



# TESTIMONY

of Scott D. Pulsipher  
President, Western Governors University

for House Ways and Means Committee  
Oversight Subcommittee Hearing on  
"Expanding Access to Higher Education and the Promise It Holds"  
June 29, 2021





This document is based on Scott Pulsipher’s testimony to the Oversight Subcommittee of the US House Ways and Means Committee at the June 29, 2021 hearing on Expanding Access to Higher Education and the Promise It Holds.” A link to the original testimony and to a video of the hearing can be found here: [waysandmeans.house.gov/legislation/hearings/oversight-subcommittee-hearing-expanding-access-higher-education-and-promise-it](https://waysandmeans.house.gov/legislation/hearings/oversight-subcommittee-hearing-expanding-access-higher-education-and-promise-it)

## Introduction

Chairman Pascrell, Ranking Member Kelly, and Members of the Subcommittee, thank you for the opportunity to share my views about Expanding Access to Higher Education and the Promise It Holds.

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*At WGU, we are committed to renewing the promise of higher education as the surest path to opportunity.*

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My name is Scott Pulsipher, and I have served as the president of Western Governors University since April 2016. At WGU, we are committed to renewing the promise of higher education as the surest path to opportunity. WGU is the nation’s leading—and largest—nonprofit, online, competency-based university. We were founded by a bipartisan group of 19 governors nearly 25 years ago. Last year we graduated over 47,000 students across four colleges: Business, IT, Education, and Health Professions. Our mission is to change lives by creating pathways to opportunity. Annual

tuition and fees are less than \$8,000 per year, and our average cost for a bachelor’s degree is less than \$20,000<sup>1</sup>—relative to national average costs that range between \$38,320 and \$148,800.<sup>2</sup>

WGU was founded to expand access to high-quality education for individuals who have been historically underserved, and to align education outcomes with opportunity and workforce needs. Our founding governors recognized that many were not served well by traditional higher ed options in their states, including first-generation students, students of color, those from low-income backgrounds, those with some college but no degree, and those from rural locations. The best term to convey the needs of such individuals is that of the “working learner.” Four out of five WGU students work while enrolled; their average age is 37.<sup>3</sup> They come to us seeking a path to opportunity that can fit in their lives, that can meet them where they are, that allows them to leverage their experience and move quickly when possible, and that will enable them to thrive—financially and otherwise.

<sup>1</sup> WGU 2020 Annual Report, <https://en.calameo.com/read/006684325228f89540a32>.

<sup>2</sup> “Average Cost of College & Tuition,” Educationdata.org, updated July 10, 2021, <https://educationdata.org/average-cost-of-college>. The calculations referenced assume that it takes four years to earn a four-year degree. The low end of the range represents average public in-state tuition; the high end represents average tuition at private nonprofits. Students face additional costs over the time it takes them to earn a bachelor’s degree, and the average student takes over five years to graduate, adding another year of tuition and other expenses.

<sup>3</sup> WGU 2020 Annual Report.

# WGU Background

Talent is universal. Access to opportunity is not. Work, family obligations, military deployments, financial constraints, lack of college readiness, mental and emotional barriers—these are just a few of the things that keep today’s would-be students from pursuing the credential that could benefit their careers, change their lives, and transform their families. WGU was built to address these needs, through its online and on-demand competency-based learning model, workforce-relevant curriculum, and personalized, student-centric faculty support.

*We believe in the inherent worth and ability of every individual and in the transformative power of education.*

We believe in the inherent worth and ability of every individual and in the transformative power of education. WGU was built by states to complement and supplement state systems of higher education; to develop programs that closely align with employer needs; and to expand access to attainable educational opportunities to individuals seeking a path to opportunity.

## WGU COLLEGE OF BUSINESS

**41,785**

Enrollment as of 12/31/20

**14,298**

Graduates in 2020

## WGU COLLEGE OF HEALTH PROFESSIONS

**29,306**

Enrollment as of 12/31/20

**16,866**

Graduates in 2020

## WGU COLLEGE OF I.T.

**26,314**

Enrollment as of 12/31/20

**5,239**

Graduates in 2020

## WGU TEACHERS COLLEGE

**31,764**

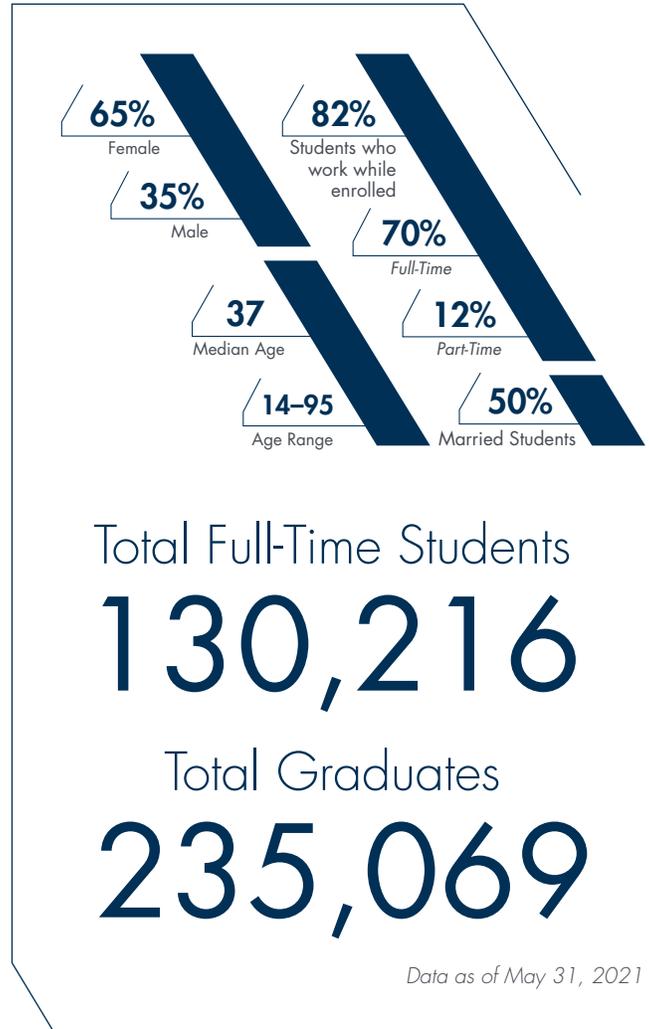
Enrollment as of 12/31/20

**10,618**

Graduates in 2020

Now in our 24th year, WGU proudly serves a diverse student body of over 130,000 students, located in nearly every county in all 50 states and in military installations overseas, with 69 percent of our students from one or more of the following underserved populations—first-generation students, low-income earners, students of color, or rural residents. To date, we have graduated over 235,000 students,<sup>4</sup> including over 47,000 in 2020.<sup>5</sup> WGU exists to help students access opportunity; our programs are focused on four highly in-demand areas: business, information technology, education, and health professions. WGU is providing affordable, high-value degrees to underserved learners at scale and has demonstrated the efficacy of online, competency-based learning.

WGU's focus is on student success, attainment, and value. We work with Gallup annually to survey our alumni regarding their success and wellbeing after graduation. In Gallup's most recent survey, 77 percent of WGU alumni respondents reported that their WGU education was worth the cost, compared to the national average of 37 percent.<sup>6</sup> Referrals from alumni and current students are a major factor in driving our growth. More than half of WGU's new enrollments come from referrals by students, employers, and other institutions.



<sup>4</sup> as of May 31, 2021

<sup>5</sup> WGU 2020 Annual Report.

<sup>6</sup> "Renewing the Promise of Higher Education: WGU Alumni Outcomes Report 2021," Gallup and WGU, <https://www.gallup.com/education/349253/wgu-alumni-outcomes-report-2021.aspx>.

WGU was created with the vision to be the most learner-centric university in the world. Our model is designed with the student at the center and optimized to enhance diversity, equity, and inclusion. Competency-based education both increases the relevancy of curriculum by aligning learning outcomes with skills and competencies demanded in the workforce, and allows students to study and learn on their own schedules, moving quickly through what they know and taking more time to focus on what they still need to learn. Because it is all online and asynchronous, students can log in to study and take exams 24 hours a day, 7 days a week. While they study online, WGU students are not alone: every student is assigned a Program Mentor, a faculty member who guides and supports them from enrollment to graduation.

WGU unapologetically advocates for the transformational changes needed to build an education system that makes opportunity work for everyone. We want every learner—not just every WGU student—to have the pathways to opportunity that education provides. We are committed to removing the barriers—physical, financial, emotional, developmental, regulatory, or technological—that keep learners from pathways to opportunity.



# What We Believe



## We believe in human potential.

We believe in the inherent worth and ability of every individual. Talent is equally distributed; opportunity is not. We were founded to fix that.



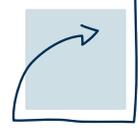
## We believe in the promise of education.

We believe education is the surest path to opportunity. We want to reinvent education so that every learner can have success.



## We believe in our students.

If we provide them a student-centered, radically affordable, high-quality, workforce-relevant education, they will succeed.



## We believe that outcomes matter.

Enrollment isn't enough. We want to drive value for students in their career progression, engagement, and life satisfaction.



## We believe that learners are workers.

Our students don't just want a diploma—they want a pathway to opportunity. We design our programs to maximize student success in the workplace.



## We believe we can't get there without innovation.

Sustained success depends upon doing things differently, not just better. We are compelled to innovate and change the way people engage with learning and access opportunity.



## We believe that big problems demand big solutions.

The number of learners who are being left behind is massive. The only way to solve the problem is to solve it at scale.

# Higher Education Affordability

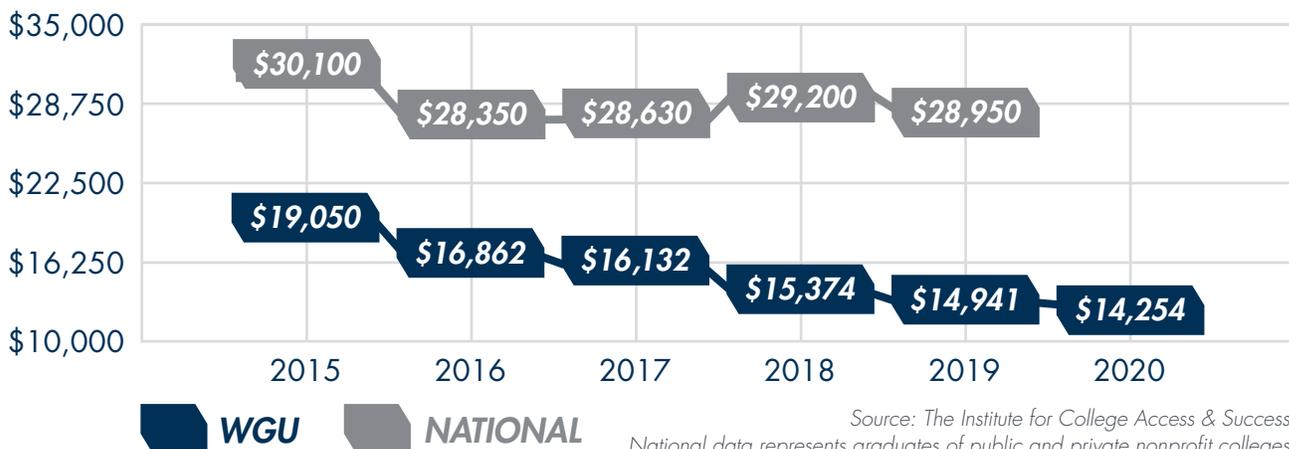
Affordability is one of the most significant issues affecting higher education, and its impact has been magnified by the pandemic. The high cost of obtaining a college degree disproportionately leaves low-income and students of color with no access to higher education and is often a reason why many leave college without a degree once enrolled.

*At WGU, we are committed to ensuring that cost is not a barrier to the opportunity that education creates.*

At WGU, we are committed to ensuring that cost is not a barrier to the opportunity that education creates. We do this by keeping our tuition affordable, charging a flat rate that includes learning materials, and allowing students to complete as many courses as they are able for the same cost. Our model is self-sustaining on tuition and fees of less than \$7,000 per year for most undergraduate programs. We work closely with our students to encourage responsible borrowing; as a result, only 55% of WGU undergraduates borrow to pay for their education, compared with 69% nationally, and among those who do take loans, their average debt at graduation (\$14,254) is less than half the national average.<sup>7</sup>

## Reducing Student Debt and Encouraging Responsible Borrowing

Mean Debt at Graduation per Undergraduate Who Borrowed



<sup>7</sup> WGU 2020 Annual Report

The national statistics are sobering: annually, the United States produces nearly 2 million bachelor's degrees—and an estimated 1 million student loan defaults. The cost of college has risen 120 percent since 1985.<sup>8</sup> Total student debt has more than doubled in the past 10 years from \$800 billion in 2010 to \$1.7 trillion and counting at the end of March.<sup>9</sup> Student loans are a financial albatross around the necks of millions of Americans, leading to delayed retirements, marriages, and homeownership.<sup>10</sup>

Despite the significant financial burden that students carry, many colleges themselves are struggling financially and even facing insolvency. Prior to the pandemic, Moody's had rated the higher education sector a negative outlook, predicting a rise in the closure rate, weaker enrollments over the next 10 years, and "sluggish" net tuition revenue growth.<sup>11</sup> Since then, enrollments have fallen by an estimated 5.5 percent,<sup>12</sup> and worse, research shows that many students are losing faith in the value and promise of higher education.<sup>13</sup>

The traditional business model of higher education is broken. Historically, this has been blamed on "cost disease"—the idea that, without a technological enabler, the nature of higher education cost structures would always outpace inflation. In 2012, William Bowen, who along with William Baumol originally proposed this idea in the 1960s, observed, "But the time may (finally!) be at hand when advances in information technology will permit, under the right circumstances, increases in productivity that can be translated into reductions in the cost of instruction. Greater—and smarter—use of technology in teaching is widely seen as a promising way of controlling costs while also reducing achievement gaps and improving access. The exploding growth in online learning is often cited as evidence that, at last, technology may offer pathways to progress." And yet, in the nearly 10 years following, we have not seen the mainstream of higher education employ technology to increase access, lower prices, and drive a student-centered model of education.

<sup>8</sup> Inflation adjusted cost of attendance for 4-year institutions, per NCES, <https://nces.ed.gov/fastfacts/display.asp?id=76>

<sup>9</sup> "Student Loans Outstanding and Securitized," Federal Reserve Bank of St. Louis, accessed June 2021, <https://fred.stlouisfed.org/series/SLOAS>.

<sup>10</sup> For example, see the following articles: <https://www.npr.org/2019/02/01/689660957/heavy-student-loan-debt-forces-many-millennials-to-delay-buying-homes>; <https://www.usatoday.com/story/money/2020/01/31/student-loans-more-millennials-gen-zers-delay-marriage-reduce-debt/4612295002/>; and <https://www.cnbc.com/2021/06/15/older-millennials-must-balance-student-loans-and-saving-for-retirement.html>.

<sup>11</sup> "Higher Education Outlook," Moody's Investors Service, December 2019, <https://www.aascu.org/meetings/hegrc19/Shaffer.pdf>.

<sup>12</sup> The National Student Clearinghouse estimates 17.9 million students were enrolled prior to the pandemic and only 16.9 million today. Certain sectors of higher ed have seen even more precipitous drops. See "Current Term Enrollment Estimates," National Student Clearinghouse Research Center, June 10, 2021, <https://nscresearchcenter.org/current-term-enrollment-estimates/>.

<sup>13</sup> Stephanie Marken, "Half in U.S. Now Consider College Education Very Important," Gallup, December 30, 2019, <https://www.gallup.com/education/272228/half-consider-college-education-important.aspx>.

# A Question of Value

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The promise of higher education should be accessible to all, and affordability is a critical element of access. But fulfilling the promise of higher education requires us to think beyond price and to issues of value. This perspective has led WGU to adopt three keys that drive our operations and guide our innovation: Access and outcomes must be equitable Completion rates must be on pace with our students' aspirations (not just the traditional six-year pace). Return on investment for graduates must take into account not just what they paid, but what their degrees allow them to earn.

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*Regardless of the cost, we cannot afford education that doesn't lead students to opportunity—even if the education is free to the student.*

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We are a highly affordable institution, but affordability is not enough. We must provide a pathway that students can actually traverse, which does in fact lead them to opportunity.

The national statistics are still underwhelming: only 60 percent of students complete their degrees within six years. For Black students, completion rates are only 41 percent. For independent students—those which WGU was designed to serve—only a third complete their degrees, and it is estimated that they take 84 months to do so. Non-completion drives defaults, but completion isn't a panacea: analysis by Ben Miller while at the Center for American Progress shows that a dozen years after graduation, the average Black bachelor's graduate owed 114 percent of their original loan balance.<sup>14</sup> The Postsecondary Value Commission has found that 649 institutions do not provide students with any economic return after 10 years.<sup>15</sup>

Regardless of the cost, we cannot afford education that doesn't lead students to opportunity—even if the education is free to the student.

<sup>14</sup> Ben Miller, "New Federal Data Show a Student Loan Crisis for African American Borrowers," Center for American Progress, October 2017, <https://www.americanprogress.org/issues/education-postsecondary/news/2017/10/16/440711/new-federal-data-show-student-loan-crisis-african-american-borrowers/>.

<sup>15</sup> "Equitable Value: Promoting Economic Mobility and Social Justice through Postsecondary Education," Postsecondary Value Commission, May 2021, <https://www.postsecondaryvalue.org/wp-content/uploads/2021/07/PVC-Final-Report-FINAL-7.2.pdf>.

# A Future in Which We Invest in the Potential of Every American

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The pace of economic change has quickened in the digital age. In 2016, the World Economic Forum wrote that the pace of change was “shortening the shelf-life of employees’ existing skill sets.”<sup>16</sup> This is true even for those individuals who don’t change jobs: the skills demanded are evolving even for the same roles. In 2018, the World Economic Forum estimated that by 2022, no less than 54 percent of employees would require significant upskilling.

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*We must think of learning as a lifelong process that intersects with the workforce continually.*

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The idea that a college degree prepares students for a 50-year career has long been outdated; instead, we must think of learning as a lifelong process that intersects with the workforce continually. Education cannot be taken as a vaccine, inoculating workers against change at the beginning of their careers. Instead, we must consider it to be a vitamin, taken as regularly as the skill intensity of the labor market demands.

Degrees are a powerful engine of social mobility, but they are not the solution to every upskilling or reskilling need. We must embrace a new generation of pathways to opportunity

including short-duration, competency-based, earn-while-you-learn, on-the-job, and apprenticeship programs that can be expanded rapidly and stack into future opportunities. Our country’s need for education has never been greater, but this does not fit neatly into current, mainstream higher education offerings or policy.<sup>17</sup>

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*Skills are rapidly evolving to be the currency of the labor market.*

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Skills are rapidly evolving to be the currency of the labor market. And as with any marketplace, there must be agreement on the units of measure and the rules of exchange. Congress must embrace a new framework of investment in human capital to enable skills-based, market-aligned education. This framework must include the development of a digital open skills system for American workers and students to align the skills and competencies needed to effectively connect education-to-work. In a time of labor market upheaval, it is of critical importance that job-seekers be able to clearly articulate the value they bring to employers, including learning and skills from both academic and work-based contexts. Congress should facilitate the

<sup>16</sup> “Skills Stability,” World Economic Forum, <http://reports.weforum.org/future-of-jobs-2016/skills-stability/>.

<sup>17</sup> <https://www.stradaeducation.org/publicviewpoint/#dashboard>

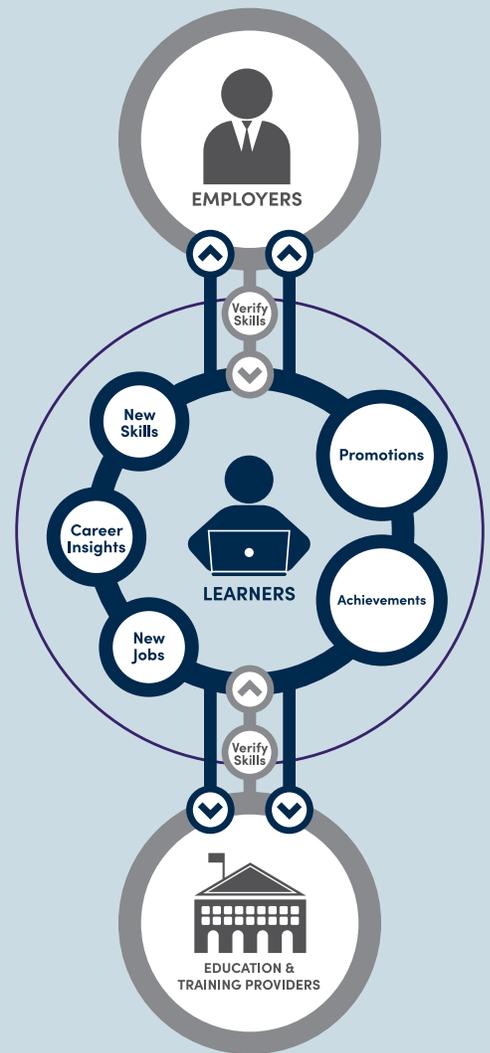
development of secure, student-owned Learning and Employment Records (LERs) to translate a worker's full education, skills, and work experience to a record of transferable skills that will open doors to opportunity.

### Conclusion

In closing, WGU stands ready, willing, and eager to assist Congress as we reimagine the future of higher education and how it can align better with the needs of today's students.

## What is an LER?

A Learning and Employment Record (LER) is a learner-owned, technology-enabled record of verified skills and achievements an individual has accumulated—through formal education as well as on-the-job trainings, military experience, and many informal learning settings.



# Appendix

The challenges we face are indeed great, but not insurmountable. We respectfully offer the following recommendations for the committee's consideration, as you delve into the pandemic's numerous effects on higher education.

## Equity and Access

Many barriers exist between the most underrepresented learners and the high-quality, affordable education they need to enjoy successful careers. WGU dismantles inequity by providing low-cost, flexible pathways to opportunity that help people of color and other underrepresented groups to break the cycle of poverty and participate in the American dream. But far more can be done to ensure that pathways to opportunity are equitable.

### Consider Outcomes Beyond the Average

We encourage investment in the research and evidence-based practices that are known to help end inequities, revamping financial aid to ensure that students of color and other underserved populations have access to funding that meets their needs, and lead efforts to collect and share better data, transparently measuring our collective progress and informing best practices. What works "on average" often doesn't work for all; an equitable approach to evidence-based practices is one that goes beyond the average to take into account outcomes for marginalized groups.

### Double Pell Grant Award Amounts

COVID-19 has undoubtedly affected minority communities disproportionately. We must provide assistance to upskill displaced workers

and keep current students enrolled. A starting place for this would be to double the amount of the current Pell Grants, especially for the most vulnerable students.

### Recognize Students' Material Needs

One of Congress's greatest acts during the pandemic was to provide emergency aid for students, meeting their non-tuition needs, including childcare, housing, food insecurity, lost income, and other emergency expenses. The economic disruption that students faced during the pandemic was profound. However, unforeseen expenses are a feature of life for all of us, even in non-pandemic eras. For financially marginal students, even small material needs—less than \$500—can result in pausing progress toward a degree or dropping out altogether.<sup>18</sup> Emergency aid programs can help students remain in school, and Congress

<sup>18</sup> Christian Geckeler et al., "Helping Community College Students Cope with Financial Emergencies: Lessons from the Dreamkeepers and Angel Fund Emergency Financial Aid Programs," MDRC, 2008, [https://www.mdrc.org/sites/default/files/full\\_383.pdf](https://www.mdrc.org/sites/default/files/full_383.pdf).

can help scale these programs—which could secure strong student and societal outcomes for millions who might otherwise drop out.

### **Protect Student Consumers and Ensure Quality**

In the middle of this pandemic, and unprecedented investments being made in education, it becomes critical, now more than ever, that students are protected. The College Transparency Act is a good step forward with regard to transparency of outcomes in higher education. At WGU, we believe that programmatic-level outcomes must be reported, published, and included as part of periodic accreditation reviews so students can make informed decisions close up. These metrics include graduation rates, student debt rates, default rates, earnings, and market demand for graduates. The lack of consumer protection lays the heaviest burden on those who are least equipped to bear it: first-generation students, low-income students, and students of color.

### **Bridge the Digital Divide**

Every American needs access to high-speed internet to be an engaged and productive member of society. While broadband was once treated as a luxury, it is now critical infrastructure. The impact of COVID has exacerbated the lack of access and quality broadband within some populations and communities. Unfortunately, all too often this has impacted already underserved communities, widening the gap in social mobility and economic equity. High-speed

internet infrastructure is a critical foundation upon which healthy, prosperous communities are built, and yet more than 18 million Americans lack reliable high-speed internet.<sup>19</sup> And of those, 14 million individuals live in rural areas. Broadband is critical for education, healthcare, and work. As an online institution, we understand well this barrier to student success and are working to break it down. We have partnered with the National Governors Association to address the critical issue of broadband access, with a focus on students, specifically adult learners and those seeking postsecondary education opportunities.<sup>20</sup>

We applaud congressional action to provide the Emergency Broadband Benefit to address immediate needs during the pandemic. However, we encourage Congress to make investments in permanent solutions to closing the digital divide—while far from free, these are some of the highest ROI investments our nation can make in this day and age. WGU supports the swift enactment of policies and funding commitments necessary to expand digital access and infrastructure to meet the demands of today's students. WGU will remain engaged, even after affordable access to high-speed internet is available to every American, because that is just the first step to harnessing the power of technology. The next step is ensuring every American is digitally literate and able to utilize this connectivity to learn, work, access healthcare, be an engaged consumer, and generally benefit from broadband access.

<sup>19</sup> "Governor Strategies to Expand Affordable Broadband Access," National Governors Association, November 17, 2020, <https://www.nga.org/center/publications/expand-affordable-broadband/>.

<sup>20</sup> "Governor Strategies."

## Affordable, High-Value Education

### Provide Students with Clear Information and Choice

Beth Akers and Matt Chingos at the Brookings Institute found that 28% of students who had federal loans did not know they had federal loans.<sup>21</sup> WGU's award-winning Responsible Borrowing Initiative focuses on helping students understand loans and encouraging them to borrow only what they need and has resulted in a 32% drop in per student debt at graduation over the past seven years.

We applaud the U.S. Department of Education Federal Student Aid office for adopting a new approach that models what WGU has done since 2013. The new Loan Simulator tool and Annual Student Loan Acknowledgement requirement is a step in the right direction to solving student debt problems at scale.

### Provide Title IV Funding for High-Quality Certificates and Microcredentials

Lifelong learning must become the standard. Prior to the pandemic, too many Americans were met with a disconnected system as they tried to gain the credentials and work experience they need to be successful in the workforce. The federal government must allow federal Title IV and other student financial aid for high-quality, short-term, market-aligned credential programs that stack into lifelong learning opportunities. Academic institutions and employers should be given greater flexibility to innovate, experiment, and improve educational delivery models through high-

quality, short-term, market-aligned credential programs alongside traditional education programs. These programs can create critical pathways to immediate opportunities and can address pressing workforce needs.

### Provide Every American with a Lifelong Learning Account

In November 2017, the Committee for Economic Development of the Conference Board (CED) issued a policy brief with 13 recommendations for reauthorizing the Higher Education Act entitled "How to Reinvigorate Higher Education for the 21st Century."<sup>22</sup> The central recommendation for improving affordability is Lifetime Learning Accounts. Lifetime Learning Accounts would be tax-free accounts, like health savings accounts, which every American would have and which they could use for education, training, or coursework at any eligible provider of higher learning throughout their lives. For each individual, the account would serve as the depository of funds from a wide range of sources, including grants and scholarships (federal/state/local/private), as well as military benefits and employer tuition assistance programs.

Lifetime Learning Accounts would simplify how Americans access student aid. For example, the government and employers could directly deposit whatever gifts, grants, and access to income share agreements or education loans (as a line of credit) that an individual is eligible for into their account. Public or private funds to support retraining or upskilling for

<sup>21</sup> Beth Akers and Matthew M. Chingos, "Are College Students Borrowing Blindly?," Brookings, December 10, 2014, <https://www.brookings.edu/research/are-college-students-borrowing-blindly/>

<sup>22</sup> "How to Reinvigorate Higher Education for the 21st Century," Committee for Economic Development, November 15, 2017, <https://www.ced.org/reports/hea-reauthorization>.

workers who have been displaced from their jobs by technology could be deposited into these accounts. Similarly, savings for future education and training could be deposited into the accounts where it would grow tax-free, like today's 529 accounts.

Americans would be able to easily understand and access the combined total aid that is available to them. The accounts would be designed to deplete grant and gift aid first, before tapping available lines of student loan credit or accessing income contingent equity agreements. For Americans enrolled in a degree or training program, timely completion of the program could be incentivized by tying eligibility for additional grant and loan increments to completion milestones.

### **Transition to Outcomes-Based Funding Models**

In higher education, regulators and accreditors have primarily focused on inputs (verifying that institutions have the right processes and resources in place) rather than student outcomes. Students, parents, and state and federal governments who pay for education pay for enrollment—again, rather than student outcomes. We are unlikely to significantly move the needle on student outcomes if they remain irrelevant to how we regulate and fund institutions.

Some states, like Tennessee, have made significant strides towards outcomes-based funding models. Additionally, private markets—and most recently the state of Indiana—are experimenting with income share agreements, which make the revenue of education providers contingent on students' financial outcomes.

We encourage Congress to support outcomes-based funding models as a critical element in driving institutional accountability and the performance of the higher education sector. This includes moving toward federal models of outcomes-based funding, particularly for non-degree credentials, alternative providers of education, innovative models, and ultimately Title IV institutions. We also encourage Congress to regularize private market forays into income share agreements by passing legislation similar to the ISA Student Protection Act, which was introduced in the Senate in 2019 with bipartisan sponsorship and support. Such legislation will both protect students by providing guardrails for an emerging ISA industry as well as spur innovation among private market participants.<sup>23</sup>

### **Support the Transition to a Skills-Based Labor Market**

New systems and technologies based on skills are emerging to help individuals find jobs, and to help jobs find workers. Improving the efficiency of our labor markets will lower costs for employers in finding qualified workers, will save taxpayer funds that otherwise would have paid extended unemployment benefits, will drive employer investments in education and training, and will improve our national economic competitiveness. A skills-based labor market has tremendous benefits to individuals: it reduces demographic and degree-based biases, makes pathways to opportunity visible and navigable, helps individuals make smart investments in their future, and makes all pathways to learning valuable. Increasingly, employers are looking to higher education to provide learners not just with degrees, but with skills.

<sup>23</sup> Richard Price, "Unlocking the Potential of ISAs to Tackle the Student Debt Crisis," Clayton Christensen Institute, August 15, 2019, <https://www.christenseninstitute.org/publications/isas/>.

At WGU, our competency-based model readily translates into a skills-based language, and we have translated each of the 3,000 competencies across our programs into a skills-based language. We are also working with a range of private sector partners through the Open Skills Network (OSN)—a WGU-led, broad cross-industry coalition dedicated to advancing skills-based education and hiring—to build out an open-sourced skills framework that improves consistency of both learning outcomes and hiring practices for greater value and alignment to students.

A skills-based labor market will enable workers and learners to more rapidly and seamlessly move between education and work along skills-based pathways, and historical inequities in hiring will be reduced as more people will be hired for what they can do and not for where they got their degree. This enables a work-and-learn ecosystem responsive to a fast-moving and ever-evolving workplace, where individuals, employers, and educators are able to keep up with the speed of skilling, reskilling, and upskilling. Individuals will be empowered to understand and communicate the value of their own skills and talent, and employers are able to see that talent and make informed, skills-based hiring decisions.

The federal government should adopt the standards and technologies needed to facilitate frictionless communication of verified skills, credentials, and experiences among individuals, employers, and educational institutions, along with federal funding to

facilitate this necessary transition to skills and competencies for all institutions. Lastly, students would benefit from a common narrative transcript (referred to as the Learning and Employment Record) based on learning objectives, skills, or competencies acquired. The federal government should endeavor to bring about the widest possible adoption of these types of interoperable learning records. These innovative priorities championed by the federal government would ensure that all learning is valued and documented for students, along with seamless transfer of skills and credits among institutions and employers.

### **Fully Embrace Competency-Based Education**

WGU advocates for full recognition of Competency-Based Education (CBE) in federal policy frameworks so that all institutions of higher learning would have the opportunity to pursue this method that allows for a more student-centric focus. CBE has a long, proven record for achieving excellent outcomes for students. CBE has demonstrated success, particularly for nontraditional students, in aligning education to workforce needs, and in reducing the time and cost to degree. Now is the time for Congress not only to provide permanent recognition of CBE programs, but also a clear and smooth pathway to incentivize and accelerate the use of CBE for any institution of higher learning that decides to pursue this method of education. The ultimate result will be more educational offerings that align closely with student and workforce needs.