Tertiary Education Commission
Te Amorangi Mātauranga Matua

Further consultation on qualification completion and retention rates: consultation document

We are seeking further consultation on changes to the methodologies for calculating the qualification completion rate and the retention rate.

In the first consultation process, we received valuable feedback from the sector. There was strong support to move to a cohort-based methodology for the qualification completion rate and to change the focus of the retention rate to first-year retention for longer qualifications.

There was also general support for many of the particular business rules that we proposed.

This feedback indicated that we are on the right track. However, we also received extensive feedback on further technical issues to consider and requests for further consultation.

We are now seeking comment on changes that we have made in response to the original feedback.

We have also provided tertiary education organisations (TEOs) with their indicative rates using the new / draft business rules. These are intended to give a clearer indication of how the new methodology will work in practice. Please note that these rates are only indicative and in June/July we will be providing underlying data files to work through data issues with individuals TEOs.

What is in this document

The main section provides an overview of the feedback that we received and the changes on which we are seeking feedback. This is to allow readers to consider and provide feedback on the key changes without having to read all of the detailed feedback and responses to questions that we received.

Appendices 1 and 2 provide more detailed information on the feedback that we received on the particular business rules that we proposed for both the qualification completion and retention rates. We have also provided answers to specific questions that were raised during the initial consultation.

Next steps

Once we have received feedback on this consultation document, we will be finalising a methodology in early June 2016. In June, we will be providing providers with draft rates reflecting 2015 performance and underlying data to verify and confirm that these rates and the underlying data are accurate. In August, we will be publishing rates using both the new and old methodologies.

We are continuing to work with the Ministry of Education on the impact of this change on performance-linked funding.

How and when to provide feedback

We welcome your feedback on the proposals in this document. We have created an online form where you can do this.

Please provide feedback **5pm Thursday 26 May 2016**. If you have any questions, please contact the project team on tecinvestment.approach@tec.govt.nz or contact our Sector Helpdesk on 0800 601 301.

Summary of key feedback and proposed changes

Who provided feedback

We received feedback from across the sector:

Sub-sector	No. of responses received
Universities	8
ITP	10 – incl. 1 joint response (approx. 5 providers)
Wānanga	0
ITO	1
PTE	24
Other	3 – PTE peak body, PTE representative group, supplier
TOTAL	44

Although we did not receive feedback from any of the wānanga during the formal consultation process, we discussed the proposals with each wānanga in developing the consultation document.

Qualification completion rate

Moving to a cohort-based methodology
We received strong support to move to a cohort-based methodology. Over 92 percent of respondents favoured this general change.

Rules for determining the starting cohort
Respondents were also generally supportive of the rules to determine the starting cohort.

In the original consultation document, we did not explicitly state that the starting cohort would include any confirmed enrolment, whether it is government funded or not.

Although the current EPIs only focus on and count enrolments that are funded by the Tertiary Education Commission (TEC), they should measure the performance of a TEO for all of its students and enrolments, whether funded by the TEC or not.

We propose that the starting cohort should include all confirmed enrolments, which includes:

- when a domestic student is enrolled beyond the date for a full refund of fees, but which can be prior to the date when the enrolment is eligible for government funding[1],
- full-fee paying students, and
- international students.

Rules for counting completions
We initially proposed to:

› count a completion when the learner completes a qualification at the same level that the learner initially enrolled in, and

› exclude learners from the starting cohort if the learner progresses to a higher-level qualification.

Respondents were generally supportive of these rules, but several noted that:

› we should recognise when learners progress/complete at lower -levels, and

› the rule to exclude learners who progress to higher -levels from the starting cohort leads to a methodology that is too complex and continue to allow rates to fluctuate.

[1] This data should be captured from this year meaning only cohorts starting in 2016 will have this condition.

Based on the feedback, we are now NOT proposing to exclude learners from the starting cohort if the learner progresses to a higher-level qualification.

Instead, we propose to:

- show supplementary progression/completion rates at a different level, and
- capture when learners complete at a lower levels.

Timeframes for measuring completions
In the initial consultation document, we proposed to use a:

- six-year timeframe to measure qualifications at degree-level and above, and
- three-year timeframe for qualifications below degree-level and Level 7 graduate certificate/diplomas.

Many respondents noted that:

- the proposed timeframes introduce a significant timelag, particularly for shorter qualifications, and
- there are many qualifications at levels 5–7 (non-degree) that are longer than qualifications at lower levels.

Given this feedback, we are NOT proposing to change the timeframe for measuring completions at degree-level and above (these would remain at six years).

However, we are proposing the following changes:

- For qualifications at levels 1–3, we are proposing to use a two year timeframe.
- For qualifications at levels 4–7 non-degree, we are proposing to use a four year timeframe.

Grouping Register Levels

In the initial consultation document, we proposed to group the register levels:

- L 1–3 Certificates
- L 4 Certificates
- L 5–7 Diplomas
- L 7 Graduate Certificates/Diplomas
- L 7 Degrees
- Honours & Postgraduate Certificates/Diplomas
- Masters
- Doctorates

One respondent noted that we should consider splitting level 3 from levels 1-2 – this would better align with existing policies and funding for levels 1–2 versus 3+.

Other respondents noted that there are many groupings that we should simplify these, (eg, combine L 7 graduate certificates/diplomas with L5–7 diplomas).

We are NOT proposing to split level 3 from levels 1–2, but will indicate that levels 1-3 contain qualifications that are both foundational and preparatory for higher trades.

We are proposing to change how we group the register levels to the following:

- L 1–3 Certificates
- L 4–7 Certificate/Diplomas
- L 7 Degrees, including Graduate Diplomas and Certificates
- Honours & Postgraduate Certificates/Diplomas
- Masters
- Doctorates

To support existing policies and funding, we will be producing information with different groupings (eg, levels 1–2) outside of the context of the information we publish.

Retention rate

In the initial consultation document, we proposed changing the focus of the retention rate to measure first year retention, with a focus on Level 7 degree level provision.

We received strong support to move to a focus on first year retention. However, several respondents also noted that:

› we should also measure first year retention for longer qualifications (eg, more than 1 EFTS) at levels below degree-level, and

› we should recognise when a student progresses to or completes at lower and higher levels in their second-year.

Based on the feedback, we propose three changes:

- applying first year retention rule to Levels 4–7 that have an EFTS-value of 2 EFTS or more;
- in addition to any re-enrolments in the second year, count completions by the end of the second year, and
- measuring when a learner has progressed to a higher or lower level in their second year to align with the methodology for the completion rate.

Full-time versus part-time study

In the initial consultation document, we proposed rules to determine when a learner should be counted as part time or full time over the entire course of their study.

› RULE 1: Within a calendar year, a learner is studying full time if they study .8 EFTS or more

› RULE 2: A learner is in full-time study over the entire course of their study if and only if the learner is in full-time study for all or most of the years of their study. Otherwise, the learner is in part-time study.

Several respondents noted that the rules do not, but should, capture when a learner is studying full time for part of the year.

In response to this feedback, we propose to change Rule 1 to:

- RULE 1 (modified): For a calendar year, a learner is studying full time if the average EFTS per month is greater than or equal to 0.08 EFTS. This is calculated by summing the EFTS delivered in the year for the learner and dividing it by the number of distinct months enrolled.

Appendix 1: Detailed feedback and responses – Qualification Completion Rate

Moving to a cohort-based methodology

We proposed moving to a cohort-based methodology for the qualification completion rate using the following definition:

Definition

The qualification completion rate at level x for a cohort that started in year y at a TEO =

> Total number of learners in the starting cohort at level x for year y who complete a qualification within a given timeframe, divided by
>
> Total number of learners in the starting cohort at level x for year y

Respondents strongly supported changing to a cohort-based methodology:

- 92 percent of respondents favoured this change; 41 percent strongly favoured, while 51 percent favoured.

Respondents also generally supported the particular set of rules that were proposed:

- 74 percent agreed that the set of business rules provided a simple methodology that produces timely and useful information. Of these, 19 percent strongly agreed, while 55 percent agreed.
- However, respondents also raised a number of further technical issues and suggested changes, which are discussed below.

Rules for determining the starting cohort

We proposed three rules for when a learner should be counted in a starting cohort:

RULE 1: FIRST ENROLMENT AT LEVEL X IN YEAR Y AT A TEO

- A learner is in a starting cohort at level x in year y at a TEO if the learner's first enrolment at the TEO is at level x and in year y.

RULE 2: THERE IS A SIGNIFICANT GAP (5 YEARS OR MORE) IN ENROLMENTS FOR A LEARNER

- A learner counts in a new starting cohort at level x in year y at a TEO if there is a gap of 5 years or more between the current enrolment and the previous enrolment in that level at that TEO.

RULE 3: SUBSEQUENT ENROLMENT AFTER HAVING PREVIOUSLY COMPLETED A QUALIFICATION AT THE TEO

- A learner counts in a new starting cohort at level x in a given year y at a TEO if the learner has a subsequent enrolment in year x and level y at the TEO following the completion of a prior qualification at the TEO.

Feedback

Respondents were generally supportive of the above three rules.

In the original consultation document, we did not explicitly state that the starting cohort would include any confirmed enrolment whether it is government funded or not.

Although the current EPIs only focus on and count enrolments that are government funded, they should measure the performance of a TEO for all of its students and enrolments, whether funded or not.

We believe that the EPIs should measure the performance of a TEO for all of its students and enrolments, whether funded or not.

Key proposal

We propose that:

- the starting cohort should include all confirmed enrolments, which includes:
  - when a domestic student is enrolled beyond the date for a full refund of fees (but which can be prior to the date when the enrolment is eligible for government funding),
  - full-fee paying students, and
  - international students.

Questions raised in feedback

Question: Will the rules for methodology recognise rolling enrolments within a calendar year?
We are proposing to report on starting cohorts by calendar year because reporting at a more granular level (eg, rolling enrolments within a calendar year) would result in reporting on a large number of rates that would make it difficult to provide an overview of a provider's performance.

The proposed methodology however allows TEOs and TEC to analyse the rates of cohorts at a more granular level.

Question: If a learner is enrolled in multiple qualifications at the same level in the same year, will each of these different enrolments be distinctly counted in the starting cohort?
No. The SDR does not enable us to reliably identify when a learner is enrolled in multiple qualifications, as opposed to when a learner switches qualifications within a calendar year.

Until we are able to gather the relevant data to identify when a learner is enrolled in multiple qualifications within the same year, a learner can only count once in starting cohort at a level x in a given year y.

Question: What happens if a learner takes time off during the course of their study?
If the gap between a learner's enrolments is less than 5 years, the learner will continue to be counted in the cohort that the learner is initially enrolled in. If the learner then completes a qualification within the proposed timeframes, the learner will be counted as a successful completion in the qualification completion rate.

For example, if a learner starts a degree in 2005, takes a year off in 2006, and completes the qualification in 2009, the learner will continue to be counted in the 2005 cohort and the completion will be counted for that cohort.

However, if there is a gap in enrolments that is 5 years or more (eg, in 2004 and then 2010), the learner's later enrolment will be used to count the learner in a new cohort (eg, the cohort for 2010).

Question: What is meant by a 'subsequent enrolment' (re: Rule 3 for determining a starting cohort)?
In this context, a 'subsequent enrolment' refers to when a learner enrols in a qualification after having a completed a qualification. For example, if a learner starts and completes a level 3 qualification in 2008 and then enrols in a course that is linked to a qualification at level 3 in 2009, the learner will be counted in the starting cohort at level 3 in 2009.

Question: If you have 50 (out of 100) from the 2007 cohort and 25 (out of 85) from the 2008 cohort and 100 (out of 300) from the 2010 all finish a level 7 degree in 2011 – are three different completion rates given?
Yes. The qualification completion rates will be calculated for the starting cohort years, and not the year in which the learners actually complete.

Rules for counting completions

In the original consultation, we proposed that the qualification completion rate be based on whether the learner completes a qualification at the same level that they initially enrolled in:

Completion Rule:
A learner has a completed qualification if, and only if, the learner completes a qualification at the same level as the qualification the learner started at the beginning of the cohort.

Supplementary Rule:
We also proposed that if a learner progresses to a higher-level qualification without completing the qualification, the learner should be excluded from the original cohort and included in the higher-level cohort.

Measuring transfers:
We also noted that we would look at measuring when learners transfer to another TEO.

Feedback
We received strong support for measuring when a learner transfers to another TEO, before completing a qualification. We will be providing supplementary information about transfers later this year.

Respondents were generally supportive of the completion rule(s).

Several respondents noted that we should also measure when learners complete/exit with a qualification at a lower level.

Other respondents noted that the methodology becomes very complex, if we exclude learners from cohorts when they progress to a different higher level.

Key proposal
Based on the feedback, we are not proposing to change the rule to count when a learner completes a qualification at the same level that the learner initially enrolled in.

We propose two changes:

- measuring progressions/completions at lower levels, and
- showing supplementary progression/completion rates at lower and higher levels, instead of excluding these learners from the starting cohort.

This would be shown as a completion rate at a given level with supplementary progression/completion rates to lower and higher levels.

Timeframes for measuring completions

We originally proposed to use a:

- six-year timeframe to measure qualifications at degree-level and above, and
- three-year timeframe for qualifications below degree-level.

A number of respondents provided feedback on the timeframes that we proposed to measure completions, noting that:

- they introduce a significant timelag, particularly for shorter qualifications, and
- there are many qualifications at Levels 5–7 (non-degree) that are longer than qualifications at lower levels.

We are NOT proposing to change the timeframe for measuring completions at degree-level and above (these would remain at 6 years).

Key proposal
We are proposing the following changes:

- For qualifications at levels 1-3, we are proposing to use a two year timeframe,
- For qualifications at levels 4-7, we are proposing to use a four year timeframe.

To mitigate some of the timelag issues, we are also planning to supply TEOs with rates, showing how the rates develop over time (eg, after 1 yr., 2 yrs., etc.).

Questions raised in feedback

Question: How are the 3 yrs/6 yrs counted? Is it 3 yrs/6 yrs from the start or the end of the calendar year for the starting cohort?
The years are counted from the start of the calendar year for the starting cohort. For example, the 6 year timeframe for a cohort that started at degree-level in 2009 would count completions up to the end of 2014, and we would be reporting on this rate in 2015.

Question: How will completion rates be shown? At what point would 2015 cohort degree qualifications be included in the completion rate?
We would not be publishing the degree completion rate for the 2015 starting cohort until 2021 to allow for completions up until the end of 2020. However, as noted above, we plan on providing TEOs with the rates as they develop over time – how the rate is increasing during the years up to 2021.

Question: Are the timeframes used to measure the rates for both full-time and part-time students?
Yes. This is why we need longer timeframes than what would be expected for a full-time student to complete a qualification.

Grouping register levels

In the original consultation document, we proposed to use the following register level groupings:

- L 1–3 Certificates
- L 4 Certificates
- L 5–7 Diplomas
- L 7 Graduate Certificates/Diplomas
- L 7 Degrees
- Honours & Postgraduate Certificates/Diplomas
- Masters
- Doctorates

Feedback

One respondent noted that we should consider splitting level 3 from levels 1–2 – this would better align with existing policies and funding for levels 1–2 versus 3+.

Other respondents noted that there are many groupings that we should simplify these, (eg, combine L 7 graduate certificates/diplomas with L 5–7 diplomas.

Key proposal

We are NOT proposing to split level 3 from levels 1–2, but will indicate that levels 1–3 contain qualifications that are both foundational and preparatory for higher trades.

We are proposing to change how we group the register levels to the following:

- L 1–3 Certificates
- L 4–7 Certificate/Diplomas
- L 7 Degrees, including Graduate Diplomas and Certificates
- Honours & Postgraduate Certificates/Diplomas
- Masters
- Doctorates

To support exist policies and funding, we will be producing information with different groupings (eg, levels 1–2) outside the context of the information that we publish.

Questions raised in feedback

Question: How will the aggregated rates be calculated?

For a TEO that offers qualifications at different levels, we will calculate rates for grouped register levels and an overall rate by summing the different denominators and numerators at the different levels and then calculate an overall rate by dividing these sums together. The following table illustrates how an overall rate would be calculated using a hypothetical example:

Level	2014 Qualification completion rate	Denominator	Numerator (learners from starting cohorts who completed by end of 2014)
4–7 (non-degree)	40%	10 (learners who started in 2012)	4
7 (degree)	60%	100 (learners who started in 2009)	60
Total	58.2%	110	64

Full-time versus part-time

In the original consultation document, we proposed the following two rules to determine whether a learner is in full-time or part-time study over the entire course of their study

- RULE 1: Within a calendar year, a learner is studying full time if they study .8 EFTS or more
- RULE 2: A learner is in full-time study over the entire course of their study if and only if the learner is in full-time study for all or most of the years of their study. Otherwise, the learner is in part-time study.

Several respondents noted that the methodology should measure when a learner is studying full time for part of the year.

Key proposal
We have revised Rule 1 to capture when a student is studying full time for part of the year.

- RULE 1 (modified): For a calendar year, a learner is studying full time if the average EFTS per month is greater than or equal to 0.08 EFTS. This is calculated by summing the EFTS delivered in the year for the learner and dividing it by the number of distinct months enrolled.

Appendix 2: Detailed feedback and responses – Retention Rate

In the original consultation document, we proposed to change the focus of the retention rate to measure first year retention for longer qualifications – degree-level qualifications and above.

Feedback
We received strong support to move to a focus on first year retention. 70 percent of respondents supported moving to a focus on first year retention, while 17 percent thought the change was not applicable and only 6 percent opposed the change.

Several respondents noted that:

› we should measure first year retention for longer qualifications (eg, more than 1 EFTS) at levels below degree-level, particularly for non-degree qualifications at levels 5–7, and

› we should recognise progression/completions to lower and higher levels.

Key proposal
Based on the feedback, we are proposing three key changes:

› applying first year retention rule to Levels 4–7 that have an EFTS-value of 2 EFTS or more;

› in addition to any re-enrolments in the second year, count completions by the end of the second year, and

› measuring when a learner has progressed to a higher or lower level in their second year to align with the methodology for the completion rate.

Questions raised in feedback

Question: Does the methodology take into account learners who take a complete break of a year or two?
If a learner takes a break in their second year, the student will not be counted as being re-enrolled in the second year.

Question: Is the calculation of re-enrolling after their first year calculated on the basis of the calendar year or when a student actually starts?
The calculation is based off the calendar year, which means that if a learner starts a qualification at the beginning of 2009, the learner will have re-enrolled as long as there is a course enrolment for the learner with a start date in 2010.