Testimony to U.S. Senate Higher Education Committee
President Robert W. Mendenhall, PhD
Western Governors University
February 2, 2012

Chairman Harkin, Ranking Member Enzi, and Members of the Committee, thank you for the opportunity to testify before the Committee today. I am Dr. Robert Mendenhall, President of Western Governors University, and I appreciate the Committee's interest in considering innovations in college affordability.

Western Governors University (WGU) is a nonprofit, fully online university established in 1997 by a bi-partisan group of 19 U.S. governors. The university's mission from the start has been to improve quality and expand access to higher education opportunities. WGU offers accredited bachelor's and master's degree programs in the four high-demand workforce areas of business, information technology, K-12 teacher education, and health professions, including nursing. Growing by approximately 30% annually, the university has more than 30,000 students and 15,000 graduates in all 50 states and the District of Columbia.

WGU provides high-quality education that is very affordable. The university is self-sustaining on tuition of $6,000 per year for most of our programs, and, while other institutions are raising tuition annually, WGU's tuition has only increased by $200 in the past six years.

Today, 37 million American adults have started, but not completed, a college degree. WGU was created to meet the needs of working adults and other individuals who do not have access to more traditional higher education. The average age of WGU students is 36 years old, most of our students have families, 65% work full time, and the majority have completed some college when they enroll at WGU. In addition, 74% are classified as underserved (ethnic minority, low income, rural, or first generation to complete college).

The WGU approach to learning is unique in two important ways, resulting in increased productivity, a higher level of student support, and shorter times to graduation. First, rather than simply delivering classroom instruction through the Internet, WGU uses a competency-based learning model, which measures learning rather than time. This approach allows students to earn their degrees by demonstrating their mastery of subject matter rather than spending time in class to accumulate credit hours.

Required competencies for each degree program are defined in collaboration with external program councils that are composed of representatives from industry and higher education. By working with these councils, we ensure that our students graduate with the knowledge and skills employers need.

We know two important things about adult learners: they come to college knowing different things, and they learn at different rates. Rather than requiring all students to complete the same classes, all lasting four months, WGU has created a model that allows students to move quickly through material they already know so they can focus on what they still need to learn. Students advance by successfully

completing assessments that measure competencies, such as exams, papers, and performance tasks. To pass, they must earn the equivalent of a "B" grade or better. This model dramatically shortens the time to graduation—the average time to complete a bachelor's degree is 30 months.

The second unique attribute of our model is the use of technology to facilitate learning. Technology has increased the productivity of nearly every industry except education, where it is most often an add-on cost and not used to change or improve teaching and learning. Even with the improvements in online learning platforms and resources, the majority of online education is simply classroom education delivered through the Internet, instructor-led and time-based. As a result, most online higher education is no more affordable than traditional education.

In contrast, WGU actually uses technology to provide interactive instruction that allows students to learn at their own pace. Rather than delivering lectures, our faculty, all full time, serve as mentors, and are fully engaged in the learning process, leading discussions, answering questions, and serving as role models for their students. WGU does not develop course content and curriculum; faculty members identify and qualify learning resources from the best third-party sources in the country.

WGU is accredited by the Northwest Commission on Colleges and Universities and the Distance Education and Training Council. The WGU Teachers College, which offers initial teacher licensure as well as nationally recognized math and science education programs, has earned accreditation from the National Council for the Accreditation of Teacher Education (NCATE). In addition, our nursing programs are accredited by the Commission for Collegiate Nursing Education (CCNE).

In 2010, WGU partnered with Governor Mitch Daniels of Indiana to establish WGU Indiana as "Indiana's 8th state university." Creation of WGU Indiana allowed the state to expand its higher education capacity without adding ongoing cost and to offer an affordable option to populations underserved by the state system. This state-chartered version of WGU has also been adopted by Washington and, most recently, Texas. Partnering with states in this way has resulted in dramatic enrollment increases—more than 500% growth in Indiana in 18 months and 100% growth in Washington in 6 months.

While we want to increase the affordability and accessibility of higher education, we must also maintain quality. There is an ongoing debate about the quality of online learning, but the fact is that the quality of education is largely independent of the mode of delivery. Just as with "brick and mortar" institutions, there are wide variations in quality. Regardless of whether it is delivered in a classroom or online, all higher education should be judged on the same basis: educational results. That is, is it high-quality and effective in meeting the needs of students and employers?

At WGU, we measure our success by the engagement and success of our students. Here are some key data:

- In the National Study of Student Engagement (NSSE), WGU consistently scores above the average of all participating institutions in areas such as the level of academic challenge, quality of academic advising, supportive environment, and overall educational experience.
- The university's one-year retention rate is 78%, and more than 80% of our students are in good academic standing.
- On our most recent student satisfaction survey, 97% reported that they are satisfied with their experience and that they would recommend WGU.

- Approximately 65% of graduates surveyed said they had received a raise, promotion, or new job as result of their WGU degree, and 97% said they would recommend WGU.
- On our 2011 employer survey, 98% rated the preparation of WGU graduates as equal to or better than graduates of other universities; 42% rated it better.

We do not claim that we have achieved the perfect model for higher education at WGU. We continue to work to refine and improve it, focusing on affordability, but always keeping academic rigor and student success at the forefront.

As the members of the Committee know, our nation is facing a crisis in higher education. The Georgetown Center on Education and the Workforce tells us that by 2018, 66% of new jobs will require a college degree, and today, only 40% of adults have completed college. This means that the U.S. needs to produce roughly one million more graduates per year—40% more than we are producing today—to ensure that we have the skilled workers we need. According to a report published by McKinsey and Company in November 2010, to achieve this increase in degree production at the current cost, the U.S. would need to increase educational funding by $52 billion a year or increase productivity by 23%.

We know that we cannot increase funding for higher education at that level, so we must find ways to make higher education more productive and affordable. Efforts to cut costs by streamlining administrative processes, reducing facility costs, and other savings measures will not be enough. We must re-think the way we look at higher education and make fundamental changes, including adopting new models like competency-based learning.

In a report for the Center for American Progress, "Disrupting College, How Disruptive Innovation Can Deliver Quality and Affordability to Postsecondary Education," Harvard Business School Professor Clayton Christensen and the Center's Director of Postsecondary Education Louis Soares discuss disruptive innovation in higher education. The report applies the principles of disruptive innovation—using technology enablers, such as online learning, and changing the business model—as an approach to make higher education more affordable and accessible. WGU and WGU Indiana are cited as examples of disruptive innovators in higher education.

As the U.S. higher education community works to increase access and affordability, I encourage the Committee and Congress to support the institutions that are "disruptive innovators," providing quality education at a lower cost. Opponents of new models and innovative approaches to higher education can be vocal and sometimes convincing, but the best way to evaluate the quality and effectiveness of these institutions is to ask their students, graduates, and faculty, as well as the employers of their graduates.

I would also recommend that Congress consider creating a "Demonstration Project" for financial aid, similar to the demonstration project for distance learning, which was created in 1998. This project would allow, on a selected basis, waivers of current financial aid rules to allow us to try new things and explore and evaluate new models before implementing them nationally. A key area of study should be the use of "performance triggers" for disbursing financial aid. This project could also help determine the types of new regulations and/or legislation needed to support competency-based education, in other words, measuring learning rather than time.

It is vital that Congress support new, more cost-effective models of higher education. We need our legislators to highlight and promote new models and ensure that future legislation and regulations support, rather than hinder, development of new models. For example, we need to remove barriers that judge institutions based on seat time, credit hours, and student-faculty ratios.

It is time for higher education to take advantage of technology to re-think education. We need to find ways to use it to customize learning to individual needs, make college more relevant and meaningful for students, increase productivity, expand access, and, most importantly, improve quality and affordability. I appreciate this opportunity and look forward to working with the Committee and the Administration to advance our mutual goals of college affordability. Thank you again for allowing me to testify before the Committee today. I look forward to answering any questions that you may have.