

**PORTLAND,
OREGON
FIELD HEARING**

APRIL 13, 2007



**ADVISORY COMMITTEE
ON STUDENT FINANCIAL
ASSISTANCE**



**SUMMARY OF THE ADVISORY COMMITTEE FIELD HEARING
PORTLAND STATE UNIVERSITY
PORTLAND, OREGON**

BACKGROUND

The Advisory Committee on Student Financial Assistance (Advisory Committee) serves as an independent source of advice and counsel to Congress and the Secretary of Education on student financial aid policy. It was established by Congress through the Higher Education Amendments of 1986 and began operation in 1988. The congressional mandate requires that the Advisory Committee conduct objective, nonpartisan, and independent analyses on important aspects of the student assistance programs under Title IV of the Higher Education Act.

According to its authorizing statute, the purpose of the Advisory Committee is to provide extensive knowledge and understanding of the federal, state, and institutional programs of postsecondary student assistance and to provide technical expertise with regard to systems of need analysis and application forms. In addition, the Advisory Committee is required to make recommendations that will result in the maintenance of access to postsecondary education for low- and moderate-income students. Throughout its existence, the Advisory Committee has examined the barriers to access confronting such students and translated research on access and persistence into policy solutions for enhancing student assistance programs at the federal, state, and institutional levels.

The Advisory Committee on Student Financial Assistance (Advisory Committee) is a Federal advisory committee chartered by Congress, operating under the Federal Advisory Committee Act (FACA); 5 U.S.C., App. 2). The Advisory Committee provides advice to the Secretary of the U.S. Department of Education on student financial aid policy. The findings and recommendations of the Advisory Committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by the Department of Education.

PURPOSE OF THE HEARING

To hear from the public and the higher education community regarding its congressionally requested textbook study, the Advisory Committee held a one-day field hearing to gather information and commentary. In a letter to the Advisory Committee dated May 26, 2006, the Study on the Affordability of College Textbooks was requested by U.S. House Committee on Education and Labor (formerly the Committee on Education and the Workforce) members Howard P. "Buck" McKeon (R-CA) (then Chairman) and David Wu (D-OR) citing concerns about the rising cost of college textbooks compounding the overall financial barriers that hinder access to a college degree. A primary objective of the study is examining recommendations on ways to make textbooks more affordable, recommendations that will be part of the Advisory Committee's final report to Congress in May 2007.

The Study on the Affordability of College Textbooks was launched at the Advisory Committee's September 19, 2006 hearing in Washington DC. The Oregon field hearing is the last of three field hearings to gather information for the study; the first field hearing was held in Chicago, Illinois on December 18, 2006, and the second was held in Santa Clarita, California on March 5, 2007.

The Oregon hearing's first session brought together bookstore representatives, faculty, technology specialists, and student representatives in order to ensure that a broad range of perspectives was heard on what can be done, and is being done, by different stakeholders to reduce the financial burden of textbooks on students.

The second session of the hearing provided an opportunity for various stakeholders to provide additional ideas and points of view to Advisory Committee members. Participants included faculty, students, and technology specialists.

HEARING PARTICIPANTS

Session I: *Congressionally Requested Study to Make College Textbooks More Affordable*

Presenters: *Dr. Michael Sonnleitner, Political Science Instructor, Textbook Taskforce Chair, Portland Community College*

Mr. Bryan Pearce, Chief Executive Officer, University Book Store, University of Washington

Mr. David Rosenfeld, Program Director, Student Public Interest Research Groups

Mr. Ken Brown, President and CEO, Portland State University Bookstore

Dr. Mark R. Nelson, Digital Content Strategist, National Association of College Stores

Dr. Gerard L. Hanley, Executive Director, MERLOT, Senior Director, Academic Technology Services, California State University Office of the Chancellor

Dr. Richard G. Baraniuk, Victor E. Cameron Professor, Electrical and Computer Engineering Department, Rice University

Mr. Fred Beshears, Former Senior Strategist, Educational Technology Services, University of California, Berkeley

Mr. Bart Stewart, Technology Specialist, Addison Wesley/Benjamin Cummings

Session II: *Public Comment and Discussion*

Presenters: *Mr. John Arle, Instructor, Biology Department, Phoenix College, and Faculty Mentor, A&P Wiley Faculty Networks*

Ms. Jolene Willson, Campaign Coordinator, Make Textbooks Affordable Campaign, Oregon State Public Interest Research Group, Portland State University

Mr. Brian Lynch, Chief Operating Officer, Railway Media

Ms. Megan Driver, Board Chair, Oregon Student Association, Director of State Affairs Task Force, Associated Students of Oregon State University

Session I: *Congressionally Requested Study to Make College Textbooks More Affordable*

Session one had a dual focus: the first group of panelists described current local efforts to make textbooks more affordable for college students. The second group discussed the various ways technology can be used to reduce textbook costs.

Prior to the panelists' testimony, Dr. Shawn Smallman, Vice Provost for Instruction and Dean of Undergraduate Studies at Portland State University (PSU), welcomed the Advisory Committee to the institution on behalf of the President of PSU. PSU understands that the cost of textbooks is an important issue affecting students.

Congressman David Wu then provided the keynote address. Representative Wu has heard more about the high cost of college textbook from students in Oregon and around the country than about any other education issue. Rather than move directly to legislation as a means of addressing textbook costs, he and Representative Howard P. "Buck" McKeon asked the Advisory Committee to conduct the textbook study to further evaluate the issue. Any proposed solutions to the problem of textbook costs will need to respect academic freedom, the role of students, and the position of all stakeholders involved.

The first panelist was Dr. Michael Sonnleitner, Political Science Instructor and Textbook Taskforce Chair, Portland Community College (PCC), who spoke about PCC's textbook taskforce, created in 2006 to address textbook costs for the 90,000 students that attend PCC. The taskforce, composed of students, faculty, and staff, developed ten recommendations geared towards the institution and ten recommendations for faculty and staff. One of the recommendations was to create an office to assist faculty in obtaining copyright permission for instructional material. This could save faculty time in acquiring needed materials and increase the amount of material available to students. Creation of such an office is contingent on receiving necessary funding from the state. Other recommendations urged PCC officials to work with state and federal policymakers to offer a tax credit to students for textbooks and related costs, to take action to remove bans on purchasing textbooks from vendors outside the U.S., and to limit royalties as they can be increased to raise the profit on textbooks. In addition, the taskforce recommended that free sample copies given to faculty by publishers become the property of the PCC library reserve system. This prevents faculty from selling the books, as such sales hurt publishers, and it makes more textbooks available to students for free.

Mr. Bryan Pearce, Chief Executive Officer, University Book Store, University of Washington (UW) explained how the University Book Store's organization as a corporate trust helps reduce textbook costs for students. As a corporate trust, the bookstore is independent and is run by a board of directors that includes students, faculty, and UW administrators. The bookstore is able to set lower prices on textbooks based on the expected annual profit the store will generate from the sale of other merchandise. On average, textbook sales at other college bookstores constitute 58 percent of all sales; however, textbook sales at the University Bookstore constitute only 37 percent. In addition, the bookstore offers an annual patronage rebate, need-based textbook scholarships, special discounts, a textbook giveaway program, and a free online textbook exchange program. Mr. Pearce also discussed recent legislative efforts in the state of Washington to waive sales tax on textbooks, and to require publishers to disclose wholesale prices and revision histories to faculty. Last year, a comprehensive textbook bill for community colleges was

introduced that would address bundling and the need for increased communication among faculty, bookstores, and publishers to reduce textbook costs.

Mr. David Rosenfeld, Program Director, Student Public Interest Research Groups (Student PIRGs), spoke about the organization's efforts to reduce textbook costs and the result of those efforts. In 2003, the Student PIRGs started the Make Textbooks Affordable Campaign, which has become a nationwide effort. The campaign involves researching the issue of high textbook costs, educating faculty and students, developing a national online textbook exchange site (www.CampusBookSwap.com), examining how to implement textbook rental programs, and creating sample legislation that states can use as they explore the issue. These efforts have resulted in increased awareness of textbook costs and a better understanding of ways to respond. However, states, institutions, and academic associations are best poised to effectively implement solutions on a larger scale. Mr. Rosenfeld also addressed future solutions involving technology. From his experience, students seem divided in their preference for traditional print textbooks or electronic versions of textbooks. Although it is yet to be decided whether technological solutions will play a key role in this issue, electronic materials that are high quality, provide open access, and are available in print versions hold the greatest potential for student satisfaction and cost reduction.

Mr. Ken Brown, President and CEO, Portland State University (PSU) Bookstore, described the work of his bookstore to reduce college textbook costs. The PSU Bookstore began as a student cooperative and attained nonprofit status in 2005. It is operated by a board of directors composed of students, faculty, staff, and other professionals. The bookstore uses money it would have paid in taxes to reduce the profit margin on textbooks and provide need-based textbook scholarships in partnership with PSU. Last year, students saved between \$60,000 and \$70,000 overall due to reduced profit margins. Many of the textbook scholarships go to first generation students and those who are single parents. In addition, the bookstore has a strong used textbook and buy-back program; more than 30 percent of textbooks sold are used, and last year the buy-back program paid out \$1 million to students. Mr. Brown also discussed rental programs. Although such programs help students save on textbooks, they also increase overhead costs for the bookstore and institution. The savings provided to students is generated when faculty agree to use the same textbook for a longer period of time and when the institution agrees to receive less revenue from textbooks. These steps can be accomplished without a rental program by the bookstore working with faculty and administrators to achieve the same objectives.

Dr. Mark R. Nelson, Digital Content Strategist, National Association of College Stores, discussed the role emerging technologies can play in making textbooks more affordable. While many forms of technology are applied to textbooks, such as custom publishing, electronic textbooks, print on demand, open courseware, and digital learning objects, no existing technological innovation has achieved a tipping point that would make it widely accepted. For digital technology to be successful, copyright challenges need to be addressed, as well as digital divide issues among students, and technical and cultural issues pertaining to user abilities and expectations. In addition, economic issues related to reducing the cost of content will need to be resolved. In the short term, technological options are not likely to provide the solutions students and faculty are looking for, as costs for such options may still be too high. In the long term, once standards are established and production and distribution processes are more efficient, technological options will be able to provide needed solutions. There will likely be a dominant model, and the transformation to a digital solution will likely impact both higher education and K-12. In the meantime, print on demand is an option for accessing digital content at a low cost.

Dr. Gerard L. Hanley, Executive Director, MERLOT, Senior Director, Academic Technology Services, California State University (CSU) Office of the Chancellor, described the goals of two of CSU's initiatives to help reduce textbook costs: to enhance learning and teaching processes through the use of technology, and to increase academic success. The first initiative is the Multimedia Educational Resource for Learning and Online Teaching (MERLOT). MERLOT is an online repository of digital content

supported by an international cooperative of educational institutions, associations, and organizations, as well as individual partners. Created in 1997, MERLOT is free and available to anyone. The site, which is visited 60,000 times per month, has more than 16,000 digital learning and teaching materials that undergo peer review by editorial boards. Information about the author, content quality, and any user comments are provided for each piece of material. Users are able to customize materials and create their own personal collection of content. The second initiative is the CSU digital marketplace, a site that will connect faculty and students with traditional publishers and other types of content providers in one central electronic location. The site will enable many different functions such as free exchange, peer-to-peer sharing, access to free services and library-style collections, and the ability to purchase learning materials directly from producers and vendors through formats similar to Ebay.com and Amazon.com. CSU is working with many education, technology, and publishing partners on this initiative and plans to make its digital marketplace available in pilot form by the fall of 2007.

Dr. Richard G. Baraniuk, Victor E. Cameron Professor, Electrical and Computer Engineering Department, Rice University, and the founder of Connexions, made a presentation on Connexions, an online repository of educational materials and information. These materials come in a range of forms, from digital learning objects to “born” digital content to full web courses. Connexions is an inclusive community that invites users to “create, rip, mix, and burn” – meaning that users can create learning content for others to use, “rip” or translate and customize existing content on the site, “mix” or combine existing content to create a full course, and “burn” or print the content. Connexions offers a print on demand service that prints and binds the content combination selected by users into a paperback or hardcover, full-color traditional textbook for a very affordable price. For example, a 300-page textbook costs \$25 rather than \$125. In the month of March, Connexions was used by over 600,000 people in nearly 200 different countries speaking many different languages. Over 60 million items on the site are licensed through Creative Commons to protect intellectual property. The content is always up to date. Rice University Press plans to reopen this year as a digital press through Connexions.

Mr. Fred Beshears, Former Senior Strategist, Educational Technology Services, University of California, Berkeley, explained his idea for developing a new business model to provide students with affordable, quality educational content. Institutions should form a cooperative to purchase electronic educational content from Open University (OU) in the United Kingdom. An average of \$3 million is invested in the development of every online course at OU, with as many as 40 people working to create high quality course content. OU spends \$75 million a year on online course development. If 1,000 institutions pay a \$75,000 fee per year to OU for access to its course materials, then a school such as the University of California, Berkeley, which has 23,000 undergraduates, could pass on savings to students in the form of a \$3.25 course materials fee. The available course content could be used for the 100 largest courses at an institution, and faculty could still have the option of using other materials.

Mr. Bart Stewart, Technology Specialist, Addison Wesley/Benjamin Cummings, spoke on MyMathLab (MML), a series of online courses that correspond to Pearson textbooks and provide learning aids, assignments, and assessments. MML has effectively increased student success and retention. While most students purchase MML for themselves, institutions can also purchase it and thereby help students save on textbook costs. Publishers are continually striving to meet the learning needs of students and the demands of the market by using technology to better deliver learning materials. Mr. Stewart suggested that educational materials in the future will likely be more modularized, personalized, and accessible.

Session II: *Public Comment and Discussion*

The focus of session two was on hearing from individuals who requested to contribute to the discussion on textbook affordability. These participants spoke on additional efforts being made in Oregon at the

student, faculty, institutional, and retail levels to make textbooks and other instructional materials more affordable for students.

Mr. John Arle, Instructor, Biology Department, Phoenix College, and Faculty Mentor, A&P Wiley Faculty Networks, discussed his move in his courses from traditional textbooks to the sole use of electronic materials. Students still have the option to purchase print textbooks if they prefer, but the electronic materials are one-third the cost of traditional print materials. In the past his students spent \$240 on a bundled textbook, but this year they spent \$72 on electronic materials. Student achievement levels have remained constant despite the change in the type of instructional content.

Ms. Jolene Willson, Campaign Coordinator, Make Textbooks Affordable Campaign, Oregon State Public Interest Research Group (OSPIRG), Portland State University (PSU), spoke on the role of professors in determining textbook costs, as well as the textbook resolution recently accepted by the PSU faculty senate. The textbook resolution encouraged faculty to choose more affordable course materials when possible; identify prices prior to book selection; turn textbook orders into the bookstore on time; use the same textbook for at least three years if possible; and have unbundled materials, no-frill textbooks, and reserve materials available. She expressed her hope that these recommendations might be adopted by the Oregon Board of Higher Education as there is a need for continued awareness of textbook costs. Student advocacy is only one part of the solution; national recommendations would be useful.

Mr. Brian Lynch, Chief Operating Officer, Railway Media, described how an electronic reader called the Iliad offers educational content to students in an affordable way. Electronic books, newspaper subscriptions, and other information can be downloaded from the Internet and stored on the Iliad. The device has a wireless connection; the ability to transfer handwritten notes into digital text; a stable, non-flickering screen; and storage for dozens of e-books. Between use of the Iliad and the cost of electronic textbooks, students could reduce overall textbook costs by almost 50 percent over four years. Mr. Lynch proposed that institutions implement this electronic reader through a pilot program to determine how it can best meet the needs of students.

Ms. Megan Driver, Board Chair, Oregon Student Association, Director of State Affairs Task Force, Associated Students of Oregon State University, described the financial burden textbooks place on Oregon students. Among the states, Oregon has the highest percentage of students who take out loans to pay for college, and it is very common for students to share textbooks in order to save money. State legislation (SB 365) has been proposed to improve transparency regarding textbook costs and to require that the components of bundled course materials also be available for individual purchase. Ms. Driver expressed the wish that Congress would act to help all students on this issue.