



HIGHER EDUCATION:

Students Need More Information to Help Reduce Challenges in Transferring College Credits

**Student Financial Aid Research Network Annual
Conference
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Overview

- Introduction
- Methodology
- Background
- Findings
- GAO's Recommendations

Introduction

- We'll discuss findings from GAO-17-574, *Higher Education: Students Need More Information to Help Reduce Challenges in Transferring College Credits*
- Our focus will be on:
 - (1) How many college students transfer and what challenges, if any, do they face in transferring credits?
 - (2) What are possible financial implications associated with transferring credits?
 - (3) To what extent are students provided with information about transfer policies to help them plan their college path?

Methodology: Transfer Rates and Challenges

- *Estimating transfer rates:* We analyzed transfer rate data from the Department of Education's (Education) most recently completed 2004 to 2009 Beginning Postsecondary Students Longitudinal Study (BPS) and mid-point data from the 2012 to 2017 BPS study, as appropriate.
- *Identifying transfer student challenges:* We obtained perspectives from a range of knowledgeable stakeholders from 17 higher education organizations and 8 schools.

Methodology: Financial Implications of Credit Loss

- *Estimating credit loss and financial aid receipt:* We analyzed the most recently available transcript data from the 2004 to 2009 BPS study and supplemented them with mid-point data from the 2012 to 2017 BPS study, as appropriate.
- *Illustrative examples of potential cost implications:* We depicted scenarios illustrating potential financial implications of some common transfer paths (based on our analysis of BPS data). Each scenario had several assumptions, including:
 - average per credit Pell receipt and credit loss rates (based on BPS data)
 - average 2013-2014 tuition by school type (based on IPEDS data)

Methodology: Transfer Information Provided to Students

- *School website review:* We reviewed websites from a nationally-representative sample of 214 schools participating in federal student aid programs.
 - We reviewed comparable information using a standardized web-based data collection instrument that covered the availability of credit transfer policies, articulation agreement lists, and other transfer information
- We also reviewed the consumer information that Education provides to students

Background

- Students may wish to transfer for various reasons, including to help save costs and facilitate degree completion.
- To transfer credits, students generally submit a transcript to the destination school for a credit evaluation, and the destination school has discretion to determine whether to accept those credits, usually based on certain criteria.
 - Examples of criteria: minimum grade requirement, quality of the student's coursework, level and content of the coursework, etc.

Background (continued)

- Schools can have **articulation agreements** with each other. These agreements specify how transferred course credits meet program or degree requirements among partner schools.
- Additionally, states can establish statewide articulation agreements as well as credit transfer policies that are generally applicable to schools within the state.

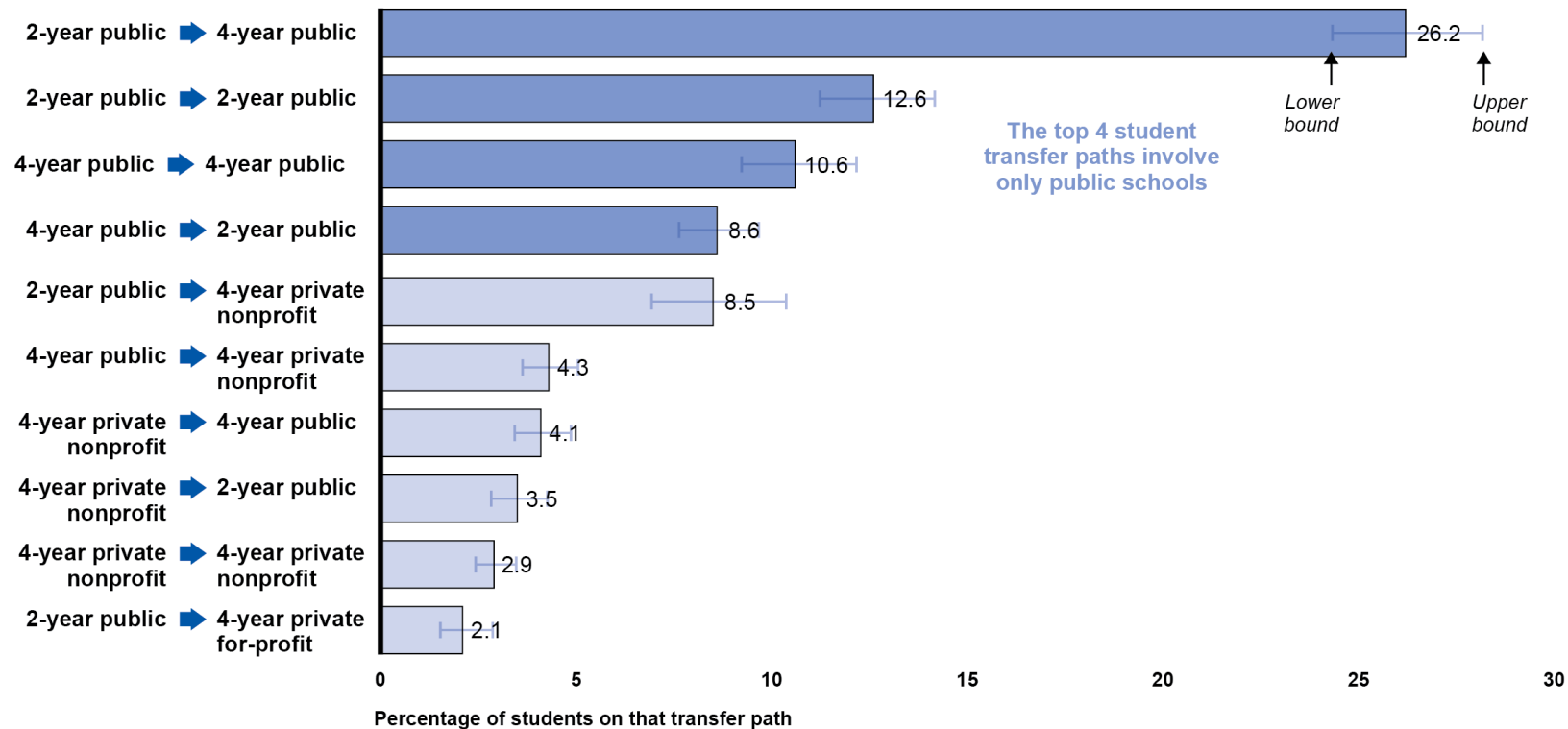
Background (continued)

Under the Higher Education Opportunity Act (HEOA), schools who participate in federal financial aid programs must publicly disclose their credit transfer policies that include at a minimum:

- (1) any established criteria the school uses regarding the transfer of credit earned at another school, and
- (2) a list of schools with which the school has established an articulation agreement

Transfer Patterns

We estimated that **over a third** of first time college students transferred at least once between 2004 to 2009, and students most commonly transferred **among public schools**.



Source: GAO analysis of 2004-2009 Beginning Postsecondary Students Longitudinal Study. | GAO-17-574

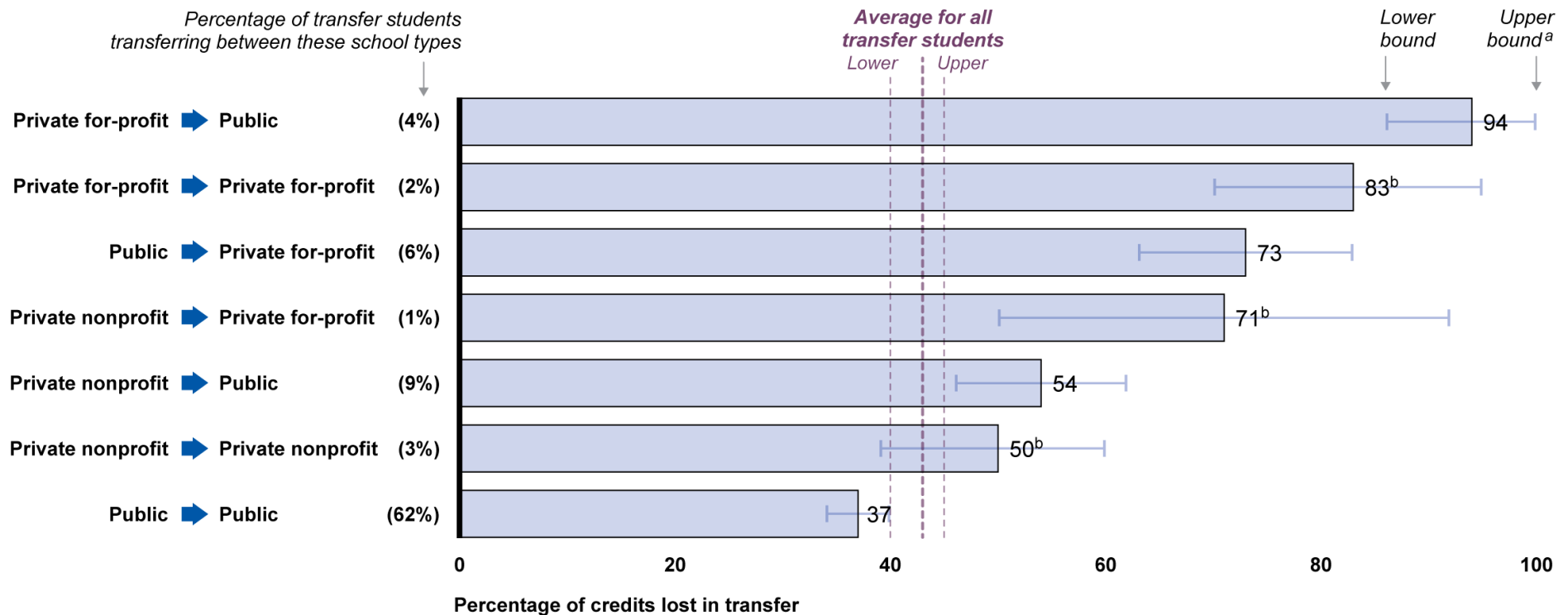
Challenges Faced by Transfer Students

We also learned that students face several challenges when they transfer, including difficulty in:

- transferring credits without articulation agreements
- obtaining adequate information or advising about transfers
- applying transfer credits to degree requirements

Credit Loss

We estimated that on average, students lost about **43 percent** of their credits (or **13 credits**) when they transferred, and credit loss varied widely by students' transfer paths



Source: GAO analysis of 2004-2009 Beginning Postsecondary Students Longitudinal Study. | GAO-17-574

Financial Implications of Credit Loss

- The financial implications of transfer depend on the specific circumstances of a student's transfer, including the relative tuition rates and rate of credit loss. For example:
 - Students could **save on tuition costs** by starting at a less expensive school and transferring to complete a bachelor's degree at a more expensive school.
 - On the other hand, transfer students **may incur additional costs** to repeat credits that do not transfer or count toward their degree.

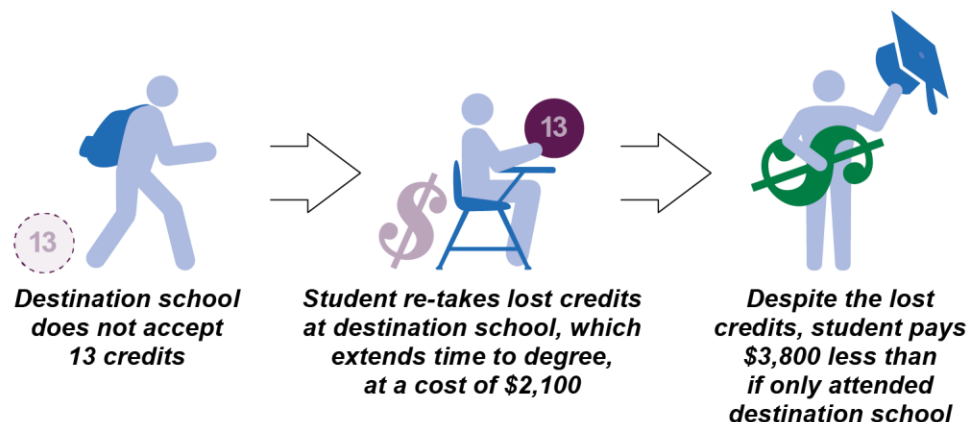
Financial Implications (continued)

These example transfer scenarios show possible financial implications of transferring schools compared to attending the destination school for the entire degree program. Calculations used the average credit loss by transfer path and average tuition, assume the student attempts to transfer 60 credits to a 120-credit degree program, and that the student retakes any lost credits.

If a student transfers from a...

2-year public to 4-year public school

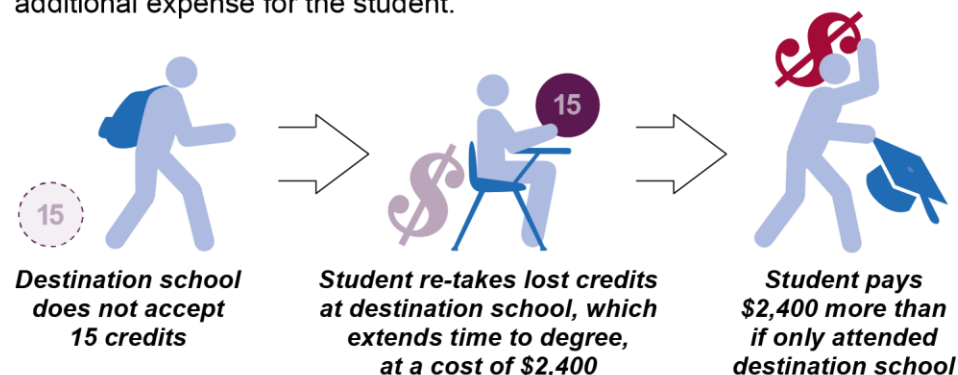
Although the student would lose 13 credits in the transfer, lower tuition at the 2-year public school results in a net **\$3,800 savings** compared to the cost of attending the destination 4-year public school all four years.



If a student transfers from a...

4-year public to a 4-year public school

The student would lose 15 credits in the transfer, resulting in a net **\$2,400 additional expense** compared to the cost of attending the destination 4-year public school all four years. Even if both schools charge identical tuition, the lost credits will mean an additional expense for the student.



Source: GAO analysis of Department of Education transfer and tuition data. | GAO-17-574

Financial Implications (continued)

- Transfer can also affect students' financial aid and costs for the government:
 - almost **half of transfer students received Pell Grants** and close to two-thirds received Federal Direct Loans.
 - students who lose credits may use more financial aid to pay for repeated courses at additional **cost to the federal government**, or they may **exhaust their financial aid eligibility**, which can result in additional out-of-pocket costs.

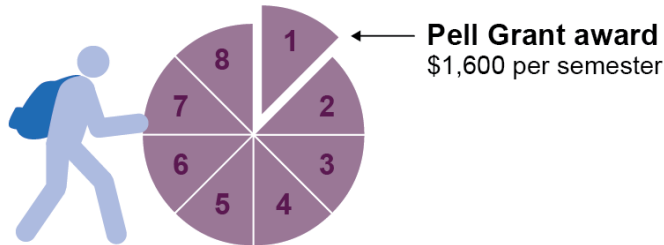
Financial Implications (continued)

This scenario shows how losing credits during transfer could result in potential costs to the government in student financial aid. Calculations assume that the student is attempting to transfer 60 credits to a 4-year, 120-credit degree program. It is also assumed that the student re-takes any lost credit and uses a Pell Grant award of \$1,600 per semester to offset tuition costs.

If a student earns a complete degree at a...

4-year public school without a transfer

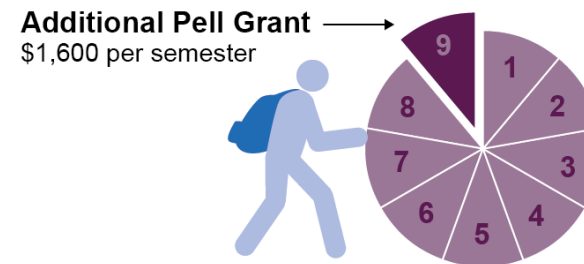
The student would avoid losing any credits by completing the degree program at the same school. A student who earns a complete degree this way would use a total of **\$12,800 in Pell Grant funds** to offset the cost of the degree program.



If a student earns a complete degree...

With a transfer from a 2-year public school to a 4-year public school

Assuming 13 credits would be lost in the transfer, the student would need an additional semester to complete the degree program. If eligible, the student could receive an additional \$1,600 Pell Grant award (for a total of **\$14,400 in Pell Grant funds**) to help offset the cost of the degree program.



Source: GAO analysis of Department of Education transfer and tuition data. | GAO-17-574

School Transfer Information

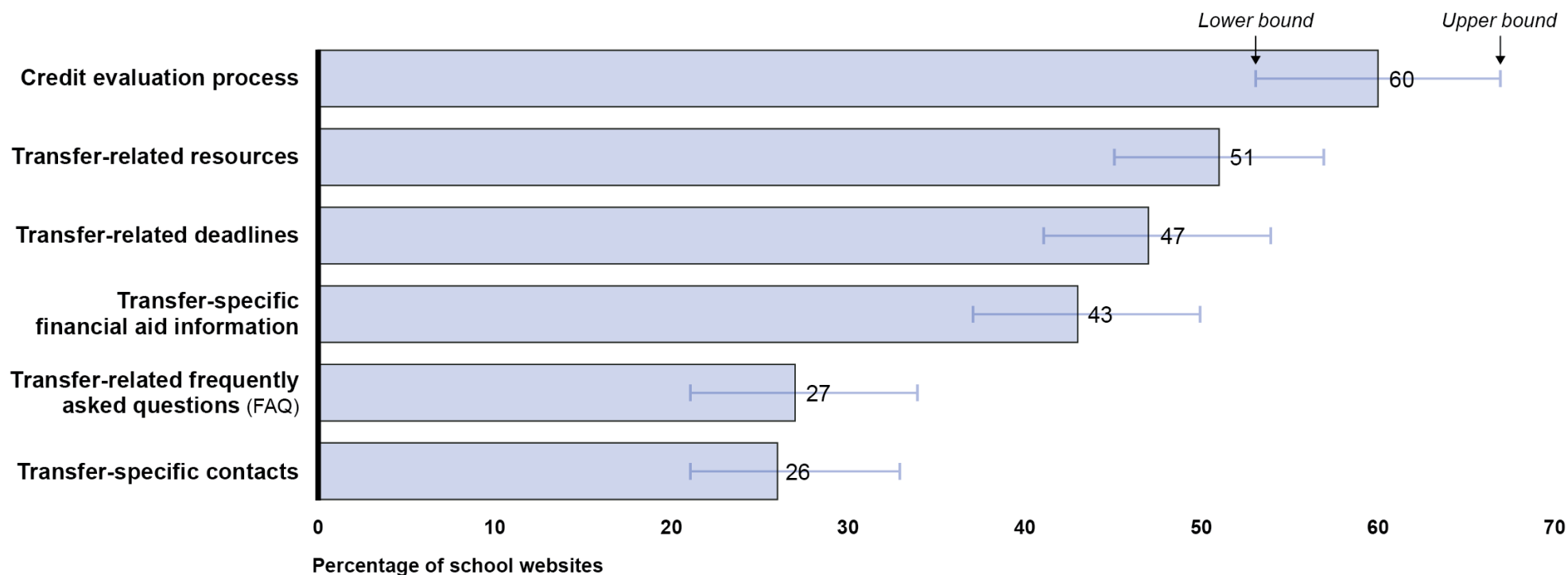
School websites can provide helpful information to prospective transfer students, though the level of information varies across schools:

- **Almost all** school websites contained **credit transfer policies**
- About two-thirds of websites listed partner schools, while almost **a third did not have such a list**
 - Of the schools that did not list partner schools, some did not have any articulation agreements, while others had them but did not list partner schools on their website

School Transfer Information (continued)

- Schools also varied widely in the extent to which they provided transfer information beyond disclosure requirements to help guide students. We looked at information on:
 - Initiating credit evaluations
 - Resources, such as transfer fairs
 - Transfer deadlines
 - Transfer-specific financial aid information
 - Transfer FAQs
 - Transfer points of contact

School Transfer Information (continued)



Source: GAO analysis of websites from a nationally representative sample of schools, September 2016-February 2017. | GAO-17-574

Department of Education's Transfer Information

- At the time of our review, we found that Education provided some **limited consumer information** on transferring, but this information was neither focused nor targeted to transfer students
- While transferring is ultimately based on a student's unique circumstances coupled with a school's transfer policy, there are nevertheless general considerations that apply across schools.

GAO's Recommendations

We recommended that the Department of Education:

- (1) Require schools to disclose the list of schools with which they have articulation agreements online, and clearly inform students when no articulation agreements on credit transfer are in place.
- (2) Provide students and their families with general transfer information, for example, by developing a consumer guide and posting it on Education's website or augmenting transfer information already provided.

GAO Report and Contacts

- For more information, see *HIGHER EDUCATION: Students Need More Information to Help Reduce Challenges in Transferring College Credits*, GAO-17-574 (Washington, D.C.: August, 2017) at <http://www.gao.gov>
- Contact: Amrita Sen, sena@gao.gov



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