

Digital Initiative Report

The Bookstore at UM

March, 2013

Introduction

In accordance with its mission, The Bookstore at The University of Montana actively works to reduce and control the rapidly rising costs of course materials to students at The University of Montana-Missoula, The Missoula College, and The Bitterroot College. As is the case all over the country, course material costs at these campuses have risen and continue to rise at alarming rates that exceed inflation. A recent study shows that course material costs have risen nationally by 39% over the past 5 years¹. Another study shows that course material cost have risen 812% since 1978². This is compared to a 250% increase in the consumer price index since 1978. A central cause for this rise is the college store industry's heavy reliance on secondary markets including used- and more recently rental-book programs to provide students with lower cost course materials. Because of the ever increasing efficiencies of these secondary markets, publishers must realize a return on their investment over a shorter time period, and, therefore, have had to increase the costs of their course materials offerings³.

For the past seven years The Bookstore has explored course materials delivery models that will reduce course material costs to students by, among other things, removing the secondary markets from the equation. After first exploring a course materials delivery model proposed by University of Texas Business School Professor Michael Granof in a 2007 *New York Times* opinion piece⁴ with publisher Thompson Learning (now Cengage Publishing), in early 2009, The Bookstore approached Pearson Education to determine its interest in partnering with The Bookstore in pursuing a course materials delivery arrangement based on Granof's model. The central feature of Granof's model is that it eliminates the secondary market and its inflationary impact from the equation by guaranteeing payment to the publisher of an intellectual property or course materials fee from those students enrolled in the courses that use the course materials. By eliminating the secondary market from the equation and guaranteeing 100% sell-through this model allows the publisher to receive a return on investment over the course of several semesters instead of one semester, and consequently, the publisher is able to lower the cost of its materials to students. This model also promotes a more equitable distribution of course material costs to students, allows for a cyclical competitive environment for publishers and other content providers, and maintains faculty control over the adoption process.

¹ Bronars Economics, January 2012.

² Kingkade, Tyler, "College Textbook Prices Increasing Faster Than Tuition and Inflation." The Huffington Post, January 4, 2013. HuffingtonPost.com. Web. 11 March, 2013.

³ In the industry the cycle is one sales turn, whether one semester or one quarter. Subsequently the textbook goes in to the secondary (used) market.

⁴ Granof, Michael, "Course Requirement Extortion." *New York Times*, August 12, 2007. NYTimes.com. Web. 11 March, 2013.

Pilot Program

The Bookstore and Pearson entered into a “Pilot Program” agreement in 2011 to provide course materials for several courses at UM. Under this agreement, Pearson receives payment for course materials from 100% of the students enrolled in the participating courses in exchange for providing course materials at a negotiated discounted for a term of six semesters. Furthermore, the agreement stipulates that the publisher shall make the course materials available to all enrolled students on the first day of instruction.

The Pilot Program focuses on course materials utilized by the Math Department at The Missoula College. The Math department at the Missoula College is chaired by Professor Joseph Crepeau, who introduced technology early in his curriculum and has used Pearson’s course materials and technology in his Department’s curriculum for several years. Professor Crepeau and the Math Department at the Missoula College have been on the leading edge of technology implementation for pedagogical purposes, and accordingly, this Department served as an ideal candidate to participate in the Pilot Program.

The course material fee contemplated under the agreement is currently collected by The Bookstore in close consultation with Professor Crepeau and the Registrar’s Office. All students enrolled in a participating course are granted access to the materials on the first day of the course. Should they not pay for the course materials at The Bookstore by a prescribed date or should the student drop the course before this date, then their access to the course materials is revoked. The student’s access may be reinstated upon payment of the fee to The Bookstore. Under the current arrangement, The Bookstore and Professor Crepeau spend much time and effort administering the collection and tracking of the fee. Because it would simplify record reconciliation and resolution and centralize student billing, The Bookstore and Professor Crepeau believe that the fee would be better administered through the University’s Registrar and existing billing system, whereby a course materials fee would be added to students’ bills that are enrolled in participating courses.

Description

The Bookstore at UM and the Missoula College Math Department are currently in their 4th semester of the Pilot Program. The course materials utilized under the program involve digital materials provided and accessed through Pearson’s learning management platform known as MyLabsPlus. This learning management system is proprietary to Pearson and it is a web-based platform for which internet access is required. MyLabsPlus provides support for learning, testing, student success analysis and additional statistical tools for faculty members. Every student that is enrolled in any of the participating math courses at the Missoula College and

Bitterroot College is required to pay for access to the platform in order to receive a grade for the course. MyLabsPlus provides all students with access to the platform as of the first day of class. The course's textbook and additional course material content is embedded in MyLabsPlus where the student is afforded an interactive experience. The student can highlight, take notes or make comments and save them on the text for future use. Homework, quizzes and tests are delivered digitally through this platform, providing faculty members with a wide range of analytical tools to increase their effectiveness and ultimately improve student performance.

Should a student prefer a printed copy of the course material, The Bookstore in partnership with UM's Campus Quick Copy can provide a black and white printed copy of the materials at printing cost to the student. The printing cost is established by Campus Quick Copy and there is no additional mark up. The cost is contingent to the number of pages that are printed and varies from course to course. The student simply sends an email requesting the printed copy and the request is forwarded to Campus Quick Copy which has been able to fulfill the request within forty eight hours of the original request.

For payment of the course materials fee, students currently visit or call The Bookstore at the Missoula College or at UM and place their cash, check, charge card or third party account payment. The Bookstore collects their information and payment confirmation and maintains census records. Students have three weeks from the start of the semester to pay the course material fee at The Bookstore, after which, if they have not paid, their access to the materials is revoked. Their access is reinstated upon payment of the course material fee. All returns, refunds and exchanges for the course material fee fall under the same policies and procedures as other course materials returns, refunds and exchanges.

After the third week of instruction, Professor Crepeau provides The Bookstore with a list of students who are enrolled in all courses and using MyLabsPlus. The Bookstore then reconciles payments with users and Pearson Education. All students are informed of the payment procedure and prior to the end of the third week they are reminded to make their payment to The Bookstore.

Pilot Program Results

The following section provides several tables summarizing information that has been acquired over three completed semesters of the Pilot Program. Note summer and winter sessions are not included in this report and there are some courses that did not participate in the Pilot Program during the first semester of the program.

Table 1 provides a summary of the math courses, average number of students enrolled and a list of prices for access and the print on demand option. The price outside of the agreement is the latest list price as published by Pearson Education. The average number of sections indicates that there is a large pool of adjunct faculty involved in the Pilot Project.

Table 1. Course and course material information

Course number	Course Denomination	Course Material	Student Price ⁵	Student Price w/out agreement ⁶	Print on Demand	Avg. # sections per semester	Avg. # of Students enrolled
M 065	Pre-Algebra	MyLabsPlus	\$100	\$137	\$24	8	177
M 090	Intro to Algebra	MyLabsPlus	\$100	\$200	\$22	21	492
M 095	Intermediate Algebra	MyLabsPlus	\$100	\$200	\$24	13	248
M 105	Contemporary Mathematics	MyLabsPlus	\$100	\$208	\$33	3	64
M 111	Technical Mathematics	MyLabsPlus	\$100	\$200	\$33	2	55
M115	Finite Mathematics	MyLabsPlus	\$82.50	\$175	\$19.50	11	277
M 121	College Algebra	MyLabsPlus	\$100	\$200	\$24	6	99
M 122	College Trigonometry	MyLabsPlus	\$100	\$200	\$24	1	15

The following tables present specific information for each of the semesters in the pilot test. The aggregate savings in table 2 (Fall 2011) were based on a lower list price for the course materials at that time.

Table 2. Course information Fall '11

Course number	Number of Sections	Number of Students Enrolled	PODs Requested	Aggregate Savings*
M 065	10	216	7	\$7,992
M 090	23	621	6	\$23,598
M 095	13	242	4	\$7,744
M 105	N/A	73	N/A	N/A
M 111	N/A	50	N/A	N/A
M115	12	283	5	\$8,773

⁵ Discounted price negotiated in the agreement

⁶ Publisher's List Price as of January, 2012. List prices are not necessarily the prices that The Bookstore at UM would adopt.

M 121	N/A	111	N/A	N/A
M 122	N/A	21	N/A	N/A

*Aggregate savings are calculated by comparing the price in the agreement and the list price outside of the agreement.

The total aggregate savings for students enrolled in fall 2011 was \$48,107 (-\$489 POD costs).

Table 3. Course information Spring '12

Course number	Number of Sections	Number of Students Enrolled	PODs Requested	Aggregate Savings*
M 065	10	139	8	\$5,143
M 090	23	381	11	\$38,100
M 095	13	184	9	\$18,400
M 105	3	45	2	\$4,500
M 111	4	71	1	\$7,100
M115	12	275	8	\$26,056
M 121	6	111	6	\$11,100
M 122	1	15	0	\$15,000

*Aggregate savings are calculated by comparing the price in the agreement and the list price outside of the agreement

The total aggregate savings for students enrolled in spring semester 2012 was \$125,399 (-\$1,237 POD Costs)

Table 4. Course Information Fall 12'

Course number	Number of Sections	Number of Students Enrolled	PODs Requested	Aggregate Savings*
M 065	10	175	13	\$6,475
M 090	23	466	12	\$46,600
M 095	13	272	9	\$27,200
M 105	3	73	2	\$7,300
M 111	4	44	3	\$4,400
M115	12	274	11	\$20,550
M 121	6	75	3	\$7,500
M 122	1	8	0	\$800

*Aggregate savings are calculated by comparing the price in the agreement and the list price outside of the agreement

The total aggregate savings for students during fall 2012 was \$120,825 (-\$1,238 POD Costs)

Observations

Compared to the publisher's list prices outside of the agreement, students saved money during every semester of the Pilot Program. In addition, The Bookstore has been able to maintain consistent pricing throughout the experiment despite the stipulated inflation increases in the agreement. The individual and aggregate savings are substantial. The significant difference between the first semester and the second semester is because the publisher's list price for MyLabsPlus experienced a large increase. The latest version of the digital platform was introduced recently and it provides additional features to students and faculty at no added cost to the student.

Student access to the digital platform and course materials is available on average 4 days before the first day of instruction. Thus, students relying on third party financing that experience untimely access to their financial aid funds are not impacted under this Program.

Another observation that captured our attention is the low rate of students' requests for a print on demand book in all three semesters. The majority of the requests were placed at the beginning of the semester. The requests were placed by traditional and non-traditional students alike, although we were expecting most requests from non-traditional students.

We have also observed a decrease in requests for student support with the digital platform. This has happened for a couple of reasons. First, students are more comfortable with digital technology in part due to Professor Crepeau and the rest of the faculty members in the department providing clear and concise training for students. Second, most students at the Missoula College have had experience using the MyLabsPlus platform throughout their developmental math curriculum and they have, therefore, become familiar with the platform which is used for all math courses at the Missoula College.

The following table provides similar information for the current semester, spring 2013. The Bookstore continues to provide the payment collection and reconciliation mechanism with users and Pearson Education.

Table 5. Course information Spring 13' (Current)

Course number	Number of Sections	Number of Students Enrolled	Aggregate Savings*
M 065	10	75	\$2,775

M 090	23	299	\$29,900
M 095	13	198	\$19,800
M 105	3	27	\$2,700
M 111	4	58	\$5,800
M115	12	158	\$11,850
M 121	6	58	\$5,800
M 122	1	14	\$1,400

Projected aggregate savings for spring 13' \$80,025

Pedagogically, this course material delivery model has supported Professor Crepeau's and the Math Department at the Missoula College in developing a Math Emporium curriculum. This developmental mathematics model represents partial fulfillment of a curriculum redesign effort based on The National Center for Academic Transformation's (NCAT) *Emporium Model* (http://www.thencat.org/PlanRes/R2R_Model_Emp.htm) following NCAT's *Five Principles of Successful Course Redesign* (<http://www.thencat.org/PlanRes/R2R PrinCR.htm>). The NCAT Emporium model has consistently been shown to increase student success and lower the total cost of delivery for developmental mathematics programs.

An important pedagogical change to note since implementing this delivery model is an increase in consistency in success rates between course sections/instructors. Having a uniform delivery method via MyLabsPlus has decreased the variation in success rates within the course sections. Professor Crepeau intends to deliver a student survey to measure student attitudes and preferences. A complete statistical analysis of student performance and outcomes will be developed in the near future.

Conclusion

The Pilot Program has achieved its objective of reducing and controlling the cost of course materials for the courses involved. Furthermore, the Pilot Program has aided in improving student accessibility to course materials. Considering the success of the Pilot Program, the Program participants are poised to expand the Program to other areas of the University of Montana-Missoula, The Missoula College, and The Bitterroot College. The University of Montana can help further the Program and its benefits by working with Program participants to help collect course material fees from students enrolled in courses that are participating in the Program.