

Reducing the Cost of Textbooks for PCC Students:

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BACKGROUND

In the Fall of 2005 the Educational Advisory Council (EAC) formed a Textbook Task Force (TTF) to study ways by which the cost of textbooks and other publisher-produced materials may be reduced. After months of deliberations, including feedback through campus forums sponsored by Teaching Learning Centers on all three PCC campuses, the TTF proposed 10 "Recommendations to Faculty and SACs" that were approved by the EAC on March 15, 2006. These recommendations were discussed at many SAC meetings during the In-service Day on April 13, 2006. It is hoped that they will continue to inspire discussion during Fall, 2006, In-service activities and thereafter.

The Textbook Task Force completed its "Recommendations to PCC as an Institution" by the end of its EAC-mandated academic year. Consensus was achieved on these 10 recommendations after consultation with PCC Legal Counsel as well as extensive discussion with many administrators who came to TTF Meetings both on their own initiative and in response to questions that were outstanding. Our consensus decision making procedure allowed for any TTF member to "block" (effectively veto) any recommendation from being proposed to the EAC. Recommendations 1-5 were approved by the EAC at its meeting on 6/11/06. Recommendations 6-10 will be considered for approval at EAC meetings during Fall term of 2006. TTF members hope that the PCC campus community finds the recommendations to be both carefully crafted and worthy of both being EAC approved and administratively implemented. In a timely fashion.

Recommendations to PCC as an Institution

(Recommendations 1-5 were approved by the EAC on 6/11/06, #6 on 12/13/06, with others pending.)

- 1) Institute a standard *Textbook Order Form*, which makes use of an entirely online submission process including a default mechanism that will not accept the order form unless it is filled out completely.**

This saves costs by providing more detailed information to PCC Bookstore employees which will significantly increase the accuracy of orders, thereby reducing costs that are associated with shipping, handling, and storage of unsold materials. This will also improve Bookstore buy-back practices by more clearly communicating what texts are scheduled for use during the next term and whether or not bundled items may be bought back.

Strategy for implementation: Administrative approval and action. Adoption of an entirely online submission process could be phased in by Fall 2007, allowing adequate time for testing the *Order Form* submitted by the EAC Textbook Task Force, making modifications as needed. It would be most ideal to develop a program capable of translating information submitted on the new standard Form to the "MBS" database used by the PCC Bookstore to process orders.

Notes: Care has been taken to prevent the *Textbook Order Form* from becoming either confusing or too complex. Most fields will be auto-populated upon the entering of a textbook ISBN, thereby simplifying the ordering process. To accommodate programs where the paperwork is done by someone other than the Instructor, the order may be submitted with either an "Instructor or Authorizing Signature".

- 2) Affirm the PCC practice of allowing any student with financial aid from any source to charge purchases at the Bookstore at least two weeks before a new academic term begins.**

This saves costs by contributing to PCC Bookstore efficiencies as may reduce the quantity of otherwise unsold texts which increase costs associated with shipping, handling, and storage.

Strategy for implementation: Keep present policy.

Notes: Because this recommendation may not significantly increase textbook sales overall, the degree to which it improves efficiencies may be marginal. It does, however, promote equity of access by all students to used textbooks that are otherwise often sold out by the first day of a new term. As a result, many students on financial aid may save substantially on textbook costs.

- 3) Ensure all financial aid awards administered through the PCC Financial Aid Office are disbursed to students as early as possible.**

This saves costs to individual students on financial aid who previously may have been unable shop at multiple sources in order to find the lowest market price for their textbooks.

Strategy for implementation: Administrative and/or PCC Board approval and action.

Note: This recommendation may increase PCC Bookstore inefficiencies, including larger quantities of unsold texts resulting in added costs that may result in increased prices for books sold there. This consequence, however, is offset by the greater equality of purchasing options provided to students on financial aid as related to those who are not. While the idea of treating all students the same regardless of economic status may never be fully realized as an ideal, this is a step in the direction of greater equity.

4) Evaluate the Bookstore’s mandated contribution to the General Fund with the intention of reducing the Bookstore markup on textbooks, while opposing any movement towards privatization of PCC Bookstore operations.

This saves costs by lowering retail prices charged to students and making the Bookstore more competitive with other vendors. Insofar as Bookstore contributions to the PCC General Fund subsidize other PCC services to students, these subsidies not only inflate Bookstore prices directly, reducing their ability to compete, but also contribute to Bookstore inefficiencies associated with more unsold texts (storage, handling, return shipping, etc.) thereby further inflating Bookstore prices as these extra costs must be absorbed. Any privatization of Bookstore operations would require a profit that would similarly reduce efficiencies at the Bookstore, making reduction of the markup on textbooks more difficult. Reducing the current Bookstore markup of 23% on textbooks, even slightly, would literally lower the retail prices now charged to students and make the Bookstore more competitive with prices found elsewhere.

Strategy for implementation: Administrative study followed by a proposal to the PCC Board for approval and action. Any change in the Bookstore contribution to the general Fund could be phased in so as to avoid serious impact on other services or tuition rates.

Notes: What is recommended here is to conceive of the Bookstore entirely as a “service center”. Bookstore expenses, including the setting aside of capital for building improvements, employee salaries and benefits, and utilities, are all acceptable as costs associated with a non-profit operation. When Bookstore earnings are used to cover expenses beyond the Bookstore, however, that portion of its earnings effectively becomes a cost to the students (as noted above). That portion is different from tuition and fees insofar as it lacks transparency. Unlike parking and food services, the Bookstore’s ability to function as a “service center” whose prices are competitive with other (including online) options is manifestly harmed by using it as a “profit center.”

5) Improve support for the PCC Bookstore both directly and indirectly, including more PCC Foundation Book-Buying Scholarships.

This saves costs by helping the Bookstore improve its operations, allowing it to minimize the markup on textbooks. Increased book-buying scholarships used to purchase textbooks at the Bookstore would directly help students in need while enhancing the efficiency of Bookstore operations.

Strategy for implementation: Administrative approval and action.

Notes: Examples of direct support could include the soliciting of government and/or foundation grants to provide the capital initially necessary to set up a textbook rental program. Indirect support could include fundraising to increase the number of book-buying scholarships as well as other programs that improve the Bookstore as a “service center”. Allowing for contributions to the PCC Foundations to be earmarked by donors to the Bookstore programs would be helpful as would setting aside a percentage of donations from PCC faculty and staff for this purpose. In-kind contributions could also be solicited from artists or musicians donating their talents to events and (yes) even bake sales that might include dessert, international, fine salad, or barbeque competitions with prizes awarded and food sold and consumed.

6) Establish a Copyright Office within PCC to process College-generated copyright requests, including materials selected for classroom use that can be made available electronically via WebCT, MyPCC, or other online platforms. Permissions and other related expenses could be charged to students in the form of fees.

This saves costs by replacing hard-copy textbooks with electronic files that may be less expensive. The extent of savings to the student will depend on several factors not easily forecast, including the cost of permissions and royalties and negotiated contracts with publishers that will determine the extent to which copies may be printed for personal use.

Strategy for implementation: Administrative study followed by a proposal for PCC Board approval and action. The level of support as well as the appropriate location within the College to house a Copyright Office would need to be carefully considered.

Notes: This recommendation is dependent upon new funding from the College to support the overhead and staffing levels required for such an office. Any adverse impact on Bookstore sales could be offset by the using the Bookstore as a distribution center from where hard-copy packets of copyrighted materials might be sold, with collection of student copyright fees including a Bookstore markup. Customized textbook orders as well as the sale of academic supplies and other items could also offset possible adverse impacts to Bookstore income.

7) Comply with state law and current PCC policy and extend PCC policy to regulate employee acceptance of any financial compensation, gifts, or services from publishers. Work directly associated with the labor of a PCC employee should receive benefits only when such benefits are unrelated to the placing of a specific order. If it is unclear whether a particular financial compensation, gift, or service, acceptance is in compliance with PCC regulatory policies and state law, a benefit should occur after prior consultation with one's SAC Chair, Division Dean, or Director regarding possible impropriety.

The relevant Oregon state law involves the "Code of Ethics" which states that "No public official shall use or attempt to use official position or office to obtain financial gain...for the public official, or the official's relative, or for any business with which the public official or relative of the public official is associated": ORS 244.040 (1) (a) to be found at <http://www.leg.state.us/ors/222.html> . Note how this is consistent with the language of UO OAR 57-040-0210 "Code of Ethics" that says "Additionally, no employee should have influence over the purchase, solicitation, award, payment or expenditure approval of a product or service, if their action would financially impact the employee, the employee's relative, or the employee's relative's business." found at: <http://baow.uoregon.edu/ProcurementContracting/pcsdraft/Puret> .

Because details regarding Oregon state law and associated state Supreme Court decisions are quite complex, the benefits of regulating PCC employee actions becomes apparent. While, for example, it is illegal to receive "during any calendar year any gift or gifts with an aggregate value in excess of \$100 for any single source" ORS 244.040 (2), legal exceptions to this rule allow for gifts from one source relating to total \$250 in a calendar year for "entertainment", while receiving the gift of a textbook from a publisher might well put one over the \$100 rule. Under advice of PCC legal counsel, Portland Community College is permitted to create policies more restrictive than the law requires and more likely to protect PCC and its employees from violating the law.

Good public relations may also be enhanced by policies, as can be seen in the University of Oregon "Purchasing Ethics" statement that "Accepting gifts, entertainment, food, or other items of value before, during, or immediately after a purchasing process should be avoided" because "personally accepting gifts from vendors may give the appearance of impropriety". UO OAR 57-040-0210 noted above.

This saves costs by reducing publisher expenses that would otherwise be incorporated into the cost of textbooks and other materials produced for purchase by students. Things like a "free" lunch, hotel room, airfare, training session, conference, or seminar are not truly "free" as they become expenses to the publisher that directly affect the price of textbooks and other materials that are purchased by students. Compensation, gifts, or services provided by publishers to PCC employee for personally-authored works

or other labor on condition that a textbook or other material be ordered for PCC student purchase also adds to the retail price even as it, effectively, leaves the appearance of being a bribe.

Strategy for implementation: Administrative study, in consultation with faculty and others, followed by PCC Board approval of new regulations. Prior to any changes being enforced, the Administration could provide for a phasing in of those changes, during which PCC employees could be better educated regarding Oregon state law and PCC policies. Enforcement of those elements of PCC policy which may be more restrictive than current state law could also be phased in over time in a manner subject to contract negotiations.

Notes: In the phrase “unrelated to the placing of a specific order”, benefits could be considered “unrelated” if the work was either 1) completed prior to entering into discussions with the publisher regarding the placing of an order or 2) was not done on condition that an order for purchase be made, and involves no commitment to placing additional orders for purchase in the future. Consistent with Oregon law (noted above), the intent of this recommendation is to allow PCC employees to benefit from work that includes (but is not limited to) book reviews and surveys, honoraria for presentations or other accomplished tasks, as well as edited works in which the PCC employee makes arrangements for publication, including direct personal communications with all authors contributing to the edited work. Legitimate compensation, gifts, or services that are clearly devoid of impropriety could remain unaffected by this policy.

8) Complimentary and examination books or other materials provided by publishers to any PCC employee, Department, or Division, are the property of Portland Community College and will not be personally sold.

This saves costs: by reducing publishers costs which are used as a justification by publishers to increase prices charged to Bookstores as well as the retail prices which students pay. While it may be true that many publishers may use a decrease in overhead costs to increase their profits rather than reduce the price of textbooks, it is also true that such self-serving behavior would put them at a competitive disadvantage with those publishers that would choose to reduce textbooks costs. It is true that not allowing complimentary textbooks and other materials to be sold, even by a department officially sanctioned by Portland Community College to do so, would prevent some fundraisers for good causes from taking place in a manner consistent with Oregon law. It is also true that such fundraisers might serve very debatable purposes which, whether good or not, nevertheless are clearly paid for by students who pay higher retail prices as a result.

Strategy for implementation: Administrative approval and action, with Board approval as deemed necessary. Action might include informing PCC employees regarding options open to them, ranging from having these textbooks and materials enhance the PCC library collection to using pre-paid mailing labels (provided on request by publishers) to return textbooks and other materials back from where they came.

Notes: This recommendation does not prevent PCC employees from making use of textbooks and other materials provided to them by publishers. These may be kept at one’s work station, placed on reserve for student use, or used at home (effectively on loan from PCC). To not define complimentary and exam books and other materials as the property of PCC places PCC employees at severe risk of violating Oregon law (ORS 244.040 (2) noted above) which prohibits the receiving of gifts with an aggregate value in excess of \$100 from any single source during a calendar year.

9) Ban all solicitations of sales by book buyers to faculty at any site owned, leased, or otherwise used by Portland Community College.

This saves costs by reinforcing the Recommendation #8 (above), as well as Recommendation #9 (in the “Recommendations to Faculty and SACs endorsed by the EAC on 3/16/06) which says that the “Sale of complimentary textbooks for personal gain by any PCC employee should not occur under any circumstances”.

Strategy for implementation: Administrative approval and action, with Board approval if necessary.

Notes: It is logical to ban solicitations of sales, if PCC employees are prohibited from selling. The language of this ban is focused on behaviors, not people.

10) While communicating with State and Federal Policymakers, students, faculty, and other representatives of Portland Community College should seek to:

- a) **protect and improve funding for student educational needs, noting the increased costs of textbooks as one of many factors contributing to increased need;**
- b) **provide a tax credit for textbook and other student costs directly related to educational expenses;**
- c) **prevent publishers from restricting markets, thus allowing bookstores and others to purchase textbooks from outside the United States (Congressman Wu's former HR 3567);**
- d) **create a capital fund which public universities and community colleges may use to set up textbook rental systems;**
- e) **place limits upon royalties charged by publishers for use of written materials;**
- f) **require both publishers and public University and Community College bookstores to make all bundled items available for purchase separately as individual items (similar to the Virginia state law, though extending the requirement to publishers).**

* At this time the EAC Textbook Task Force considers its mandate for action to be ended, though it is hoped that efforts to address the many issues associated with textbook costs will continue to be addressed in many forums in the future.