				
	Effective Price	113	150	113	150	75	35	43	53
Average Effective Price		**75**	**135**	**69**	**130**	**75**	**35**	**43**	**53**

*generated using McGraw-Hill "create" on Issues in Economics Today 6e (retail $150)
http://www2.ed.gov/about/bdscomm/list/acsfa/turnthepage.pdf
http://create.mcgraw-hill.com/createonline/index.html

Table 2 lays out the typical costs for selected Foundational Studies and early major-based courses. As is clear, the cost of the required books varies widely from course to course, some titles do not have used options (for a combination of reasons outlined above), and rental texts are not always an option. It is also important to understand that in certain highly sequenced courses there are multi-semester books.

Table 2
Prices for Commonly Taken Courses
Spring 2012

Course	FS vs. Major	New	Used	Supply	Rental	Multi-Semester
Comm 101	FS-Comm	132.45	*		No	
Eng 101	FS-Comp	146.15	109.60		No	Yes
Psy 101	FS-SBS	145.00	*	45.35	Yes	
Econ 100	FS-SBS	142.65	**		Yes	
Bio 112	FS-Sci	178.55	133.90		Yes	
Chem 100	FS-Sci	177.15	*	45.35	No	
Hist 201	FS-Hist	81.30	60.95		Yes	
Hlth 111	FS-H&W	94.65	71.00		No	
PE 101	FS-H&W	37.35	**	45.35	No	
Math 102	FS-QL	175.00	131.25		No	
Econ 101	FS-QL	Materials provided entirely on Blackboard				
Fin 108	FS-QL	164.30	*		No	
Crim 200	Major	77.35	**		Yes	
Bus 201	Major	270.00	*		No	Yes
CIMT 200	Major	109.35	82.00		Yes	
PSCI 201	Major	65.15	48.85		Yes	
Bio 231	Major	131.95	*		No	
Chem 105	Major	291.45	*		No	Yes
Math 131	Major	214.00	160.50		Yes	Yes

*For these texts, there are no used books available because of the access code issue.
**For these texts, a new edition came out in Spring 2012

A first semester student taking a typical slate of courses should anticipate spending between $500 and $900 on textbooks with a buy-back value that could be as little as $150 or as much as $300. That means the effective costs could be as low as $250 for a semester or as high as $750. The range on both is so wide because some requirements can be met for nearly no cost while others are much more expensive, some options have few options with buy-backs while others have more. For instance, a student can meet the quantitative literacy requirement by taking Math 102, Econ 101, or Fin 108. The effective price of Math 102's books is between $88 and $66, while it is $164 for Fin 108 (because there is no buy-back due to the access code) and free for Econ 101.

As students progress into the major, the costs of textbooks are similarly varied. A second semester junior studying Psychology can anticipate upfront costs of $600 (For four upper division major-based courses and one upper-division integrative elective) and effective costs of $400 (if one of the books goes out of edition by the end of the semester.) A second semester Nursing major can expect to pay nearly $1,000 for the books for three major-based courses, one upper-division integrative elective, and Eng 305, with only $200 in return value.

Supplies

Though supplies are technically also subject to the exclusivity clause of the contract between ISU and Barnes and Noble, with the exception of "clickers," supplies are rarely purchased through the ISU bookstore. More frequently students are either billed for bulk supplies by the university through course fees or they are required to buy them individually through whatever outlet is available. The issues associated with supply costs are most easily discussed by separating them by course-fee purchases and non-course-fee purchases.

Course-fee Supplies

There are three types of course-fees: supplies, equipment, and software.[4] Table 3 summarizes these fees. There is an ISU committee that includes members of the faculty as well as those in the administration that examine course fees and approve any increase in them.

Table 3
Summary of Undergraduate Course Fees

Department/Program	Description	Courses with fees	Range	Median
Art/Studio Art	Bulk Supplies	120	$4-$36	$30
Applied Medicine/ Athletic Training	Bulk Supplies	13	$20-$300	$40
Aviation Technology	Equipment	14	$50-$350	$350
Biology	Supplies	42	$75	$75
Built Environment	Supplies	25	$20-$50	$50
Chemistry & Physics	Supplies	21	$25-$50	$43
EPSY/ UG	Software	1	$100	$100
ENVI	Supplies	32	$10-$50	$30
KRS	Supplies	10	$10-$100	$44
Theater	Supplies	2	$55-$60	$55
Math	Software	3	$75	$75

Non-Course-Fee Supplies, Software and Services

There are significant costs of attendance that do not show up in course fees. The Nursing and the Professional Pilot programs are the most expensive of these. The Professional Pilot major should anticipate spending more than $50,000 to complete the flight lessons. The Nursing major should anticipate spending more than $1,500 upon admission to the program. The studio art and interior design programs are examples of programs where it is expected that supplies will be purchased by students either in addition to or as a replacement for textbooks. Some programs have the non-course fee expenses incurred at a fixed point in time while others bill them at the time of particular course enrollment.

[4] There is one other type of course fee and that is for exceptional instruction expenses (which exist in graduate programs in the College of Nursing, Health and Human Services, the College of Education's student teaching courses, and the College of Business and the undergraduate and graduate programs in the School of Music.)

Policies

Handbook

There is no statement of any kind on faculty using or profiting from the use of their own text. Chairpersons must “approve” text choices though under the current apparatus of web ordering, there is no provision for enforcing this. Multi-section course common texts are encouraged, but text choices are to be made by “each faculty.” The language is a clumsy compromise.

> **310.1.12 Textbooks.** Textbooks for particular courses are selected by each faculty member and approved by the department chairperson. In a course with multiple sections, it is generally desirable that all sections use the same basic texts. Textbook requests are coordinated by the academic department offices. The University Bookstore will order and will make available for sale textbooks required in all University courses.

It should be noted that the national AAUP considers the inclusion of any approval process that allows an administrator the ability to nullify a faculty member’s choice to be a violation of academic freedom. However, they do not find it a violation of academic freedom for departments to require common tests for courses.[5] .

ISU-Barnes and Noble Relationship

As discussed above, ISU and Barnes and Noble have contracted with one another for more than 20 years. The relationship has provided ISU with a stable textbook partner without the administrative issue of staffing and stocking a bookstore. Barnes and Noble has benefited from, at first, a “preferred” status and currently an “exclusive” status. This status change was negotiated as part of the agreement for Barnes and Noble to build its current location. This

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[5] From the Association’s statement on *Academic Freedom in the Medical School*

The freedom to teach includes the right of the faculty to select the materials, determine the approach to the subject, make the assignments, and assess student academic performance in teaching activities for which faculty members are individually responsible, without having their decisions subject to the veto of a department chair, dean, or other administrative officer. Teaching duties in medical schools that are commonly shared among a number of faculty members require a significant amount of coordination and the imposition of a certain degree of structure, and often involve a need for agreement on such matters as general course content, syllabi, and examinations. Often, under these circumstances, the decisions of the group may prevail over the dissenting position of a particular individual.

From an email to AAUP member R. Lotspeich from Gregory F. Scholtz AAUP Director of the Department of Academic Freedom, Tenure, and Governance
“In a multi-section course taught by several faculty members, however, responsibility is shared among the instructors for identifying the text(s) to be assigned to students. Common course syllabi and examinations are also typical. The shared responsibility bespeaks a shared freedom, which trumps the freedom of an individual faculty member to assign a textbook that he or she alone considers satisfactory. Your freedom in other respects, however, is undiluted. You should be able to assign supplementary materials to deal with subjects that you believe are inadequately treated in the required textbook. You also have the right to discuss in the classroom what you see as deficiencies in the textbook; doing so could turn out to be as effective in engaging the students as requiring them to use an alternate textbook that you favor. Of course, the department should have a process for periodically reviewing decisions on textbooks for multi-section courses and altering them based on a consensus of the appropriate teaching faculty.”

contract is not set to expire for 14 more years.

Faculty Behavior

There are faculty behaviors that have contributed to increased costs to students and there are faculty behaviors that have mitigated them. The two financially most significant things that faculty have done to contribute to the rise in the cost of textbooks are many have waited too long (fortunately, a decreasing percentage) to get their book orders in and they have included software access with their orders. The two most financially significant things faculty have done to mitigate those rising costs have been to get more of their orders in on time and chosen custom or loose-leaf options or developed materials for students to use freely through Blackboard.

Of the faculty responding to a survey conducted for this report (145 of 390), surveyed 11% noted that they had ordered books bundled with materials they did not use, 7% noted they repeatedly switch texts, and 10% noted that they waited until the last minute to order at least some of their texts. These practices have reduced the buy-back value to students in their current classes and they have perhaps made it more difficult for their incoming students to access used books. Of those responding to the survey, 40% did not fully understand the impact of ordering on time on both the buy-back potential for their current students and the availability of used books for their next-semester students.

It is not the purpose of this report to question the academic need for homework-management software, however, it is the purpose of this report to note the consequence of that software. When faculty are told by publisher's representatives that the homework management software only adds a small amount to the total cost of the book, that is partially true and totally misleading. A core text that costs $150 new may only have that cost increase by $10 when bundled with the core text, but it has the effect of rendering all buy-backs worthless. Of the 18 courses surveyed for Table 2, 7 had their buy-back value reduced to zero as a result of the software bundled with them. Faculty that use the software to significantly enhance their course should not be questioned about the legitimacy of the practice, but faculty who have been misled as to its true marginal cost to students, should at least re-think their decision to agree to the bundle.

On the other side of the ledger, faculty have been doing their part to control these costs as well. Ninety percent indicated they knew and considered the price of the textbooks when placing their orders, 80% indicated they knew of cost-reducing options they could choose instead of traditional texts, and 84% indicated they got their book orders in on time to maximize buy-back potential. Several had engaged in one or more of the cost-reducing practices named in the survey with 26% having chosen a custom text that included only selected materials from the text, 32% suggesting ebooks to their students, 44% having intentionally chosen an older edition (than the most recently published one), 36% having made their textbook available on reserve at the library, 4% having chosen a public domain (Flatworld) text, and 9% having chosen a loose leaf option for their text. Of those that have chosen a cost-reducing option, only 5% indicated it degraded the learning experience of students, though 60% indicated that it added to their own workload to add these options.

In answering questions about practices that raise the effective price of textbooks to their students, faculty were split right down the middle on issues relating to the Handbook language on textbook choice. Exactly half indicated that they would consider a limit of the ability to use and profit from the use of their own text in their own sections as a violation of their academic freedom and exactly half indicated that they would consider a departmentally imposed common text in a multi-section course to be a violation of their academic freedom. (See AAUP statement above.)

In written responses, faculty who themselves are authors of textbooks, offered opinions on the first practice, mostly noting their own deep desire to continue to use their own texts, that publisher royalty policies and practices make it nearly impossible to know exactly how much they receive from any one campus, let alone any one course, and that faculty should be allowed to use their own classes to develop texts and other materials. They also noted, almost universally, that they make a concerted effort to estimate profits resulting from sales to their own students and donate those profits. There are, though, anecdotes from students and faculty alike that some faculty have profited significantly from students using their texts. The subcommittee was troubled by these reports.

Student Behavior

Students are responding to escalating costs in a number of ways. A third of non-freshmen reported, in a stratified sample of 1,250 students made up of equal parts Freshmen, Sophomores, Juniors, Seniors, and graduate students for which there were a combined 232 responses, that they do not purchase all of their required texts. Nearly a quarter of freshmen, at a stage too early to make effective strategic choices, report the same behavior. This is perhaps understandable given that unlike in times past when students could rely on their parents to purchase their books for them, only 15% indicate that their parents are footing this particular bill with the remainder coming from students' earnings, savings, scholarships, or loans. A significant number, 20%, report waiting to buy their books to see how much they will ultimately use them. On the other side, more than one-third of non-freshmen students buy new textbooks even when used ones are available. When looking to save money, 95% of students will try to buy used, 49% will rent, with ebooks garnering less interest in non-freshmen students than purchasing an older edition of a physical book. When asked to rank their preferred means by which to acquire books, buying used is the most preferred option, renting is the second-most preferred option, with ebooks and sharing are the least preferred option. While 63% of non-freshmen students report garnering at least some of their books through the ISU bookstore, this is hardly their only outlet. Two-thirds indicate they use other physical or internet bookstores, 21% buy/rent directly from other students, 5% buy/rent directly from publishers, and 18% use some other mechanism.

The negative consequence of not buying books is also apparent with somewhat less than half of students who have tried to do without texts report that their performance was affected in some way. The Fall GPA for students who took the survey and reported making a habit out of buying all of their books averaged 3.31. For those in the survey who only purchased books for their major-based courses, their Fall GPA averaged 3.09. For those who noted a strategy of waiting to determine the usage of the book, their Fall GPA averaged 2.98. For those who rarely or never purchase books, the Fall GPA averaged 2.68.

Perhaps as disturbing, 55% of students purchased a book that they never used, but should have, and 69% of students have purchased a book that was never used or referred to by the faculty member.

In terms of their buying habits, 89% have purchased a used book, 44% have rented a textbook, while only 14% have purchased an ebook. Somewhat encouraging for the coming course-fee-ebook experiment, freshmen are more inclined to be interested in ebooks than non-freshmen with 65% either agreeing with the premise of the experiment or expressing a willingness to be convinced that ebooks could save them money. Only 55% of non-freshmen take the same view.

Areas for Immediate Action

There is not much that can be done immediately to impact textbook costs in a dramatic fashion. However, since this report will be made public at about the time fall book orders are due, there is the opportunity to have a modest impact with informational items. Faculty are generally unaware of the stipulations in the ISU-Barnes and Noble contract that gives the latter an "exclusive" status (rather than the previously existing "preferred" status) as the book and supply provider to ISU students. While faculty understand that they must provide their book order information to the ISU Barnes and Noble store, they do not know that suggesting alternative outlets to be a violation of that contract provision. While most faculty understand, at least conceptually, that ordering their books on time saves students money, at least a quarter of them do not understand the full magnitude of the effect on both the outgoing and incoming students in their courses. Overwhelmingly, though, faculty are willing to learn how their practices affect students and this is an area that the subcommittee believes should be exploited with an immediate effort to produce informational pieces aimed at faculty education. Similarly, students are also engaging in practices that are either fiscally or educationally unwise. The subcommittee believes these should also be addressed immediately with informational pieces. The final area of immediate action involves education of Chairpersons and how their actions impact the cost to students. In particular, their scheduling practices can have an impact on student expenses. When a department does not elect to use a common text for lower-level undergraduate courses and the faculty teaching those courses consider them to be less desirable assignments, Chairpersons frequently rotate the assignment and thereby increase the cost to students of the textbook purchases by reducing the buy-back potential for one set of books while decreasing the availability of used books for the others.

Faculty Education

The subcommittee believes that the Center for Instruction, Research, and Technology, should produce educational materials that inform the faculty of areas of potential savings for their students and to use this section of this report to back up those materials with persuasive illustrations. In particular, every major publisher allows for custom publications of their textbooks. Most publishers make their titles available in electronic form. With a long enough lead time, the ISU Barnes and Noble bookstore can locate out of edition texts. There is a growing list of areas where textbooks are available in the public domain or with publishers that allow for free access to online readers and for greatly reduced print costs. In sum, besides educating faculty about on-time ordering, there are many options that fully-informed faculty can utilize that ill-informed faculty may not know exist.

Loose-leaf and Custom Publications

Every major publisher makes available to faculty a custom publication division. Using the same process that garners faculty access to desk copies of textbooks, faculty can go online and pull together the materials required for their course. All faculty have to do is select the chapters that they want and a running counter tells them what the price would be (prior to the Barnes and Noble markup.) For McGraw-Hill the pricing practice is such that if you select an entire book (essentially making it a custom publication of the entire book in loose leaf or bound form) the price is about half the price of the whole text. Why would a publisher do this? Because it renders that text unsellable in the used market and since the costs of publication are so small, the profits to the publisher are actually greater than when books are sold in the traditional fashion. The real value for students in this approach comes when faculty know they are going to use only a small portion of a book. While it should be remembered that custom texts are usually valueless at buy-back time, the effective price of the loose-leaf or custom option is typically much lower than traditional purchase or rental options. Table 4 provides the web addresses for the custom publication sites of the major publishers.

Table 4

Custom Publication Web Addresses

Publisher	Custom Publication Web Address
McGraw-Hill	http://create.mcgraw-hill.com/
Cengage	http://www.textchoice.com
Wiley	http://customselect.wiley.com/
Pearson	http://www.pearsoncustomlibrary.com/

e-books

Most publishers make electronically accessible books available for most of their titles. For a subset of those titles, the publishers make the title available to Barnes and Noble at a price such that after the Barnes and Noble markup, the direct price from the publisher and the Barnes and Noble ebook price are essentially equal. Not all publishers and not all titles work this way so that there are titles that are cheaper when purchased directly from the publisher. If faculty request an ebook option from Barnes and Noble, one is made available for students through Barnes and Noble, though the price may be higher than the direct price from the publisher.

Out of Edition Texts

While clever students have been buying books that are out of edition for quite some time, what many faculty do not know is that with sufficient lead time, it is possible for the ISU Barnes and Noble bookstore to find enough copies of the out-of-edition text so that everyone in the class can purchase it. This reduces the price of these books by a nearly two-thirds because though the location costs of these books can be significant, when they are found they are usually available for less than 10% of the newer edition’s retail price.

Public Domain or Open-Source Texts

It has long been the case that public domain books are exceedingly inexpensive. Professors of history, literature, and others have frequently found that they can have students read the "classics" for much less than they can have their students read more modern writings. Something new though is the availability of open-source texts from publishers like Flat-World Knowledge. These texts are generally written by scholars who were either motivated to produce books for students out of a sense of duty to the academic mission, or were they were motivated by money but failed to find publishers willing to sign them to contracts. Regardless of the reason these books are available, they are available. Students can read them online for nothing and can pay a very low price for a simple black-and-white copy of them. The major providers of open source textbooks and their web addresses are noted in Table 5

Table 5
Open Source Text Providers

Company	Address
Flat-World Knowledge	http://www.flatworldknowledge.com/
Connexions	http://www.cnx.org
MERLOT	http://www.merlot.org/
MIT Open Courseware	http://ocw.mit.edu/index.htm

Timely Book Orders

When a book order is made in a timely fashion, the ISU Barnes and Noble bookstore will look at their purchase history for that course for the following semester, ensure that the text is not moving to an updated edition, and then estimate the number of books that they can buy from students. As long as there is no bundled software, they will typically offer students who are first to sell theirs back to the bookstore an amount equal to 50% of the students' purchase price.[6] When they meet that quota, they will then drop their buy-back price to the level (typically 20%) associated with shipping the text to their own or some other wholesaler. When they do not get an order, they are compelled to assume that the faculty member will be doing something else with their course. That means that the most they will buy is what the wholesaler is looking to buy and even then it is at the lower buy-back level. As such, a failure to place a timely order costs current students 30% of the retail price of the books they purchased in terms of lost opportunities for buy-back. On the other end, when the bookstore does get the order, books must be ordered. Because profits are greatest to bookstores when they buy already used books and sell those back, other bookstores around the country have already bought up most (if not all) of the used books for that title and our bookstore must purchase new books from the publisher. That cost is passed directly to the student in the form of students having to pay 100% of retail for the new book rather than 75% for the used book. Timely orders on books save students significant money.

Avoid Unnecessary Bundles

As previously mentioned, when faculty are told that they can add on a software subscription (typically a homework management software) for a small amount, they typically do not understand the implications for buy-back. These can render a $150 book, whose buy-back value

[6] Bookstores will market texts in such a way that it is permanent and apparent whether the student purchased it new or purchased it used.

could have been $75, essentially worthless. In so doing, the effective price of the book doubles which is not at all a “small amount.” In the survey of students, 71% of non-freshmen students reported buying a bundle, not using an element of the bundle, and having their book rendered valueless at buy-back.

Avoid Switching Books Frequently

When faculty switch texts frequently, and 10% of faculty surveyed admitted that they do, they make it much less likely that their current students will get the most buy-back value available, and expose their new students to a much higher likelihood of having to pay the higher new-book price. Simply waiting until the current book is moving to a new edition before switching would save students significant money. This is not to say that a faculty member should stay with a textbook that is poor or does not meet the needs of ISU students. Rather it is to say that faculty should consider student costs when making the decision to switch texts and to consider the impact of the timing of that switch.

Student Education

The survey of students clearly shows that experienced students understand that there are alternative means to acquire books and supplies while freshmen tend to take the path of least resistance and buy everything assigned to them through Barnes and Noble. Because the contract between ISU and Barnes and Noble contains an exclusivity clause, we cannot suggest other outlets for items that Barnes and Noble sells, but that does not necessarily mean that we cannot offer information regarding alternative items that are free or are not sold by Barnes and Noble.

As such we cannot recommend that students garner access to their ebooks directly from the publisher when Barnes and Noble sells an ebook in that title. It is an open question (that ought to be settled by the University Attorney) if ISU can suggest such a purchase when the ISU bookstore does not make ebooks available in that title. Similarly, there are texts for courses from Table 2 above that are available for rent on other rental outlets (such as Chegg) that are not available through Barnes and Noble and so there is an open question as to whether ISU can suggest that students check other outlets for their rental options. Finally, there are options for students who are adventurous to purchase (typically on a peer to peer basis) international editions or out-of-edition copies of their texts.

Pending approval of the university attorney, ISU’s Center for Instruction, Research, and Technology, should be charged with designing appropriate information items for students. It should also include information about the consequences of going without a text.

Chairperson Education

When faculty teaching schedules are made, chairpersons are frequently balancing many competing issues. One of those issues is the degree to which a course, though offered every term, is rotated around the faculty because it is either a very-desired course to teach or conversely, a burdensome and undesirable course to teach. The consequence of that rotation (when faculty select different texts) is to raise the effective price of textbooks. The returned books are less valuable and the purchased books are more likely to have to be augmented by new ones.

When enrollment demand is such that a course cannot be offered every term, it is intuitive, reasonable, and tempting to simply offer the course every fall or every spring. The same effect occurs. Chairpersons should consider, when developing their multi-year scheduling plan whether it is possible or wise to schedule such course for both fall and spring of one academic year and then not at all the next academic year. Under the right circumstances, this scheduling pattern would lower the effective price of books for their students.

Through meetings organized for chairpersons, a session should be offered in which they are encouraged to understand and consider the impact of their scheduling decisions on the affordability of textbooks.

Supply Cost Transparency

A final area that can be implemented quickly is for the Provost to direct Deans and Chairpersons to ensure that all the programs under them prominently feature a statement laying out realistic program costs. Similarly, department chairpersons over programs that include courses requiring supplies should be asked to have the faculty teaching them to estimate the costs of course-specific supplies, for those cost estimates to be included in those course syllabi, and for departments to work with Academic Affairs to include those estimates in the course catalog.

Areas for Intermediate Action

There are three avenues for savings that should be explored during the 2012 calendar year. The first of these is to work with the governance structure to change the language of the University Handbook regarding textbooks. The current language is worse than vague with regard to textbook selection in multi-section courses. There is also no language to prevent or even discourage faculty from profiting from their selection of texts. The second of these recommendations is that Business Affairs and Barnes and Noble negotiate a mechanism which results in an increase in the buy-back price of books that are used in courses only offered on a once-a-year basis. While the particulars of that negotiation are likely to be complicated, the result could save juniors and seniors significant sums relative to the current system. The third intermediate term recommendation is that the University engage in an experiment to determine whether the course-fee model employed at other institutions could result in significant net savings to students. This approach has the university billing every student enrolled in the course a fee in an amount sufficient to provide electronic access to the text. Though required by contract to flow through Barnes and Noble, though ISU would have to absorb risks and administrative costs in executing this experiment, and though the educational impact on the experiment is theoretically ambiguous (with every student having access competing against the possibility that knowledge could be undermined by have access be electronic), this course-fee and ebook approach has the potential to save students as much as 30% on their textbook costs. The course-fee model would be conducted in the Fall 2012 semester with a five to eight courses that utilize McGraw-Hill books.

Recommended Changes to the Handbook

The subcommittee suggests that the President and Provost ask the Faculty Senate Executive Committee to charge the Faculty Affairs Committee of the Faculty Senate with studying the language on textbook choices.

> **310.1.12 Textbooks.** Textbooks for particular courses are selected by each faculty member and approved by the department chairperson. In a course with multiple sections, it is generally desirable that all sections use the same basic texts. Textbook requests are coordinated by the academic department offices. The University Bookstore will order and will make available for sale textbooks required in all University courses.

The subcommittee notes that the first clause of the first sentence gives the right of textbook selection to the individual faculty member but the second clause, in violation of AAUP standards on academic freedom, gives the chairperson the right to strike that choice. The subcommittee notes that replacing the oversight function with language allowing a chairperson to request that a departmental committee review the matter would meet AAUP standards.

The subcommittee struggled with two other issues regarding Handbook language that more directly affect affordability. The first was the issue of faculty profiting from the use of their own books in their own sections with its ancillary problem of faculty (sometimes chairpersons or Directors) choosing texts for multi-section, adjunct-taught courses for which the textbook decider has a financial interest. The second issue was the question of whether departments could choose a common text for multi-section courses and whether that violated the academic freedom of individual instructors.

The issues are for FAC to decide, but in so doing the subcommittee wishes to place before it the issues with which it struggled. On the subject of faculty members profiting from the sale of their own texts, there are several faculty who have potential conflicts of interest. Some of the texts in question are nationally adopted while others are used at ISU only. Because there is no reporting requirement for these books, there is no way of guaranteeing or even knowing whether the profits are kept by the authors or donated and there is no way of knowing whether they are donated to a Foundation account for which the author has some control, or donated to accounts for which the author has no control. The subcommittee, using other institutions' policies as a guide, believed that national use should be an important standard in considering whether and by how much faculty could profit from the use of such texts in the classes for which they taught or selected the books. A group of faculty on the subcommittee suggested language for the Handbook which read:

> "Faculty members may select texts for which they are the author, as long as the royalty income for the sections they teach does not exceed $500 per academic year. If a faculty member wishes to use a textbook under these circumstances, he or she may collect the royalty not to exceed $500 per academic year, if the text has become independently accepted in the field and has received permission from the President in writing through the Provost."

The faculty survey revealed that half of faculty considered this language to be a violation of their academic freedom. It is unclear on what basis they made that judgment, but there are at least four issues that the faculty could have been objecting to and that FAC should consider:

1) Should faculty be able to profit, by how much, and how to enforce such a rule when authors have no control over the price or knowledge of the source of sales?
2) Should there be a requirement that the text be independently accepted in the field and what body should be charged with rendering a decision on the independence standard?
3) How should textbook development be handled? Can a book be used in the developmental stage? Can the author's costs of production be considered as costs worthy of being recouped through sales at this stage?
4) Who or what group should be charged with settling textbook issues?

FAC may wish to leave the issue to the independent judgment of the faculty themselves and adopt Handbook language this effect:

> "Faculty are entitled to use materials they generate themselves but are discouraged from profiting from the sale of those materials in sections of courses they are teaching or for which they select materials. Faculty using their own texts are encouraged to estimate the royalties attributable to these sales and to donate this amount to student scholarship funds of their choosing."

On the subject of common textbooks in multi-section classes, the faculty were once again split down the middle. Of those faculty who chose to comment directly on issues raised in the survey, this issue generated the greatest angst among some faculty. That is, while the national AAUP would view the following language to not be a violation of academic freedom, many ISU faculty would.

> A department may elect to enact policies that require a common core textbook across sections. The selection of common textbooks for multi-section courses must be made by a departmental committee that, at least, includes the tenured or tenure-track faculty teaching the course. Faculty are allowed to choose whatever supplements to the core text they wish and are free to note to students when they disagree with the text's presentation.

The benefits of common-texts are many. They allow texts to be ordered in sufficient quantity and with enough lead time to ensure that used texts, when available, are available. They allow Barnes and Noble to rely only upon the Chairperson rather than having to track down individual faculty for their orders. They maximize buy-back potential and minimize the occurrence of having to fill in with more-expensive new texts for the following semester. In the case where a common text is used across sequenced courses, they allow students to avoid the problem or purchasing two books for multi-semester courses which can be taught from the same text.

The drawbacks to common texts are also many. There is value is getting differing perspectives on the same material and to the degree that the common core text creates a misimpression that there is only one perspective to a discipline (even at the earliest levels) this could be viewed as being problematic. While that may not be an issue in some disciplines, like calculus, it is clearly the case in the social sciences. Compelling faculty to teach something they do not believe to be true, compromises the educational effectiveness of the faculty.

Like the faculty as a whole, the faculty on the subcommittee are split on this issue. Nevertheless, FAC should be asked to clarify the Handbook language on the matter.

Negotiating a Solution to the Once-Per-Year Offering Issue

Because the ranks of the tenured and tenure-track faculty, those most able to teach upper-division courses, have contracted so dramatically in the last twenty years, and because the University has sought savings in the instructional area, it is now relatively rare for a junior or senior level major elective course to be taught every semester. It is also the case that the texts for such courses are more expensive than those for freshmen and sophomore level courses. While this latter fact increases the cost of textbooks in an obvious way, the former has a similar effect with a similar magnitude and the subcommittee is hopeful that a negotiated solution can be found.

Consider, as a hypothetical example, the costs of a junior's textbooks. Such a student might be in five, three-hour courses with new book prices averaging $175 per course (with used-book alternatives being $131.) The buy-back rate for these courses would be 50% if the texts were nationally common and were it not for the fact that the course is offered only once a year. Because they are offered just once a year, those texts are bought back by Barnes and Noble for around 20% of their new book price and shipped to its (or another) wholesale used book sorting facility for distribution of schools using that book the following semester. For each course for which this is the case, students lose 30% of that book's new book price, or $53. In addition, there is the possibility that insufficient quantities of used books will be available the next time the course is offered thereby causing that group of students to have to pay new book prices rather than used book prices. The effective price students pay for junior and senior level books that they have no intention of keeping, is raised dramatically (30%) by the practice of alternating semesters in which a course is taught. ISU's Barnes and Noble has no ability (no profit-motivated interest) in purchasing a large number of books that it would have to store and then run the risk of the course not being offered, the faculty member choosing another text, or a different faculty member teaching the course from another text.

These are all problems a negotiated solution could, at least potentially, address. To understand how, consider a course such as Health Economics. It is a Foundational Studies Upper Division Integrative Elective course for which there is only one instructor. Going forward, the course is likely to be offered every fall semester and because the instructor has invested considerable time in developing materials around the text, the instructor has no interest in changing the text. The book costs more than $200 as a new book ($155 used). The course fills to capacity (35) when offered.) Each student taking the course could save as much as $60 were ISU and Barnes and Noble to be able to arrange a solution to the storage issue. The Economics department would have to agree to offer the course the following fall with its instructor agreeing to use the text the following fall. ISU would have to store and secure the books and twice a year the inventory of these books would have to be swapped from the store to and from the storage facility. Other issues would have to be negotiated with regard to transportation, security, spoilage, and consequences for reneging on the agreement to teach the course with the book on the delineated schedule.

In aggregate, with nearly 4000 juniors and seniors taking ten courses each per year, spending $1500 per year on books, a 30% savings would be dramatic. If half of those books fall into this scenario, and every affected course and faculty member agreed to the stipulations, the savings to ISU students would total nearly $1 million. Realistically, the effect is unlikely to be that large, however, the potential savings are far too large to ignore. The subcommittee recommends that Business Affairs engaged Barnes and Noble in a negotiation.

A Textbooks-On-Reserve Experiment

The subcommittee suggests that the library conduct a Fall 2012 experiment in which it solicits reserve-copy textbooks for selected large-enrollment, multi-section, introductory courses. The goal of this experiment would be to determine the costs and benefits of a potential Textbooks-on-Reserve program. If it were determined that the costs are relatively low and the benefits relatively high, the experiment could and should be expanded in future semesters to include more courses.

A Course-Fee Experiment

In a course-fee model all students in a course would have access to an ebook that would be available to them beginning 15 days prior to the beginning of the semester (or upon their enrollment whichever is later) and lasting 165 days from beginning of the semester. That availability would be determined through the publisher. The publisher and the university would agree on an auditable counting process that would establish the basis for the bill the publisher would submit to Barnes and Noble. Barnes and Noble and the publisher would agree on a price, Barnes and Noble would markup that price, and the university would mark up that by an amount to account for bad debt and other administrative costs. The publisher would make the book available to students either through the web or as a download to a device (or devices) that could be either proprietary to Barnes and Noble (such as the Nook) or general such as a tablet. The publisher and Barnes and Noble would negotiate a print price on the books that would allow students unable or unwilling to read an electronic book to be able to read a physical book. Students would be able to print the book from their computers or devices. Both Barnes and Noble and the publisher would have to agree to maintain technical support operations sufficient to meet demand.

Overview of the Experiment

In the Fall 2012 semester, with one publisher, McGraw-Hill, and five to eight courses taught using McGraw-Hill texts, ISU would apply course fees equal to the marked-up negotiated price. The courses would be Economics 100, Political Science 107, Health 111, and History 201 and perhaps Psychology 101. In those courses for which there are multiple sections, instructors would be given an option whether or not to participate. These sections would have to be known by February 1, 2012. The President would seek Board of Trustees approval for a variable course fee for these sections of these courses asking for sufficient latitude in the application of those fees to conduct the experiment.

Potential Benefits of Such a System

Given that the actual median ratio of buy-back offering to retail price is 20% and that rentals are only available for slightly more than half of the large enrollment courses listed in Table 2, the potential benefits to students of a course-fee model are significant. At Indiana University, where the buy-back model was piloted in the Fall 2011 semester, the price students paid for these books was 35% of the new book retail price. If that is the outcome of the Barnes and Noble – McGraw Hill negotiation, if Barnes and Noble engage their 25% mark up and ISU engages a 10% mark up on top of that, the course fee will be 48% of the new book price. While that is not a large savings on the effective price in the optimal scenario where the effective price is 50% of the new book price and is not a significant savings over the rental price, that is not the metric that is important. The metric that is important is the savings over the actual effective price paid by students. The median buy-back rate is 20% and rentals are not available for nearly half of freshmen level courses. Given that, the more realistic savings from this model are closer to 20% to 25% of new book prices.

Details and Administrative Concerns of Such a System

The subcommittee, in discussing this experiment and the possibility for wider adoption, sought the implementation advice of ISU's offices of Financial Aid, Registration and Records, Business Affairs, and Information Technology. Each brought issues to the table that must be addressed.

From the perspective of the Office of Financial Aid, there are two, seemingly contradictory edicts associated with the application of Title IV funding for course fees in this area. The first is that for Title IV funding to be able to cover course fees, every student in the course must be charged the fee. At an extreme level that would mean that every section of every course would have to have the same course fee which would effectively mean that every section would have to use the same book. Alternatively, if the interpretation is that every student in a particular section would have to be charged the fee, that is in the model in the first place. However, against that there is the requirement that Pell students be able to opt out of the mechanism by which a University provides books to students. If allowing Pell students to get a forgiveness or refund of their course fee is viewed by the Department of Education as violating the previously described requirement that every student be charged the same fee, then there is no way out of that particular loop and the experiment cannot be conducted. The only alternative is to offer the course fee model for courses for which there are multiple sections, to have enough sections and seats where there is no course fee such that the "opt-out" can be operationalized by section. However, doing so would close out the most obvious savings situation to students, those single-section courses in the junior and senior year. The Office of Financial Aid will have to make that determination in consultation with the Department of Education and the University Attorney.

From the perspective of Registration and Records, there are myriad issues that must be tackled. Some of these can, under an experiment, be dealt with on an exceptional or manual basis. However, as a pilot for an intended university-wide option, the issues must be dealt with in an administratively-feasible fashion. From putting on the fees, to checking to ensure the fees are accurate, to rolling out new schedules, how those fees would be made known to students, especially since they would be on a section-specific basis would, at this moment, be entirely a manual process requiring significant resources in terms of personnel. There are concerns over incompletes (which often have as much as a year to complete a course), over interdepartmental transfers (which could potentially result in the double-counting of students in courses), and over students gaming the system (by registering for an ebook section, getting access to the cheaper print book, dropping it and enrolling in the traditional section where that book is used.)

From the perspective of Business Affairs there are counting, auditing, and billing issues to be worked out that are also likely to be labor and resource intensive. These range from an inability to explain (precisely) a fee to a student when asked about it. The billing codes would be established for each publisher, not for each course, and so a code might tell a Business Affairs employee that it was a course fee for a textbook access, but it would not be more descriptive than that. Given that students that drop a course are allowed a refund of fees on a sliding scale, it is important that Blackboard have the drop date included as part of the information that passes from Banner to Blackboard. Even if that were in place such that ISU and McGraw-Hill could establish a process for counting (such as what is currently imagined where, on October 1 the whole number of students enrolled all semester to that point would be added to .75 times students enrolled only through week 2 plus .5 times students enrolled only through week 3 plus .25 times student enrolled only through week 4 minus with an adjustment for departmental transfers) there is still the issue of late drops and withdrawals that are frequently post-dated. Though McGraw-Hill has pledged flexibility on this issue, there would still be the potential for an extensive and time-consuming audit. Even then, when Barnes and Noble is billed for an agreed upon number by McGraw-Hill and Barnes and Noble passes that bill on to ISU with their markup attached, Indiana State Board of Accounts will need to see detail (how many of each book at each price etc.) with appropriate checks and balances. Procedures would have to be developed on all sides to provide that auditable detail.

From the perspective of Information Technology because McGraw-Hill will make the text available to students through Blackboard, and because McGraw-Hill will only know to turn off a student's access through Blackboard when the student drops, IT will need to create and maintain an understanding of what McGraw-Hill is doing and looking for within Blackboard and will have to pass an indicator for students dropping a course to Blackboard from Banner. When faculty add non-students to the Blackboard site, such as supplemental instructors, their chairpersons, and others, there will need to be a way of educating faculty how to accomplish this without causing another text to be billed.

From the perspective of the Barnes and Noble bookstore book scholarships (which are managed by them) will need to be considered given that some book costs will no longer be collected by them. In addition, discussions regarding the use of Blackboard by the publisher will need to include the General Manager of the Bookstore to ensure Barnes & Noble's satisfaction with the process, in conjunction with the exclusivity afforded them in their contract with ISU. Of particular note is concern about the publisher's interest in accessing Blackboard through their own "building block." Additional purchases made through Blackboard, such as an extension of an e-textbook access, or the subsequent purchase of a paper text, must be processed through the Bookstore.

The Assessment Plan for the Experiment

To determine whether the course-fee experiment was a success or not several steps will have to be taken. An examination of the enrollment patterns will be necessary to determine whether students are interested in the savings these sections offer, are sought after or whether students wish to avoid them. Once students are in them, perceptions of those students in terms of ease of access, readability, portability, overall satisfaction will need to be gauged. Faculty perceptions will also be important to gauge in terms of their impact on the classroom experience, their impact on learning, and their perception of student reading comprehension. It may be useful during that semester to ask participant faculty to test reading comprehension directly. For multi-section classes, a carefully conducted study of education outcomes (including but not limited to grades) comparing traditional and ebook sections should be conducted. The administrative offices involved in implementing this experiment should be asked to carefully document their processes, procedures, and work hours devoted to this task so that its success in saving students money can be weighed against those higher costs.

Need for an Experiment Leader

The subcommittee recommends that to properly conduct this experiment there needs to be an appointee of the President (or Provost) present at all meetings related to the conduct of this course-fee model experiment. There are many inter-related facets of this proposal touching several offices and areas of responsibility. Any one of those areas may posit solutions to their concerns that jeopardize the viability of the entire experiment, would inhibit another office's ability to meet its obligations, or would strain the resources within an office. A single leader should be charged by the administration with being the experiment's coordinator and advocate.

Program (Non-Book) Costs

There are several courses for which there are course fees. Some of these course fees include costs that are borne once early in a program (TK20 in the educator-preparation programs are incurred in EPSY 202 and the software used throughout the student's career.) There are other costs to students that are borne on a semesterly basis but are not billed as course fees. These include those in studio art courses (where students are required to purchase their own supplies); those in the professional pilot program students are required to acquire a pilot's license and flight hours at the own expense through an independently operated flight school. There are programs where these expenses are incurred on an upfront basis. The Nursing program has such fees where students must purchase a package of clothing, a software package, and equipment during their sophomore year.

The determination of whether these expenses should be upfront or on a semesterly basis should be made by the department after considering the price-break associated with upfront costs, the retention rate and graduation rate in the program, as well as the administrative costs associated with each option.

Areas for Long Term Investigation

The subcommittee believes that, subject to being proven effective in the Fall 2012 semester, the course fee model could be expanded to cover more courses and more publishers. If the experiment works educationally, saves students money, is found to be implementable in the context of the Fall experiment, the long-term approach would require a significant analysis of the costs of scaling it up. The technical issues regarding Financial Aid, Registration, and billing would have to be worked out completely. Resource requirements, and needs for new policies and procedures for selecting texts in a timely fashion, for dealing with disabled students, and for myriad other issues not yet imagined would have to be tackled. As such there is no possibility that a multi-publisher system could be in place any earlier than Fall 2014.

Timeline for Analysis and Full Implementation
As the Fall 2012 semester is coming to a close, a team made up of the instructors involved in the experiment, the leaders (or designees) of the administrative offices, the Faculty Senate, Student Government, and the Provost’s office should be created to fully understand the results of the experiment. If the initial impressions are that the experiment succeeded in meeting its primary objective, saving students money, and succeeded without undo costs of implementation, the experiment should be replicated in terms of the same size and scope with the primary objective of the Fall 2013 being the development of processes and procedures which could be executed in multi-publisher full implementation.

If the conclusion of the assessment report on the Fall 2012 experiment is positive and the President agrees that full implementation of the course-fee model is appropriate, the Provost and Vice President for Business Affairs should appoint a small team to negotiate the expansion of the model to other publishers (Cengage, Wiley, and Pearson).

As year-round scheduling is one of the recommendations of the Taskforce on the Barriers to Graduation, and because book orders for Fall 2014 would have to be in place by October of 2013, significant work would have to be done, likely through the Center for Instruction, Research and Technology, in educating faculty about the experiment, its results, and the implications for faculty book orders.