

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1261

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$5,000,000			
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Permits carryover of \$5 million in one-time funds appropriated to the NDUS in 13-15 biennium for performance funding, which have not yet been utilized; further permits the use of up to \$1 of the \$5 million for open educational resources grants, including to faculty.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1. Permits carryover of \$5 million in unspent state general funds appropriated for performance funding from 13-15 to 15-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Assumes full \$5 million in one-time state general funds would be used for performance funding and/or open educational resources grants in 15-17 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

\$5,000,000 in unexpended state fund appropriation contained in SB2003(2013) would be carried over to the 15-17 biennium and used for this purpose.

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Telephone: 701-328-4116

Date Prepared: 01/15/2015

2015 HOUSE EDUCATION

HB 1261

2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

HB 1261
1/27/2015
22630

- Subcommittee
 Conference Committee

Committee Clerk Signature

Anna Whetham

Explanation or reason for introduction of bill/resolution:

To create a higher education open educational resources incentive grant program; to provide for a legislative management report; and to declare an emergency.

Attachment # 1-5.

Minutes:

Chairman Nathe: opened the hearing on HB 1261.

Representative Thomas Beadle: District 27 introduced HB 1261. (See Attachment #1). (1:05-6:17)

Chairman Nathe: so the \$5 million dollars that was appropriated last session wasn't touched because they were busy figuring the benchmarks and frameworks?

Representative Beadle: Yes we had an different chancellor sin last session.

Chairman Nathe: So this bill says we want to take a \$1 million dollars of the \$ 5 million dollars and put it towards these grant awards?

Representative Beadle: Correct, we were looking on how we would draft this and we thought we would use some of what was left of the \$5 million. The million dollars is the remainder of another bill that would use approximately a\$ 4 million of this fund.

Chairman Nathe: The cap on the grant would be \$20, 000 dollars?

Representative Beadle: The reason it is a higher dollar grant is that but we wanted it for some infrastructure assessments to help broaden this program. I would be happy to adjust that as well.

Chairman Nathe: Do we have the challenge program that covers something like that too. A \$20,000 dollar cap we are looking at 50 grants.

Rep. Schreiber Beck: To clarify Section 54-44-1-111 that refers back to the \$ 5 million dollars appropriated previously and they don't fall under the same regulations, they have the right to carry this forward, correct?

Representative Beadle: Brady Larsen, Legislative counsel the fiscal analyst, he told me that was carry over appropriation that is already included in the 2015-2017 budget.

Rep Schreiber Beck: Can it be earmarked for anything or this bill earmarks it specifically?

Representative Beadle: It was earmarked for the University System to use to reward performance based. It was not clear if that was to go to individual faculty or campuses. It was left intentionally vague with the intention that the University system was to develop that policy. This would earmark a portion of that.

Rep Schreiber Beck: It could be used for other items then?

Representative Beadle: They could use this \$ 5 million dollars as a reward for campuses to decrease first years, they can dole it out for another reason if they desire.

Rep. Olson: Do you have an approximate number that are savvy to this sort of thing?

Representative Beadle: (12:27) I don't have a number, but faculty came in thinking this would take away their academic freedom. After the Interim Senate, the faculty unanimously supported this concept after a study was done.

Larry Skogen: Interim Chancellor, in support of HB 1261 (12: 29- 14:45). (See Attachment #2).

Chairman Nathe: Where is the \$ 5 million dollars, is it in the Higher Education budget right now?

Larry Skogen: Yes and we do have rollover authority, that money is there. We don't have a good plan right now, but let's roll it over and have time to make a plan that will reward future behavior which is what performance funding is about.

Chairman Nathe: If this bill would fail you could still do that with the \$ 5 million dollars?

Larry Skogen: This comes out of that Interim committee and we want to work together and continue to identify this performance funding. We want to hold true to that for the next biennium.

Dr. Tanya Spilovoy: Director of Distance Education and State Authorization, in support of HB 1261. (18-00- 30:14). (See Attachment #3).

Chairman Nathe: When they buy this who are they renting this book from?

Dr. Tanya Spilovoy: They can rent it at various sites. One of the advantages is if they get the open educational resource you would always have access to a hard copy pdf. No professor is forced to do this we just want to give them the option and the training to see what else is out there.

Rep Rohr: What about the compliance issues?

Dr. Tanya Spilovoy: Compliance issues are always a concern. We have to get permission to use it. Training of professors on to access resources appropriately is important because we don't want them to be taking things without permission.

Rep Rohr: Have you considered online training for these teachers to save costs?

Dr. Tanya Spilovoy: Great idea, perhaps the first meeting would be face to face and then we could train on web.

Rep. Olson: As part of this would the committee who is developing the criteria for grant review, would they establish some rules for quality control or copyright issues?

Dr. Tanya Spilovoy: We do not want a lot of people writing things that are not good quality. There is a peer review of materials rated, there would have to be some peer review process.

Rep. Olson: Would the grant come after the peer review, or before the review?

Dr. Tanya Spilovoy: I haven't started the grants details yet. So we would look to national experts and see that this met standards that are used in other areas.

Larry Skogen: Interim Chancellor, I just want to add we are just getting this started. We do have to put all this together.

Aaron Weber: NDSU Student Government, in support of HB 1261. (See Attachment # 4) (35:00-38:00).

Chase Johnson: Student of NDSU in support of HB 1261. (See Attachment #4) (38:00-42:55).

Chairman Nathe: Any more support of HB 1261? Seeing none. Any opposition to HB 1261?

David E. Anderson: Executive Director of Higher Education Association of American Publishers, in opposition to HB 1261. (43:15-54:08) (See Attachment #5).

Rep Olson: Why is there so much available online pieces of resources in the first place and who produced them?

David Anderson: I imagine they were generally available over the internet but I haven't talked to the publisher to determine specifically where they came from.

Rep. Olson: I would be curious where they came from? If they were bought with government grants and they were releasing them and using them as part of their learning platform then that would help bolster the case for a granting program?

David Anderson: I will be happy to look into that.

Chairman Nathe: Any other opposition to HB 1261. Seeing none. Closed the hearing on HB 1261.

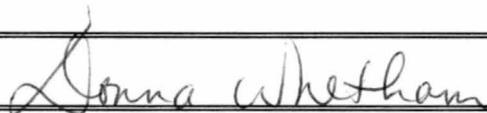
2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

HB 1261
2/3/2015
23095

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

To create a higher education open educational resources incentive grant program; to provide for a legislative management report; and to declare an emergency.

Attachment #

Minutes:

Chairman Nathe: reopened the hearing on HB 1261. This is the resources grant looking for a \$ 1million dollars from the \$ 5 million dollars carry over. Mainly to be used for online text book developers. Appropriations says the \$ 5 million dollars is gone and appropriated elsewhere.

Rep. Koppleman: The bill sponsor Higher Education said they get to hang on to that money, they don't?

Chairman Nathe: Appropriations says it is gone.

Rep. Koppleman: If it is not something they get to keep anyway, if we pass this bill would it be rereferred to Appropriations?

Chairman Nathe: Yes.

Rep. Schreiber Beck: Was this used for Higher Education?

Chairman Nathe: Whatever appropriations did with it?

Rep. Rohr: They needed help spending the money is disturbing too me. **Moved Do Not Pass on HB 1261.**

Rep Meier: Seconded.

Rep. Olson: I don't see how a teacher with a \$20,000 dollar grant could produce a quality textbook. I will be supporting the motion.

Rep. Schreiber Beck: I agree I will support the motion. The Higher Ed didn't know this was going on.

A Roll Call Vote was taken. Yes: 12 No: 1 Absent: 0

Vice Chairman Schatz: will carry the bill.

Date: 21 3/15
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1261**

House Education Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep Rohr Seconded By Rep Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Nathe	✓		Rep. Hunskor	✓	
Vice Chairman Schatz	✓		Rep. Kelsh	✓	
Rep. Dennis Johnson	✓		Rep. Mock		✓
Rep. B. Koppelman	✓				
Rep. Looyen	✓				
Rep. Meier	✓				
Rep. Olson	✓				
Rep. Rohr	✓				
Rep. Schreiber Beck	✓				
Rep. Zubke	✓				

Total (Yes) 12 No 1

Absent 0

Floor Assignment Rep Schatz

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1261: Education Committee (Rep. Nathe, Chairman) recommends DO NOT PASS
(12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1261 was placed on the
Eleventh order on the calendar.

2015 TESTIMONY

HB 1261

1

HB 1261

1/27/15

HB 1261 – Open Educational Resource Grants

House Education Committee

January 27, 2015

Representative Thomas Beadle

Good morning Chairman Nathe and members of the House Education Committee. For the record my name is Thomas Beadle, State Representative serving District 27 in Fargo. I come before you today in support of HB 1261 dealing with Open Educational Resource Grants.

In starting this discussion, I'd like to offer a quick refresher on the legislative assembly's actions during the last session. Last session I brought before this committee HCR's 3009 and 3013 which dealt with Open Source Textbooks. One of these bills directed NDUS and the Interim Higher Education committee to study Open Source Textbooks and related technology, and the other was a resolution encouraging the University system faculty to look at utilizing and being involved in the overall discussion of open source textbooks. During the interim our Higher Education Funding committee did take a good look at not only open source textbooks, but open educational resources (OERs), and thanks to Dr. Spilovoy, we really saw some excellent potential and exciting opportunities in this technology. Some of her testimony that she presented before our interim committee is attached. Additionally, during the 2013 session we appropriated \$5 million as part of SB 2003, the Higher Education Funding Bill that was to go towards Performance based funding in our campuses, in a manner that was to be determined by the NDUS. Quite to everyone's surprise, the chancellor of the NDUS came before our interim committee stating that they were having difficulties coming up with benchmarks and a framework that applied consistently in order to doll out this funding, and sought our guidance and advice. Ultimately, this \$5 Million ended up going unspent during the biennium, and is carried over to their budget for this coming biennium.

All this brings me to HB 1261. HB 1261 takes a portion of that remaining \$5 Million allotment from last session, and directs the Board of Higher Education and the ND University System to develop a grant program that incentivizes and supports the creation and adoption of open educational resources. Section 1 of this bill outlines the goal that directs this funding, and subsection 1 gives them some framework for how to base the award. Section 2 places a structure in place wherein the Board and NDUS shall create an advisory committee that will decide on grant recipients, which they will then recommend to the Board for approval and funding. Note, that the committee that is set up by the NDUS and the Board who authorizes this funding cannot award more than \$20,000 to an individual as part of

this grant. This is not meant as a salary replacement for faculty members, but rather supplements their efforts that are beyond the normal call of duty. Section 2 of the bill instructs the Board of Higher Education to document the grant process and provide a report during the next interim on the status of the grant program including what type of projects are receiving funding.

The bulk of the discussion over the last biennium, and in the articles that I have passed out have centered on open source textbooks. While there are some very real benefits and cost savings for students when looking at the textbook angle, it is very important for us to consider that this goes far beyond textbooks, and branches into much broader technological innovations. This could include webcasting technology and distance education technology, or developing supplemental educational materials like videos and interactive software that can work in conjunction with traditional textbooks and course materials. My goal in drafting this bill and bringing this before you today is to make this a fairly broad program, but with a clear intent of enhancing the experience for our students. I want us to broaden their educational opportunities with cutting edge technology and innovation, and do it in a way that could see them seeing reduced costs and fees associated with their education.

This is but a tip of the iceberg for the type of education that is swirling around the higher education world, but it is something that I think we should go on record as fully embracing and supporting. With that, I urge a do pass on HB 1261 and will certainly stand for any questions you may have.

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Forum editorial: Roses to backers of free textbooks

Posted on Jan 25, 2015 at 11:40 p.m.

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[News Alerts](#)

PRAIRIE ROSES: To those leading the way in enabling the use of free online textbooks for students in the North Dakota University System. Michelle Murphy, an assistant professor of biology and other pre-nursing science courses at Lake Region State College in Devils Lake, is a leading proponent of free online texts. an effort the state Board of Higher Education is supporting with a funding request. Textbooks cost an average of \$1,100 a year for students in the North Dakota University System, so this will significantly defray costs if widely implemented.

Open Educational Resources

Tanya Spilovoy, D. Ed.

Director, Distance Education and State Authorization
North Dakota University System
Tanya.spilovoy@ndus.edu

- **Representatives Beadle, Heilman, N. Johnson, Looyesen, Sanford, Mock, Oversen, Flakoll**
- A concurrent resolution urging the State Board of Higher Education and faculty members of North Dakota University System institutions to increase the use of open textbooks for academic courses in order to reduce the financial burden to higher education students.
 - WHEREAS, a North Dakota University System pays an estimated average of \$1,100 per year for academic course textbooks; and
 - WHEREAS, open textbooks are published under a license that enables students to obtain free or low-cost versions of electronic or printed academic textbooks, and
 - WHEREAS, the use of open textbooks can significantly reduce higher education costs for students which increases student access to higher education; and
 - WHEREAS, the use of open textbooks among all North Dakota University System institutions and other states' higher education systems for common core courses may result in efficiencies reducing state costs related to higher education;
 - NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:
 - That the Sixty-third Legislative Assembly urges the State Board of Higher Education and the faculty members of North Dakota University System institutions to increase the use of open textbooks for academic courses in order to reduce the financial burden to higher education students; and
 - BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to each member of the State Board of Higher Education, to the Chancellor of the North Dakota University System, and to each North Dakota University System institution president.
- **Filed March 22, 2013**

NDUS Response: Open Textbooks Report

Open Textbooks Workgroup

March, 2013

- Pattie Carr, Dickinson State University
- Lloyd Halvorson, Lake Region State College
- Dr. Philip Parnell, North Dakota State College of Science
- Thomas Smette, North Dakota Student Association
- Dr. Tanya Spilovoy, North Dakota University System
- Dr. Keith Stenehjem, Mayville State University
- Jennifer Vetter, North Dakota Student Association

Affordable College Textbook Act 113th Congress (2013-2014)

Introduced in Senate (11/14/2013)

Affordable College Textbook Act - Directs the Secretary of Education to make competitive grants to institutions of higher education (IHEs) to support pilot programs that expand the use of open textbooks in order to achieve savings for students.

Requires the grants to be used for:

- Required to be made available **free of charge** to the public: (1) on an easily accessible and interoperable website; and (2) in a machine readable, digital format that anyone can directly download, edit, and redistribute.
 - achieve the highest level of **savings for students**;
 - expand the use of open textbooks at other IHEs; and
 - produce open textbooks that are of the **highest quality**,
 - that can be **most easily utilized and adapted by faculty members**, that correspond to the highest enrollment courses, and that are created or adopted in partnership with entities that will assist in their marketing and distribution.
- <http://beta.congress.gov/bill/113th-congress/senate-bill/1704>

OER and Open Source Content Defined

- **Defined:** Free, accessible, openly licensed (public domain) documents, media, lab activities, pedagogical materials, games, simulations, etc. which are used for education learning, assessment or research (Kauppinen, 2013).
- **Supports:** Shared expertise and peer-based learning to disseminate curricula and support a learner-centric approach to education.



- **Goal:** Improve student and teacher access to quality learning materials.

Trends in Higher Education

- Cost of a college degree has increased 1000% in the past 30 years (Jarisko & Kolet, 2012).
- Student loan debt is currently over \$1 trillion (Kavoussi, 2012).
- Continued focus on tighter regulations, accountability, and scrutiny.



Trends in Higher Education Cont.

- Colleges and universities are searching for new ways to increase accessibility to their programs while also decreasing their costs.
- Proponents of using open source content suggest that some open source tools promote collaboration and critical thinking and enhance student engagement (Leder, 2012).

Types and Examples of OER's

TYPE OF OER	EXAMPLES
Learning Management Systems	Moodle, Open Class
Textbooks	Flat World Knowledge, Bookboon, Open Education Database, Open Learning Initiative
Courses	Open Tapestry, Open Educational Database, Open Learning Initiative
Videos	Khan Academy, Academic Earth, Watch Know Learn, You Tube EDU, Public Library of Science
Productivity Tools	Open Offices, LibreOffice, Abiword
Supplemental Materials	MIT Open Courseware, Coursera, EdX, Connexion, MERLOT

Let's explore some OER 😊

- <http://www.merlot.org/merlot/index.htm>
 - <http://http://www.oercommons.org/>
 - <http://opencourselibrary.org/>
 - <http://creativecommons.org/licenses/>
 - <http://www.collegeopentextbooks.org/>
- https://www.youtube.com/results?search_query=sarah+sletten

Advantages of OER

- Access: Easy access to learning materials (anytime, any place)
- Distribution: Easy to distribute and disseminate with little or no cost.
- Enhancement: Supplement passive learning from lectures and textbooks
- Free or low cost
- Continuous improvement: Change materials quickly vs. static textbooks
- Exposed to new/innovative ideas from experts all over the globe vs. single instructor

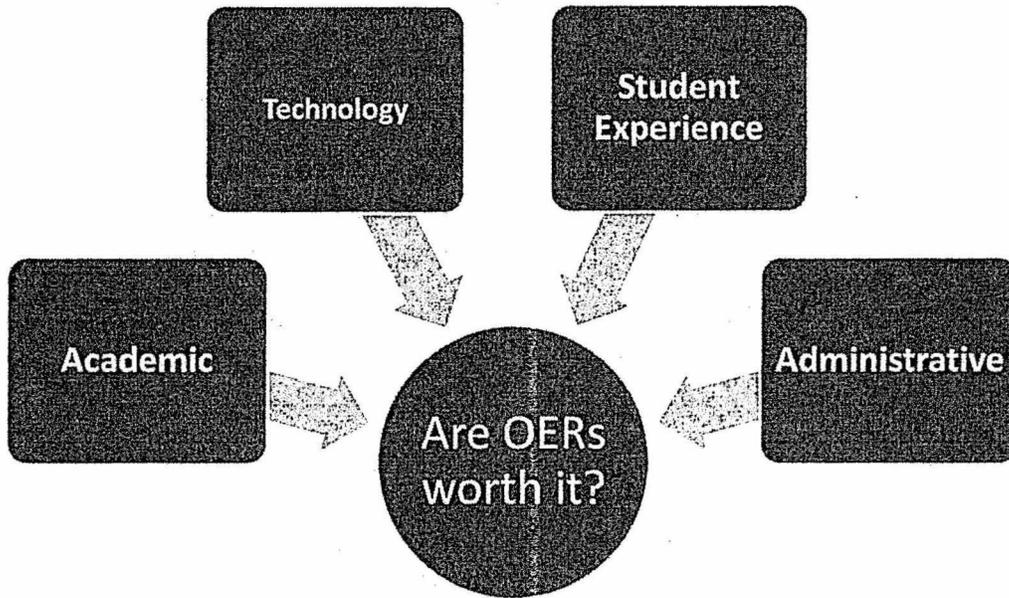
Disadvantages of OER

- Quality Control: Many OER repositories (such as Wiki sites) allow any user to post information, material may not be accurate.
- Currency: Contributors to OER sites are not usually compensated; little incentive to keep the information updates, current or even active.
- Here today, gone tomorrow: No standard for development of these resources. Students may not be able to access, no technical support.
- Time: Funding and curating OER's can consume a tremendous amount of a university's resources as they try to align these resources with their curriculum.

Disadvantages of OER

- Lack of personalization and branding of the institution: "as is"
- Compliance issues: some OER resources might not be in compliance with ADA or meet curriculum standards/requirements set by departments and accreditation bodies.
- Language and cultural barriers: Many are now only available in English
- Copyright concerns: Fair use exemption from U.S. copyright does not apply; resources must be checked to ensure using them does not violate copyright laws.

Cost/Benefit Analysis

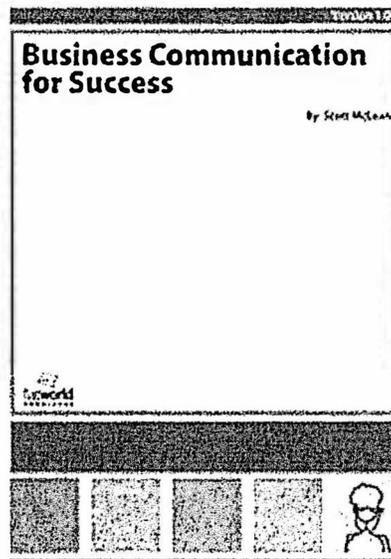


Example – Open Textbook

FLATWORLD KNOWLEDGE TEXT
Business Communications for Success, v. 1.0

Cost: \$34.95 for an All Access Pass
\$149.95 for color print textbook

By: Scott McLean
Version: 1.0
Shared Versions: 3
Pub Date: March, 2010
eISBN: 978-1-4533-2742-5
Pages: 419



Analysis of FWK Book -Technology

CRITERIA	EVALUATION
Integrates with Current Technology Systems (LMS, SIS, etc.)	Textbooks can be integrated into the Learning Platform with a significant investment of time from the technology team
Stable Platform Supporting the Resource	Textbook can be integrated into the college's LMS, so the student doesn't have to access via the FWK platform
Technical Support Available	Technical support available from FWK
Set Up Costs	Significant faculty investment for textbook alignment
Works with Mobile Technologies	Mixed reviews
Branding-College Logo	Textbooks can be integrated into the course so

Analysis of FWK Book – Student Experience

Criteria	Evaluation
Look and feel of resource (readability, graphics, polished versus flat, etc.)	Text is very readable and engaging with graphics and video. However, there are issues with broken links.
Ease of Access and Use	Students need to page through the book or section of the book, so it may feel clunky.
Single sign-on	Yes
Access with a Mobile device	Yes, via ePub file using iTunes (iPhone, iPad) or Aldiko reader (Android)
Student Cost	No additional cost to access ebook via the course, but additional costs to print

Analysis of FWK Book - Academic

Criteria	Evaluation
Alignment with Learning Outcomes	**Faculty-Determined
Content Currency and Accuracy	Content is current and information accurate
Content at appropriate level	Undergraduate level
Flexibility to adopt entire resource or specific sections	Flexibility to adopt only the sections of the text needed
Instructor resources available	Instructor resources – quiz and test item bank available
Reputation of supporting institutions and organizations	Flatworld Knowledge has a reputation of being an innovative provider of free textbooks.

Analysis of FWK Book - Administrative

Criteria	Evaluation
Legal Concerns – ADA compliant and copyright	FWK does provide options to facilitate ADA compliance. Copyright may be included in the legal agreement.
Coordinator for Managing Resource	Academics, tech team, or both
Legal Relationship with Resource Provider	A legal contract spelling out the agreement needs to be developed
Ease of administering the resource	Administration routine once integrated into the platform
Overall Costs of Adoption and Implementation	Fees vary Significant investment of hours for implementing the process
Ongoing Administrative Costs	Updating Content Technical support for students

California Open Source Textbook Project

- COSTP-California Open Source Textbook Project
- In California, Governor Jerry Brown has signed two bills (SB 1052 and SB 1053) that will provide for the creation of free, openly licensed digital textbooks for the 50 most popular lower-division college courses offered by California colleges (2012).

More OER Projects, Cont.

Open Course Library

- <http://opencourselibrary.org/>
- Washington State Board for Community and Technical Colleges
- Funded by Bill & Melinda Gates Foundation and the Washington State Legislature

The Orange Grove

- Florida's Digital Repository K-College
- University Press of Florida

More OER--Ohio

- Ohio Board of Regents partner with Flat World Knowledge (Fall, 2012)
- Board of Regents purchased 1,000 seat licenses to encourage faculty and students to trial digital textbooks
- Spring, 2012—987 students participated
- Saved \$121,000 based on a savings of \$122.95/student/course
- Faculty free to choose their textbooks from FWK, change and add to the material to fit curriculum
- 78% of students said their open textbook was the same or more engaging than other textbooks they used
- Downloadable onto any computer, laptop, smartphone, or tablet
- Print books available for purchase at the campus bookstore or download on the FWK website.

Oregon State University

- February 12, 2014
- Helping faculty members develop textbooks that will be freely accessible online to any student in the world.
- Open Textbook initiative collaboration between OSU Libraries, OSU Press, and OSU Extended Campus
- Campus provides financial, technical, and editorial support for faculty members to create “open texts that aim to reduce costs for students and further position Oregon State as a leader in research and teaching
- <http://osulibrary.oregonstate.edu/oregon-state-university-open-textbook-request-proposal>
- <http://oregonstate.edu/ua/ncs/archives/2014/feb/osu-open-textbook-initiative-aims-reduce-student-costs-enhance-learning>

Conclusion

- In order to begin adopting OER initiatives into institutional policies, structures, and procedures, I recommend that all stakeholders commit to utilizing more OERs to reduce educational costs.
- Further exploration of the cost-saving potential and impact of OER is needed for individual NDUS institutions.
- I recommend that NDUS institute a model in which faculty are rewarded for innovation and adoption of new teaching models and Open Educational Resources much like examples at Oregon State University and the Ohio Board of Regents.

References

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- Jamrisko, M. & Kolet, I. (2012, Aug 15), Cost of college degrees in U.S. soars 12 fold: Chart of the day. Retrieved from <http://www.bloomberg.com>
- Kavoussi, B. (2012 Mar 22). Student loan debt hits \$1 trillion, deemed 'too big to fail' by one Federal agency. Retrieved from <http://www.huffingtonpost.com>
- Lederer, K. (2012, Jan 19). Pros and cons of social media in the classroom. Campus Technology
- Yeats, R. (2004). Living with earthquakes in the Pacific Northwest. Retrieved from <http://oregonstate.edu/instruct/oer/Earthquake.pdf>

Resources

- College Open Textbooks Community
<http://collegeopentextbooks.org/>
- Community College Consortium for Open Educational Resources
<http://oerconsortium.org/>
- Open Textbook Publishing & Adoption Webinar (Feb. 5, 2014).
<http://www.youtube.com/watch?v=KU0okJwlkH0>
- Introduction to Open Educational Resources (OER): The Big Picture (Oct. 22, 2013)
<http://www.youtube.com/watch?v=v102jkoYIIQ>

Ohio OER Contacts/Resources

- <https://www.ohiohighered.org/press/board-regents-and-flat-world-knowledge-announce-textbook-program-extension>
- **Ohio Board of Regents Contact:**
Jeff Robinson
Office: 614.752.9487
Email: jrobinson@regents.state.oh.us
- **Flat World Knowledge Contact:**
Carole Walters
Email: cwalters@flatworldknowledge.com



Free online college textbooks receive statewide attention in ND

Anna Burleson on Jan 21, 2015 at 9:23 p.m.

DEVILS LAKE, N.D. – Lake Region State College of Devils Lake is pushing forward with providing free online textbooks to students.

Michelle Murphy, an assistant professor of biology and other pre-nursing science courses at the college, recently wrote and implemented her own general biology textbook.

"It was getting to be overwhelming for me to have to change all these books and it was getting overwhelming for the student to have to pay for all these books, so it just seemed like the right time to start writing my own," she said.

Murphy teaches all of her classes online and in 2014 began testing sections of her book on her students and then editing it based on the feedback she received. After about six months, the project culminated in a 132-page online textbook her students can access online or print for free.

"I really like to develop things that help students meet their individual learning abilities," she said.

Tanya Spilovoy, the director of distance education and state authorization for the North Dakota University System, has been spearheading the push for open textbook usage, sometimes called open educational resources.

The State Board of Higher Education has even requested funding for the project, as traditional textbooks can run NDUS students an average of \$1,100 annually, according to 2014 legislative committee documents.

Spilovoy said while her work is far from over, she's happy to see it begin to pay off.

"This is why I went into education, to see things get better," Spilovoy said. "It's kind of surreal to see it all actually happening."

Free resources

The open educational resources network works through a partnership with the University of Minnesota online library where students can access vetted textbook materials for free.

Murphy's book doesn't yet meet the requirements to be included in that library, but she's working toward meeting them and plans to write more books once she does.

"(Students) really are starting to expect open educational resources and it's not so much positive feedback when they get them as negative feedback when they have to pay for something they could get online for free," she said. "There really has been a shift."

Others at the Devils Lake college are also providing their students with free material.

Professor Teresa Tande implemented open textbooks in one section of her "University Life" class in the fall.

"Now I'm interested in working with Tanya and the others to help other people realize, 'You might not think you can do this, but you really can and it's really a benefit to students when you do,'" Murphy said.

Statewide efforts

In October, the state higher education board included increasing the use of open textbooks in its five-year strategic plan, following in the footsteps of the Massachusetts Institute of Technology, the Washington state college system and the California State University system, all of which have created online libraries of free course materials in recent years.

The board's approved budget request that is being reviewed by the Legislature allots \$500,000 for open textbook usage. That budget still has to be approved, but Spilovoy's plan is to spend money on training and allow each college or university to come up with its own implementation plan.

"Any resources that are available are always welcome," Murphy said. "For me, it was kind of a personal, 'I want to see if I can do this' thing,' so I didn't make a big deal out of doing it."

Murphy didn't receive any extra compensation for writing her textbook, but House Bill 2161 is on the table this session, which would create a grant-funded incentive program for educators taking advantage of open educational resources.

Spilovoy said North Dakota is setting a precedent for the rest of the nation, as many other online programs are funded through limited grants.

"Right now there's so much support throughout North Dakota that this actually could be something that would make a long-term positive effect for students," Spilovoy said.

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Calculating the Academic Return on 'Open' Educational Resources

By [Sean Cavanagh](#) on August 25, 2014 12:02 PM | No comments

Publishers and school officials have been debating the merits and practicality of "open educational resources"—free academic materials that can be revised and circulated pretty much at will—for some time now.

Can they offer a high-quality alternative to commercially produced texts? Will K-12 systems step out of the shoppers' aisle and build a curriculum around open materials produced by a nonprofit or university? To what extent will for-profit publishers jump into the game by making portions of their catalogs available for free?

One prominent backer of open resources, David Wiley, makes an economic and educational case for them in a recent online post, arguing that when judged by "learning outcomes per dollar," open materials easily top commercial resources for value.

Wiley was responding to an online post by Jose Ferreira, the CEO of ed-tech company Knewton, who argues that despite some claims, open-ed resources don't have the quality, curation, or support to undermine the traditional education publishing industry, at least not yet. Wiley agrees that OER needs to step up their services and supports to compete against traditional publishers. (He also notes that his company, Lumen Learning, is trying to fill that void.)

But he also says the Knewton official is missing the point—that the biggest threat to commercial publishing is based on the "simplest possible metric," for measuring the impact of spending on education materials: the academic gains per dollar spent.

Wiley uses an example cited in a recent article in *Educause Review*, describing a pilot effort at Mercy College, in which the institutions shifted from using a commercial math text and online practice system, for \$180 per student, to open-ed resources. (He told that the example is relevant at the K-12 level, too.)

Here's Wiley's basic cost breakdown, taken from his post:

"By switching all sections of basic math to OER, Mercy College saved its students \$125,000 in one year and changed their pass rate from 48 to 69 percent - a 44% improvement.

If you read the article carefully, you'll see that Mercy actually received a fair amount of support in their implementation of OER, which was funded through a grant. So let's be honest and put the full cost-related details on the table...

So let's do the learning outcomes per dollar math:

- *Popular commercial offering: 48.4% students passing / \$180 textbook and online system cost per student = 0.27% students passing per required textbook dollar*
- *OER offering: 68.9% students passing / \$5 textbook and online system cost per student = 13.78% students passing per required textbook dollar*

For the number I call the "OER Impact Factor," we simply divide these two ratios with OER on top:

- *13.78% students passing per required textbook dollar / 0.27% students passing per required textbook dollar = 51.03*

This basic computation shows that, in Mercy's basic math example, using OER led to an over 50x increase (i.e., a 5000% improvement) in percentage passing per dollar. No matter how you look at it, that's a radical improvement."

In a follow-up e-mail to *Education Week*, Wiley noted that switching to open-ed resources, on its own, won't improve academic outcomes. But he argues that factors connected to that shift, such as giving students greater access to the materials they need, as opposed to limiting them because of a college's or school district's relationship with a for-profit publisher, and giving teachers greater freedom to customize materials rather than keeping them less reliant on this or that commercial resource—will ultimately help.

What's more, the lessons from above-cited postsecondary case apply to K-12, he contends.

He points to previously published research that show the potential for major financial savings for K-12 systems in their use of open educational science materials. And he predicts that open-ed resources will be shown to out-perform commercial texts, in terms of academic results, going forward.

"The primary difference in the [school and college] contexts is who saves money after the choice is made to adopt OER," Wiley wrote to *Education Week*. "In colleges, it is the student who saves. In K-12 it is the district or school who saves."

http://blogs.edweek.org/edweek/marketplacek12/2014/08/calculating_the_return_on_open_educational_resources.html?print=1

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Categories: Ed-tech Innovation Online Learning Procurement Publishing

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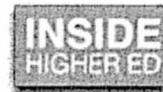


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Textbook prices still crippling students, report says

Submitted by Allie Grasgreen on January 28, 2014 - 3:00am

Despite some recent improvement in textbook market options and transparency, rising prices continue to hinder students who, in the worst scenarios, are turning down classes because the materials are too expensive.

"The problem is as dire as ever," Ethan Senack, a higher education associate at the United States Public Interest Research Group, said in a conference call announcing the findings of the Student PIRGs' [latest report](#) ^[1] on textbook costs and how students are responding. "The federal government, states and most important, individual campuses, need to support and invest in alternatives outside of the traditional textbook market."

The survey, which includes about 2,000 students from 150 campuses, indicates that while cheaper alternatives such as rental programs and open-source textbooks have gained traction in recent years, 65 percent of students had still opted against buying a book because it was too costly – and 94 percent of them were concerned that their grade would suffer because of it.

Another 48 percent of students said the cost of textbooks affected how many and which classes they took each semester. At the same time, 82 percent of students said free online access to a textbook (with the option of buying a hard copy) would help them do "significantly better" in a course. The paper therefore argues for widespread use of open textbooks, which are designed in this way and which PIRG estimates save students an average of \$100 per course.

"Students should be focused on taking the classes they need, not kept out because they feel they have to choose between their textbooks and rent," said Senack, the report's author. "We know that if more campuses and if more states made the commitment ... we would be able to save students millions in dollars per year."

PIRG, whose previous reports have been [disputed](#) ^[2] by textbook publishers, notes that a single textbook can cost more than \$200, and that the College Board estimates that students will spend on average \$1,200 on textbooks and other course supplies this year.

Students head to campus already expecting to pay thousands in tuition and fees, Samantha Zwerling, student body president at the University of Maryland at College Park, said on the call. "A thousand dollars a semester for textbooks is the real kicker."

But David Anderson, executive director of higher education at the Association of American Publishers, called the report "transparently biased and distorted." For example, he said, how many

of the 65 percent of students who didn't buy a required textbook opted for a rental instead – and who's to say they suffered academically because of it? (According to [3] the research firm Student Monitor, close to 10 percent of students now rent textbooks, while half as many use ebooks.)

"I think it's hard for the authors of this report on the one hand to laud the increased use of rentals and the increased availability of open source, and then not give you a breakdown of how they're being used," Anderson said.

He also noted that the inflation rate cited in the report reflects just the rising cost of traditional hardbound textbooks, when students have a variety of options including three-ring binder, digital and by-chapter editions. "It's very misleading to rely solely on those numbers."

The U.S. and state PIRG groups have been instrumental in getting legislation on the books [4] that makes textbook pricing and edition-change information more accessible to faculty members, who they say have historically had trouble figuring out how much textbooks will really end up costing their students.

For open-source ideas, faculty, administrators and state legislators should look to the University of Minnesota Open Textbook Library [5], the University System of Maryland's Open Source Textbooks initiative [6], and the state of Washington's Open Course Libraries [7], the report says. In addition, students should advocate directly for open textbook use, and publishers should "develop new models that can produce high quality books without imposing excessive prices on students."

Open textbooks are similar to e-textbooks in that they can be read electronically, but the latter expire after 180 days and still cost up to half the print retail price. E-textbooks are "just a continuation" of publishing companies' control over the market, the report says.

PIRG argues that consumers are helpless at the will of the publishing companies, who control prices by releasing new editions every few years and mark up costs an average 12 percent each time, while clearing the shelves of any old editions. Additional "bundles" – packaging books with online materials or CDs – can drive up prices by as much as 50 percent.

According to a June 2013 Government Accountability Office report, textbook prices rose 82 percent between 2002 and 2012, at three times the rate of inflation.

Irene Duranczyk, an associate professor of postsecondary teaching and learning at the University of Minnesota who uses open textbooks, said she has also seen students priced out of classes due to textbook costs. In fall 2012, Duranczyk began substituting a free open textbook that had an optional \$32 print version for her regular \$180 book.

"I believe that high-quality course materials are essential, and I want to be sure that all my students have access to those materials," she said. "On the whole, students were very, very appreciative for being assigned a textbook that didn't break the bank."

While use of open-source textbooks is still fairly uncommon, more than 2,500 professors have signed PIRG's Faculty Statement on Open Textbooks [8] professing their support for the innovation, the report says.

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- [1] http://uspirg.org/sites/pirg/files/reports/NATIONAL%20Fixing%20Broken%20Textbooks%20Report_0.pdf
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- [3] <http://www.nbcnews.com/business/required-reading-textbook-prices-soar-students-try-cope-8C11140099>
- [4] <http://www.insidehighered.com/news/2007/05/07/textbooks>

[5] <https://open.umn.edu/opentextbooks/>

[6] <http://www.insidehighered.com/quicktakes/2013/08/27/u-system-maryland-test-open-source-textbooks>

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[8] <http://www.studentpirgs.org/open-textbooks/faculty-statement>

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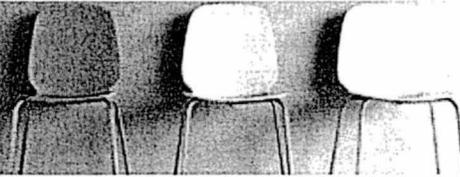


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Open educational resources movement needs to move beyond voluntarism (essay)

Submitted by Brian Jacobs on August 28, 2014 - 3:00am

The dominion of open educational resources is apparently looming large, if one were to judge by a blog thread touched off with a panel discussion at a recent Knewton event. David Wiley, participating in the panel, made the bold claim that "in the near future, 80 percent of textbooks would be replaced by OER content." Jose Ferreira responded ^[1] critically to that view a few days later with a blog post, to which Wiley offered a dissenting reply. ^[2] Michael Feldstein then weighed in ^[3] with a dissenting perspective of his own.

It's a spirited and fruitful discussion; well worth a read. Their comments, though, didn't tackle what we've come to see as the core issue for the OER movement, a foundational assumption that has crimped its progress. The assumption holds that because open-source educational content is like open-source software -- in that it's free content that you can chop up, remix, and share with anyone -- its application and uses should follow in a similar way.

The short history of the two movements makes clear that this is not the case. As David Wiley points out, the first openly licensed educational materials were published more than 15 years ago, around the time that Linux led the movement of open-source software (OSS) into the mainstream. So why did one open-source movement take off as the other tarried on the margins, championed only by the most stalwart advocates?

While Linux has long been part of standard practice, and our daily computing lives would be unthinkable without open-source software, more than 90 percent of faculty textbook adoptions in the U.S. are still locked-down, expensive commercial materials. Most don't doubt the unsustainability of the present course (including most publishers), but it's also plain to see that the OER movement had not yet offered a truly satisfying alternative. The failure of OER to become mainstream at this point is only underscored by the myriad forces working in its favor: economic pressures, greater administrative accountability, government oversight and budget cuts, and a truly broken publisher model.

A clear reason for the different trajectories is the commercial support that OSS has enjoyed, and that OER has not. Contrary to the common view that OSS has advanced largely through loosely organized communities of volunteers, it's actually often strongly supported through private enterprise. More than 80 percent of the contributions ^[4] to Linux, for example, come today from companies like Google and Samsung. But the success of OSS isn't simply through commercial appropriation. Instead, companies were able to support OSS because they were building on an

already-present foundation of voluntarism in the hacker community. While a volunteer community of course exists in OER, it does not have the depth and breadth of its OSS counterpart. The voluntarism of the hacker community does not, in other words, map well onto the community of academic instructors. This situation isn't an accident of history but reflects a fundamental difference in the roles and self-understanding of each group.

With OSS, the hacker is often an end user but more centrally the creator and modifier of code. And to the extent that hackers form a community, it is a community of problem-solvers addressing issues that concern their work directly. In his seminal book on hacker open-source culture, *The Cathedral and the Bazaar*, Eric Raymond suggests that "Every good work of software starts by scratching a developer's personal itch." Contrast this with the relationship faculty have to the educational content they use: for most, it's a tool for teaching a class, a means of supporting an activity that is largely extrinsic to the tasks of creating and modifying pedagogical content. Most instructors are not editors, let alone creators of their classroom content; they are simply end users.

If there's a personal itch to scratch at all, it's usually in the area of original scholarship and research, not teaching materials (let's recall that the Internet was born to share research, not lesson plans). For most instructors, the textbook is a convenient package, without which the task of managing a class would be that much more laborious. Commercial publishers have long recognized what the OER movement has not: that often-overworked and underpaid instructors are looking to content and course technology to make their lives easier, not to take on the additional responsibility of managing their own content without financial recognition for that labor. Unlike the open-source hacker, the thrill of belonging to a community of problem-solvers of content simply isn't their thing. To truncate an otherwise large topic, instructors are not hackers and that changes everything. Or it should have for the OER movement.

The recent gains of, and the growing prospects for, OER are, in fact, a tacit acknowledgement of this difference. No doubt the single biggest success to date for the movement is the OpenStax project, but this success breaks any illusion that the practice of OER is analogous to that of open software. Connexions, the OpenStax predecessor project at Rice, languished for years as an open-source content platform until Rice hired Joel Thierstein as associate provost to turn the project around. What did he do? Thierstein, who previously worked in the private sector developing content for the telecommunications industry, had a simple and very powerful idea: raise grant money to hire the same companies that ghostwrite textbooks for the traditional publishers, and then release the texts into the public domain under the most open license available.

As commercial textbook equivalents, their use required no behavioral changes for faculty. They would not be "learning objects" or fragments that required additional faculty work. Faculty could use them as teaching tools, just as they would conventional content, except, in this case, they're free. Like the commercial publishers, Thierstein rightly understood that faculty want an easy and straightforward way to adopt high quality and appropriate content. Thierstein's success enabled Rice to go forward with additional fund-raising and the Connexion's rebranding as OpenStax. A simple idea has had a significant impact.

And yet for all the success of OpenStax, it's also clear that a free version of a commercial text will never alone be sufficient for OER to reach the mainstream, nor should it be. Some learning technologies, either already in use or emerging, have the capacity to improve student success significantly. The OER movement's almost singular focus on cost can obscure the larger objective -- actually getting more students through to graduation while ensuring that they've learned (and enjoyed learning) something along the way.

The risk for the OER movement is that it unwittingly reinforces the kind of resource disparities we see everywhere else in our society: a situation in which the well-off enjoy content with the latest technologies and practices, and the not-so-well-off manage without them. To be sure, OpenStax partnerships with third-party technology partners are a recognition of this need, but these relations

are still established within the traditional publisher/tech partner binary model, with the difference that the core content is low-cost or free. As important as that project is, it doesn't yet realize the promise of OER as disaggregated high-quality content created and modified from anywhere.

A better way forward is to compensate the stakeholders -- faculty, copyright holders, and technologists, principally -- for their contributions to the OER ecosystem. This can be done by charging students nominally for the OER courses they take or as a modest institutional materials fee. When there are no longer meaningful costs associated with the underlying content, it becomes possible to compensate faculty for the extra work while radically reducing costs to students. While I launched a new venture to do this, what's needed are lots of entities -- for-profit and nonprofit -- to experiment with funding models. It's all achievable and there will likely be no single way to accomplish it.

From this will emerge a new breed of courseware, one that preserves the low cost and flexibility of open content while embracing learning technologies that support faculty and student success. Certainly such a model involves costs, though not so much for the content as for the tools that improve its use and for the people on the ground who are actually doing the work of curating and adapting materials. Align the incentives in the right way, and this model of openness can empower faculty members and institutions in unprecedented ways. It will encourage local innovation so that, over time, the courseware, now unlocked and financially supported, becomes an expression of the teaching itself.

Openness, then, lends itself to a new order of distributed content development that includes outstanding learning technologies; I think all the bloggers mentioned above recognize this. But precisely because instructors are not hackers and belong to an entirely different community of practice, a system for distributed content development also needs to be accompanied by a system of distributed financial incentives. When this all comes together -- and it will -- then courseware will escape commodification and become a creative and low-cost force in education. Only then should we begin to count the percentages.

Brian Jacobs is founder & CEO of panOpen.com [5].

Section:

[Books and Publishing](#) [6]

[Publishing Industry](#) [7]

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Links:

[1] <https://www.edsurge.com/n/2014-08-10-oer-and-the-future-of-publishing>

[2] <http://opencontent.org/blog/archives/3462>

[3] <http://mfeldstein.com/oer-future-knewton/>

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[7] <https://www.insidehighered.com/news/news-sections/publishing-industry>

[8] <https://www.insidehighered.com/news/focus/technology>

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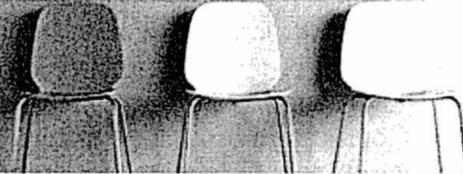


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Open educational resources perceived as high quality, even though faculty awareness lags

Submitted by Carl Straumsheim on November 4, 2014 - 3:00am

When faculty members choose which textbooks to assign to their students, they look for trusted names and a track record of quality -- not the price tag, a new survey suggests.

While those priorities may stymie the growth and adoption of open educational resources (OER), the Babson Survey Research Group's [report](#) [1] on faculty members' attitudes and opinions about those resources contains both "terrible" and "incredible" news for proponents of OER, depending on your interpretation. On one hand, faculty see open resources as just as good -- if not better -- than the products produced by traditional publishers. On the other, few faculty members have actually heard about OER.

David Wiley, founder of the OER support provider [Lumen Learning](#) [2], said the disappointing top-level numbers overshadows the fact that many faculty members are satisfied with the quality of open content.

"I look at this and I think, holy smokes, this is just some of the best possible news we could have gotten," Wiley said in an interview. "The 'problems' with OER adoption are so eminently solvable."

The OER movement has sprung up in response to the rising cost of higher education, and aims to curb one of the additional fees that sometimes take students by surprise once they make it to campus -- namely textbook prices. A [study](#) [3] published this January, for example, found nearly half of surveyed students chose their courses based on textbook prices, and some simply avoided courses with expensive course materials.

Yet textbook costs hardly register among faculty members. Only 2.7 percent of the surveyed faculty named it the most important criterion for selecting teaching resources, coming in behind such factors as wide adoption, faculty ratings and learning management system support.

Many students have fled to the less-expensive used and rental book markets in search of savings, but proponents of OER have another plan to cut costs: Produce high-quality course content, then make that content available publicly or under a license that permits widespread use.

Despite their cost-cutting potential, OER still have an awareness problem, according to the survey. Nearly two-thirds of the surveyed faculty members, or 65.9 percent, said they had either never heard of OER, or had heard some but didn't know much about them. Only 5.1 percent of the faculty

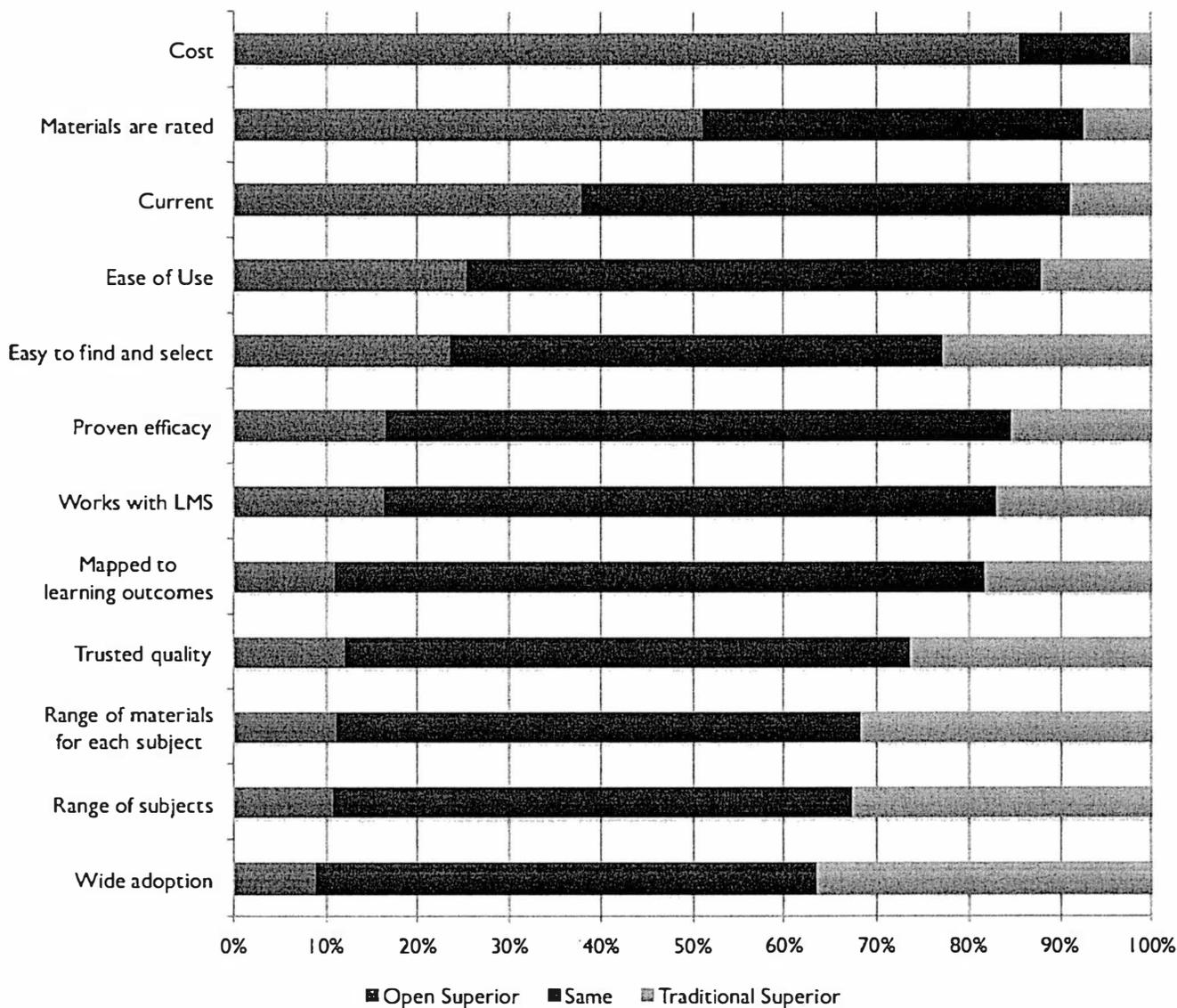
members said they were very aware of OER.

"Taken together, this is terrible news, if not unsurprising news, for OER advocates," Phil Hill, a higher education consultant, wrote in a [blog post](#) ⁽⁴⁾. "It should be no wonder that it is so difficult to reduce the financial burden of textbook purchases by students. By and large, the people making the resource decisions are not aware of OER [and] free options, and the cost of material is a very low priority."

More than half of the instructors said they were deterred by the lack of search tools or a comprehensive catalog of open resources. Those deterrents added up to a slight drop in discoverability. About one-third of faculty members, or 33.1 percent, said searching for open content was very difficult, compared to 25.1 percent who said the same about traditional content (still, a majority of instructors described discovering either type of content as very easy).

In a point-by-point comparison with traditional content, however, OER fared better. Traditional content offers a wider range of subjects and enjoys higher adoption, faculty members aware of OER said, but open content is easier to use, more likely to be up to date and -- as expected -- less expensive. OER even edged out traditional content on which is the most effective, 16.5 percent versus 15.3 percent, respectively.

OPEN EDUCATIONAL RESOURCES COMPARED TO TRADITIONAL RESOURCES



[5]

Most crucially to OER proponents, faculty didn't see a huge quality gap between traditional and open resources. More than half, or 57.2 percent, said the two types of course content offer the same level of quality, compared to 26.6 percent who said OER is inferior.

In a separate [blog post](#) [6], Wiley described those numbers "incredible."

"As you see in the survey data, there are essentially no barriers to entry to OER -- no preconceptions or misconceptions on the part of faculty," Wiley said. "As soon as they hear about it and understand it, they like it."

In other words, OER providers don't have to fight an uphill battle to convince faculty members that open resources can be just as good as the textbooks -- just that the alternatives exist. "It's relatively straightforward to make people aware of things," Wiley added.

Pearson, which supported the survey along with the William and Flora Hewlett Foundation, in a [statement](#) stressed the importance of efficacy -- a word that has become something of a [corporate mantra](#) [7]. "With increasing demand for effective course content that keeps students engaged and

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improves learner outcomes, it's anticipated that more educators will require proven OER material that demonstrates measurable results," John Tweeddale, the company's senior vice president of efficacy and quality, said.

Richard Baraniuk, founder of the open textbook publisher OpenStax College, suggested some faculty members may be using OER without them being aware of it. The company's own textbooks are now used by more than 300,000 students in nearly 1,100 courses, he said.

"OpenStax College's results are consistent with the finding that faculty are supportive of the concepts and goals of OER, even if they aren't familiar with the acronym," Baraniuk said in an email. "Open makes us more competitive, and is central to our mission; however, at the end of the day we compete on quality, student outcomes and overall value, just like everyone else in the market."

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Links:

[1] <http://www.onlinelearningsurvey.com/oer.html>

[2] <http://lumenlearning.com/>

[3] <https://www.insidehighered.com/news/2014/01/28/textbook-prices-still-crippling-students-report-says>

[4] <http://www.20mm.org/blog/oer-adoption-worst-time-best-times/>

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[6] <http://opencontent.org/blog/archives/3619>

[7] <https://www.insidehighered.com/news/2013/11/18/pearson-report-student-outcomes-review-investments-part-efficacy-initiative>

HB 1261

House Education

January 27, 2015

Larry C. Skogen, Interim Chancellor

701.328.2974 | larry.skogen@ndus.edu

Good morning Chairman Nathe and members of the committee. I am Larry Skogen, Interim Chancellor of the ND University System. I'm here to testify in support of HB 1261.

During the Interim Higher Education Funding Committee discussions over the past two years, there was a consensus that we need to have a very well developed performance funding formula that would incentivize the right behaviors on our institutions to help improve retention and graduation rates. Rep. Sanford and I had many discussions about the \$5M that was appropriated for this purpose during the last session. By the time I assumed my current position, we were six months into the biennium with no plan to distribute the \$5M. Each effort to develop a plan looked to me as more a way to reward past behaviors than a way to incentivize future behaviors. Thus, Rep. Sanford counseled me that we ought not to spend the money, roll it over into the next biennium, and develop a strategy that will reward future behaviors. And that brings us to the point we are now. I'm working with Lisa Feldner to develop an algorithm that will do that.

In the meantime, there was much interest by the Interim Higher Education Funding Committee to promote open educational resources. The committee was much taken by the presentation of Dr. Tanya Spilovoy, our Executive Director, Distance Education and State Authorization. So I'm now going to turn over this presentation to our resident expert on open educational resources. Dr. Spilovoy.....

Your support of this bill will provide at least \$4M for performance funding and up to \$1M for open educational resources. We appreciate your support of both those concepts.

#3
HB 1261
1/27/15

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NORTH DAKOTA
UNIVERSITY SYSTEM
ACCESS. INNOVATION. EXCELLENCE.

Open Educational Resources: The time is now

Tanya M. Spilovoy, Ed. D.
Director, Distance Education and State Authorization

Open Educational Resources Defined

- **“Teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and re-purposing by others. Open educational resources include full courses, course materials, modules, textbooks, streaming videos, tests, software, and any other tools, materials, or techniques used to support access to knowledge.”**

The Hewlett Foundation

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Why This Matters

← 🔍 Kimberly Mayer-Berger

Kimberly Mayer-Berger

Tuesday at 6:03 PM · 🌐

\$500 for 5 books. And for filler classes like enjoyment of music and theater survey!!!! Oh the joys of college! — 🤔 feeling perplexed.

5 Likes · 10 Comments

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Historical Timeline

- January 8, 2013-HOUSE CONCURRENT RESOLUTION NO. 3013
- March, 2013-NDUS Open Textbook Report: Availability, Affordability, Quality and Academic Freedom
- April 22, 2013--Presentation of Open Educational Resources at Interim Higher Education Funding Committee
- April 22, 2013—NDUS CCF Statement of support
- July 22, 2014-OER Implementation Plan Presentation to HEFC
- September 1, 2014—Teresa Tande, LRSC adopts first Open Textbook
- October 2, 2014-SBHE Strategic Plan "Increase the use of open educational resources" (pg. 10)
- October 2014—National Researchers release "Opening the Curriculum" Report on OERs. Agreed to allow me to use their Survey instrument in ND.
- Today- North Dakota 64th Legislature-HB 1261

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CCF Statement

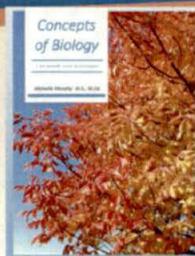
- **“The CCF recognizes technological advances may influence how we traditionally view the educational process, and asks the legislature to proactively support open resource initiatives with funding. The CCF affirms that faculty should be sensitive to the rising costs of textbooks whenever possible. However, the CCF affirms that the choice of textbooks and any other course-related materials must be faculty-based and at the faculty member’s discretion for provision of the best course possible; the CCF requests the legislature and the SBHE affirm this statement.**

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Return on Investment



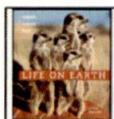
Michelle Murphy, M.S.,
M.Ed.
Assistant Professor,
Online Biological Sciences
Lake Region State College

Bio 111 (Concepts of Biology)
17 students x \$166.39 = \$2,828.63

6

Bio 111 – Concepts of Biology – open textbook used in my sections Fall 2014 – no commercial book required.

Previously required and sold at LRSC bookstore for this course:



LIFE ON EARTH

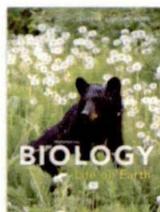
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Opportunity to Lead

- The Open Educational Resources initiative in North Dakota is unique because there is buy-in from so many stakeholders.
- We have the opportunity to set a national precedent.
- We have done the work; now we need your support.

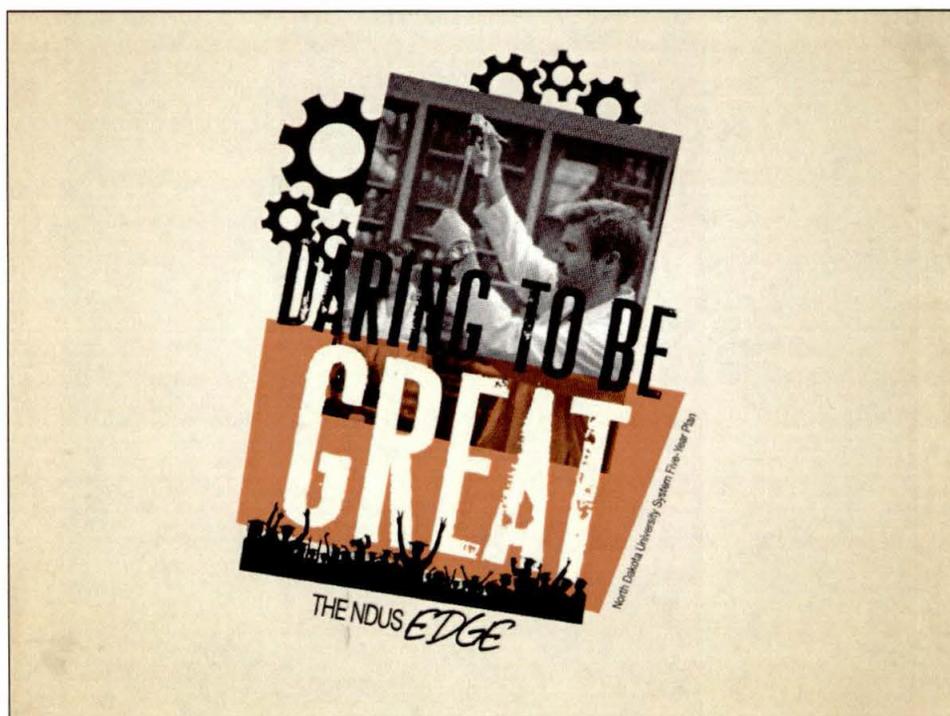
Resources

- <http://www.grandforksherald.com/news/3661083-lake-region-state-college-professor-pens-free-online-textbook>
- <http://www.lrsc.edu/directory/michelle-murphy>
- <http://www.onlinelearningsurvey.com/reports/openingthecurriculum2014.pdf>

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Aaron Weber
NDSU Student Government
SB 1261 Testimony

Chase Johnson
UND Student Government

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Chairman Nathe and members of the education committee, for the record my name is Aaron Weber. I serve as the Executive of Governmental Relations for NDSU Student Government. Also with me today is Chase Johnson, Governmental Affairs Commissioner from UND Student Government. We are here today to speak in favor of HB 1261.

This past fall, NDSU Student Government Conducted a survey of students relating to the amount of money they spend on textbooks. The survey found that a majority of students spent between \$200 and \$500 on textbooks in a typical semester, or \$400 to \$1000 in a typical year. Of the 681 respondents, 537 or 79% said they pay for the textbooks by themselves or at least partially by themselves. When asked if they felt the price of textbooks was reasonable, 616 of 678 respondents answered either disagree or strongly disagree. Of those same students 476 students answered agree or strongly agree when asked if open educational resources would be useful to them.

It's clear that the data speaks for itself. The rising cost of textbooks is a major issue for students. This is why NDSU Student Government passed a resolution of support on Sunday for HB 1261. It states that NDSU Student Government realizes that the total cost of attendance is rising and that open educational resources are a great to combat that. Thank you and we urge your support for a do pass on HB 1261.

Chase Johnson, UND: On Sunday, the UND Student Senate also passed a resolution in support of HB-1261, which has been distributed to the committee. This resolution was based on the University System workgroup's report, which explicated that textbooks experience a 12% price increase for each new edition, with each new edition being released every 3-4 years. Overall, the report concluded that students spend \$900 per year on textbooks, of which 80% can be saved by implementing open resources, bringing the projected cost of textbooks down to \$184 per year per student. With the rising cost of higher education and textbooks, every dollar counts. HB-1261 would give the State Board of Higher Education \$1,000,000 to develop and implement open resources, which includes online textbooks and modules. The appropriation would be overseen by an advisory committee with both faculty members and students, to ensure fair input would be given that would benefit North Dakota students. To be clear, this bill would not mandate faculty members to utilize open resources, but rather incentivize them through grants made to individual faculty members. By investing in open resources, the legislature can ensure the quality of these textbooks and modules are on or above par with traditional resources. The NDUS estimates that the program would save students \$1.5 million a year.

Therefore, we ask for the support of the 64th legislative assembly for House Bill 1261 to adjust to the growing student demand for open textbooks along with saving students' money over the long term. Furthermore, this bill will help put North Dakota ahead of other states and institutions

regarding the development and utilization of open resources, both benefiting our universities and our state. We thank the committee for the opportunity to testify today and will yield to any questions you may have.

SR-18-15

A Resolution in Support of HB 1261

Whereas, students of the North Dakota University System (NDUS) pay hundreds of dollars per year for textbooks on top of the rising cost of tuition, and

Whereas, open educational resources are an effective tool to reduce the cost of textbooks and the overall cost of higher education, and

Whereas, NDSU Student Government has passed a legislative goal relating to open educational resources, and

Whereas, HB 1261 would provide \$1 million for the creation and advancement of open educational resources within the NDUS, therefore be it,

Resolved, NDSU Student Government supports the passage of HB 1261.

Respectfully submitted,

Senate Resolution

To: The Student Senate of the University of North Dakota

Authors: Tanner Franklin – Student Body President

Sponsors: Taylor Nelson – On-Campus Apartments Senator

CC: Tanner Franklin - Student Body President, Brett Johnson - Student Body Vice President, Cassie Gerhardt - Student Government Advisor, Andrew Frelich – Student Organization Funding Agency Advisor; Dr. Lori Reesor – Vice President for Student Affairs, Cara Halgren – Associate Vice President for Student Services & Dean of Students

Date: January 25th, 2014

Re: Support for North Dakota House Bill 1261

- 2 Whereas, textbooks and other classroom resources are becoming more and more costly for today's students, and
- 4 Whereas, the University System workgroup on open textbooks reported "students spend, on average, approximately \$900 per year," and
- 6 Whereas, new editions of textbooks are released every three to four years with an approximate 12% increase in price with each new addition, and
- 8 Whereas, North Dakota House Bill 1261 relates to the adoption of open resources, and
- 10 Whereas, an open resource program would enable facility to utilize materials, including textbooks, that would be available to the University community at not cost, and
- 12 Whereas, according to the North Dakota Student Association Resolution SLAC 05-1415, the adoption of such a program could save students up to 80% of their textbook costs, reducing them to an average of \$184 per year per student, and
- 14 Whereas, necessary funds would be appropriated to create an incentive grant program to increase the use of open educational resources, and
- 16 Whereas, the use of open resources by facility would not be mandated, but rather incentivized through the grant program, and
- 18 Whereas, an understanding that the quality of resources must always be the priority, giving facility the flexibility to use resources of their choosing, and
- 20 Therefore, be it resolved that the Student Senate of the University of North Dakota, fully supports the intention of North Dakota House Bill 1261, and urges the 64th Legislative Assembly to adopt this piece
- 22 of legislation.



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**Statement of
David E. Anderson
Executive Director, Higher Education
Association of American Publishers
Before the Education Committee
North Dakota House of Representatives**

January 27, 2015

Mr. Chairman, members of the Committee, thank you for this opportunity to appear before you and comment on House Bill No. 1261, introduced by Representative Beadle.

I am David Anderson and I am the Executive Director for Higher Education at the Association of American Publishers.

The Association is a nationwide organization. Its membership includes virtually every major publisher and many small publishers ranging from Harlequin Romance to Princeton University Press. As the Executive Director for Higher Education, I work with our members who publish coursework materials for colleges, universities and community colleges.

I would like to compliment Representative Beadle for raising a very important topic. While I have some very substantial reservations about House Bill No. 1261, his introduction of the bill provides the occasion for a timely conversation about an aspect of higher education which is little discussed and often misunderstood.

House Bill No. 1261 would authorize the state board of higher education to authorize \$5 million in carryover spending with up to \$1million to be used as “grants to academic faculty and instructional staff at institutions under the control of the board for salary performance bonuses or equipment and resources for the development and implementation of open educational resources. Total grant funds awarded to an individual under this section may not exceed \$20,000.” Also, the board is mandated to “establish an advisory committee to develop criteria upon which all requests for grants will be reviewed.”

From the perspective of the members of my association, we do not believe that educators are faced with an “either/or” question of whether to use open educational resources (OER) or the learning materials we publish. Rather, from our perspective, it is a “both/and” proposition.

We do, however, object to government using taxpayer funds to favor one set of participants in what is a very robust and competitive marketplace. As I detail below, there is already a massive amount of OER material currently available. There is no need for government at any level to subsidize the creation of more.

While government can provide grants to faculty to develop OER; that does not mean that the OER so developed will be of high quality or be used. Washington State is a case in point. Washington spent \$1.5 million dollar to develop an Open Course Library for its community college system. Half of the funds were appropriated by the state. The other half came from the Bill and Melinda Gates Foundation. The materials for the Open Course Library were produced by faculty, librarians and others within the community college system itself.

By the Fall Quarter of 2013, OER materials were available for 42 of the system's most enrolled courses. According to a recent study conducted by OnCampus Research, only 2.7 percent of the students enrolled in those courses in the Fall of 2013 were assigned materials from the Open Course Library. This is a dismal result. I would hate to see North Dakota spend \$1 million only to produce a similar result.

I did not come here today to seek an appropriation. However, if North Dakota does go forward in creating a grant program, excluding from consideration in the program the digital course materials and digital learning platforms which my members publish not only distorts the marketplace, it ultimately harms the very people you are trying to help: faculty who are developing or using OER.

Our digital learning materials, whether used on their own or in combination with OER, have been shown to both dramatically lower student costs, lower institutional costs and increase student success.

I would like to provide you with some examples of what I am talking about.

In 2012 one of my members published a digital learning platform which, among other things, helps faculty to find an individual piece of OER and assess its quality. On its release, that digital platform contained a library of 680,000 individual pieces of OER. Clearly there is no shortage of OER on the market. To my mind that raises a serious question whether the taxpayers' hard earned dollar should be spent to produce even more OER.

However, if you do go forward with this grant program, would it not make sense for participants to be able to consider including in their project a digital platform such as the one I just described? I would think that in deciding whether to develop a piece of OER one would want to know whether it already exists and, if it does, what would constitute an improvement. The digital platform I described helps OER developers to answer those questions.

For grant projects involving the use of existing OER, the platform I described would assist faculty to identify the best of existing OER in their area of interest.

A second example comes from a different publisher that was partnering with a community college. The community college had a problem common to many: students needing remedial help in algebra. These students often needed two remedial courses before they were ready to enter the associate's degree program – effectively converting a four semester program into a six semester program, a significant increase in the time commitment and the cost to the student.

The publisher in question had a digital learning platform that, among other things, contained both a diagnostic tool to assess with great accuracy what a student already knows and personalized learning technologies – that is, quizzes and tests employing artificial intelligence so that as the student takes the quiz, the quiz is assessing the student and drilling him or her on the areas that need more work. The faculty had developed a textbook that was a hybrid of the material covered in both of their remedial courses.

Working in partnership, the publisher and the college were able to combine two remedial classes into one class where students were able to earn three degree credits and one non-degree credit – a substantial savings of time and money for both the students and the college. The digital diagnostic tool identified what students needed to learn on an individual basis and the personalized learning quizzes better enabled them to master the subject. The faculty developed materials were closely matched to what the students required. The success rates for students also jumped from about 50 to 60 percent to 72 to 85 percent depending on the campus. Again, if you go forward with a grant program, partnering of the type I just described should be eligible for consideration.

Another publisher is in the process of developing a digital learning platform of a type I will describe in a moment. They are partnering with Openstax, an open source textbook publisher affiliated with Rice University.

Openstax is a good example of an open source publisher flourishing in the marketplace without government assistance. It has published fourteen textbooks with a development cost of \$500,000 per textbook (according to their own press releases). Openstax has raised those funds through private, not government, sources. Again, to my mind this raises a question of whether government should be subsidizing such activity. But, again, if you do go forward with a grant program, I would think that collaborations such as this one should be eligible for consideration.

Finally, in an independent study of one of our publishers, use of its digital platform in six separate courses improved student performance in each course and reduced institutional costs between 10 and 35 percent.

I do not mention these examples in an effort to convince you that North Dakota needs these items on its campuses. I mention them to give you a sense of what higher education publishers and digital learning companies are doing, how they collaborate with OER developers, and how leaving them out of the equation is both unfair and counterproductive to the goals you are seeking to achieve.

As it has done in so many different industries, digital technology is revolutionizing higher education publishing. Over the last ten years, publishers have developed a new generation of digital learning platforms that reduce costs and address the needs of both students and faculty.

These platforms can be used on virtually any device: a laptop, tablet or smartphone. They include an embedded textbook or can be bundled with a hardcopy textbook. They are designed to be customized by faculty to include OER and other materials. Perhaps most importantly, these platforms include the personalized learning technologies that have done so much to improve student performance.

Faculty teaching general education classes with as many or more than 200 students now have the ability to provide individual attention to students that was simply impossible to do in the past.

Also important, these digital learning platforms typically cost about half of what a color, hardbound textbook costs. I have seen cost reductions as great as 65 percent.

To give one last example, an independent study of more than 700 students at six distinct institutions found use of a specific digital learning platform increased student performance by a full letter grade. Community college students saw their graduation rates increase by 12.5 percent and their retention rates increase by 10.5 percent.

Again, while I do not believe that it is necessary or advisable for you to create a grant program, if you do, these digital learning platforms should be eligible for consideration in your grant program, should you ultimately decide to enact it.

I am including with my testimony a copy of the letter I sent to the Higher Education Funding Committee on July 17, 2014, and a copy of an AAP Policymakers Brief on digital learning technologies. Thank you for your time. I am glad to answer any questions you may have.



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AAP Policymakers' Brief

The Digital Learning Revolution: Helping Students , Empowering Faculty and Lowering Costs

David E. Anderson
Executive Director for Higher Education
Association of American Publishers

Few obligations are more sacred to Americans than the duty of one generation to educate the next to form good citizenship, grow a strong economy and unite society. In fact, the value that our culturally diverse and technologically sophisticated society places on attaining a college degree has never been greater. Yet far too many students are not academically prepared to complete their college studies, are never awarded a degree and fail to reach their full potential. Overall, the dropout rate costs society billions of dollars in lost income and lost federal and state tax revenues.

Higher education publishers and digital learning companies have dedicated themselves to helping college students reach the degree finish line with new and innovative personalized learning technologies that colleges and universities can incorporate to increase student performance and the effectiveness of faculty, and lower costs compared to traditional print materials.

Understanding how new digital learning technologies work and the full impact they can have on higher learning is an absolute must for policy makers and for students and their families

Together We Can Make a Difference: Moving Beyond the Textbook

It is the goal of publishers to partner with faculty, administrators and policymakers to help students academically and to reduce costs. Publishers are in the education trenches every day working directly with students and faculty. They, too, grasp how difficult it can be for students to complete their college degree – especially if they must first take remedial courses. They work with faculty who need new tools to confront challenges not faced by prior generations of instructors.

Higher education publishers and digital learning companies have spent the last decade developing, refining and proving their new generation of digital learning platforms that reduce costs and address the needs of both students and faculty.

These platforms can be used on virtually any device: a laptop, tablet or smartphone. They can be bundled with a digital or hardcopy textbook. The platforms ***present the content in more engaging ways*** and ***provide interactive activities*** that ***improve learning outcomes*** and student performance.

These platforms also ***provide space for the professor to include open educational resources.*** For example, in a twentieth century American history course, a professor may want to include You Tube videos of Kennedy's inaugural address, Martin Luther King's "I have a dream" speech, and Reagan's Berlin Wall speech. Another professor may have developed original materials to include as part of the course work.

Contrary to widespread belief, commercial publishers and open source producers often partner to provide students and faculty with digital offerings rich in content. When comparing the offerings of commercial publishers and digital learning companies with the producers of open educational resources, **the issue is not “either/or;” rather, it is “both/and.”**

Perhaps most importantly, these platforms include **personalized learning technologies**, such as quizzes, tests and games, that **use artificial intelligence to assess where a student is strong and where the student needs improvement, and then to drill the student** in the areas in which he or she needs assistance.

The results of these programs are sent real-time to the instructor so he or she can monitor both how individual students and the class as a whole are performing. The platform has an email function which enables the instructor to communicate with individual students and the class as a whole to fine tune existing instructions. The instructor also has the opportunity to alter in-class instruction to better adapt to the needs of the class.

Increasingly, digital text is being imbedded in the platform to form a continuous whole with work problems, questions, quizzes and other materials. This method of presenting material is closely matches the learning styles of today’s smart phone, tablet, and laptop savvy students.

Many -- though by no means all -- of these digital platforms are developed for introductory classes that often pair one professor with 200 or more students. They provide an effective means for professors to provide individual attention to the students in these large classes that simply was not possible in the past.

A representative of software giant Microsoft noted at one of AAP’s “University Dialogues”, a forum on change, “eighty percent of faculty members teach outside the discipline for which they were initially trained. So they need assistance to help support them in the classroom.”

Finally, these digital learning platforms typically cost only a fraction of the price of a color, hardbound textbook. The money saved by shifting from print to digital platforms can be as much as 65 percent.

Again, at an AAP “University Dialogue,” a publishing representative noted that “There are two words that I heard [earlier in this conversation]: “usage” and “engagement.” **Is the student going to be engaged opening a print textbook or opening a PDF online textbook? We don’t believe so. We want to create that engagement for students. We want to create that personalized learning path so each student can have their own learning opportunity and achieve their own success.**” Today’s digital learning platforms heighten student engagement and help students to better achieve their own success.

Paper is Static – Digital is Dynamic: The New Technology Improves Student Outcomes

The effectiveness of the new products produced by **publishers and digital learning companies has been proven by independent study and review.** The results are impressive:

- A study of one publisher compared the results of two microeconomics classes. One class used the textbook alone. The other used the textbook together with the related digital learning platform. **The class using the digital technology performed almost 30 percent better** than the class that used the textbook alone.
- In a different independent study of another publisher’s platform, students were tested upon entering a course and upon the conclusion of the course. Those students in the course using only the textbook showed a 51 percent improvement rate on their end of course test compared with their beginning of course test. **Those students who used both the textbook and the digital learning platform experienced a 79 percent improvement rate.**

- In yet another independent study from a different publisher, use of its digital platform in six separate courses improved student performance in each course and **reduced institutional costs between 10 and 35 percent**.
- Finally, an independent study of more than 700 students at six distinct institutions found use of a specific digital learning platform increased their performance. **Students using the platform increased their grades by one full letter**, with more B students getting As, and more C students getting Bs. **Community college students participating in the study saw their graduation rates improve by 12.5 percent and their retention rate increase by 10.5 percent.**

These are just a few of the examples of how using new digital learning platforms can significantly improve student outcomes.

A New Weapon in the Fight to Keep Students in School

New digital learning platforms constitute an important new weapon in the fight to keep students in school and on track to graduate. **Independent studies of digital learning platforms show double-digit student improvement rates. If those rates of improvement could be replicated on a campus-wide basis, significant progress would be made in getting more young adults across the graduation finish line.**

In the struggle to help more students graduate, **one of the greatest assets that any college or university possesses is its faculty.** Digital learning platforms and materials also **enhance faculty's ability to communicate with students and monitor their progress – especially in large classes – a vitally important component in improving student success.** These platforms also make it easy for faculty to supplement and modify the course without outside materials to enhance the learning experience.

According to the *Chronicles of Higher Education*, today, on average, **only 31 percent of students who enroll in a four-year institution graduate within four years.** Increase the time period to six years and the graduation rate increases to around 50 percent. Students who require remedial help stand even less of a chance of completing their degree requirements.

When students leave college without obtaining a degree, **the value of the investments that they, their parents and the taxpayers have made is substantially devalued.** Because of their **reduced earning potential -- about \$1 million less over the course of their lifetime --** students who borrow to attend college and then leave without graduating are likely to struggle with an **effectively higher debt burden.** Indeed, according to a recent article in the *Wall Street Journal*, "dropouts are more than four times as likely as graduates to default on their student loans."¹

The economic impact of students dropping out of college also has a huge impact on society. The American Institutes for Research tracked students entering college in 2002 who failed to graduate within six years. They estimated that for this one class for just one year there was **\$3.8 billion in lost income, \$566 million in lost federal income tax and \$164 million in lost state income taxes.** These figures substantially understate the true loss involved because the losses of the 2002 class and all that follow will accumulate year-after-year.

It stands to reason that the dropout rate also hurts the institutions' bottom line. **If 69 percent of entering freshmen dropout within four years, that means they are not paying tuition, not paying for housing, not purchasing meals at the on-campus food court and not making purchases at the bookstore.** Plus, the cost to recruit new students is a large and often overlooked expense. These costs only serve to exacerbate the financial woes of colleges and universities.

Of course, over and above the economic costs of dropping out, **students also lose the many cultural and intellectual benefits** gained by finishing their degree. Although difficult to quantify, the benefits of being immersed in a higher learning environment cannot be overstated.

¹ Ben Casselman, "The Cost of Dropping Out: Millions Struggle with High College Debt and No Degree," *The Wall Street Journal*, November 22, 2012.

Publishers want to win the fight to keep students in school and graduate. Faculty are on the front line of this battle every day. It is our hope to provide them with the best materials possible to assure the best outcomes for their students.

A Program for Today

If these new digital learning technologies produce such good results, why are they not used more? The good news, according to a recent study of the Book Industry Study Group (BISG), is that **about 20 percent of all faculty currently employ these new digital learning platforms in their classes** and the **vast majority are interested in how they can employ new technology to benefit their students**.

There are obstacles, however, to a more rapid adoption of new technology. According to BISG, very **large segments of faculty do not believe they have the training** to use these technologies properly and **about half of all faculty believe that they lack the time to redesign their courses** to employ new technologies. Given the pressures facing most professors today, these results are hardly surprising.¹

Publishers have responded by providing training and assistance in restructuring course plans. Their efforts are having a positive effect, but are necessarily limited. Policymakers should consider whether progress is being made fast enough.

What if, in the next four years, the average four-year student graduation rate increased from 35 percent to 45 percent? Such a development would produce many beneficial results, including:

- **Graduating with a degree puts a young job seeker in a much better competitive job position** in comparison to those without a degree.
- Both **the institution** and **the student** will benefit from the **costs savings** involved with the use of new technologies.
- **Faculty** would **experience greater satisfaction** as new technologies enable them to have **greater interaction with their students and produce more success stories**.
- **Society** as a whole **would benefit** from a **better educated and more affluent workforce**.
- **Institutions** would see an **influx of cash** from these students paying tuition, room and board, making purchases at the bookstore and supporting other on-campus activities (concerts, sporting events, etc.).
- **Federal, state and local government** would all see an **increase in tax revenues**.

Whether we could ever progress so far so quickly is certainly open to debate. What does seem reasonably clear is that **publishers, policymakers, academics and administrators should be working together to find the best technologies and adopt them in ways that ensure we both maximize student success and cost savings, and best enhance the role and reach of faculty**.

To accomplish this, we have to ensure that professors and instructors are empowered to embrace the new technologies and incorporate them into their classes. This may involve **implementing policies** at the departmental, institutional or perhaps even statewide levels. We must also **set clear goals** for improved student achievement and **reach an understanding on how publishers support faculty** in reaching those goals.

And finally, of course, **we must recognize that we are all in this together**.

¹ According to the Association of American University Professors, 70 percent of all faculty are not in a tenure track position and about half are part-time. The hurdles which many of these faculty must overcome are huge. As an adjunct faculty member recently wrote in the New York Times: "I know firsthand that our institution demands the same performance and integrity of us as it does of our full-time counterparts. We are required to keep office hours, maintain email contact, give all sorts of feedback to students, and, above all, be just as prepared as the full-timers."

The real issue is not the quality of the adjunct teachers; it is the substandard pay. The poor pay from these institutions forces adjuncts to pursue other lines of work. That is the single reason we leave the school when class is over. We must get to the many other jobs we are forced to take to pay the rent. The majority of my colleagues have about three jobs." (Kevin Pace, Letter to the Editor, The New York Times, April 15, 2014).



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David E. Anderson
Executive Director, Higher Education

July 17, 2014

The Higher Education Funding Committee
North Dakota Legislative Assembly
State Capitol
600 East Boulevard
Bismarck, N.D. 58505

Re: Open Textbooks in Higher Education

Dear Members of the North Dakota Higher Education Funding Committee:

I am writing to you on behalf of the members of the Association of American Publishers (AAP) Higher Education Committee regarding the use of open textbooks in North Dakota institutions of higher education. We appreciate the opportunity to bring a few issues of concern to your attention.

We understand that the Higher Education Funding Committee has been studying the use of open textbooks for higher education academic courses. We applaud your attention to this issue and we would like to take this opportunity to comment on several issues relating to higher education textbooks:

- (1) The widely-argued point that higher education textbooks place an undue financial burden on college students;
- (2) Questions concerning the quality and actual faculty/student usage of “free” open source higher education materials; and,
- (3) Concerns that, frequently, open source materials are not accessible to persons with disabilities.

It is often argued that the costs of higher education textbooks place significant financial burden on college students. However, it is important to recognize that students’ financial burden is also a result of the high cost of tuition, room and board. Higher education is expensive to provide and to receive, and textbooks are but one part of this. To put these costs in perspective: according to the National Center for Education Statistics (an entity within the U.S. Department of Education), students faced the following costs when studying at North Dakota institutions, 2013-14:

- North Dakota State University
 - Tuition, room and board: \$14,960 (3.5% increase over 2012-2013)
 - Books and supplies: \$1,100 (0% increase over 2012-2013)
- Dickinson State University
 - Tuition, room and board: \$11,428 (3.3% increase over 2012-2013)

- Books and supplies: \$1,100 (0% increase over 2012-2013)
- Lake Region State College
 - Tuition, room and board: \$9,307 (3.9% increase over 2012-2013)
 - Books and supplies: \$1,000 (0% increase over 2012-2013)

According to Student Monitor, which provides syndicated and custom market research services focused exclusively on the college student market, the average spend by students for textbooks (including e-textbooks, used textbooks and rentals) during the 2013-2014 academic year was \$520. When only new, printed textbooks are considered, the average spent by students during the 2013-2014 academic year was \$245. In fact, according to Student Monitor, student spending on textbooks has declined: since Spring of 2010, student spending on printed textbooks has declined by 31 percent and across all formats (including e-textbooks and rentals) by 17 percent. As noted in the National Center for Education Statistics numbers mentioned above, there was zero increase in the costs of books and supplies for North Dakota students at North Dakota State University, Dickinson State University or Lake Region State College.

Contrary to popular belief, there is nothing free about open source textbooks. OpenStax, a leading publisher of open source textbooks, spent \$500,000 to develop one of its recent textbooks. Publishers of copyrighted textbooks routinely spend between \$500,000 to \$3 million to develop new and, in some instances, revise existing textbooks. Other types of open source educational materials can also be very expensive to develop, revise and maintain (including the cost of 24-hour help centers to facilitate use of interactive digital materials). Where institutions of higher learning are producing these materials and shouldering these costs, it is questionable what savings, if any are passed through to students (who will likely be paying for these textbook development costs through their tuition and fees).

The high cost of textbook publishing is attributable to the labor intensive nature of development. For example, it took 13.8 person years of work to develop the seventh edition of the Campbell/Reece Biology textbook. That included 7,000 hours of research and writing by authors and contributors; 8,800 hours spent by developmental editors reading multiple drafts of revised chapters, querying authors, synthesizing faculty feedback and crafting the layout of each page; 2,630 hours spent by developmental artists evaluating every figure in the text and creating sketches for new and improved figures; 3,300 hours spent by production editors to typeset, create page layout, check and proofread pages, revise pages and create final files for the printer; 1,000 hours spent reviewing the final pages; and reviewing for accuracy and currency by 245 biologists of all 55 chapters of the book.

As you continue your study of open textbooks, we ask that you compare digital resources to digital resources, rather than the apples-to-oranges comparison of hardcopy textbooks to open source digital resources. In 2007, AAP publishers established Coursesmart.com to provide students with affordable digital textbooks. Virtually every printed textbook published by our members is available on Coursesmart.com in a digital format. At that site, a student can rent six digital textbooks for \$200 per semester (less than \$34/textbook).

Another area of concern is the question of quality and usage of open source textbooks. Oregon's Higher Education Coordinating Commission released a study in December 2012 which found that:

- “Nationally, instructors have had concerns about the quality of many of these free and low cost materials, and only a small percentage of instructors have chosen to use open source textbooks.” (p. 16)

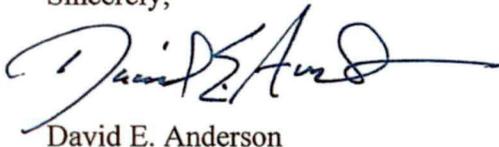
- “Except for the two publications from OpenStax College, the quality of the texts examined was erratic, and the materials were sometimes difficult to manage.” (p. 17)
- The study identified a particular open source textbook and complained that “it had typographical errors, the links to some videos did not work, and the printed version used by the reviewer fell apart before she finished reading it.” (p. 19)

Washington State provides another cautionary example. In 2009, the Washington State legislature appropriated \$750,000 (with a matching grant from the Bill and Melinda Gates foundation for another \$750,000) to create an Open Course Library (OCL) for the state’s community college system. By the Fall Quarter of 2013, open source materials were available for 42 of the most enrolled courses in the system. However, according to a survey conducted by OnCampus Research, the use of any recommended OCL materials was extremely limited: only 2.7 percent of the students enrolled in those courses in the fall of 2013 were assigned materials from the OCL. So far, the \$41 million in student savings promised by the proponents of the OCL have not materialized.

Finally, unlike the learning materials published by the members of the AAP Higher Education Committee, many open source learning materials are not accessible to persons with disabilities. Any studies conducted by your committee should also examine opportunities for persons with disabilities to access appropriate learning materials.

Again, thank you for the opportunity to present our points of concern. I hope that the above discussion is helpful in any analysis of open textbooks for the students of North Dakota. I am happy to provide more explanation or resources as needed. Please feel free to contact me any time at the phone numbers and email address above.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Anderson", with a long horizontal flourish extending to the right.

David E. Anderson