MEETING THE NEEDS OF TODAY’S

WGU TEXAS STUDENT PORTRAIT

ENROLLMENT BY COLLEGE
(As of December 31, 2015)

<table>
<thead>
<tr>
<th>Program</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>3,274</td>
<td>46%</td>
</tr>
<tr>
<td>Teachers</td>
<td>1,439</td>
<td>20%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,286</td>
<td>18%</td>
</tr>
<tr>
<td>Health Professions (including Nursing)</td>
<td>1,073</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,072</strong></td>
<td></td>
</tr>
</tbody>
</table>

ENROLLMENT GROWTH
35% compound 5-year annual growth in enrollment

GROWTH IN CUMULATIVE GRADUATES
41% compound 5-year annual growth in graduates

DISTRIBUTION OF STUDENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>5,831</td>
<td>82%</td>
</tr>
<tr>
<td>Graduate</td>
<td>1,241</td>
<td>18%</td>
</tr>
</tbody>
</table>

STUDENT SNAPSHOT

- The average student age is 37; student ages range from 18 to 69.
- 73% are classified as underserved.
- 40% are ethnic minorities.
- 14% are active military, veterans, or military family members.
- 74% of students receive financial aid.
- 40% of undergraduates receive Pell Grants.

41% of WGU Texas students are first-generation college students.
DELIVERING A BETTER STUDENT EXPERIENCE

The 2015 National Survey of Student Engagement (NSSE) polled more than 315,000 students from nearly 600 U.S. and Canadian institutions. Students gave WGU very high marks, well above the national average, in the following key areas:

<table>
<thead>
<tr>
<th>WGU</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of job-related knowledge and skills</td>
<td>79%</td>
</tr>
<tr>
<td>Challenged to do their best work</td>
<td>77%</td>
</tr>
<tr>
<td>Quality of interactions with faculty</td>
<td>72%</td>
</tr>
<tr>
<td>Quality of academic support</td>
<td>85%</td>
</tr>
<tr>
<td>Would attend the same institution again</td>
<td>92%</td>
</tr>
<tr>
<td>Rating of entire educational experience</td>
<td>93%</td>
</tr>
</tbody>
</table>

- WGU’s one-year retention rate in 2015 was 79%, while the average one-year retention rate at U.S. public four-year institutions was 74%.
- Overall student satisfaction was 96%.
- 94% of WGU students are in good academic standing.
- The average time to a bachelor’s degree is 2 1/2 years.

WGU’s 3-year student loan default rate is 5%, compared with the national average of 11.8%.

WGU is the fourth-largest producer nationally of bachelor’s and master’s degrees in nursing for minorities.

WGU’s tuition of less than $6,000 per year for most programs has not increased since 2008.

WGU is the largest educator of math and science teachers in the U.S., conferring 5% of the nation’s baccalaureate degrees and 15% of the nation’s master’s degrees in STEM teaching.
“With record-setting job growth in Texas over the past year, an educated workforce is more important than ever. WGU Texas is a wonderful option for adults who did not complete college and want to finish and contribute to the strong Texas economy.”

ANDRES ALCANTAR Chairman, Texas Workforce Commission

GRADUATES PREPARED FOR SUCCESS

DELIVERING VALUE

Comparison of results from a 2015 Harris Poll Online survey of 1,255 new college graduates nationwide with a survey of 1,144 WGU graduates.

<table>
<thead>
<tr>
<th>Graduate Satisfaction</th>
<th>WGU</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority of competencies related to work</td>
<td>80%</td>
<td>65%</td>
</tr>
<tr>
<td>Recommended university to others</td>
<td>96%</td>
<td>75%</td>
</tr>
<tr>
<td>Satisfied with overall experience</td>
<td>82%</td>
<td>69%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment Outcomes</th>
<th>WGU</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employed</td>
<td>94%</td>
<td>89%</td>
</tr>
<tr>
<td>Employed in degree field</td>
<td>86%</td>
<td>76%</td>
</tr>
<tr>
<td>Employed full time</td>
<td>86%</td>
<td>74%</td>
</tr>
</tbody>
</table>

INCREASE IN INCOME FOR GRADUATES WITHIN 4 YEARS OF GRADUATION

<table>
<thead>
<tr>
<th></th>
<th>WGU</th>
<th>NATIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$14,700</td>
<td>$8,900</td>
</tr>
</tbody>
</table>

WGU graduates on average **earn $10,600 more within 1–2 years of graduation.** With an average cost of $15,000 for a bachelor’s degree, the return on investment of a WGU degree is less than 2 years.

“WGU Texas is extremely affordable and gave me a high-quality education that makes me marketable in today’s workforce.”

—LuTonya Ray
B.S. Marketing Management
Round Rock, TX
EMPLOYER SATISFACTION
2015 SURVEY OF 305 EMPLOYERS BY HARRIS POLL

- 100% said that their WGU graduates were prepared for their jobs.
- 98% said that WGU graduates meet or exceed expectations; 92% said WGU graduates exceed expectations.
- 93% rated the job performance of WGU graduates as excellent or very good.
- 94% of employers rated the “soft skills” of WGU grads as equal to or better than those of graduates from other institutions.

WGU alumni report higher levels of engagement at work—21% higher than the national average. —WGU-Gallup 2015 Report

“When they say WGU Texas is military-friendly, I’m living proof that it is. Competency-based education and affordable tuition put a college degree within reach.”

—Jack Neal
B.S. Business – IT Management
Corpus Christi, TX

WGU GRADUATES HAVE GREAT JOBS AND GREAT LIVES
GALLUP SURVEY RESULTS

<table>
<thead>
<tr>
<th>Question</th>
<th>WGU</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>My university was the perfect school for people like me.</td>
<td>92%</td>
<td>65%</td>
</tr>
<tr>
<td>I had a mentor who encouraged me.</td>
<td>89%</td>
<td>53%</td>
</tr>
<tr>
<td>My university is passionate about the long-term success of its students.</td>
<td>80%</td>
<td>59%</td>
</tr>
<tr>
<td>I was challenged academically.</td>
<td>83%</td>
<td>77%</td>
</tr>
<tr>
<td>My education was worth the cost.</td>
<td>91%</td>
<td>65%</td>
</tr>
</tbody>
</table>

WGU alumni are almost twice as likely as graduates from other U.S. universities to be thriving in all elements of well-being—purpose, social, financial, community, and physical.

—WGU-Gallup 2015 Report

“Keeping the cost of a higher education affordable for working families is something that is very important to the Texas community. WGU Texas is doing just that by keeping tuition costs steady since it was founded four years ago.”

BILL HAMMOND
CEO, Texas Association of Business
WHAT MAKES COMPETENCY-BASED EDUCATION DIFFERENT

- Measures learning rather than time.
- Competencies—what students need to learn and know—are developed in collaboration with key employers.
- Learning is self-paced, modular, and technology-based.
- Faculty work with students one-on-one, from the day they enroll until the day they graduate.
- Students demonstrate what they know and spend their study time focusing on what they still need to learn.
- Learning is measured through assessments: objective tests, projects, papers, and presentations.

PROMOTING COMPETENCY-BASED EDUCATION

- Working with Congress and the Department of Education to create legislation and regulations that encourage innovation, including competency-based education.
- Collaborating with state agencies to gain wider recognition and acceptance.
- Helping accrediting organizations understand competency-based education and provide for the model in their standards.

SHARING THE MODEL

- Partnering on U.S. Department of Labor TAACCCT Grant to help Austin, Broward, and Sinclair Colleges develop competency-based information technology programs—more than 300 students now enrolled.
- With funding from the Bill and Melinda Gates Foundation and the Lumina Foundation, helping community colleges in Texas, Indiana, Missouri, and Florida develop competency-based degree programs.
- Delivering conferences and webinars for colleges and universities across the country to develop effective competency-based education programs.

THE JOURNAL OF COMPETENCY-BASED EDUCATION

WGU is launching a new peer-reviewed, online journal focused on best practices, trends, and developments related to competency-based higher education. The CBE Journal, which will be published beginning in spring of 2016, accepts submissions from educators, administrators, and policy makers.
WGU TEXAS 2015 HIGHLIGHTS

In 2015, WGU Texas grew statewide enrollment to more than 7,000 students and continued to establish itself as a valuable member of the state’s higher education community. In its fourth year, WGU Texas:

- Honored more than 1,100 graduates during its 2015 commencement ceremony in Austin.
- Increased enrollment by more than 30% from the previous year.
- Developed new partnerships across the state, bringing the total number of partnerships to more than 60, including: Houston Independent School District, Dripping Springs Independent School District, University Health System in San Antonio, Trinity Mother of Frances Hospitals and Clinics, Tyler Technologies, PelotonU, State of Texas employees and retirees.
- Conducted the first WGU Texas Higher Education Poll, which demonstrated the need for an affordable and flexible higher education model in Texas. While 94% of Texans who were polled viewed college as important, 76% of those cited cost as a leading obstacle.

CHANCELLOR AND ADVISORY BOARD

WGU Texas is based in downtown Austin and is led by Chancellor Veronica Vargas Stidvent. Stidvent has served in a number of prominent roles in Texas higher education and federal policy. WGU Texas operates under the guidance of an advisory board composed of corporate, community, and education leaders in the state. WGU Texas Advisory Board members are:

- Andres Alcantar, Chairman, Texas Workforce Commission – Austin
- Patricia Diaz Dennis, Senior Vice President and Assistant General Counsel, Retired, AT&T – San Antonio
- John Fitzpatrick, Executive Director of Educate Texas – Dallas
- Bernie Francis, Owner and CEO of Business Control Systems, and First Class Caregivers, Inc. – Dallas
- Reynaldo Garcia, President and CEO of the Texas Association of Community Colleges – Austin
- Bonnie Gonzalez, CEO, Knapp Community Care Foundation – Weslaco
- George Grainger, Senior Director of Strategic Partnerships, Texas A&M University Foundation – Houston
- Woody Hunt, Chairman and CEO of Hunt Companies – El Paso
- Mark David Milliron, Chief Learning Officer, Civitas Learning – Austin
- William Serrata, Ph.D., President, El Paso Community College – El Paso
- L.E. Simmons, Founder and President of SCF Partners – Houston

“Hispanic business owners need an educated workforce, one ready to meet the challenges of today’s highly competitive global economy. WGU Texas provides an affordable and credible path to get an undergraduate or graduate degree.”

PAULINE E. ANTON
Executive Director and CEO, Texas Association of Mexican American Chambers of Commerce
A CULTURE OF INNOVATION

PERSONALIZED FACULTY SUPPORT

• Faculty Mentor from start to graduation.
• Course Mentors (subject matter experts) for every course.
• Students rate the quality of interactions with faculty 20% higher than the national average.

COMPUTER-BASED CURRICULUM

• Accessible 24/7.
• Interactive, self-paced, adaptive learning.
• Courses acquired from leading providers.

VALID, RELIABLE ASSESSMENTS

• Developed by assessment experts.
• Designed to measure critical job skills.
• Industry-recognized certifications and exams included in many degree programs.
• Robust feedback provided by faculty who are experts in the field.

“WGU constantly monitors the latest advances and innovations in assessment and brilliantly adapts them to provide continuously improved products and services.”

—Lawrence Rudner, Principal, Arcturus Group, and Member, WGU Assessment Council

ONLINE PROCTORING

• Live test proctoring 24/7 at home.
• Secure test administration.
• Self-service scheduling.
• Now being used for 93% of objective exams.

RECOGNIZED BY FAST COMPANY

“For showing public schools another way to do business. The low-cost, self-paced WGU focuses on skills that lead to better jobs in teaching, health care, IT, and business.”
ANALYTICS TO IMPROVE STUDENT SUCCESS
Enabling faculty to provide better, more personalized support to students when they need it.
- Student scorecards report individual student progress to faculty in real time.
- Faculty dashboards highlight student needs and progress.
- Identifies needed changes in curriculum and assessments.

RESPONSIBLE BORROWING INITIATIVE
- Launched in 2013.
- Encourages students to borrow only what they need for tuition.
- Average borrowing per student per year has decreased by 40%.
- Reduced overall student borrowing by $250 million.

MOBILE ACCESSIBILITY
- On any device, at any time for students and prospective students.
- One-tap access to faculty support.
- Push notifications based on student preferences.
- Immediate access to test and assessment results.

E-TEXTBOOKS
- Provided at no additional charge.
- Average savings to students: $1,200 per year.

WELLCONNECT™
Provided to all students at no additional charge, WellConnect Services include:
- Mental health counseling.
- Budget and debt consulting.
- Legal consulting.

EDUCATION FOR THE FUTURE OF HEALTHCARE
- Nation’s largest competency-based nursing programs.
- New Accountable Care learning Collaborative, in partnership with Leavitt Partners and the Brookings Institution.
- New M.S. in Integrated Healthcare Management, developed in collaboration with key industry and policy leaders.

“I’m impressed by the results in places like Western Governors University. Its low-cost online programs rely on competency-based progression, not class time or credit hours. It uses external assessments to evaluate student proficiency.”

BILL GATES
“Why American Colleges Have to Change”
GRADUATE STORIES

Victor Perez, Katy, TX
MBA

Growing up, Victor Perez was taught the importance of hard work and dedication, but higher education was not emphasized in his family. He was the first of eight children to graduate high school and to earn a college degree. Victor earned both an associate’s and bachelor’s degree, but wanted to advance in his career. He thought it would be impossible to find an MBA program that was affordable and flexible enough to allow him to continue working full time. Victor found both at WGU Texas and was attracted to the university because he could complete as many courses as he wanted at a flat rate. After earning his MBA, he was promoted to district manager in human resources at Home Depot.

“I really wanted to find a university in Texas that would give me the most return on the investment in my degree. Because of my experience in healthcare, the competency-based education model helped me complete my degree sooner.”
—Janelle Shepard

Janelle Shepard
Weatherford, TX
MBA Healthcare Management

Janelle loved her job in healthcare management, but she needed additional training to take her career to the next level. After a colleague introduced her to the flexibility at WGU Texas, Janelle enrolled in the MBA Healthcare Management program. She thrived working at her own pace and, a month after graduating from WGU Texas, Janelle was promoted, received a raise, and was appointed to serve on the Texas Higher Education Coordinating Board.

“I really wanted to find a university in Texas that would give me the most return on the investment in my degree. Because of my experience in healthcare, the competency-based education model helped me complete my degree sooner.”
—Janelle Shepard

“It’s never too late to learn and grow. I am so glad that I made the decision, even at the age of 44 years old, to get my master’s degree because it’s already paying off in my career and will continue to do so for years and years to come.”
—Victor Perez

Victor Perez, Katy, TX
MBA

Growing up, Victor Perez was taught the importance of hard work and dedication, but higher education was not emphasized in his family. He was the first of eight children to graduate high school and to earn a college degree. Victor earned both an associate’s and bachelor’s degree, but wanted to advance in his career. He thought it would be impossible to find an MBA program that was affordable and flexible enough to allow him to continue working full time. Victor found both at WGU Texas and was attracted to the university because he could complete as many courses as he wanted at a flat rate. After earning his MBA, he was promoted to district manager in human resources at Home Depot.
Jason Franklin, San Antonio, TX
B.S. Network Design and Management, M.S. Information Security and Assurance

Jason thought he had found career success without a college degree working in IT for the federal government. His career was moving forward until his boss told him that he needed to earn his degree to advance any further. He enrolled at WGU, becoming the first in his family to go to college, and when he graduated, he not only earned his needed bachelor’s degree, but also six industry-standard certifications, immediately earning him a promotion. A short time later, he enrolled in WGU’s M.S. in Information Security and Assurance degree program, completing it in about a year. Thanks to his knowledge, skills, certifications, and two college degrees, Jason is moving forward on his desired career path with the federal government, now serving as an Information Dominance Warfare Officer in the U.S. Navy.

“Because of WGU’s competency-based model I was able to leverage my experience and progress through the courses at my rate. My degrees have opened many doors for me and prepared me with the skills and knowledge I need to succeed.”

—Jason Franklin

Tracy Tanwar
Dallas, TX
M.S. Curriculum and Instruction

Education has been a 20-year journey for Tracy. Two decades after she earned her bachelor’s degree and after spending a decade in the corporate world, Tracy decided to follow her calling and become a teacher. She started as a kindergarten teacher and eventually became an assistant principal. After a couple of years, Tracy decided she “needed more—more resources, more training, just more.” As a busy mother of two, working full time, Tracy needed a higher education solution that provided flexibility—WGU Texas was a perfect fit for her unpredictable schedule. She was able to complete assignments after her kids went to bed or in the morning before they woke up. This was key to her success and she is more effective in her role as an assistant principal.

“Success for me was achieving my dream of furthering my education and knowing I was able to balance work, family, and school to accomplish my goal. It is rewarding to apply what I learned at WGU Texas in my job every day.”

—Tracy Tanwar
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.