

Ohio Articulation and Transfer Network (OATN)



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Transfer-facilitated savings in the University System of Ohio

Ohio has a long and distinguished record of facilitating the transfer of credit among its public institutions of higher education. The comprehensive credit transfer system developed by the *Ohio Articulation and Transfer Network (OATN)* provides statewide guarantees on credit transfers and their applications to meeting degree requirements in receiving institutions. Students take advantage of the system by taking courses at lower-tuition institutions and transferring the hours to higher-tuition institutions. The aptly-named low-cost pathway to degree completion generates substantial savings for them: According to estimates by the *OATN*, students saved \$82.0 million in 2011-12.

OATN has completed the estimation of the annual amounts of transfer-facilitated savings for the period between 2000-01 and 2011-12. The concept of transfer-facilitated savings, the estimation methodology, the estimates, and their interpretations are presented in the report titled *Estimates of Transfer-Facilitated Savings: Concept, Methodology, Estimates, & Interpretation*. In addition, the *OATN* has made available a one-page summary of the report and a short description of the methodology of estimation.

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Transfer-Facilitated Savings: A Summary of the Concept, Methodology, Estimates, and Interpretation

- The comprehensive transfer system of the Ohio Articulation and Transfer Network (OATN) guarantees the transfer of credit and its application to meeting degree requirements in institutions in the University System of Ohio. The Ohio Transfer Module (OTM) provides guarantees on general education courses whereas the Transfer Assurance Guide (TAG) is relevant to beginning major and pre-major courses. The Career Technical Assurance Guide (CTAG) provides similar guarantees on technical level courses.

These statewide guarantees enable students to complete credit at lower-tuition institutions and transfer the hours to higher-tuition institutions. The low-cost pathway to degree completion, therefore, generates savings for students.

- **Estimated amount of savings:** In F2011-12, students saved an estimated amount of \$82.0 million (in constant 2010 prices). Estimated values of transfer-facilitated savings have increased tremendously in recent years: from \$32.3 million in FY2000-01 to \$82.0 million in FY2011-12. The dollar value of the amount of savings is a powerful illustration of the returns to public investments.
- **Methodology of estimation:** Broadly speaking, transfer-facilitated savings are estimated as the product of the number of transferred hours from lower-tuition institutions to higher-tuition institutions, and the difference in hourly tuition rates between the higher-tuition and the lower-tuition institutions. Transferred hours in general education, baccalaureate, and technical level courses are included in the estimation. The exact steps involved in calculating the number of upward transferred hours and the difference in hourly tuition rates are explained in accompanying documents.
- **What do the estimated savings represent?** These are the extra amounts students would have paid if the courses were taken at the higher-tuition institutions. Statewide credit transfer guarantees, therefore, are critical to generating the savings. The estimates, however, do not take into account that institutions offer discounted tuition to a section of their students. It is also important to note that the estimates are based only on the hours completed in a given year and transferred in the following year. In reality, students transfer hours that were completed in multiple years. As such, these estimates are a conservative benchmark of the amounts that students save annually.
- **Previous estimates:** Previously, OATN had provided a different set of estimated values of transfer-facilitated savings. The previous estimates are different from the current estimates in two major areas.

First, the previous estimates counted transferred hours only in general education and baccalaureate level courses – technical level hours were not included. The current estimates are more comprehensive in that regard.

Second, the previous estimates were obtained using differences in the hourly cost of course offering between institutions whereas the current estimates are obtained using differences in hourly tuition of course attendance. When state subsidies for the same level of courses are the same across institutions, differences in hourly cost of course offering are equal to the differences in the hourly tuition of course attendance. However, subsidy formulas have changed in recent years, prompting a shift of the estimation methodology to using tuition differences.

The Methodology of Estimating Transfer-Facilitated Savings

- Students in the University System of Ohio save considerable amounts by taking courses in lower-tuition institutions and transferring the hours to higher-tuition institutions. The Ohio Articulation and Transfer Network (OATN) plays a crucial role in the generation of transfer-facilitated savings as it provides statewide guarantees on credits transferring and applying to meeting degree requirements in receiving institutions. According to OATN estimates, the low-cost pathway to degree completion helped students save \$82.0 million in FY2011-12.
- **How are the amounts estimated?** Transfer-facilitated savings are estimated as a product of two terms: the number of hours transferred from lower-tuition institutions to higher-tuition institution (**H**) and the difference in hourly tuition between the higher-tuition and the lower-tuition institutions (**TD**).

$$\text{Estimated Transfer-facilitated savings} = H \times TD$$

- **What are lower-tuition and higher-tuition institutions?** 4-year university main campuses charge the highest tuition, followed by 4-year regional campuses, and 2-year institution, in that order. The estimation methodology accordingly categorizes 4-year main campuses as the highest-tuition, 2-year institutions as the lowest-tuition, and 4-year regional campuses as the middle-tuition institutions.
- **H: How are the upward transferred hours identified?** Students save money when they physically transfer from lower-tuition to higher-tuition institutions. Students save money also by engaging in concurrent enrollments, i.e. 4-year university main campus students simultaneously taking courses at 4-year regional campuses or 2-year institutions.
 - **Physical Transfers:** Student complete courses at 2-year institutions in a given year and transfer to 4-year main or regional campuses in the following year. Hours completed at the 2-year institutions in the year prior to the transfer are counted as upward transferred hours. Similarly, hours completed at 4-year regional campuses in a given year are counted when students transfer to 4-year university main campuses in the following year.
 - **Concurrent Enrollments:** Concurrent hours completed at 2-year institutions or 4-year regional campuses by 4-year main campus students in a year are counted as upward transferred hours. Similarly, concurrent hours completed at 2-year institutions by 4-year regional campus students are also counted as upward transferred hours.

For both physical transfers and concurrent enrollments, hours completed in general education, baccalaureate, and technical level courses are counted as upward transferred hours.

- **TD: Measurement of tuition differences:** Pairwise differences in hourly tuition between 4-year main and 4-year regional campuses, 4-year main campuses and 2-year institutions, and 4-year regional campuses and 2-year institutions are used in the estimation; the differences are obtained using the following steps.
 - Average fall-term tuition values are calculated separately for each sector – 4-year main, 4-year regionals, and 2-year institutions – using campus-specific tuition data; campus specific enrollment numbers are used as weights in the calculation.
 - For each sector, the average fall tuition value is divided by the average number of hours in the fall term to obtain the average hourly tuition. The average number of hours in the term for a sector is calculated using data on the number of hours in the term for the campuses in the sector. Again, campus-specific enrollments numbers are used as weights in calculating the sector average values.