Chapter 19
Western Governors University: CBE Innovator and National Model

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ABSTRACT

The university was created as a non-profit, online, competency-based university to expand access to affordable higher education as a supplement to state higher education systems. It was created with two key guiding principles: 1) To develop a model for competency-based education that would measure learning rather than time, and tie the competencies being taught to workplace needs. 2) To use technology to create a new business model in higher education that would increase the productivity of higher education (high quality education at lower cost) while expanding access.

INTRODUCTION

Western Governors University (WGU) was founded in 1997 as a private, non-profit, online, competency-based university. It was first conceptualized by the then governor members of the Western Governors’ Association as a way to expand access to affordable post secondary education for their constituencies. It was envisioned as a supplement to courses and resources already available within the higher education systems of their various states. The two key guiding principles for WGU were:

1. To develop a model for competency-based education that would measure learning rather than time, and tie the competencies being taught to workplace needs.
2. To use technology to create a new business model in higher education that would increase the productivity of higher education (high quality education at lower cost) while expanding access.

These principles continue to guide WGU today. WGU’s culture has evolved to include two additional principles:

3. A complete focus on student outcomes and student success as the “reason for being” of the University.
4. A commitment to continuously measure and improve performance through data-driven decision making.

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Guiding the daily work and focus at WGU is the WGU Student and Employee Promise:

- **We help our students achieve their dreams for a degree and career success by providing a personal, flexible, and affordable education based on real world competencies.**
- **We provide employees a meaningful, enjoyable and rewarding work experience.**

After 18 years, WGU (www.wgu.edu) has become a national model for successfully implementing competency-based education at scale and at an affordable price. WGU currently has over 60,000 students in more than 50 bachelor’s and master’s degree programs in business, information technology, K-12 teacher licensure preparation, and health professions. WGU has over 55,000 graduates and continues to grow more than 20% per year. Significantly, WGU has leveraged technology, organization, and focus to be entirely self-sustaining on tuition of only $6000 for a 12-month year, and has not increased tuition since 2008. In addition, students graduate with a bachelor’s degree in an average of 2 ½ years (vs. 5 years nationally), and master’s degree recipients typically complete in 2 years, even while working full-time. Finally, WGU graduates have better employment outcomes than the national average for more traditional state university graduates.

**Early History**

Throughout the latter half of the 20th century, the huge geographical size combined with relatively low population density created a challenge for western states in the US looking to provide their citizens with accessible, affordable, and quality education to support economic opportunity and growth. In response, as evidenced by the creation in 1951 of the Western Interstate Commission of Higher Education (WICHE), western states have traditionally explored opportunities to coordinate and share resources to expand access to high quality education for their citizens (Abbott, 2004). As telecommunications and web-based technologies became viable options for the delivery of distance education, WICHE founded the Western Cooperative for Educational Telecommunications (WCET) (renamed to WICHE Cooperative for Educational Technologies) in 1989 to support and promote those efforts. These efforts culminated in the 1995 meeting of the Western Governor’s’ Association (WGA) exploring the potential of using technology to share academic resources (Goodchild, Jonsen, Limerick, & Longanecker, 2014). Over the next year, staff at WCET, WGA and the National Center for Higher Education Management Systems (NCHEMS) collaborated to develop a framework for a new university. Utah Governor Mike Leavitt and Colorado Governor Roy Romer and their administrative officers, took the lead in developing an Implementation Plan and in 1996 the member governors endorsed the Implementation Plan at the summer meeting of the WGA in Omaha, Nebraska. Western Governors University (WGU) became the official name of the new, private, non-profit university officially incorporated in January 1997.

In the summer and early fall of 1999, WGU launched its first degree programs under the leadership of its president, Dr. Robert Mendenhall. Early funding for the university was provided by the founding states, grants from the federal government, and from corporate partners. The entire startup cost was about $40 million, of which about 5% came from the states. The remainder was roughly evenly split between federal and corporate funds. WGU has been self-sustaining on tuition revenues alone for the last 10 years.

WGU was one of the early completely online universities, and the first to seek accreditation for purely competency-based degrees without any reference to credit hours or clock hours. The four regional accrediting agencies whose jurisdictions covered WGU’s sponsoring states – the accrediting commissions