Episode 1,209: Traditional Universities Have Competition

Guest: Scott Pulsipher

WOODS: I decided to pursue this topic on a listener recommendation, and I'm very interested in what you're doing at Western Governors University. There's one aspect of it, before we get much further, in the old days — and I mean *old* days, the creation of the university system in Western civilization, maybe the early 13th century, if not earlier — there wasn't so much of a sense that, in order to satisfy the requirements to get the degree, you have to show that you've done this, this, and this. It was more a question of: do you have the knowledge? And if you have the knowledge, we'll give you the certification. Is there some extent to which Western Governors University is pursuing that way of looking at education?

PULSIPHER: You know, I think there, and you're right, in terms of the history of higher education, if you will, it was very much about demonstrating a proficiency in whatever the particular topic or domain was. And that kind of core assumption or that core design element is actually at the root of WGU in the sense that we are a competency-based model for education, in that the model actually focuses on measuring learning and not necessarily time spent learning. And it just takes into consideration that different individuals will learn at different paces, and they will learn in different ways, but regardless of that, as an individual demonstrates proficiency, then they effectively have earned the credit, if you will, and that will advance ultimately to the credential that they are pursuing. So yes, at the root of WGU in the competency-based design model is demonstration of knowledge and proficiency.

WOODS: Now, some of that I think follows from or, at the very least, very much caters to the kind of people who are enrolling, where you have some college — in a lot of cases, they have some college experience, but they don't have a degree. And you're able to tailor a program to them that minimizes the extent to which they have to go over things they've already done.

PULSIPHER: Yeah, in fact, if you go back to the founding of Western Governors University, when the governors of 19 Western states really were convening or centering on this idea of establishing a new model of an institution of higher education, they specifically were innovating or at least formulating ways in which they could specifically address the needs of these adults that had some college and no degree. And often, they had specifically also tried to address the underserved population in their respective states. By that, really underserved from the standpoint of education meant: for whom is the current model or the more conventional model of higher education system, for whom is it not very accessible, not very affordable, and not very well designed to the needs of these particular adults?

And I think what you'll find is that these adults that have some college and no degree, they have a variety of different needs. For example, 70% of our students are working full time. 70%

of our students also have families that, for a variety of reasons, they do not have the time nor are they necessarily geographically proximal to a campus. They don't necessarily have the means or the financial situation to be able to afford attending a traditional college. And so when you design for these individuals, you have to think differently.

And one of the expectations is that, while they may have had some college and no degree, the reality is that they have a lot of learning. And a competency-based model also accepts the fact that they may have advanced their learning and proficiency in a variety of different domains through experience, and so that allows that to happen. Whereas you compare that to a traditional college. It is primarily designed around the first-time, full-time student, the high school graduate who has not yet experienced college-level learning and the demands that that places on the individual and the academic learning behaviors that they have to develop and master so that they can advance at a college level. That's a very different population of adults than who WGU is serving. And it is true today, just to even make it clear, I think fully 9+5% of our students fit into that category that have had some college and no degree.

WOODS: All right, so now that I — for some reason, I started off with super-specific things instead of the usual bird's-eye overview. You're trying to make the case for Western Governors University to somebody who, let's say, has more or less imbibed nothing but the traditional model. How do you make that case? And let's start with the affordability aspect, also. What's the tuition like? What's it been like over the last, let's say, ten years, a question like that? And then what's the benefit of WGU to me?

PULSIPHER: Yeah, I think if you looked at the hallmarks of Western Governors University, I think what really makes it different, it actually begins with even the design of the academic model itself. And if you consider — if you're a learner, an adult who needs to pursue higher education to really access new opportunities in one's life, then here's some of the elements that are particularly differentiated at WGU.

First and foremost, we do focus on improving the quality and relevancy of the academic programs. You will not see WGU offering 200+ programs in a whole variety of different fields. We try to ensure that the learning outcomes of our programs are more linked or mapping to the competencies that are needed in the work force. We have four colleges focusing on business, health professions, teacher education or teacher preparation, if you will, and information technology. In those four colleges, we have roughly 65 bachelor's and master's programs. We do offer bachelor's and master's programs only today, and when a student matriculates to WGU, they have to matriculate into a program from the start. It is very purposeful in that design, because that establishes a very clear plan and the goals and outcomes that we can really help the student progress to.

The other thing, as you consider the design, is that competency-based model. It accepts the fact that, while there is a minimum pace, that you as an individual student can move at the pace that is right for you. And if that is an accelerated pace, then a competency-based model does not constrain your pace of learning.

And the last piece I would say is that, in this academic design, is the faculty model, that we have — because everything we do at WGU is centered on the students that we serve, we somewhat unbundle the traditional faculty role, and we have four different faculty types, three of which are directly student facing. And those are faculty mentors. We call them program mentors. These are credentialed faculty at master's and above within the program

field of study, and this faculty mentor you will have from the day you start until the day you graduate. They are there to ensure that you have the right academic plan, the sequencing of courses. They ensure that you're ready for your assessments, and they also are the individuals who help you deal with the flexibility needed as your life changes and different things can get in the way of the time needed to advance your academic outcome.

That's around the academic design itself — oh, separately from the faculty mentors — sorry, I forgot to finish the other two. We also have course instructors. These are the subject matter experts that you go to when you're in a particular course and you really need that kind of deep expertise around whatever courses may be in the program. And then lastly, we have separately evaluation faculty, who are reviewing all of your assessments, your tests. They're providing you all the feedback on your demonstrated learning and areas that you may need to focus on again before you're ultimately able to complete the tests and receive the credit for a course.

The other key elements that I would note, and this is very important, is we leverage technology to allow us to reach and teach individuals where they are, rather than requiring them to come to a campus. We are 100% online. We have no physical campus or classrooms to which students attend. Everything that is done between faculty and students in an individualized way is done on the Internet. All the courses and learning materials are available in a virtual environment. Even classroom or cohort sessions that are occurring are all occurring virtually online.

And then the other key thing, as you mentioned and asked about, is what is the cost and affordability of a degree from WGU? We have what would be considered block term pricing or rather subscription tuition, meaning that individuals pay a flat rate per six-month term. For that term, it's roughly $3,500, and you can complete as many courses as you are able. Again, like I mentioned, there's a minimum pace, but you can complete as many courses as you are able during that six-month term, and your tuition does not go up per credit hour or per credit or anything else like that. So as that translates into affordability, on average, our graduates who complete a bachelor's degree, they will complete that degree in two years and four months, so roughly average cost is $16,000. That's inclusive of all the learning resources and books and materials, as well.

So that kind of gives you a sense of we've designed the academic model and the curriculum itself to increase its relevancy to the opportunities that our students are pursuing. We've also leveraged the technology and Internet available today to reach and teach students where they are. And we've also focused on keeping the tuition and cost of attending WGU low so that the investment in their education, they can have a great return on it. And we can talk more about even the outcomes and the graduate outcomes that we believe are ensuring that the promise of higher education is being realized for our students and graduates.

WOODS: I'm going to ask a question that may sound just like a dumb-guy kind of question, but back when I used to teach and they were just starting out with offering online courses as an option at an otherwise traditional university, one of the things that they tested out was having the exams proctored in person, because then that way we can make sure that your best friend isn't doing all your schoolwork for you.

PULSIPHER: Right.

WOODS: How does an online university guard against that?

PULSIPHER: Yeah, that's a great question, Tom, because one of the things that we believe is a differentiator in how we leverage technology is the ability for us to proctor exams or, if you will, allow students to take their exams in their home or wherever the place of taking their exam is appropriate, allowing us to proctor that virtually. More than 98% of all of the exams that we manage today or proctor today are done so virtually. We do have the option in some cases for some students to go to a physical location if it better serves them. So we had to specifically solve for: how do we ensure that the integrity is maintained around a student who's taking that exam?

And so one of the unique things that we do, for example, is that we also ship a second video camera to every one of our students, so not only are we using the camera on their laptop or computer, but we also have a second camera that gives us a more complete view of what that student's environment is like.

We also leverage a lot of machine learning or A/I-powered software that allows us to truly verify in multiple different ways that the student who's taking the exam is in fact the student. That includes not only identifying themselves with a photo ID, but it also monitors things like even keystrokes that are based upon the observed behaviors, that there's a very clear pattern that allows us to identify that this is the individual taking the assessment, as well. And then that software also monitors everything that's going on while that student is taking the test, so that we have a really, really high rate of reliability in ensuring that there is no funny business, if you will, that's going on while students are taking exams.

And that has become a real core strength of ours. I can't remember how many exams monthly, but if I'm not mistaken, it's tens of thousands if not 30-40,000 exams that are being proctored monthly. And like I mentioned, 98% or more of all of them are proctored virtually.

WOODS: All right, let's move into an area of controversy, and I'm curious to know if you're able to comment on it. in fact, I read at least one op-ed you wrote, so I guess you must be at liberty to speak about what the inspector general of the Department of Education had to say about the faculty role at WGU? And I loved your response, but I'm curious to hear on the program what you have to say.

PULSIPHER: Yeah, I think, one, we've always kind of mentioned that we accept that others may actually not understand the model that we've designed for, and they're afforded their opinion and perspective on it. We obviously disagree with that perspective. And I think at the root of it were a couple of key questions.

One is, of all of our faculty, were all the faculty validated not only by us, but our accreditors as being credentialed individuals who have the subject matter expertise for this topic being taught? We think that has been fully validated by our accreditor and also the Department of Education, in reviewing the same, that they see that all of our faculty mentors, those that are faculty who have subject matter expertise at the program level, they have master's degrees or higher. And then all of these course instructors, who are subject matter experts at the course level, the vast majority of them, 90+% of them are terminal degreed or higher — or I guess you can't be higher — terminal degree, 90% of them. And so that was one of the core things: does our faculty ensure that they have the subject matter expertise that the students rely upon to help their learning and progress?

And the other key question is whether you then have the substantive and regular engagement with faculty between students, and this is one case where I think not only have we designed for it, but if you observed all of the actual interactions that occur between students and faculty, that by every indication, there's 90 to 100 interactions that are occurring between faculty and students on an individual basis every term. And the level of engagement and reliance that our students have on their faculty is a direct contributor to the outcomes that our students are achieving in terms of course completion rates, maintaining on-time progress, and ultimately graduating. We recognize that it is a key input to the quality of the model that we've designed.

I would also point your listeners to the Gallup study around Western Governors University in the sense that our graduates have noted that it is the perfect fit for them, that they also recognize that they had a faculty who encouraged their dreams and aspirations, that our graduates also are achieving outcomes in terms of — based upon their faculty engagement, that they're achieving outcomes that are unmatched by the typical graduate across the higher ed system. And so we take great satisfaction in knowing that we've done a great job in designing our teaching and faculty and learning model to better align with the needs of our students.

WOODS: Scott, what's your own background? You're not coming from an education background, so what is it and how did you wind up in this position now as president of the university?

PULSIPHER: Yeah, my background prior to WGU was nearly 20 years of experience in the technology and software world. I had previously led product and product management for a software startup across the retail and supply chain logistics space, and then had kind of advanced through those ranks, had spent time launching and running a business for Amazon.

I think what I would say the one thing that I've learned through that experience is that there are many sectors across the environments that I really worked in in technology, whether it was retail, banking, logistics, supply chain environments, manufacturing, etc., that those that were driving innovation, that were advancing the models and designs of how they were going to operate in the future to better serve customers, underpinning all that innovation was consistently technology. That the innovation that really is accelerating today in today's world is supported by the technology that's going to power that.

And one of the things that was recognized even in the search for the successor to Bob Mendenhall, who was really our in many ways founding president and really grew WGU to achieving what it is today, is that they recognized that the leader of WGU needed to have the blend of a true alignment with the purpose and mission of WGU, but also a passion for technology and powering the innovation that is needed when you're approaching higher education completely from a student-centered design.

And so I think I found that for myself. I would say that I was completely sold on the opportunity when I was able to attend a commencement ceremony in Orlando in February of 2016. And I've stated it this way, but just to be clear as to what I recognized or saw at that point, was that, when I saw these graduates walking across that stage and the energy that they had and then also seeing not only parents showing up, but children showing up, that to me, it seemed as if the attainment of that credential meant more to them than my degree did to me. And by that, what I mean is that their struggle to achieve that was far greater than

the struggle I believe I had to go through, that there was just this recognition that they had overcome challenges and experiences in life that this milestone for them was a true success. And not that mine weren't a success, but I think it just to me embodied something about their spirit that just was so inspiring and just drew me into it that I just loved every moment of it. And I just knew then that I wanted to be a part of WGU.

And so the combination of just a complete alignment and a heart and soul into changing the lives of individuals and families is what drew me to WGU. And I'm also then blessed to have an experience where I have seen and been part of leveraging technology to power innovation, and we see that happening at WGU, and we see it broadly happening in the higher education system.

WOODS: Are you concerned about the Department of Education taking some kind of action against you?

PULSIPHER: No, not at all. We believe that because of — we've now for over 15 years been accredited by our regional accreditor, Northwest Commission. We've long been compliant with the laws and regulations and policies that the Department of Education has worked with us. We feel strongly that our opinion and our position on the matters of faculty credentials and our students' experience and engagement with faculty, that we do believe that our ability to individualize the interactions between students and faculty is demonstrating a model that has not only advanced the quality of education, but also optimized student outcomes in a manner that — we believe that innovation will continue to win and that things will be just fine. So we don't expect anything negative.

WOODS: Do you guys have a traditional range of majors?

PULSIPHER: Across those four colleges, I would say yes. I mean, across business, health professions, teacher education, and then information technology, within those, I would say you would see the typical kind of portfolio of bachelor's and master's programs.

So the majors you're going to see in that, management majors, marketing, you're going to see accounting, etc., MBA programs. And then you'll see some specialized MBA programs, as well.

And then with teacher education, surely elementary education, special education, but also in science and math. In fact, it's notable that our teachers' college I think graduates more STEM teachers than any other college in the nation. I think we're some 5% of all undergraduate level and 15% of all master's level STEM teacher graduates.

And then within health professions, by far our largest program is our nursing from an RN to a bachelor's program, but we also have pre-life-centered nursing programs; we also have nursing education, as well as health leadership at the master's level.

And then with our information technology, you're surely going to see computer science and software development and network, and then also cybersecurity is also a very key and important major area.

And all of them are seeing substantial demand, and our graduate outcomes are really strong in that regard, meaning that 89% of our graduates are employed full-time in field of study.

95% are employed full-time overall. And they're earning more than $20,000 a year within just four years of graduation, and when you consider that with just about a $15,000 or $16,000 investment, you can see that it's rewarding our students well.

WOODS: I seem to recall reading fairly scathing reviews of some so-called for-profit universities, particularly online ones, and saying that this turned out to be not such a good investment for a lot of students. Do you have any opinion on that? Because I know you guys are not for profit, but you're private and you're online, and so maybe you're operating under the same cloud of suspicion.

PULSIPHER: We aren't. I would say that tax status is not necessarily a complete marker of a bad actor in higher education. I think that there are surely reports and records of those who've offered programs or credentials that don't have a great outcome, that the earnings potential of that outcome was nowhere near the tuition that was being charged and the cost that it took. So I think that in many ways, the regulation and the kind of greater accountability that's now being demanded is very welcome.

We actually think that, from WGU's standpoint, we've prided ourselves on proving that the innovation that we're driving works, and we focus relentlessly on optimizing student success, and we measure it immensely in terms of not only the pacing to completing their degree, but also the satisfaction of their experience in doing so, the completion rates overall. But we also look a lot at our placement rates. Our overall well-being of our graduates we measure as best we can today, income gains, etc. Because we do believe in the simple notion that innovation that drives outcomes is true innovation. If it doesn't result in the outcomes that are desired, then it's just a bad idea, and you'd better identify those quickly so you can improve them, address them, etc.

And so I think we welcome the greater accountability that's incumbent upon institutions and students to ensure that the investment is driving the outcomes that we desire as a society as whole when it comes to education. And so the higher bar, I think, has definitely tested many institutions before that may have been driven more by profit than they were by student success.

WOODS: I have to say I'm, if anything, surprised there aren't more examples of a Western Governors University given what the Internet makes possible and given what the cost savings are, delivering this content over the Internet, and given the just overwhelming costs of higher education in so many cases. It would seem just like a natural fit to have online universities for a fraction of the cost. And I wonder if the reason we don't see more of it, at least one reason, is that a lot of families are still caught in like a 1982 model, where they expect that, why, of course my child is going to go off to college for four years and going to follow the traditional pattern that everybody else follows. And you have to fight against that kind of inertia.

PULSIPHER: Yeah, and to some degree, that's true, but I will note that often is not supported by data anymore, meaning that that conventional thinking that you reference, it still is out there, but even today — just to give you some reference points or give your listeners some reference points, for example, today, fully a third of individuals that are enrolled in higher education — that's about 20 million adults total — 6 million of them today are already taking all or some of their program online. And so that is by far the fastest growing segment of the population that are also enrolling. I think the latest data, it was 6 to 7%, whereas overall enrollment in traditional model-only was flat or declining.

The other thing to note is that merely 40% of all of those adults enrolled in higher education are over the age of 24, and it's also expected that both those taking all or some of their program online, as well as those over the age of 24, that those are the fastest growing population of total adults in this system, that they could each easily reach over 50% within 10, 15, maybe 20 years maximum. And that is the dynamic of higher education today, that increasingly, the notion of the 18-year-old high school graduate being the only model of higher education, that is changing. And we recognize that even today within WGU, about 90% of our students are over age 24, but 10% are under, and when you consider our size of roughly 100,00 full-time enrolled students, 10,000 under the age of 24, that's a pretty large population at our one institution alone that are of more traditional age college — 18- to 24-year-olds that are pursuing these avenues to receive their postsecondary education.

The other thing of note is that there are many more options available to adults out there, not just WGU. We are very satisfied and proud of what we've been able to do and drive innovation, but surely you see emerging impact from the large public universities and other private nonprofit universities that are expanding the number of options that are available to adults, and you'll see that even with ASU, and you saw Purdue in acquiring Kaplan and establishing Purdue Global as definitely notable. I would say others like Northeastern and Southern New Hampshire, that these are institutions — or even BYU Idaho here in our same neck of the words down here in Utah. There are an increasing number of institutions who are expanding access to high-quality programs that are delivered 100% online.

WOODS: What's the website?

PULSIPHER: Our website is WGU.edu. We're just WGU.edu. Easy to get to, easy to remember.

WOODS: Well, I hope people will check it out, because I think it is the solution that a lot of folks are looking for, both from a financial standpoint, as well as one of convenience and having a program that is more tailored to them than they might be able to get otherwise. As soon as I found out about it, I thought, I want to alert folks listening to the existence of this option, which is an option that can be exercised I guess from anywhere in the world that has an Internet connection. I mean, I know that these days we're so accustomed to the Internet and its miracles that we don't stop to look at what we're surrounded by. I mean, this is really, truly a miracle. You and I are roughly the same age, and when we were growing up, this would have been like something out of science fiction to us.

PULSIPHER: That's right. We were only founded 21 years ago, about a year or maybe two years after the Internet itself really began to take root. And it is amazing if you just consider in those two decades how dramatic the change has come about in all aspects of our lives because of the Internet. It is a very useful tool and can be an amplifier of great things, and so I think in this case, it has been an empowering force in helping higher education expand access to so many who need it.

WOODS: Well, I did read somewhere that the Education Department described themselves as being unlikely to follow up on the inspector general's remarks because they believe that you guys have been doing innovative work and you've been around a long time and they really respect what you're doing. So here's hoping that that is the case and you continue to have tremendous success, so thanks so much for your time.

PULSIPHER: Thank you, Tom. It's a pleasure.