College Course Materials Rental Initiative
(CFDA Number: 84.116Y)

RENT COLLEGE COURSE MATERIALS: A CHOICE

ABSTRACT

Since college tuition and course material costs are on the rise, colleges and universities need to explore ways to help maintain access to higher education by lowering students' costs. According to the College Board publication, 2008 Trends in College Pricing, college prices have become a subject of attention with the reauthorization of the Higher Education Act signed into law in August 2008. These costs are rising more rapidly than the prices of other goods and services. The recent legislative activity has spotlighted textbook rental programs because of their potential savings to students. However, start-up costs for such programs are considerable.

Seminole State College is reflective of this national trend in that our students are greatly affected by the financial situation across the nation. The rental program would be new to Seminole State College, but according to the National Association of College Stores (NACS), 2008 Textbooks Rental Programs, approximately 2.23% of NACS’ member stores in the U.S. and Canada offered college course materials rental services. The primary goal of the program is to give the students attending Seminole State College the opportunity to spend less on college course materials.

The program team will consist of the Vice President for Fiscal Affairs and Director for Bookstore Operations. A new Rental Program Coordinator position would be created to assist with the program. This person would also be part of the team. The goals and objectives will be the creation of a Rental Advisory Committee to develop guidelines, disseminate information, and foster support among the student body, faculty, and other stakeholders. Additionally, the rental program will be designed to provide functionality that best meets the needs of all concerned. It also will potentially provide for the institutionalization of the program for long-term success.

The evaluation will involve documenting the outcomes by providing evidence of what did or did not work and possible enhancements for the future. Possible evaluation measurements to be used would be the overall usage or performance, surveys of faculty and students, and the cost-effectiveness data comparison from before and after. Desired outcomes of the rental program would be determine if it is financially self-sustaining, the students save money on college course materials, and faculty members are guaranteed the ability to select appropriate college course materials.

The colleges and universities that currently operate textbook rental services have successfully lowered student costs while maintaining modest store profits. At a time when state and federal budget cuts are forcing tuition to rise and financial aid to fall, colleges and universities should address the high cost of college course materials by reproducing programs that have successfully saved students money, as well as looking into new, untested solutions. By doing so, the educational community can ensure common access to college course materials in the future.
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RENT COLLEGE COURSE MATERIALS: A CHOICE
PROJECT NARRATIVE

1) THE NEED FOR THE PROJECT:

Since college tuition and textbook costs are on the rise we need to explore ways to help
maintain access to higher education by lowering students’ costs. According to the College Board
publication, 2008 Trends in College Pricing, college prices have become a subject of attention
with the reauthorization of the Higher Education Act signed into law in August 2008. The prices
are rising more rapidly than the prices of other goods and programs. The recent legislative
activity has spotlighted textbook rental programs because of their potential savings to students.
However, start-up costs for such rental programs are considerable.

College course materials have always constituted a meaningful portion of higher
education costs. In the past two decades, however, the price of college course materials has
soared to unprecedented levels. According to the National Association of College Stores
(NACS), 2008 Textbook Rental Programs, approximately 2.23% of NACS’ member stores in the
U.S. and Canada offered textbook rental programs. Students attending colleges and universities
that rent college course materials spend less on college course materials than students who
purchase them. Students using existing textbook rental programs pay $130 to $240 per year plus
some other additional course materials. Similarly, the College Board found students at two year
public institutions spent an average of $1,036 for college course materials and supplies. Taking
supplies and course materials into consideration, a student renting college course materials could
save at least $400 every year, or a total of $1,600- $2,000, depending on the length of the college
career.
Given that tuition and college course materials costs are on the rise, Seminole State College is interested in exploring ways to help maintain access to higher education by lowering students’ costs. A college course materials rental program would provide a valuable and economical alternative to the high cost of purchasing. By transitioning to a rental program in exploring new and innovative models we will be able to accomplish this.

2) THE SIGNIFICANCE OF THE PROJECT:

College course materials have always constituted a significant part of higher education costs. In the past two decades, however, the price of college course materials has soared to record levels. The National Association of College Stores (NACS) found the wholesale price of college course materials went up 32.8 percent between 1998 and 2003, almost double the 18 percent increase in the wholesale price of ordinary books over the same period.

Meanwhile, college students are squeezed by other financial pressures. Tuition and fees are rising while financial aid is diminishing. The College Board reports that the average student attending a public two-year institution paid 4.7% more in 2009 than 2008. According to the Student costs in the Oklahoma State System of Higher Education report the average cost of books and supplies increased 11.94% from 2008 to 2009.

Given the dramatic increases in tuition, fees, and college course material prices, Seminole State College needed to explore viable alternatives that will help maintain access to higher education by lowering students’ costs. As a typical commuter college campus with nearly 89% of Seminole State College students commuting and approximately 80% of the students receiving some form of student financial assistance it is of considerable significance to support them in anyway we can.
College course material rental programs help ensure equal opportunity for all students regardless of income, while saving students thousands of dollars over their college careers. Oklahoma Higher Education has committed to the next fiscal year without raising tuition as an attempt to assist students during this financial downturn. Given that Seminole State College is located in Seminole County which has 25.6% of the residents living below the poverty level every opportunity for saving students money is imperative.

The recent legislative activity has spotlighted rental programs because of their potential savings to students through the attention with the reauthorization of the Higher Education Act signed into law in August 2008. Even here in Oklahoma recent legislation was passed in 2007 that required higher education institutions to develop an instructional material policy, which Seminole State College complied with in October 2007. One innovative way highlighted by this legislation to lower students’ college course material costs would be to allow students to rent, rather than purchase, their college course materials each semester.

According to Turn the Page, Making College Textbooks More Affordable, A Report of the Advisory Committee on Student Financial Assistance, May 2007, only 25 colleges rent college course materials to students, many of which have rented for over a century. According to the National Center for Education Statistics there are a total of 4,314 institutions of higher education in the United States. The approximate 25 colleges that rent college course materials are very limited given the total number of institutions in the United States.

Of course, the most significant benefit of a rental program is the cost savings to students. A student could conservatively save $400 per year, or a total of $1,600-$2,000 depending on the length of her college career, by paying the average rental fee of $130-$240 plus supplies. Another benefit is that there are no returns to publishers, which can eat up an awful lot of time
and expense with shipping, etc. Bookstores don’t necessarily purchase 100 percent of a
professor’s request, or even 100 percent enrollment, with a purchase-only system, because it is
known they won’t all be sold. There’s no guesswork with a rental system.

The institution as a whole also benefits by attracting more prospective students and
parents. The more students who enroll, the more dollars the school has to fund all areas, not only
a rental system. Finally, a rental program can encourage publishers to change their practices and
price college course materials more competitively. A textbook rental program forces all parties
to be accountable for how much students spend on textbooks. This requires faculty to become
more aware of how much college course materials cost, and as a result, faculty will force
publishers to provide more pricing information and price more competitively.

**Benefits of Renting Textbooks**

- Cost to students is considerably less than on a purchase-based system.

- All students in a course will have the basic textbook regardless of the book’s cost.

- Returns to publishers are negligible, saving the expense of shipping, receiving and
  paperwork, as well as money tied up in credit memoranda.

- A rental program is a good student recruitment tool for the administration.

- The rental program is supported by user fees.

- Administration of the rental department is easier and less costly than a comparable
  purchase-based system.

- When a replacement book is ordered for a class, the old book is still available should
delays in shipping or fulfillment occur.
Disadvantages of Renting Textbooks

- Faculty must commit to using a particular textbook for a set amount of time.
- Students usually have to purchase supplemental readings, references, workbooks, and study guides in addition to paying the rental fee.
- Rental programs require more space than traditional bookstores in order to store books not used in a given semester.

3) THE QUALITY OF THE PROJECT DESIGN:

In order for a textbook rental program to succeed, Seminole State College will include everyone, students, faculty, administrators and bookstore staff, to be a part of the process. Several managers of existing rental programs emphasize the importance of drawing out the support of upper level college and university administrators; because they often set the tone for how committed the larger campus community will be to the success of a rental program. Student support is also critical since students are the primary customer base for the rental program. Various approaches to generate support amongst the student body, faculty, and others involved and then manage the program once it is up and running will be developed.

College course material rental programs vary by institution. The average student enrollment at a campus with a rental program is approximately 8,500 students; the largest institution is Southeastern Louisiana University, Hammond, with approximately 15,000 students and the smallest is Oklahoma Panhandle State University, Goodwell, with approximately 1,350 students. Seminole State College enrollment has been just over 2,000 students during the past 10 years so easily a rental program will fit into the scheme of things.

Rental programs are funded in different ways; through campus-based fees, course-based fees, or by per-book rental charges. Seminole State College anticipates a rental program that will
not limit the opportunities of the student, but allow them to purchase new or used college course materials as well as renting them. The rental cost will be determined by the program team, but will be consistent with other rental cost from existing programs which vary from 25 to 35 percent of the retail price.

Existing programs rent for any number of semesters/quarters, generally three years for lower-level classes and two to three years for upper-level classes. Seminole State College will determine the details when the operating guidelines are developed, but will consider other experienced and successful rental programs. Below is a case study of an existing program.

Case Study

HILLSBOROUGH COMMUNITY COLLEGE, TAMPA, FLORIDA (HCC)

HCC is a Community College with four campuses in Hillsborough County, Florida and serves 43,000 students. HCC established a rental program in 2001. Hack’s rental program is a modern day version of the more comprehensive rental programs. Students have the option to rent or purchase textbooks. In order to rent textbooks, faculty agrees to use the same books for at least four semesters. Students then rent the college course materials for 50 percent of the purchase price for both new and used books, using a credit card. If the textbook is late the student is charged the full price of the textbook. After the first semester, 80 percent of the college course materials were returned by the due date or before, 20 percent was charged the full price. Of the 20 percent that were charged, 5 percent of the students’ credit cards did not work, and the student’s accounts were notified. As a result, those students’ transcripts were frozen, and they could not register for new classes or rent library books until they paid the full cost. According to Sarah Emerson, Manager of HCC Bookstore Operations, the program was an immediate
success because she established clear lines of communication with all participating faculty, deans and administrators.

Seminole State College would like to pursue a college course material rental program that closely follows the Hillsborough Community College profile. The program team will consist of the Vice President for Fiscal Affairs and Director for Bookstore Operations. A new Rental Program Coordinator position would be created to assist with the program. This person would also be part of the team. We will begin by creating a Course Material Advisory Committee. This committee will establish a mission, determine the operating guidelines and course material adoption guidelines. Then the program team will promote support among the student body, faculty, and staff by disseminating information regarding the program. Additionally the rental program will be designed to provide functionality that best meets the needs of all concerned. It also will potentially provide for the institutionalization of the program for long-term success.

The Seminole State College mission for the program may include that the rental system is committed to assuring the faculty that every student has the basic course materials for each course at the most economical rate. The operating guidelines, which serve as internal governing procedures, may consist of, but not limited to, who makes decisions, how these decisions are made, and how the rental program will integrate with the rest of the campus. A rental program can and must be self-supportive. The income received through the operation of the rental program covers college course material purchases, salaries, rent and all other operating expenses related to the program.

**Sample Operating Guidelines**

1. Instructors create syllabi, select college course materials for a pre-determined time period. (It may be possible to require all instructors who teach the same introductory
course to use the same college course materials. Also, it may require faculty to use the 
same textbook for 2-3 years with a process for exceptions).

2. Faculty may decide if they want to include supplemental materials in their book 
orders, and the rental program will order accordingly. (It may be necessary to charge 
students an additional fee for the supplemental materials or rent them at no additional 
cost. If the instructor does not want the supplemental materials but the textbook cannot be 
ordered without them, the rental program may give them to the instructor anyway, rent or 
give them away to students or throw them away.)

3. Students are charged a rental fee.

4. Once students complete registration and payment, they pick up the 
corresponding college course materials for each course.

5. At completion of the semester, students return the books to the rental program 
by a specified deadline. If the college course materials are returned late, the student is 
charged for the book. (It may be determined to charge the full retail cost of the textbook 
or a portion of the full retail cost. Until the college course materials are returned, a 
student’s transcript can be held.)

6. Any exception to the above process must be approved.

Students are best served when a rental program remains an integral part of the campus. 
Keeping the department as an institutional unit, controlled by the administration, will result in a 
more personally invested staff. Fiscally sustainable rental programs depend on clear guidelines 
for selecting college course materials that all will support. In particular, the faculty must agree to 
choose books so students can rent them for multiple semesters. A process will be established for 
making exceptions. Textbook adoption guidelines also should detail any limitations on faculty
textbook selection such as a limit on the number of college course materials that can be selected for each course or a limit on the total cost of the college course materials per course.

**Sample Guidelines for College Course Material Selection**

1. How long each college course material will be used.

2. Any limit on the number of college course materials or total cost of the college course materials for each course.

3. What the exception process should be.

4. When to discard college course materials that are out of date.

Once the college course material adoption guidelines are established, faculty can select them and the Director for Bookstore Operations can order the college course materials from the publishers. After the first sets of books are purchased, maintaining the inventory is fairly manageable for the future. A “one-third” system, in any given year, one-third of the college course materials never seem to change (Shakespeare’s plays, etc.); one-third of the books are in their stable adoption period of two years; and one-third are changing to new editions. The ones that never change help pay for the others.

College course materials that never change, such as literature and history, can be a great source of revenue if enough storage space is available. The amount of storage space, the college course material adoption time period, plus other factors will shape how the new rental program develops a viable rental inventory. Seminole State College will use simple inventory management systems for tracking the location and status of college course materials. All college course materials will be bar coded so that they can be scanned into the tracking system.
4) THE QUALITY OF THE PROJECT EVALUATION:

The evaluation will involve documenting the outcomes by providing evidence of what did or did not work and possible enhancements for the future. Possible evaluation measurements to be used would be the overall usage or performance, surveys of faculty and students, and the cost-effectiveness data comparison from before and after the program was established. Desired outcomes of the rental program would be to determine if it is financially self-sustaining, the students save money on college course materials, and faculty members are guaranteed the ability to select appropriate college course materials.

To ensure smooth operation of the activities and their integration into the rental program the program team will monitor and implement the objectives. Progress assessment of the program will be continuous and evaluation methods may include the following with a quarterly timeline of activities with responsibilities show in the charts below.

- Were meetings held to determine establishment of advisory committee
- Were operation guidelines developed
- Did the program team promote support of the program
- Did the program team disseminate information of the program
- Were procedures for college course material adoption developed
- Was the necessary information technology upgrades put in place
- Was the necessary expansion of storage developed
- Was the appropriate staff put in place
- Was the purchase of inventory made
- Was implementation of program made
- Was the program used
- Did the program perform as expected
- Were survey given to faculty and students
- Was the program cost-effective
- Did the program save students money
- Can the rental program be adopted by other institutions
- Will the program be self-sustaining
- Did the faculty have the ability to select appropriate college course materials
- Did quarterly reports get completed
- Was final report on expenditures completed
### Timeline: First Year – Major Areas

<table>
<thead>
<tr>
<th>Goals/Objectives</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>Responsible persons/Office</th>
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### Timeline: First Year – Minor Areas

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**Timeline: Second Year - Major Areas**

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**Timeline: Second Year – Minor Areas**

5) **The Adequacy of Resources for Project:**

Existing rental programs define a successful rental program as one that is fiscally self-sustaining. Some schools, however, subsidize their program in an effort to keep the costs artificially low for their students. Seminole State College will generate revenue by a per-book
rental charge that will be tracked separately from other course material revenue in the bookstore. By separating the revenue it can be determined if the rental program is successful and self-sustaining.

Seminole State College will set the student per-book rental charge at a level that will sustain the program over the long term while still saving students money. The student fees generated in the beginning of the program, however, most likely will not cover the startup costs, requiring additional investment up front. Any additional investment will be determined after grant approval is made, but the institution will be using existing campus bookstore staff, office space, and storage space, along with their experience to begin this innovative program.

Possible startup costs will be the most difficult financial hurdle for this new rental program. Some startup costs would include information technology upgrades and expansion of college course material storage. Additional staff will be required, as well as, cost for evaluation and the obvious, college course material purchases.

During the first year the information technology upgrades, expansion of storage, additional staff, complete evaluations, and inventory purchases will need to be made. But during the second year only minimal information technology upgrades and staffing needs would be addressed. The main focus during the second year would be increasing the inventory, expansion of storage, and a more comprehensive evaluation.

The information technology upgrades would range from in-house to commercial systems that cost $2,500 to $5,000 each. Seminole State College will start with a basic existing system that connects the college course material inventory directly to the student accounts. The expansion of storage for the college course materials will be made by prioritizing existing space that will allow for student self-service and then to use space such as unused classrooms if
available, or ultimately the possibility of a mobile storage unit at an approximate cost of $2,000 annually.

In regards to staff needs, the existing personnel will be used in general operation of the program, which is the Director for Bookstore Operations, Bookstore Clerk, and a part-time student worker. A new position, Rental Program Coordinator, will be created to help kickoff the program in order to make it as successful as possible. Staffing may become an issue once the program becomes more profitable and if that is the case additional staff members will be added as funding permits.

The evaluation of the program will be made with at least 10 percent of the grant budget. The necessary documentation should provide evidence of what did or did not work. Data comparisons will be made of before and after the program. Surveys will be made of faculty and students to determine the performance and possible future enhancements. Overall cost-effectiveness will be determined to see if the program would be self-sustaining. Above all, determine if the students saved money on college course materials.

Last, but largest part of the program expenses, will be the purchases of the college course materials. The inventory which drives the entire program will be purchased by phasing in the selected courses that will be affected by the transition to the rental program. The costs for inventory could easily exceed the entire grant, but will be as much as the budget permits.

To determine the rental charge the calculation will be made on the cost using retail cost. When possible, Seminole State College will begin with purchasing used college course materials. Only college course materials that can be re-rented, excluding workbooks or other similar material, will be purchased and we will begin with college course materials in our current inventory. If there were to be loss or damage and to help keep it low, being able to connect the
rental program with the student accounts and charge for the loss or damage will be most beneficial. Most existing rental programs lose less than one percent of their inventory. Also a charge will be made for late or unreturned college course materials rented and additional revenue for selling discontinued titles will be made.

Based on advice from existing rental program managers, the best way to decrease startup costs is to phase in the rental program. By starting out small and only renting to certain courses, the startup costs will be much more manageable and set a new program up for success as a more expanded program in the future. Growing the program overtime will allow Seminole State College to slowly build a college course material rental inventory, identify new storage space and expand the number of faculty who participate.

Seminole State College plans to use the approach of developing the rental inventory by the courses most commonly enrolled, which are the general education courses. The courses that will be identified and determined for the first semester the program is underway will be approximately seven of the thirteen required general education courses. The second semester of the program will incorporate the remaining courses, pending program outcomes and success in expanding it in the future.

Although the exact startup costs for a rental program are difficult to estimate with anticipated grant funding and rental program generated revenue it may reduce any additional investment required by the institution. We are committed to promoting access by allowing all students to have college course materials, not just students who are able to afford them.

**Conclusion**

Seminole State College would like to begin a college course material rental program that will successfully lower student costs while maintaining modest store profits to continue the
program beyond the grant award timeframe. A cost-effective program would most likely be continued and even replicated for other institutions to follow or at least be a guide to develop similar programs. By reproducing programs that have successfully saved students money for decades or exploring new, untested, and innovative solutions, the educational community can ensure universal access to critical learning tools in the future.

Endnotes (Included in Other Attachments)

FAQ on Textbook Rental Programs, May 2008, The National Association of College Stores,

Trends in College Pricing 2008, The College Board

Trends in Student Aid 2008, The College Board

Student Costs in the Oklahoma State System of Higher Education, 2008-2009, Oklahoma State Regents for Higher Education

Turn the Page, Making College Textbooks More Affordable, A Report of the Advisory Committee on Student Financial Assistance, May 2007

Seminole, Oklahoma Poverty Rate Data, 2007, Information about poor and low income residents

Oklahoma Statutes, HB2103, Section 3241.1 of Title 70, May 24, 2007

Instructional Material Guidelines Policy, Seminole State College Policy & Procedures, January 24, 2008
COLLEGE COURSE MATERIALS RENTAL INITIATIVE
(CFDA Number: 84.116Y)

RENT COLLEGE COURSE MATERIALS: A CHOICE

BUDGET NARRATIVE

Existing rental programs define a successful rental program as one that is fiscally self-sustaining. Seminole State College is committed to promoting access by allowing all students to have college course materials, not just students who are able to afford them. Revenue will be generated by a per-book rental charge, late return charge, damage charge, and not returned charges. This revenue will be tracked separately from other course material revenue in the bookstore. Seminole State College will set the charges at a level that will sustain the program over the long term while still saving students money and in comparison to other rental programs. By separating the revenue it can be determined if the rental program is successful and self-sustaining.

The outlined budget will include hiring a new position, Rental Program Coordinator, at a minimal salary which may be, if necessary, off-set by institutional funding to hire a more qualified candidate. The Coordinator will be responsible for all aspects of the program with assistance from the program team which is the Vice President for Fiscal Affairs and the Director for Bookstore Operations. The Coordinator will report directly to the Director for Bookstore Operations.

The program will require travel which may include some or all of the team members. The travel will be minimal and involve possible conferences, site visits to other institutions hosting successfully rental programs, and promotion of the program. Travel may be required by others, such as advisory committee members and if necessary additional funding may be required by the institution to assist with these travel expenses.
The program will also require some supplies to startup the program. These supplies will consist of computers and cash drawers to operate the program. In addition minimal office supplies to facilitate meetings, production of forms, promotional items, and general operation of the program will be necessary. The evaluation of the program will be a big portion of the supply budget which will consist of producing essential documentation, surveys, reports, and other information.

The contractual portion of the budget will include necessary software license to properly track the rental program. Tracking the program will be essential as it will tie directly to the college course materials rented, how the charges will paid or placed on student accounts, and determine what each student is required to return at the end of each semester, as well as, collecting the data of what rented, what did not rent, and comparing that to what sold. The data collected will also be compared to that of previous same semesters to show overall usage of the program. The data will help determine if the program is successful, both for the student in that it lowered costs and more students have the college course materials and the institution's desire to be fiscally self-sustaining.

A noted concern from existing rental program managers has been storage space for inventory. Given that Seminole State College has limited space and should the need arise the budget includes the rental of a portable storage unit to be house near the bookstore on campus. Once established, the program would need to expand and the storage space will ultimately become a fundamental issue.

In addition, the contractual portion of the budget will include possible consultants to advise the program team. The consultant will be a valuable asset to guide the program in a successful direction. Also, an evaluator will be a part of the contractual portion of
the budget which is required by the grant and will be an important aspect to the program. The evaluation of the program will be an integral part of the overall determination of the success the program.

Finally, the largest portion of the budget will include the purchase of the college course materials which is the main focus of the grant. The college course materials purchased will be primarily textbooks, but may include special course materials, or other miscellaneous materials required by faculty. Based on advice from existing rental program managers, the best way to decrease startup costs is to phase in the rental program or by starting out small and only renting to certain courses. The courses selected will be minimal, but will allow the program to start out slowly and then the expansion will be manageable. Growing the program overtime will allow Seminole State College to slowly build a college course material rental inventory, identify new storage space and expand the number of faculty who participate.

Seminole State College has an Indirect Cost Rate Agreement with the United States Department of Health and Human Services. The current indirect cost rate is 20% and is effective July 1, 2009 until amended. The next proposal is required by December 31, 2009, based on fiscal year ending June 30, 2009.