

**SANTA CLARITA,  
CALIFORNIA  
FIELD HEARING**

**MARCH 5, 2007**



**ADVISORY COMMITTEE  
ON STUDENT FINANCIAL  
ASSISTANCE**



**SUMMARY OF THE ADVISORY COMMITTEE FIELD HEARING  
COLLEGE OF THE CANYONS  
SANTA CLARITA, CALIFORNIA**

**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 California field hearing is the second 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 third was held in Portland, Oregon on April 13, 2007.

The California hearing's first session brought together postsecondary administrators, bookstore managers, publishers, and state higher education 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 students, textbook publishers, bookstore managers, postsecondary association representatives, and faculty.

## **HEARING PARTICIPANTS**

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

**Presenters:** *Dr. Steven Boilard, Director of Higher Education, California Legislative Analyst's Office*

*Mr. Hal Plotkin, President, Board of Trustees, Foothill-De Anza Community College District*

*Dr. Martha Kanter, Chancellor, Foothill-De Anza Community College District*

*Mr. Robert C. Strong, General Manager, San Francisco State University (SFSU) Bookstore and Lecturer, SFSU College of Business*

*Ms. Beth Asmus, Dean of Special Programs, Financial Aid Office, College of the Canyons and President, California Community Colleges Student Financial Aid Association*

*Mr. Thomas Scotty, Vice President, Sales and Operations, Bedford, Freeman, and Worth Publishing Group*

*Mr. Thomas Bauer, Director of Auxiliary Services, San Mateo County Community College District*

### **Session II: *Public Comment and Discussion***

**Presenters:** *Mr. Leon Marzillier, President, District Academic Senate, Los Angeles Community College District*

*Mr. Jeremy Mills, Chair, Legislative Affairs, California State Student Association*

*Ms. Aimee Marie Munoz-Lopez, Chair, Textbook Affordability Committee, Associated Students of University of California, Davis, and Co-Coordinator of the Affordable Textbooks Campaign, California Public Interest Research Group*

*Mr. Don Newton, General Manager, City College of San Francisco Bookstores*

*Mr. Sean Wakely, President, Thomson Arts and Sciences*

*Dr. Diana Watkins, Computer Networking Professor, College of the Canyons*

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

The focus of session one was on current efforts to make textbooks more affordable for college students, with an emphasis on aspects that warrant consideration during implementation. The session was divided into two parts, with a break between them.

Prior to the panelists' testimony, Mr. Robert Cochran, Chief of Staff, Office of Representative Howard P. "Buck" McKeon, provided remarks. Mr. Cochran noted that Representative McKeon has long been concerned about the rising costs associated with obtaining a college degree, including both textbook and college tuition prices. Data on educational costs show that textbook prices are increasing faster than tuition and fees, and that they comprise an ever-greater proportion of overall college costs. The information gathered thus far by the Advisory Committee at its textbook study hearings has been helpful, indicating that educators and institutions are becoming aware of the issue and creative in their methods to solve the problem.

Dr. Steven Boilard, Director of Higher Education, California Legislative Analyst's Office, discussed the California legislature's perspective and activities on textbook costs. As part of the legislature's general interest in reducing educational costs, it has been active lately in addressing textbook costs, which are rising faster than other educational costs. Some proposed efforts to reduce prices do not require legislative action, such as information campaigns aimed at faculty, increased use of library reserves, or limiting markup at bookstores. However, the legislature is in the process of evaluating action in three areas: subsidizing textbook costs, providing information about textbook costs, and creating incentives for institutions. For example, in terms of subsidies, recently introduced bills have proposed textbook grant programs and indexing the living stipend for CalGrant B to indirect costs. Bills that would encourage the release of information include various disclosure bills that require publishers to reveal wholesale prices and changes in new editions, and to offer materials unbundled. Another possible legislative option, as yet unexplored, would be creating incentives for institutions to keep textbook costs down by linking a state-defined average cost target to the fees institutions are allowed to charge students.

Mr. Hal Plotkin, President, Board of Trustees, Foothill-De Anza Community College District, spoke on the district's open educational resources policy (OER), the first such policy created by a community college. The district's OER policy provides support to faculty who want to develop and use OER materials as a substitute for commercial textbooks. It was created not simply to bring down the price of educational materials, but to attempt to replace commercial textbooks with other free or less expensive products designed to enhance the value of teaching and learning. The general OER movement was spearheaded by MIT OpenCourseWare (OCW), an effort that placed the materials of 1,100 MIT courses online and in the public domain. The OER movement is gaining ground within the U.S. and internationally as postsecondary institutions both compete over and collaborate on the development of cutting edge academic material. An innovation in copyright law, Creative Commons, provides flexible, free intellectual property licenses allowing academics to post free material on the web for educational purposes, but disallowing the use of material for profit. The main obstacles to moving forward with OER include a lack of faculty incentives and rewards, and a lack of public funding. The Advisory Committee can help by encouraging the use of OER so that students can spend less of their federal financial aid on commercial textbooks, leaving more funds to spend on other needs.

Dr. Martha Kanter, Chancellor, Foothill-De Anza Community College District, described the components that comprise the Foothill-De Anza OER system. Colleges and universities nationwide are taking responsibility for leveraging different Internet resources to increase communal affordability and access to educational materials through OER. For example, the District's course management system is ETUDES, on which other California community colleges have collaborated. The Sakai Project supplies course development software, while the Sofia Project enables full course content to be publicly posted on the web. Creative Commons is used to supply copyright licenses. In addition, the District has also partnered with iTunes to create course pod casts. Faculty are provided with training in intellectual property protocols to help them distinguish between sharing free content and accidentally giving away their property rights. When the District began studying campus interest for establishing OER tools, it found that 80 percent of the faculty were interested, 31 percent were already using OER, and 61 percent regarded OER materials as high quality. Federal and state governments can help these initiatives by assisting with quality assurance, as well as articulation and transfer issues and guidelines. Disability compliance is also required under the law, and federal funding to study compliance would be helpful. The California legislature could provide incentives to colleges and universities to explore OER systems and opportunities.

Mr. Robert C. Strong, General Manager, San Francisco State University (SFSU) Bookstore, and Lecturer, SFSU College of Business, provided his perspective on the cost of textbooks as both a bookstore manager and instructor. Textbook production is expensive for publishers as it involves a number of fixed and sunk costs, such as short print runs, multiple editors, and publicity costs. In addition, the market share of publishers is diminishing as a result of the used book market and illegal reproduction of copyrighted materials. A study conducted by Mr. Strong six years ago showed that the market share reduction (approximately 35 to 40 percent) created by used textbooks and illegal copying is roughly equal to the price reduction publishers could offer if all students purchased new textbooks. But faculty, who consider price a relatively minor issue, are responsible for selecting textbooks. For those faculty who are price-sensitive, limited options exist in the no-frills market. Faculty can also emphasize the importance of new edition purchase to their students, or allow students to purchase older editions and adopt them for class use. Bookstores can reduce price by using a declining price model over the edition life of the textbook through the buy-back process. To solve problems with student purchase of materials for his own courses, Mr. Strong is considering having the bookstore carry both the new and most recent previous editions of textbooks, as well as using OER to develop materials. Legislators can help by enforcing copyright laws, and establishing sales tax exemptions and income tax credits.

Ms. Beth Asmus, Dean of Special Programs, Financial Aid Office, College of the Canyons, and President, California Community Colleges Student Financial Aid Association, made a presentation on the problems of textbook affordability within the California Community College system (CCC). Noting that books and supplies expenses are calculated as part of the cost of attendance, Ms. Asmus described California's Student Expenses and Resources Survey (SEARS), which determines the budget range guides for CCC financial aid awards. The 2006-07 budget range for books and supplies is \$1,332, a figure that includes fees, supplies, and computer-related expenses in addition to books. The figure allocated for books is \$750 for the year, but the typical College of the Canyons student spends that much or more on books per semester. Because the CCC has an open enrollment policy, many students register late, making it difficult to allocate additional book funds. To combat this, the CCC disburses aid prior to the first day of classes, and various campuses offer book grants, bookstore credit, and vouchers to assist students with textbook costs. Students also have access to used book swaps and textbook lending libraries, and, in some instances, financial aid eligible students have priority when purchasing used books. However, the cost of textbooks is still the number one reason cited by students when they do not complete courses, and, therefore, represents a major problem in terms of college affordability.

Mr. Thomas Scotty, Vice President, Sales and Operations, Bedford, Freeman, and Worth Publishing Group (BFW), spoke on the types of alternative textbooks, both print and electronic, that his company makes available to meet the needs of faculty and students. In addition to no-frills editions and custom textbooks from its database, BFW also provides different versions of popular texts at different prices, as well as split versions broken into units based on material typically covered in a single semester. BFW also offers electronic books (e-books), accessible online and available for a subscription fee, that offer access to study guides and other supplemental material. Another emerging digital option is the online course management and homework system, of which StatsPortal is BFW's initial offering. So much is available that BFW's offerings, while attractive to faculty, may not be transparent to students. For example, bookstores cannot stock for student browsing all of the options available because of space and inventory limitations, and, in the end, faculty must choose a package of materials that best meets the needs of their individual course.

Mr. Thomas Bauer, Director of Auxiliary Services, San Mateo County Community College District (SMCCCD), provided information on the bookstore management's activities to reduce textbook costs. Bookstore staff and management serve as a communications fulcrum among various stakeholders, including students, university administrators, and state agencies and legislators. In this capacity, the bookstore has responded to various textbook report recommendations, such as that of the GAO, encouraged early submission of book orders by faculty, and increased the availability of used books through buy-back programs and wholesalers. Other efforts at SMCCCD include fundraising for textbook scholarships and the development of a textbook rental program. The SMCCCD rental program provides books in specific disciplines at a rental fee of 25 percent of the cost of a new book. The program is funded through a state grant program allocated from cigarette taxes and through a federal Title V grant. Mr. Bauer urged postsecondary institutions to look for funding for their textbook initiatives from state and federal grants.

## **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 California at the student, faculty, institutional, retail, and publishing levels to make textbooks and other instructional materials more affordable for California college students.

Mr. Leon Marzillier, President, District Academic Senate, Los Angeles Community College District, spoke on faculty concerns at community colleges relative to the price, content, and format of college textbooks. Most faculty are motivated by academic excellence when selecting material, but more and more are becoming aware that many students drop classes because of the cost of instructional materials, or try to pass the class using only class notes, all because they cannot afford the textbook. Some faculty have taken to writing their own texts and photocopying them or posting them on the web, while others forgo textbook use, asking students to rely on notes and library and Internet resources. But aside from a few rapidly changing disciplines, textbooks for most subjects do not change often enough such that frequent new editions are warranted. Soft-covered black and white editions supplemented with loose-leaf packets would enable an instructor to use the same text for three or more years. These concerns and observations have led the Academic Senate for California Community Colleges to adopt a resolution encouraging faculty to consider the cost of books selected for courses and encouraging publishers to adopt business, production, and pricing policies that are cost sensitive. One of the biggest risks to community college students from faculty who forgo the use of a traditional textbook due to expense is in the transfer and articulation processes. Universities regularly review the quality of instructional materials when deciding whether to award transfer credit; if no textbook is used, credit may be in jeopardy.

Ms. Aimee Marie Munoz-Lopez, Chair, Textbook Affordability Committee, Associated Students of University of California, Davis (UCD), and Co-Coordinator of the Affordable Textbooks Campaign, California Public Interest Research Group (CALPIRG), provided a student perspective on textbook affordability. The UC colleges have a three-month quarter system, and the average cost of textbooks per quarter is \$400. Research by CALPIRG shows that certain publishing practices—such as issuing frequent new editions and bundling books with supplemental materials—inflate prices, which are currently rising at four times the rate of inflation. For example, 65 percent of faculty report that supplemental items are rarely or never used. At UCD, students have developed alternative solutions, such as book exchanges; however, frequent edition changes depress the value of used books. A textbook rental program is also being established at UCD. On other UC campuses, students and faculty have worked together with publishers to create custom textbooks at a lower cost for students. At the state level, math and science professors wrote a joint letter to Thomson Learning to request that the publisher stop issuing unnecessary editions—a request that was ignored. In terms of legislation, the California legislature is considering bills that would require publishers to disclose textbook prices, and that would require the sale of both bundled and unbundled materials. However, these are all temporary solutions. A long-term solution would be one that is market-based and that could be regulated by legislation.

Mr. Don Newton, General Manager, City College of San Francisco (CCSF) Bookstores, made a presentation on efforts by CCSF and the Bay 10 Consortium to reduce textbook costs. At CCSF in the fall of 2004, a biology major would have paid \$739.70 to purchase new copies of all required books. In the spring of 2007, the same student paid \$872.34, an 18 percent increase over two and a half years. Overall, books have increased at two to three times the rate of inflation over the last 12 years. Two significant efforts are being taken at CCSF to reduce textbook costs: changing bundling procedures and creating custom cover editions. The State of California is using AB 2477 to tackle the rising cost of textbooks, an initiative in which bookstores are required to work with academic senates to review timelines and procedures, as well as work with faculty and publishers to create economically sound bundles. Many colleges now use the CCSF book ordering form to resolve questions when adopting bundles. The form ensures faculty awareness of the contents of the bundle and its price, and provides publishers with documentation of that fact. In addition, booksellers are informed whether the bundle is required, how long it will be in use, and any expected price increases. The CCSF form also allows CCSF to buy back reusable portions of the bundle to create bundles for resale with used parts, helping to reduce costs for students. The Bay 10 Consortium is attempting to combine enrollments in similar courses to create custom cover editions of textbooks at savings of 35 percent or more. Group ordering practices allow booksellers and faculty to negotiate prices, particularly on textbooks for general and high enrollment courses.

Mr. Sean Wakely, President, Thomson Arts and Sciences, spoke on publishers' best practices to meet the needs of faculty and students for affordable instructional materials. Students' study skills are different than in the past. They are more visually oriented, expect to be entertained while learning, and are more inclined to absorb information in smaller pieces. Publishers offer many digital supplements that act as aides to learning materials, and faculty report that these help to increase student success. Still, over 50 percent of students drop out, and, of those remain, only about half graduate within four to six years. For that reason, publishers offer a wide variety of course materials in order to support faculty and students. Thomson's Advantage Program offers lower cost options, including digital materials, to faculty. An Advantage title sells for one-fourth the price of a traditional textbook because it deletes photos and illustrations and is printed in one color. Publishers offer a variety of cost-saving materials to faculty and students, such as paperback and loose-leaf editions, e-books, custom books, and other technological solutions. However, the expanding choices for students and faculty necessitate that publishers provide detailed explanations of the format of various learning materials.

Dr. Diana Watkins, Computer Networking Professor, College of the Canyons, described her experience teaching with online materials only, a decision made by the computer department. All course materials, including tests, labs, and teaching supplements, are online, the cost of which access is included in the per unit fee for California community colleges. Cost was not the primary driver for the switch, but rather relevancy and the demands of updating materials. Online materials are preferable because books for computer courses are typically outdated after six months, and traditional textbooks are heavy and do not have interactive features. Electronic materials can be adapted to different learning styles. As a result of the use of online materials, enrollments have increased. The main challenge of using online materials is that courses take three times as long to develop and administer. In addition, a knowledgeable technical support staff is also needed, as well as adaptations to meet the needs of learning disabled students.