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NORTHERN COLLEGE **MEASURING THE COST OF CREDIT TRANSFER AT SMALL COLLEGES**

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Cambrian College

Canadore College

Collège Boréal

Confederation College

Georgian College

Lambton College

Sault College

Measuring the Cost of Credit Transfer

EXECUTIVE SUMMARY:

Unique challenges faced by small colleges in implementing credit transfer processes, are the few, if any resources dedicated to credit transfer tasks. Providing credit transfer requires an investment of time and human resources for each receiving institution. Costing models for this process need to be identified within the context of small colleges. As this was an acknowledged need, the following eight colleges agreed to participate in this study: Cambrian, Canadore, Collège Boréal, Confederation, Georgian, Lambton, Northern, and Sault College.

The process of credit transfer has been well described by Camman, Hamade, and Zhou (2015) as the manner in which recognition is given for prior formal learning at an institution. The manner refers to process(es) and involves time spent on a) what a student provides as an educational record, b) the application of that record to what the institution offers, and c) compared with what the student wants to achieve. At a minimum, there are three steps to this process (Junor & Usher, 2008). The time taken for each step, or the volume of activity within each step is not clear within the literature. What is clear, is that there is a 'mapping' that happens as part of the process (Camman, Stephane, & Zhou, 2014).

As with any research endeavor, the research questions guide the process and determine methodology. The research questions for this project 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?

These research questions are most readily answered through the methodology described.

The rationale for the project rested with the concept of small colleges managing multiple activities with limited resources. The definition of small colleges in the context of this study was drawn from the provincial standards of less than 5000 Full Time equivalent funded enrollment students, less than 450 full time faculty and less than \$90 million in annual budget. The determination of small was also based upon overall budgets of the colleges involved. One institution within the study did not fit the small college definition, however, as a mid-sized institution the opportunity to have additional colleges involved was valuable to the study. Each college was aware of the participating colleges and there was full commitment to the recognition of their status as small, or in one case mid-sized, colleges.

What became clear in the qualitative data was two distinct structures within the colleges studied. One structure was 'forming' credit transfer as a distinct part of the college's business administration. The other structure identified was termed 'established', as business practices were solidified around credit transfer. On the basis of this study alone, it was not possible to tell what the tipping point was between 'forming' and 'established', but the tipping point appeared to be tied to volume of requests and culture of the institution. Comparisons of the categories flowed from this initial structural finding of forming and established structure (see Table 1).

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
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When the registrars were asked what the biggest challenge for them was in the credit transfer process, the responses were similar in that it takes “time to do this”, and to have the “right people” involved with each individual request. When asked the same question with an institutional focus on the challenges, the responses were on the need for resources and efficient processes. Table 2 provides comparative detail on registrars’ responses sorted by working structure.

Table 2 Registrars activity by structure

Activity	Forming	Established	Change affecting revenue
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 tracked	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 activities and human resources	Confidentiality, consistency	More sophisticated needs as the evolution occurs

A picture of aggregate enrollment is important to focus the discussion of student mobility around costs and return on investment. A comparison of credit transfer students to aggregate averages per institution follows in Table 3.

Table 3 Student mobility and full time equivalents (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.

The revenue for an individual college, from credit transfer appears to be 1% of the aggregate 5 year average, increasing to 1.9% of the current year revenue average. This represents a growing percentage that is fluid in the system. Unfortunately, this revenue is not specifically tracked within the colleges, as noted by the finance offices who responded to the survey. An aggregate comparison of tuition source revenue and credit transfer value is provided in Table 4.

Table 4 Tuition source revenue and credit transfer value

Sources of revenue (small colleges)	Average revenue
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

Time on task estimates were based upon information gathered through the key informant interviews. The estimated time on task for each individual handling a portion of a credit transfer request was 15 to 20 minutes, or one-quarter to one third of an hour. As hourly wages could be determined from CAAT classification tables, costs for time on task could be estimated. In lieu of specific data about seniority, the middle of each range for each classification was used to estimate time on task from the lowest level of authority (LLA), to the highest level of authority (HLA). The resulting range of \$73,000 to more than half a million indicates how vulnerable this process is to cost variations. Table 5 summarizes direct costs based on the level of authority and estimated time on task.

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)	\$16.50
Three people at lowest level of authority (3L) (minimal time)	\$18.75
Three people at highest level of authority (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 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

Credit transfer appears to be a *contact sport*. Regardless of automated systems available, at some point a direct contact is required between the transferring student and the receiving institution to determine what the student wants to take and how they will get credit for it.

For planning purposes, colleges must look more closely at the credit transfer process and impact these process may have on a) overall enrollment and b) costs. These issues need to be included in enrollment estimates, strategic enrollment management strategies, and costing formulas.

Credit transfer to support student mobility is alive and well in these colleges. It is a high priority and colleges are making the investments to assure it happens. However, there appears to be a lack of understanding as to what these investments mean in terms of costs or solid estimates on return on investment.

The sustainability of credit transfer ties directly to the question of return on investment, which in turn is linked to the costs incurred in giving credit transfer value. The issue of sustainability is an institutional and system wide question to be asked. Small institutions in particular are more vulnerable, as they deal with smaller budgets and fewer students, yet required to maintain prescribed standards of student service. With external support currently provided, the impact on college finances has yet to be truly felt.

Students are benefiting from this process as seen by the thousands of credit transfers issued in this past academic year alone, in the small and mid-sized college included in this study (See Table 3). The number of students reported is minimal given this was not tracked but at 843 it represents almost 20% of the average full time equivalent reported by the Registrars. Based upon the trend identified by registrars, this number will increase and continue to make up a respectable percentage of the student body, thus making the benefits increasingly visible over time.

While not all colleges in this study had an 'established' structure, it is still recognized that student mobility is a high priority given the emphasis placed on it by the provincial government. The interest in and attention to this group of students is demonstrated at every level of this study. Going back to these same colleges in the next two years, would probably demonstrate 'established' structures.

There are costs to credit transfer that could only be estimated in this study. Another estimate is the potential return on investment. However, the return on investment is not gleaned immediately and is not currently tracked by the college's financial departments.

Similar to wealth accumulation, diverse investments reap the best long-term rewards and that is the essence of student mobility. Diversifying their education over time and geography is the new normal for a student learning trajectory. As with any other wealth accumulation, the costs incurred are borne somewhere; how they are borne and the impact they have are the challenges that post-secondary education institutions have to face.

Recommendations from this study are intended for both college and system application, as applicable:

Recommendation One:

The tipping point of 'forming' to 'established' be further explored to better understand and support how colleges can achieve cost effective transfer processes

Recommendation Two:

The tracking of costs, direct and where possible indirect, be established as a pilot project to better define how costs impact budgets

Recommendation Three:

The potential revenue gained by the receiving institution be monitored to determine viability and return on investment

Recommendation Four:

The role student transfer plays in strategic enrollment management be examined in depth for all institutions, not just small colleges

Recommendation Five:

A student outcome measurement project be established to define the cumulative benefits to students in the system.