

S.L. Tribune, Sept. 27, 2000

WGU Gets Low Marks In Report

Online university backers insist school has a future

BY KIRSTEN STEWART

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Though still in its virtual infancy, Western Governors University might not have what it takes to carve out a niche in the higher education market, according to a legislative review of the online college.

The Sept. 14 audit, a copy of which was obtained this week by *The Salt Lake Tribune*, concludes that the WGU — the brainchild of Gov. Mike Leavitt and Colorado Gov. Roy Romer — faces numerous, possibly insurmountable, challenges. The document cites an insufficient number of tuition-paying students, lack of accreditation and increased competition from other colleges and universities in the field of distance education.

The "informal report" was ordered by the legislature's Audit Subcommittee, which is jointly overseen by Rep. Lyle W. Hillyard, R-Logan, and House Speaker Marty Stephens.

Bob Mendenhall, WGU president, calls the audit "unsubstantiated and inaccurate."

"This is an audit that was done without ever talking to us," he said. The only information auditors asked WGU for was an annual report, based on year-old data, that it handed over last February, said Mendenhall.

An independent audit on the fiscal year ending June 1999 is under way and it shows "us hundreds of thousands of dollars better than budget," he said.

"We continue to get significant funding from corporate partners . . . our student enrollments are up, we just brought out three new degree programs and signed contracts with several new states, institutions and corporations," he said.

WGU was launched in 1997 and heralded by Leavitt and Romer as the first university to deliver college courses

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and competency-based degrees wholly via the Internet, television and mail.

It relies primarily on private corporate donations. The Utah Legislature to date has provided \$1.2 million to the State Board of Regents for the venture, though only \$500,000 reached WGU coffers. It also received \$100,000 in seed money from each of its founding 13 Western states.

Aside from administrative offices in Salt Lake City and academic offices in Aurora, Colo., WGU has no campus to call home. The college relies on dozens of universities and corporations primarily located in the western United States to supply it with curriculum.

WGU recently announced its first undergraduate degree in business, and administrators are looking forward to giving out its first diplomas this month.

But the nonprofit institution has logged more challenges than milestones during the past three years.

In June, a 16-member accreditation team assigned to evaluate WGU held off on granting it candidacy, the second step in a three-step process. The team said it couldn't fairly judge the college using traditional criteria.

The accrediting agency visits WGU again for an on-site review in October. But even if WGU is granted candidacy, full accreditation could take three to five years.

Many college students are hesitant to risk money on a nonaccredited institution, the report states.

But "the most pressing of [WGU's] challenges is the low number of tuition-paying students," says the legislative report.

As of January 2000, there were about 200 degree-seeking students enrolled at WGU, "an insufficient number . . . to support" the college, says the report. Mendenhall says that to date, there are about 230 students enrolled.

A possible cause of low enrollment is WGU's costly tuition, it states. Each degree is priced differently, but the college's Web page says tuition ranges from about \$5,000 to \$7,000 a year.

The average annual cost of tuition for in-state students at the University of Utah is about \$3,000.

Another dimension the report fails to mention is that of WGU's 230 students, only about 109 pay full tuition. That is because 121 students are public-school teachers on full scholarships. WGU offers dozens of these privately funded scholarships annually to teachers in Utah, Wyoming and Washington.

Wayne L. Welsh, legislative auditor general, said yet another hurdle for WGU is the blossoming number of online courses available at colleges across the nation.

"Students can get the same convenience at their home university" that WGU offers, said Welsh.

Online enrollments at Utah's universities show WGU lagging behind, especially considering it has the potential to draw students from more than one state, he said.

Last spring, for example, Weber State University had a total of 3,000 enrollments in online courses. Northern Utah's public four-year university began offering courses over the Internet shortly after WGU's launch and now boasts 150 online courses.

"We haven't satisfied all the demand yet," said Don Gardner, Weber State's director of information technology.

But Gardner says if it weren't for WGU, Weber State wouldn't be where it is today with its distance-education programs.

"WGU was invaluable to us. It provided us with the motivation to start WSU Online and make certain that our efforts were successful. I can't say enough about Gov. Leavitt and the folks who came up with this. They have done a tremendous service to students and education," Gardner said.

So says the legislative audit, which lists this wake-up call as a plus for WGU.