

# Ensuring Learner Credits Transfer into Credentials Valued in the Marketplace

With input from internal and external stakeholders and community partners, The Attainment Network has identified areas of further policy, practice and/or statutory support needed to advance the education-to-career ecosystem in Colorado. Updated in November 2025, these policy briefs provide analysis of the issues, national best practices, current local best practices, and recommendations to accelerate learner success in Colorado.

## Background

Transfer is an increasingly complex and perplexing issue for learners navigating the U.S. higher education system, and in recent years it has been a significant topic of discourse in Colorado. While Colorado has a nationally recognized transfer framework, complexities continue to create confusion for learners. Not only is the system complicated, but learner pathways and behavior have evolved over time. While vertical transfer (two-year institution to four-year institution) continues to be the focus of most transfer policies, lateral, reverse, swirling, and returning transfers are becoming more prevalent. Additionally, those transferring credits in historically nontraditional ways—such as utilizing work, military, or other non-credit experiences—are navigating a system that was not originally designed for them. As a result, many students are not completing their educational goals. According to the [Community College Research Center](#) (CCRC):

- 80% of first-time community college students aspire to earn a bachelor's degree, but only 8% do so within six years.
- Out of 100 entering community college students, 31 transfer, and only 15 complete a bachelor's degree.
- Lower-income learners complete at half the rate of higher-income peers (10% vs. 21%).

Credit loss and resulting costs are a major contributor to students' stalled progress:

- Students transferring from community colleges to public four-year institutions lose about 22% of earned credits; those transferring to private nonprofits lose more than 25% ([Education Strategy Group, From Patchwork to Pathways](#)).
- More than half of Americans attempting to transfer credits report losing credits; 1 in 5 repeat coursework, and 16% abandon their educational goals entirely ([2025 Public Agenda Survey](#)).
- An additional year of college—often caused by credit loss—costs students \$72,730 in expenses and lost wages ([2025 Colorado Legislative Audit Report](#)).

## Problem Statement

The modern transfer landscape has grown increasingly complex. Students frequently engage in both lateral transfers (between two-year institutions) and vertical transfers (from two- to four-year institutions), often transferring multiple times and compounding both costs and credit loss. Confusion for students, and those working to support them, is exacerbated by unclear reasons why credits are not transferring toward their degree requirements or being accepted at all. A [2024 AACRAO LEARN Commission report](#) found that nationally:

- 67% of bachelor's degree recipients graduate with credits from multiple institutions.
- Only 8% of successful community college transfer students follow the traditional 2+2 pathway.

The report also found a wide variety of differences in institutional transfer policies, with 39% of institutions transferring all eligible credits regardless of major; 31% only transferring credits applicable to the declared major; and 30% imposing credit limits. Further adding to the complexity and confusion for learners and those supporting them is the large variation in how credits are applied when they do transfer:

- 74% apply to general education
- 55% to electives
- 41% to major requirements
- 18% to minor requirements

Lack of transparency is also a significant barrier for students, with 43% of those with rejected credits receiving no explanation for the denial.

## Implementation Obstacles in Transfer Policy

Despite policy frameworks designed to facilitate transfer, implementation remains flawed. [Education Commission of the States \(ECS\)](#) identifies four essential components for successful transfer systems: Common course numbering, transferable lower-division core curriculum, guaranteed associate degree transfer, and reverse transfer programs.

While Colorado exemplifies a state with all four components—joining only seven others nationwide—a 2025 legislative audit found challenges remain for Colorado students;

- 34% of Colorado students experienced transfer problems
- 25% did not receive all guaranteed credits

Military students encounter particular transfer obstacles due to inconsistent evaluation methods across institutions, putting these students at risk of exhausting GI Bill benefits before degree completion. While 79% of military students receive at least some transfer credit when submitting transcripts for evaluation, only 47% end up submitting this documentation ([2025 Colorado Legislative Audit Report](#)).

Students pursuing short-term credentials face additional barriers. [CCRC](#) identified that non-credit workforce development programs often remain disconnected from credit-bearing systems, even when covering identical content. This artificial divide particularly affects adult learners seeking to stack credentials toward degrees while maintaining employment.

Financial considerations significantly influence transfer decisions and success rates. [Research by the Institute for Higher Education Policy](#) (IHEP) found that for every \$1,000 increase in the tuition gap between four-year and two-year institutions, the probability of transfer decreases by nearly 3%. This economic reality, combined with credit loss and extended time to degree, creates a compounding disadvantage for students who begin at community colleges—typically those from lower-income backgrounds who most need affordable pathways to bachelor's degrees.

Transfer complexities and obstacles lead students to make "optimization calculations" with incomplete information, resulting in suboptimal choices that undermine their educational goals ([ESG](#)). Without systematic reform addressing both policy design and implementation, the transfer pathway will continue to fail the millions of students who depend on it for economic mobility and educational advancement.

### Colorado has a robust transfer framework, yet challenges remain for Colorado students:

34% experienced transfer problems

25% did not receive all guaranteed credits

## Goal

[ESG](#) emphasizes that effective transfer systems should be comprehensive, cohesive, and responsive. This includes having policies that cover all institutions statewide, are unified across the system, and allow for adaptation as institutional curriculum changes. Realizing this vision will require Colorado's system to meet the following goals:

- Seamless Transfer: Build and expand policies and practices to ensure credit transfers seamlessly among and between secondary and postsecondary institutions, and into an applicable area of study, preventing credit loss and ensuring acceleration for learners toward a credential and living-wage employment.
- Fair and Transparent Education-to-Workforce System: Industry-recognized credentials, short-term certificates, prior learning, and work experience transfer into postsecondary institutions and count toward credentials and degrees in high demand industries.

### In Colorado

In addition to being [nationally recognized](#) as having a robust transfer framework, Colorado has been at the forefront of innovative transfer options for learners:

- [Colorado ReEngaged Initiative \(CORE\)](#), allowing bachelor's degree granting institutions to grant associates degrees to students who have stopped out
- [Expansion of credit for prior learning](#) portfolio to include military credits, work-based learning, and industry certifications
- "[Student Bill of Rights](#)" is updated and establishes Colorado as the first state to mandate transparency on how and why credits are accepted or rejected and whether they apply to degree requirements, as well as requiring institutional transparency, timely responses on credit transfer applications, and the right to appeal denials within 30 days.

Despite its robust portfolio of transfer policy and supportive transfer legislation, the [2025 legislative audit](#) confirmed complications and barriers within the transfer system remain for many students:

- Overall, 34% of students experience transfer problems resulting in lost credit.
- [Statewide Transfer Agreements](#) generally worked as designed, but 25% of students didn't receive all guaranteed credits.
- [Guaranteed Transfer \(GT\) Pathways](#) worked as intended for 78% of reviewed students, with issues primarily occurring with two-year to two-year college transfers.

The performance audit identified critical gaps that remain in Colorado's system:

- No easily navigable credit transfer portal at the state level where students and families can see credit transferability and applicability.
- Transfer and articulation agreements are only guaranteed at public institutions with no statutory requirement for private institution participation.
- Credit for prior learning has not been sufficiently elevated, scaled, updated and enforced in a coherent manner.
- Advising practices and training are inconsistent throughout the state.
- No guarantee that individual coursework within a statewide transfer degree program will transfer to another program if a student changes majors.

The [audit](#) validated the importance of recent legislative changes and made 19 recommendations that build upon the framework developed in the updated Student Bill of Rights. Specific recommendations from the statewide audit include:

- **Policy Clarification:** Immediately clarify policies on accepting transfer credits without requiring all original documentation, the handling elective and foreign credits, and the applicability of Guaranteed Transfer Pathways applicability to associate degrees.
- **Improved Oversight:** Resume tracking and reporting on transfer student outcomes and graduation rates, joining the 19 states currently reporting such data effectively.
- **Standardization for Military Credits:** Establish consistent methods for evaluating military experience, clarify acceptable documents, and update the outdated 2018 military credit tables.
- **Student Communication Requirements:** Develop mandatory requirements for how colleges follow up with students about missing transcripts and documentation.
- **Enforcement and Remediation:** Establish ongoing monitoring mechanisms for compliance with state law and Commission policy.

## Recommendations

Significant progress has occurred in Colorado over the last several years. However, based on ongoing system needs, the 2025 audit findings, and national best practices identified by leading research organizations, we recommend the state act on both the performance audit's recommendations and work toward implementation of strategic system improvements that are aligned with best practice:

- **Create Automated Transfer Processes:** Implement systems granting automatic admission to students who complete transfer requirements and meet specified GPAs, reducing bureaucratic barriers.
- **Strengthen Advisory Support:** Address the finding that 50% of transfer students never use advising services by implementing proactive, mandatory advising checkpoints throughout the student journey.
- **Honor Prior Learning and Work:** Improve the validation of prior learning and work experience, including military occupations and credits.
- **Review Guaranteed Transfer Criteria:** Ensure credit transfer is applicable to academic programs, addressing the finding that some colleges deny credits deemed "unnecessary."
- **Build Next-Generation Education-to-Workforce Data Systems:** Support learner-centric systems that allow credit to move with the learner.
- **Consistently Collect and Analyze Disaggregated Transfer Data:** Enable policy makers and implementors to identify and address equity gaps by race/ethnicity, income, and program.
- **Develop Robust Student-Facing Portals:** Provide learners and those supporting them with planning tools for transparent credit transfer information.

## Conclusion

**Gaps Between Policy and Implementation Persist:** The 2025 audit of Colorado's transfer system, combined with national research from leading organizations, provides critical validation of both the state's progress and its ongoing challenges. Colorado has built many components of a strong transfer ecosystem, yet the reality that 34% of students still encounter transfer problems underscores a significant gap between policy design and successful implementation.

**Credit Mobility is an Economic & Equity Priority:** With more than half of U.S. transfer students losing credits, only 15% of community college students ultimately earning bachelor's degrees, and community colleges serving as the entry point for the majority of Latine undergraduates and lowest-income students, transfer is both our greatest challenge and opportunity for achieving educational equity. The cost of an additional year of college is approaching \$72,730, so improving credit mobility is not just an administrative concern but a critical equity and economic issue for Colorado's learners.

Colorado can transform transfer from a barrier to a truly seamless system that is a bridge to opportunity by addressing these recommendations and learning from leading states. A transfer system that honors credits students have earned, reduces time and cost to degree, and includes the experience of all learners—including military students, low-income students, students of color, and those pursuing non-traditional pathways—will enable more Coloradans to achieve their educational and career goals with greater efficiency and equity.

