

# SENATE BILL REPORT

## SB 5136

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As of February 1, 2011

**Title:** An act relating to establishing the first Washington nonprofit online university.

**Brief Description:** Establishing the first nonprofit online university.

**Sponsors:** Senators Kastama, Tom, Hobbs, Chase, Rockefeller, Haugen, McAuliffe, Shin, Hargrove, Harper, Hatfield, Zarelli and Litzow.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/01/11.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** Western Governors University (WGU) is a private, nonprofit, online university. WGU offers undergraduate and graduate degree programs in business, teacher education, information technology, and health professions, including nursing. The university was founded in 1997 by a group of 19 western governors, including Governor Mike Lowry. WGU enrolled its first student in 1999. While the university receives grants from state and federal agencies as well as corporations and foundations, it does not rely on direct state or federal funding for its operations.

WGU is regionally accredited by the Northwest Commission on Colleges and Universities. WGU is also nationally accredited by the Distance Education and Training Council, the National Council for the Accreditation of Teacher Education, the Commission for Collegiate Nursing Education, and the Commission on Accreditation for Health Informatics and Information Management Education.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed First Substitute):** The Legislature expresses its intent to partner with WGU to establish Western Governors University-Washington and provide enhanced access to postsecondary education for all Washington students, including dislocated workers and placebound students. WGU-Washington is recognized as a Washington baccalaureate degree-granting institution that is self-supporting.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Higher Education Coordinating Board (HECB) may work to eliminate unnecessary barriers to the delivery of online, competency-based education and work with WGU-Washington to integrate its academic programs and services into state policy and strategy. The HECB must work with WGU-Washington to create data-sharing processes and performance assessments. Any modifications in contractual terms or relationships, or changes in nonprofit status, will require consultation and approval by the HECB.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The state's demand for baccalaureate degrees far exceeds the production of our state and private colleges. The benefits of recognizing WGU are that credits will potentially transfer more easily; the HECB will approve WGU programs, and education will be more accessible and affordable for Washington students. WGU already has 900 students and 450 graduates from Washington. The average WGU student graduates in 30 months. Employer satisfaction with WGU graduates is very high. We need to expand the mix of educational modes that Washington citizens can use to obtain their education. Flexibility is particularly important for working students. This will come at no cost to the state. The model is consistent with the Strategic Master Plan for Higher Education. Our public institutions are at maximum capacity, and we do not have the resources to expand at the rate we need. The State Board for Community and Technical Colleges (SBCTC) is already working on articulation agreements with WGU.

OTHER: Online education is a good thing, but it is no substitute for real public institutions. We are going down the road to totally private education. This idea saves money by eliminating faculty. Do not pretend that this is a real university education. It is unclear how this would impact state financial aid. The University of Washington (UW) already has self-sustaining degree programs that have resident faculty support.

**Persons Testifying:** PRO: Senator Kastama, prime sponsor; Dr. Robert Mendenhall, President, WGU; Dr. Sam Smith, President Emeritus WA State University, HECB; Dr. Mark Milliron, Deputy Director of Post-Secondary Education, Bill and Melinda Gates Foundation; Randy Dorn, Superintendent, OSPI; Randy Spaulding, HECB; John Wheeler, Washington Student Association; Cable Green, SBCTC.

OTHER: Margaret Shepherd, UW; Bill Lyne, United Faculty of Washington State.