

# SENATE BILL REPORT

## SHB 1822

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As of March 8, 2011

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

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

**Sponsors:** House Committee on Higher Education (originally sponsored by Representatives Kenney, Parker, Seaquist, Pettigrew, Dickerson and Zeiger).

**Brief History:** Passed House: 2/26/11, 70-26.

**Committee Activity:** Higher Education & Workforce Development: 3/08/11.

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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 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:** Available.

**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: We must increase access for all Washington students including placebound students and dislocated workers. The average WGU student is 36 years of age. Seventy percent of WGU students work full-time. The establishment of WGU-Washington requires no state investment. It is not a substitute for our present system; it is an additional resource. Our institutions are overenrolled. WGU graduates rate their instructors and educational experiences very high. WGU's flat rate tuition is one-third the cost of tuition at for-profit online institutions. Students get real-time feedback on their work. The SBCTC is already working with WGU to integrate their courses. This is not the time to delay in fear of change. The bill does not make WGU students eligible for financial aid.

CON: Bureaucrats are in favor of this bill, faculty are not. WGU will neither make college more affordable, nor will it enhance quality. Traditional colleges could fill the need for college graduates if they were fully funded. The bill slaps a state seal on a private institution. WGU courses are already available to Washington students, so the bill is not needed. No STEM degrees will be produced. Washington students deserve better.

OTHER: The Ways and Means amendment to the companion bill would help clarify that WGU students would not be eligible for state need grant money without legislative action.

**Persons Testifying:** PRO: Representative Kenney, prime sponsor; Dr. Sam Smith, trustee, WGU; Alison Barber, Chancellor, WGU Indiana; Randy Spalding, HECB; Cable Green, SBCTC; Mike Friesen; Lew McMurrin, Washington Technology Industry Association; Karen Kinnaman.

CON: Bill Lyne, United Faculty of Washington State; Tony Flinn, EWU, United Faculty of Washington State; Marsha Riddle Buly, faculty representative, WWU; Mike Reilly, Council of Presidents.

OTHER: Matt Manweller, Council of Faculty Representatives.