




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




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What goes into the charges?

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




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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



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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




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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




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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

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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

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**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

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What costs your organization the most?

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

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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

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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

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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

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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

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Standard Setting—What Impacts Costs?

- Standard setting methodology
- Conducted face-to-face or remotely
- Duration of session
- # of sessions
- # of participants

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Exam Administration—What Impacts Costs?

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

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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

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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

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Marketing and Public Relations—What Impacts Costs?

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

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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

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


A- No
B- Yes
C- Not sure

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Must Plan for Contingencies

- Legal fees for a candidate challenge
- Unplanned administrations
- Security breach

- *Other reasons for a reserve fund?*

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Lessons Learned

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