CHEPP

The Center for
Higher Education Policy
and Practice

IMPROVING COLLEGE CREDIT TRANSFER: POLICY RECOMMENDATIONS

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Introduction

The nation's higher education system is not well-designed to support the many pathways today's learners take to complete a degree. Nearly two of every five learners transfer colleges at some point (Shapiro et al., 2018) and over 40 million people have some credits but have yet to complete a credential (National Student Clearinghouse Research Center, 2023). Learners are bringing more skills and experience with them to college than ever before in the form of dual credit, military and work experience, and certifications (Sova, 2023b). These pathways should be opportunities for a more affordable education. Instead, policies that impede credit mobility impose costs on learners and disproportionately impact those who should benefit the most. On average, students lose 43% of their previous credits when they transfer, which equates to roughly a semester's worth of lost credits (U.S. GAO, 2017).

Historically, the federal government has not exerted much influence over transfer policy. States and institutions have taken the lead on this issue, working to align curricula and build degree pathways. But the scale of the issue calls for greater federal involvement. This policy brief outlines recommendations to take initial steps in addressing some of the barriers that lead to lost credits. The recommendations are intended to ensure that learners have the resources and supports they need, institutions evaluate credits fairly and transparently, and the public has more information about transfer student outcomes.

In a prior paper, The Costs of Today's College Credit Transfer System for Learners and the Mindsets and Practices That Reduce Them, the Center for Higher Education Policy and Practice (CHEPP) documented the barriers to credit mobility and the associated costs they impose on students (CHEPP, 2024). The paper also provided three case studies of institutional practices that reduce those barriers and costs.[1] The barriers show up in three phases of a student's transfer journey, as outlined in Table 1. Common barriers leading to lost credits include a lack of quality information, slow and burdensome processes, and institutions rejecting credits in response to short-sighted financial incentives.

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[1] The institutions included in the case studies are: Southern New Hampshire University, Governors State University, Moraine Valley Community College, Virginia Commonwealth University, and Reynolds Community College.

Table 1. Barriers Leading to Lost Credits		
Pre-Transfer	**Transfer Process**	**Acceptance and Application of Credits**
· Limited access to advising · Poor information from transfer destination about transferability	· Transcript request fees · Transcript holds[2] · Closed schools · Length of credit evaluation process · Difficulty of navigating processes	· High standards for course equivalency · Using accreditors as a gauge of quality · Applying credits only as electives, not to the degree · GPA [grade point average] requirements · Less acceptance of non-standard course lengths, modalities, and sources of credit

These barriers translate into very real costs for learners, as laid out in Table 2. The average learner transferring to a public four-year institution will pay over $13,000 in additional tuition and fees and other costs of attendance. The additional semester spent in school and out of the labor market costs the average graduate $15,400 in lost wages. And those who drop out will earn $600,000 less in their lifetime.

Table 2. Costs Resulting from Lost Credits		
Financial Costs While Enrolled	**Human and Optimal Choice Costs**	**Opportunity Costs**
· Transcript request fees · Transcript hold balances · Additional courses, fees, and other costs of attendance · Exhausting Pell Grant eligibility · Incurring more debt	· Feeling inadequate and dejected · Choosing to stop out · Selecting a less desirable school or major based on acceptance of credit	· Lost wages from additional time spent in school · Lost bachelor's degree earnings premium, if learners stop out

Building Seamless Credit Transfer

This brief illustrates the role that policy can play in improving transfer student outcomes and addressing some of the barriers highlighted above. Building a seamless credit transfer system will require strong policy and practice from institutions, states, accreditors, and the federal government.

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[2] The Department of Education issued a regulation addressing transcript holds in October 2023. See www.ed.gov/news/press-releases/biden-harris-administration-releases-final-rules-strengthen-accountability-colleges-and-consumer-protection-students

Institutional Policy

Institutions, like those profiled in the prior paper, can support transfer of credit through a mix of policies, practices, and culture: timely and transparent credit evaluation processes, strong articulation agreements and pathways, and a "get to yes" mentality that seeks to maximize the credits learners can transfer in and apply to a degree. These efforts are resource-intensive and could be made more efficient through regulations that standardize or support practices for the sector at large.

State Policy

A handful of states have enacted robust transfer policies that help to alleviate these costs for learners. However, the average state has fewer than 9 of the 16 transfer policy elements that consulting firm HCM Strategists identified as part of a strong state transfer policy environment (Zaragoza, 2021). The HCM typology assessed policies like mapping pathways, guaranteeing the transfer of a core set of courses or an associate's degree, supporting advising, including competency-based education (CBE) and credit for prior learning (CPL) courses, and providing student-facing information about transfer.

Accreditation Process

Accreditors should be more proactive in encouraging and supporting institutions to improve the transfer of credit process and hold them accountable when they do not. Some institutions do not accept credits from institutions accredited by certain agencies, which does not fairly assess the quality and equivalency of a learner's credit or recognize the standards that all accrediting agencies and the institutions that they accredit must meet.

Federal Policy

Several federal policies intersect with barriers to credit mobility, even if not directly addressing transfer. This brief identifies opportunities where federal policy could help reduce the costs learners face in the current transfer system in the following areas:

- **Financial Aid:** Two eligibility restrictions on federal financial aid can have an outsized impact on transfer students: Pell Lifetime Eligibility Used (LEU) and Satisfactory Academic Progress (SAP). Further research is needed on how flexibility in these policies could support transfer students, who may use up their Pell Grant lifetime limit by retaking courses that did not transfer, and those returning to college after stopping out, if ineligibility for aid due to SAP prevents their return.

- **Closed Schools:** Students who attended closed schools struggle to access their transcripts. Federal policy should ensure learner records are retained and always available to learners.

- **Alternative Models:** CBE, CPL, and reverse credit transfer have the potential to help learners earn or receive credit in flexible and cost-efficient ways. However, when learners try to transfer these credits, they are not as readily accepted by institutions. Some policy barriers have also limited the number of institutions using these approaches.

- **Transparency:** Federal data on transfer students is inadequate to fully understand the paths transfer students take and the barriers to their success. Proposals such as the College Transparency Act and provisions in the PROSPER Act would create the robust data set needed, but the Department of Education (ED) could also make several improvements to its current data reporting requirements to include disaggregated data on transfer students.

Current Federal Policy Regarding Credit Mobility

Current federal policy is relatively silent on transfer students and credit transfer. The Higher Education Act (HEA) requires little more than transparency about institutional policies on transfer of credit and existing articulation agreements. In fact, the HEA prohibits the Department of Education (ED) and the National Advisory Committee on Institutional Quality and Integrity (NACIQI) from setting any policy requirements related to the acceptance of transfer of credit.

In the past year, ED has taken some meaningful steps on transfer students and credit mobility. Starting July 1, 2024, a new regulation prevents institutions from withholding a transcript of credits paid for with federal financial aid, which many experts expect will eliminate the practice altogether (Knott, 2023). ED also published new data on transfer student outcomes at both two-year and four-year institutions, providing a look beyond the traditional metrics of institutional success (Sotherland et al., 2023).

Further, ED has explored how federal policy could support more opportunities for students to earn credit or be awarded credit for past experiences through its Experimental Site Initiative ("ex sites"), which can waive some requirements in order to test policy solutions. Between 2014 and 2016, ED started five experiments to support broader implementation of CBE programs and CPL assessments. These experiments, which ended in 2020, provided a few illustrative case studies but did not generate sufficient data on what federal policy changes might expand the delivery of CBE and CPL or the impact that doing so would have on students (McCann et al., 2018).

Additionally, ED is currently developing regulations on issues of accreditation, program integrity, and institutional quality — with the potential to address some credit mobility barriers — which are discussed further in the following sections. There have also been efforts in Congress to support reverse credit transfer, making it easier for students who transfer from a two-year to a four-year program to apply credits from their four-year degree program toward their previous program in order to complete an associates degree (e.g., the Reverse Transfer Efficiency Act of 2023).

The following policy recommendations would improve credit mobility across the higher education sector.

Accreditation

Accreditation impacts in barriers to transferring credit in two ways: institutional decision-making and accreditor policies and practices. Some institutions use the accrediting agency of a learner's prior institution as a gauge of quality in determining whether to accept credits. Institutions' evaluation of credits should assess whether a learner has acquired comparable and applicable content, skills, and knowledge. However, past incidents of accreditors failing to exercise sufficient oversight of their institutions' academic quality (Conroy & Bauer-Wolf, 2024; U.S. GAO, 2014) have led institutions to use the accreditor itself as a shortcut for this assessment.

The Council for Higher Education Accreditation (CHEA) states that institutions should not make decisions on awarding credit based solely on the accrediting agency of the prior institution (CHEA, 2017). As CHEA's guidance notes, all federally recognized accreditors must meet the same standards, and their accreditation of an institution serves as a basic indicator that the institution meets certain minimum standards.

Accrediting agencies underutilize their potential positive influence on credit transfer and credit mobility. Sova has argued that accreditors could drive institutional change on this topic if they were to make credit mobility and transfer a key part of their evaluation of institutions (Sova, 2023a). Unfortunately, accreditors are not actively pursuing this and very rarely address the issue in their policies and procedures. Instead, a few accreditors have policies that restrict institutions' ability to recognize learners' past learning and experiences in all their forms, such as limiting the number of CPL credits that can be accepted.

ED is seeking ways to use the accreditation process to improve transfer of credit. In the Spring 2024 Negotiated Rulemaking Process on Program Integrity and Institutional Quality, ED proposed regulatory language that would strengthen the requirements for institutions' transfer policies. If that language is finalized, accreditors will have to ensure that institutions do not discriminate based on another institution's accreditor when evaluating transfer credits, explain why they reject any credits from the same accreditor, and provide data on credit transfer and applicability to degree programs. This action could be further enhanced by requiring that policies include a timely and transparent appeals process, and that students are notified of that process when they initiate the transfer process. Bringing more attention to these decisions will help inform and protect students. There is momentum for this type of transparency at the state level. Colorado recently required its four-year institutions to report on the number of credits they accept and reject, to provide the rationale, and to provide learners a right to appeal (CO. Gen. Ass., 2024). Similarly, New Jersey law requires an annual report on transfer student data in the state, analyzing the number of credits successfully transferred, outcomes among transfer students, and potential areas for improvement in the transfer system (NJ OSHE, 2023).

In Negotiated Rulemaking, ED also proposed language that would restore or strengthen quality guardrails in the accreditation process. These provisions include requiring accreditors to set standards for student outcomes, capping the time an institution has to come into compliance with accreditation standards, and restoring the "widely accepted" provision that requires accrediting agencies to have good standing among their peers. By creating stronger enforcement levers for both institutions and accreditors, the regulation could give institutions more comfort in evaluating credits on their own merits rather than on the accreditor.

Members of Congress have proposed legislation to eliminate discrimination based on the institution's accreditor. Some experts, however, do not expect such a law to have much direct impact, given the limited success of similar state laws (Sova, 2023a). However, the legislation would still send a strong signal to accreditors and institutions. Paired with a regulation requiring explanations for rejections, this could put significant pressure on institutions to revisit their approach.

Accreditation Policy Recommendations

The Department of Education should:

- Through its proposed regulations on accreditation, ensure that institutional transfer of credit policies:

  - Assess the equivalency of credits being sought for transfer.

  - Are consistently and fairly applied through a transparent process, without discrimination on the source of an institution's accreditation.

  - Provide data related to credit transfer acceptance rates and applicability to degree program.

  - Explain the rationale for rejecting credits from institutions approved by the same accreditor and offer and notify learners of a timely and transparent appeals process.

- Through its proposed regulations on accreditation, ensure that accreditors and the accreditation process are held to rigorous standards, which would provide assurance to institutions that credits earned from all Title IV institutions meet a certain standard of quality. These actions would include:

  - Restoring the "widely accepted" requirement for accreditor recognition.

  - Removing the provision that allows accreditors to set alternative standards.

  - Setting a maximum grace period for institutions to come into compliance with accreditation standards.

  - Requiring accreditors to set standards for student outcomes, which could include transfer student outcomes.

Congress should:

- Require institutions to accept at least all general education credits from any institution approved by the same accreditor (e.g., such as proposed by the [College Cost Reduction Act](#)).

- Require accreditors to examine student outcomes, including transfer student outcomes, as part of their institutional review process.

- Codify the policies in ED's proposed regulations on accreditation described above.

Accreditors should:

- Remove limits on the number of credits institutions can award through CPL or ensure that limits are reasonable (e.g., similar to degree residency requirements, which ensure that the degree-granting institution has delivered some learning and is not merely a pass-through).

- Place greater emphasis on improved credit mobility in their oversight of institutions, including by providing guidance on credit evaluation, making credit mobility policies a central part of reviews, and requiring analysis of transfer student outcomes.

Financial Aid

Two eligibility requirements for Title IV aid are likely to have an outsized impact on learners who transfer or stop out: the Pell Lifetime Eligibility Used (LEU) limit and the Satisfactory Academic Progress (SAP) requirement.

Under the Pell LEU limit, students cannot receive a Pell Grant for more than the equivalent of 12 full-time semesters over their lifetime. Students transferring to four-year institutions lose about 10 credits on average – nearly a full semester of Pell eligibility – while about 15% of students lose all of their credits (Simone, 2014). Extending the lifetime Pell limit has been proposed in Congress numerous times in recent years. The limit was 16 terms, or 8 academic years, up until 2011, when it was lowered to 12 terms to reduce costs to the federal budget.[3]

SAP requires students to achieve good enough grades to maintain eligibility for federal financial aid. Congress has set a SAP baseline requiring students to maintain at least a GPA equivalent to a "C" average, while each institution of higher education adopts its own SAP policy, either in line with the federal baseline or requiring higher GPA requirements in order for a student to stay enrolled. Congress allows institutions to waive SAP for "special circumstances" if a student proves how their recent circumstances will not impact their performance going forward. This waiver can be done through an optional appeals process and periods of academic probation that give students a chance to improve their GPA before being forced to withdraw. Many institutions are reluctant to grant exceptions because of capacity issues and perceived risk with federal compliance. This reluctance makes it harder for struggling students to persist in their studies, even when they experience temporary extenuating circumstances. Being forced to withdraw can make students less likely to reenroll later and, when they do, create more barriers to recoup previously earned credits.

Students failing to meet SAP are more likely to be low-income and learners of color. Today's Students Coalition has noted the financial barriers this policy creates for reengaging the "some credit, no credential" population (Davis Jr. & Duke-Benfield, 2023) and have proposed SAP reforms to help this population reenroll.

The SAP policy could also be evaluated through an ex site experiment. If the learner's circumstances have not significantly changed such that they are more likely to succeed, they could end up worse off: using up more of their Pell lifetime limit or taking on more debt without earning more credits. Institutions could consider scaffolding special circumstance waivers with other accountability and support measures, such as high-touch academic and financial advising.

Unfortunately, ED does not report data on Pell LEU or SAP. ED should collect data and support research on who loses their aid as a result of these policies, especially disaggregated by characteristics like age and transfer history.

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[3] Consolidated Appropriations Act of 2012 (Public Law 112-74).

Financial Aid Policy Recommendations

The Department of Education should:

- Collect and publish data on Pell LEU and SAP, including the number of students impacted by these policies, the types of institutions and programs they attend, and their educational pathway such as transfer or stopping out.

- Issue guidance that requires an appeals process and regular updating with best practices for creating and executing SAP policy, including examples of what is considered a "special circumstance" sufficient to waive SAP.

- Implement an ex site experiment allowing for institutions to implement SAP reset policies for learners returning to college after a minimum time away.

Congress should:

- Restore Pell LEU limits to 18 terms (e.g., such as proposed by the Pell Grant Expansion and Preservation Act). Absent that change, Congress should authorize ED to run a demonstration that extends Pell LEU for an additional semester to students who are within 12 credits of completing their degree.

- Require institutions of higher education to have a reasonable and clear SAP policy that includes warning and probationary periods (e.g., such as proposed by the Pell Grant Expansion and Preservation Act).

- Require that institutions have an SAP appeals process.

- Prohibit institutions from setting SAP requirements above a "C" GPA equivalent.

Accreditors should:

- Require institutions to review their SAP policies as part of their review process to ensure those policies have equitable and positive impacts on learners.

- Require data collection and analyze SAP impacts on students at each institution, including students who lose eligibility and appeals processes.

Closed Schools

Learners who attended closed schools may struggle to obtain their transcript from that school. They may need an official transcript to get credit at their new institution but have no way of knowing whom to contact to get one. This is an issue of increasing importance, as some reports indicate a rate of one college closing per week (Marcus, 2024). Federal regulations attempt to address this issue through teach-out plans and teach-out agreements that facilitate the orderly hand-off of students and their records from the closing school to another school. However, the vast majority of students at closing schools experience abrupt closures (Burns et al., 2022), which can occur before teach-out plans are in place. New America's analysis of, and recommendations for, closed school policy identified several weaknesses in current policy, including: 1) the need for improved ED and accreditor monitoring of warning signs; 2) failing to require teach-out agreements earlier, which are more robust than teach-out plans; and 3) unsatisfactory record management (Colston et al., 2020).

Closing schools also need a willing and strong teach-out partner. However, the teach-out process can be a heavy burden on the institution enrolling students from the closing school. In a 2019 regulation, ED reduced the liability risk for teach-out institutions. However, the costs of executing a teach-out are also substantial. For example, when Southern New Hampshire University (SNHU) conducted the teach-out following the precipitous closure of Daniel Webster College in 2017, the university faced significant costs for data and records management, transcript evaluation, and advising students. If institutions had some financial support from federal or state governments to execute teach-outs, more institutions might be able to take on this important responsibility.

Emerging work on comprehensive learner records could also help address lost credits due to closed schools. As learners acquire credits, skills, and credentials, they should have control over the records proving these achievements. Comprehensive learner records could remove concerns about records management in instances of school closures by putting the records in the hands of the learner, not the institution. Some institutions are beginning to implement their own adaptations of learner records (AACRAO, 2021) to capture and track learner experiences in hopes of improving credit mobility and making pathways to and from the workforce more seamless. Wider adoption and use of learner records will require ongoing development and evaluation of different models. Issues of standardization, oversight, and interoperability will need to be tested within and across sectors. States, regions, institutions, and industry groups will need to invest time and resources into data systems, tools, and governance to tap into the potential of these records (Ashburn & Fain, n.d.).

Closed Schools Policy Recommendations

The Department of Education should:

- Issue regulations that require institutions at risk of closure to develop record management plans that enable timely fulfillment of records requests from former students. States and accreditors should be party to these plans.

- Issue regulations that require accreditors to develop standards and thresholds that preface likely closures, such as financial and enrollment information, that would trigger requirements for teach-out agreements and plans.

- Issue guidance recommending that institutions waive their requirements for an official transcript from incoming transfer students if an institution has closed.

- When an institution closes, contact all current and former students to inform them of how to acquire transcripts in the future, including the relevant portions of record management plans related to timely fulfillment of requests.

- Require, through regulations, that institutions release any transcript holds in the event of closure, so that students can access their transcripts without facing a fee.

Congress should:

- Include funding for a demonstration program to support the development and evaluation of comprehensive learner records in the Fund for the Improvement of Postsecondary Education (FIPSE) authority.

- Codify the regulatory proposals described above regarding record management plans and standards intended to identify likely closure of an institution.

Accreditors should:

- Be proactive in requesting teach-out agreements from institutions, which include more robust levels of transcript and other record management planning.

- Provide flexibility to teach-out institutions in meeting accreditation requirements and timelines, especially programmatic accreditors. A "lift and shift" approach where the teach-out institution implements a closing institution's accredited program wholesale and without any significant changes should be sufficient to maintain the original programmatic accreditation until an initial review can be conducted.

States:

- In the absence of federal action, set clear requirements for records management plans for closing schools. States can pass laws to assert authority to seize records in the event of closure.

- Collect learner contact information from institutions that are at risk of closure and support communication to learners about closure and future records requests.

Alternative Approaches to Earning Credit – Competency-Based Education (CBE), Credit for Prior Learning (CPL), and Reverse Credit Transfer

CBE, CPL, and Reverse Credit Transfer hold the potential to help learners earn credit or be recognized for experiences and skills in flexible and cost-efficient ways. That potential is limited in two ways, though. First, when learners try to transfer these credits, they are not as readily accepted at other institutions. Second, policy and implementation barriers have limited the number of institutions using these approaches. A number of those barriers are intended to ensure that Title IV aid is used at programs that meet certain standards. However, there are opportunities for policy changes that can remedy some of these issues while still ensuring quality guardrails and taxpayer protection.

Credit for Prior Learning

Under CPL, including Prior Learning Assessment (PLA), an institution evaluates and awards credit for learning gained outside the classroom. Research by the Council for Adult and Experiential Learning (CAEL) on adult learners found that CPL can help lower learners' costs and improve completion. But while the impacts were bigger for low-income and Black learners, those learners were less likely to use it (Klein-Collins et al., 2020).

Current ED regulations require institutions to publish their criteria for evaluating and awarding CPL, creating some transparency. However, the costs of completing CPL assessments, or the time spent preparing for them, cannot be covered with Title IV aid. Over 20% of registrars surveyed in 2019 suggested that fees associated with CPL were a barrier for some students, particularly students of color and low-income students (Kilgore, 2020). One of the goals of the CPL experiment was to learn more about how federal financial aid could or should cover the cost of these assessments. But without findings from the experiment, more work is needed to develop a policy to ensure that institutions do not inflate the cost to capture more revenue, while also covering the costs of developing and delivering assessments.

At present, CPL is widely available to students, with over 80% of institutions offering one or more CPL options. However, over half of institutions said they do not accept CPL credits when learners transfer to their institution (Kilgore, 2024). Some states and accreditors also limit the number of credits that can be awarded for prior learning (García & Leibrandt, 2020). These caps can be reasonable at certain levels, similar to a residency requirement that ensures the degree-granting institution has delivered some learning and not just assessed what the learner already knew. High-quality assessments and better data on learner outcomes would help generate broader comfort with and acceptance of CPL credit. CAEL has developed a set of 10 standards for CPL assessments that can inform potential safeguards for students and taxpayers (CAEL, n.d.).

Competency-Based Education

Under the current federal financial aid system, students' eligibility and awards are determined based on time (e.g., credit hours, academic years). In contrast, CBE measures progress not in time but in the demonstration of competencies, at a pace determined by the learner. For these programs to be eligible for Title IV aid, they must fit into a regulatory framework that could inhibit the ideal program design. CHEPP and AIR's primer on CBE identifies some of these challenges, as well as the benefits of a quality CBE program, including lower cost and higher completion rates (CHEPP, 2023). Advocates of CBE point to these regulatory barriers as one reason why CBE has not expanded further despite interest among institutions (UPCEA, 2019; Klein & DeSchryver, 2022).

Through guidance and regulations, ED has attempted to provide a regulatory structure needed to implement CBE programs, while upholding quality guardrails and the HEA's requirements for Title IV eligibility. Given that faculty and administrators express some skepticism about the quality of CBE programs (PNPI, 2023) – and these stakeholders often play a key role in evaluating credits for transfer – it is essential that CBE programs are not seen as inherently lower quality. As innovations in CBE continue, ED will need to keep its guidance and definitions updated and as clear as possible.

A new CBE demonstration program could test a variety of models that provide institutions with additional flexibility in program design. The demonstration must collect robust data on student participation and outcomes and include a rigorous evaluation, to document the effectiveness of these programs and address concerns about quality. As institutions gain greater knowledge about what CBE is and how it meets the same quality standards, there will be more willingness to accept credits earned through CBE.

The translation between CBE or CPL and traditional credits has created issues in transfer credit evaluation at institutions as well. Staff at SNHU noted that the lack of a clear conversion for different course structures like CBE can slow down the credit review process and create confusion for learners (CHEPP, 2024). By mapping learning objectives and curricula to competencies, institutions could evaluate competency equivalency when evaluating transcripts, rather than relying on course titles, numbering, and syllabi. Institutions that award CPL can also facilitate the transfer of those credits by being transparent about the quality standards and process they use in awarding the credit.

Additionally, states are pursuing competency mapping. Alabama has built a unique "talent development ecosystem" that connects education and skills with jobs through a competency-based framework. Alabama's Talent Triad includes a credential registry in which education providers identify the competencies included in each credential (EBSCOed, n.d.). The state's learning and employment record (LER) system then allows a learner to communicate the competencies they have to institutions and employers. This has given learners greater confidence about what will transfer to other schools and given institutions greater comfort in knowing how to evaluate short-term credentials (A. Garrison Duncan, interview, June 14, 2024).

Reverse Credit Transfer

Reverse transfer is the ability of a four-year institution to offer students who transferred from a two-year institution prior to completing an associates degree, the opportunity to attain that degree after completing the required credits and transferring them back to the two-year institution. In the past ten years, reverse transfer policies among institutions and states have grown. As of 2024, 25 states have reverse transfer policies through either legislation, board policy, or memorandums of understanding. Opportunities for reverse transfer exist in all other states through institutional agreements and system programs. Attaining an associates degree through reverse transfer has been shown to increase retention and success among bachelor's degree students. There have also been efforts in Congress to support reverse credit transfer, making it easier for students who transfer from a two-year to a four-year program to apply credits from their four-year degree program toward their previous program in order to complete an associates degree.

Alternative Approaches to Earning Credit Policy Recommendations

The Department of Education should:

- Uplift best practices and resources (e.g., transcript templates, institutional policies, quality standards for evaluating and awarding CPL) to help foster consistency among institutions as they attempt to convert non-standard modalities, courses, and terms for applying credit.

- Explore and highlight existing funds that could be used to support institutions in mapping courses to competencies, such as Titles III and V.

Congress should:

- Prohibit states, accreditors, and institutions from banning credit from being accepted for transfer solely on the basis of the modality or type of credit and without assessing the learning demonstrated.

- Allow the use of Title IV aid for CPL assessments, with some guardrails to ensure that the fees charged for such assessments are reasonable and reflect the costs of assessment and time spent preparing. Authorize a robust CBE demonstration program that rigorously evaluates learner experiences and outcomes in a variety of models (e.g., such as proposed in the [Empowering Learners Through Competency-Based Education Act](#)).

- Include funding to support institutions in mapping courses to competencies through the Fund for the Improvement of Postsecondary Education (FIPSE) authority.

- Support efforts to facilitate credit transfer between institutions in order to confer associates degrees through reverse credit transfer (e.g., the [Reverse Transfer Efficiency Act of 2023](#))

Transparency

Federal data on transfer students and the transfer of credit is limited. But even at the state level, a Community College Research Center and Aspen Institute analysis found that 27 states do not have public data available on transfer student outcomes and only five states have comprehensive public transfer data that disaggregates transfer student outcomes by race/ethnicity and income (Anacki & Steiger, 2023). Across all levels, the data on transfer students is inadequate to fully understand the paths transfer students take and what contributes to their success. State longitudinal data systems are typically able to track learners as they transfer within the state but lose them when they cross state lines. The Integrated Postsecondary Education System (IPEDS) collects data at an institutional level but is not equipped to analyze learners' journeys across institutions. Improvements to the federal postsecondary data system are needed to identify and track transfer students, learn more about the barriers and costs they face, and develop additional policy solutions to improve their outcomes.

Transparency Policy Recommendations

The Department of Education should:

- Make the following improvements to its IPEDS collection to provide a better assessment of transfer student pathways and outcomes[4]:

  - Identify whether a transfer-in student in the 12-month enrollment survey is a vertical transfer student (coming from a community college or associates degree program) or a lateral transfer student (coming from a four-year institution).

  - Identify whether transfer-out students in the Graduation Rate Survey are transferring from associate degree–granting institutions to another associate degree–granting institution or a four-year institution.

  - Shorten the timeframe of the Outcomes Measures survey to report completion data after four- and six-year periods, in addition to the current eight-year timeframe.

  - Report graduation rates for cohorts of transfer students disaggregated by whether they transferred from an associate degree–granting institution or a four-year institution.

- Further enhance awareness among students and stakeholders about transfer student outcomes, by:

  - Publishing data on time to degree and debt levels of transfer students.

  - Adding outcomes of transfer students to the College Scorecard.

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[4] These recommendations draw heavily from the Aspen Institute College Excellence Program's comments submitted to the Department of Education regarding IPEDS data collection improvements

Congress should:

- Expand and improve higher education student outcomes data to enable ED to understand the varied pathways of transfer students and their outcomes, including the number of institutions attended, retention rates, and graduation rates (e.g., such as proposed in the College Transparency Act). To examine issues of lost and excess credits, data collection should include credits earned, credits transferred, time to credential completion, and total credits at time of completion.

Accreditors should:

- Ask institutions, as part of their accreditation renewal process, for more data on transfer students, including retention and completion rates, as well as the percentage of credits accepted and the percentage applied to degree programs.

Acknowledgments

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