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What You Need to Know About the Inspector General's Audit of Western Governors U.

By *Beckie Supiano* SEPTEMBER 21, 2017

Western Governors University was [ineligible to participate](#) in federal student-aid programs, according to an [audit](#) conducted by the U.S. Department of Education's Office of Inspector General, and the department should require it to return more than \$700 million.

Western Governors, a nonprofit university founded by 19 U.S. governors in the mid-1990s, is something of a [bipartisan darling](#). It is the largest and most visible institution that uses an [innovative](#) approach to learning called competency-based education, which it offers online. The approach allows students to progress through course material at their own pace instead of adhering to the traditional semester timeline.

Western Governors' efforts are seen as supporting a broadly embraced goal — meeting the educational needs of working adults, particularly those with some college but no degree. And it's won plenty of praise for the model and its results.

Watchers of competency-based education knew that the inspector general was interested in such programs and that an audit of Western Governors was in the works, so its release was not a surprise. But it still sounds a bit shocking: It's not every day that such a high-profile college faces a penalty generally understood to be a death sentence. Here's what we know about the audit and its implications so far:

What does the audit say?

The audit includes several findings. The big one — the reason the inspector general says Western Governors was ineligible for federal financial aid and should be required to return all of that money — is that it didn't follow requirements that distance-education programs be designed to provide students with "regular and substantive interaction" with their instructors.

What's so important about "regular and substantive interaction"?

It's what the law uses to distinguish distance education from correspondence courses, in which students' work is largely self-guided, explained David A. Bergeron, a senior fellow at the Center for American Progress and former longtime official in the Education Department. Students enrolled in correspondence courses have limited access to federal financial aid — a policy that serves as a government check on bad actors.

Western Governors — and its accreditor, the Northwest Commission on College and Universities, which reaffirmed its accreditation this year — says its courses meet the "regular and substantive" standard.

The audit disagrees, finding that at least 37,899 of the university's 61,180 regular students — 62 percent — took at least one course that failed to meet that bar in the 2013-14 award year, and that at least 69 of the 102 courses required by its three largest programs failed to meet the bar. Federal regulations say that an institution in which more than half of the courses offered are correspondence courses, or more than half of its students are enrolled in such courses, isn't eligible for aid. In other words, the university fails both tests.

What accounts for this discrepancy?

The audit relies on "a very narrow application of the regulatory language," said Scott D. Pulsipher, the university's president.

In a traditional college, professors play a number of roles: developing the curriculum, teaching classes, evaluating students' work, and mentoring students. Western Governors has [disaggregated](#) those roles such that the faculty member assessing students' work and the faculty member mentoring a student could be two different people. The whole model is designed to provide lots of faculty interaction to a group of students who may need extra support to succeed in college.

Amy Laitinen, director for higher education with the education-policy program at New America, put it this way in a tweet: "WGU has regular. It has substantive. But not in same person." "I would say it does not have to be in the same person," Ms. Laitinen added in an interview with *The Chronicle*. The inspector general, however, "is saying it does."

The fundamental question here is who counts as a faculty member, Mr. Bergeron said, and "generally, it's up to accreditors and states to decide." In fact, he added, the Department of Education Organization Act bars federal officials from wading into questions of college curriculum and personnel.

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Will the university have to repay more than \$700 million?

The Office of Inspector General cannot revoke a college's access to Title IV student-aid funding. That's up to the secretary of education. Asked whether the secretary, Betsy DeVos, would follow the audit's recommendations, among other questions, a department spokeswoman responded by email: "For now, this is what we're going to say on the record: We are currently reviewing the OIG's report. It is important to note that the innovative student-first model used by this school and others like it has garnered bipartisan support over the last decade."

Experts on higher-ed policy, however, don't expect Ms. DeVos to follow the recommendations. "There is no administration that would ask WGU to give back the money," Ms. Laitinen said.

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The university's president is similarly optimistic. "We have every expectation," said Mr. Pulsipher, "this will be resolved appropriately." The university's model is different, he said, and sometimes misunderstood. But that "doesn't mean what we do doesn't work," he said. "That innovation will continue to win the day."

Could there be other ramifications?

Yes. Even if the secretary rejects the audit's recommendations, that won't happen overnight, Mr. Bergeron said. It's possible that the threat of losing \$700 million — a sum that would jeopardize its future — would be enough to force the university's accreditor or the states that authorize it to operate to take action, he said.

The audit could also have a "chilling effect" on enrollment, which would have financial implications for the university, Mr. Bergeron said.

Seeing such a prominent innovator's model thrown into question could also cause other institutions to become more risk-averse, he added.

But the incident could also have an outcome that advocates of competency-based education would like to see: congressional action to update the legal language cited in the audit for the age of the internet. Despite how it's been applied here, Ms. Laitinen doesn't believe Congress should scrap the provision about faculty involvement — just update it. "The question isn't will Congress do something," she said, "but will Congress do something thoughtful?"

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