



## Preliminary Report

### Western Governors University Work Group

### Higher Education Coordinating Committee

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#### **Legislation:**

Section 1 of HB 4059 charges the Higher Education Coordinating Commission (“HECC”) to work with the State Board of Higher Education, community college districts, and independent for-profit and not-for-profit institutions to carry out certain goals intended to increase the number of students who graduate with four year degrees.

Section 2 of HB 4059 requires a report to the Legislative Assembly that “proposes a partnership with Western Governors University.... to provide:

- (a) Enhanced access for residents of this state to online, competency-based higher education degree programs offered by Western Governors University;
- (b) Coordination between this state and Western Governors University in terms of financial aid eligibility, data sharing and outreach efforts to adults who have completed some college coursework, but have not attained a degree; and
- (c) Specific new programs or modifications to existing programs to provide for financial aid to Oregon residents enrolling at Western Governors University.

The report is due no later than November 1, 2012.

#### **Work Group Activities:**

The work group has met several times and received testimony from Jean Folten (President of WGU in Washington), Phillip Hall and Bob McMillan (WGU students), Josette Green (OSAC Administrator), Larry Large (President of the Alliance of Oregon Independent Colleges and Universities); Steve Adkison (EOU Director of Online Programs); Jennifer Diallo (Director of ODA), Melody Rose (Vice-Chancellor of OUS), Bob Davies (President of EOU), Erik Noll (Oregon Community College Student Association), Terry Saling and Gary Willhelms (EOU students). Additionally, the work group has received numerous e-mails and reports.

The work group has also had conversations with Cam Preus, Elizabeth Cox Brand, Bridget Burns, and others. We have reviewed the existing Memorandum of Understanding (“MOU”) between Western Governors University (“WGU”) and the Oregon Department of Community Colleges and Workforce Development. The MOU was executed December 12, 2011. In 2011, 440 Oregon community college students had enrolled in WGU. This was done without significant investment by either the community colleges or WGU in marketing the MOU.

The work group has come to the following factual conclusions:

1. Too few Oregonians have post-secondary certificates or degrees and retention/ completion rates are too low. The statewide goal of 40-40-20 requires new and more focused and transformational approaches to promoting degree attainment. WGU offers a successful, competency based approach that will benefit many Oregon students.

2. Higher education has become unaffordable for many Oregonians. It is unlikely there will be increases in public money for post-secondary education in current economic climate. Depending on certain factors, such as whether or not a student enrolls part-time or full-time, or if credit for prior learning is accepted, WGU programs may offer a reasonable cost for degrees in their four disciplines at no direct costs to the state.
3. There is an undetermined gap in Oregon for the need for accredited professionals in high demand fields, such as nursing and IT. WGU is regionally accredited for these programs and could help Oregon respond to employer demand in these fields.
4. Many Oregonians who seek to complete a degree are unable to attend regular university programs due to location, work, or family schedules. The online delivery approach of WGU and its competency based model allow working adults flexibility because they can continue to work and take courses at any time. These students are able to accelerate their studies through demonstrating their competency rather than following a traditional credit based quarter/semester system.
5. WGU is accredited in all 50 states and endorsed by 19 governors, including Governor Kitzhaber. WGU has a formal partnership in three states, Indiana, Texas, and Washington. Indiana is the only state to allow WGU students access to state-based financial aid. However, only 20 percent of the WGU-Indiana students are eligible for state-based financial aid because most WGU students work. In the state of Washington, 86 percent of the WGU students were students of the community college system. Many community college graduates had difficulty in being admitted to state universities. WGU-Washington did not significantly impact the Washington University System. However, it did have a significant impact on Phoenix University. The state of Washington invested \$4.2 million in the WGU partnership. The Gates Foundation provided \$4 million. In general, employers and students were very pleased with their WGU experience.
6. It would not be an administrative problem for the Oregon Student Access Commission (OSAC) to accept and review applications from WGU students. The problem is there is not sufficient funding of the Oregon Opportunity Grant (OOG) for the current pool of qualified students.
7. Most public universities and private non-profit universities have capacity available for more students.
8. EOU is the leader in online courses for the state university system. Sixty percent of EOU students take courses online before graduation. EOU students are very satisfied with EOU courses and educators.
9. Marylhurst, George Fox, Linfield, Corban NW Christian offer on-line courses that receive high marks.
10. No gap analysis for Oregon has been prepared to determine what need has not been met by existing institutions in Oregon. Thus it is unknown what specific gap WGU would be filling for Oregon students.

The questions raised by the work group include the following:

1. How do you analyze competency/proficiency based education? It is certainly popular with the students and the employers, but is this the education and direction that Oregon wants to endorse? How do you determine the quality of the program? WGU allows graduation at a faster rate and is less expensive. But, do WGU online courses provide all the information a student needs to be highly educated? Does this matter?
2. What is the gap in Oregon between available graduates and current employment shortages in the professional fields offered by WGU?
3. There are other accredited programs in Oregon that offer programs similar to those offered by WGU. Should the HECC recommend WGU for a special partnership without considering the other out-of-state non-profit institutions?
4. If the decision is to grant WGU students access to the Oregon Opportunity Grant, should the same apply to other Oregon students involved in online universities that are not located in the state?
5. WGU is a relatively new university. The data on both sides of the issues are not complete. It is challenging to compare credit based programs to competency based programs.
6. It is very difficult to expand eligibility to the Oregon Opportunity Grant when the current system is so underfunded. Although most of the WGU students would not qualify because they are older and working, it still "thins the soup" in a zero sum game.

**Conclusion:**

Based upon the specific language of HB 4059, Section 2(1), the HECC options are limited. The decision to have a partnership has already been made by the legislature and the governor. Consequently, our recommendations are limited to what will (a) enhance access to online courses; (b) provide coordination between the state and WGU for financial eligibility data sharing and outreach; and (c) recommend specific new programs or modifications to existing programs to provide financial aid to WGU-Oregon students.

With this mandate in mind, the options are as follows:

1. A state branded partnership with WGU with state aid eligibility, similar to Indiana;
2. A state-branded partnership with WGU without state aid eligibility, similar to Washington and Texas;
3. Promotion of WGU and other approved on-line programs without a specific partnership;
4. Create a model of competency based education through online programs, similar to Wisconsin; or

5. HECC, OUS, community colleges, and Oregon independent institutions explore the creation of an on-line education system that is self-branded.

Based on the options, the work group recommends the following:

1. The current relationship with WGU should continue. WGU should continue to operate in Oregon under the Office of Degree Authorization and the MOU with Oregon community colleges.
2. A new partnership would be created between the state and OUS, WGU, Oregon not-for-profit universities, and Oregon for-profit universities to create a web portal to assist all Oregonians in having a "one stop" place to explore all educational opportunities available in the state, including all authorized and accredited programs from other states. This would involve a public relations campaign that would be very useful to Oregon students and parents. It is recommended that this portal development be coupled with work in process in the Office of Degree Authorization. This coupling would allow for use of staff and financial resources already allocated to creating the portal while eliminating possible duplication of effort.
3. The legislature and the governor need to decide if they want to open up the Oregon Opportunity Grant to all Oregon students regardless of whether or not the institution in which they enroll is within the state.
4. A gap analysis should be conducted to determine what need has not been met by existing institutions in Oregon to inform future state and institutional partnerships.
5. Acknowledging that the online educational presence is only going to continue, the work group recommends a continued monitoring of WGU and inviting representatives from WGU to present to the Commission as the work regarding analyses of student completion continues.