You Get What You Pay For: Factors Impacting the Cost of Examinations

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How much are you paying for your hotel room?

A - A lot less than it’s worth
B - Somewhat less than it’s worth
C - Just what it’s worth
D - Somewhat more than it’s worth
E - A lot more than it’s worth

What goes into the charges?

- Obvious costs?
- The not-so-obvious costs?
Session Goal

This session:
- will address factors impacting actual costs for critical elements of a credentialing program
- is designed to assist regulatory bodies in planning for program costs

Decisions Facing a Regulatory Body

- Are we required to have a licensing/credentialing exam?
- What is our role as regulators beyond requiring one?
- Considerations:
  - Prior history/other jurisdictions
  - Specific assessment needs for the profession?
  - What is important to test and how?
  - Costs

Balances

- What does the regulatory body need to know to make the best decisions regarding costs?
- What factors contribute to the costs for an examination program?
- What are the pros and cons a regulatory body must consider regarding costs?
  - Each option considered comes with a cost
Regulatory Body must...

- Ensure the examination is:
  - Testing at the appropriate level
  - Testing for the "right" things (competency-based)
  - Properly supported psychometrically
  - Defensible, if challenged
- Consider costs for each component
- Balance costs with resources and requirements
  - High stakes examinations need to be done right

Fixed vs. Variable Costs
One time vs. Recurring

- Examples of fixed costs:
  - Job analysis, test performance reports
  - Test development to build and maintain item banks
- Examples of variable costs:
  - # of candidates testing
  - Legal fees
  - IT support

What Are the Major Components of a Credentialing Program that Contribute to Costs?

- Job Analysis
- Test Development
- Standard Setting
- Exam Administration
- Scoring and Reporting
- Candidate Support Services
- Marketing and Public Relations
- Legal
What costs your organization the most?

A - Job Analysis  
B - Test Development  
C - Standard Setting  
D - Exam Administration  
E - Scoring and Reporting

What Are the Behind the Scenes Components of a Credentialing Program that Contribute to Costs?

- Strategic planning
- Governance
- Stakeholder engagement (Boards/Councils, SMEs, licensees/members, members of the profession)
- Policies and procedures for
  - Initial eligibility criteria (education, experience, examinations)
- Policies and procedures for recredentialing
- Appeals
- Other

Job Analysis - What Impacts Costs?

- Incentives for participation
- Marketing
- Conducting meetings in-person versus virtual
- Conducting outreach efforts to attract critical subgroups of respondents
- Analyses performed
- Frequency with which JA is conducted
Test Development—How much does an item cost?

A- Less than $250 per item
B- $251 to $500 per item
C- $501 to $750 per item
D- $751+ per item
E- I have no idea

Test Development—What Impacts Costs?

- Conducted face-to-face, virtually, or independently
- # of campaigns for item yield required
- SMEs recruitment and incentives
- Item yield rate
- Item exposure and overlap policies
- # of test forms required

Standard Setting—What Impacts Costs?

- Standard setting methodology
- Conducted face-to-face or remotely
- Duration of session
- # of sessions
- # of participants
Exam Administration—What Impacts Costs?

- Delivery method
- Delivery location, frequency of delivery
- Test length
- Program policies for administration:
  - Proctor requirements
  - Ancillary materials required

Scoring and Reporting—What Impacts Costs?

- Complexity of scoring model selected
- Results reporting at administration or post-administration
- Pass/fail or extended feedback
- Ancillary materials (i.e., certificates) mailed to successful test takers
- Technical reports issued

Candidate Support Services—What Impacts Costs?

- How candidates contact regulatory body - phone, email
- # of candidate inquiries about program policies
- Accommodations for disabilities
- # of challenges about questions
Marketing and Public Relations—What Impacts Costs?

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  # and types of marketing campaigns to inform stakeholders about program
- Website maintenance
  - On-line services for licensees, employers, public
- Award programs

Legal—What Impacts Costs?

- In-house or external legal council
- Services covered by basic retainer or services outside of "normal" services
- 
  # of requests for legal services
- Litigation

Has your organization dipped into its reserve fund for an unexpected expense?

A. No
B. Yes
C. Not sure
Must Plan for Contingencies

- Legal fees for a candidate challenge
- Unplanned administrations
- Security breach
- Other reasons for a reserve fund?

Lessons Learned

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