



Office of Inspector General Textbook Affordability

Report #C-1819DOE-004

June 2019

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2018-2019 audit plan, the Office of Inspector General (OIG) conducted a consulting engagement with the Division of Florida Colleges (DFC) regarding textbook and instructional materials affordability. The purpose of this engagement was to assist DFC in providing guidance to the Florida College System (FCS) institutions in order to achieve compliance with the Florida Statutes and Florida Administrative Code regarding textbook affordability.

Scope, Objectives, and Methodology

The scope of the engagement included controls, policies, and processes in place from July 1, 2017, through April 12, 2019. The objective of this engagement was to assist DFC in providing guidance to FCS institutions to enhance compliance with applicable laws regarding textbook affordability.

To accomplish our objective, we reviewed applicable laws, rules, and regulations; interviewed appropriate DFC and Board of Governors staff; reviewed Auditor General operational audit reports; and reviewed select operating agreements between FCS institutions and the vendors responsible for posting textbook and instructional materials.

Background

Section 1004.085, Florida Statutes (F.S.), establishes requirements regarding the textbook and instructional materials adoption process at public colleges and universities in Florida. An update to the law went into effect July 1, 2016, requiring colleges to expand efforts to reduce the cost of textbooks and instructional materials.

Per section 1004.085(4), F.S., “Each Florida College System (FCS) institution and state university board of trustees shall, each semester, examine the cost of textbooks and instructional materials by course and course section to identify any variance in the cost of textbooks and instructional materials among different sections of the same course and the percentage of textbooks and instructional materials that remain in use for more than one term. Courses that have a wide variance in the costs or that have frequent changes in materials should be identified

and a list of such courses sent to the appropriate academic department chair for review. This subsection is repealed July 1, 2018, unless reviewed and saved from repeal through reenactment by the legislature.” As of April 1, 2019, the legislature had not saved the subsection from repeal.

Section 1004.085(6), F.S, states, “Each Florida College System institution and state university shall post prominently in the course registration system and on its web site, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the university during the upcoming term.”

Florida Administrative Code (FAC) 6A-14.092(5) states, “The board of trustees of each Florida College System institution shall report by September 30 of each year to the Chancellor of the Florida College System, in a format determined by the Chancellor the following:

- (a) The textbook and instructional materials selection process for general education courses identified with a wide cost variance and high-enrollment courses; course sections with no cost shall not be included in the examination of cost variance between different sections of the same course.
- (b) Specific initiatives of the institution designed to reduce the costs of textbooks and instructional materials;
- (c) Policies implemented regarding the posting of textbook and instructional materials for at least 95% of all courses and course sections forty-five (45) days before the first day of class;
- (d) The number of courses and course sections that were not able to meet the textbook and instructional materials posting deadline for the previous academic year.”

We did not identify any planned changes to the FAC which includes the wide cost variance requirements. The Auditor General (AG) conducts operational audits on Florida colleges and universities which include a review of textbook and instructional materials affordability. The AG conducted an operational audit on seven FCS institutions in fiscal year 2017, all of which had findings in the area of textbook affordability. The AG additionally conducted an operational audit on twelve FCS institutions in fiscal year 2018, of which seven had findings in the area of textbook affordability. In fiscal year 2019, the AG conducted eleven operational audits on FCS institutions, of which three had findings regarding textbook affordability. As a result of these findings, DFC requested a consulting engagement to identify the reasons for noncompliance and to assist DFC in providing guidance to the institutions.

Current Processes

Audit Results

The AG reports combined any deficiencies noted in the area of textbook affordability as one finding for the institution, and included a statement that procedures needed enhancement to promote compliance with state law. Though the specific deficiencies varied by institution, the primary reasons for receiving the findings included:

- Not having established monitoring procedures or having procedures lacking elements required by statute;
- Not maintaining documentation supporting the figures reported in the annual report to DFC;
- Lack of evidence supporting timely posting of required instructional materials and untimely posting of required instructional materials; and
- Not identifying courses with a wide variance in textbook prices amongst different sections of the same course.

Wide Cost Variance

We noted neither the Florida Statutes nor the Florida Administrative Code have defined wide cost variance. In 2017, the AG issued findings to four institutions (College of Central Florida; Florida Southwestern State College; Polk State College; and State College of Florida, Manatee-Sarasota) for wide cost variance issues. In 2018, the AG issued findings to four additional institutions (Broward College; Florida State College at Jacksonville; Miami-Dade College; and Santa Fe College) for wide cost variance issues. In 2019, the AG did not issue findings for textbook affordability due to wide cost variances. The lack of findings in 2019 may be due to subsection 1004.085(4), F.S., being repealed as of July 1, 2018.

We observed, the price variances identified in the AG audit reports included a \$50, \$65, \$90 and \$100 price variance. Per the 2017 audit reports for new instructional materials and textbooks used, the prices varied on average from \$103.50 to \$200.50. For used instructional materials and textbooks, the cost variance averaged from \$78.25 to \$163.50. In 2018, the cost variance averaged from \$160.00 to \$309.25 for new instructional materials. For used materials, it averaged from \$133.25 to \$237.25.

Audit Year	School	Price Variance Identified in AG Reports	Highest Difference- New Books	Lowest Difference- New Books	Highest Difference- Used Books	Lowest Difference- Used Books
2017	Polk State College	\$50.00	\$147.00	\$53.00	\$110.00	\$40.00
2017	FL Southwestern State College	\$65.00	\$121.00	\$86.00	\$90.00	\$66.00
2017	College of Central FL	\$100.00	\$219.00	\$105.00	\$218.00	\$79.00
2017	State College of FL, Manatee-Sarasota	\$100.00	\$315.00	\$170.00	\$236.00	\$128.00
2018	Miami-Dade College	\$100.00	\$261.00	\$211.00	\$272.00	\$209.00
2018	Broward College	\$90.00	\$194.00	\$109.00	\$135.00	\$81.00
2018	FL State College at Jacksonville	\$100.00	\$555.00	\$153.00	\$380.00	\$124.00
2018	Northwest FL State College	\$100.00	\$227.00	\$167.00	\$162.00	\$119.00

Audit Year	Average of Price Variance Identified in AG Reports	Average of Highest Difference- New Books	Average of Lowest Difference- New Books	Average of Highest Difference- Used Books	Average of Lowest Difference- Used Books
2017	\$78.75	\$200.50	\$103.50	\$163.50	\$78.25
2018	\$96.67	\$309.25	\$160.00	\$237.25	\$133.25
Overall Average	\$86.43	\$254.88	\$131.75	\$200.38	\$105.75

It is important to note that while per-semester assessment and review of courses with high cost variances were repealed in statute as of July 1, 2018, the Florida Administrative Code (FAC) still requires institutions to annually report on the material selection process for courses with wide cost variance.

After the law was revised in 2016, the Florida Board of Governors (BOG) worked with a Textbook and Instructional Materials Affordability Workgroup to address challenges identified during the implementation process. BOG staff and the workgroup developed reporting templates and established definitions. This included defining wide cost variance, which was set at \$200. They additionally established a system-wide methodology for determining wide cost variance by course section. The definitions were not updated in BOG's policies, but they were included in the report template that was disseminated for the institutions to submit their annual figures. Following the implementation of definitions into the reporting template, the two universities who received findings for textbook affordability in 2018, did so due to untimely posting of instructional materials and not for wide variance in costs.

Recommendation

While Section 1004.085(4), F.S., was repealed, Section 8 of the statute allows the Chancellor to add additional reporting requirements. Therefore, we recommend DFC continue to require the institutions to report on the general or high enrollment courses that have a wide cost variance in instructional material. Reporting the classes that have wide cost variances would benefit the students of Florida and would provide accountability for the institutions without creating significant additional work.

If the Chancellor and State Board of Education do not update the FAC rule to align with the current version of the Florida Statutes, we recommend DFC define wide cost variance and include the definition in the reporting template used by the institutions.

Posting of Textbooks and Instructional Materials

The primary reason FCS institutions received a textbook affordability finding from the AG during 2017 to 2019, was due to late postings or a lack of evidence supporting timely posting of required instructional materials. We did note that the findings in this area decreased each year from 2017 to 2019.

We requested the operating agreements for six sampled FCS institutions. We determined that three of the institutions managed the posting of instructional materials internally and three had agreements with outside vendors. We received agreements for Broward College, Daytona College and Tallahassee Community College (TCC). Upon review of the agreements, we noted variations in the agreement language regarding the posting of textbooks and instructional materials. Both TCC and Broward used language that lacked clarity regarding posting requirements. TCC retains responsibility for providing the vendor with textbook adoption information in a timely manner, in accordance with their policies. The agreement does not specify posting requirements. In contrast, Broward College's agreement states the vendor is responsible for compiling and maintaining a list of course book information. However, it does not specify what information regarding the course books should be maintained. Daytona

College's agreement includes textbook affordability reporting policies and language requiring the vendor to post instructional material at least 45 days before the first day of classes, in accordance with statute. It also requires the vendor to submit a number of reports and dictates the deadlines, format, and the fields to be included in the reports.

Per the 2018 FCS Textbook and Instructional Material Affordability Report, "Overall, 75 percent of the colleges met the textbook and instructional materials posting requirement of 95 percent of course sections posting 45-days prior to the first day of class. The number of colleges meeting the 45-day requirement increased by three colleges or 14 percent over the course of the year as noted in Table 1. Similarly, the colleges who did not meet the posting deadline increased the number of course sections meeting the deadline each semester, from 81 to 93 percent."

Table 1

	95% and Above	
	N	%
Summer 2017	21	75
Fall 2017	22	79
Spring 2018	24	89

The colleges that did not meet the 95 percent posting deadline gave the following reasons for not meeting the deadline:

- adding the course after the posting deadline;
- delayed assignment of faculty to the course;
- changes in publisher information;
- specialty courses;
- course created to meet graduation deadlines; and
- utilization of new bookstore vendors as well as new software.

We additionally noted Section 1004.085(6), Florida Statutes states "The State Board of Education and the Board of Governors shall include in the policies, procedures, and guidelines adopted under subsection (7) certain limited exceptions to this notification requirement for classes added after the notification deadline." This would allow FCS to create exceptions to the 45-day posting requirement and permit the institution to continue normal course scheduling functions in compliance with the Florida Statutes. Currently, FAC 6A-14.092 does not specify limitations or exceptions to the posting requirement.

Recommendation

We recommend DFC encourage the institutions to include in the operational agreement with their bookstore contractor a requirement to ensure compliance with statute as it relates to timely posting of course materials. Institutions should ensure that contractors are maintaining records related to textbook affordability and specify data fields that are needed for reporting and auditing purposes. Special attention should be paid to ensuring documentation of the date the item was first posted to the web and course registration system in addition to any data resulting from an

edit to the posting. Institutions manage the reporting requirements differently. Some may choose to request the data from the contractors and create the reports themselves, while others may choose to have the contractor provide the reports. Regardless of the methodology used, the institutions should ensure they maintain the specific data fields necessary to show compliance with statute.

We additionally recommend the FAC be updated to specify reasonable exceptions. One such exception could be for course sections added to accommodate student needs after the 45-day deadline, if the instructional materials used have been previously adopted by other sections of the same course or use open-source/no cost materials.

Textbook Affordability Reporting to the FCS Chancellor

We sampled six institutions and reviewed the submitted reports to determine whether the institutions submitted the reports as required by the Florida Statutes. The selected institutions included:

- Broward College
- Miami-Dade College
- Daytona State College
- Florida Keys Community College
- Hillsborough Community College
- Tallahassee Community College

We reviewed the submitted reports for 2016, 2017, and 2018. We noted the format changed each year. In 2016, the institutions submitted their reports using their internal formats. All of the required elements were reported during 2016. In 2017, DFC created a form which the institutions either completed and submitted or incorporated into their report. The form addressed all the statutorily required elements. Per the 2018 report, “The Division of Florida Colleges provided each institution with a report template to complete and submit via Survey Monkey delineating the initiatives implemented by the colleges to reduce the cost of textbook and instructional materials.” The report included the colleges’:

- [1] textbook and instructional materials selection process;
- [2] specific initiatives designed to reduce the costs of textbooks and instructional materials;
- [3] policies implemented regarding posting textbooks and instructional materials prior to the 45-day deadline;
- [4] initiatives designed to reduce the cost of textbooks and instructional materials;
- [5] cost benefit analyses factors; and
- [6] the percent of general education courses using open education resources.

We observed all questions listed on the form met the statutory requirements, with one exception. In the Survey Monkey form, question one asks “What is your institution’s selection process for textbook and instructional materials?” While this question addresses the overall selection process, FAC 6A-14.092(5), asks for reporting, “The textbook and instructional materials selection process for general education courses with a wide cost variance and high enrollment courses.” The way the question is currently written does not directly ask about courses with a

wide cost variance or high enrollment courses. Some institutions provided information specific to wide cost variances and high enrollment courses as part of their answer. Others answered the question as it was asked and did not directly address the wide cost variance. By not asking directly about the wide cost variance and high enrollment courses, it leaves DFC and the institutions out of compliance with the rule. This could potentially lead to additional AG findings for the institutions.

During the consultation conference, DFC staff expressed concerns regarding instructors receiving compensation for requiring students to purchase instructional materials written by that instructor. Per 1004.085(3), F.S., “An employee may receive: (b) Royalties or other compensation from sales of textbooks or instructional materials that include the instructor's own writing or work.” However, DFC, statutorily, does have the option to request that institutions report on the use of instructor written materials. DFC could request the institutions to report on their policy; if the materials are used across all sections of the same course; or instances of wide cost variance between the materials written by employees and the materials used by other sections of the same course.

Recommendation

We recommend DFC modify their survey instrument to specifically address textbook adoption policies for materials with wide cost variances and high enrollment courses.

Additionally, we noted “high enrollment courses” is not defined. It may be beneficial for DFC to define the term, not only to ensure institutions are reporting on the correct courses, but also to ensure consistency in any future audits.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Division of Florida Colleges for their assistance during the course of this engagement. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The consulting engagement was conducted by Melissa Melendez del Rosario and supervised by Tiffany Hurst, CIA, Audit Director.

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