

Measuring the Cost of Credit Transfer in Small Colleges

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Canadore College

Collège Boréal

Confederation College

Georgian College

Lambton College

Northern College

Sault College



The need for the research

- Students' mobility is required regardless of institutional size or location
- Provincial initiative with a high priority
- Smaller colleges have fewer people to get the job done

Research design and method

Guiding Research Questions were:

- What is the cost (both direct and indirect) of the student transfer process for small colleges?
- What are the results for learners who engage in this process?
- What is the formula to determine return on investment specific to the transfer process in a small college?

Research design and method

The project rolled out in phases:

Phase One

- Literature review
- Interview Design
- Preliminary Data Gathering
 - Key informant interviews

Phase Two

- Quantitative Surveys (two) and Analysis

Phase Three

- Extrapolation and Report Writing

Key Informant Interviews

Design

- Four areas of ONCAT influence were identified:
 1. Course specific precedents
 2. Market
 3. Growth
 4. Value of Credit Transfer
- Two questions were designed for each area
- The result was a questionnaire with eight questions to structure the interview
- Face validation: administered questionnaire to a test group of ten at Northern College

Findings

- 10 categories evolved from the 4 areas of ONCAT influence identified for the key informant interviews
- 2 distinct structures within the colleges studied

Key Informant interviews: CATEGORIES

- Type of credit transfer activity- **what happened and when?**
- People involved- **who was involved?**
- Steps in the process- **how many steps?**
- Time- **how long did it take?**
- Level of Authority- **was this at a clerical, administrative or faculty level?**
- Student Access to information - **what did this access look like**
- Enrollment impact- **what was the effect of transfer credit on enrollment?**
- Institutional priority- **what level?**
- Perceptions of the process - **within the institution**
- Challenges- **for the institution**

Key Informant Interviews: STRUCTURE

Forming

- Reorganizing current staff and anticipating new hires.
- Temporary positions are in place to facilitate evaluation of and change in the Transfer Credit process
- Past processes are being analyzed and upgraded to include connection with ONTransfer. ca

Established

- Updated process in place clearly addressing the intent of ONCAT's vision
- TC opportunities are communicated to applicants, students and staff from a variety of points (including collaboration with ONTransfer.ca)

Key Informant Interviews: STRUCTURE

Forming

- Streamlining TC processes is a priority along with communication of new directions to current staff and students

Established

- Have an intentional and organized TC process that links various aspects of the college departments
- Timely, transparent and efficient TC process.
- New staff positions and/or departments have been created, tested and are established as an integral aspect of the TC process

Table 1: Activity by Structure

Activity	Forming	Established	Comments
Type of activity	Disbursed	Centralized	About ½ of the colleges in the study were established
Categories of people involved	4-6	3-6	Categories included faculty, registrar clerk, deans, coordinators, first year experience advisors
Process steps	3-4	3-4	In the 'established' model the steps were 'shorter'
Time	Varies	Predictable	10+ days at the most in the 'established' model. Not predicted in the 'forming' model
Level of authority	Administrative	Clerical	Category of personnel doing the bulk of the work at a lower level in 'established'
Student access	Website/manual processes	Website	How did students find out about this process
Increase in requests	Yes	Yes	Requests are increasing for everyone
Enrollment impact	Not clear	Stabilizing	This may offset attrition but not clear
Institutional priority	High	High	Clearly understood as a government priority
Perception	Getting easier	Easy now	Established protocols 'simplify' this in the 'established' structure
Challenges	Gathering the data	Transfer of data	There are still challenges, but the types differ

Source: Key informant interviews

Table 2: Registrar's Activity by Structure

Activity	Forming	Established	Change
FTE 5 year average	Declining	Declining	Declining tuition revenue from FTE
Enrollment growth	Declining	Declining	Declining tuition revenue from FTE
Track TC requests	Not all institutions track, the process for tracking is not as well defined	Well defined tracking	Potential to track costs
Number of TC requests	Increasing	Increasing	Potential to impact tuition revenue
Process requests	Time to process requests	Time to process requests	Cost impacts of human resource time
Challenges	Coordinating all the players, human resources	Confidentiality, consistency	More sophisticated needs as the evolution occurs

Source: Registrars Survey

Findings

- Student Mobility
 - Comparing credit transfer students to aggregate averages allows a discussion of student mobility in the context of costs and return on investment

Table 3: Student Mobility and FTE for small colleges in this study

Category	Students
Full time equivalent 5 year average by college (demonstrating institutional size)	2428
Full time equivalent this year (demonstrating institutional size)	2553
Credit transfer by individual students* total transfers of all colleges in the study	843
Credits transferred by course	3910

** This number is minimal, as not all institutions counted or reported the individual students*

Table 4: Tuition source revenue and credit transfer value

Sources of Revenue (small colleges)	Students
Tuition revenue average for five years	\$11,338,867
Tuition past year	\$9,996,883
Credit transfer aggregate value	\$1,173,000
Credit transfer average value per college	\$186, 166
Estimated actual revenue from transfer	Not tracked

Findings

- Direct and Indirect Costs
 - Based on people associated with the transfer credit process
 - Various levels of authority (Deans, Faculty , Coordinators, Registrars, Student Advisors, Admissions Clerks, etc.
 - Lowest Level of Authority (LLA)
 - Highest Level of Authority (HLA)

Steps to the process

- Credit transfer is a contact sport
- It cannot be handled by one person in one office
- The steps defined by the various institutions were from 3-4



Costs

- Direct

- Human resources
- Time
- Data entry
- Revenue (Tuition)

- Indirect*

- Processes
- Data maintenance
- Supervision
- Communication

**Source: Managerial Accounting*

People in the process

- As few as **three**, as many as **ten**
- The more people in the process, the greater the costs
- Deans, Coordinators, Support Staff, Registration staff have all been listed as potentially involved in the process
- Salary range for this is \$25.00-\$50.00/hour of activity
- If each person spends 1/4 to 1/3 of an hour/TC this costs \$6.25 - \$16.50/TC
- For 3 people= \$18.75-\$49.50
- For 10 people= \$62.25-\$160.50



Table 5: Range of Human Resource and Time Costs

Processing	Costs
Per 15 minutes at lowest level of authority (LLA)	\$6.25
Per 15 minutes at highest level of authority (HLA)	\$16.25
Three people at LLA (3L) (minimal time)	\$18.75
Three people at HLA (3H) (minimal time)	\$49.50
Ten people at lowest level of authority (10L) (minimal time)	\$62.25
Ten people at highest level of authority (10H) (minimal time)	\$160.50
3910 (number of credits transferred by course) at LLA minimal time 3L	\$73,312.50
3910 at HLA minimal time 3H	\$157,905.00
3910 at LLA minimal time 10L	\$198,577.50
3910 at HLA minimal time 10H	\$511,990.00

Cost comparison: Direct and Indirect

Activity	Direct	Indirect	Net
Type of involvement	More centralized, reduce process time	Disbursed increases process time	Centralized may reduce costs
People involved	Cost of employee's time	Cost of processes, data management, communications	Fewer people may reduce costs
Process Steps	Each step has a value	Each step has a value	Cost estimate of each step needs to be determined, increased steps increase costs
Time	Human resources/processes	Human resources/processes	More time, more costs
Level of authority	Increased time	Increased processes	Higher level of authority means higher costs
Student access	Website maintenance	Communication flow to assure accuracy	Net cost incurred to maintain access
Increase in requests	Human resources and processes	Data management	Increase in costs
Enrollment impact	Stabilize/destabilize enrollment	Factor in retention	Potential to increase revenue
Institutional priority	Time and human resources	Time and human resources	Potential to increase costs
Perception	No associated costs	No associated costs	No net activity
Challenges	Track	identify	Unidentified challenges pose cost risk

Source: Financial survey

Costs vs Revenue

Tuition revenue lost

- Charged by semester and varies by institution- Average of \$1500
- Approximately \$300/course
- Over 3910 transfers in this study
- **\$1,173,000** from 7 institutions

Potential revenue gained

- For 5 semesters \$7500
- For 4 semesters \$6000
- For 3 semesters \$4500
- For 2 semesters \$3000
- $843 \times \$7500 = \$6,322,500$
- $843 \times \$3000 = \$2,529,000$

Overall Costs

- Direct cost of transaction to achieve transfer \$62.25-\$160.50
- (one College estimated \$145/transfer)
- Indirect cost- unknown
- 3910 transfers = \$245,265- --\$632,370 tuition credited
- Tuition revenue credited = \$ 1,173,000 from 7 institutions

Research Questions Addressed

Findings in context of the study's research questions

What is the cost (both direct and indirect) of the student transfer process for small colleges?

- Direct costs are not tracked by the institutions
- Indirect costs are not considered
- All colleges identified resources and time as 'labour intensive'
- The costs incurred would appear to range from \$18.75-\$160.00 per transfer that leads to an aggregate variance of approximately 73,000 to over 500,000.
- Additional cost to the College is the loss of tuition revenue incurred for the transfer credit weighted against potential tuition revenue from the incoming student

What are the results for learners who engage in this process?

- **3910** recorded course credit transfers occurred in these seven small institutions over the past academic year
- Block transfers are not included in this number
- **843** individual students received credit transfer, however, this is a minimal estimate
 - Introduction of the single identifier as a student number will make it easier to garner much more information than is currently available
- Unanimous report of increased demand for transfer activity
 - Enhanced ability for learners to receive credit value regardless of where they go for learning
 - Provincial priorities are being met
 - Diversification of learning should result in great knowledge wealth for students

What is the formula to determine return on investment specific to the transfer process in a small college?

- 1. Projected/anticipated tuition revenue – (Direct costs + Indirect costs of credit transfer + credit transfer value given) = Return on Investment**
- 2. Increased transfers for one individual = Reduced Potential Tuition Revenue**
- 3. Increased individual student transfers = Increased net enrollment**

Conclusions

- Credit transfer to support student mobility is alive and well in small colleges
 - It is a high priority, colleges are making investments to assure it happens
 - Students are benefiting from this process
 - Lack of understanding as to return on investment
- Sustainability of credit transfer ties directly to the question of return on investment, which is linked to the cost incurred in giving credit transfer value
 - small institutions are more vulnerable due to smaller budgets while maintaining prescribed standards of student service
 - External support has buffered the impact on college finances

Conclusions

- Direct contact is required with transferring students – it is a “contact sport”
- There appears to be a tipping point from ‘forming’ to ‘established’ structures in terms of credit transfer activity
 - May be tied to volume of request and culture of the institution
- Colleges must look closely at their credit transfer process and the impact overall on a) enrollment and b) costs

Recommendations

1. The tipping point of 'forming' to 'established' be further explored to better support how colleges achieve cost effective transfer processes
2. The tracking of costs; direct, and where possible, indirect, be developed as a pilot project
3. The potential revenue gained by the receiving institution be monitored to determine viability and return on investment
4. The role student transfer plays in strategic enrollment management be examined for all institutions, not just small colleges
5. A student outcome measurement project be established to define the cumulative benefits to students in the system.

Thank You

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Questions?