**Testimony to U.S. House Education and Workforce Committee**
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Chairman Kline, Ranking Member Miller, and Members of the Committee, thank you for the opportunity to testify before the Committee today. I am Scott Jenkins from Western Governors University, and I appreciate the Committee's interest in considering innovations in higher education.

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 higher education 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 a few percentage points of cost 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 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.

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 demonstrate that higher education can be both affordable and high quality. 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 over 20% annually, the university has over 39,000 students and 25,000 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 has not raised tuition for five 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 37 years old, most of our students have families, 68% work full time, and the majority have completed some college when they enroll at WGU. In addition, 76% 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.

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 just under three years.

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.

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 and no better 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.

The Northwest Commission on Colleges and Universities accredits WGU. 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) and is on the National Center for Teacher Quality (NCTQ) Honor Roll. Our nursing programs are accredited by the Commission for Collegiate Nursing Education (CCNE).

The debate used to be whether online learning was "as good as" classroom education. That is not the right question. The question is, can technology and competency-based learning allow us to have better education at lower cost. We need to improve both quality and affordability.

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 significantly above the average of all participating institutions in areas such as the level of academic challenge, relationships with faculty, and overall educational experience.
- The university's one-year retention rate is 79%, and 85% 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 2012 employer survey, 98% rated the preparation of WGU graduates as equal to or better than graduates of other universities; 55% rated it better.
- On the Collegiate Learning Assessment, which measures general education skills, WGU's value-added score was in the 93rd percentile of all universities participating.

We do not claim that we have achieved the perfect model for higher education at WGU. But we believe we have demonstrated that new models of higher education – using technology and competency-based learning - have the potential to reduce costs and improve quality simultaneously.

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 on their educational results – that is, is it high quality, affordable and effective in meeting the needs of students and employers.

Specifically, I recommend that Congress support legislation creating a "Demonstration Project" for competency-based education, similar to the 1998 demonstration project for distance learning. This project would allow, on a selected basis, waivers of current financial aid statutes and rules that would allow innovative colleges and universities to explore ways of delivering education, measuring quality, and disbursing financial aid based on learning, rather than time. This project could also help determine the specific statutory and regulatory requirements which should be altered to encourage the development of high quality, competency-based degree programs.

We also need a regulatory environment that supports innovation. Everyone supports the goals of innovation, but we have seen over the past several years that rather than supporting innovation, new regulations have been enacted that take us in the opposite direction. Two of those regulations that have specifically had an adverse effect are those dealing with Credit Hour and State Authorization. Simply put, State Authorization has cost WGU more than $1,000,000 over the past 18-months. Those precious dollars could have been spent much more effectively on students.

With regards to the Credit Hour regulation, it perpetuates the myth of measuring time and distributing financial aid based on time. Specifically, it locks in place the current productivity of higher education. If an institution like Carnegie Mellon can create a course that can educate students just as well in half the time as a traditional course, they are only permitted to give half the credit for that course, even though the learning is equal or better than the traditional course. We need to remove barriers that judge institutions based on seat time, credit hours, and student-faculty ratios. The myth of the credit hour as a proxy to measure learning, allocate funding, or hold students and institutions accountable must end. It creates perverse incentives that hinder progress and innovation. We base almost every policy in higher education on a vague "credit hour" measure equaling 15 clock hours of actual time in the classroom and 30 hours of study time outside of the classroom. It's clear that we don't actually measure this time and if we did, it would vary widely between students. Colleges and universities should be held to a higher standard, an unambiguous standard of actual student learning. It is vital that Congress support new, more cost-effective models of higher education. America needs our legislators to highlight and promote new models that focus on outputs and ensure that future legislation and regulations support, rather than hinder, development of new models.

It is time for higher education to fully take advantage of technology to re-think higher education. We have found ways to use technology to customize learning to individual needs, make college more relevant and meaningful for students, adapt to student learning styles, increase productivity, expand access, and, most importantly, improve quality and affordability. It is in that spirit that I call on Congress to write a new Higher Education Act, rather than amending the 1965 HEA, written almost 50 years ago. It is clear that neither today's education nor today's students resemble those of 50 years ago. In 1965, higher education was more elite, and students were generally full-time and between the ages 18 and 24. Only 25% of today's postsecondary students fit that mold. The Internet and personal computers hadn't been invented yet. Continuing to amend and tweak this 1965 law will do little to expand opportunity, restrain tuition growth, hold institutions and states accountable, or spur the institutional innovation needed to educate students for an economy that also bears little resemblance to 50 years ago. Institutions like WGU, and a host of emerging innovators, are blazing a path forward using authentic learning of competencies as the building blocks of a postsecondary education. It is time to take these successful innovative higher education options out of the hot house of ad-hoc agreements and waivers, and plant them in a hospitable ecosystem where they can flourish for the next 50 years.

I appreciate this opportunity and we look forward to working with you to advance innovation in higher education. I look forward to answering any questions that you may have.